

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Wednesday, May 29, 2013

Report of Committee on Finance	122
Report of Committee on Finance's Insurance Working Group	122
Report of Committee on Security	122
Report of Committee on Operations	122
Report of World Trade Center Redevelopment Subcommittee	123
Report of Special Meeting of Committee on Operations	123
Newark Liberty International Airport – United States General Services Administration – New Lease ANC-384	124
Minor Boundary Modification of Foreign-Trade Zone No. 49 General-Purpose Zone to Include Approximately Two Acres at National Retail Transportation, Inc. in North Bergen, New Jersey, on Behalf of The Home Depot U.S.A., Inc.	126
New York Facilities – Agreement with the New York Power Authority for Turn-key Contracting and Project Management Services to Support Implementation of an Advanced Metering Infrastructure Program	128
World Trade Center Retail and Parking Pre-Tenant Fit-out Projects – Miscellaneous Metals Construction Contract – Supplemental Agreement No. 1	131
World Trade Center Site – Authorization of Property Management Services for Site-wide Facilities	133
Confidential Item	135
Port Authority Airports – Aircraft Rescue and Firefighting Operations – Federal Aviation Administration Regulatory Matters – Port Authority – Port Authority Police Benevolent Association, Inc. Implementation Agreements (This matter, which was adopted in executive session by the Board of Commissioners, is no longer confidential.)	138
Tribute to James P. Rubin	140

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, May 29, 2013 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

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

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

Susan M. Baer, Director, Aviation
 Thomas E. Belfiore, First Deputy Chief Security Officer
 Quentin M. Brathwaite, Assistant Director, World Trade Center Construction
 Rosemary Chiricolo, Deputy Director, Management and Budget
 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
 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
 Lash L. Green, Director, Office of Business Diversity and Civil Rights
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Chief, Human Capital
 Andrew T. Hawthorne, Director, Marketing
 Anthony Hayes, Manager, Media Planning, Media Relations
 Mark Hoffer, Director, New Port Initiatives, Port Commerce Department
 Howard G. Kadin, Esq., Law
 Stephen Kingsberry, Director, Rail Transit
 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
 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
 Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. James P. Rubin

David J. McGrath, Manager, Marketing
 Christopher J. Mohr, Executive Business Manager, Office of the Secretary
 Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
 Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
 Krista I. Powers, External Relations Client Manager, Government and Community Affairs
 Alan L. Reiss, Deputy Director, World Trade Center Construction
 Juan Carlos Rojas, Senior External Relations Representative, Government and Community Affairs
 Jessica D. Russ, Associate Board Management and Support Specialist, Office of the Secretary
 Timothy G. Stickelman, Assistant General Counsel
 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
 Christopher M. Valens, Senior Public Information Officer, Media Relations
 Lillian D. Valenti, Director, Procurement
 Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
 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:

Nicole Crifo, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey
 Kerstin Sundstrom, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Marcus Babzien, Member of the Public
 Murray Bodin, Member of the Public
 Margaret Donovan, Twin Towers Alliance
 Robert A. Genna, Member of the Public
 Richard Hughes, Twin Towers Alliance
 Michael Prokosch, Member of the Public
 Kalev Savi, Member of the Public
 Jackson Scott, Member of the Public
 Lisa Turano-Wojcik, Member of the Public
 Neile Weissman, Member of the Public

The public meeting was called to order by Chairman Samson at 1:17 p.m. and ended at 2:08 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 April 24, 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 April 25, 2013. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on May 9, 2013.

Whereupon, the Board unanimously approved the Minutes of the meetings of April 24, 2013, including the Minutes of the special meeting of the Committee on Operations.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on May 28, 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 and action taken in executive session at its meeting on May 29, 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 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 May 28, 2013, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Security

The Committee on Security reported, for information, on matters discussed in executive session at its meeting on May 29, 2013, which included discussion of matters involving public safety or law enforcement, 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 public and executive sessions at its meeting on May 29, 2013, which included discussion of an item that authorizes a lease for space in Terminal B at Newark Liberty International Airport; and discussion of matters related to personnel and personnel procedures, and matters involving ongoing negotiations or reviews of contracts or proposals, 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 May 29, 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 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 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 certain items on the agenda at its meeting on May 29, 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 items. A copy of the minutes of the special meeting of the Committee on Operations held on May 29, 2013 is included with these minutes.

NEWARK LIBERTY INTERNATIONAL AIRPORT – UNITED STATES GENERAL SERVICES ADMINISTRATION – NEW LEASE ANC-384

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 6,860 square feet of space in Terminal B at Newark Liberty International Airport (EWR), to provide office and support space for United States Department of Homeland Security, Transportation Security Administration (TSA) agents, for a term of ten years and nine months, commencing on or about August 1, 2013.

The GSA has been a tenant at EWR since 2003, and it currently has two space permits for TSA offices – one in Terminal A (Lease ANB-795, expiring in July 2013), and another for a TSA break room in Terminal B (Lease ANC-271, expiring in April 2016). On March 20, 2013, the Board authorized a new lease with the GSA (Lease ANC-371) for TSA offices and support space located at the beginning of Terminal B's B-1 corridor. The proposed lease would add to the inventory of space the TSA requires for its on-airport operations at EWR.

The proposed leasehold is located on the south end of Terminal B's Lower Level (Level 1), and is newly created space built as part of the Terminal B Modernization Program. Over the term of the agreement, the Port Authority would receive total aggregate rental of approximately \$5.6 million.

The GSA also would develop the space, at an estimated cost of \$1.5 million to finish and furnish the space, and the GSA would receive a rent-free period of up to nine months to build out the space. Either party would have the right to terminate the lease, upon 90 days' written notice. In the event the Port Authority terminated the lease without cause, it would reimburse the GSA for the unamortized portion of the GSA's investment in the premises, calculated on a straight-line basis.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, 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 6,860 square feet of space in Terminal B at Newark Liberty International Airport for a term of ten years and nine months, commencing on or about August 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.

**MINOR BOUNDARY MODIFICATION OF FOREIGN-TRADE ZONE NO. 49
GENERAL-PURPOSE ZONE TO INCLUDE APPROXIMATELY TWO ACRES
AT NATIONAL RETAIL TRANSPORTATION, INC. IN NORTH BERGEN,
NEW JERSEY, ON BEHALF OF THE HOME DEPOT U.S.A., INC.**

It was recommended that the Board authorize the Executive Director to: (1) file an application, on behalf of the Port Authority, as Grantee of Foreign-Trade Zone (FTZ) No. 49, with the Foreign-Trade Zones Board of the United States Department of Commerce for a minor boundary modification of the FTZ No. 49 General-Purpose Zone that would provide for the removal of foreign-trade zone designation of two acres at the Port Reading Business Center in Woodbridge, New Jersey, and the designation of approximately two acres at the National Retail Transportation, Inc. facility in North Bergen, New Jersey as FTZ No. 49 space, on behalf of The Home Depot U.S.A., Inc. (Home Depot); and (2) execute the appropriate agreements with Ogden Realty, II, the owner of the North Bergen facility, and Home Depot, to activate foreign-trade zone status, pending approval from United States Customs and Border Protection (Customs).

National Retail Transportation, Inc. operates as a wholly owned subsidiary of National Retail Services, Inc. At its 78-acre North Bergen facility, National Retail Transportation, Inc. manages inventory on behalf of multiple importers of retail merchandise, including Home Depot, which receive, inspect, handle, sort, and ship merchandise.

Under the traditional FTZ site framework in which FTZ No. 49 operates, establishing new sites through a minor boundary modification requires “swapping” the requested acres from existing sites that either have not been activated or have limited foreign-trade zone activity. As Grantee of FTZ No. 49, the Port Authority would request the removal of foreign-trade zone designation of two acres of the 317 acres currently designated as FTZ No. 49 space at the Port Reading Business Center in Woodbridge. To date, no tenant at the Port Reading Business Center site has requested FTZ activation with Customs. The proposed new general-purpose zone site would consist of approximately two acres of National Retail Transportation, Inc.’s warehouse space designated for Home Depot’s operations.

Foreign-trade zone status and its benefits at the site would help National Retail Transportation, Inc. and its client, Home Depot, remain financially competitive by reducing transactional expenses. Modifying the existing boundaries of FTZ No. 49 to include the proposed site also could help attract additional large warehousing and distribution operations to utilize Port Authority facilities for direct import and export cargo activity and enable companies in the region to remain competitive in the global and domestic marketplace.

Home Depot would pay the Port Authority, as Grantee, a one-time application fee of \$500 and a one-time minor boundary modification fee of \$1,000, to cover administrative expenses associated with this action. Additional expenses incurred to administer this foreign-trade zone site would be recovered through an annual fee of \$4,000, as set forth in the FTZ No. 49 Zone Schedule, which the Port Authority would collect under an operating agreement with Home Depot. In connection with requesting approval from Customs to activate foreign-trade zone status, National Retail Transportation, Inc. would undertake any required alterations to the facility, in compliance with Customs regulations and security requirements.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, 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, as Grantee of Foreign-Trade Zone No. 49 (FTZ No. 49), to: (1) file an application with the Foreign-Trade Zones Board of the United States Department of Commerce for a minor boundary modification of FTZ No. 49 General-Purpose Zone that would provide for the removal of foreign-trade zone designation of two acres at the Port Reading Business Center in Woodbridge, New Jersey, and the designation of approximately two acres at the National Retail Transportation, Inc. facility in North Bergen, New Jersey as FTZ No. 49 space, on behalf of The Home Depot U.S.A., Inc. (Home Depot); and (2) execute the appropriate agreements with Ogden Realty, II, owner of the North Bergen facility, and Home Depot, to activate foreign-trade zone status, pending approval from United States Customs and Border Protection; and it is further

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

NEW YORK FACILITIES – AGREEMENT WITH THE NEW YORK POWER AUTHORITY FOR TURN-KEY CONTRACTING AND PROJECT MANAGEMENT SERVICES TO SUPPORT IMPLEMENTATION OF AN ADVANCED METERING INFRASTRUCTURE PROGRAM

It was recommended that the Board authorize: (1) a program for the design and deployment of a fully integrated Advanced Metering Infrastructure (AMI) system to provide for remote utility consumption measurement, automated billing and related services at the Port Authority's facilities located in the State of New York, at a total estimated amount of \$54,211,897; (2) the Executive Director to enter into any agreement(s) with the New York Power Authority (NYPA) that are necessary to implement the program, for NYPA to: (a) undertake and finance the program on the Port Authority's behalf, inclusive of program management services and retention of general contracting services to implement the AMI system, at a total estimated amount of \$43,564,435, the cost of which would be reimbursed to NYPA by the Port Authority via monthly utility billings over a 15-year period; and (b) retain a vendor(s) to provide ongoing meter and billing services for the Port Authority's New York facilities for a five-year term, at an estimated additional amount of \$3,750,000, with up to three one-year renewal option periods, at an estimated additional aggregate amount of \$1,855,000, to be paid as a pass-through, with no mark-up by NYPA to the Port Authority on its monthly utility bills; and (3) the Executive Director to pay off the balance of the eligible portion of the program cost to be financed by NYPA, which levies no penalty for early payment, if the Port Authority opts to finance the proposed AMI system in a different manner at a future date.

The Port Authority currently has a total of approximately 1,500 electric and water meters located at its New York facilities, of which approximately 1,300 require replacement in order to accommodate remote consumption measurement and other automated features as part of the proposed AMI system to be implemented by NYPA through its contractors. Such a system would enhance the Port Authority's ability to recover costs associated with tenants' utility usage at its New York facilities, where such activity is billed to the tenant by the Port Authority on a sub-metered basis, and is therefore negatively impacted by the existence of meters requiring manual reading, which delays identification of issues with existing meters, as well as the timeliness in which the Port Authority is able to bill tenants for their actual utility usage and related Port Authority costs.

In 2012, the Port Authority engaged NYPA to determine how it could support the Port Authority in extending and expanding its metering services via an AMI system, leading to a pilot AMI system feasibility study at John F. Kennedy International Airport, which has assisted the Port Authority in developing a scope of work for the proposed program.

In connection with the program, NYPA would perform procurement and project management services related to the design and deployment of a fully integrated AMI system, to provide two-way communication with utility meters and provide interval data for energy and water consumption at the Port Authority's New York facilities, as part of a comprehensive utility management program, which would include: (1) installing and testing the AMI system; (2) providing manual meter reading until such time as all manually read meters are replaced with new meters having remote reading technology and which are connected to the AMI system; (3) performing meter inventories; (4) preparing tenants bills and rate checking; (5) delivering and maintaining a web-based utility management platform for data related to both accounts

receivable and accounts payable; and (6) troubleshooting and correcting wiring and other system issues that may impact meter performance.

The Port Authority would finance the AMI program through NYPA, and NYPA would recover these costs from the Port Authority via monthly utility billings over a 15-year period, at competitive financing rates, plus an overhead fee of 9 percent. Throughout the term of the agreement, the Port Authority would have the option to finance these costs independent of NYPA, if the Port Authority chooses to use its own short-term financing vehicle for the proposed AMI system. NYPA also would pass through costs related to ongoing meter reading and billing, with no mark-up.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, 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 a program for the design and deployment of a fully integrated Advanced Metering Infrastructure (AMI) system to provide for remote utility consumption measurement, automated billing and related services at the Port Authority's facilities located in the State of New York, at a total estimated cost to the Port Authority of up to \$54,211,897, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any agreement(s) with the New York Power Authority (NYPA) that are necessary to implement the foregoing program, for NYPA to: (1) undertake and finance the program on the Port Authority's behalf, inclusive of program management services and retention of general contracting services to implement the AMI system, at a total estimated amount of \$43,564,435, the cost of which will be reimbursed to NYPA by the Port Authority via monthly utility billings over a 15-year period; and (2) retain a vendor(s) to provide ongoing meter and billing services for the Port Authority's New York facilities for a five-year term, at an estimated additional amount of \$3,750,000, with up to three one-year renewal option periods, at an estimated additional aggregate amount of \$1,855,000, to be paid as a pass-through, with no mark-up by NYPA to the Port Authority on its monthly utility bills; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to pay off the balance of the eligible portion of the program cost to be financed by NYPA, which levies no penalty for early payment, if the Port Authority opts to finance the proposed AMI system in a different manner at a future date; and it is further

RESOLVED, the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take any and all action to effectuate the foregoing, including the execution of agreements, contracts and other documents to facilitate such action, together with amendments and supplements thereof, 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 agreements, contracts and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – MISCELLANEOUS METALS CONSTRUCTION CONTRACT – SUPPLEMENTAL AGREEMENT NO. 1

It was recommended that the Board authorize the Executive Director to enter into Supplemental Agreement No. 1 under the existing miscellaneous metals construction trade contract with Empire City Iron Works, through construction manager Tishman Turner Joint Venture III (Tishman/Turner III), a joint venture of Tishman Construction Corporation and Turner Construction Company, to provide for additional miscellaneous metal grating platforms, a maintenance ceiling track system and mechanical mezzanine structures in support of the World Trade Center (WTC) site retail development and parking projects, at an estimated total cost of \$1,047,600, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking projects.

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

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

In December 2011, the Executive Director authorized the award of a construction trade contract with Empire City Iron Works, through Tishman/Turner III, for the fabrication, furnishing and installation of all miscellaneous metals and stainless steel work to support the construction of the WTC retail and parking projects, at an estimated total amount of \$2,483,381, inclusive of an eight-percent allowance for extra work. The scope of work for that contract includes work that would be installed in the WTC retail and parking areas located within the WTC Transportation Hub, One World Trade Center, Towers 2, 3, and 4, and under the New York City Transit No. 1 subway line.

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. The Board also, among other things, reauthorized the project to design and construct the WTC retail development, at an estimated amount of \$1.966 billion.

The scope of work under the proposed supplemental agreement is required to support the WTC retail and parking projects within the retail area of Tower 4, which includes additional miscellaneous metals work to support Tower 4 building maintenance and operations functionality to accommodate stakeholder requests. In addition, it was anticipated originally that a portion of the work would be performed by Silverstein Properties, Inc. on WTC Retail LLC's behalf. However, after further review, it was determined that the work could be performed in a more cost-effective manner under the proposed supplemental agreement. The scope of that additional work includes, but is not limited to: Tower 4 kitchen exhaust duct access platforms and ladders; Tower 4 lobby maintenance equipment ceiling track system; and Tower 4, Level 4, mechanical mezzanine area.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entity, WTC Retail LLC, to enter into Supplemental Agreement No. 1 under the existing miscellaneous metals construction trade contract with Empire City Iron Works, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, to provide additional miscellaneous metal grating platforms, maintenance ceiling track system and mechanical mezzanine structures in support of the World Trade Center retail and parking projects, at an estimated total cost of \$1,047,600, inclusive of an eight-percent allowance for extra work; and it is further

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

WORLD TRADE CENTER SITE – AUTHORIZATION OF PROPERTY MANAGEMENT SERVICES FOR SITE-WIDE FACILITIES

It was recommended that the Board authorize the Executive Director to: (1) award a contract to Cushman & Wakefield, Inc. (C&W) to provide long-term management, operation and maintenance of World Trade Center (WTC) site-wide properties, including public spaces at the site and centralized infrastructure, for a seven-year term with three one-year renewal options; (2) authorize payment to C&W of a management fee, in a total amount of up to \$5.5 million (for an average fee of \$785,000 per year), for the seven-year base term, with up to 20 percent of such amount to be subject to a performance review process, as provided in the contract; (3) authorize payment of an amount up to \$4,752,000, inclusive of an allowance of up to eight percent for extra work, if necessary, for management and oversight staff, operations and maintenance staff and reimbursable expenses in connection with the initial year of the foregoing contract with C&W, with payments for future years to be subject to further authorization by the Board; and (4) authorize payment of an amount up to \$5,076,000, inclusive of an allowance of up to eight percent for extra work, if necessary, for service contracts in connection with the initial year of the foregoing contract with C&W, with payments for future years subject to further authorization by the Board.

The Port Authority is responsible for the operation, maintenance and management of several major components of the WTC site, including the Vehicular Security Center, the Vehicle Roadway Network, the WTC Transportation Hub (excluding the Port Authority Trans-Hudson Corporation (PATH) rail system “fare zone,” which is the responsibility of PATH, and retail development space, which is the responsibility of WTC Retail, LLC), the Central Chiller Plant and Hudson River Pump Station, the Primary Electrical Distribution Center, the East/West Connector to the World Financial Center, the East and West Bathtub slurry walls, Liberty Street Park and the WTC Hub Plaza. The aforementioned components will begin to transition from construction to operations at different intervals, and therefore it is necessary to retain a property manager to commission, operate and maintain these components.

WTC site-wide property management services would be grouped into major categories, including: cleaning, repairs and maintenance, security, utilities, grounds maintenance and administration. These services would be performed in accordance with Building Owners and Managers Association standards.

In August 2012, the Port Authority solicited a Request for Proposals (RFP) for the WTC site-wide property management services through a publicly advertised, competitive process. The RFP contained the scope of services required and certain prerequisites for the proposers to satisfy, including: (1) a minimum of ten years of property management services within the New York Tri-State Region; (2) that the proposer’s current portfolio includes “Class A” commercial properties that exceed ten million square feet; and (3) engagement of at least three mixed-use commercial projects comparable to the WTC site.

It is expected that many of the required services would be provided by sub-contractors retained by C&W, the proposed Property Manager. Generally in such cases, the Property Manager would solicit sealed bids and/or proposals from at least three pre-qualified subcontractors for subcontract packages, and award work to the lowest responsible bidder or the most technically qualified proposer, as appropriate.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) award a contract to Cushman & Wakefield, Inc. (C&W) for the management, operation and maintenance of World Trade Center (WTC) site-wide properties, including public spaces at the site and centralized infrastructure, for a seven-year term with three one-year renewal options; (2) authorize payment of a management fee, in a total amount of up to \$5.5 million (for an average fee of \$785,000 per year), for a seven-year base term, with up to 20 percent of such amount subject to a performance review process, as provided in the contract; (3) authorize payment of an amount up to \$4,752,000, inclusive of an allowance of up to eight percent for extra work, if necessary, for management and oversight staff, operations and maintenance staff and reimbursable expenses in connection with the initial year of the foregoing contract with C&W, with payments for future years subject to further authorization by the Board; and (4) authorize payment of an amount up to \$5,076,000, inclusive of an allowance of up to eight percent for extra work, if necessary, for service contracts in connection with the initial year of the foregoing contract with C&W, with payments for future years subject to further authorization by 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.

CONFIDENTIAL ITEM

The Board took action in executive session on an item involving sensitive security matters that shall remain confidential.

PORT AUTHORITY AIRPORTS – AIRCRAFT RESCUE AND FIREFIGHTING OPERATIONS – FEDERAL AVIATION ADMINISTRATION REGULATORY MATTERS – PORT AUTHORITY-PORt AUTHORITY POLICE BENEVOLENT ASSOCIATION, INC. IMPLEMENTATION AGREEMENTS

It was recommended that the Board confirm the authorization of the Executive Director and Deputy Executive Director to take 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, for and on behalf of the Port Authority, with the Port Authority Police Benevolent Association, Inc. (PAPBA), in connection with the implementation of the April 8, 2013 agreement with the Federal Aviation Administration (FAA) with respect to the Port Authority's aircraft rescue and firefighting (ARFF) operations at John F. Kennedy International Airport, LaGuardia Airport, Newark Liberty International Airport and Teterboro Airport.

At its meeting on March 30, 2013, the Board authorized the Executive Director and Deputy Executive Director, as part of a broader authorization in connection with the resolution of certain regulatory matters raised by the FAA with respect to the Port Authority's ARFF operations, to take certain actions involving other parties to implement such resolution with the FAA. As part of the effectuation of the agreement with the FAA and the implementation of changes to the Port Authority's ARFF operations, agreements were entered into with the PAPBA as of May 9, 2013, subject to further Board action and the expiration of the applicable gubernatorial review period with respect to such action. Among other terms, the Port Authority-PAPBA agreements provide for modification and waiver of provisions in the PAPBA Memorandum of Agreement required to create a dedicated ARFF cadre and establish 12-hour tours for police officers assigned to the ARFF cadre. In addition, the Port Authority and the PAPBA agreed to resolve approximately 468 grievances brought by the PAPBA on behalf of its members by means of an aggregate payment by the Port Authority to the PAPBA of \$6 million, and to modify the process for administering grievance arbitrations, disciplines and medical removal procedures. Further, the Port Authority and the PAPBA agreed that the Port Authority would not amend the Port Authority Labor Relations Instruction through May 9, 2033, in any way that would diminish the Port Authority's obligations to collectively negotiate with the PAPBA.

This matter shall be considered confidential until such time as agreements required to implement ARFF operations are reached with other required parties.

Pursuant to the foregoing report, the Board adopted the following resolution in executive session, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, 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 authorizations set forth in the Board Minutes of March 30, 2013, entitled "*Port Authority Airports – Aircraft Rescue and Firefighting Operations – Federal Aviation Administration Regulatory Matters*," as such authorizations apply to agreements with the Port Authority Police Benevolent Association, Inc., in connection with the implementation of the April 8, 2013

agreement with the Federal Aviation Administration with respect to the Port Authority's aircraft rescue and firefighting operations at John F. Kennedy International Airport, LaGuardia Airport, Newark Liberty International Airport and Teterboro Airport, be and they hereby are confirmed.

TRIBUTE TO JAMES P. RUBIN

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner James P. Rubin upon his retirement from the Board.

WHEREAS, since his appointment to the Board by New York Governor Andrew Cuomo in June 2012, James P. Rubin has given tirelessly of his time, talent and experience to further the mission and goals of the Port Authority; and

WHEREAS, as Chairman of the Committee on Security, since August 2012, James Rubin has provided leadership in the formation of the Office of the Chief Security Officer, to centralize and improve coordination of security and public safety across the entire Agency, and has been instrumental in the advancement of numerous security initiatives, to ensure the safety and security of the agency's facilities, so that the public and commerce may have the benefit of dependable, trustworthy passage throughout the region, including in response to the aftermath of Hurricane Sandy; and

WHEREAS, James Rubin has provided guidance in the advancement of the agency's Capital Plan and the Port Authority's mission to improve regional mobility of people and goods, as well as fostering economic growth and opportunity in the region through projects that will serve the region for decades to come, including various projects for the rehabilitation of various airport runways and taxiways, planning for the redevelopment of LaGuardia Airport and planning and development for the Goethals and Bayonne Bridges; and

WHEREAS, as a Commissioner of the Port Authority, James P. Rubin has supported various initiatives to build on the agency's commitment to the highest standards of accountability and transparency to the public and to promote transparent, efficient and ethical corporate governance practices and to adopt measures to adhere to the highest government accountability standards of the States of New York and New Jersey; and

WHEREAS, during his tenure on the Board, James P. Rubin also served with great pride and distinction as a member of the Committee on Operations and a member of the agency's World Trade Center Redevelopment Subcommittee.

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to the Honorable James P. Rubin their sincere appreciation for his leadership and service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to the Honorable James P. Rubin as a token of the high esteem in which he is held by the Board and staff alike.

Whereupon, the meeting was adjourned.

Secretary