

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

## MINUTES

Wednesday, March 20, 2013

Action on Minutes	55
Documents Filed with the Board	55
Report of Committee on Security	55
Report of Committee on Governance and Ethics	55
Report of Committee on Finance	55
Report of Committee on Finance's Insurance Working Group	56
Report of Audit Committee	56
Report of Committee on Operations	56
Report of Committee on Capital Planning, Execution and Asset Management	56
Report of World Trade Center Redevelopment Subcommittee	57
Report of Special Meeting of Committee on Operations	57
LaGuardia Airport – Design and Construction of an East Garage – Project Authorization and Award of Contract	58
Port Newark – Berth 14 – Wharf Reconstruction – Project Authorization and Award of Contract	60
Newark Liberty International Airport – United States General Services Administration – New Lease ANC-371	62
Agreement with the National Oceanic and Atmospheric Administration for the Operation and Maintenance of the Physical Oceanographic Real-time System	63
Publication of Annual Financial Statements	65
One World Trade Center – Authorization to Award a Construction Trade Contract for Below-grade Architectural Metal	66
World Trade Center Streets, Utilities and Related Infrastructure Program – Authorization to Award a Contract for Phase III – Liberty Park Structural Package	68
One World Trade Center – Authorization to Award a Construction Trade Contract for Miscellaneous Concrete	70

World Trade Center Transportation Hub Project – Increase in Authorization for Oculus Structural Steel Construction Trade Contract and Increases in Expert Professional Architectural and Engineering Services and Construction Management Services (This matter, which was adopted by the Board of Commissioners in executive session, is no longer confidential.)	72
Security Study – The Chertoff Group – Compensation for Additional Services	75
One World Trade Center – WTC Tower 1 LLC – Legends OWO, LLC – Lease Agreement for Observation Deck Space	76
Atlantic City International Airport – Expansion of Port Authority Regional Airport System	78
Port Authority Airports – Aircraft Rescue and Firefighting Operations – Federal Aviation Administration Regulatory Matters. (This matter, which was adopted by the Board of Commissioners in executive session, is no longer confidential.)	80
Tribute to Michael G. Fabiano and Award of Robert F. Wagner Distinguished Public Service Medal	81

**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, March 20, 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. 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

Susan M. Baer, Director, Aviation  
 Thomas E. Belfiore, First Deputy Chief Security Officer  
 Ana M. Carvajalino, Manager, Financial Forecasting, Management and Budget  
 Rosemary Chiricolo, Deputy Director, Management and Budget  
 James N. Colangelo, Manager, Financial Capital Planning, Management and Budget  
 Steven J. Coleman, Deputy Director, Media Relations  
 Harry Czinn, Senior Project Manager, Management and Budget  
 Jo-Ann Dalessio, Senior Executive Secretary, Office of the Chief Financial Officer  
 Stephanie E. Dawson, Acting Chief Operating Officer  
 Gerard A. Del Tufo, Assistant Director of Development and Operations, Real Estate and Development  
 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  
 Wilfredo Guzman, Assistant Director, Capital Project Management  
 Linda C. Handel, Deputy Secretary  
 Mary Lee Hannell, Chief, Human Capital  
 Andrew T. Hawthorne, Director, Marketing  
 Anthony Hayes, Manager, Media Planning, Media Relations  
 Erik Horvat, Assistant Director, Development, World Trade Center Redevelopment  
 Howard G. Kadin, Esq., Law  
 Rebecca E. Karp, Senior External Relations Representative, Government and Community Relations  
 Kirby King, Director, Technology Services

Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 Richard M. Larrabee, Director, Port Commerce  
 John J. Liantonio, Senior External Relations Client Manager, Government and Community Affairs  
 Diana V. Lopez, Senior Advisor, LaGuardia Redevelopment Program, Aviation  
 John H. Ma, Chief of Staff to the Executive Director  
 Lisa MacSpadden, Director, Media Relations  
 Stephen Marinko, Esq., Law  
 Ronald Marsico, Assistant Director, Media Relations  
 Michael G. Massiah, Director, Management and Budget  
 Elizabeth M. McCarthy, Chief Financial Officer  
 James E. McCoy, Manager, Board Management Support, Office of the Secretary  
 Camille T. Moglia, Senior Business Manager, Office of the Chief Financial Officer  
 Anne Marie C. Mulligan, Treasurer  
 Patrick B. O'Reilly, Senior Advisor to the Chairman  
 Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction  
 Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary  
 Shane J. Robinson, Staff External Affairs Representative, Government and Community Affairs  
 Juan Carlos Rojas, Senior External Relations Representative, Government and Community Affairs  
 Cruz C. Russell, Strategic Advisor, Government and Community Affairs  
 John F. Ryan, Acting Chief, Public Safety  
 Brian W. Simon, Director, Government and Community Affairs, New York  
 Marios A. Socrates, Manager, Procurement Contracts, Procurement  
 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 R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary  
 Ian R. Van Praagh, Senior Advisor, Government and Community Affairs  
 Philippe B. Visser, Director, World Trade Center Redevelopment  
 Michael Vozza, Manager, Grants Management and Program Review, Management and Budget  
 David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director  
 William J. Young, Senior External Relations Client Manager, Tunnels, Bridges and Terminals  
 Peter J. Zipf, Chief Engineer

Guests:

David W. Checketts, Chairman/CEO, Legends Hospitality, LLC  
 Nicole Crifo, Senior Counsel, 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

Margaret Donovan, Twin Towers Alliance

Richard Hughes, Twin Towers Alliance

Kalev Savi, Member of the Public

Paul Stipkovich, Member of the Public

Anthony Stramaglia, Member of the Public

The public meeting was called to order by Chairman Samson at 1:33 p.m. and ended at 2:21 p.m. The Board met in executive session prior to the public session.

### **Action on Minutes**

The Deputy Secretary submitted for approval Minutes of the meeting of February 6, 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 February 7, 2013. The Deputy Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on February 22, 2013.

Whereupon, the Board unanimously approved the Minutes of the meeting of February 6, 2013.

### **Documents Filed with the Board**

It was reported that the comment period for the modification to Rules and Regulations of the Marine Terminal Tariff – Federal Maritime Commission Schedule No. PA-10, which was filed with the Board on January 28, 2013, had expired.

### **Report of Committee on Security**

The Committee on Security reported, for information, on matters discussed in executive session at its meeting on February 13, 2013, which included discussion of matters involving public safety or law enforcement and matters related to personnel and personnel procedures, and the report was received.

### **Report of Committee on Governance and Ethics**

The Committee on Governance and Ethics reported, for information, on matters discussed in public session at its meeting on February 13, 2013, which included discussion of the recent restructuring of the Board's Committees and discussion of the agency's Integrity Awareness Program, 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 19, 2013, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, 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 matters in which the release of information could impair a right to receive funds from the United States or other grantor, and the report was received.

The Committee on Finance also reported, for information, on matters discussed in executive session at its meeting on March 20, 2013, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, 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 matters in which the release of information could impair a right to receive funds from the United States or other grantor, and the report was received.

**Report of Committee on Finance’s Insurance Working Group**

The Committee on Finance’s Insurance Working Group reported, for information, on matters discussed in executive session at its meeting on February 19, 2013, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

**Report of Audit Committee**

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on February 19, 2013, which included discussion of matters involving external or internal investigations or audits, matters involving ongoing negotiations or reviews of contracts or proposals, and matters involving public safety or law enforcement, 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 March 5, 2013, which included discussion of matters related to personnel and personnel procedures, matters related to proposed, pending, or current litigation or judicial or administrative proceedings, and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

The Committee on Operations also reported, for information, on matters discussed in public and executive sessions at its meeting on March 20, 2013, which included discussion of overtime results for the fourth quarter 2012, discussion of an item that authorizes a lease for space in Terminal B at Newark Liberty International Airport, and discussion of matters involving ongoing 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, 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 executive session at its meeting on March 5, 2013, which included 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.

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 March 20, 2013, which included discussion of a project for the design and construction of a new vehicular parking garage at LaGuardia Airport, a project for the replacement of the wharf structure at Berth 14 at Port Newark, 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 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 March 20, 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 the report was received.

### **Report of Special Meeting of Committee on Operations**

In view of the fact that, as a result of prospective recusals, there would not be a sufficient number of Commissioners present for the Board to consider an item on the agenda at its meeting on March 20, 2013, consistent with the Port Authority's By-Laws, a special meeting of the Committee on Operations was held. At the meeting, the Committee acted for and on behalf of the Board on the item. A copy of the minutes of the special meeting of the Committee on Operations held on March 20, 2013 is included with these minutes.

**LAGUARDIA AIRPORT – DESIGN AND CONSTRUCTION OF AN EAST GARAGE – PROJECT AUTHORIZATION AND AWARD OF CONTRACT**

It was recommended that the Board authorize: (1) a project for the design and construction of a new East Garage at LaGuardia Airport (LGA), at an estimated amount of \$82.9 million; and (2) the Executive Director to award a contract for the final design and construction of the East Garage, a 1,100-space parking facility, pursuant to a publicly advertised Request for Qualifications/low-bid process, at an estimated cost of \$62.3 million.

Although the parking supply in front of Terminals C and D at LGA is adequate in the near-term, the combination of anticipated increased passenger volumes and surface parking losses associated with the construction of the East End Substation in Parking Lot 4, authorized by the Board at its meeting of August 1, 2012, requires the timely development of a new parking facility. The construction of an East Garage would mitigate the loss of parking spots, while also accommodating the growing parking demand to be generated by increased future passenger activity in Terminals C and D. Furthermore, the new garage would be compatible with LGA's redevelopment plans and would help mitigate the parking deficit anticipated during future construction. To facilitate a planned increase in passenger service, Delta Airlines, Inc. is investing approximately \$180 million to modernize Terminals C and D.

The proposed design-build project would include the final design and construction of a new multi-level East Garage parking facility, to be located on the current site of Parking Lot 4, opposite Terminal C at LGA, with a capacity of approximately 1,100 parking spaces. The scope of work would include the installation of: security cameras, telephone communications and improved lighting for enhanced safety and security; glass-enclosed elevators for better visibility and way-finding; improved signage; a parking management system with signage indicating parking space availability; a 5-kilovolt substation to step down incoming power to normal operating voltage for the garage and adjacent exit plaza; five electric car charging stations; preferred parking spaces for low emissions/hybrid vehicles; a backup emergency generator; and critical electrical and communication systems elevated above the 100-year flood line.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Rechler, Rosado, Rubin, 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 the design and construction of a new East Garage at LaGuardia Airport (LGA), at an estimated amount of \$82.9 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 East Garage, an 1,100-space parking facility, pursuant to a publicly advertised Request for Qualifications/low-bid process, at an estimated cost of \$62.3 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 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.

**PORT NEWARK – BERTH 14 – WHARF RECONSTRUCTION – PROJECT AUTHORIZATION AND AWARD OF CONTRACT**

It was recommended that the Board authorize: (1) a project for the design, demolition, removal and reconstruction of the wharf structure at Berth 14 in Port Newark, at an estimated total project cost of \$39 million; and (2) the Executive Director to award Contract PN-654.031 for the construction of the project, at an estimated construction cost of \$27.5 million.

Inspections of Berth 14 from 2009 through 2011 revealed conditions requiring the imposition of mooring and load restrictions. In 2012, following two partial collapses of the wharf in load restricted sections, it was determined that the berth could no longer safely support vessel activity and that the entire structure required replacement.

Hudson Tank Storage Company (Hudson Tank) currently operates a bulk liquid vegetable/edible oil storage and distribution facility at Port Newark, and provides handling and storage for another Port Authority tenant, AarhusKarlshamn USA, Inc. In order to allow for continued tenant operations, Hudson Tank's vessel operation was relocated temporarily from Berth 14 to the adjacent Berth 16, until such time as the Berth 14 reconstruction work has been completed.

The proposed scope of work would include design and reconstruction of the wharf structure at Berth 14, including: removal of the existing low-level relieving platform, deck and timber piles; installation of steel sheeting and concrete decking; and construction of a high-level concrete deck supported on concrete-reinforced steel pipe piles.

Bids for Contract PN-654.031 would be solicited from a list of pre-qualified contractors developed from a publicly advertised Request for Qualifications, and the contract would be awarded to the lowest bidder from such list.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Rechler, Rosado, Rubin, 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 the design, demolition, removal and reconstruction of the wharf structure at Berth 14 in Port Newark, at an estimated total project cost of \$39 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 PN-654.031 for the construction of the foregoing project, at an estimated construction cost of \$27.5 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.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – UNITED STATES GENERAL SERVICES ADMINISTRATION – NEW LEASE ANC-371**

It was recommended that the Board authorize the Executive Director to enter into a new lease agreement with the United States General Services Administration (GSA) for the letting of approximately 1,465 square feet of space in Terminal B at Newark Liberty International Airport (EWR) to provide office space for United States Department of Homeland Security, Transportation Security Administration (TSA) agents for a term of ten years and six months, commencing on or about June 1, 2013.

The GSA has been a tenant at EWR since 2003, and it currently has two space permits for TSA offices in Terminal A (Lease ANB-795, expiring in July 2013), and a TSA break room in Terminal B (Lease ANC-271, expiring in April 2016). The proposed lease would add to the inventory of space the TSA requires for its on-airport operations.

The proposed area is located at the beginning of Terminal B's B-1 corridor. It is newly created space built as part of the Terminal B Modernization Program, which provides three new security checkpoints at the beginning of the Terminal's B-1, B-2 and B-3 corridors. Over the term of the agreement, the Port Authority would receive total aggregate rental of approximately \$1.5 million.

The GSA also would develop the space, at an estimated cost of \$360,000 to finish and furnish the space, and the GSA would receive a rent-free period of up to six months to build out the space.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Rechler, Rosado, Rubin, 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 new lease agreement with the United States General Services Administration for the letting of approximately 1,465 square feet of space in Terminal B at Newark Liberty International Airport for a term of ten years and six months, commencing on or about June 1, 2013, substantially in accordance with the terms outlined to the Board; and it is further

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

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

**AGREEMENT WITH THE NATIONAL OCEANIC AND ATMOSPHERIC  
ADMINISTRATION FOR THE OPERATION AND MAINTENANCE OF THE  
PHYSICAL OCEANOGRAPHIC REAL-TIME SYSTEM**

It was recommended that the Board authorize the Executive Director to enter into an agreement with the National Oceanic and Atmospheric Administration (NOAA), an agency of the United States Department of Commerce, to provide for the continued operation and maintenance of the Physical Oceanographic Real-Time System (PORTS) for a three-year period, at an estimated total cost to the Port Authority of \$450,000.

PORTS is a hydrological data collection and dissemination system consisting of sensors, communication lines and computer software developed by NOAA. The program allows vessels to access real-time data on currents, winds, waves, water levels (tides), depths, temperatures and salinity. The program enhances environmental protection of natural resources, allows ship operators to increase the amount of cargo they can carry consistent with safe navigation, and provides opportunities through real-time data to capitalize on the commercial potential of the Port of New York and New Jersey.

Start-up costs were absorbed by NOAA as the system was being developed. However, under the terms of the PORTS program, a local sponsor of the system must pay for its ongoing operation and maintenance unless other sources of funding are identified. The Port Authority, as authorized by the Board in October 2001, funded the program directly from October 2001 through September 2002, at an annual cost of \$262,000. For the periods of May 1, 2003 through April 30, 2009, the States of New York and New Jersey agreed to fund PORTS through the Bi-State Dredging Program, at an average annual cost of approximately \$198,000, and requested that the Port Authority continue to administer the PORTS contract with NOAA on their behalf. The Board authorized the Executive Director to enter into those extensions in July 2003, June 2004, June 2005 and July 2007, respectively.

The Port Authority was successful in obtaining federal funding for the operation and maintenance of PORTS from May 2008 through April 2011, through appropriations in the United States Government's budgets for Fiscal Years (FY) 2008 through 2011; therefore, the use of funds from the Bi-State Dredging Program or Port Authority operating funds was not required. However, federal funding was not appropriated in the U.S. Government budgets for FY 2011, 2012 or 2013 for the operation and maintenance of PORTS from May 2011 through April 2013. Consequently, NOAA utilized federal contingency monies that accrued from previous years for PORTS' operating and maintenance costs.

As of March 31, 2013, the federal contingency funding utilized for the operation and maintenance of PORTS will be exhausted. Without proper funding, the maintenance of PORTS would cease, and the system would fail and eventually be dismantled by NOAA. Because maintaining confidence in port safety is a critical objective of the Port Authority, it was recommended at this time that the Port Authority provide funding for the operation and maintenance of PORTS for a three-year period, from April 1, 2013 through March 31, 2016, at a cost of approximately \$150,000 per year, for an estimated total expenditure of \$450,000. In the event that outside funding sources are secured, those monies would be utilized to reduce the amount of the Port Authority's contribution toward the operation and maintenance costs associated with PORTS.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Rechler, Rosado, Rubin, 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 an agreement(s) with the National Oceanic and Atmospheric Administration to provide for the continued operation and maintenance of the Physical Oceanographic and Real-Time System (PORTS) for a three-year period, from April 1, 2013 through March 31, 2016, at an estimated total cost to the Port Authority of \$450,000; and it is further

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

## **PUBLICATION OF ANNUAL FINANCIAL STATEMENTS**

Pursuant to the By-Laws and its Charter, the members of the Audit Committee have reviewed and approved the Port Authority's Financial Statements and Appended Notes for the year ended December 31, 2012 (as well as appropriate certifications by the Executive Director and the Chief Financial Officer, dated February 25, 2013), and recommend to the Board that such Financial Statements be included in the Port Authority's Comprehensive Annual Financial Report (Annual Report), and other publications as appropriate.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Rechler, Rosado, Rubin, 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 publication of the Port Authority's Financial Statements and Appended Notes for the year ended December 31, 2012 in the annual report, and other publications as appropriate, be and the same hereby is authorized.

**ONE WORLD TRADE CENTER – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR BELOW-GRADE ARCHITECTURAL METAL**

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 below-grade architectural metal work associated with the construction of One World Trade Center (1WTC), at an estimated total cost of \$6,477,840, inclusive of an eight-percent allowance for extra work.

At its meeting of March 5, 2009, the Board authorized the award of the architectural metals 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 AAI 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 consists of additional material purchases and fabrication and installation of finish metals designated as receiving a mechanically fine-brushed long-grain finish, including metal panels, metal plates, metal and glass handrails and guardrails, stainless steel hollow metal doors and all hardware, floor and wall grates and grilles, and storefronts and all related detailing and engineering, as shown in the drawings and specifications for the below-grade areas of 1WTC.

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 policies 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 Permasteelisa, 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, Lynford, Rechler, Rosado, Rubin, 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 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 below-grade architectural metal work associated with the construction of One World Trade Center, at an estimated total cost of \$6,477,840, inclusive of an eight-percent allowance for extra work; and it is further

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

**WORLD TRADE CENTER STREETS, UTILITIES AND RELATED INFRASTRUCTURE PROGRAM – AUTHORIZATION TO AWARD A CONTRACT FOR PHASE III – LIBERTY PARK STRUCTURAL PACKAGE**

It was recommended that the Board authorize the Executive Director to: (1) award early-action construction Contract WTC-324.828.S-01, through construction manager Tishman Construction Corporation (Tishman), to Paul J. Scariano Inc., the lowest qualified bidder pursuant to a publicly advertised/low-bid process, to perform structural work for Liberty Park, as part of Phase III of the World Trade Center Streets, Utilities and Related Infrastructure Program (WTC Streets Program), at an estimated total cost of \$11,109,312, inclusive of an eight-percent allowance for extra work; and (2) increase, by a total estimated amount of \$2,320,615, the compensation under the existing contract with Downtown Streetscape Partners (DSP), a joint venture of AECOM and Jacobs, Inc., for expert professional architectural and engineering services in connection with the WTC Streets Program.

It is necessary to advance this construction work prior to project authorization, in order to coordinate with other World Trade Center (WTC) site stakeholders' projects and the WTC Vehicular Security Center (WTC VSC) Project that currently are under construction.

Under prior authorizations through November 2011, the Board authorized up to \$15 million in planning work for the design of the WTC Streets Program. Of this amount, approximately \$6.5 million was allocated for Phase III planning work. The overall WTC Streets Program supports the future development and restoration of streets and sidewalks within, and at the perimeter of, the WTC site, and creates several public open spaces, including the Wedge of Light and Liberty Park. Fulton and Greenwich Streets would be constructed as new streets through the WTC site. Liberty Street and Cedar Street would be rebuilt and reconfigured to accommodate the below-grade WTC VSC. Vesey Street would receive new paving (including a sidewalk adjacent to the façade of One World Trade Center) and new markings from the existing northern curb to the new southern curb. Church Street would receive a new western curb edge and an adjacent sidewalk, with partial repaving of the existing traffic lanes.

The WTC Streets Program includes, but is not limited to, utilities, street furnishings, landscaping, lighting, signage, implementation of traffic measures and perimeter security protective measures for vehicle interdiction.

Preliminary engineering work for the overall WTC Streets Program was completed at the end of 2010. However, as other projects at the WTC site have progressed and schedule demands for the site stakeholders have been established, the WTC Streets Program was separated into distinct phases, so that work could be better coordinated with the implementation of other adjacent projects.

Phase III of the WTC Streets Program includes the development of a new 60,000-square-foot Liberty Park, to be located on the southern portion of the WTC site, above the roof of the WTC VSC. Liberty Park would serve as a public gathering place for workers and the growing number of residents in the surrounding areas. Phase III also includes the construction, furnishing and/or installation of pathways, benches, landscaped areas, lighting, and other furnishings and hardscape elements.

The scope of work under the proposed contract includes the furnishing and installation of concrete stairs, structural slabs, footings, walls, curbs, cantilevered beams, drain pipe, Geofoam lightweight fill material, structural steel and miscellaneous iron (to support future landscaped areas) and other finishes. This contract also would provide for waterproofing on behalf of the WTC VSC.

Authorization also is being requested for an increase in compensation under the existing agreement with DSP, in a total amount of \$2,320,615, to provide for additional architectural and engineering support services for the WTC Streets Program. The total authorized amount reflects design services associated with Greenwich and Cedar Streets related to utility changes, West Street sidewalk scope adjacent to One World Trade Center and the WTC VSC, and to accommodate the development of St. Nicholas Greek Orthodox Church. This would result in a total revised authorization of \$25.33 million for DSP services, of which approximately \$19 million of that amount has been expended to date.

The proposed construction contract is consistent with the terms outlined to the Board and the findings of the Navigant Consulting, Inc./Rothchild Phase II Report.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award early-action construction Contract WTC-324.828.S-01, through construction manager Tishman Construction Corporation, to Paul J. Scariano Inc., the lowest qualified bidder pursuant to a publicly advertised/low-bid process, to perform structural work for Liberty Park, as part of Phase III of the World Trade Center Streets, Utilities and Related Infrastructure Program (WTC Streets Program), at an estimated total cost of \$11,109,312, 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 a total estimated amount of \$2,320,615, the compensation under the existing contract with Downtown Streetscape Partners, a joint venture of AECOM and Jacobs, Inc., for expert professional architectural and engineering services in connection with the WTC Streets Program; 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.

**ONE WORLD TRADE CENTER – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR MISCELLANEOUS CONCRETE**

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 Navillus Contracting Inc. for miscellaneous concrete work associated with the construction of One World Trade Center (1WTC), at an estimated total cost of \$11,550,600, inclusive of an eight-percent allowance for extra work.

At its meeting of August 5, 2010, the Board authorized a transaction between the Port Authority and The Durst Organization (Durst) for Durst to become a joint venture partner with the Port Authority in the net leasehold interest of 1WTC and participate and/or advise in the construction, financing, leasing, management and operation of 1WTC. Durst since has provided advice and other services to the Port Authority in support of interim facilities essential for the timely establishment of 1WTC leasing and operations, and supports the retention of a contractor to perform miscellaneous concrete work in support of the lease-up of 1WTC.

The proposed authorization would allow the contractor to be in place to provide miscellaneous concrete work to respond to various stakeholder modification requests, and would accommodate ongoing stakeholder requirements to provide building modifications to 1WTC that would enhance its marketability to prospective tenants. The proposed authorization also would support the current construction schedule, consistent with current schedule commitments and in conjunction with the overall development of the World Trade Center site.

The scope of work under the proposed contract includes, but is not limited to, stakeholder requests such as the filling in of slabs, wall openings and duct openings that are no longer required, pouring pads and curbs, and grinding and patching.

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 policies 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 Navillus Contracting Inc., 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, Lynford, Rechler, Rosado, Rubin, 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 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 Navillus Contracting Inc. for

miscellaneous concrete work associated with the construction of One World Trade Center, at an estimated total cost of \$11,550,600, inclusive of an eight-percent allowance for extra work; and it is further

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

**WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – INCREASE IN AUTHORIZATION FOR OCULUS STRUCTURAL STEEL CONSTRUCTION TRADE 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 \$20 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 Oculus structural steel construction trade contract WTC-264.618 with Skanska/Koch, Inc. (Skanska/Koch), a division of 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; (2) increase, by an estimated amount of \$1 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 \$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 completion of the Oculus, in connection with the overall 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 24, 2011, the Board authorized the award of Contract WTC-264.618 to Skanska/Koch for the fabrication and installation of structural steel for the Oculus, at a total estimated amount of \$221,097,000, inclusive of an eight-percent allowance for extra work. The Oculus is the Santiago Calatrava-designed signature winged structure, which will rise over 200 feet above street level and house the Transit Hall. The Oculus will serve as a vital link for pedestrian access to Port Authority Trans-Hudson (PATH) rail system trains, 13 subway lines, 500,000 square feet of retail and restaurant space and the commercial office towers at the WTC site.

In August 2011, the Executive Director authorized increases to various WTC Hub construction trade contracts for the establishment of a clause work allowance, at a total amount of \$5,380,000, of which \$1 million was allocated to increase the amount of the existing contract with Skanska/Koch to \$222,097,000. The clause work allowance provides for compensation for premium time, idle salaried workers and equipment, emergency delays, and other costs, as set forth in the contract.

At its meeting of October 20, 2012, 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 Oculus structural steel contract is consistent with both the revised total project budget authorized by the Board and the findings of the Navigant Consulting, Inc./Rothschild Phase II Report (the Navigant Report).

The Oculus steel construction also has been affected by changes to construction in the West Bathtub to support the opening of the WTC Memorial Plaza on September 11, 2011. As a result of the post-assessment changes for the redevelopment of the WTC site included in the October 2008 *WTC Report: A Roadmap Forward*, the deck-over solution for the PATH Hall roof was implemented to prioritize the completion of the Memorial Plaza by September 11, 2011, which resulted in wide-ranging impacts to the WTC Hub Project. Much of the staging and logistics for the completion of the station roof in the West Bathtub were conducted from space in the East Bathtub.

The presence of contractor equipment in the East Bathtub changed the staging, logistics, phasing, and sequencing of the concrete and steel construction in this area of the WTC site. A substantial portion of the additional extra work funds are for the assignment of additional shop space, equipment, and labor at the steel fabrication plant to achieve an overall improvement in the fabrication of all Oculus steel components, to make up for time lost in support of the Memorial Plaza construction. It is anticipated that additional authorization for a further increase to the amount of the Oculus structural steel contract will be sought at a future date, consistent with the findings of the Navigant 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 for a five-year term, at an estimated amount of \$60 million. Through February 2013, the Board authorized increases to the existing DDP agreement for additional architectural, engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. The requested increase of \$1 million under the proposed authorization would compensate DDP for additional construction support services and design certification efforts associated with the changes to the scope of work. To date, \$420.25 million has been authorized for DDP services and approximately \$374.1 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 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 requested increase of \$500,000 under the proposed authorization would compensate Tishman/Turner for additional construction management services associated with the changes to the scope of work. To date, \$145 million has been authorized for Tishman/Turner services, and approximately \$70.5 million has been expended.

This item will remain confidential until the WTC Hub Project has been completed, 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, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioners Moerdler and Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase by \$20 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 Oculus structural steel construction contract WTC-264.618 with Skanska/Koch, Inc. a division of 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 \$1 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 \$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.

**SECURITY STUDY – THE CHERTOFF GROUP – COMPENSATION FOR ADDITIONAL SERVICES**

It was recalled that, at its meetings from May 25, 2011 through May 31, 2012, the Board authorized the Executive Director to retain The Chertoff Group to perform a top-to-bottom study of the Port Authority’s organizational management of security and agency-wide facility security operations, at a cost not to exceed \$1,250,000, in order to assure the adequacy of the security measures being undertaken by the Port Authority and its staff.

Over the term of the retention, at the recommendation of The Chertoff Group, the Board directed the Executive Director and Deputy Executive Director to, among other things, take certain actions relating to revisions to the Port Authority’s organizational structure, in order to optimize the agency’s focus on security-related matters. In order to compensate The Chertoff Group for additional tasks performed during the period of October 1, 2012 through December 31, 2012 to support the implementation of The Chertoff Group’s remaining recommendations to the Board, it was recommended that the Board authorize the Executive Director to increase the authorized amount under The Chertoff Group agreement by \$360,100.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Rechler, Rosado, Rubin, 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 increase the amount payable to The Chertoff Group, for additional services performed necessary to complete its top-to-bottom study of the Port Authority’s organizational management of security and agency-wide facility security operations, including the implementation of recommendations in connection therewith, by an amount not to exceed \$360,100; and it is further

**RESOLVED**, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to take any and all actions necessary to effectuate the foregoing.

**ONE WORLD TRADE CENTER – WTC TOWER 1 LLC – LEGENDS OWO, LLC –  
LEASE AGREEMENT FOR OBSERVATION DECK SPACE**

It was recalled to the Board that in October 2011, WTC Tower 1 LLC (WTC 1 LLC), a wholly-owned subsidiary of Tower 1 Joint Venture LLC, the joint venture of affiliates of The Port Authority of New York and New Jersey (Port Authority) and The Durst Organization, issued a Request for Qualifications for a potential lessee and operator of the Observation Deck of One World Trade Center (One WTC), which was followed by a Request for Proposals in January 2012. In connection with the procurement process, experts from the entertainment and attractions practice at AECOM USA, Inc. (AECOM) were retained to assist and advise WTC 1 LLC. An extensive due diligence process, including comparables research, feasibility and constructability studies, and financial analyses, was conducted in which proposers were analyzed and eventually short-listed to three firms. As a result of the evaluation process, it was determined that Legends OWO, LLC (Legends or Tenant) provided the overall best proposal, as it offered an attractive combination of an experienced and well-capitalized partner, an exciting design concept, and a compelling financial proposal, including a significant private capital investment for the World Trade Center site.

It is now recommended that the Board authorize WTC 1 LLC, to: (1) enter into a 15-year lease agreement with Legends, a wholly-owned subsidiary of Legends Hospitality, LLC, for approximately 120,000 gross square feet of space in One WTC for Observation Deck uses, including the execution of leases, contracts, agreements, licenses and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements, licenses and other documents, and to take action in accordance with the terms of such leases, contracts, agreements, licenses and documents, as may be necessary in connection therewith; and (2) retain (directly or indirectly) AECOM to perform expert advisory consulting services in relation to the Observation Deck including, but not limited to, review and advice concerning design, operations, merchandising, and sponsorship opportunities, at an estimated cost of up to \$1,000,000.

Under the terms of the proposed lease agreement, Legends would lease portions of the lobbies on the ground and B2 levels and the rentable area on the 100<sup>th</sup>, 101<sup>st</sup>, and 102<sup>nd</sup> floors of One WTC. Once developed, the Observation Deck will offer dramatic, 360-degree views of New York City, the New York Harbor, the Hudson and East River waterfronts, and the National September 11 Memorial and Museum. Select key terms of the lease include the following: (1) a 15-year term; (2) no new Port Authority capital investment, and all costs for leasehold improvements will be paid by the Tenant; (3) Legends will pay Fixed Rent and Percentage Rent annually, with total aggregate rent projected to be an estimated \$875 million over the term of the lease; (4) Legends will pay additional amounts for One WTC building expenses attributable to the Observation Deck so that rent payments will be a net return to WTC 1 LLC; (5) Legends will fund a capital reserve equal to 2% of annual gross revenue, providing a source of funds for renewing and upgrading the facility over time; (6) WTC 1 LLC will own all trade names and trademarks used in operation of the Observation Deck and at the end of the lease term will obtain ownership of all furniture, fixtures, equipment and technology used in operation of the Observation Deck; and (7) all Tenant lease obligations will be secured by a letter of credit for the duration of the lease term, in addition to a guaranty from Legends' parent company.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioners Holmes, 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 WTC Tower 1 LLC, a wholly-owned subsidiary of Tower 1 Joint Venture LLC, the joint venture of affiliates of The Port Authority of New York and New Jersey and The Durst Organization, be authorized to enter into a 15-year lease agreement with Legends OWO, LLC, a wholly-owned subsidiary of Legends Hospitality, LLC, for approximately 120,000 gross square feet of Observation Deck space in One World Trade Center, including the execution of leases, contracts, agreements, licenses and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements, licenses and other documents, and to take action in accordance with the terms of such leases, contracts, agreements, licenses and documents, as may be necessary in connection therewith; and it is further

**RESOLVED**, that WTC Tower 1 LLC be authorized, for and on behalf of the Port Authority, to directly or indirectly retain AECOM USA, Inc. to perform expert advisory consulting services in relation to the Observation Deck including, but not limited to, review and advice concerning design, operations, merchandising, and sponsorship opportunities, at an estimated cost of up to \$1,000,000; and it is further

**RESOLVED**, that the form of all leases, contracts, agreements, licenses and other documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

## **ATLANTIC CITY INTERNATIONAL AIRPORT – EXPANSION OF PORT AUTHORITY REGIONAL AIRPORT SYSTEM**

It was recommended that the Board authorize the Executive Director, subject to certification of the Atlantic City International Airport (ACY) as an additional facility of the Port Authority, pursuant to Port Authority bond covenants, to: (1) enter into an operating agreement with the South Jersey Transportation Authority (SJTA) to allow the Port Authority to operate and maintain, on behalf of SJTA, ACY, with an option to purchase SJTA's interests in ACY subject to the conditions described herein; and (2) execute all documents, including, without limitation, agreements with public and private entities involving, among other matters, operation, maintenance, environmental studies, subsurface remediation, appraisals, surveys, title searches and title insurance, necessary or incidental to such operation with such option to purchase.

In 1967, New York enacted legislation authorizing the Port Authority to establish one additional air terminal in New York and one additional air terminal in New Jersey outside of the Port District, each such terminal to be at a site approved by the governor of the state in which the air terminal is located (1967 Act). In May 2007, New Jersey enacted a statute identical in scope to the 1967 Act. On October 12, 2007, Governor Eliot Spitzer approved Stewart International Airport as the additional air terminal in New York outside the Port District. At its meeting of September 20, 2012, the Board authorized the Executive Director to retain consulting services to assist in a study of the feasibility of incorporating ACY into the Port Authority's regional airport system to provide additional aviation capacity for the Port Authority. On March 18, 2013, Governor Chris Christie approved ACY as the additional air terminal in New Jersey outside the Port District.

ACY is a civilian-military public use airport owned and operated by SJTA. ACY features two runways, one 10-gate passenger terminal, a 1,400-space (six-level) parking garage, and surface lots for short-term and economy parking. ACY also includes several hangars, two fuel farms, and structures to house the New Jersey State Police, and firefighting and maintenance equipment.

The site on which ACY is located is composed of approximately 5,059 acres situated across parts of Hamilton, Galloway, and Egg Harbor Townships in Atlantic County, New Jersey. SJTA owns 84 acres of the site on which the civil terminal area is located. The Federal Aviation Administration (FAA) owns the remaining 4,975 acres. SJTA also acquired the City of Atlantic City's reversionary interest in approximately 4,312 acres of ACY. SJTA leases from the William J. Hughes Technical Center (FAA Technical Center, owned and operated by the FAA) approximately 2,200 acres, which encompasses the runways, taxiways and other areas of the airfield. Pursuant to lease and cooperative agreements between SJTA and the FAA, SJTA is responsible for the operation and maintenance of the runways and taxiways. Other areas of the site are leased by the FAA Technical Center to the New Jersey Air National Guard 177<sup>th</sup> Fighter Wing, United States Coast Guard, the Transportation Security Administration Federal Air Marshal Training Center and Transportation Security Laboratory.

Incorporating ACY into the Port Authority's network of airports would create a more integrated airport system. The Port Authority recognizes that the challenges raised by airport system congestion must be addressed by exploring both expansion at its existing airports and shifting demand to the region's outlying airports, thus creating capacity at the three core airports.

Outlying airports such as ACY can also serve local areas, build up local economies and expand the offering of air travel options.

The operating agreement would commence on July 1, 2013 and provide that the Port Authority operate ACY for a specified period of time, and, at the end of such period, the Port Authority would have an option, among other things, to purchase SJTA's interest in ACY, subject to Board approval.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, subject to certification of the Atlantic City International Airport (ACY) as an additional facility of the Port Authority, pursuant to Port Authority bond covenants, to: (1) enter into an operating agreement with the South Jersey Transportation Authority (SJTA) to allow the Port Authority to operate and maintain, on behalf of SJTA, ACY, with an option to purchase SJTA's interests in ACY subject to Board approval; (2) execute all documents, including, without limitation, agreements with public and private entities involving, among other matters, operation, maintenance, environmental studies, subsurface remediation, appraisals, surveys, title searches and title insurance, necessary or incidental to such operation with such option to purchase; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on the Port Authority, to take any and all actions necessary to effectuate the foregoing, including the execution of agreements, contracts, and other documents to facilitate such action, together with amendments and supplements thereto, including amendments and supplements to existing agreements, and to take action in accordance with the terms of such agreements, contracts and other documents as may be necessary in connection therewith; and it is further

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

**PORT AUTHORITY AIRPORTS – AIRCRAFT RESCUE AND FIREFIGHTING OPERATIONS – FEDERAL AVIATION ADMINISTRATION REGULATORY MATTERS**

It was recommended that the Board authorize the Executive Director and Deputy Executive Director, for and on behalf of the Port Authority, to take such actions, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with the terms of such contracts, agreements and documents, as may be necessary in connection therewith, with the Federal Aviation Administration and other required parties, with any initial civil penalty payable to the Federal Aviation Administration thereunder to be limited to an amount not to exceed \$5 million, to resolve certain regulatory matters raised by the Federal Aviation Administration in connection with the Port Authority's aircraft rescue and firefighting operations at John F. Kennedy International Airport, LaGuardia Airport, Newark Liberty International Airport and Teterboro Airport.

This matter shall be considered confidential until such time as it is fully resolved with the Federal Aviation Administration.

Pursuant to the foregoing report, the Board adopted the following resolution in executive session, with Commissioners Bagger, Holmes, Lynford, Moerdler, Rechler, Rosado, Rubin, 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 and Deputy Executive Director, be and hereby are authorized, to take such actions, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with the terms of such contracts, agreements and documents, as may be necessary in connection therewith, with the Federal Aviation Administration and other required parties, with any initial civil penalty payable to the Federal Aviation Administration thereunder to be limited to an amount not to exceed \$5 million, to resolve certain regulatory matters raised by the Federal Aviation Administration in connection with the Port Authority's aircraft rescue and firefighting operations at John F. Kennedy International Airport, LaGuardia Airport, Newark Liberty International Airport and Teterboro Airport; and it is further

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

**TRIBUTE TO MICHAEL G. FABIANO AND AWARD OF ROBERT F. WAGNER  
DISTINGUISHED PUBLIC SERVICE MEDAL**

The Board of Commissioners, upon the retirement of Chief Financial Officer Michael Fabiano, unanimously adopted the following resolution.

**WHEREAS**, from the time he joined The Port Authority of New York and New Jersey in April 1976 as a Principal Accounting Clerk, Michael Fabiano has been a dedicated public servant and has served in numerous key roles in his distinguished career including Debt Manager, Assistant Comptroller, Comptroller/Deputy Chief Financial Officer, Acting Chief Technology Officer and since June 2010, as Chief Financial Officer; and

**WHEREAS**, as Chief Financial Officer, Michael Fabiano committed himself to the highest standards of financial management, reporting, performance and achievement, where he was responsible for the oversight of the agency's financial accounting and reporting activities, insurance matters, as well as the agency's multi-billion dollar Budget and Capital Plan; and

**WHEREAS**, Michael Fabiano has played an instrumental role in the identification of cost-effective budget strategies and procedures and organizational effectiveness and change management during a period of significant economic downturn and uncertainty, and has ensured that the agency's financial condition remained sound through various cost cutting measures and zero-growth budgets, maintaining the reputation of the Port Authority in the financial community; and

**WHEREAS**, Michael Fabiano has been a driving force and leader in the development and implementation of an agency-wide Enterprise Risk Management initiative to ensure the Port Authority's resiliency and sustainability into the future; and

**WHEREAS**, as Chief Financial Officer, Michael Fabiano oversaw the continued development of various innovative financing techniques and complex financing plans to enable the advancement of critical regional projects, including the redevelopment of the World Trade Center site and the effectuation of major regional transportation projects, including PATH's modernization program; the Goethals Bridge modernization program; and various airport terminal and port facility projects; and

**WHEREAS**, as Chief Financial Officer, Michael Fabiano has continued to ensure that the Port Authority maintains its exceptional record of receiving the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report, which is the highest form of recognition in governmental accounting and financial reporting, for which the agency has been a recipient for the past 28 years, and for Distinguished Budget Presentation for its Annual Budget Book for the past four years; and

**WHEREAS**, during his nearly 37 years of distinguished service, Michael Fabiano has given the full measure of his time and talent to provide sound guidance and advice to staff and to encourage the development of staff throughout the agency; and

**WHEREAS**, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, Michael Fabiano was awarded the Civilian Commendation Medal in 2002 for assisting in the evacuation of a colleague from One World Trade Center on September 11, 2001 and was also a recipient of the Exceptional Service Team Awards for Payroll and Restoration of Technology Systems and Vendor Payments in 2002, in response to the tragic events of September 11, 2001; and

**WHEREAS**, by resolution adopted by the Board on March 2, 1944 and amended on May 14, 1992, the Robert F. Wagner Distinguished Public Service Medal was established to award those individuals who have rendered outstanding distinguished public service in their fields of endeavor or in the community, demonstrating an exceptional degree of dedication, good judgment, initiative and competence and who have sustained this record of service over a number of years; and

**WHEREAS**, it is recommended that the Robert F. Wagner Distinguished Public Service Medal be awarded to Michael G. Fabiano for his nearly 37 years of outstanding distinguished service to this agency, and his dedication to a career in public service which has not only benefited the Port Authority but the entire region it serves; and

**NOW**, therefore, be it

**RESOLVED**, that the Commissioners of The Port Authority of New York and New Jersey do hereby express to Michael G. Fabiano their sincere appreciation for his service to the agency and the region it serves; and it is further

**RESOLVED**, that the Robert F. Wagner Distinguished Public Service Medal be awarded to Michael G. Fabiano for outstanding, distinguished service; and it is further

**RESOLVED**, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Michael G. Fabiano as a token of the high esteem in which he is held by the Board and staff alike.

Whereupon, the meeting was adjourned.

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Deputy Secretary