

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

**MINUTES**

**Thursday, December 13, 2018**

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, December 13, 2018 at 2 Montgomery Street, City of Jersey City, County of Hudson, State of New Jersey**

**PRESENT:**

**NEW JERSEY**

Hon. Kevin J. O'Toole, Chairman  
 Hon. Richard H. Bagger  
 Hon. Kevin P. McCabe  
 Hon. Raymond M. Pocino

**NEW YORK**

Hon. Jeffrey H. Lynford, Vice Chairman  
 Hon. Daniel J. Horwitz  
 Hon. Gary LaBarbera  
 Hon. George T. McDonald  
 Hon. Rossana Rosado

Richard Cotton, Executive Director  
 Michael E. Farbiarz, General Counsel  
 Linda C. Handel, Secretary

Cheryl Albiez, Senior Public Information Officer, Media Relations  
 Arnaz Ali, Manager, Corporate Transparency, Office of the Secretary  
 James K. Allen Jr., Chief of Staff to the Vice Chairman  
 Adam L. Barsky, Chief of Staff to the Executive Director and Special Counselor  
 Justin E. Bernbach, Director, Government and Community Affairs, New York  
 John Bilich, Chief Security Officer  
 Benjamin M. Branham, Chief Communications Officer  
 Rebecca Cassidy, General Manager, Board Unit, Office of the Secretary  
 Edward T. Cetnar, Director, Public Safety/Superintendent of Police  
 Steven J. Coleman, Deputy Director, Media Relations  
 Janet Cox, Director, Management and Budget  
 Natasha Jean Philipp-Cumberbatch, Senior Executive Correspondence and Support  
 Coordinator, Office of the Secretary  
 Jennifer Davis, Chief Intergovernmental Affairs Officer  
 Clarelle D. DeGraffe, Deputy Director, Rail Transit  
 John C. Denise, Audio Visual Supervisor, Marketing  
 Michael P. Dombrowski, Audio Visual Specialist, Marketing  
 Diannae C. Ehler, Director, Tunnels, Bridges and Terminals  
 Amy H. Fisher, First Deputy General Counsel  
 Kevin Frick, Attorney, Law  
 Robert E. Galvin, Chief Technology Officer  
 Mary Lee Hannell, Chief, Human Capital  
 Milena Kosc, Principal Board Management and Support Specialist, Office of the Secretary  
 Scott Ladd, Assistant Director, Media Relations  
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 Annesa Lau, General Manager, Budget Performance and Analysis, Management and Budget  
 Huntley A. Lawrence, Director, Aviation  
 Stephen Marinko, Assistant General Counsel  
 Michael P. Marino, Director, Rail Transit  
 Ronald Marsico, Director, Media Relations

Michael G. Massiah, Chief Diversity and Inclusion Officer  
 Hugh G. McCann, Director, World Trade Center Operations  
 Daniel G. McCarron, Comptroller  
 Elizabeth M. McCarthy, Chief Financial Officer  
 James E. McCoy, Deputy Secretary, Office of the Secretary  
 Mary K. Murphy, Director, Planning and Regional Development  
 Maria Oliveri, Associate Board Management and Support Specialist, Office of the Secretary  
 Annie O. Persaud, Deputy Director, Management and Budget  
 Steven P. Plate, Chief, Major Capital Projects  
 Alan L. Reiss, Director, World Trade Center Construction  
 Sam Ruda, Interim Director, Port  
 John Shaughnessy, Police Officer  
 Peter D. Simon, Chief of Staff to the Chairman  
 Mark Spector, Director, Real Estate Development Initiatives, Real Estate  
 James A. Starace, Chief Engineer/Director of Engineering  
 Debra M. Torres, Chief Ethics and Compliance Officer  
 Derek H. Utter, Chief Development Officer  
 Lillian D. Valenti, Chief Procurement and Contracting Officer  
 Michael Vozza, Manager, Finance and Business Planning, Rail Transit

Guest:

Edmund Caulfield, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Member of the Public  
 Andre Bou, Supervisor, PATH  
 Michael Brady, Chief Electrical Supervisor, PATH  
 James Cashman, Supervisor, PATH  
 Frank Donadio Chief Mechanical Supervisor, PATH  
 Margaret Donovan, The Twin Towers Alliance  
 Tim Harrington, Train Master, PATH  
 Brian Hodgkinson, Chief Signal Supervisor, PATH  
 Richard Hughes, The Twin Towers Alliance  
 Glen Smiley, Chief Power Distribution Supervisor, PATH  
 Charlene Talarico

Neile Weissman, Complete George  
 Cory Windelspecht, Member of the Public

Topic:

Transportation Issues  
 Navigant Recommendations  
 Navigant Recommendations  
 Navigant Recommendations  
 Navigant Recommendations  
 Transparency  
 Navigant Recommendations  
 Navigant Recommendations  
 Transparency  
 Navigant Recommendations  
 Human Resources Policies and  
 Procedures  
 Widening Paths on GWB  
 Holiday Decorations at HT  
 Entrance

The public meeting was called to order by Chairman O’Toole at 12:17 p.m. and ended at 1:47 p.m. The Board also met in executive session prior to the public session.

**Report on Prior Meeting’s Minutes**

Copies of the Minutes of the meeting of November 15, 2018 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on November 16, 2018. The time for action by the Governors of New York and New Jersey had expired at midnight on December 4, 2018.

## **2019 BUDGET**

Consistent with longstanding Port Authority policy and in keeping with governance best practices, the proposed 2019 Budget is being presented to the Board for its consideration. The proposed 2019 Budget provides for capital and operating expenditures during calendar year 2019 necessary to achieve the Port Authority's goals and objectives.

The proposed 2019 Budget would allocate approximately \$3.3 billion for ongoing operations, maintenance and security at all agency facilities. It represents a fiscally disciplined approach that ensures the agency's continuous safe and secure operation and proper maintenance of an extensive network of transportation assets. The proposed Budget represents an increase of approximately \$70 million, or an inflation-based 2.2 percent, in operating expenses over the prior year's budget. In addition, the budget provides for special targeted incremental spending of \$23 million, which is required to address necessary safety and security initiatives and to accommodate passengers during upcoming weekend Port Authority Trans-Hudson (PATH) rail system shutdowns needed to complete repairs related to Superstorm Sandy. This targeted supplemental spending represents an incremental 0.7-percent increase in spending projected for 2019. It is expected that the 2019 rate of increase, where the expense budget edges above inflation, is a one-time event, and that future increases will return to levels linked to the rate of inflation.

The Budget projects that these expenses would be more than offset by increased revenues of approximately \$123 million, representing an increase of 2.3 percent in comparison to the 2018 Budget. This projected revenue increase is driven primarily by anticipated higher revenues from aviation facilities, as well as higher rental income at the World Trade Center (WTC) and our port facilities.

In addition to providing for operating expenses in the amount of approximately \$3.3 billion, the proposed 2019 Budget includes approximately \$1.3 billion for debt service charged to operations and \$0.2 million for deferred expenses and other programs.

The proposed 2019 capital program of \$3.7 billion represents an investment plan to develop transportation facilities and services that contribute to regional economic growth and prosperity, through significant state-of-good-repair work and resiliency projects at our tunnels, bridges, airports and PATH system, while undertaking major projects to replace aging facilities with modern, state-of-the-art infrastructure. The 2019 Budget capital program is in accord with the 2017-2026 Capital Plan adopted by the Board of Commissioners in February 2017.

The proposed 2019 Budget continues to assume uninterrupted payments from tenants at all facilities, as specified in their lease agreements. The proposed 2019 Budget also provides for direct assistance to the two States for transportation and economic development projects, consistent with statutory, contractual and other commitments of the Port Authority, including agreements with the holders of its obligations.

A provision also is included to reimburse the States of New York and New Jersey for up to \$295,000 of expenses incurred by each of the two States, including staff costs, in reviewing the 2019 Budget.

The Executive Director would implement the 2019 Budget in conjunction with his authority under the By-Laws and other applicable authorizations, and take action with respect to professional, technical, or advisory services, contracts for maintenance and services, construction, commodities (materials, equipment and supplies) and utilities purchases, leasing of equipment, the purchase of insurance, and other actions, including staffing, personnel benefit, classification, range and procedural adjustments.

The Executive Director would effectuate capital plan spending in conjunction with his authority under the By-Laws, and other applicable authorizations, consistent with the proposed 2019 Budget and capital program projections, primarily through the use of Port Authority debt obligations and the Consolidated Bond Reserve Fund. As such, it would be desirable to establish the maximum limit on Consolidated Bond Reserve Fund applications to be used for such purposes, in an amount not to exceed \$2.7 billion (after reimbursement for temporary applications).

The Port Authority's facilities enhance the region's competitiveness and prosperity by providing transportation services that efficiently move people and goods within the region and facilitate access to the nation and the world. The Port Authority strives to better coordinate terminal, transportation and other facilities of commerce in the New York-New Jersey metropolitan region surrounding the Port of New York and New Jersey, and does so by identifying and meeting the critical transportation infrastructure needs that support bi-state commerce, as well as trade in both goods and services between the region and the rest of the nation and world.

The agency meets its responsibility primarily through planning, constructing, financing, and operating trade and transportation infrastructure. It does so within the context of objectives that include enhancing safety and security, implementing new technologies, maintaining and enhancing infrastructure, advancing the delivery of capital programs, increasing agency cost effectiveness, pursuing improvements in regional mobility, and advancing regional economic competitiveness.

The Executive Director's authority, pending final adoption and approval of the annual Budget each year, to make expenditures and undertake contractual commitments, also would be confirmed.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the 2019 Budget of The Port Authority of New York and New Jersey, as set forth below, be and the same hereby is approved and adopted, including authority for the Executive Director, pending final adoption of the annual Budget each year, to make expenditures and undertake contractual commitments:

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**  
**Including Its Component Units**  
**2019 BUDGET**

<i>(in thousands)</i>	Operating	Capital	Debt Service, Deferrals & Other	Total
Chief Communications Officer	\$1,739	\$ –	\$ –	\$1,739
Media Relations	2,825	–	–	2,825
Marketing	10,291	–	–	10,291
Chief Development Officer	716	–	–	716
Environmental & Energy Programs	5,191	–	–	5,191
Ferry Transportation	637	–	–	637
Planning & Regional Development	4,997	–	–	4,997
Project Management	210	8,648	–	8,858
Real Estate	8,697	1,095	–	9,792
Chief Diversity & Inclusion Officer	9,057	–	–	9,057
Chief, Human Capital/ Human Resources	27,732	–	–	27,732
Labor Relations	2,630	–	–	2,630
Chief, Intergovernmental Affairs	5,764	–	–	5,764
Chief, Major Capital Projects / WTC Construction	8,883	344,672	–	353,555
Chief Procurement & Contracting Officer	14,820	1,770	–	16,590
Chief Technology Officer	90,703	–	28,498	119,201
Chief Engineer	94,406	298,054	5,225	397,685
Capital Construction Contracts	–	1,123,465	–	1,123,465
Chief Financial Officer	3,923	–	–	3,923
Comptroller	14,460	–	–	14,460
Financial Planning	2,662	1,200	–	3,862
Management & Budget	6,713	–	–	6,713
Treasury	13,610	–	–	13,610
Storm Mitigation & Resilience	4,083	–	–	4,083
Aviation	816,956	855,299	–	1,672,255
Port	83,360	32,547	–	115,907
PATH	254,303	121,205	–	375,508
Tunnels, Bridges & Terminals	259,559	384,088	16,245	659,892
World Trade Center	172,023	153,471	–	325,494
Operations Services	71,527	2,368	104,132	178,027 (1)
Executive Director	1,491	–	–	1,491
General Counsel / Law	28,498	9,286	–	37,784
Chief Ethics & Compliance Officer	2,231	–	–	2,231
Inspector General / Office of Investigations	16,412	8,701	–	25,113
Audit	10,031	4,881	–	14,912
Office of Continuous Improvement	1,006	–	–	1,006
Secretary	7,108	–	–	7,108
Chief Security Officer	3,416	2,754	225	6,395
Emergency Management	13,283	–	–	13,283
Port Authority Police / Public Safety	521,700	–	15,156	536,856
Security Business Resource Management	10,723	–	–	10,723
Security Operations & Programs	102,131	48,099	4,433	154,663
World Trade Center Security	35,402	210	–	35,612
Corporate Expenditures:				
Amounts in Connection with Operating Asset Obligations	9,529	–	–	9,529
Debt Service   Allocated to Operations & Capitalized Interest	–	242,228	1,305,373	1,547,601
Insurance Premiums & Self-Insured Program Costs	122,369	39,390	–	161,759
Municipal Rents and Payments in Lieu of Taxes (PILOT)	354,250	–	–	354,250
Port Authority Insurance Captive Entity, LLC (PAICE)	574	–	–	574
Corporate Allocations	(20,862)	49,230	2,113	30,481
Regional Programs	243	17,140	–	17,383
Special Project Bonds	74,121	–	–	74,121
<b>Total Port Authority Budget</b>	<b>\$3,286,133</b>	<b>\$3,749,801</b>	<b>\$1,481,400</b>	<b>\$8,517,334</b>

(1) Net after interdepartmental chargebacks to other departments.

; and it is further

**RESOLVED**, that, based upon a requisition of the Governor of the State of New York or the Governor of the State of New Jersey, or the duly authorized designee of each, the Port Authority shall pay to the State of New York or the State of New Jersey, or both, upon receipt of an appropriate expenditure plan from said State, an amount not in excess of \$295,000 to each said State to reimburse said State or States for expenses incurred by said State or States, including staff costs, in reviewing the annual Budget of the Port Authority and any amendments thereto; and it is further

**RESOLVED**, that the provision by the Executive Director of portions of the Port Authority's capital program from time to time, consistent with the 2019 Budget and capital program projections (including the continuing application of the Capital Fund on a temporary basis, subject to reimbursement), by application of moneys in the Consolidated Bond Reserve Fund to the Capital Fund for capital expenditures for the year 2019 in connection with the Port Authority's facilities, shall not, subject to statutory, contractual, and other commitments and financial policies of the Port Authority, exceed \$2.7 billion (after reimbursement for temporary applications).

## **NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL ONE REDEVELOPMENT PROGRAM – TERMINAL OPERATOR AGREEMENTS**

In connection with the development of a new \$2.72 billion, state-of-the-art Terminal One at Newark Liberty International Airport (EWR), which will replace the existing Terminal A, it was recommended that the Board authorize the Executive Director to enter into the following agreements (collectively, the Terminal One Agreements): (1) an agreement with Munich Airport International GmbH, or an affiliate thereof (Terminal Operator), for the performance of operation, maintenance and concessions management services in the new Terminal One, for a term of 15 years; (2) an agreement with the Terminal Operator and the airlines using the existing Terminal A for maintenance and custodial services in Terminal A, until terminal closure; (3) an agreement with the Terminal Operator and the airlines that will use Terminal One, relating to the reimbursement of the Terminal Operator's costs of providing operations and maintenance services; and (4) an agreement with the Terminal Operator granting a lease of the concession space at Terminal One to the Terminal Operator and permitting it to grant sub-leases of such space to concessionaires.

In May 2017, a Request for Qualifications was issued to prequalify firms to participate in a Request for Proposals in connection with Operations, Maintenance, and Concession Management Services, inclusive of an advisory phase, for the Terminal One Redevelopment Program. Four proposers were invited to participate in a subsequent Request for Proposals process that commenced in June 2017. Munich Airport International GmbH (MAI) was the selected proposer. MAI is a wholly owned subsidiary of Flughafen Munchen GmbH (FMG), the owner and operator of Munich Airport in Germany. FMG formed MAI to perform advisory services and terminal management and operations functions at airports around the world, at airports such as Cairo International, Doha International Airport, and Jeddah Airport.

On February 15, 2018, the Board reauthorized the new EWR Terminal One Development Program, which will result in a modern, state-of-the-art, 33-gate terminal that provides airport patrons with a 21<sup>st</sup> century customer experience, amenities and retail offerings. Following its identification as the preferred proposer in January 2018, MAI has been providing advisory services to the Port Authority on the Terminal One design, and has recommended short-term improvements for Terminal A, with the goal of achieving a best-in-class airport terminal experience for our customers.

Pursuant to the Terminal One Agreements, beginning in 2019, the Terminal Operator would assume maintenance and custodial services in Terminal A, under terms similar to the current agreement with AvPorts. The Terminal Operator also would assume concession management services in Terminal A in 2019. These services are currently performed by Westfield Concessions Management, LLC. The Terminal Operator would receive a fixed concession management fee of 3 percent of gross receipts.

The Terminal Operator would deliver an integrated common-use terminal (Terminal One) providing a superior customer experience. The term of the agreement would be 15 years after the full opening of the terminal, currently anticipated in late 2022. As parts of Terminal One are completed, they would be handed over to Terminal Operator, which would perform/coordinate

hold-room fit-out work and concessions-space fit-out work. Full operations, maintenance and concessions management services would be provided as each phase of Terminal One is opened to the public. The Terminal Operator would receive payment directly from the airlines; however, the Port Authority would be liable for operations and maintenance costs at Terminal One only to the extent that select common-use gates in the terminal are underutilized. Based on current projections for gate utilization of the terminal, the Port Authority would not pay any operations and maintenance costs to the Terminal Operator.

Under the terms of the Terminal One Agreements, the Terminal Operator would pay the Port Authority the greater of: (1) a minimum annual guarantee (MAG), calculated at the greater of: (a) an amount per enplaned passenger, or (b) a percentage of the prior year's concession revenue, or (2) the aggregate rent received by the Terminal Operator from the concession operators, less (a) the Terminal Operator's concession management fee and (b) any incentive revenue share payment due to the Terminal Operator in the event that it achieves higher-than-projected rent per passenger. The Terminal One Agreements would acknowledge that the MAG may be adjusted if the Terminal Operator could demonstrate to the Port Authority that concession rents have decreased as a result of defined events outside of the Terminal Operator's control, including potential decreases resulting from the recent revisions to the Port Authority's Airport Minimum Wages Policy.

The Port Authority would designate an authorized representative under the Terminal One Agreements, who would be authorized to make decisions and take actions on behalf of the Port Authority contemplated in the documents, including exercising the Port Authority's rights to grant any necessary approvals and consents or consent to amendments. The Port Authority's initial authorized representative would be the Terminal Commercial Manager for the terminal.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Authority, to enter into the following agreements in connection with the development of a new Terminal One at Newark Liberty International Airport, which will replace the existing Terminal A: (1) an agreement with Munich Airport International GmbH, or an affiliate thereof (Terminal Operator), for the performance of operation, maintenance and concession management services in the new Terminal One, for a term of 15 years; (2) an agreement with the Terminal Operator and the airlines using Terminal A for maintenance and custodial services at Terminal A until terminal closure; (3) an agreement with the Terminal Operator and the airlines using Terminal One, relating to the reimbursement of the Terminal Operator's costs of providing operations and maintenance services; and (4) an agreement with the Terminal Operator granting a lease of the concession space at Terminal One to the Terminal Operator and permitting it to grant sub-leases of such space to concessionaires; 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 ancillary agreements necessary or appropriate in connection with the foregoing transaction; 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 authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

## **PORT OF NEW YORK AND NEW JERSEY – AUTOMOTIVE MANUFACTURERS' INCENTIVE PROGRAM**

It was recommended that the Board authorize the Executive Director to renew the Automotive Manufacturers' Incentive Program (Incentive Program) that encourages the use of Port Authority marine terminal facilities as a port-of-call, for a five-year period, in order to continue to attract new automobile cargo to the Port of New York and New Jersey (Port). The Incentive Program, worth a set dollar value per unit, based on volume and fuel efficiency, would be available to: (1) automotive manufacturers that have not shipped finished vehicles via the Port within the last five years; and (2) automotive manufacturers who currently utilize the Port and have incremental year-over-year volume growth above two percent (with the incentive to be applicable to the amount in excess of such threshold), each for a minimum of 500 and a maximum of 20,000 units annually per manufacturer.

At its special meeting of April 23, 2014, the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, authorized the Incentive Program for a five-year period through December 31, 2018. The Incentive Program was implemented to capture a portion of the growing demand for automobile imports and exports, and to prevent further erosion in the Port Authority's automotive business line. The Incentive Program currently offers a financial incentive to automobile manufacturers that utilize the Port. To date, approximately 129,500 units of incremental finished automobile volume, in approximately 90 or more additional vessel calls, have been eligible for approximately \$950,000 in reimbursement under the Incentive Program. The current program, under which incentives are calculated based on vehicle weight, has received positive feedback from participants.

The current market for finished vehicle sales and supply chain logistics remains dynamic. Cost saving measures and port rationalization by the automobile manufacturers, possible tariff impacts, domestic manufacturing increases and competition from nearby and lower-cost ports of Baltimore, Philadelphia, and Rhode Island, add a competitive port dynamic to this important business line for the Port Authority. As such, the Incentive Program helps to neutralize competitive cost pressure from competing regional ports. The Port Authority anticipates new production volume from Mexico, which will mostly ship via short sea routes to the United States East and Gulf Coasts. The Port remains a destination of choice, due to its proximity to the largest consumer markets in the United States and Canada.

The structure of the proposed renewal of the Incentive Program differs from that of the existing program in two main respects. First, the reimbursement calculation would change from a measurement-ton basis to a per-vehicle basis, allowing for similar average reimbursement per vehicle, but lowering administrative costs for the Port Authority and program participants. Second, for fuel-efficient vehicles meeting certain criteria, an extra dollar would be added to each vehicle reimbursement. Thus, for volumes of 500 to 10,000 vehicles annually, the per-unit incentive would be \$6, or \$7 for fuel-efficient vehicles meeting certain criteria; for volumes of 10,001 to 20,000 vehicles annually, the per-unit incentive would be \$7, or \$8 for fuel-efficient vehicles meeting certain criteria. The incentive would be paid directly to each qualified automobile manufacturer at the end of the respective calendar year.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a renewed Automobile Manufacturers' Incentive Program (Incentive Program) encouraging the use of Port Authority marine terminal facilities as a port-of-call by providing automobile manufacturers with an incentive worth a set dollar value per unit, based on volume and fuel efficiency, would be available to: (1) automotive manufacturers that have not shipped finished vehicles via the Port of New York and New Jersey (Port) within the last five years; and (2) automotive manufacturers who currently utilize the Port and have incremental year-over-year volume growth above two percent (with the incentive to be applicable to the amount in excess of such threshold), each for a minimum of 500 and a maximum of 20,000 vehicle units annually, be and it hereby is authorized, for a five-year period from January 1, 2019 through December 31, 2023, 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 take any and all action to effectuate the foregoing Incentive Program, including the execution of agreements, contracts and other documents to facilitate such action, together with amendments and supplements thereof, including amendments and supplements to existing agreements, and to take action in accordance with the terms of such agreements, contracts and other documents, as may be necessary in connection therewith; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing Incentive Program shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**ELIZABETH-PORT AUTHORITY MARINE TERMINAL – DIPINTO  
INTERNATIONAL LOGISTICS, INC. – NEW LEASE EP-316**

It was recommended that the Board authorize the Executive Director to enter into a lease agreement (Lease) with DiPinto International Logistics, Inc. (DiPinto), to provide for the letting of approximately 138,400 square feet of warehouse and office space and 127,600 square feet of associated open area at Building 1400 at the Elizabeth-Port Authority Marine Terminal (EPAMT), for a five-year and two-month term commencing January 1, 2019, with one five-year extension option exercisable with both parties' consent.

DiPinto, a warehousing and distribution company, would use and occupy the premises for storage and distribution of general cargo, including food products. Under the Lease, DiPinto would receive a rental waiver for the first 60 days of the term, so that, during this period, it could prepare the premises for the start of DiPinto's operations. The aggregate rental over the five-year and two-month term of the Lease would be approximately \$6.6 million. DiPinto would also receive a tenant improvement allowance in the form of a rental credit to improve Building 1400. The rent credit would be applied once improvements were completed, based on the total final construction cost thereof. DiPinto would have full maintenance and repair responsibilities for the premises, structural or otherwise.

DiPinto has engaged The Blau & Berg Company of New Jersey (Blau & Berg) as the procuring broker for this transaction. The Port Authority would pay to Blau & Berg a brokerage commission, pursuant to a separate broker agreement, in the estimated amount of \$341,536.97.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) Lease EP-316 with DiPinto International Logistics, Inc., to provide for the letting of approximately 138,400 square feet of warehouse and office space and 127,600 square feet of associated open area at Building 1400 at the Elizabeth-Port Authority Marine Terminal, for a five-year and two-month term commencing January 1, 2019, with one five-year extension option exercisable with both parties' consent; and (2) a related brokerage agreement with The Blau & Berg Company of New Jersey, each substantially in accordance with the terms outlined to the Board; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other agreements necessary or appropriate in connection with the foregoing; and it is further

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

**WORLD TRADE CENTER SITE – SITE-WIDE PROPERTY MANAGEMENT SERVICES CONTRACT – AUTHORIZATION OF FUNDING**

It was recommended that the Board authorize the Executive Director to: (1) expend up to \$50.7 million for the period from January 1, 2019 through December 31, 2019, for management, operation and maintenance services for certain properties and infrastructure at the World Trade Center (WTC) site from the existing site-wide property management contractor, Cushman & Wakefield, Inc. (C&W), and to provide for payments to C&W as follows: (a) an amount of up to \$12.7 million for direct staff costs and benefits and reimbursable expenses required to manage, operate and maintain the site; and (b) an amount of up to \$38 million for contract services retained by C&W on the Port Authority's behalf, including for repairs, maintenance and procurement of materials to operate the site; and (2) pay a management fee to C&W of up to \$850,000 for the one-year period from January 1, 2019 through December 31, 2019, with up to 20 percent of such amount subject to a quarterly performance review process, from the total amount of \$5.5 million previously authorized by the Board on May 29, 2013 for the payment of such fees.

The Port Authority is responsible for the operation, maintenance and management of certain properties and infrastructure at the WTC site, including the Vehicular Security Center; the Vehicle Roadway Network; the WTC Transportation Hub, excluding the retail net lessee-managed retail space; the Central Chiller Plant and Hudson River Pump Station; the Primary Electrical Distribution Center; the East/West Concourse to Brookfield Place; the East and West Bathtub slurry walls; Liberty Street Park; the WTC Hub Plaza and the Port Authority Trans-Hudson (PATH) fare zone, with the exception of the track level, which is the responsibility of PATH Corporation. Property management services are necessary to commission, operate and maintain these assets.

At its meeting of May 29, 2013, the Board authorized the Executive Director to: (1) award a contract to C&W to provide long-term management, operation and maintenance of WTC site-wide properties, including public spaces at the site, and centralized infrastructure, for a seven-year term ending in May 2020, with three one-year renewal options, subject to annual approval of payments to be made to C&W in consideration of the changing nature of the services performed under the contract as construction of the WTC site is increasingly complete; (2) pay to C&W a management fee, in a total amount of up to \$5.5 million (for an average cost of \$785,000 per year), for the seven-year base term of the agreement, with up to 20 percent of such amount to be subject to a performance review process; (3) pay an amount of up to \$4,752,000, inclusive of an allowance of up to eight percent for extra work, if necessary, for C&W's management and oversight staff, operations and maintenance staff, and reimbursable expenses in connection with the initial year of the contract, with payments for future years to be subject to further authorization by the Board; and (4) pay to C&W an amount of up to \$5,076,000, inclusive of an allowance of up to eight percent for extra work, if necessary, for service contracts in connection with the initial year of the contract, with payments for future years to be subject to further authorization by the Board.

At its meeting of May 28, 2014, the Board authorized the Executive Director to expend an amount of up to \$11.1 million for the period from July 1, 2014 through December 31, 2014, for the continued management, operation and maintenance of the WTC site through C&W, to provide for payments to C&W as follows: (1) an amount of up to \$3.7 million for management and oversight staff, operations and maintenance staff, and reimbursable expenses for a six-month period; and (2) an amount of up to \$7.4 million, inclusive of an allowance of up to six percent for

extra work, if necessary, for service contracts for the six-month period, in each case, with payments for future periods to be subject to further authorization by the Board.

At its meeting of December 10, 2014, the Board authorized the Executive Director to expend an amount of up to \$28.8 million for the period from January 1, 2015 through December 31, 2015, for the continued management, operation and maintenance of the WTC site through C&W, to provide for payments to C&W as follows: (1) an amount of up to \$7.4 million for management and oversight staff, operations and maintenance staff, and reimbursable expenses; and (2) an amount of up to \$21.4 million for service contracts, repairs, maintenance, and materials, in each case, with payments for future periods to be subject to further authorization by the Board.

At its meeting of December 10, 2015, the Board authorized the expenditure of \$36.5 million for the period from January 1, 2016 through December 31, 2016, for the continued management, operation and maintenance of the WTC site through C&W, providing for payments to C&W as follows: (1) an amount of up to \$8 million for management and oversight staff, operations and maintenance staff, and reimbursable expenses; and (2) an amount of up to \$28.5 million for necessary service contracts, repairs, maintenance and materials, in each case, with payments for future years subject to further authorization by the Board.

At its meeting of December 8, 2016, the Board authorized the Executive Director to expend an amount of up to \$51.3 million for the period from January 1, 2017 through December 31, 2017, for the continued management, operation and maintenance of the WTC site through C&W, providing for payments to C&W as follows: (1) an amount of up to \$12.9 million for management and oversight staff, operations and maintenance staff, and reimbursable expenses; (2) an amount of up to \$33.7 million for necessary service contracts, repairs, maintenance and materials; and (3) an amount of up to \$4.7 million for capital asset upgrades and replacement costs, in each case, with payments for future periods to be subject to further authorization by the Board.

At its meeting of December 7, 2017, the Board authorized the Executive Director to expend an amount of up to \$52.3 million for the period from January 1, 2018 through December 31, 2018, for the continued management, operation and maintenance of the WTC site through C&W, providing for payments to C&W as follows: (1) an amount of up to \$13.2 million for management and oversight staff, operations and maintenance staff, and reimbursable expenses; (2) an amount of up to \$39.1 million for necessary service contracts, repairs, maintenance and materials, in each case, with payments for future periods to be subject to further authorization by the Board.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) expend up to \$50.7 million for the period from January 1, 2019 through December 31, 2019, for management, operation and maintenance services for certain properties and infrastructure at the World Trade Center site from the existing site-wide property management contractor, Cushman & Wakefield (C&W), and to provide for payments to C&W as follows: (a) an amount of up to \$12.7 million for direct staff costs and benefits and reimbursable expenses required to manage, operate and maintain the site; and (b) an amount of up to \$38.0 million for contract services retained by C&W on the Port Authority's behalf, including for, repairs, maintenance and procurement of materials to operate the site, in each case, with payments for future periods to be subject to further authorization by the Board; and (2) pay a management fee of up to \$850,000 for the one-year period from January 1, 2019 through December 31, 2019, with up to 20 percent of such amount subject to a quarterly performance review process, from the total amount of \$5.5 million previously authorized by the Board on May 29, 2013 for the payment of such fees; 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 authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT - REDEVELOPMENT –  
AUTHORIZATION OF PHASE II PLANNING AND AUTHORIZATION OF  
WORK-ORDER PROGRAM FOR RELATED CONSTRUCTION SERVICES**

The Port Authority desires to commence Phase II of its planning efforts towards achievement of the proposed redevelopment of John F. Kennedy International Airport (“Airport”), as contemplated by the 2017-2026 Capital Plan. In order to prepare for the redevelopment and adhere to project milestone schedules, it is advantageous for the Port Authority to begin early works projects (“Early Works”) at this time, including enabling work on-Airport to support the development and construction of terminals by private developers. It was therefore recommended that the Board authorize expenditures from the overall project allocation in the Capital Plan, in an amount not to exceed \$100 million, including payments to contractors, allowances for extra work (if necessary), payments to consultants, and planning, engineering, administrative and financial expenses (bringing the total authorized planning amount for the redevelopment to \$150 million), for: (i) implementation of planning for Early Works projects, including: capacity improvements for AirTrain JFK; a new multi-use aircraft facility; extension of Taxiway K4; a new ground transportation center; and a new central electrical substation; (ii) continued planning for the overall redevelopment of the Airport, including work to support specific terminal redevelopments; (iii) the provision of funds for a community outreach office, proximate to the Airport, as part of the Port Authority’s community outreach activities to local residents and business owners in connection with the Airport redevelopment; (iv) the Executive Director to retain professional, technical and advisory services to complete contractual matters and for other planning activities, at an aggregate amount not to exceed \$40 million, which is included in the total Phase II planning cost; and (v) the Executive Director to establish a competitively procured work-order program in order to advance certain construction work associated with the Airport redevelopment, at an amount not to exceed \$10 million, which is included in the total Phase II planning cost.

On February 16, 2017, the Board authorized the expenditure of up to \$50 million for initial planning work for future Airport redevelopment, including development of an Airport master plan, and the Port Authority accordingly awarded contracts for professional and advisory services to HNTB New York Engineering and Architecture, P.C. and Mott MacDonald NY, as well as contracts for legal, financial services, and environmental and permitting consultants (collectively, the “Third Party Service Agreements”). On October 25, 2018, the Board authorized the Executive Director to negotiate exclusively with two developer groups (“Developer Groups”) to enter into lease arrangements for design, construction, financing, ownership and operation of two new terminal complexes.

In furtherance of the redevelopment, the Port Authority expects to design and construct certain improvements and facilities on-Airport, but outside the terminals, including: capacity improvements for AirTrain JFK; a new multi-use aircraft facility to be shared among all air carriers; extension of Taxiway K4 to better manage current volumes of traffic on the airport’s taxiways; a new ground transportation center; and a new central electrical substation. This Port Authority Early Work must commence promptly and proceed expeditiously in order to adhere to milestone schedules agreed upon with the Developer Groups. The Phase II planning would support planning for the Early Works projects, as well as overall Airport redevelopment efforts, including the submission of environmental documents required by the Federal Aviation Administration (FAA) pursuant to the National Environmental Policy Act (NEPA). In addition, the Port Authority would establish an Airport-wide work-order program to engage appropriate contractors solicited from a prequalified list to perform general construction work, such as structural steel erection,

masonry, building finishes, fire protections, heating, ventilation and air conditioning, and similar tasks, for contracts, in an amount not to exceed \$10 million, under this authorization.

Planning support for the Early Works projects that are the obligation of the Port Authority would be procured via competitive solicitation processes, with the exception of support services for the AirTrain JFK improvements. Planning support would also continue to be retained through the existing Third Party Service Agreements.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that Phase II planning efforts and supporting construction work for the John F. Kennedy International Airport (the "Airport") redevelopment project (the "Project"), at a total estimated amount of \$100 million, be and it hereby is authorized, including: (i) planning for the overall Airport redevelopment and certain improvements and facilities on-Airport, but outside the terminals, including capacity improvements for AirTrain JFK; a new multi-use aircraft facility shared among all air carriers; extension of Taxiway K4 to better manage current volumes of traffic on the airport's taxiways; a new ground transportation center; and a new central electrical substation; (ii) payments to contractors, allowances for extra work (if necessary), payments to consultants, and planning, engineering, administrative and financial expenses; and (iii) the provision of funds for a community outreach office, proximate to the Airport, as part of the Port Authority's community outreach activities to local residents and business owners; 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 the award and modification of contracts and agreements with consultants in furtherance of the Phase II planning efforts, and to take other actions necessary and appropriate to effectuate the foregoing, at an amount not to exceed \$40 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 establish a competitively-procured Airport-wide work-order program, and to engage appropriate contractors solicited from a prequalified list to perform general construction work in connection therewith, in support of Airport redevelopment work, such as structural steel erection, masonry, building finishes, fire protections, heating, ventilation and air conditioning, and similar tasks, in an amount not to exceed \$10 million, in furtherance of the Phase II planning efforts and related activities; 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 such actions as may be appropriate from time to time to effectuate the environmental reviews and analyses pertaining to the Airport Redevelopment; 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 additional contracts for professional and advisory services and such other contracts and agreement as may be necessary or desirable to effectuate the foregoing planning and early works efforts, 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 the General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by the General Counsel or his authorized representative.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – AUTHORIZATION OF VARIANCES TO NEW YORK CITY BUILDING CODE REQUIREMENTS FOR THE TWA FLIGHT CENTER**

It was recommended that the Board: (i) accept the recommendation of the Chief Engineer that code variances from existing New York City building code requirements for the TWA Flight Center Hotel (“TWA Hotel”) at John F. Kennedy International Airport (“JFK”) are warranted, and a variance from that code would not result in life safety issues, assuming certain mitigations are implemented as anticipated; and (ii) delegate to the Executive Director the authority to provide a variance from such building code requirements, upon fulfillment of certain conditions, as outlined below.

The TWA Hotel was built in 1962 as the TWA terminal building at JFK. It is considered an important architectural site and has been designated as a landmark under federal, state and local law. Such designation means that any modification or renovation of the site must be submitted to the New York State Historic Preservation Office (“SHPO”) for approval, limiting the nature of changes that can be made to preserve the historic significance of the site. The TWA Hotel site was leased by the Port Authority in 2016 to Flight Center Hotel LLC (“Developer”), an entity controlled by an investor group led by MCR Development. Although in compliance with all relevant New York City codes when built, the TWA Hotel does not meet certain requirements of the 2014 New York City building codes related to roof modifications for fire suppression, pathways for ingress and egress, and provision of certain safety barriers. Modifications to meet the code would likely be impracticable or impossible, and SHPO has indicated that it would not approve the modifications because of their impact on the historic preservation of the building.

Pursuant to actions taken by the Board and a Committee of the Board in 1993 (collectively “Prior Board Actions”), the Port Authority voluntarily conforms with applicable municipal codes affecting construction, except where variances from such conformance is warranted because conformance would unfavorably affect the efficiency and/or economy of the facility in question and where the code’s safety objectives can be met through alternative means. The Prior Board Actions also authorized the Executive Director to enter into memoranda of understanding (MOU) with various code entities, including the New York City Department of Buildings (“NYC DOB”) and the New York City Fire Department (“FDNY”), relating to their respective obligations related to code compliance. Pursuant to that authorization, the Port Authority subsequently entered into MOUs with NYC DOB and FDNY, under which the Port Authority is required to, among other things, advise the respective entity of any proposed variances to building and fire codes.

After consideration, the Chief Engineer recommended that variances from the New York City building code be authorized, upon fulfillment of certain conditions. In informal discussions with the FDNY, the FDNY has agreed that the variances present no life safety issues, and written confirmation has been requested; a formal request for concurrence by the NYC DOB has also been made (such concurrences are hereinafter referred to as the “Code Concurrences”). In addition, staff has discussed the matter with the Mayor’s Office for People with Disabilities, which has supported the proposed design.

In making his recommendation, the Chief Engineer relied, in part, on the report of a fire expert from ARUP, an Engineering Company, which concludes that the proposed design, including code variances, will provide a safe facility. The Chief Engineer has also relied on a

commitment from the Developer that the Developer will implement a written safety management procedure acceptable to the Port Authority as an additional mitigant (the “Mitigation Procedures”).

In accordance with their obligations as set forth in existing Port Authority procedures, and subject to receiving the Code Concurrences and the final Mitigation Procedure, the Aviation, Engineering, Law, Public Safety and Treasury Departments and the Executive Director each support the recommendation to the Board, as herein described.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Board does hereby determine to accept the recommendation of the Chief Engineer that, in the case of the TWA Hotel, variances from the New York City Building and Fire Codes are warranted; and it is further

**RESOLVED**, that the Executive Director be and he hereby is delegated the authority to grant the variances requested, so long as he has received, and the Chief Engineer has approved, the Code Concurrences and the Mitigation Procedures, as consistent with the Chief Engineer's recommendation.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL ONE REDEVELOPMENT PROGRAM – MODIFICATION OF BOARD AUTHORIZATION FOR NEW LEASE AGREEMENT WITH EWR CONRAC LLC FOR A CONSOLIDATED RENTAL CAR FACILITY TO EXTEND DATE FOR COMMERCIAL CLOSING**

It was recommended that the Board: (i) extend the date by which the lease (“Lease”) with EWR Conrac, LLC (“Conrac Entity”) at Newark Liberty International Airport (“EWR”) must be signed (“Commercial Closing”), to match the date by which the financing thereunder is required to be available (“Financial Closing”); and (ii) permit the Port Authority to mandate the EWR rental car companies (“RACs”) to continue, between December 31, 2018 and March 31, 2019, to collect certain fees from their customers in connection with the Lease, notwithstanding that Commercial Closing may not have occurred by December 31, 2018. The Lease provides for the design, construction, financing, operation and maintenance of a three-story consolidated car rental facility (“CONRAC”), to be constructed concurrently with a 3,000-space, three-story parking facility (“Parking Facility”) above the CONRAC, to be owned and operated by the Port Authority.

On November 15, 2018, the Board authorized the Port Authority to enter into the Lease on or before December 31, 2018, subject to reaching Financial Closing not later than March 31, 2019. Previously, on July 26, 2018, the Board authorized, among other things, the expenditure of up to \$170 million for the EWR Terminal One Program, in order to construct the Parking Facility, and authorized the Executive Director to negotiate with Conrac Solutions Capital, LLC (“Conrac Developer”) to build the Parking Facility above a full-service CONRAC, as the RACs had proposed, and on December 17, 2017, the Board had authorized the provision of \$8 million to fund 50 percent of the cost of a study to determine the feasibility of the integrated CONRAC/Parking Facility, which study determined that the integrated facility was viable and financeable, with a construction cost for the Parking Facility not to exceed \$110 million.

As reported to the Board on November 15, 2018, Port Authority staff continues to believe that the resulting proposed transaction is superior to a stand-alone public parking lot built by the Port Authority. Due to the bank commitment process for the transaction, continuing negotiations with the RACs and site logistics determinations, the current resolution would provide flexibility to authorize the parties to reach Commercial Closing and Financial Closing simultaneously, not later than March 31, 2019. As contemplated, the RACs would continue to collect CFCs until Financial Closing, under a temporary supplement to their existing privilege permits, and, on Financial Closing, would enter into new privilege permits to continue to conduct business at EWR. No other changes to the transaction are anticipated.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Board’s action, at its meeting of November 15, 2018, entitled, “*Newark Liberty International Airport – Terminal One Redevelopment Program – New Lease Agreement with EWR CONRAC LLC for a Consolidated Rental Car Facility, Related Fire Code Variance, and Authorization to Collect Certain Additional Fees,*” be and it hereby is amended, to provide that the date by which commercial closing for the CONRAC project is required to occur is extended to March 31, 2019, and the period of collection of customer facility charges mandated by the Port Authority to be collected for the CONRAC prior to financial closing by the rental car companies doing business at Newark Liberty International Airport, is no longer contingent on reaching commercial closing by December 31, 2018, in each case, in order to accommodate a later commercial closing for the CONRAC project than previously anticipated; 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 or agreements necessary or appropriate to effectuate the foregoing; 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 the General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by the General Counsel or his authorized representative.

## **WORLD TRADE CENTER SITE - RIVER WATER PUMP STATION UPGRADES – PLANNING AUTHORIZATION**

It was recommended that the Board authorize planning and engineering work for the rehabilitation of the World Trade Center (WTC) River Water Pump Station (RWPS), at an estimated total planning cost of \$5 million.

This authorization would provide for planning for a future project to rehabilitate the RWPS, in order to maintain a state of good repair and maintain accordance with regulatory requirements and standards. The RWPS, located in Battery Park City, draws water from the Hudson River and delivers it to the WTC Central Chiller Plant (CCP) for use in generating chilled water. The chilled water is used for cooling needs at the WTC complex, with the exception of the commercial office towers. After being used by the chillers in the CCP, the warmer water is discharged back into the Hudson River through an outfall into the North Cove.

Use of the river water is regulated by the State Pollution Discharge Elimination System (SPDES) permit issued by the New York State Department of Environmental Conservation. The SPDES permit regulates flow of water and discharge temperature limits. The permit also includes performance standards for entrainment and impingement of marine life. The RWPS includes traveling screens, designed to exclude fish and other marine life. Impingement refers to fish that become trapped, or “impinged,” on the screens, due to a velocity higher than they can escape. Entrainment refers to the fish eggs and larvae that pass through the screen openings. The SPDES permit requires the Port Authority to reduce annual impingement and entrainment mortality, by 95 percent and 84 percent, respectively, from pre-September 11, 2001 levels.

The rehabilitation work would prevent the continued deterioration of the RWPS and allow for continued use of river water for the CCP at the WTC site under the SPDES permit. This planning effort would provide for system enhancements to ensure optimal CCP operations, in order to accommodate the cooling needs of the new WTC site facilities as they are turned over to operations, extending the life of the RWPS. The proposed planning effort would review options for replacement of infrastructure and equipment located at the RWPS, including screens, sluice gates, access hatches and equipment for providing emergency power, as well as rehabilitation of the pump room and integration with the building management system at the WTC. Because Hudson River water is brackish in this area, components of the river water system would be protected against corrosion by using coatings or by selection of corrosion-resistant materials. The work would also include planning for sediment removal around the pipes. System improvements would also reduce impingement and entrainment of fish, fish eggs and larvae, in accordance with the performance standards of the SPDES permit.

Professional technical advisory and design services would be retained pursuant to competitive procurement(s) to support the planning effort. These services would support work required to rehabilitate certain infrastructure at the RWPS and to ensure the system is operated in compliance with the conditions of the SPDES permit.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that planning and engineering work for the rehabilitation of the World Trade Center River Water Pump Station, at an estimated total planning cost of \$5 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 take action with respect to contracts for professional technical and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning and engineering work, 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 authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

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Secretary