

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Wednesday, November 13, 2013

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, November 13, 2013 at 2 Montgomery Street, City of Jersey City, County of Hudson, State of New Jersey.

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
 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. Kenneth Lipper
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. Rossana Rosado

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

Thomas L. Bosco, Interim Director, Aviation
 Steven J. Coleman, Deputy Director, Media Relations
 Philippe Danielides, Senior Advisor to the Chairman
 Stephanie E. Dawson, Acting Chief Operating Officer
 John C. Denise, Audio Visual Supervisor, Marketing
 Daniel D. Duffy, Principal Office Manager, Office of the Secretary
 Joseph P. Dunne, Chief Security Officer
 Diannae Ehler, Deputy Director, Tunnels, Bridges and Terminals
 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
 David Garten, Senior Advisor to the Vice Chairman
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Chief, Human Capital
 Anthony Hayes, Manager, Media Planning, Media Relations
 Rudolph L. King, Associate Information Officer, Media Relations
 Stephen Kingsberry, Director, Rail Transit
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Patrick Lanza, Acting Chief Technology Officer
 John J. Liantonio, Senior External Relations Client Manager, Government and Community Affairs
 John H. Ma, Chief of Staff to the Executive Director
 Lisa MacSpadden, Director, Media Relations
 Stephen Marinko, Esq., Law
 Michael G. Massiah, Director, Management and Budget
 Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Carlene V. McIntyre, Assistant General Counsel

Christopher Mohr, Executive Business Manager, Office of the Secretary
 Joanne S. Papageorgis, Program Manager, Tunnels, Bridges and Terminals
 Shalima Perry, Senior Executive Secretary, Office of the Secretary
 Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
 Krista Powers, Client Manager, Government and Community Affairs, New Jersey
 Jessica D. Russ, Associate Board Management and Support Specialist, Office of the
 Secretary
 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
 Patricia A. Tankard, Executive Secretary, Office of the Secretary
 I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office
 Christopher M. Valens, Senior Public Information Officer, Media Relations
 Lillian D. Valenti, Director, Procurement
 Michael L. Valletta, Assistant Director of Capital Construction Projects, Tunnels, Bridges
 and Terminals
 Sheree R. Van Duynes, Manager, Policies and Protocol, Office of the Secretary
 William Young, Senior External Client Manager, Tunnels, Bridges and Terminals
 Peter J. Zipf, Chief Engineer

Guests:

Nicole Crifo, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey
 Janet Ho, Assistant Secretary for Transportation, State of New York

Speakers:

Murray Bodin, Member of the Public
 Margaret Donovan, Twin Towers Alliance
 Richard Hughes, Twin Towers Alliance
 Hon. Gordon Johnson, Conference Leader, New Jersey General Assembly
 Nick Lento, Member of the Public
 Hon. James Tedesco, Former Mayor, Town of Paramus, New Jersey and Freeholder-Elect,
 County of Bergen, New Jersey
 Hon. Loretta Weinberg, Majority Leader, New Jersey Senate
 Neile Weissman, Member of the Public
 Hon. John Wisniewski, Deputy Speaker, New Jersey General Assembly

The public meeting was called to order by Chairman Samson at 1:35 p.m. and ended at 2:17 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of October 16, 2013. 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 October 18, 2013. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on November 1, 2013.

Whereupon, the Board unanimously approved the Minutes of the meeting of October 16, 2013.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on November 13, 2013, which included discussion of matters in which the release of information could impair a right to receive funds from the United States or other grantor, and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive and public sessions at its meeting on November 13, 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, matters related to personnel and personnel procedures, matters related to the development of future Port Authority facilities or projects, or the redevelopment of existing facilities or projects, where public disclosure may impact property values, and matters involving ongoing negotiations or reviews of contracts or proposals, and discussion of overtime results for the third quarter 2013, 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 November 13, 2013, which included discussion of certain contracts and agreements in connection with the continued development and operation of the World Trade Center site, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in public and executive sessions at its meeting on November 13, 2013, which included discussion of an item concerning a project to provide for modifications to the aviation fueling system at Newark Liberty International Airport, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

LAGUARDIA AIRPORT – DESIGN AND CONSTRUCTION OF A WEST PARKING GARAGE AND ADJACENT SITE WORK – PROJECT AUTHORIZATION AND CONTRACT AWARD

It was recommended that the Board authorize: (1) a project for the design and construction of a West Parking Garage and adjacent site work at LaGuardia Airport (LGA), at an estimated total project cost of \$230.4 million; and (2) the Executive Director to award a contract for the final design and construction of the West Parking Garage, a 3,084-space parking facility, and for the construction of adjacent site work, including utilities, roads and entry/exit plazas, pursuant to a publicly advertised Request for Qualifications/low-bid process, at an estimated cost of \$180.9 million.

The LGA Redevelopment Program consists of two major elements: the LGA Capital Infrastructure Renewal Program (LGACI Program) and the LGA Central Terminal Building (CTB) Replacement Program. The LGACI Program is a collection of projects that address short and long-term infrastructure needs, including projects that are required to maintain a state of good repair and certain system-enhancing projects, pertaining to such elements as utility and electrical infrastructure, parking, roadways, bridges, and select building demolitions.

Through prior actions from March 2003 through December 2012, the Board authorized the expenditure of an aggregate amount of \$118 million to support planning and design services for the LGACI and LGA CTB Replacement Programs, which included \$6.1 million to support preliminary planning and design work relating to the currently proposed project.

Although the parking supply at LGA is adequate in the near-term, the combination of anticipated increased passenger volumes and parking losses associated with the future replacement of the CTB requires the timely development of a new parking facility. The construction of a West Parking Garage would mitigate the loss of parking spots, while also accommodating future demand based on forecast passenger activity at LGA. Furthermore, the new garage would be compatible with LGA's redevelopment plans.

The scope of work under the proposed project would include the design and construction of a multi-level parking garage with a capacity of approximately 3,084 spaces, relocation of underground utilities, realignment of an adjacent roadway to connect the garage to LGA's air terminal highway system, and construction of vehicle entry and exit plazas.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Pocino, Rechler, Rosado, Samson, Schuber and Steiner voting in favor; Commissioners Moerdler and Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the design and construction of a West Parking Garage and adjacent site work at LaGuardia Airport, at an estimated total project cost of \$230.4 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 final design and construction of the West Parking Garage, a 3,084-space parking facility, and for the construction of adjacent site work, including utilities, roads and entry/exit plazas,

pursuant to a publicly advertised Request for Qualifications/low-bid process, at an estimated cost of \$180.9 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 contracts and agreements in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

NEWARK LIBERTY INTERNATIONAL AIRPORT – MODIFICATION AND UPGRADE OF THE AVIATION FUELING SYSTEM – PROJECT RE-AUTHORIZATION

It was recommended that the Board: (1) re-authorize a project for modifications to the aviation fueling system at Newark Liberty International Airport (EWR), at a total estimated project cost of \$97.7 million; and (2) authorize the Executive Director to: (a) expend an additional \$400,000 (resulting in a total estimated amount of \$2.9 million) for professional engineering services in connection with the previously authorized professional services agreement with Hatch Mott MacDonald, LLC; and (b) award Contract EWR 154.183 for modifications and upgrades to the existing aviation fueling system, at a total estimated amount of \$72.8 million, inclusive of allowances for net cost and extra work, as part of the proposed project re-authorization.

The existing aviation fueling system infrastructure was built in 1971 and is in need of modification and upgrade to bring it in line with current industry standards. The fueling system was designed based on the industry standards practiced at that time, which allowed airlines to specify sources and brands of aviation fuel for their respective aircraft fleets.

At its meeting of May 31, 2012, the Board authorized a project for modifications to the aviation fueling system infrastructure at EWR, in order to maintain a state of good repair, comply with current environmental regulations and optimize operations, at an estimated total project cost of \$86.1 million, and authorized the Executive Director to award a contract for expert professional engineering services for Stage III and Stage IV design, at an estimated amount of \$2.5 million. Pursuant to the Board's authorization, in June 2012, the Executive Director authorized the award of a contract to Hatch Mott MacDonald, LLC to provide expert professional engineering services in connection with final design and construction support for the project, at a total estimated amount of \$2,063,303, inclusive of contingency. Subsequently, in March 2013, the Chief Engineer authorized an increase of \$436,697 to the contract, in order to provide for additional design services to support the project, which resulted in a revised total authorized amount of \$2,500,000. The proposed re-authorization would provide for certain additional scope of work items, including ancillary utility relocations, roadway restoration and guard post reconstruction adjacent to Terminal A. This scope of work originally was contemplated to be completed under a separate Terminal A Redevelopment Program, but given the timing of construction activities, it was recommended to advance as part of the current project. In addition, certain fuel system enhancements, including the installation of additional fuel tanks that originally was planned to be implemented as part of the project, have been removed from the scope of work, and may be advanced as a separate future project authorization, based on actual needs.

The proposed Contract EWR 154.183 would replace the obsolete infrastructure and simplify the fueling system operation, including reducing the number of pipes, pumps, valves and controls, thereby reducing operational complexity and providing greater flexibility among the existing fuel storage tanks. The proposed contract also would include replacement of single-wall welded steel pipe to conform with New Jersey Department of Environmental Protection standards, which require double-walled pipes to reduce the potential for leaks. Bids for the project work under Contract EWR 154.183 would be solicited from a list of prequalified aeronautical contractors developed from a publicly advertised Request for Qualifications, with award to the lowest qualified bidder.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for modifications to the aviation fueling system at Newark Liberty International Airport, at a total estimated project cost of \$97.7 million, be and it hereby is re-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 \$400,000, resulting in a total estimated amount of \$2.9 million, for professional engineering services in connection with the previously authorized professional services agreement with Hatch Mott MacDonald, LLC, which is necessary to support the project through to completion; 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 EWR 154.183 for modifications and upgrades to the existing aviation fueling system, at a total estimated amount of \$72.8 million (inclusive of allowances for net cost and 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 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 contracts 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 – AGREEMENT WITH THE CITY OF NEW YORK – AIRTRAIN JFK PARCEL – MODIFICATION OF RIGHTS

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 surrender to the City a portion of the demised premises under the City Lease consisting of approximately 23,375 square feet east of the Van Wyck Expressway and north of 95th Avenue near AirTrain JFK (the AirTrain Parcel), in exchange for the City providing the Port Authority with an easement (or other property interest acceptable to both parties) on the AirTrain Parcel for the purpose of accessing and maintaining the Air Train JFK infrastructure located within the AirTrain Parcel.

At its meeting of September 25, 1998, the Board authorized the Executive Director to: (1) acquire certain property, including the AirTrain Parcel, in connection with the implementation of an automated Light Rail System (i.e., AirTrain JFK); and (2) enter into an agreement or agreements supplementing the City Lease to arrange for the City to accept a conveyance of the permanent property interests in the AirTrain Parcel and simultaneously lease such property interests to the Port Authority as part of the Airport Demised Premises. Since the acquisition of the AirTrain Parcel, the Port Authority has used the site as a staging ground for servicing an Air Train trestle, but otherwise has left the parcel fenced-off and empty, and has not used the site for revenue-generating purposes.

Modification of the City Lease would allow the City to develop the AirTrain Parcel into a park site, as the entrance to the Jamaica Center Business Improvement District. The City would receive this property interest in the parcel at no cost. There is an ongoing remediation of an environmental condition on the site that is being undertaken by BP Product North America, Inc. (BP) (as successor to the prior site owner), pursuant to an agreement between the Port Authority and BP. The City and the Port Authority would enter into a new agreement with BP to continue the remediation. As part of the arrangement, the City is reaffirming its agreement to negotiate an Agreement to Enter into Lease (ATEIL) and initiate the Uniform Land Use Review Procedure (ULURP) process for the proposed hotel project at the former Ramada site at John F. Kennedy International Airport.

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 ULURP.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to 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), that would transfer Port Authority property interests in Block 9990, Lot 5, located near AirTrain JFK (the AirTrain Parcel), to the City, in exchange for the Port Authority obtaining an

easement (or other property interest acceptable to both parties) in the AirTrain Parcel for purposes of accessing and maintaining the AirTrain JFK infrastructure located within the Air Train Parcel; 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 necessary 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.

REGIONAL ALLIANCE FOR SMALL CONTRACTORS, INC. – RENEWAL OF PARTICIPATION

It was recommended that the Board authorize the Executive Director to enter into a service contract with the Regional Alliance for Small Contractors, Inc. (Regional Alliance) for a one-year period, starting January 1, 2014, with options to extend for up to two additional one-year periods, under which the Port Authority would: (1) obtain contractual services for the training and development of minority, women-owned, small and disadvantaged business enterprises (M/W/S/DBEs), at an estimated cost of \$332,000 per year, and M/W/DBE program oversight for aviation tenant construction projects, at an estimated cost of \$380,000 for the first year, with the latter amount subject to escalation in the second and third years based on the Consumer Price Index, but not to exceed three percent per year; and (2) provide: (a) a rental credit of \$40,000 per year to offset the Regional Alliance's cost, estimated at \$64,000 per year, to rent office space at the Port Authority Bus Terminal, and (b) approximately 500 square feet of office space at each of John F. Kennedy International and Newark Liberty International Airports, at no cost to the Regional Alliance, to perform aviation program oversight work for up to a three-year period.

The Regional Alliance is a non-profit corporation formed to carry out a cooperative effort initiated by the Port Authority, with participation by other public agencies and private businesses, to increase the capacity of M/W/S/DBEs to bid on and perform public contracts. Through its array of training programs and other services, the Regional Alliance has been effective in increasing the number of M/W/S/DBEs and their capacity to compete for larger contracts in both the public and private sectors of New York and New Jersey.

Port Authority participation in the Regional Alliance was authorized initially by the Board in 1990 for the training and development of M/W/S/DBEs, and has been renewed continually thereafter. In April 2005, the Board authorized a supplemental agreement expanding the scope of services to include M/W/DBE program oversight for aviation tenant construction projects.

Over the last three years, the Regional Alliance has assisted more than 3,100 M/W/S/DBE firms, and has offered more than 20 courses yearly in management, construction and business software training. Among its new and most subscribed offerings were a construction management certificate program taught at York College, which qualified participants for 22.5 hours of continuing education credit, and an expanded construction management certificate program at Pace University, wherein the number of hours of instruction in the program was increased, and several courses were added to the curriculum. Overall, approximately 55 percent of prime M/WBE construction contractors working on Port Authority projects over the last three years have participated in Regional Alliance training or received one-on-one consultation services from Regional Alliance staff.

Other entities that have partnered with the Regional Alliance over the past several years include New Jersey Transit Corporation, the New York City Department of Environmental Protection, Empire State Development Corporation, and the New York City School Construction Authority.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a service contract with the Regional Alliance for Small Contractors, Inc. (Regional Alliance) for a one-year period starting January 1, 2014, with options to extend for up to two additional one-year periods, under which the Port Authority would: (1) obtain contractual services for the training and development of minority, women-owned, small and disadvantaged business enterprises (M/W/S/DBEs), at an estimated cost of \$332,000 per year, and M/W/DBE program oversight for aviation tenant construction projects, at an estimated cost of \$380,000 for the first year, with the latter amount subject to escalation in the second and third years based on changes in the Consumer Price Index, but not to exceed three percent per year; and (2) provide: (a) a rental credit of \$40,000 per year to offset the Regional Alliance's cost to rent office space at the Port Authority Bus Terminal; and (2) approximately 500 square feet of office space at each of John F. Kennedy International and Newark Liberty International Airports for Regional Alliance staff, at no additional cost, to perform aviation program oversight work for up to a three-year period; 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 SITE – AUTHORIZATION OF ADDITIONAL CONTRACT ACTIONS AND EXPENDITURES TO SUPPORT ONGOING POST-HURRICANE SANDY RECOVERY WORK

It was recommended that the Board authorize: (1) the expenditure of an additional estimated amount of approximately \$17.5 million for certain contract actions and expenses expected to be required through December 31, 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, resulting in a cumulative total authorization of approximately \$458.5 million for the response, recovery, restoration and mitigation efforts at the WTC site; and (2) 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 in construction. Although the de-watering of the WTC site was substantially completed in early November, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement, including efforts to mitigate the impacts of future storms. Through separate actions at its meetings from February 6, 2013 through October 16, 2013, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts through November 30, 2013, in a total estimated amount of \$441 million.

Although comprehensive damage assessments and project impact evaluations related to Hurricane Sandy will be ongoing, staff is ordering various contractors to repair or replace damaged and destroyed equipment and infrastructure, including the purchase or repurchase of major long-lead items, such as: electrical switchgear and substation equipment; vertical circulation equipment; and mechanical fans, air handling units and controls. Increases in contract amounts also are needed to provide for construction management, program management, design support, and other professional services to support the repair/replacement, re-installation work and mitigation efforts.

Consistent with previous discussions with the Board throughout 2013, as additional information is made available through ongoing latent damage inspections, further project evaluations and implementation decisions regarding Hurricane Sandy's impact and the potential for including additional mitigation efforts to deliver a more resilient site are being made. It is anticipated that there will be further requests for increases to contract amounts for actions that will be attributable to Hurricane Sandy recovery, including further equipment replacement and installation costs, construction general conditions costs and potential mitigation costs, on an ongoing basis.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Pocino, Rosado, Schuber and Steiner voting in favor; Commissioners Moerdler, Rechler, 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 expenditure of an additional estimated amount of approximately \$17.5 million for certain additional actions and expenses expected to be required through December 31, 2013, to effectuate the repair and replacement of facilities and equipment at the World Trade Center 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.

WORLD TRADE CENTER (WTC) RETAIL – IMPLEMENTATION OF CERTAIN CONSTRUCTION WORK UNDER EXISTING WTC TRANSPORTATION HUB PROJECT CONTRACTS TO ENHANCE RETAIL ASSET

It was recommended that the Board authorize: (1) on behalf of the Port Authority and its related entity, PA Retail Newco, LLC, the expenditure of an estimated total amount of \$10.5 million, inclusive of construction, design, construction management and other costs, for the performance of certain work on behalf of the World Trade Center Retail Pre-tenant Fit-out (WTC Retail) Project at the World Trade Center Transportation Hub (WTC Hub); and (2) the Executive Director to: (a) on behalf of the Port Authority and PA Retail Newco, LLC, increase the total authorized amounts of certain existing WTC Hub Project construction trade contracts, in an aggregate amount of \$7,992,000, inclusive of an eight-percent allowance for extra work, for the performance of work on behalf of WTC Retail Project, consistent with the terms outlined to the Board; and (b) on behalf of the Port Authority, increase the compensation under the existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., in an estimated amount of \$500,000, to perform associated construction-related architectural and engineering services to accommodate the work.

Via several prior actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the World Trade Center (WTC) retail development throughout the WTC site. Since 2005, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, also have authorized several construction trade contracts in support of the completion of the WTC Hub Project and to accommodate the development of retail space within the WTC Hub.

On February 9, 2012, the Board authorized a transaction between the Port Authority and Westfield America, Inc. (Westfield) in which Westfield and the Port Authority formed a 50/50 joint venture to develop, lease and operate the WTC retail development project. Among other things, the Board also reauthorized the project to design and construct the WTC retail development, at an estimated amount of \$1.966 billion.

Westfield has evaluated the current design and layout of the retail and adjacent stakeholder spaces within the WTC Hub, in an effort to enhance the retail rental revenue potential. As a result of these assessments, Westfield has submitted a request to implement a design change, from solid walls to storefront glass at the Oculus transepts, that would create a more “open space” ambiance in some of the highest trafficked areas (locations of the escalators) within the Oculus. The scope of work under the proposed contract includes modifying solid metal wall panels and glass storefronts at additional areas within the Oculus, including, but not limited to, additional architectural steel columns, covers, plates, mullions and fascia components and glass storefronts.

It was recommended that the scope of work be performed via existing WTC Hub Project contracts, due to time and logistical constraints, the critical need for consistency in the chain of responsibility in the warranty of these systems, and limited work area access. Furthermore, the presence of other contractors would interfere with the aforementioned contractors’ operations, resulting in inefficiencies and the potential for delays.

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 March 2013, 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. The currently proposed increase would compensate DDP for additional construction support services and design certification efforts associated with the changes to the scope of work. Including the requested increase of \$500,000, a total of \$421.75 million will have been authorized. Approximately \$386.7 million of that amount has been expended to date.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Lipper, Lynford, Pocino, Rosado, Samson and Schuber voting in favor; Commissioners Moerdler, Rechler, Sartor 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, on behalf of the Port Authority and its related entity, PA Retail Newco, LLC the expenditure of an estimated total amount of \$10.5 million, inclusive of construction, design, construction management and other costs, for the performance of certain work on behalf of the World Trade Center Retail Pre-tenant Fit-out (WTC Retail) Project at the World Trade Center Transportation Hub (WTC Hub), 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 and PA Retail Newco LLC, to increase the total authorized amounts of certain existing WTC Transportation Hub Project construction trade contracts, in an aggregate amount of \$7,992,000, inclusive of an eight-percent allowance for extra work, for the performance of work on behalf of the WTC Retail Project, 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 increase the compensation under the Port Authority's existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., in an estimated amount of \$500,000, to perform additional construction-related architectural and engineering services to accommodate the development of the WTC Retail 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.

Whereupon, the meeting was adjourned.

Secretary