

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Wednesday, February 6, 2013

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, February 6, 2013 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
 Hon. Richard H. Bagger
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. William P. Schuber
 Hon. David S. Steiner

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. H. Sidney Holmes III
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. Rossana Rosado
 Hon. James P. Rubin

Patrick J. Foye, Executive Director
 William Baroni, Jr., Deputy Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Heavyn-Leigh American, Associate Board Management and Support Specialist, Office of the Secretary

Susan M. Baer, Director, Aviation
 Thomas Belfiore, First Deputy Chief Security Officer
 Jean M. Bernard, Tunnel and Bridge Agent, Tunnels, Bridges and Terminals
 Thomas Bosco, General Manager LaGuardia Airport, Aviation
 Steven J. Coleman, Deputy Director, Media Relations
 Stephanie E. Dawson, Acting Chief Operating Officer
 John C. Denise, Audio Visual Supervisor, Marketing
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
 Daniel D. Duffy, Senior Business Manager, Office of the Secretary
 Joseph P. Dunne, Chief Security Officer
 Michael G. Fabiano, Chief Financial Officer (By-Laws)
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Michael B. Francois, Chief, Real Estate and Development
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
 Robert J Godas, Electrician, Aviation
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Chief, Human Capital
 Michael P. Hartin, Chief Maintenance Supervisor, Aviation
 Andrew T. Hawthorne, Director, Marketing
 Anthony Hayes, Manager, Media Planning, Media Relations
 Howard G. Kadin, Esq., Law
 Kirby King, Director, Technology Services
 Stephen Kingsberry, Acting Director, Rail Transit
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Richard M. Larrabee, Director, Port Commerce
 Paul H. Lizotte, Tunnel and Bridge Agent, Tunnels, Bridges and Terminals
 John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Esq., Law
 Ron Marsico, Assistant Director, Media Relations, Public Affairs
 George F. McCann, Senior, Tunnel and Bridge Agent, Tunnels, Bridges and Terminals

Daniel G. McCarron, Comptroller
Elizabeth McCarthy, Chief Financial Officer
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Anne Marie C. Mulligan, Treasurer
Philip J. O'Sullivan, Maintenance Unit Supervisor, Aviation
Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
Charles M. Rauch, Gardener, Aviation
Alan L. Reiss, Deputy Director, World Trade Center Construction
Juan Carlos Rojas, Senior External Relations Representative, Government and Community Affairs
Cruz C. Russell, Strategic Advisor, Government and Community Affairs
Brian W. Simon, Director, Government and Community Affairs, New York
Gerald B. Stoughton, Director, Financial Analysis
Robert A. Sudman, Director, Audit
Ralph Tragale, Assistant Director, Public Affairs, Aviation
David B. Tweedy, Chief, Capital Programs
I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office
Lillian D. Valenti, Director, Procurement
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary
Ian R. Van Praagh, Senior Advisor, Government and Community Affairs
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director
Norman Williams, Tunnel and Bridge Agent, Tunnels, Bridges and Terminals
Peter J. Zipf, Chief Engineer

Guest:

Nicole Crifo, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey
Regina Egea, Director, Authorities Unit, Office of the Governor of New Jersey
Jeanine M. Thompson, Assistant Secretary for Transportation, State of New York

Speakers:

Murray Bodin, Member of the Public
Yvonne Garrett-Moore, Member of the Public
Richard Hughes, Twin Towers Alliance
Kalev Savi, Member of the Public
Cyndi Steiner, New Jersey Bike and Walk Coalition
Steven Vaccaro, Transportation Alternatives
Neile Weissman, New York Cycle Club

The public meeting was called to order by Chairman Samson at 2:14 p.m. and ended at 2:56 p.m. Commissioners Lynford and Sartor were present for a portion of the public session. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of December 6, 2012. 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 December 7, 2012. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on December 21, 2012.

Whereupon, the Board unanimously approved the Minutes of the meeting of December 6, 2012.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in executive session at its meeting on January 22, 2013, 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.

The Committee on Capital Planning, Execution and Asset Management also reported, for information, on matters discussed in public and executive sessions at its meeting on February 6, 2013, which included discussion of a project to rehabilitate Taxiway B at John F. Kennedy International Airport, and a project for the replacement of the Palisades Interstate Parkway Helix approach at the George Washington Bridge, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and 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 Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on February 6, 2013, which included discussion of matters involving ongoing reviews of contracts or proposals, and 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 Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on December 19, 2012, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, matters involving public safety or law enforcement, matters related to proposed, pending, or current litigation or judicial or administrative proceedings, and matters related to personnel or personnel procedures, and the report was received.

The Committee on Operations also reported, for information, on matters discussed in executive session at its meeting on January 22, 2013, which included discussion of matters involving public safety or law enforcement, matters involving ongoing negotiations or reviews of contracts or proposals, matters related to proposed, pending, or current litigation or judicial or administrative proceedings, and 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.

The Committee on Operations further reported, for information, on matters discussed in public and executive sessions at its meeting on February 6, 2013, which included: discussion of an item to authorize lease supplements in connection with the phased expansion of Terminal 4 at John F. Kennedy International Airport; an item to authorize an amendment to the Municipal Air Terminals Lease with the City of New York to accommodate the extension of the northern end of Runway 4L-22R at John F. Kennedy International Airport; an item to authorize a lease extension for portions of Terminal C at Newark Liberty International Airport; an item to authorize new leases at Newark Liberty International Airport as part of the Terminals A and B concessions program; and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and matters related to proposed, pending, or current litigation or judicial or administrative proceedings, 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 February 6, 2013, which included discussion of certain 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 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.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – REHABILITATION OF TAXIWAY B – PROJECT AUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board authorize: (1) a project for the rehabilitation of portions of Taxiway B at John F. Kennedy International Airport (JFK), to maintain a state of good repair and comply with current Federal Aviation Administration (FAA) requirements, at an estimated total project cost of \$31.3 million; and (2) the Executive Director to award a contract for the construction of the foregoing project, at a total estimated construction cost of \$22 million.

Taxiway B is a primary circulatory taxiway around the Central Terminal Area of JFK, and it last was rehabilitated in 1992. The pavement within the area of work (between Taxiway N and Taxiway U) is exhibiting surface distress consistent with normal age-related wear and weathering. The pavement and electrical infrastructure within the area of work requires rehabilitation in order to maintain a state of good repair and to comply with current FAA requirements.

The proposed project would provide for the milling and asphalt overlay of portions of Taxiway B, including shoulder and erosion pavements, shoulder widening, improvements to storm water drainage, and the installation of taxiway centerline lights, clearance bar lights, guidance signs and pavement markings. The scope of work also would include full-depth Portland Cement Concrete pavement construction at several locations, to correct recurring maintenance issues with the asphalt concrete pavement.

Planning work for this project was authorized by the Board at its May 25, 2011 meeting, as part of an Aeronautical Operations Area Pavement Rehabilitation Program at all Port Authority airports.

Bids for the construction contract would be solicited from an existing pre-qualified list of aeronautical paving contractors developed from a publicly advertised Request for Qualifications.

Costs are fully recoverable through the JFK Flight Fee Agreement.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, 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 of portions of Taxiway B at John F. Kennedy International Airport, to maintain a state of good repair and comply with current Federal Aviation Administration requirements, at an estimated total project cost of \$31.3 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a contract for the construction of the foregoing project, at a total estimated construction cost of \$22 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 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.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – REPLACEMENT OF CERTAIN 5-KILOVOLT FEEDERS SERVING THE NAVIGATIONAL AID SYSTEM – PROJECT AUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board authorize: (1) a project for the replacement of the existing 5-kilovolt feeders that serve the Navigational Aid System (NAVAIDS) for the eastern side of the airfield at John F. Kennedy International Airport (JFK), as well as for the addition of a fourth power feeder to serve as a back-up power source for NAV AIDS in this area of the airport, at an estimated total project cost of \$47.5 million; and (2) the Executive Director to award Contract JFK-124.015 for construction work in connection with the project to the lowest qualified bidder responding to a publicly advertised solicitation, at an estimated construction cost of \$28.2 million.

NAVAIDS is crucial for the operation of an airport, because the system provides critical information necessary for pilots to operate aircraft safely, and it is required for an airport to maintain Federal Aviation Administration (FAA) operating certifications. Under existing agreements with the FAA, the FAA is responsible for operating and maintaining the NAV AIDS equipment at JFK, and the Port Authority is responsible for providing the necessary infrastructure to power the equipment.

Power feeders CAA1, CAA2 and CAA3 were installed at JFK prior to 1960 and have reached the end of their useful life. These feeders serve Runways 4L-22R and 4R-22L and the eastern ends of Runways 13L-31R and 13R-31L at JFK. In addition, power feeder CAA2 currently serves as a back-up in the event of a failure of either of the other two feeders. The proposed project would include the replacement of the three existing feeders, as well as provide for the installation of an additional feeder, which would serve primarily as a back-up power source in the event of failure of any of the primary feeders. The project also would provide for the installation of associated new ductbanks and manholes within the Aeronautical Operation Area, which would house the new power feeders.

A small portion of the proposed project is located within the footprint of the work area for a project to reconstruct and extend Runway 4L-22R at JFK. This portion of the proposed project would be built under a future contract to reconstruct and extend Runway 4L-22R. Implementing the project in this manner is expected to achieve efficiencies with respect to the construction staging for both projects.

The cost of the proposed project is fully recoverable through the JFK Flight Fee agreement.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Pocino, Rechler, Rosado, Rubin, 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 a project for the replacement of the existing 5-kilovolt feeders that serve the Navigational Aid System (NAVAIDS) for the eastern side of the airfield at John F. Kennedy International Airport, as well as for the addition of a fourth power feeder to serve as a back-up power source for NAVAIDS in this area of the airport, at an estimated total project cost of \$47.5 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 award Contract JFK-124.015 for construction work in connection with the proposed project, at an estimated construction cost of \$28.2 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 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.

BAYONNE BRIDGE – NAVIGATIONAL CLEARANCE PROGRAM – INCREASE IN PLANNING AUTHORIZATION AND AUTHORIZATION TO INCREASE FUNDING FOR AN EXISTING PROFESSIONAL SERVICES AGREEMENT

It was recommended that the Board authorize: (1) an increase of \$10 million in the amount of the planning authorization to perform final planning and engineering design services for the Bayonne Bridge Navigational Clearance Program (BBNCP), resulting in a total authorization of \$80 million; and (2) the Executive Director to expend an additional amount of \$2 million under an existing expert professional services agreement with HDR Engineering Inc./PB Americas Inc. (HDR/PB), in order to provide additional engineering design services for Stages II and III of the BBNCP, bringing the total funding authorized for these services to an amount of up to \$31.5 million (inclusive of a contingency).

At its meeting of August 13, 2009, the Board authorized the expenditure of \$10 million for planning and conceptual engineering services and the performance of a preliminary alternatives analysis of options to address the navigational clearance limitations posed by the Bayonne Bridge. Subsequently, the Board, at its meeting of September 14, 2010, authorized the provision of \$1 billion in Port Authority capital funding capacity for the BBNCP.

In December 2010, upon review of the preliminary alternatives analysis of options, the Port Authority announced that it had selected the raising of the roadway as the best solution to the Bayonne Bridge navigational clearance limitation.

At its May 25, 2011 meeting, the Board authorized an increase of \$25 million in the amount of the planning authorization to perform preliminary and final planning and engineering design services for the BBNCP, resulting in a total authorization of \$35 million. Additionally, the Board authorized the Executive Director to enter into an agreement with HDR/PB, pursuant to a publicly advertised Request for Proposals process, to provide preliminary planning and engineering services, in a total amount not to exceed \$9.3 million (inclusive of a contingency), to support the implementation of the BBNCP. At that time, funding of \$5.8 million was authorized to support Stages II and III, with the balance subject to further authorization.

On February 9, 2012, the Board authorized an increase of \$35 million in the amount of the planning authorization to perform final planning and engineering design services for the BBNCP, resulting in a total authorization of \$70 million. Additionally, the Board authorized an increase of \$25.4 million in the amount of the existing agreement with HDR/PB for a revised agreement total of \$34.7 million, inclusive of a contingency, of which funding in the aggregate amount of \$27 million (inclusive of \$5.8 million previously authorized to support planning work) was requested as part of the proposed increase in planning work to perform final design and construction support services. That increase was required due to a change in procurement strategy, in order to expedite the program schedule. Initially, in order to fast-track the program, a design/build procurement strategy was contemplated. However, as the program evolved, the engineering schedule had been accelerated significantly ahead of the environmental review schedule required under the National Environmental Policy Act (NEPA), and therefore the opportunity existed to proceed with a design/bid/build contract procurement strategy. The design/bid/build strategy offered the benefits of reductions in program cost and schedule, and would help to reduce risk, ensure quality and retain engineering design control. This procurement strategy change required modification of the existing HDR/PB agreement to include

performance of final engineering design services to prepare design/bid/build contract documents, as well as construction support services through project completion to support the modification of the Bayonne Bridge. In December 2012, funding for the HDR/PB contract subsequently was increased by \$2.5 million by the Chief Engineer, in order to provide for continued design services.

The presently proposed increases in the amount of the planning authorization and the expenditures under the HDR/PB agreement were recommended in order to perform additional unforeseen work items, the need for which became apparent during the expedited Stage III final design phase. Incorporating these work items during the Stage III design phase would lower the risk and cost of potential extra work during the construction phase. Specifically, a more complex level of design and planning work was necessary, involving the following elements: construction staging; maintenance of traffic design and arch structural steel reinforcement, which necessitated a greater number of final contract drawings than initially anticipated; additional permit application services, as a result of the NEPA approval process being delayed; additional arch structure steel reinforcement design, due to lower than expected steel yield strength test results; additional design services for the provision of a future shared-use path pedestrian safety fence with anti-climb features; various additional field survey efforts to confirm existing conditions; consultant expenses to review and prepare responses to requests for information from pre-qualified bidders during the procurement bid phase; and a contingency.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, 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 an increase of \$10 million in the amount of the planning authorization to perform final planning and engineering design services for the Bayonne Bridge Navigational Clearance Program (BBNCP), resulting in a total authorization of \$80 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 expend an additional amount of \$2 million under an existing expert professional services agreement with HDR Engineering Inc./PB Americas Inc., in order to provide additional engineering design services during Stages II through III of the BBNCP, which will result in a total funding amount of up to \$31.5 million (inclusive of a contingency) for these services; 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, as necessary, for the extension of existing contracts and the award of contracts for professional, technical and advisory services related to the foregoing planning work, including program management, environmental, technical, and financial support services, 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 shall be subject to the approval of General Counsel or his authorized representative.

GEORGE WASHINGTON BRIDGE – REPLACEMENT OF THE PALISADES INTERSTATE PARKWAY HELIX RAMP – PROJECT AUTHORIZATION AND AUTHORIZATION OF CONTRACTS FOR PROFESSIONAL SERVICES AND CONSTRUCTION

It was recommended that the Board authorize: (1) a project for the replacement of the Palisades Interstate Parkway (PIP) Helix Ramp that connects the southbound PIP to the Upper Level eastbound roadway of the George Washington Bridge (GWB) in New Jersey, at an estimated total project cost of \$77.5 million; and (2) the Executive Director to: (a) enter into an expert professional services agreement with STV Inc. (the highest technically ranked firm responding to a publicly advertised Request for Proposals) to perform architectural and engineering work to support the final design and construction of the foregoing project, at a total estimated cost of \$3 million; and (b) award Contract GWB-244.150 for the construction of the foregoing project, at a total estimated construction cost of \$53.9 million.

The GWB, which opened in 1931, is a critical link between New York and New Jersey. The Port Authority expanded the New Jersey approaches to the GWB in the 1940s, when it built the PIP Helix as a connection to the bridge. As part of the Lower Level Expansion to the GWB, further modifications to this structure were completed in the late 1950s.

The PIP Helix is composed of three bridges, and two intermediate roadway sections on grade, that span the New Jersey approaches to the GWB and local streets. The most recent repair work was a rehabilitation project performed in the late 1990s, which addressed priority repairs at that time and partially replaced the concrete road surface, in order to extend the useful life of the PIP Helix by 12 to 15 years. To maintain a state of good repair to the GWB, and to avoid closures and delays while providing safe passage to the traveling public, the proposed authorization would support the full replacement of the PIP Helix Ramp that connects the southbound PIP to the Upper Level eastbound roadway of the GWB in New Jersey, as well as the construction of an adjacent, temporary detour ramp structure for maintenance of traffic during the demolition and replacement of the existing Helix Ramp structure.

At its meeting of September 22, 2011, the Board authorized the expenditure of \$2.25 million for planning and engineering services related to the structural rehabilitation or replacement of the PIP Helix Ramp. A preliminary design study, completed in 2012, concluded that the ramp's age and condition warranted replacement. The study also called for a temporary detour structure, to be built alongside the existing ramp, to maintain PIP traffic during construction.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Moerdler 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 a project for the replacement of the Palisades Interstate Parkway (PIP) Helix Ramp that connects the southbound PIP to the Upper Level eastbound roadway of the George Washington Bridge in New Jersey, at an estimated total project cost of \$77.5 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 enter into an expert professional services agreement with STV Inc. to perform architectural and engineering work to support final design and construction of the foregoing project, at a total estimated cost of \$3 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract GWB-244.150 for the construction of the foregoing project, at a total estimated construction cost of \$53.9 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 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.

**PORT AUTHORITY 800 MEGAHERTZ POLICE RADIO SYSTEM PROGRAM –
AUTHORIZATION OF SETTLEMENT OF CLAIMS AND ADDITIONAL
CONTINGENCY FOR SYSTEM COMMISSIONING**

It was recommended that the Board authorize: (1) the expenditure of \$2 million in support of the completion and commissioning of the Port Authority 800 Megahertz (MHz) Police Radio System Program; and (2) the Chief Engineer to settle contract claims in connection with the program for an estimated aggregate amount of \$1.5 million, the cost of which is included within the total requested amount.

The 800 MHz Police Radio Program, which initially was authorized by the Board in December 1997 to continue the build-out of a Port Authority Police Department (PAPD) radio communications system for outdoor use throughout the Port District, has evolved and expanded over time to address emerging security requirements, including recommendations included in the report of the National Commission on Terrorist Attacks upon the United States (9/11 Commission). As a result, at its September 22, 2005 meeting, the Board authorized an expansion of the Port Authority's 800 MHz Police Radio Program, to provide for the continued migration of all PAPD two-way radio communications to a single agency-wide intra-operative radio system platform, at a total revised program amount of \$75 million. On January 22, 2009, the Board increased, by \$35 million, the amount authorized for the program, to complete the build-out of the radio system; that increase was attributable primarily to challenges in design, bidding and construction site access associated with work on the Port Authority Trans-Hudson (PATH) rail system stations and tunnels.

At present, Port Authority Police commands located at John F. Kennedy International Airport, Newark International Airport, LaGuardia Airport, Teterboro Airport, the George Washington Bridge, Lincoln Tunnel, Holland Tunnel, Port Authority Bus Terminal, Port Newark, the Staten Island Bridges and the World Trade Center site are utilizing the 800 MHz police radio system, with the PATH rail system command currently in transition.

During the build-out of radio infrastructure within the PATH system tunnels, the ability of contractors to complete their work within the contractual schedule was impeded, due to issues beyond their control. These delays caused the contractors to incur extended overhead and plant costs. The cost to settle the contract claims in connection with the project is estimated at an aggregate amount of \$1.5 million. The balance of the \$2 million being requested under the proposed authorization would be used as a contingency to cover additional expenses that may be incurred during commissioning of the remaining elements of the system (if necessary).

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Moerdler 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 expenditure of \$2 million in support of the completion of the Port Authority 800 Megahertz Police Radio System Program, be and it hereby is authorized; and it is further

RESOLVED, that the Chief Engineer be and he hereby is authorized, for and on behalf of the Port Authority, to settle contract claims in connection with the program, for an estimated aggregate amount of \$1.5 million, the cost of which is included within the total requested amount; and it is further

RESOLVED, that the form of any documents and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – PHASE II EXPANSION OF TERMINAL 4 AND RELATED ITEMS – SUPPLEMENTS TO LEASES AYC-685 AND AYC-325

It was recommended that the Board authorize the Executive Director to: (1) enter into a Supplement to Lease AYC-685 with JFK International Air Terminal, LLC (JFKIAT) regarding Terminal 4 at John F. Kennedy International Airport (JFK), to cover: (a) the construction of an 11-gate extension of Terminal 4's Concourse B and development of an airside bus station, at an estimated cost of \$175 million, to be funded by Delta Air Lines, Inc. (Delta) pursuant to JFKIAT's Anchor Tenant Agreement with Delta; (b) an approximately 2.41-acre expansion of the Terminal 4 leasehold; and (c) consent by the Port Authority to a supplement to JFKIAT's Anchor Tenant Agreement with Delta, providing Delta with preferential use of the 11 new gates at Concourse B; and (2) enter into a Supplement to Delta's Lease AYC-325 at JFK, eliminating Delta's obligation to construct a passenger connector between Terminals 2 and 4, in favor of a bus operation, while allowing Delta to conduct passenger operations on the Terminal 3 site during construction of the Phase II concourse extension/demolition of Terminal 3; and (3) waive, for the Terminal 4 expansion project only, the provision of the Port Authority's underlying lease with the City of New York for JFK and LaGuardia Airport (LGA) that prohibits New York City Industrial Development Agency (NYCIDA) financing at JFK and LGA.

The Central Terminal Area (CTA) Redevelopment Program at JFK has successfully created modern passenger terminal facilities over the past 15 years.

At its meeting of August 5, 2010, the Board authorized the Executive Director to effectuate a \$1.2 billion project at JFK (known as Phase I of the Terminal 4 Expansion Program) to expand Terminal 4, demolish the obsolete Terminal 3 and enter into associated lease agreements to relocate Delta's Terminal 3 operations to the expanded Terminal 4 facility. Supplements to Lease AYC-685 and Lease AYC-325 were entered into to implement the project.

Under the present authorization, a further expansion of Terminal 4 (Phase II) would be constructed. Pursuant to a proposed supplement to its Anchor Tenant Agreement with JFKIAT, Delta would spend approximately \$175 million to build an 11-gate extension at the end of Terminal 4's Concourse B and a bus station for airside bus operations. This expansion would accommodate a relocation of Delta's domestic regional jet operation, which presently is located in Terminal 2. Delta would have preferential use of these 11 new gates and would continue to use Terminal 2 for a portion of its domestic operations.

In order to accommodate the extension, approximately 2.41 available acres located to the south of Terminal 4 would be added to JFKIAT's Terminal 4 leasehold.

Under the present terms of Delta's Lease AYC-325, Delta is required to construct a passenger connector linking Terminals 2 and 4. With the planned relocation of its domestic regional jet operation to Terminal 4, which carries approximately 55 percent of all connecting passengers, Delta's need to move passengers between Terminals 2 and 4 would be reduced substantially. Therefore, under the proposed supplement to its Anchor Tenant Agreement with JFKIAT, Delta would be relieved of its obligation to construct the passenger connector, and instead agree to operate bus service between the two terminals.

It is Delta's preference to finance the Terminal 4 expansion project through the issuance of NYCIDA bonds, which would be non-recourse to the project. Should Delta be unsuccessful in obtaining financing through the NYCIDA, it would finance the project with its own funds. In order to allow for Delta to pursue NYCIDA financing, the Port Authority would waive, for this Phase II project only, the provision of the underlying lease with the City of New York that prohibits NYCIDA financing at JFK and LGA.

The Port Authority would receive approximately \$16.7 million in ground rent for the 2.41 acres of land to be added to the Terminal 4 leasehold, plus an estimated \$76.3 million in variable rent, over the term of the Supplement to Lease AYC-685 with JFKIAT, which expires in 2043. In addition, Delta would continue to pay the ground rent on its Terminals 2 and 3 leaseholds through the expiration of the term for those leaseholds, in 2020.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Holmes 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 enter into a Supplement to Lease AYC-685 with JFK International Air Terminal, LLC (JFKIAT) regarding Terminal 4 at John F. Kennedy International Airport (JFK), to cover: (1) the construction of an 11-gate extension of Terminal 4's Concourse B and the development of an airside bus station, at an estimated cost of \$175 million, to be funded by Delta Air Lines, Inc. (Delta) pursuant to JFKIAT's Anchor Tenant Agreement with Delta; (b) an approximately 2.41-acre expansion of the Terminal 4 leasehold; and (c) consent by the Port Authority to a supplement to JFKIAT's Anchor Tenant Agreement with Delta, providing Delta with preferential use of the 11 new gates at Concourse B; all substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Supplement to Delta's Lease AYC-325 at JFK, eliminating Delta's obligation to construct a passenger connector between Terminals 2 and 4, in favor of a bus operation, while allowing Delta to conduct passenger operations on the Terminal 3 site during construction of the Phase II concourse extension/demolition of Terminal 3, 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 waive, for the Terminal 4 expansion project only, the provision of the Port Authority's underlying lease with the City of New York for JFK and LaGuardia Airport (LGA) that prohibits New York City Industrial Development Agency financing at JFK and LGA; and it is further

RESOLVED, that the form of all documents and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

NEWARK LIBERTY INTERNATIONAL AIRPORT – CONTINENTAL AIRLINES, INC. – LEASE ANA-170 – LEASE SUPPLEMENT

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement with Continental Airlines, Inc. (Continental) to supplement and amend Lease ANA-170 covering Terminal C (Terminal C Lease) at Newark Liberty International Airport (EWR) to provide for a 20-year extension of the term of the letting covering areas C1 and C2. The portion of the leasehold covering area C3 would expire in 2028, in accordance with the Terminal C Lease.

The proposed supplemental agreement would be effective as of April 1, 2013. The annual rate of constant rental would increase as of January 1, 2014 and would be subject to escalation over the term. Continental also would continue to pay the airport services factor component of rental under the Terminal C Lease. Additionally, Continental would be required to make a minimum capital investment of \$150 million to upgrade existing infrastructure and to enhance the customer experience in the C1 and C2 portions of the leasehold. While Continental and United Air Lines, Inc. merged their operations on November 30, 2011, the full corporate merger has not yet been accomplished and is expected to be completed in the near future, at which time the Terminal C Lease requires that it be assumed by the surviving entity.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, 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 supplemental agreement to Lease ANA-170 with Continental Airlines, Inc. covering Terminal C at Newark Liberty International Airport, to provide for a 20-year extension of the term of the letting covering areas C1 and C2, 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 agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINALS A AND B
CONCESSIONS PROGRAM – NEW LEASE AGREEMENTS**

It was recommended that the Board authorize the Executive Director to enter into two new concession leases for four locations, as part of the concessions program for Terminals A and B at Newark Liberty International Airport (EWR). This phase of the concessions program would cover the leasing of a total of approximately 1,930 square feet of space in Terminals A and B for the operation of various concession establishments.

On July 26, 2007, the Board authorized the Executive Director to enter into an agreement with Westfield Concessions Management, LLC (Westfield) for the management of the retail and food and beverage concessions at, and loading dock and storage facilities for, Terminals A and B at EWR. The agreement was entered into for a seven-year term, which expires on August 31, 2014. The implementation of the concessions program is a multi-phase process. Phases One through Six of the program were authorized by the Board under separate actions from June 2008 through October 2011, which covered approximately 83,500 square feet of space in Terminals A and B for 70 concessions, including several newly created spaces under the Terminal B Modernization Project.

Each concessionaire would be obligated to pay the greater of a minimum annual guaranteed rent (MAG) or percentage rent based on the gross receipts of the concessionaire's operation. In addition, concessionaires would pay an additional promotion fee over the lease term. The concessionaires would be obligated to make an initial capital investment in connection with their occupancy of the leased premises, and one of the concessionaires also would be obligated to make a mid-term refurbishment investment. The Port Authority would retain the right to terminate the leases on 30 days' notice, without cause, in which event the Port Authority would be obligated to reimburse the concessionaires for their respective unamortized capital investments. The lease terms would be for five-year and seven-year terms, respectively.

Specific material terms of the concessions leases are as follows:

HEALTHY FOOD CONCEPTS, LLC d/b/a Market Fresh – Lease ANC-375

Healthy Food Concepts, LLC d/b/a Market Fresh would lease two locations totaling approximately 442 rentable square feet (rsf) of space in Terminal A for food-and-beverage operations. The lease term would be for five years from the Date of Beneficial Occupancy (DBO), commencing on or about September 2, 2013. The aggregate rental over the lease term would be approximately \$2,371,500 in MAG, in addition to the promotion fee.

GREEN BEANS COFFEE-NEWARK, a Joint Venture d/b/a Green Beans Coffee – Lease ANC-376

Green Beans Coffee-Newark, a Joint Venture d/b/a Green Beans Coffee would lease two locations totaling approximately 1,488 rsf of space in Terminal B for food-and-beverage operations. The lease term would be for seven years from the DBO, commencing on or about September 2, 2013. The aggregate rental over the lease term would be approximately \$1,621,200 in MAG, in addition to the promotion fee.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, 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 the two concession lease agreements set forth above, for a total of approximately 1,930 square feet of space in Terminals A and B at Newark Liberty International Airport, substantially in accordance with the terms outlined to the Board; and it is further

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

**ELIZABETH-PORT AUTHORITY MARINE TERMINAL – APM TERMINALS
NORTH AMERICA, INC. – LEASE EP-248 – SUPPLEMENTAL AGREEMENT –
SURRENDER OF PROPERTY**

It was recommended that, in order to improve traffic management at the Port of New York and New Jersey (Port) and thereby reduce emissions from trucking activities that are a necessary and critical part of Port operations, the Board authorize the Executive Director to enter into Supplemental Agreement No. 4 to Lease EP-248 with APM Terminals North America, Inc. (APM) for the surrender of certain property from the lessee's container terminal leasehold at the Elizabeth-Port Authority Marine Terminal (EPAMT). APM would permanently surrender approximately 1.89 acres of its leasehold, effective on or about March 1, 2013. The basic rental would be reduced by \$35,918 annually.

APM, which was established in the late 1990s following the merger of Maersk, Inc. and Sea-Land Service, Inc., currently leases a 346-acre container terminal at the EPAMT under a 30-year agreement that expires in December 2029.

On December 7, 2010, the Board authorized a project for the design and construction of the widening of McLester Street at the EPAMT, at a total estimated project cost of \$30 million. That project, when completed, will improve traffic flow, increase safety for trucks entering/exiting the EPAMT from North Avenue East and the southern end of McLester Street, and reduce congestion and enhance safety for tenant traffic entering and exiting McLester Street.

Due to changes and growth in the Port's intermodal business, it has become apparent that the Port Authority requires permanently approximately 1.89 acres of the APM leasehold adjacent to Tripoli Street, to address traffic flow issues on Tripoli Street. The area to be surrendered by APM will be used to provide a staging area for trucks entering the approximately 70-acre ExpressRail Elizabeth intermodal rail facility, which was constructed by the Port Authority and is operated currently by Millennium Rail (a joint venture of APM and Maher Terminals, Inc.) under an agreement that expires in August 2014. The proposed action would improve the flow of truck traffic along McLester Street and access to and egress from ExpressRail Elizabeth on Tripoli Street, as well as enhance safety for tenant traffic entering and exiting APM's leasehold on Tripoli Street. It is estimated that the elimination of these traffic backups and associated idling will result in annual emissions reductions of 0.114 tons of nitrogen oxide, 0.0012 tons of particulate matter, 0.011 tons of volatile organic compounds, 0.074 tons of carbon monoxide and 10.1 tons of carbon dioxide-greenhouse gas.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, 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 Supplemental Agreement No. 4 to Lease EP-248 with APM Terminals North America, Inc. for the surrender of approximately 1.89 acres from the lessee's container terminal leasehold at the Elizabeth-Port Authority Marine Terminal (EPAMT), effective on or about March 1, 2013, in order to improve traffic flow into and out of the ExpressRail Elizabeth

intermodal rail facility at the EPAMT, 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 agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – AUTHORIZATION OF TRANSFERS OF PROPERTY INTERESTS AND BUSINESS TERMS RELATED TO RUNWAY 4L-22R SAFETY AREA PROJECT

It was recommended that the Board authorize the Executive Director to enter into an amendment to the Amended and Restated Agreement of Lease of the Municipal Air Terminals between the City of New York (City) and the Port Authority dated November 24, 2004 (City Lease) to transfer interests in real property and to effectuate commitments related to the Port Authority's leasehold at John F. Kennedy International Airport (JFK), to enable the Port Authority to fulfill the Federal Aviation Administration's (FAA) Runway Safety Area (RSA) requirements for Runway 4L-22R at John F. Kennedy International Airport (JFK) by the end of 2015.

As part of the JFK Runway 4L-22R Runway Safety Area Compliance and Reconstruction Program, the northern end of the runway is to be extended in order to maintain the runway's functional length and comply with the FAA's current RSA requirements for a 1,000-foot buffer area at each runway end by December 31, 2015. As a result, the Port Authority must expand the airport leasehold to include property north of JFK's existing lease boundary, to construct the mandated RSAs and maintain direct landside airport access to the Port Authority Police Satellite Emergency Garage and Building 254.

In order to accommodate the RSAs and maintain access to the aforementioned airport buildings, the Port Authority would enter into an amendment of the City Lease to incorporate approximately 14.73 acres north of Runway 4L-22R (Runway Parcel) into the JFK leasehold (of which approximately 0.15 acres is required for the development of a turning lane from Rockaway Boulevard, and is contingent upon the New York State Department of Transportation (NYSDOT) approving the proposed turning lane and curb cut), and would surrender a total of approximately 2.34 acres to the City. Of the property to be surrendered to the City, 1.52 acres would be used for a New York City Police Department (NYPD) Vehicle Impound Lot on Rockaway Boulevard, and 0.82 acres located east of the Runway Parcel would be used to maintain a City-owned 4.18-acre development parcel (Development Parcel) adjacent to Building 254. The amendment to the City Lease also would provide for the NYPD, and for the third-party developer of the Development Parcel selected by the City, to connect into and utilize JFK sanitary and water lines on a metered basis. The Port Authority would be required to provide access to the Development Parcel from Rockaway Boulevard directly, by means of the aforementioned curb cut and turning lane or via a new airport road – the construction of which would require the approval of NYSDOT – or any other on-airport access road, by June 30, 2014 (or by December 31, 2014, as may be extended by the Port Authority at the Port Authority's discretion). In the event the Port Authority is not successful in providing such access to the Development Parcel by the applicable deadline, the Development Parcel would be added to the Port Authority's JFK leasehold under the City Lease, and the Port Authority would be required by the New York City Economic Development Corporation (NYCEDC), upon notice between July 1, 2014 (or January 1, 2015, as extended) and December 31, 2016, to make a payment to the City of \$13.7 million (based on independent appraisals performed on behalf of the Port Authority and NYCEDC, subject to an escalated annualized rate of 3 percent after December 1, 2012), constituting a one-time additional rent payment by the Port Authority.

Approximately 0.15 acres of the 14.73 acre Runway Parcel being acquired by the Port Authority is required for the development of a turning lane and curb cut off Rockaway Boulevard onto the airport. In the event NYSDOT does not approve this turning lane and curb cut, the 0.15 acres would not be incorporated into the Port Authority's JFK leasehold.

Modification of the City Lease would grant permission to the City, NYCEDC and/or the New York City Department of Small Business Services, the NYPD and a City-approved developer of the Development Parcel to connect to and utilize JFK water and sanitary lines on a metered basis, subject to the provision of compensation to the Port Authority for its out-of-pocket expenses.

The City has advised that no further review of the transfer of property interests under the proposed amendment to the City Lease is required under the provisions of Section 197(c) of the City Charter involving the Uniform Land Use Review Procedures.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, 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 execute an amendment to the Amended and Restated Agreement of Lease of the Municipal Air Terminals between the City of New York (City) and the Port Authority dated November 24, 2004 (City Lease) as follows: (1) to incorporate approximately 14.73 acres north of Runway 4L-22R at John F. Kennedy International Airport (JFK) into the Port Authority's JFK leasehold (of which approximate 0.15 acres is required for the development of a turning lane off Rockaway Boulevard, and is contingent upon the New York State Department of Transportation (NYSDOT) approving the proposed turning lane and curb), and to surrender approximately 2.34 acres from the JFK leasehold to the City; (2) to provide the New York City Police Department (NYPD) with the right to connect into and utilize JFK sanitary and water lines on a metered basis, from a Vehicle Impound Lot; (3) to provide the third-party developer to be selected by the City of a 4.18-acre development parcel (Development Parcel) the right to connect into and utilize JFK sanitary and water lines on a metered basis; (4) to require the Port Authority to provide access to the Development Parcel, either by means of a turning lane and curb cut on Rockaway Boulevard approved by the NYSDOT, or an on-airport roadway connecting the Development Parcel to Rockaway Boulevard, by June 30, 2014 (or December 31, 2014, as may be extended by the Port Authority at the Port Authority's discretion); and (5) in the event the Port Authority is not successful in providing such access to the Development Parcel by the applicable deadline, the Development Parcel will be added to the Port Authority's JFK leasehold under the City Lease and the Port Authority will be required by the New York City Economic Development Corporation (NYCEDC), upon notice between July 1, 2014 (or January 1, 2015, as extended) and December 31, 2016, to make a payment to the City of \$13.7 million (based on independent appraisals performed on behalf of the Port Authority and NYCEDC, subject to an escalated annualized rate of 3 percent after December 1,

2012), constituting a one-time additional rent payment by the Port Authority; all, substantially in accordance with the terms outlined to the Board; and it is further.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to incur all necessary related administrative costs and expenses to effectuate the transactions authorized herein, to execute all documents and agreements, including those involving transfers of property interests to or from the Port Authority, and to take such other actions as may be necessary or incidental to effectuate the foregoing transactions; and it is further

RESOLVED, that the form of all documents and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**AGREEMENT WITH THE URBAN LEAGUE OF HUDSON COUNTY, INC.
REGARDING THE CIVIL CONSTRUCTION WORKER TRAINING AND
ENTREPRENEURIAL DEVELOPMENT CENTER**

It was recommended that the Board authorize the Executive Director to enter into an agreement with the Urban League of Hudson County, Inc. (ULOHC), pursuant to which the Port Authority would provide the ULOHC with up to \$500,000 per year for a period of three years in connection with the Civil Construction Worker Training and Entrepreneurial Development Center (Center), administered by the ULOHC, to develop and provide construction job training and mentoring programs for residents, and business and technical services for small, minority, women and disadvantaged business owners, in Hudson County, New Jersey.

The ULOHC is a non-profit organization dedicated to developing and delivering programs to improve economic conditions and opportunities for underserved residents of Hudson County.

To foster a skilled and diverse workforce to support upcoming major civil construction activity in the New York-New Jersey region, the ULOHC, through the Center, would develop and implement a civil construction worker pre-apprenticeship training program that would include recruitment and development, support services and resources, job retention and readiness training, as well as a civil engineering mentoring program that would link participants with union apprenticeship opportunities. Among the targeted participants of the worker training program would be veterans and former prisoners seeking to re-enter the workforce.

The entrepreneurial development component of the program would provide minority, women, small and disadvantaged business owners with capacity-building training, including training in the latest business and project management applications and techniques, as well as mentoring from major construction industry representatives.

Port Authority support of the ULOHC's Center would address several important objectives: (1) preparing Hudson County residents for construction-related employment opportunities; (2) increasing the pool of minority and female workers from which contractors and public agencies can draw in order to meet Port Authority minority and women workforce goals; and (3) preparing Hudson County small, minority, women and disadvantaged business owners for work on regional civil construction projects. The timing of this program coincides with upcoming major Port Authority capital projects scheduled to take place in Hudson County.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, 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 an agreement with the Urban League of Hudson County, Inc. (ULOHC), pursuant to which the Port Authority will provide the ULOHC with up to \$500,000 per year for a period of three years for the development and delivery of construction job training and mentoring programs for residents, and business and technical services for small, minority, women and disadvantaged business owners, in Hudson County, New Jersey through the Civil

Construction Worker Training and Entrepreneurial Development Center, which is administered by the ULOHC; and it is further

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

NEW JERSEY CONSTRUCTION PRE-APPRENTICESHIP TRAINING PROGRAMS – PARTICIPATION AGREEMENTS

It was recommended that the Board authorize the Executive Director to: (1) enter into agreements with the New Jersey Institute for Social Justice (NJISJ) and the Construction Industry Advancement Program of New Jersey (CIAP) to extend the term of the Port Authority's participation in their pre-apprenticeship training programs, at a total combined cost of \$150,000 per year (\$100,000 and \$50,000, respectively) for a three-year period, from March 2013 through February 2016; and (2) enter into a Memorandum of Understanding (MOU) with the NJISJ, CIAP, the New Jersey State Building and Construction Trades Council (BCTC) and the Building Contractors Association of New Jersey (BCA) to participate in Construction Careers, an initiative to provide pre-apprenticeship program graduates with a systematic pathway into union-sponsored skilled trade apprenticeship positions.

Since 1995, the Port Authority has participated in the development of pre-apprenticeship programs both in New York and New Jersey. In February 2001, the Executive Director entered into agreements with the NJISJ and the CIAP to develop pilot workforce programs designed to recruit New Jersey residents, including minorities and women, for construction industry apprenticeship opportunities. As a result, the Newark/Essex Construction Careers Consortium (N/ECCC) and New Jersey Pathways (NJP) programs were established. N/ECCC is now known as the Newark Construction Careers (NCC) program.

NCC, administered by NJISJ, is a formal collaboration involving: the City of Newark Public Schools, six other school districts throughout Essex County, the Essex County Building and Construction Trades Council, the BCA, and the New Jersey Department of Labor and Workforce Development, in addition to other community-based organizations. NJP, administered by CIAP, is designed to expose students from Passaic, Bergen Union, Middlesex and Essex Counties, City of Elizabeth vocational and technical high schools, and adults in the Township of Irvington to opportunities in the skilled trades. Participating unions include the Construction and General Laborers, the International Union of Operating Engineers, the District Council of New Jersey Ironworkers and the Central New Jersey Regional Council of Carpenters.

Both programs, which run six to eight weeks, provide skilled trade-specific training, including classroom and on-the-job instruction, job placement and follow-up services. Since 2001, approximately 837 program graduates have been successfully placed in union apprenticeship or related construction-industry positions.

Pursuant to the terms of the MOU establishing the Construction Careers initiative, unions affiliated with the BCTC and contractors and subcontractors associated with the BCA would reserve a percentage of openings in each of their apprenticeship classes for NCC and NJP program graduates. As part of the MOU, the Port Authority would continue its policy of requiring that its contractors and subcontractors working on New Jersey construction projects with a cost in excess of \$1 million participate in an apprenticeship program registered with the U.S. Department of Labor.

The Port Authority's continued participation in these initiatives would address several important minority and women workforce objectives, including: increasing the availability of skilled construction apprenticeship positions in future years for New Jersey residents; increasing the pool of minority and female apprentices from which contractors and public agencies can

draw in order to meet minority and women workforce goals; and supporting programs that are designed to make institutional changes in the way the skilled trades select people for their apprenticeship programs.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Pocino 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: (1) enter into agreements with the New Jersey Institute for Social Justice (NJISJ) and the Construction Industry Advancement Program of New Jersey (CIAP) to extend the term of the Port Authority's participation in their pre-apprenticeship training programs, at a total combined cost of \$150,000 per year (\$100,000 and \$50,000, respectively) for a three-year period, from March 2013 through February 2016; and (2) enter into a Memorandum of Understanding with the NJISJ, CIAP, the New Jersey State Building and Construction Trades Council and the Building Contractors Association of New Jersey to participate in Construction Careers, an initiative to provide pre-apprenticeship program graduates with a systematic pathway into union-sponsored skilled trade apprenticeship positions; and it is further

RESOLVED, that the form of all agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

NEW YORK CONSTRUCTION PRE-APPRENTICESHIP TRAINING PROGRAM – PARTICIPATION AGREEMENTS

It was recommended that the Board authorize the Executive Director to enter into: (1) an agreement to extend the Port Authority's participation in The Edward J. Malloy Initiative for Construction Skills (Construction Skills, formerly known as Construction Skills 2000) with the Building and Construction Trades Council of Greater New York (BCTC), the Building Trades Employers Association of New York City (BTEA), the Department of Education of the City of New York and The Edward J. Malloy Initiative for Construction Skills, Inc. (Construction Skills, Inc.), a non-profit corporation of the State of New York, for a three-year period, from March 2013 through February 2016; and (2) an agreement with Construction Skills, Inc. for the Port Authority to contribute up to \$100,000 per year for a corresponding period of three years in connection with the Construction Skills program.

Since 1995, the Port Authority has participated in the development of pre-apprenticeship programs in both New York and New Jersey. Construction Skills was established by the BCTC and BTEA to address training and employment issues for the future workforce of New York City's building and construction industry. Construction Skills, Inc. administers a preparatory training course for high school students in their senior year, under which, if they complete the course successfully and receive their diploma, participating students receive preferred access to apprenticeship programs in the building and construction industry. Since its inception in 2001, Construction Skills, Inc. has placed 1,371 of its participants into BCTC affiliate apprenticeship programs. Eighty percent of those placed have remained active apprentices and journeypersons. Over the past three years alone, approximately 266 students have successfully completed the program, of whom 181 have been placed into BCTC affiliate apprenticeship programs. The program reaches out to a diverse population of students from the five boroughs of New York City.

Construction Skills, Inc. also arranges summer construction internships with private firms and public agencies for the high school seniors and coordinates their placement into participating apprenticeship programs. As participants in the Construction Skills program, various unions have agreed to reserve a percentage of openings in each of their apprenticeship programs for Construction Skills graduates.

The Port Authority's continued participation in Construction Skills would achieve several important workforce objectives, including: expanding the pool of minority and female apprenticeships from which Port Authority contractors may draw to help them attain Port Authority contractual workforce goals; increasing the availability of skilled construction apprenticeship positions in future years for graduates of New York City high schools; and supporting programs that are designed to make institutional changes in the way the skilled trades select candidates for their apprenticeship programs.

Pursuant to the proposed agreement, the Port Authority would continue its policy of requiring that its contractors and subcontractors working on New York construction projects with a cost in excess of \$1 million participate in an apprenticeship program registered with the New York State Department of Labor.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Pocino 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: (1) enter into an agreement to extend the Port Authority's participation in The Edward J. Malloy Initiative for Construction Skills (Construction Skills, formerly known as Construction Skills 2000) with the Building and Construction Trades Council of Greater New York, the Building Trades Employers Association of New York City, the Department of Education of the City of New York and The Edward J. Malloy Initiative for Construction Skills, Inc. (Construction Skills, Inc.), a non-profit corporation of the State of New York, for a three-year period, from March 2013 through February 2016; and (2) enter into an agreement with Construction Skills, Inc. for the Port Authority to contribute up to \$100,000 per year for a corresponding period of three years in connection with the Construction Skills program; and it is further

RESOLVED, that the form of all agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

ADOPTION OF PORT AUTHORITY KEY OPERATING PRINCIPLES

It was recalled to the Board that as part of the agency-wide audit of the Port Authority requested by the Governors of New York and New Jersey and conducted under the oversight of a Special Committee of the Board, reports were received from Navigant Consulting, Inc. and Rothschild, Inc. In response to these reports, the Board has taken various actions to implement certain of recommended key initiatives and directed executive staff to implement other recommended initiatives to continue the transformation of the Port Authority. In furtherance of this effort, it was recommended that the Board adopt the following key operating principles to serve as a guide for the Port Authority in all of its activities.

- The Port Authority shall pro-actively communicate, be transparent in its decision making, and set clear expectations upon which to measure the results of its actions.
- The Port Authority shall make protecting its assets and the public that it serves the highest of priorities throughout all of its operations.
- The Port Authority shall develop an operating structure to enable its staff to execute and maximize performance.
- The Port Authority shall strive to align incentives among all its staff to perform at the highest levels to achieve the Port Authority's mission.
- The Port Authority shall continually evaluate opportunities for revenue enhancement, improved productivity, and cost effective execution in delivery of its services to minimize the financial burden on the public that it serves.
- The Port Authority's staff shall continue to provide timely, relevant, reliable and succinct analysis, including historical and forecast performance metrics, to ensure that the Board of Commissioners, in exercising its oversight responsibilities, can make fully informed decisions and drive accountability.
- The Port Authority shall review and continuously refine each of its business unit's strategic and capital plans, with emphasis on actionable and measurable goals and objectives.
- The Port Authority shall continuously evaluate and utilize innovative and creative ways to efficiently deploy its capital and effectively manage its assets, and hold itself accountable for delivering measured performance.
- The Port Authority shall develop processes to capture the value of its employees' collective knowledge and experience, and optimize the use of its resources to provide shared services support to its operating departments.

- The Port Authority shall manage enterprise risk through consistent identification, education, and execution of mitigation strategies, while measuring its performance against its goals.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Moerdler, Pocino, Rechler, Rosado, Rubin, Samson, 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 key operating principles set forth in the foregoing report be and they hereby are adopted to serve as a guide for the Port Authority in all of its activities.

DOWNTOWN RESTORATION PROGRAM – DESIGN AND CONSTRUCTION OF METROPOLITAN TRANSPORTATION AUTHORITY CORTLANDT STREET NO. 1-LINE SUBWAY STATION AT THE WORLD TRADE CENTER SITE – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the design and construction of the Metropolitan Transportation Authority (MTA) Cortlandt Street No. 1-Line subway station (Cortlandt Street Station), at an estimated total project cost of \$210 million (inclusive of payments to the general contractor and construction contractors, payments for professional, technical and advisory services, engineering, testing and inspection services, insurance and financing costs and a project contingency), with total Port Authority expenditures for the project limited to an amount not to exceed \$50 million until such time as a Cortlandt Street Station funding agreement with the MTA has been executed that provides for reimbursement by the MTA for certain costs incurred by the Port Authority; and (2) the Executive Director to: (a) award Contract WTC-934.283, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to Judlau Contracting, Inc. for the rehabilitation of the Cortlandt Street Station, at an estimated total cost of \$115,858,640, inclusive of an eight-percent allowance for extra work, net cost work, clause work and an MTA allowance (including, but not limited to, changes to communications work and MTA support costs) and subject to a notice to proceed with the Cortlandt Street Station superstructure work at this time, at an estimated total construction cost of \$33 million, and with the future authorization to proceed for the Cortlandt Street Station finishes work to be provided only after such time as the Cortlandt Street Station funding agreement with the MTA has been executed that provides for reimbursement by the MTA for certain costs incurred by the Port Authority; (b) increase by an estimated amount of \$5.4 million, the compensation under an existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc. (DDP), for construction-related architectural and engineering services in connection with the World Trade Center (WTC) Transportation Hub (WTC Hub) Project; (c) increase, by an estimated amount of \$4.3 million, the compensation under an existing agreement with Tishman/Turner for construction management services, in connection with the World Trade Center Transportation Hub (WTC Hub) Project; and (d) enter into any and all agreements with the MTA as are necessary to effectuate the foregoing, inclusive of an agreement(s) to effectuate reimbursement by the MTA for costs incurred by the Port Authority in connection with the design and construction of MTA infrastructure at the World Trade Center (WTC) site.

The authorization for this project would encompass the overall reconstruction of the Cortlandt Street Station. The scope of work under this authorization includes the demolition and reconstruction of platforms and tracks, rail alignment, architectural finishes and mechanical/electrical/plumbing work, creation of vault space along Liberty Street for Consolidated Edison utility service and construction of back-of-house (i.e., non-public) space for station operations. Contract WTC-934.283 would provide for the bulk of the core and shell construction and fit-out for the station proper, including construction of the back-of-house space and creation of the vault space along Liberty Street. Implementation of Contract WTC-934.283 would encompass two components: Cortlandt Street Station superstructure and Cortlandt Street Station finishes, with a notice to proceed for only the Cortlandt Street Station superstructure at this time. Initially, the contractor would be authorized to proceed with superstructure work at an estimated total cost of \$33 million, inclusive of an eight-percent allowance for extra work, net cost work, clause work and an MTA allowance. The Cortlandt Street Station finishes work

would not commence until the Cortlandt Street Station funding agreement with the MTA has been executed.

The Cortlandt Street Station was destroyed during the terrorist attacks on the WTC on September 11, 2001. In 2004, the station was reconstructed, following the original station plans, in order to quickly restore subway service to Lower Manhattan. As the WTC Site Master Plan was developed, the MTA and all participating parties agreed that the Cortlandt Street Station would require expansion and allocation of additional space to integrate the new station with the surrounding facilities.

At its meeting of March 5, 2009, the Board authorized the Port Authority to provide an amount of up to \$150 million for the design and construction/reconstruction of the Cortlandt Street Station, and authorized an agreement with MTA Capital Construction Company and/or its affiliate, New York City Transit Authority, for the Port Authority to perform the work.

The original design was in two phases – Phase I, encompassing core and shell work, and a future Phase II, to construct finishes – because the MTA had not defined the requirements for finishes in conjunction with the MTA Arts for Transit Program. Both parties subsequently agreed to consolidate the work into a single package with base-line finishes work and to incorporate an MTA-funded allowance of no more than \$5 million to capture future alterations, in accordance with MTA’s Arts for Transit Program.

It is anticipated that the MTA would reimburse the Port Authority for a portion of the Port Authority’s costs incurred in connection with WTC site-wide infrastructure and other work that supports the MTA’s infrastructure at the WTC site. A portion of such MTA reimbursement would be allocated to the Cortlandt Street Station project.

In connection with the project, Port Authority expenditures and disbursements relating to the project would be limited to an amount not to exceed \$50 million until such time as an agreement(s) with the MTA regarding reimbursement by the MTA for certain costs incurred by the Port Authority has been executed. Further, the Port Authority would not pay for any MTA-directed change orders and/or changes to the scope of work unless funding is provided by MTA.

The completed station would conform to MTA standards and guidelines, New York State building codes and the National Fire Protection Association 130 Standard for smoke control. It would be Americans with Disabilities Act-compliant, and would provide below-grade access to the WTC Hub and Towers 2 and 3. The station completion is also on the critical path for completion of utility work and Greenwich Street.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub for a five-year term, at an estimated amount of \$60 million. Through August 2012, the Board authorized increases to the existing DDP agreement for additional architectural, engineering, and construction support services through Stage IV, to implement various components of the WTC Hub Project. The requested increase of \$5.4 million under the proposed authorization includes a multiplier reduced from 2.45 to 2.36, effective July 31, 2010. To date, \$420.25 million has been authorized for DDP services and approximately \$371.2 million has been expended.

On July 23, 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathub. Subsequent to award of the construction management agreement, the contracting strategy was modified to include approximately 30 trade contracts, to increase competition and flexibility, which was agreed to by the Port Authority. The proposed increase of \$4.3 million would compensate Tishman/Turner for its additional costs to support the construction of the Cortlandt Street Station. To date, \$145 million has been authorized for Tishman/Turner services and approximately \$69.3 million has been expended.

The agreements with DDP and Tishman/Turner would be supplemented to accommodate the implementation of the Cortlandt Street Station project, which is immediately adjacent to WTC Hub Project work areas, in order to optimize the coordination of contractor activities for both projects.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Pocino, Rechler, Rosado, Rubin, Schuber and Steiner voting in favor; Commissioners Moerdler and 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 a project for the design and construction of the Metropolitan Transportation Authority (MTA) Cortlandt Street No. 1-Line subway station (Cortlandt Street Station), at an estimated total project cost of \$210 million (inclusive of payments to the general contractor and construction contractors, payments for professional, technical and advisory services, engineering, testing and inspection services, insurance and financing costs and a project contingency), be and it hereby is authorized, with total Port Authority expenditures for the project limited to an amount not to exceed \$50 million until such time as a Cortlandt Street Station funding agreement with the MTA has been executed that provides for reimbursement by the MTA for certain costs incurred by the Port Authority; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract WTC-934.283, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to Judlau Contracting, Inc., for the rehabilitation of the Cortlandt Street Station, at an estimated total cost of \$115,858,640, inclusive of an eight-percent allowance for extra work, net cost work, clause work and an MTA allowance (including, but not limited to, changes to communications work and MTA support costs), and subject to a notice to proceed with the Cortlandt Street Station superstructure work at this time, at an estimated total construction cost of \$33 million, and with the future authorization to proceed for the Cortlandt Street Station finishes work to be provided only after such time as the Cortlandt Street Station funding agreement with the MTA has been executed that provides for reimbursement by the MTA for certain costs incurred by the Port Authority ; 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 \$5.4 million, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for construction-related architectural and engineering services in connection with the World Trade Center Transportation Hub (WTC Hub) Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$4.3 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services in connection with the WTC Hub Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any and all agreements with the MTA as are necessary to effectuate the foregoing, including, but not limited to, an agreement(s) to provide for reimbursement by the MTA for certain costs incurred by the Port Authority in connection with design and construction of MTA infrastructure at the World Trade Center site; 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 resolutions adopted by the Board; and it is further

RESOLVED, that the form of all documents and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

ONE WORLD TRADE CENTER – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR CABLE NET WALLS AND CANOPIES

It was recommended that the Board authorize World Trade Center Tower 1 LLC (WTC Tower 1 LLC), through its construction manager, Tishman Construction Corporation (Tishman), to enter into a construction trade contract with Permasteelisa North America Corporation (Permasteelisa) for cable net walls and canopies work associated with the construction of One World Trade Center (1WTC), at an estimated total cost of \$18,518,468, including an eight-percent allowance for extra work.

At its meeting of February 3, 2010, the Board authorized the award of the cable net walls and canopies contract for 1WTC to American Architectural Incorporated (AAI), which was terminated subsequent to AAI filing for Chapter 11 bankruptcy protection and a determination by Tishman that the firm would not be able to complete the work. In order to avoid any impact on construction schedules, Tishman directly solicited bids from a list of pre-qualified firms already performing work at the WTC site.

The scope of work under the proposed contract includes additional material purchases and fabrication of glass, cable, stainless steel and supports, as well as the installation of cable net walls, canopies, and storefronts at the four entrances to 1WTC. Under the terms of the contract, Permasteelisa would honor the original warranties for labor and materials included under the prior contract.

The form of trade contract being utilized by Tishman as construction manager was developed by Port Authority staff and maintains, to the greatest degree possible, Port Authority policy and procedures for the work, including provisions allowing for termination for convenience, and requirements for minority and women-owned business enterprise utilization, confidentiality, security, integrity monitoring and a competitive bidding process.

The terms of the construction trade contract proposed for award were negotiated and would be awarded to the lowest bidder, in accordance with the procurement procedures established in the Third Freedom Tower Amendment to the September 2003 General Contractor Agreement between Tishman and WTC Tower 1 LLC (formerly known as 1 World Trade Center LLC).

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Moerdler 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 World Trade Center Tower 1 LLC be and it hereby is authorized, through its construction manager, Tishman Construction Corporation, to enter into a construction trade contract with Permasteelisa North America Corporation, for the cable net walls and canopies work associated with the construction of One World Trade Center, at an estimated total cost of \$18,518,468, including 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 STREETS, UTILITIES AND RELATED INFRASTRUCTURE PROGRAM – PHASE II, PACKAGE IV – FINAL STREETS AND SIDEWALK SURFACES, STREETScape ELEMENTS AND OPEN SPACES – ONE WORLD TRADE CENTER – AWARD OF CONTRACT

It was recommended that the Board authorize the Executive Director to award Contract WTC-324.359.04, through construction manager Tishman Construction Corporation (Tishman), to Oliveira Contracting, Inc., the lowest bidder pursuant to a publicly advertised/low-bid process, for the furnishing (except for pre-purchased granite pavers, curbs and architectural bollard covers) and installation of street and sidewalk surfaces, streetscape furniture and security elements adjacent to One World Trade Center (One WTC), as part of Phase II of the WTC Streets, Utilities and Related Infrastructure Program (WTC Streets Program), at an estimated cost of \$11,289,653, inclusive of net cost work and an eight-percent allowance for extra work.

At its meeting of October 22, 2009, the Board authorized Phase II of the WTC Streets Program, which includes the final design and construction of street and sidewalk surface finishes, trees, paving, bollards and streetscape furniture, at an estimated cost of \$140 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 under the proposed contract supports the areas surrounding One WTC, and provides for the furnishing (except for pre-purchased granite pavers, curbs and architectural bollard covers) and installation of granite sidewalks and curbing, bollards, streetlights and traffic signals, concrete foundations and asphalt surfaces, trees and streetscape furniture, and readjustment of utility covers, as required. (The granite curb materials and bollard covers are provided for in previously authorized pre-purchase agreements.) The proposed contract includes an “add alternate,” which would provide for the installation of sidewalk paving, bollards, bollard covers, foundations for signage and poles, foundations and conduits for light/traffic poles, pedestrian ramps and re-setting castings along the New York State Department of Transportation property on West Street, to maintain continuity of the unique WTC district theme around One WTC.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Moerdler 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-324.359.04, through construction manager Tishman Construction Corporation, to Oliveira Contracting, Inc. for the furnishing (except for pre-purchased granite pavers, curbs and architectural bollard covers) and installation of street and sidewalk surfaces, streetscape furniture and security elements adjacent to One World Trade Center, as part of Phase II of the World Trade Center Streets, Utilities and Related Infrastructure Program, at an estimated cost of \$11,289,653, inclusive of net cost work and an eight-percent allowance for extra work; and it is further

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

WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – INCREASE IN AUTHORIZATION FOR PATH HALL CONSTRUCTION CONTRACT AND INCREASES IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION MANAGEMENT SERVICES

It was recommended that the Board authorize the Executive Director to: (1) increase by \$60 million, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), the amount of the extra work allowance under the existing Port Authority Trans-Hudson (PATH) Hall construction contract WTC-264.595 with Skanska USA Civil Northeast, Inc./Granite Construction Northeast, Inc./Skanska USA Building, Inc., a Joint Venture (Skanska/Granite), to perform construction work in support of the completion of the World Trade Center Transportation Hub (WTC Hub) Project; (2) increase, by an estimated amount of \$3 million, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for expert professional architectural and engineering services to support the continued construction of the WTC Hub Project; and (3) increase, by an estimated amount of \$1.5 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub Project.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center (WTC) complex prior to September 11, 2001, and to ensure the long-term accessibility and economic vitality of Lower Manhattan.

At its meeting of February 25, 2010, the Board authorized the award of Contract WTC-264.595 to Skanska/Granite to construct the PATH Hall for the WTC Hub Project, at a total estimated amount of \$596,557,500, inclusive of a ten-percent allowance for extra work. Through subsequent actions on May 18, 2010, June 30, 2011, and March 29, 2012, the Board authorized three supplemental agreements under the Skanska/Granite contract, in the aggregate amount of \$15,942,400, to construct the southeast corner of the West Bathtub at the WTC site and a check-in area for WTC Memorial visitors on Albany Street between Greenwich and Washington Streets, both of which were required to accommodate the opening of the WTC Memorial Plaza on September 11, 2011, and to provide for the construction of improvements to the Vesey Street Liner Wall on behalf of multiple WTC site stakeholders, respectively.

There have been numerous design alterations to the structural, architectural, electrical and mechanical components of the scope of work subsequent to the initial contract award to Skanska/Granite. These alterations encompass not only physical changes from a fabrication and installation standpoint, but also introduce extra costs for engineering, supervision, and purchasing, while extending the completion schedule. The scope of work under the proposed increase in extra work allowance includes: extensive subsurface exploration to determine the locations of sound rock; out-of-sequence coordination and acceleration in support of opening the WTC Memorial Plaza on September 11, 2011; architectural, mechanical, and electrical revisions to the PATH platforms; concrete footings to support the temporary shoring needed for the structural steel construction; sequencing of temporary power and other utilities; and additional work in support of necessary demolition associated with the design and construction of the Metropolitan Transportation Authority No. 1 Subway Line Cortlandt Street Station.

At its October 20, 2012 meeting, the Board re-authorized the WTC Hub Project, at an estimated total project cost range of approximately \$3.74 billion to \$3.995 billion. The proposed increase in extra work is consistent with both the revised total project budget authorized by the Board and the findings of the Navigant Consulting, Inc./Rothschild, Inc. Phase II Report.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. Through August 2012, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the requested increase of \$3 million, and increases pursuant to companion items also being advanced at this meeting of the Board, a total of \$420.25 million will have been authorized. Approximately \$371.2 million of that amount has been expended to date.

In July 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathtub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to maximize opportunities for competition, flexibility and overall savings in contract value. The proposed increase in compensation to Tishman/Turner would provide for the development, management and supervision of this construction trade package. Including the requested increase of \$1.5 million, and increases pursuant to companion items also being advanced at this meeting of the Board, a total of \$145 million will have been authorized. Approximately \$69.3 million of that amount has been expended to date.

This item will remain confidential until the WTC Hub Project is complete, because it involves ongoing negotiations related to pending changes in work.

Pursuant to the foregoing report, the Board adopted the following resolution in executive session, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Schuber and Steiner voting in favor; Commissioners Moerdler, Samson 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 increase by \$60 million, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), the amount of the extra work allowance under the existing Port Authority Trans-Hudson Hall construction contract WTC-264.595 with Skanska USA Civil Northeast, Inc./Granite Construction Northeast, Inc./Skanska USA Building, Inc., a Joint Venture, to perform construction work in support of the completion of the World Trade Center Transportation Hub (WTC Hub) Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$3 million, the compensation under the Port Authority's existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for expert professional architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$1.5 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub 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 TRANSPORTATION HUB PROJECT – INCREASE IN AUTHORIZATION FOR TRANSIT HALL CONCRETE CONSTRUCTION CONTRACT AND INCREASES IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION MANAGEMENT SERVICES

It was recommended that the Board authorize the Executive Director to: (1) increase by \$11.5 million, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), the amount of the extra work allowance in under the existing Transit Hall concrete construction contract WTC-264.597 with Sorbara Construction Corporation (Sorbara), to perform construction work in support of the completion of the World Trade Center Transportation Hub (WTC Hub) Project; (2) increase, by an estimated amount of \$500,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for expert professional architectural and engineering services to support the continued construction of the WTC Hub Project; and (3) increase, by an estimated amount of \$500,000, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub Project.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center (WTC) complex prior to September 11, 2001, and to ensure the long-term accessibility and economic vitality of Lower Manhattan.

At its meeting of June 22, 2010, the Board authorized the award of Contract WTC-264.597 to Sorbara for Transit Hall concrete work associated with the WTC Hub Project, at a total estimated amount of \$86,646,839, inclusive of an eight-percent allowance for extra work. The scope of work included the furnishing and installation of all reinforced concrete above the foundations and slab on grade in the East Bathtub, including concrete slabs, beams, walls, metal deck slabs, fills, curbs, and pads. Additionally, the contract provided for the installation and utilization of two tower cranes to perform the work.

In August 2011, the Executive Director authorized increases to various WTC Hub Project construction contracts for the establishment of clause work allowances, inclusive of \$600,000 for the existing contract with Sorbara, thereby increasing the amount of that contract from \$86,646,839 to \$87,246,839. The clause work allowance provided for compensation for premium time, idle salaried workers and equipment, emergency delays, and other costs, as set forth in the contract.

In March 2012, the Executive Director ratified an increase in compensation to Sorbara, in the amount of \$1.9 million, for additional work that was not anticipated at the time of contract award, including the operation of tower cranes located in the East Bathtub on behalf of other trade contractors and additional general contractor work to accommodate design changes and stakeholders requests.

There have been numerous design alterations to the structural components of the scope of work subsequent to the contract award to Sorbara. Many of these alterations resulted from the Port Authority's 2008 reassessment of the WTC site redevelopment program, including the WTC Hub Project. These alterations encompassed not only physical changes from a fabrication and installation standpoint, but also introduced extra costs for engineering, supervision and purchasing, while extending the completion schedule. At its October 20, 2012 meeting, the Board re-authorized the WTC Hub Project, at an estimated total project cost range of approximately \$3.74 billion to \$3.995 billion. The proposed increase in extra work for the Sorbara contract is consistent with both the revised total project budget authorized by the Board and the findings of the Navigant Consulting, Inc. /Rothschild, Inc. Phase II Report.

The scope of work under the proposed increase in the extra work allowance includes: reworking of ring beam reinforcement steel and the addition of couplers to ensure the full integration of the concrete slabs with the structural steel framework; removal of deteriorated walls and construction of new walls along Church Street to provide a complete structural interface with the Metropolitan Transportation Authority R Subway Line; additional drilling of steel bars and anchor bolts to bolster connections to concrete panels; out-of-sequence work and additional winter concrete operations to maintain schedule; the transfer of Towers 2 and 3 concrete work scope; and changes to accommodate structural steel to grade and Oculus steel construction.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. Through August 2012, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the requested increase of \$500,000, and increases pursuant to companion items being advanced at this meeting of the Board, a total of \$420.25 million will have been authorized. Approximately \$371.2 million of that amount has been expended to date.

In July 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bath tub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to maximize opportunities for competition, flexibility and overall savings in contract value. The proposed increase in compensation to Tishman/Turner would provide for the development, management and supervision of this construction trade package. Including the requested increase of \$500,000, and increases pursuant to companion items also being advanced at this meeting of the Board, a total of \$145 million will have been authorized. Approximately \$69.3 million of that amount has been expended to date.

This item will remain confidential until the WTC Hub Project is complete, because it involves ongoing negotiations related to pending changes in work.

Pursuant to the foregoing report, the Board adopted the following resolution in executive session, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Schuber and Steiner voting in favor; Commissioners Moerdler, Samson 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 increase by \$11.5 million, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), the amount of the extra work allowance under the existing Transit Hall concrete construction contract WTC-264.597 with Sorbara Construction Corporation, to perform construction work in support of the completion of the World Trade Center Transportation Hub (WTC Hub) Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$500,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for expert professional architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$500,000, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub 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.

PORT AUTHORITY RESPONSE TO HURRICANE SANDY AND RESUMPTION OF FACILITY OPERATIONS AND ESSENTIAL AGENCY FUNCTIONS – RATIFICATION OF ACTIONS TAKEN

During the week of October 28, 2012, Hurricane Sandy crippled the bi-state region, including its transportation network, in an unprecedented manner. This event tested the mettle and resolve of federal, state and local governments and transportation agencies, including the Port Authority and Port Authority Trans-Hudson Corporation (PATH), and will continue to do so, as the region recovers and rebuilds.

In light of the severity of this unprecedented storm event, it was prudent and appropriate for staff to take immediate action to secure Port Authority and PATH facilities, in order to minimize the potential for loss of life and property and to facilitate the resumption of safe operations and essential agency functions as soon as safely possible. Therefore, it was recommended that all such prior actions taken by staff be ratified by the Board. The actions to be ratified, which involve contractual commitments and expenditures totaling nearly \$210 million, entailed work undertaken in connection with both preemptive measures in advance of the storm, as well as emergency recovery efforts following the event. To the extent practical, existing contracts were leveraged to expedite the delivery of the required services and equipment. The proposed ratification would not include certain other actions taken pursuant to the Executive Director's authority under the By-Laws, nor does the aforementioned cost estimate represent the aggregate amount to be required to fully repair and rebuild facilities and associated infrastructure to their pre-storm state. Staff expects to return to the Board for further authorization in connection with continuing rebuilding and repair work required to fully restore Port Authority and PATH facilities.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Pocino, Rechler, Rosado, Rubin and Schuber voting in favor; Commissioners Moerdler, Samson and Steiner 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 all prior actions taken by staff in response to Hurricane Sandy, to secure Port Authority and Port Authority Trans-Hudson Corporation facilities, in order to minimize the potential for loss of life and property and to facilitate the resumption of safe operations and essential agency functions as soon as safely possible, be and they hereby are ratified, consistent with the terms outlined to the Board.

DOWNTOWN RESTORATION PROGRAM – RATIFICATION AND AUTHORIZATION OF ADDITIONAL WORLD TRADE CENTER CONTRACT ACTIONS AND EXPENDITURE COMMITMENTS TO SUPPORT POST-HURRICANE SANDY RECOVERY WORK

It was recommended that the Board: (1) ratify actions taken concerning contractual commitments and expenditures incurred through February 5, 2013 to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, at an estimated amount of \$75 million; (2) authorize the expenditure of an additional \$25 million for additional contract actions and commitments expected to be required through March 31, 2013; and (3) authorize the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub, Vehicular Security Center, WTC Memorial Museum, and One WTC, among other WTC projects under construction. The temporary WTC Port Authority Trans-Hudson (PATH) Rail Station/WTC Transportation Hub was flooded above the platform level (with several feet of water also in PATH Tunnels “E” and “F”), submerging rails, electrical and other equipment, and causing the shutdown of PATH operations and service at the WTC for four weeks. Storm surge water inundated the Vehicular Security Center project area and flooded the bottom levels of the WTC Memorial Museum and One WTC with several feet of water. Much of the new Platform A and PATH tracks and signals, as well as an electrical spot network and a major ventilation fan plant, were among the below-grade areas submerged in corrosive saltwater.

Staff advanced various contract actions on an emergency basis to facilitate de-watering and other immediate site restoration and repair work. An estimated 125 million gallons of water were pumped from the WTC site, and other emergency repair and restoration work was performed, to restore PATH operations and resume WTC site construction activities. Although the de-watering of the WTC site was substantially completed in early November 2012, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement. The costs incurred for emergency preparations, response and initial recovery efforts, estimated at \$25 million, are included as part of a separate resolution being advanced at this meeting of the Board, which covers agency-wide emergency response and initial recovery efforts. As a result, the cost for Hurricane Sandy response, recovery and restoration efforts at the WTC site through March 2013 is estimated to be an aggregate amount of \$125 million.

Although comprehensive damage assessments and project impact evaluations related to Hurricane Sandy will be ongoing throughout 2013, staff has ordered various contractors to repair or replace damaged and destroyed equipment and infrastructure on all projects, including (re)purchase of major long-lead items such as electrical switchgear and substation equipment, vertical circulation equipment, and mechanical fans, air handling units and controls. Removal of damaged equipment and installation of new equipment will require, in some instances, the

demolition and rebuilding of concrete walls and floors. To expedite recovery, most of the equipment replacement and re-installation work will be performed pursuant to the same design specifications and by the same equipment suppliers and installation contractors.

As additional project evaluations and implementation decisions are made throughout 2013, it is anticipated that there will be further requests for increases to contracts for actions that will be attributable to the effects of Hurricane Sandy, including installation costs and potential acceleration costs.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Pocino, Rechler, Rosado, Rubin and Schuber voting in favor; Commissioners Moerdler, Samson and Steiner 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 all prior actions taken by staff to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, at an estimated cost of \$75 million for initial project recovery work (identified as of February 5, 2013), be and they hereby are ratified, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the expenditure of an additional \$25 million for certain additional actions and commitments expected to be required through March 31, 2013, to effectuate repair and replacement of facilities and equipment at the WTC site that were damaged or destroyed by Hurricane Sandy and its associated storm surge, be and it hereby is authorized, consistent 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 all actions necessary to facilitate the foregoing, consistent with the terms outlined to the Board; 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.

Whereupon, the meeting was adjourned.

Secretary