

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL MEETING**

Thursday, February 9, 2012

(corrected as of 2/19/14)

Newark Liberty International Airport – Runway 11 Engineered Material Arresting System – Project Authorization and Award of Contract	4
New Jersey Department of Environmental Protection v. Occidental Chemical Corporation – Authorization to Participate in a Third-Party Public Entity Cooperation Agreement	6
World Trade Center Vehicular Security Center and Tour Bus Parking Facility – Authorization to Award a Construction Trade Contract for Spray-on Fireproofing and Epoxy Intumescent Coating System and Increase in Expert Professional Architectural and Engineering Services	7
Lincoln Tunnel – Lincoln Tunnel Park-and-Ride Lot – New Jersey Transit Bus Operations, Inc. – Lease Supplement*	9

*As reported in the Minutes of the February 19, 2014 Board meeting, this action has been corrected to reflect a recusal by Commissioner Samson (through clerical inadvertence such recusal was not noted). As such, the item moved to the Minutes of the Special Meeting of the Committee on Operations of February 9, 2012 from the Minutes of the Board of Commissioners of February 9, 2012.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL MEETING**

225 Park Avenue South

New York, NY

Thursday, February 9, 2012

PRESENT:

Hon. David Samson, Chair
 Hon. Scott H. Rechler, Vice-Chair
 Hon. Virginia S. Bauer
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. William P. Schuber
 Hon. David S. Steiner
 Committee Members

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 Support Specialist, Office of the Secretary
 Steven A. Borrelli, Assistant Director, Port Business Development, Port Commerce
 Steven J. Coleman, Deputy Director, Media Relations
 Stephanie E. Dawson, Chief of Staff to the Chief Operating Officer
 Gerard A. Del Tufo, Assistant Director of Development and Operations, Real Estate and Development
 John C. Denise, Audio Visual Supervisor, Marketing
 Michael P. DePallo, Director, Rail Transit
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
 Paula T. Dow, First Deputy General Counsel
 John J. Drobny, Director, Security Projects, Chief Operating Office
 Jason Englese, Engineer, Port Authority Trans-Hudson Corporation
 Michael G. Fabiano, Chief Financial Officer
 Nancy A. Farrell, Police Officer, Port Authority Police
 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
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Director, Human Resources
 Timothy Harrington, Trainmaster, Port Authority Trans-Hudson Corporation
 Andrew T. Hawthorne, Director, Marketing
 Anthony Hayes, Manager, Media Planning, Media Relations
 Mark D. Hoffer, Director, New Port Initiatives, Port Commerce

Lawrence S. Hofrichter, Deputy General Counsel
Atiba A. Joseph-Cumberbatch, Police Officer, Port Authority Police
Howard G. Kadin, Esq., Law
Kirby King, Director, Technology Services
Krzysztof Kutarnia, Police Officer, Port Authority Police
Louis J. LaCapra, Chief Administrative Officer
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
Richard M. Larrabee, Director, Port Commerce
Jamie E. Loftus, Chief, Public and Government Affairs
John Ma, Chief of Staff to the Executive Director
Lisa MacSpadden, Director, Media Relations
Norma L. Manigan, Project Director, External Affairs, Marketing
Catherine M. Massab, Supporting Office Assistant, Office of the Secretary
Michael G. Massiah, Director, Management and Budget
Daniel G. McCarron, Comptroller
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Anne Marie C. Mulligan, Treasurer
Laurie Michel, Director, Federal Affairs, Government and Community Affairs
Toni L. Munford, Principal Records Management Officer, Office of the Secretary
Lynn A. Nerney, Senior Business Manager, Office of the Secretary
Patrick O'Reilly, Senior Advisor to the Chairman
Ann M. O'Rourke, Assistant Director, Government and Community Affairs
Jeffrey P. Pearse, Deputy Director, Aviation
Paul A. Pietropaolo, Corporate Information Security Officer, Office of the Secretary
Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
Alan L. Reiss, Deputy Director, World Trade Center Construction
Paul J. Richman, Director, Federal Affairs, Government and Community Affairs
Shane Robinson, Staff External Affairs Representative, Government and Community Affairs
Brian W. Simon, Director, Government and Community Affairs, New York
Timothy G. Stickelman, Assistant General Counsel
Gerald B. Stoughton, Director, Financial Analysis
Robert A. Sudman, Director, Audit
Ralph Tragale, Assistant Director, Public Affairs, Aviation
David B. Tweedy, Chief, Capital Programs
I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office
Lillian D. Valenti, Director, Procurement
Sheree Van Duynes, Manager, Policies and Protocol, Office of the Secretary
Teresa Whitehead, Conductor, Port Authority Trans-Hudson Corporation
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director
Peter J. Zipf, Chief Engineer

Guests:

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

Speakers:

Murray Bodin, Member of the Public

Joseph Clift, Member of the Public

Jack Coughlin, Member of the Public

Margaret Donovan, Twin Towers Alliance

Yvonne Garrett-Moore, Member of the Public

Richard Hughes, Twin Towers Alliance

Kenneth D. Paskar, Friends of LaGuardia Airport

James T. Raligh, Friends of LaGuardia Airport

In view of the fact that there would be an insufficient number of affirmative votes cast to constitute a quorum with respect to certain matters to be considered at today's Board meeting, the Secretary reported that, pursuant to the By-Laws, a special meeting of the Committee on Operations was called to permit the Committee to act on these items for and on behalf of the Board.

The meeting was called to order in public session by Chairman Samson at 12:25 p.m. and ended at 1:05 p.m.

NEWARK LIBERTY INTERNATIONAL AIRPORT – RUNWAY 11 ENGINEERED MATERIAL ARRESTING SYSTEM – PROJECT AUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board authorize: (1) a project for the design and construction of an Engineered Material Arresting System (EMAS) for Runway 11 at Newark Liberty International Airport (EWR), at an estimated total project cost of \$27.1 million, in order to address Federal Aviation Administration (FAA) Runway Safety Area (RSA) Program requirements; and (2) the Executive Director to enter into: (a) a contract for the design and construction of the EMAS with EWR 11 Arrestor Bed Joint Venture, a Joint Venture between Jacobs Engineering Group, Inc. and Engineered Arresting System Corp. (ESCO); (b) a license agreement with the New Jersey Turnpike Authority (NJTA) for the Port Authority's use of approximately one-half acre of NJTA property adjacent to EWR, to allow for the relocation of Brewster Road in connection with the installation of the EMAS; and (c) a license agreement with the NJTA providing the NJTA with use of an approximately one-half-acre parcel of EWR property located between Interchange 14 of the New Jersey Turnpike and Port Street, currently used as a Port Authority Police Department (PAPD) impound lot, for the parking of New Jersey State Police vehicles, and to provide for the NJTA to construct a new PAPD impound lot on an unimproved parcel of EWR property.

RSAs are designated overrun areas at the ends of runways. In 1999, the FAA established a program designed to improve RSAs at federally designated airports. The FAA has approved the use of an EMAS (an arrestor bed made of lightweight, crushable concrete) to comply with RSA requirements at space-constrained airports. FAA-funded analyses of RSAs at Port Authority airports have identified the installation of an EMAS as the most practical approach to improve the RSA at Runway 11 at EWR. The contract for the design and installation of the EMAS would be negotiated with the joint venture of ESCO and Jacobs Engineering, due to the proprietary nature of the technology and an FAA requirement to use ESCO, the sole approved contractor.

At its meeting of September 22, 2011, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized planning and engineering work to advance the design of an EMAS for Runway 11 at EWR, at an estimated cost of \$1.5 million, in order to address the FAA's RSA Program requirements.

The EMAS installation for Runway 11 would extend the Aeronautical Area, thereby compelling the partial relocation of Brewster Road. A portion of the relocated Brewster Road would be on NJTA property, adjacent to the New Jersey Turnpike. Staff has negotiated a license agreement with the NJTA for the Port Authority's use of this property. Separately, the Port Authority would provide NJTA with a license agreement for the NJTA's use of a parcel on EWR property located north of Brewster Road, between Turnpike Interchange 14 and Port Street, that is currently used as an impound lot for the PAPD. The NJTA would use this area for the parking of state police vehicles. In addition, the NJTA would construct a new impound lot for the PAPD on an unimproved parcel of EWR property. The terms of both license agreements would expire at the same time as the Port Authority's lease with the City of Newark pursuant to which the Port Authority operates EWR.

An application would be submitted to the FAA to recover eligible costs associated with this project through Passenger Facility Charges (PFCs). Any amounts not recoverable through PFCs would be fully recoverable through the flight fees at EWR.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Lynford, Moerdler, Rechler and Steiner voting in favor; Commissioners Samson and Schuber 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 Committee being present.

RESOLVED, that a project for the design and construction of an Engineered Material Arresting System (EMAS) for Runway 11 at Newark Liberty International Airport (EWR), at an estimated total project cost of \$27.1 million, in order to address Federal Aviation Administration Runway Safety Area Program requirements, 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 a contract for the design and construction of the EMAS with EWR 11 Arrestor Bed Joint Venture, a Joint Venture between Jacobs Engineering Group, Inc. and Engineered Arresting System Corp.; 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 Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a license agreement with the New Jersey Turnpike Authority (NJTA) for the Port Authority's use of approximately one-half acre of NJTA property adjacent to EWR, to allow for the relocation of Brewster Road in connection with the installation of the EMAS; 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 license agreement with the NJTA providing the NJTA with use of an approximately one-half-acre parcel of EWR property located between New Jersey Turnpike Interchange 14 and Port Street, currently used as a Port Authority Police Department (PAPD) impound lot, for the parking of New Jersey State Police vehicles, and to provide for the NJTA to construct a new PAPD impound lot on an unimproved parcel of EWR property; and it is further

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

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION V. OCCIDENTAL CHEMICAL CORPORATION – AUTHORIZATION TO PARTICIPATE IN A THIRD-PARTY PUBLIC ENTITY COOPERATION AGREEMENT

It was recommended that the Board authorize General Counsel to enter into a Third-Party Public Entity Cooperation Agreement (Agreement) with other third-party public entity defendants in connection with the defense of an action entitled “*New Jersey Department of Environmental Protection v. Occidental Chemical Corporation*” pending in the Superior Court of New Jersey, Essex County, providing for the establishment of the criteria and framework for the selection and retention of environmental experts to study, report and testify about certain technical and scientific issues in connection with the defense of this matter and for the sharing of the cost of such services.

The New Jersey Department of Environmental Protection brought claims against Maxus Energy (Maxus) and Tierra Solutions (Tierra) (among other corporate parties) for alleged pollution of the lower 17 miles of the Passaic River and the Newark Bay Complex in an action under the New Jersey Spill Act (N.J.S.A. 58:10-23.11a - 23.11z). In turn, the defendants have filed third-party claims bringing hundreds of additional parties into the litigation, including numerous municipalities, public authorities, and agencies of the State of New Jersey for their alleged contributions to the pollution of the Newark Bay Complex. The Port Authority has been named in this litigation due to its ownership of the Essex County Resource Recovery Facility and its operation of Newark Liberty International Airport, the Elizabeth-Port Authority Marine Terminal and Port Newark facilities. Maxus and Tierra seek a declaration deeming each of the named parties responsible for the clean-up and a judgment ordering each party to pay Maxus and Tierra a proportionate amount of the cost of the cleanup, based upon the pollution each contributed to the Newark Bay Complex.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Lynford, Rechler, 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 Committee being present.

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Third-Party Public Entity Cooperation Agreement with other third-party public entity defendants in connection with the defense of an action entitled “*New Jersey Department of Environmental Protection. v. Occidental Chemical Corporation*” pending in the Superior Court of New Jersey, Essex County, providing for the establishment of the criteria and framework for the selection and retention of environmental experts to study, report and testify about certain technical and scientific issues in connection with the defense of this matter and for the sharing of the cost of such services.

WORLD TRADE CENTER VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR SPRAY-ON FIREPROOFING AND EPOXY INTUMESCENT COATING SYSTEM AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation (Tishman), to Island International Enterprises, LLC for spray-on fireproofing and an epoxy intumescent coating fireproofing system associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$13,608,000, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$100,000, the compensation under the Port Authority's existing agreement with Liberty Security Partners (LSP), a joint venture of STV, Inc., AECOM and URS Corporation, for expert professional architectural and engineering services (Stage IV services) to support the construction of the WTC VSC Project.

The WTC VSC Project is critical for the redevelopment of the World Trade Center site, because it will improve vehicular circulation and access within Lower Manhattan. Once completed, the WTC VSC will accommodate off-street screening of vehicles that enter the sub-grade roadway and loading docks, as well as a new below-grade support for site-wide operations. The scope of work under the proposed construction trade contract includes furnishing and installing a complete spray-applied fire-resistive material system and a complete epoxy intumescent coating fireproofing system that will cover all structural steel members, including beams, girders, columns and bracing. The contract includes a one-year warranty from the date of owners' acceptance.

It is also necessary to increase the compensation under the existing agreement with LSP for architectural and engineering services for Stage IV design of the WTC VSC Project. These services relate to construction, including preparing documents needed for post-award contract changes, responding to requests for information submitted by contractors, reviewing contractor submittals and preparing as-built drawings upon completion of construction. Since the retention of LSP's services in connection with the WTC VSC Project was authorized initially on September 21, 2006, a total of \$67.5 million has been authorized for architectural and engineering design services to implement various components of the WTC VSC Project. Including the proposed increase, a total of \$67.6 million will have been authorized. Approximately \$55.3 million of that amount has been expended to date.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Lynford, Rechler, 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 Committee being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a construction trade contract, through construction manager Tishman Construction Corporation, to Island International Enterprises, LLC, for spray-on fireproofing and an epoxy intumescent coating fireproofing system associated with the construction of the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$13,608,000, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$100,000, the compensation under the existing agreement with Liberty Security Partners, a joint venture of STV, Inc., AECOM and URS Corporation, for expert professional architectural and engineering services to support the construction of the WTC VSC Project; and it is further

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

LINCOLN TUNNEL – LINCOLN TUNNEL PARK-AND-RIDE LOT – NEW JERSEY TRANSIT BUS OPERATIONS, INC. – LEASE SUPPLEMENT*

It was recommended that the Board authorize the Executive Director to enter into a lease supplement with New Jersey Transit Corporation, acting by and through its wholly owned subsidiary, New Jersey Transit Bus Operations, Inc. (NJT), for the continued letting of approximately 13.87 acres of property located in North Bergen, New Jersey for its use as a Lincoln Tunnel Park-and-Ride Lot (LTPR), for up to 49 years, effective May 1, 2012.

The Port Authority acquired the LTPR property, located in the Township of North Bergen, in the 1950s as part of the construction of the third tube of the Lincoln Tunnel. The Port Authority owns fee simple title to the 13.87-acre property, a portion of which lies directly beneath Route 495, less than two miles from the New Jersey entrance to the Lincoln Tunnel.

The Port Authority first leased the LTPR to NJT's predecessor, pursuant to a lease, dated as of October 31, 1955, which expired June 28, 2006, and, after a holdover period, the Port Authority entered into a lease, dated as of August 27, 2008, with NJT, which will expire August 31, 2013. Under the existing lease terms, NJT has the option to extend the lease for a five-year period beyond August 31, 2013. The extension option would be superseded by the proposed lease supplement.

If the lease supplement is authorized, NJT plans to include the LTPR in a Request for Proposals for a private concessionaire to operate the LTPR, as well as other lots in the NJT portfolio, subject to the provisions of the lease. The term of the proposed lease supplement would be coterminous with that of any third-party concession agreement entered into by NJT, but in no event would exceed 49 years.

NJT, or its permitted concessionaire (if any), would continue to be responsible for all maintenance and capital improvements of the facility at its sole cost and expense. The Port Authority would not have any investment obligations under the lease supplement.

NJT provides trans-Hudson bus service, a portion of which uses the LTPR, and such bus service plays an important role in the Port Authority's Interstate Transportation Network (ITN), which includes the exclusive bus lane at the Lincoln Tunnel. In order to lessen the potential for future substantial fare increases to NJT's bus passengers, which could erode ridership and harm the ITN by increasing the number of single-occupancy vehicles using the Port Authority's vehicular crossings, the Port Authority would lease the LTPR to NJT at a nominal cost to NJT.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Lynford, Moerdler, Rechler and Steiner voting in favor; Commissioners Samson and Schuber 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 Committee being present.

*As reported in the Minutes of the February 19, 2014 Board meeting, this action has been corrected to reflect a recusal by Commissioner Samson (through clerical inadvertence such recusal was not noted). As such, the item moved to the Minutes of the Special Meeting of the Committee on Operations of February 9, 2012 from the Minutes of the Board of Commissioners of February 9, 2012.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease supplement with New Jersey Transit Corporation, acting by and through its wholly owned subsidiary, New Jersey Transit Bus Operations, Inc., for the continued letting of approximately 13.87 acres of property located in North Bergen, New Jersey for its use as a Lincoln Tunnel Park-and-Ride Lot, substantially in accordance with the terms outlined to the Board; and it is further

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

*As reported in the Minutes of the February 19, 2014 Board meeting, this action has been corrected to reflect a recusal by Commissioner Samson (through clerical inadvertence such recusal was not noted). As such, the item moved to the Minutes of the Special Meeting of the Committee on Operations of February 9, 2012 from the Minutes of the Board of Commissioners of February 9, 2012.

Whereupon, the meeting was adjourned.

Secretary