

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES Thursday, July 28, 2011

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, July 28, 2011 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
 Hon. Virginia S. Bauer
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. William P. Schuber
 Hon. David S. Steiner

NEW YORK

Hon. H. Sidney Holmes III
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. Scott H. Rechler

Christopher O. Ward, Executive Director
 William Baroni, Jr., Deputy Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Susan M. Baer, Director, Aviation
 Ernesto L. Butcher, Chief Operating Officer
 Steven J. Coleman, Assistant Director, Media Relations
 Michael P. DePallo, Director, Rail Transit
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
 John J. Drobny, Director, Security Projects, Chief Operating Office
 Michael G. Fabiano, Chief Financial Officer
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Michael B. Francois, Chief, Real Estate and Development
 Richard Friedman, Manager, Special Projects, Office of Environmental and Energy Programs
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Andrew T. Hawthorne, Director, Marketing
 Mark D. Hoffer, Director, New Port Initiatives, Port Commerce
 Kara E. Hughes, Senior External Relations Client Manager, Government and Community Affairs
 Howard G. Kadin, Esq., Law
 James A. Keane, General Manager, Inspection and Safety-Risk Management, Operations Services
 Kirby King, Director, Technology Services
 Louis J. LaCapra, Chief Administrative Officer
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Conor Lanz, Special Assistant to the Executive Director
 Richard M. Larrabee, Director, Port Commerce
 Jamie E. Loftus, Chief, Public and Government Affairs
 Stephen Marinko, Esq., Law
 Ronald Marsico, Assistant Director, Media Relations
 Daniel G. McCarron, Comptroller
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Patrick O'Reilly, Advisor to the Chairman

Paul A. Pietropaolo, Corporate Information Security Officer, Office of the Secretary
Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary
Desiree Ramos, External Relations Client Manager, Government and Community Affairs
Brian W. Simon, Director, Government and Community Affairs, New York
Timothy G. Stickelman, Assistant General Counsel
Gerald B. Stoughton, Director, Financial Analysis
Robert A. Sudman, Director, Audit
Ralph Tragale, Assistant Director, Public Affairs, Aviation
David B. Tweedy, Chief, Capital Programs
Lillian D. Valenti, Director, Procurement
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary
Philippe Visser, Director, World Trade Center Redevelopment
Andrew S. Warshaw, Chief of Staff to the Executive Director
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director
William Young, Client Manager, Government and Community Affairs
Peter J. Zipf, Chief Engineer

Guests:

Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Member of the Public
Margaret Donovan, Twin Towers Alliance
Richard Hughes, Twin Towers Alliance
John Francis McNeece, Jr., Member of the Public

The public meeting was called to order by Chairman Samson at 1:49 p.m. and ended at 2:14 p.m. The Board met in executive session prior to the public session, and on July 19, 2011.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of June 30, 2011. 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 July 1, 2011. She reported further that the time for action by the Governors of New York and New Jersey expired at midnight on July 18, 2011.

Whereupon, the Board unanimously approved the Minutes of the meeting of June 30, 2011.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on July 26, 2011, which included discussion of matters involving external or internal investigations or audits, and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Governance and Ethics Committee

The Governance and Ethics Committee reported, for information, on matters discussed in public session at its meeting on July 28, 2011, which included discussion on a proposed supplement to the By-Laws, discussion on bi-State and corporate trends in governance and ethics, compliance with certain legal and regulatory requirements, and the Commissioners' Code of Ethics, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on July 28, 2011, which included discussion of matters related to the purchase, sale, or lease of real property or securities, where disclosure would affect the value thereof or the public interest, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public session at its meeting on July 28, 2011, which included discussion of a project for the replacement of two restricted service road bridges at John F. Kennedy International Airport, a project for the rehabilitation and widening of Taxiway P at John F. Kennedy International Airport, and a review of the status of several significant capital projects, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public and executive sessions at its meeting on July 28, 2011, which included discussion of several contracts and agreements in connection with the continued development of the World Trade Center site, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Special, Interim Meeting of the Committee on Operations

In view of the absence of a quorum for the Board to act on a matter to be considered at its meeting on July 28, 2011, consistent with the Board's resolution of December 15, 1994, a special, interim meeting of the Committee on Operations was held. At the meeting, the Committee acted for and on behalf of the Board on a matter included on the agenda for the Board meeting. A copy of the minutes of the special, interim meeting of the Committee on Operations held on July 28, 2011 is included with these minutes.

Chairman's Report

On behalf of the Board, Chairman Samson welcomed Commissioner William "Pat" Schuber and congratulated him on his recent appointment to the Board.

The Chairman also reported on the Port Authority's plans to mark the 10th anniversary of the September 11, 2001 terrorist attacks on The World Trade Center and the memory of those lost on that day, as well as those lost as a result of the first terrorist attack on The World Trade Center on February 26, 1993.

During the course of the meeting, Commissioner Bauer thanked staff for their hard work and dedication in rebuilding the World Trade Center site, including their significant efforts to ensure that the World Trade Center Memorial Plaza is completed in time for the 10th anniversary services at the site.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – REPLACEMENT OF RESTRICTED SERVICE ROAD BRIDGES J2 AND J8 – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for (a) the demolition of Restricted Vehicle Service Road Bridges J2 and J8 in the aeronautical area at John F. Kennedy International Airport (JFK), and (b) the design and construction of new bridges nearby, at an estimated total project cost of \$44.7 million; and (2) the Executive Director to take actions, as necessary, to execute supplemental agreements to Leases AYC-190 and AYB-085 for Terminals 1 and 8 at JFK, to reflect net reductions in the respective leased areas required in connection with implementation of the project.

The two-lane Restricted Vehicle Service Road at JFK allows vehicular traffic to serve airside operations and includes Bridges J2 and J8, which span the Van Wyck and JFK Expressways. The bridges were constructed in 1955 and 1962, respectively, and each is now nearing the end of its useful life.

The bridges cannot handle large or heavy modern vehicles, and the low clearance restricts traffic on the roadways below. In addition, their current location does not provide adequate distance from Taxiway A for New Large Aircraft (Group VI Aircraft), such as the Airbus 380 and Boeing 747-800 cargo aircraft, so that vehicles and aircraft must operate under certain Federal Aviation Administration (FAA) restrictions, interrupting routine traffic on the taxiway.

The proposed project would eliminate impediments to efficient airport operations by providing for the design and construction of two new bridges adjacent to the existing bridges, after which the existing bridges would be demolished. The new bridges would be located at an adequate distance from Taxiway A, to ensure the removal of existing FAA operating restrictions, and would be constructed to standards necessary to accommodate the heavier and larger vehicles that now serve the airport's aeronautical areas via the Restricted Service Road. In addition, the new bridges would be constructed at a sufficient height to allow for the passage of larger vehicles on the roadways below.

The relocation of the J2 Bridge would require a reduction in size to the outside leasehold areas associated with Leases AYC-190 (Terminal 1) and AYB-085 (Terminal 8). As a result, a supplemental agreement would be entered into with the lessees of each terminal, to reflect a reduction in square footage to the leased areas and a commensurate reduction in rental, consistent with the provisions of the leases, which allow for modifications to the leaseholds to accommodate airport improvements.

The capital costs associated with this project would be fully recoverable through the JFK Flight Fee Agreement.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting 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 project for (1) the demolition of Restricted Vehicle Service Road Bridges J2 and J8 in the aeronautical area of John F. Kennedy International Airport (JFK), which span the Van Wyck and JFK Expressways, and (2) the design and construction of new bridges nearby, at an estimated total project cost of \$44.7 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering and planning, administrative and financial expenses, and a project contingency (if necessary), 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 the execution of: (1) supplemental agreements to Leases AYC-190 and AYB-085 for Terminals 1 and 8 at JFK, to reflect net reductions in the respective leased areas required in connection with implementation of the foregoing project; and (2) 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 authorized representative.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – REHABILITATION OF TAXIWAY P – PROJECT AUTHORIZATION

It was recommended that the Board authorize a project for the rehabilitation and widening of Taxiway P at John F. Kennedy International Airport (JFK), to maintain a state of good repair and eliminate Federal Aviation Administration (FAA) restrictions concerning the operation of New Large Aircraft (Group VI), at an estimated total project cost of \$44.8 million.

Taxiway P is the main access route to and from Runway 13R-31L, which supports over 30 percent of the airport's annual operations. In 2010, approximately 20 percent of the taxiway pavement was rehabilitated and widened, as part of a project to reconstruct, widen and improve taxiway access to Runway 13R-31L. However, portions of the Taxiway P pavement not covered under the Runway 13R-31L project were rehabilitated most recently in 1997, using conventional asphalt paving methods, and the balance of the taxiway has not been rehabilitated in over 20 years. The taxiway pavement has exhibited conditions consistent with normal age-related wear and weathering, and requires rehabilitation in order to maintain a state of good repair.

In addition, aircraft designated by the FAA as Group VI aircraft operate on Taxiway P, under a modification of standards (MOS) granted by the FAA, which issue would be addressed as part of the taxiway rehabilitation. Widening Taxiway P also would make it dimensionally consistent with several intersecting taxiways and with the previously constructed west end of Taxiway P. The proposed project would include leveling the existing taxiway surface, installing a concrete surface with a depth of 18 inches, widening the taxiway from 75 feet to 82 feet, widening the existing taxiway shoulder and erosion pavements, and installing new taxiway lighting and electrical infrastructure and drainage improvements. The proposed widening of Taxiway P to the standard width required for Group VI aircraft would eliminate the need for the MOS.

The surface of Taxiway P would be rehabilitated with concrete, because this taxiway is the main access route to and from the west end of the heavily used Bay Runway. Aircraft frequently queue on Taxiway P, which currently is paved with asphalt. Loads from aircraft queuing, combined with jet blast heat from aircraft engines and summertime high temperatures, shorten the life of asphalt pavement. Life-cycle cost analyses of the access taxiways associated with the Bay Runway resulted in the recommendation to resurface those areas with concrete, in order to achieve longer service life under these conditions and to reduce maintenance costs. Taxiway P would be rehabilitated using concrete in order to realize the same benefits.

Taxiway lighting improvements would include the replacement of incandescent bulbs with light-emitting-diodes, to reduce electrical consumption and maintenance re-lamping. Drainage improvements would include new infiltration trenches, similar to those constructed for Runway 13R-31L, which would reduce storm water runoff from the taxiway's pavement.

Although the project costs are fully recoverable through the JFK Flight Fee Agreement, it is anticipated that a portion of these costs would be recoverable via Federal Airport Improvement Program (AIP) grants and Passenger Facility Charges (PFCs). Recovery via AIP grants and/or PFCs would be subject to the approval of the FAA.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting 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 project for the rehabilitation and widening of Taxiway P at John F. Kennedy International Airport, at an estimated total project cost of \$44.8 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering and planning, administrative and financial expenses, and a project contingency (if necessary), 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 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 authorized representative.

NEWARK LIBERTY INTERNATIONAL AIRPORT – FEDERAL EXPRESS CORPORATION – NEW LEASE ANC-280

It was recommended that the Board authorize the Executive Director to enter into a 15-year, 2-month lease agreement with Federal Express Corporation (FedEx) for the letting of approximately 10.1 acres of a paved land area (Lot 13A) at Newark Liberty International Airport as operational space for FedEx tractor-trailers staging for the transport of cargo.

Over the term of the proposed lease agreement, the Port Authority would receive a total aggregate guaranteed rental of approximately \$16.3 million. In addition, FedEx would invest approximately \$3.4 million into the premises, prior to commencing its operations, to convert the existing vehicular parking lot to an operational space for FedEx tractor-trailers staging for the transport of cargo, including strengthening of the pavement. The Port Authority would grant FedEx a right-of-entry to the site in the third quarter of 2011 to complete these improvements.

The lease agreement would include the right of the Port Authority to terminate the lease with respect to all, or any portion, of the premises, after December 31, 2018, with two years' prior written notice, for the benefit of airport operations. If the Port Authority were to exercise this right of termination, the Port Authority would reimburse FedEx for its unamortized investment in that portion of the site that is terminated, in an amount of up to \$3.4 million.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting 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 a lease agreement with Federal Express Corporation (FedEx) for the letting of approximately 10.1 acres of a paved land area (Lot 13A) at Newark Liberty International Airport as operational space for FedEx tractor-trailers staging for the transport of cargo, for a term of 15 years and two months, 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 authorized representative.

JOHN F. KENNEDY INTERNATIONAL, NEWARK LIBERTY INTERNATIONAL, STEWART INTERNATIONAL AND LAGUARDIA AIRPORTS – AUTHORIZATION TO SUBMIT ADDITIONAL PROJECTS AS PART OF THE APPLICATION TO THE FEDERAL AVIATION ADMINISTRATION TO EXTEND COLLECTION AND USE OF PASSENGER FACILITY CHARGES

It was recommended that the Board authorize the Executive Director to submit an application to the Federal Aviation Administration (FAA): (1) for an extension of the Port Authority's authority to impose and use the current \$4.50 Passenger Facility Charge (PFC) at John F. Kennedy International Airport (JFK), Newark Liberty International Airport (EWR), Stewart International Airport (SWF) and LaGuardia Airport (LGA); and (2) to fund certain new and necessary projects, in a total amount of up to \$635.5 million, that will enhance airside capacity and reduce delays, improve safety and security, and improve airside infrastructure at JFK, EWR and LGA, and to thereby extend the authority to collect PFCs through the fourth quarter of 2016 and extend the imposition of PFCs to a total amount of approximately \$4.08 billion. Together with authority previously granted to the Executive Director to apply for the collection and use of up to \$215 million in PFCs for a project for the demolition of JFK Terminal 3 and the construction of an aircraft parking area, the application to the FAA for the collection and use of PFCs would be in a total amount of up to \$850.5 million.

Pursuant to the Aviation Safety and Capacity Expansion Act of 1990 and the Wendell H. Ford Aviation Investment and Reform Action for the 21st Century (AIR-21), the Port Authority has the authority to impose a PFC of \$4.50 per departing passenger and to use the proceeds to fund eligible airport-related projects meeting specified criteria, after approval of applications to the FAA. Projects funded through PFCs have included JFK Access/AirTrain, EWR AirTrain Northeast Corridor Extension, EWR Landside Access, and a variety of airside capacity, terminal capacity, and security projects at EWR, JFK, and LGA, as well as the purchase of snow removal equipment for use at SWF.

Since 1992, the Port Authority has been granted FAA approval for the collection of PFCs totaling \$3.2 billion for projects at JFK, LGA and EWR. On May 17, 2010, the FAA approved an application submitted by the Port Authority to add SWF as part of the Port Authority's PFC collection authority, and for an extension of the authority to impose and to use PFCs at JFK, EWR, SWF and LGA at the current rate to fund new projects with a total value of approximately \$573 million, and to extend the collection authority through the third quarter of 2012.

On August 5, 2010, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the Executive Director to submit an application for the collection and use of up to \$215 million in PFCs to reimburse Delta Air Lines, Inc. for designated project costs related to the demolition of Terminal 3 at JFK and the construction of an aircraft parking area. The application to the FAA in connection with which authorization is being requested via this action would include the JFK Terminal 3 project, as authorized in August 2010.

The 15 new and necessary projects to be funded via PFCs under this proposed application to the FAA include: planning costs for the reconstruction, widening and extension of Runway 4L and costs associated with the rehabilitation of Taxiway P at JFK, in an amount of \$152 million; the modification of Runways 4 and 31 to accommodate FAA runway safety area requirements at

LGA, in an amount of \$173 million; and various improvements at EWR, including aircraft delay reduction initiatives, the rehabilitation of Runways 4R and 4L and Taxiway P, runway safety area improvements for Runway 11 and electrical improvements that support building and aeronautical operations, in a total amount of \$281 million. The proposed application also would amend the application with respect to a previously approved project, to provide for an additional \$28 million for the installation of a Perimeter Intrusion Detection System at LGA and \$1.5 million for costs associated with the preparation and administration of the PFC application.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting 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 submit an application to the Federal Aviation Administration: (1) for an extension of the Port Authority's authority to impose and use a Passenger Facility Charge (PFC), at a rate of \$4.50 per enplaned passenger, at John F. Kennedy International Airport, Newark Liberty International Airport, Stewart International Airport and LaGuardia Airport (LGA); and (2) to fund certain new and necessary projects, as described in the foregoing report, and to amend the Port Authority's application with respect to a previously approved project for the use of PFCs in connection with the implementation of a Perimeter Intrusion Detection System at LGA, in a total amount of up to \$635.5 million, as described in the foregoing report, and thereby to extend the authority to collect PFCs through the fourth quarter of 2016 and extend the imposition of PFCs to a total amount of approximately \$4.08 billion; and it is further

RESOLVED, that the form of the foregoing application, amendment or other document shall be subject to the approval of General Counsel or his authorized representative.

EXPANSION OF FOREIGN-TRADE ZONE NO. 49 GENERAL-PURPOSE ZONE TO INCLUDE APPROXIMATELY 550 ACRES AT RARITAN CENTER BUSINESS PARK IN EDISON AND WOODBRIDGE, NEW JERSEY

It was recommended that the Board authorize the Executive Director to: (1) file an application, on behalf of the Port Authority, as Grantee of Foreign-Trade Zone (FTZ) No. 49, with the Foreign-Trade Zones Board of the United States Department of Commerce (FTZ Board) for the expansion of FTZ No. 49 General-Purpose Zone to include approximately 550 acres at the Raritan Center Business Park (Raritan Center), located in Edison and Woodbridge, New Jersey; and (2) execute an appropriate property owner agreement(s) with Federal Business Centers, the owner of the 550-acre site, and, pending activation approval from United States Customs and Border Protection, execute operating agreements with any companies at the Raritan Center site interested in activating foreign-trade zone status.

Federal Business Centers is a privately owned commercial real estate development company that owns 1,141 acres of land in Raritan Center, of which approximately 550 acres are being proposed as a new general-purpose zone site under FTZ No. 49. The proposed FTZ No. 49 expansion site consists of 66 buildings that comprise approximately 8.1 million square feet of warehouse, distribution and industrial space. The more than 170 businesses currently operating at the site collectively employ approximately 15,000 individuals, representing 1.5 percent of the total employment of Edison and Woodbridge, and ship over 12,000 Twenty-foot Equivalent Units through the Port of New York and New Jersey (Port) annually.

The Port Authority and Edison and Woodbridge community leaders have targeted the Raritan Center for foreign trade zone designation because local businesses have expressed an interest in zone status in an effort to provide an additional incentive to bring more substantial warehousing entities and light manufacturing companies to Edison and Woodbridge, thereby increasing job opportunities.

Foreign-trade zone designation at this site may increase the volume of international trade handled through the Port and would contribute to the overall economic development plans and objectives of the Townships of Edison and Woodbridge and the State of New Jersey, including, but not limited to, increased employment, industrial and commercial development, and international trade, and would increase the tax base for federal, state, and local governments.

Federal Business Centers would pay to the Port Authority, as Grantee, a one-time fee of \$3,000 to cover administrative expenses associated with this action. Additional expenses incurred to administer the foreign-trade zone site would be defrayed by fees set forth in the FTZ No. 49 Zone Schedule, which would be paid to the Port Authority by any company at the Raritan Center site that activates as a foreign-trade zone operator. Federal Business Centers would accomplish any required alterations to the facilities with all required permits, in compliance with appropriate municipal and county laws and regulations.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Sartor, Schuber and Steiner voting in favor; Commissioner Samson recused and did not participate in the consideration of, or vote on, this item. 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, as Grantee of Foreign-Trade Zone No. 49 (FTZ No. 49), to: (1) file an application with the Foreign-Trade Zones Board of the United States Department of Commerce for the expansion of FTZ No. 49 General-Purpose Zone to include approximately 550 acres at the Raritan Center Business Park (Raritan Center), located in Edison and Woodbridge, New Jersey; and (2) execute an appropriate property owner agreement(s) with Federal Business Centers, and, pending activation approval from United States Customs and Border Protection, execute operating agreements with any companies at the Raritan Center site interested in activating foreign-trade zone status; and it is further

RESOLVED, that the forms of the foregoing application and agreements shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR ELECTRICAL, TELECOMMUNICATIONS, SECURITY AND FIRE ALARM SYSTEMS AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation (Tishman), to Zwicker Electric Company, Inc. for electrical, telecommunications, security and fire alarm systems associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$58,826,520, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$2.6 million, the compensation under the Port Authority's existing agreement with Liberty Security Partners (LSP), a joint venture of STV, Inc., AECOM and URS Corporation, for architectural and engineering services (Stage IV services) to support the construction of the WTC VSC Project.

The WTC VSC Project is critical for the redevelopment of the World Trade Center site, because it will improve vehicular circulation and access within Lower Manhattan. Once completed, the WTC VSC will accommodate off-street screening of vehicles that enter the sub-grade roadway and loading docks, as well as a new below-grade support for site-wide operations. The scope of work under the proposed construction trade contract includes furnishing and installing all electrical system work, including primary and secondary power distribution, emergency power, lighting, fire alarm (to be performed in accordance with the New York City Building Code), telecommunications, public safety radio, security, traffic control, related specialty subsystems and temporary electrical services.

It is also necessary to increase the compensation under the existing agreement with LSP for architectural and engineering services for Stage IV design of the WTC VSC Project. These services relate to construction, including preparing documents needed for post-award contract changes, responding to requests for information submitted by contractors, reviewing contractor submittals and preparing as-built drawings upon completion of construction. Since the retention of LSP's services in connection with the WTC VSC Project was authorized initially on September 21, 2006, \$60.6 million has been authorized for architectural and engineering design services to implement various components of the WTC VSC Project. Including the proposed increase, and increases pursuant to several companion items being advanced at this Board meeting, a total of \$65.2 million will have been authorized. Approximately \$54.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioners Moerdler and Sartor recused and did not participate in the consideration of, or vote on, this item. 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 award a construction trade contract, through construction manager Tishman Construction Corporation, to Zwicker Electric Company, Inc. for electrical, telecommunications, security and fire alarm systems associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$58,826,520, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$2.6 million, the compensation under the existing agreement with Liberty Security Partners, a joint venture of STV, Inc., AECOM and URS Corporation, for architectural and engineering services to support the construction of the WTC VSC Project; 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 authorized representative.

WORLD TRADE CENTER VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR FIRE PROTECTION AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation (Tishman), to Rael Automatic Sprinkler Company, Inc. for a fire protection system associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$6,463,800, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$300,000, the compensation under the Port Authority's existing agreement with Liberty Security Partners (LSP), a joint venture of STV, Inc., AECOM and URS Corporation, for architectural and engineering services (Stage IV services) to support the construction of the WTC VSC Project.

The WTC VSC Project is critical for the redevelopment of the World Trade Center site, because it will improve vehicular circulation and access within Lower Manhattan. Once completed, the WTC VSC will accommodate off-street screening of vehicles that enter the sub-grade roadway and loading docks, as well as a new below-grade support for site-wide operations. The scope of work under the proposed construction trade contract includes furnishing and installing fire protection equipment, such as wet sprinklers, dry pipe, fire standpipes, and numerous stand-alone FM-200 waterless fire suppression systems.

It is also necessary to increase the compensation under the existing agreement with LSP for architectural and engineering services for Stage IV design of the WTC VSC Project. These services relate to construction, including preparing documents needed for post-award contract changes, responding to requests for information submitted by contractors, reviewing contractor submittals, and preparing as-built drawings upon completion of construction. Since the retention of LSP's services in connection with the WTC VSC Project was authorized initially on September 21, 2006, a total of \$60.6 million has been authorized for architectural and engineering design services to implement various components of the WTC VSC Project. Including the proposed increase, and increases pursuant to several companion items being advanced at this Board meeting, a total of \$65.2 million will have been authorized. Approximately \$54.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioners Moerdler and Sartor recused and did not participate in the consideration of, or vote on, this item. 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 award a construction trade contract, through construction manager Tishman Construction Corporation, to Rael Automatic Sprinkler Company, Inc. for a fire protection system associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$6,463,800, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$300,000, the compensation under the existing agreement with Liberty Security Partners, a joint venture of STV, Inc., AECOM and URS Corporation, for architectural and engineering services to support the construction of the WTC VSC Project; 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 authorized representative.

WORLD TRADE CENTER VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR HEATING AND AIR CONDITIONING AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation (Tishman), to WDF, Inc. for heating and air conditioning (HAC) systems associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$16,636,212, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$1 million, the compensation under the Port Authority's existing agreement with Liberty Security Partners (LSP), a joint venture of STV, Inc., AECOM and URS Corporation, for architectural and engineering services (Stage IV services) to support the construction of the WTC VSC Project.

The WTC VSC Project is critical for the redevelopment of the World Trade Center site, because it will improve vehicular circulation and access within Lower Manhattan. Once completed, the WTC VSC will accommodate off-street screening of vehicles that enter the sub-grade roadway and loading docks, as well as a new below-grade support for site-wide operations. The scope of work under the proposed construction trade contract includes furnishing and installing complete HAC systems, including piping, chillers, pumps, exchangers, associated equipment and temporary HAC services.

It is also necessary to increase the compensation under the existing agreement with LSP for expert professional architectural and engineering services for Stage IV design of the WTC VSC Project. These services relate to construction, including preparing documents needed for post-award contract changes, responding to requests for information submitted by contractors, reviewing contractor submittals and preparing as-built drawings upon completion of construction. Since the retention of LSP's services in connection with the WTC VSC Project was authorized initially on September 21, 2006, \$60.6 million has been authorized for architectural and engineering design services. Including the proposed increase, and increases pursuant to several companion items being advanced at this Board meeting, a total of \$65.2 million will have been authorized. Approximately \$54.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioners Moerdler and Sartor recused and did not participate in the consideration of, or vote on, this item. 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 award a construction trade contract, through construction manager Tishman Construction Corporation, to WDF, Inc. for heating and air conditioning systems associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$16,636,212, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$1 million, the compensation under the existing agreement with Liberty Security Partners, a joint venture of STV, Inc., AECOM and URS Corporation, for architectural and engineering services to support the construction of the WTC VSC Project; 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 authorized representative.

WORLD TRADE CENTER VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR PLUMBING AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation (Tishman), to Pace Plumbing Corp. for plumbing work associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$8,623,800, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$300,000, the compensation under the Port Authority's existing agreement with Liberty Security Partners (LSP), a joint venture of STV, Inc., AECOM and URS Corporation, for architectural and engineering services (Stage IV services) to support the construction of the WTC VSC Project.

The WTC VSC Project is critical for the redevelopment of the World Trade Center site, because it will improve vehicular circulation and access within Lower Manhattan. Once completed, the WTC VSC will accommodate off-street screening of vehicles that enter the sub-grade roadway and loading docks, as well as a new below-grade support for site-wide operations. The scope of work under the proposed construction trade contract includes furnishing and installing a complete plumbing system, including domestic water distribution and collection systems, drainage, water closet facilities, ejector and sump piping systems, all connections to street mains, and temporary plumbing services.

It is also necessary to increase the compensation under the existing agreement with LSP for architectural and engineering services for Stage IV design of the WTC VSC Project. These services relate to construction, including preparing documents needed for post-award contract changes, responding to requests for information submitted by contractors, reviewing contractor submittals and preparing as-built drawings upon completion of construction. Since the retention of LSP's services in connection with the WTC VSC Project was authorized initially on September 21, 2006, \$60.6 million has been authorized for architectural and engineering design services. Including the proposed increase, and increases pursuant to several companion items being advanced at this Board meeting, a total of \$65.2 million will have been authorized. Approximately \$54.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioners Moerdler and Sartor recused and did not participate in the consideration of, or vote on, this item. 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 award a construction trade contract, through construction manager Tishman Construction Corporation, to Pace Plumbing Corp. for plumbing work associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$8,623,800, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$300,000, the compensation under the existing agreement with Liberty Security Partners, a joint venture of STV, Inc., AECOM and URS Corporation, for expert professional architectural and engineering services to support the construction of the WTC VSC Project; 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 authorized representative.

WORLD TRADE CENTER VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR MISCELLANEOUS IRON AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation (Tishman), to Skyline Steel Corporation for miscellaneous iron work associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$15,660,000, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$400,000, the compensation under the Port Authority's existing agreement with Liberty Security Partners (LSP), a joint venture of STV, Inc., AECOM and URS Corporation, for expert professional architectural and engineering services (Stage IV services) to support the construction of the WTC VSC Project.

The WTC VSC Project is critical for the redevelopment of the World Trade Center site, because it will improve vehicular circulation and access within Lower Manhattan. Once completed, the WTC VSC will accommodate off-street screening of vehicles that enter the sub-grade roadway and loading docks, as well as a new below-grade support for site-wide operations. The scope of work under the proposed construction trade contract includes furnishing and installing all miscellaneous iron for the WTC VSC, including, but not limited to, metal pan stairs, stair and wall handrails, pipe guardrails, mechanical mezzanine framing and grating, and wall and floor expansion.

It is also necessary to increase the compensation under the existing agreement with LSP for architectural and engineering services for Stage IV design of the WTC VSC Project. These services relate to construction, including preparing documents needed for post-award contract changes, responding to requests for information submitted by contractors, reviewing contractor submittals and preparing as-built drawings upon completion of construction. Since the retention of LSP's services in connection with the WTC VSC Project was authorized initially on September 21, 2006, \$60.6 million has been authorized for architectural and engineering design services. Including the proposed increase, and increases pursuant to several companion items being advanced at this Board meeting, a total of \$65.2 million will have been authorized. Approximately \$54.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioners Moerdler and Sartor recused and did not participate in the consideration of, or vote on, this item. 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 award a construction trade contract, through construction manager Tishman Construction Corporation, to Skyline Steel Corporation for miscellaneous iron work associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$15,660,000, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$400,000, the compensation under the existing agreement with Liberty Security Partners, a joint venture of STV, Inc., AECOM and URS Corporation, for expert professional architectural and engineering services to support the construction of the WTC VSC Project; and it is further

RESOLVED, that the form of the foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER STREETS, UTILITIES AND RELATED INFRASTRUCTURE PROGRAM – PHASE II – PRE-PURCHASE OF GRANITE PAVERS AND CURBS – AWARD OF CONTRACT

It was recommended that the Board authorize the Executive Director to award Contract WTC-324.359.M2, through construction manager Tishman Construction Corporation (Tishman), to Berardi Stone Setting, Inc., the lowest bidder pursuant to a publicly advertised/low-bid process, for the pre-purchase of granite pavers and curbs, as part of Phase II of the World Trade Center (WTC) Streets, Utilities and Related Infrastructure Program (WTC Streets Program), at an estimated cost of \$14,310,000, inclusive of a six-percent allowance for extra work.

Under prior authorizations through 2006, the Board authorized up to \$10 million in planning work for the preliminary design of the WTC Streets Program. The WTC Streets Program is a multi-phase program to restore streets and sidewalks, implement traffic measures and develop public space at the WTC site. At its meeting of January 22, 2009, the Board authorized Phase I of the WTC Streets Program (design and installation of utilities, below-grade structures and interim street and sidewalk surfaces), in an estimated amount of \$55 million. On February 25, 2010, the Board authorized the award of a contract under Phase I to CAC Industries, Inc. for the installation of utilities, interim sidewalks and roadway surfaces along Fulton, Greenwich and Liberty Streets, at an estimated cost of \$10.2 million.

At its meeting of October 22, 2009, the Board authorized Phase II of the WTC Streets Program, which includes final design and construction of street and sidewalk surface finishes, trees, paving, bollards and streetscape furniture, at an estimated amount of \$140 million, including the provision of expert professional architectural and engineering services by Downtown Streetscape Partners, in an estimated amount of \$5 million. Via a related action at that meeting, the Board also authorized the retention of Tishman to provide construction management services to support the WTC Streets Program and other projects at the WTC site.

The scope of work for Contract WTC-324.359.M2 includes the pre-purchase of granite pavers and curbs, which would be installed (under upcoming Phase II construction packages) along Greenwich, Vesey, Fulton, Liberty, Cedar and Church Streets, as well as the WTC Transportation Hub Plaza. The pre-purchase at this time would provide for timely installation, allow for matching stone to be utilized under each package, and support significant schedule milestones for the neighboring facilities at the WTC site, including One World Trade Center, the WTC Transportation Hub and the office towers being developed by Silverstein Properties, Inc. The requested contract amount includes funds for the storage and handling of the materials over a five-year period.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. 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 award Contract WTC-324.359.M2, through construction manager Tishman Construction Corporation, to Berardi Stone Setting, Inc. for the pre-purchase of granite pavers and curbs, as part of Phase II of the World Trade Center Streets, Utilities and Related Infrastructure Program, at a total estimated cost of \$14,310,000, inclusive of a six-percent allowance for extra work; and it is further

RESOLVED, that the form of the foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR VENTILATION SYSTEM

It was recommended that the Board authorize the Executive Director to award a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, to Delta Sheet Metal Corporation (Delta) for a ventilation system associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total cost of \$15,066,000, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking programs.

Via several actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site, at a total amount of \$1.426 billion.

On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to provide construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount includes the proposed ventilation system construction trade contract.

The scope of work under the proposed trade contract includes fabricating, furnishing and installing a complete ventilation system, including duct work, insulation, sound traps, motor starters, vibration eliminators, dampers, start-up and testing and temporary ventilation services, in the WTC retail and parking areas located within the WTC Transportation Hub, One World Trade Center, Towers 2, 3, and 4, and under the New York City Transit No. 1 Subway Line. The proposed contract includes a warranty for a period of one year, commencing on the date of formal acceptance, or through December 31, 2016, whichever time period is later.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and Delta was the lowest qualified bidder. The proposed trade contract with Delta would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. 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 and its wholly owned entity, WTC Retail LLC, to award a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, to Delta Sheet Metal Corporation, for a ventilation system associated with the World Trade Center site retail and parking areas, at an estimated total cost of \$15,066,000, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the form of foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR PLUMBING

It was recommended that the Board authorize the Executive Director to award a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, to WDF, Inc. for plumbing work associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total amount of \$10,038,600, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking programs.

Via several actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site, at a total amount of \$1.426 billion.

On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to provide construction management services as agent for the Port Authority to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount is inclusive of the proposed plumbing construction trade contract.

The scope of work under the proposed contract includes furnishing and installing a complete plumbing system, including water distribution and collection systems, equipment, piping and pump systems, fixtures, trim, start-up and testing and temporary plumbing services in the WTC retail and parking areas located within the WTC Transportation Hub, One World Trade Center, Towers 2, 3, and 4 and under the New York City Transit No. 1 Subway Line. The proposed contract includes a warranty for a period of one year, commencing on the date of formal acceptance, or through December 31, 2016, whichever time period is later.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and WDF, Inc. was the lowest qualified bidder. The proposed trade contract with WDF, Inc. would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. 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 and its wholly owned entity, WTC Retail LLC, to award a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, to WDF, Inc. for plumbing work associated with the World Trade Center site retail and parking areas, at an estimated total cost of \$10,038,600, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the form of the foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR HEATING AND AIR CONDITIONING SYSTEM

It was recommended that the Board authorize the Executive Director to award a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, to WDF, Inc. for a heating and air conditioning (HAC) system associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total cost of \$12,618,720, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking programs.

Via several actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site, at a total amount of \$1.426 billion.

On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to provide construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount includes the proposed HAC construction trade contract.

The scope of work under the proposed trade contract includes furnishing and installing a HAC system, including a complete mechanical piping system, chilled water and hot water distribution, steam piping, all associated pipe insulation, start-up and testing and temporary HAC services. This work would be installed in the WTC retail and parking areas located within the WTC Transportation Hub, One World Trade Center, Towers 2, 3 and 4, and under the New York City Transit No. 1 Subway Line. The proposed contract includes a warranty for a period of one year, commencing on the date of formal acceptance, or through December 31, 2016, whichever time period is later.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and WDF, Inc. was the lowest qualified bidder. The proposed trade contract with WDF, Inc. would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. 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 and its wholly owned entity, WTC Retail LLC, to award a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, to WDF, Inc. for a heating and air conditioning system associated with the World Trade Center site retail and parking areas, at an estimated total cost of \$12,618,720, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the form of the foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR FIRE PROTECTION SYSTEM

It was recommended that the Board authorize the Executive Director to award a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, to Rael Automatic Sprinkler Company, Inc. (Rael) for a fire protection system associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total cost of \$5,127,840, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking programs.

Via several actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site, at a total amount of \$1.426 billion.

On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to perform construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount includes the proposed fire protection construction trade contract.

The scope of work under the proposed trade contract includes fabricating, furnishing and installing a complete fire protection system, including main lines, branch lines, sprinkler heads, start-up and testing and temporary fire protection services. This work would be installed in the WTC retail and parking areas located within the WTC Transportation Hub, One World Trade Center, Towers 2, 3 and 4 and under the New York City Transit No. 1 Subway Line. The proposed contract includes a warranty for a period of one year, commencing on the date of formal acceptance, or through December 31, 2016, whichever time period is later.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and Rael was the lowest qualified bidder. The proposed trade contract with Rael would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. 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 and its wholly owned entity, WTC Retail LLC, to award a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, to Rael Automatic Sprinkler Company, Inc. for a fire protection system associated with the World Trade Center site retail and parking areas, at an estimated total cost of \$5,127,840, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the form of the foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

BY-LAWS SUPPLEMENT

It was recalled that at its December 15, 1994 meeting, the Board authorized the Committee on Operations to act for and on behalf of the Board of Commissioners (and for the Boards and Committees of each of the subsidiaries of the Port Authority) at special, interim meetings in certain limited circumstances. This delegation has proven to be an effective means to avoid delay in taking action on Port Authority business in the event of an absence of a quorum of the Board or as a result of prospective recusals with respect to the consideration of an item before the Board, while preserving both the Governors' review period and the open and transparent manner in which the Port Authority conducts the business of the public.

As a corporate governance matter, it was recommended that the By-Laws of the Port Authority and its subsidiary corporations be supplemented to include this delegation to the Committee on Operations, and that the December 15, 1994 resolution be rescinded.

Pursuant to the foregoing report, the Board adopted the following resolution for the Port Authority (and for each of its subsidiaries) with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting 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 Article V(D), "*Quorum*," of the By-Laws of The Port Authority of New York and New Jersey be and it hereby is supplemented to read as follows:

D. Quorum – Six Commissioners, three from each State, shall constitute a quorum for all meetings of the Board of Commissioners. In the absence of a quorum at any meeting of the Board of Commissioners, or, if as a result of prospective recusals there would not be a sufficient number of Commissioners present at such meeting to consider any item on the agenda for such meeting, the Committee on Operations is authorized to act for and on behalf of the Board of Commissioners at a special meeting of the Committee on Operations called by the Chairman; and it is further

RESOLVED, that Article V(D) of the By-Laws of the Port Authority's subsidiary corporations be and each hereby is supplemented accordingly, consistent with the foregoing; and it is further

RESOLVED, that the resolution of the Board of Commissioners of the Port Authority entitled, "Board Powers – Interim Delegation to the Committee on Operations," adopted on December 15, 1994, be and the same hereby is rescinded, except as it applies to actions taken prior to the date hereof.

BROOKLYN-PORT AUTHORITY MARINE TERMINAL / RED HOOK CONTAINER TERMINAL / PORT NEWARK – AMERICAN STEVEDORING, INC. – SETTLEMENT

It was recommended that the Board authorize the Executive Director to enter into a settlement agreement with American Stevedoring, Inc. (ASI) providing for: (1) the dismissal of all litigation between the Port Authority and ASI, with prejudice and without costs; (2) the surrender of all ASI leasehold interests and the transfer of certain assets of ASI necessary for the operation of the Red Hook Container Terminal (RHCT), Pier 8 at the Brooklyn-Port Authority Marine Terminal (BPAMT), and its Port Newark barge operations; and (3) an aggregate settlement amount of up to \$25.1 million, of which approximately \$14.9 million would be offset against rent arrearages due the Port Authority for unpaid rent and related fees, with the balance of the aggregate settlement amount payable to, or on behalf of, ASI.

ASI has been the terminal operator at the RHCT since 1994 and handles a combination of bulk, breakbulk and containerized cargoes. As authorized by the Board at its meeting of April 24, 2008, ASI currently operates the 65.6-acre RHCT, Pier 8 at the BPAMT and 30 acres at Port Newark (including a barge terminal), under three lease agreements that expire on April 30, 2018. ASI also uses two Port Authority-owned container barges to move containers between the RHCT and Port Newark under a Bareboat Charter Party Agreement (Charter Agreement) with the Port Authority.

On April 24, 2008, the Board authorized several actions, which provided for a ten-year lease extension for these properties, settlement of pending litigation, and a reallocation of approximately \$8.1 million in uncommitted funds from the Bi-State Dredging Program to cover various economic development initiatives at the Brooklyn waterfront and rental arrearages owed by ASI and its affiliate to the Port Authority. To date, virtually all of the \$8.1 million allocation has been credited or paid directly to ASI. After application of the funds from the Bi-State Dredging Program, ASI has continued to fail to pay rent to the Port Authority under its three leases, and as of July 2011 it owes approximately \$14.9 million for outstanding rent, fees and late charges.

Additionally, on June 3, 2011, Moran Towing Corporation (Moran) filed a complaint against ASI seeking to recover unpaid charges for barge towing services it provided to ASI. Moran also obtained an order for the issuance of warrants to arrest the two barges that the Port Authority owns and has permitted ASI to use under the Charter Agreement. On June 6, 2011, Moran arranged for the arrest of one of the two barges. A portion of the proposed settlement amount would be used to resolve this matter.

The proposed settlement agreement also would provide for the dismissal with prejudice and without cost of all pending litigation between the Port Authority and ASI.

Under this proposed settlement, ASI would surrender all of its current leasehold interests and transfer certain of its assets necessary for the operation of the RHCT, Pier 8 at the BPAMT, and its barge operations at Port Newark. ASI would remain in possession of these properties until August 15, 2011, at which time ASI would vacate and surrender the RHCT, Pier 8, and the Port Newark properties, with any users or occupants of those properties not authorized to stay also required to vacate the properties at that time. ASI would be required to remove all remaining personal property and non-transferred assets from the RHCT, Pier 8, and Port Newark

by August 15, 2011. No funds would be paid to or on behalf of ASI under the terms of the settlement until all properties are vacated and surrendered, free of occupants.

The matter shall remain confidential until the closing of the settlement transaction or August 15, 2011, whichever is later.

Pursuant to the foregoing report, the Board adopted the following resolution in executive session, with Commissioners Bauer, Holmes, Lynford, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting 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 a settlement agreement with American Stevedoring, Inc. (ASI) providing for: (1) the dismissal of all litigation between the Port Authority and ASI, with prejudice and without costs; (2) the surrender of all ASI leasehold interests and the transfer of certain assets of ASI necessary for the operation of the Red Hook Container Terminal, Pier 8 at the Brooklyn-Port Authority Marine Terminal, and its Port Newark barge operations; and (3) an aggregate settlement amount of up to \$25.1 million, of which approximately \$14.9 million would be offset against rent arrearages due the Port Authority for unpaid rent and related fees, with the balance of the aggregate settlement amount payable to, or on behalf of, ASI; 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, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with the terms of such contracts, agreements and 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 shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Secretary