

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, March 24, 2016

Documents Filed with the Board	24
Report of Audit Committee	24
Report of Committee on Operations	24
Report of Committee on Security	24
Report of Committee on Finance	24
Report of World Trade Center Redevelopment Subcommittee	25
Report of Committee on Capital Planning, Execution and Asset Management	25
Report on Proposal with Respect to Requirements for Final Terms of Board-Authorized Contracts	25
Bathgate Industrial Park – Sale and Assignment of the Port Authority’s Lease	26
George Washington Bridge Bus Station – Amendment of Lease Agreement with GWBBS Development Venture LLC	28
Agreement with the National Oceanic and Atmospheric Administration for the Operation and Maintenance of the Physical Oceanographic Real-Time System	30
Newark Bay, Port Newark and Port Newark Branch Channels – Federal Maintenance Dredging – Agreement with United States Department of the Army – Funding for Upland Placement	32
George Washington Bridge Rehabilitation Program – Rehabilitation of Center Avenue and Lemoine Avenue Bridges – Project Authorization and Authorization of Increase in Architectural and Engineering Services	34
Newark Liberty International Airport – Terminal A Redevelopment – Program Authorization and Authorization of Funding for Certain Program Elements	36
LaGuardia Airport Redevelopment Program – Authorization of the LaGuardia Redevelopment Program and Lease Agreement for New Terminal B, Central Hall and Supporting Infrastructure Project	40

World Trade Center Site – Authorization of Additional Contract Actions and Expenditures to Support Ongoing Post-Hurricane Sandy Recovery Work and Related Costs	49
World Trade Center Site – Authorization of Additional Contract Actions to Implement Certain Work under Existing Contracts	51
World Trade Center Site Flood Resiliency Programs – Flood Mitigation and Resiliency Improvements At-Grade – Award of Contract for Construction of a Perimeter Bollard Protection System	53
Publication of Annual Financial Statements	55
John F. Kennedy International Airport – Newark International Airport – The Hudson Tubes Facility – Lease Agreement for Certain Areas of the Redeveloped James A. Farley Building Transportation and Commerce Center – Lease Agreement and Amendment – Rescission	56
Gateway Program – Memorandum of Understanding with the United States Department of Transportation, National Railroad Passenger Corporation and New Jersey Transit Corporation, Formation of a Development Corporation and Agreement with Amtrak Related to the Expenditure of Funds for Preliminary Engineering and Planning for the Gateway Tunnel Project	58
Port Authority Bus Terminal Replacement – Allocation of Capital Funds	60
Requirement for a Monitoring Agreement – Tishman Construction Corporation	62

**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday,
March 24, 2016 at 150 Greenwich Street, City, County and State of New York**

PRESENT:

NEW JERSEY

Hon. John J. Degnan, Chairman
Hon. Richard H. Bagger
Hon. George R. Laufenberg
Hon. David S. Steiner
Hon. William P. Schuber

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
Hon. Steven M. Cohen
Hon. Michael D. Fascitelli
Hon. Hamilton E. James
Hon. Kenneth Lipper
Hon. Jeffrey H. Lynford

Patrick J. Foye, Executive Director
Richard Holwell, General Counsel
Karen E. Eastman, Secretary

Julia Basile, Deputy Director, Human Resources
Thomas E. Belfiore, Chief Security Officer
Carrol V. Bennett, Manager, Real Estate Development, Real Estate
John Bilich, First Deputy Chief Security Officer
Thomas L. Bosco, Director, Aviation
Molly C. Campbell, Director, Port Commerce
Ana M. Carvajalino, Assistant Director, Forecast and Financial Planning, Management and Budget
Steven J. Coleman, Deputy Director, Media Relations
Janet D. Cox, Director, Management and Budget
Nicole Crifo, Senior Advisor to the Chairman
Paul V. Crist, Assistant Director, Asset Management, Tunnels, Bridges and Terminals
Stephanie E. Dawson, Acting Chief Operating Officer
Gerard A. Del Tufo, Assistant Director, Development and Operations, Real Estate
John C. Denise, Audio Visual Supervisor, Marketing
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
Robert E. Galvin, Chief Technology Officer
David P. Garten, Chief of Staff to the Vice Chairman
Glenn Guzi, External Affairs Logistics Manager, World Trade Center Redevelopment
Linda C. Handel, Deputy Secretary
Mary Lee Hannell, Chief, Human Capital
Portia L. Henry, Executive Policy Analyst, Special Panel Implementation Office
Patricia Hurley, Chief of Staff to the Chairman
Amanda Iocca, Associate Board Management and Support Specialist, Office of the Secretary
Brian Jacob, Principal Board Management and Support Specialist, Office of the Secretary
Howard G. Kadin, Esq., Law
David A. Kagan, Assistant Director, Business and Commercial Development, Aviation
Sherien N. Khella, Financial Advisor to the Chief Financial Officer
Cristina M. Lado, Director, Government and Community Affairs, New Jersey

William Laventhal, Executive Policy Analyst, Office of the Executive Director
 Michael Lavery, Senior External Relations Client Manager, Government and Community Affairs
 Huntley Lawrence, Deputy Director, Aviation
 Andrew G. Levine, Director, Audit Department
 John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Esq., Law
 Ronald Marsico, Director, Media Relations
 Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management
 Hugh P. McCann, Director, World Trade Center Operations
 Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Carlene V. McIntyre, Assistant General Counsel
 Emily Miuccio, Senior Business Manager, Special Panel Implementation Office
 Steven A. Pasichow, Director, Office of Investigation, Office of Inspector General
 Michael Petralia, Special Advisor, Interagency Agreements, World Trade Center Construction
 Steven P. Plate, Chief, Major Capital Projects
 Alan L. Reiss, Deputy Director, World Trade Center Construction
 Lysa Scully, General Manager, LaGuardia Airport
 Beth E. Siegel, Director, Capital Programs
 James A. Starace, Chief Engineer/Director of Engineering
 Timothy G. Stickelman, Assistant General Counsel
 Lillian D. Valenti, Chief Procurement and Contracting Officer
 Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
 Kathryn Winfree, Assistant Policy Analyst, Government and Community Affairs
 Cheryl A. Yetka, Treasurer

Guests:

Amy Herbold, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey
 Mary Maples, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey
 Adam Spence, Assistant Secretary for Economic Development and Innovation, Office of the Governor of New York
 Michael Wojnar, Special Assistant, Office of the Governor of New York

Speakers:

Murray Bodin, Member of the Public

Tawana Monique Ashby, Unite Here Local 100

Leslie Azzouni, Unite Here Local 100

Janna Chernetz, Tri-State Transportation Campaign

Margaret Donovan, Twin Towers Alliance

Christina Dortin, UNITE Here Local 100

Franciso Espinal, UNITE Here Local 100

John Fitzsimmons, Office of New Jersey State Assemblyman Michael Blake

Hon. Robert M. Gordon, New Jersey State Senator

Richard Hughes, Twin Towers Alliance

Hon. Thomas H. Kean, Jr., Minority Leader, New Jersey State Senate

Gertrudis Lopez, Local 32BJ

Raulito Martinez, Office of New York State Assembly Member Felix Ortiz

Nestor Medina, Office of New York State Assembly Member Victor Pichardo

Arthur Piccolo, Bowling Green Association, Inc.

Emma Quail, Unite Here Local 100

Farouk Salin, Local 32BJ

Hon. Stephen M. Sweeney, President, New Jersey State Senate

Chiedu Uzoigwe, Office of New York State Senator James Sanders, Jr.

Hon. Loretta Weinberg, Majority Leader, New Jersey State Senate

Neile Weissman, New York Cycle Club

The public meeting was called to order by Chairman Degnan at 12:53 p.m. and ended at 2:47 p.m. The Board also met in executive session prior to the public session.

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 29, 2016, had expired.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on March 2, 2016, which included discussion of matters involving external or internal investigations or audits, 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 March 24, 2016, which included discussion of matters related to the purchase, sale, or lease of real property where public disclosure would affect the value thereof or the public interest, an item that authorizes the sale and assignment of the Port Authority's lease at Bathgate Industrial Park, and an item that rescinds prior actions of the Board and Committee on Operations relating to authorization for the letting by the Port Authority of certain space at the James A. Farley Building in New York City, and the report was received.

Report of Committee on Security

The Security Committee reported, for information, on matters discussed in executive session at its meeting on March 24, 2016, which included discussion of matters involving public safety or law enforcement, 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 March 2, 2016, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and matters in which the release of information could impair the 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 public session at its meeting on March 24, 2016, which included discussion of financial results, 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 session at its meeting on March 24, 2016, which included discussion of certain contracts and agreements in connection with the continued development and operation of the World Trade Center site, and the report was received.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in public session at its meeting on March 24, 2016, which included discussion of an item that authorizes a program for the redevelopment of Terminal A at Newark Liberty International Airport, that includes funding for certain program elements, an item that authorizes a program for the redevelopment of LaGuardia Airport, inclusive of a lease agreement for the development of a new Terminal B, Central Hall, and supporting infrastructure, and an item that authorizes a project for the rehabilitation of certain Port Authority roadway bridges adjacent to the George Washington Bridge, and the report was received.

Report on Proposal with Respect to Requirements for Final Terms of Board-Authorized Contracts

At the request of the Board, a proposal was presented for consideration that would require, prior to the execution of any Board-authorized contract associated with a project authorization in excess of a certain dollar value, that: (1) General Counsel render an opinion that the final terms of such contract are substantially in accordance with the terms authorized by the Board; and (2) in the event the final terms of such contract are materially different than those authorized by the Board, the final terms be presented to the Board for approval.

A discussion ensued with respect to the proposal, after which it was agreed that the matter be tabled for future consideration, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lynford, Rechler and Steiner voting in favor of tabling the proposal; Commissioner Schuber voting against; and Commissioner Lipper abstaining.

BATHGATE INDUSTRIAL PARK – SALE AND ASSIGNMENT OF THE PORT AUTHORITY’S LEASE

It was recommended that the Board authorize the Executive Director to enter into agreements with The City of New York (the City), New York City Economic Development Corporation (NYCEDC) and National Resources (NRE), as necessary or appropriate to effectuate the sale and assignment of the Port Authority’s lease with NYCEDC (the Master Lease) of the Bathgate Industrial Park (Bathgate), Bronx, New York, including an assignment agreement with NRE and an agreement for consent to assignment with NYCEDC.

In 1978, in recognition of the loss of manufacturing jobs and plants in the Port District and its serious negative impact on the regional economy, the Port Authority was authorized by the States of New York and New Jersey to undertake a program of industrial development. In furtherance thereof, the Board authorized various actions in March 1981 with respect to Port Authority participation in an industrial development project in the Bathgate area of the Bronx. Subsequently, in October 1981, the Board approved an agreement among the Port Authority, the City and NYCEDC for the development of Bathgate.

The Bathgate facility consists of eight buildings totaling 454,000 square feet located on 14 acres on seven blocks in the Bronx. The facility is leased by NYCEDC to the Port Authority through 2020, with one ten-year extension option through 2030. The Port Authority constructed the buildings in the mid to late 1980s, and net leases them to multiple tenants for uses including light manufacturing, warehousing, schools, daycare and office space uses.

The Master Lease restricts the Port Authority from assigning the Master Lease to a third party without NYCEDC’s consent.

The buyer, NRE, has proposed investing \$50 million in the facility, but requires certain changes to the Master Lease. These changes include broadening the permitted uses (currently restricted to manufacturing and school uses), and extending the lease term. Changes to permitted uses in the Master Lease may only be made following completion of a Uniform Land Use Review Procedure.

NYCEDC is also requiring a lease assignment fee, which would be paid by NRE. The amount and timing of this fee is under negotiation between NYCEDC and NRE.

NRE would pay the Port Authority an estimated \$16.5 million to purchase the leasehold, subject to certain closing adjustments.

At its February 19, 2015 meeting, the Board endorsed the recommendations of the Governors of the States of New York and New Jersey’s *Special Panel on the Future of the Port Authority*, including the recommendation to phase out real estate ownership and development as an element of the Port Authority’s mission, by divesting and monetizing commercial real estate holdings not necessary to the Port Authority’s core mission. The currently proposed transaction is in furtherance of such direction provided by the Board.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor. Assistant 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 agreements with The City of New York, New York City Economic Development Corporation (NYCEDC) and National Resources (NRE), as necessary or appropriate to effectuate the sale and assignment to NRE of the Port Authority's lease with NYCEDC of the Bathgate Industrial Park, including an assignment agreement with NRE and an agreement for consent to assignment with NYCEDC, 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 agreement in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

GEORGE WASHINGTON BRIDGE BUS STATION – AMENDMENT OF LEASE AGREEMENT WITH GWBBS DEVELOPMENT VENTURE LLC

It was recommended that the Board authorize the Executive Director, in connection with the George Washington Bridge Bus Station (GWBBS) Redevelopment Project, to: (1) restructure the lease agreement (Lease) between the Port Authority and GWBBS Development Venture LLC (DV) to: (a) provide for a deferral in DV's rental payments, from 2021 to 2025, to allow DV to absorb and finance additional project costs incurred for the redevelopment of the GWBBS; (b) increase DV's aggregate rental payments, from approximately \$53 million to approximately \$60.5 million; and (c) increase the percentage rental from eight percent to ten percent in the latter years of the Lease, beginning in 2045; and (2) increase, by approximately \$380,000, the amount to be reimbursed by the Port Authority to DV for the cost of additional construction work requested by the Port Authority to address additional Americans with Disabilities Act (ADA) accommodations at bus gates, from \$52.7 million to an amount not to exceed \$53.1 million.

The redevelopment of the GWBBS pursuant to the Lease, upon completion, will improve the efficiency of bus operations, introduce new retail and bring new construction and permanent jobs to the surrounding community. DV was selected through a Request for Proposals process in 2006, and the Lease was executed in July 2011 for approximately 119,000 square feet of first-class retail space (Leased Premises) for 49 years, with five ten-year renewal options, at DV's discretion. DV is responsible for financing, designing, constructing, operating and maintaining the Leased Premises, and for commercially developing the Leased Premises, at an estimated cost of \$100 million; and the total aggregate rental payable by the DV over the 49-year initial term of the Lease is approximately \$53 million. In addition to its obligation to redevelop, lease and operate the Leased Premises, DV also is obligated under the Lease to redevelop and construct, on behalf of the Port Authority, a new bus station with consolidated transit facilities (the Bus Facility) within the GWBBS, for a fixed price of \$52.7 million.

Due to challenges encountered during construction and inflation, DV's cost for the project has increased from approximately \$100 million to approximately \$119 million. Although DV has secured an additional \$19 million in financing to invest in the project, a restructuring of the rental payments under the Lease would be necessary to enable DV to absorb this additional level of financing.

Under this proposed authorization, guaranteed base rent payments would be deferred for the period from 2021 to 2025, but would be offset by an increase in such payments from the lease year beginning 2030 through the lease year beginning in year 2047, which would increase the aggregate rental over the term of the Lease from approximately \$53 million to approximately \$60.5 million, to maintain the previously authorized net present value of the project. As an added benefit to the Port Authority, the percentage rental to be paid by DV would increase from eight percent to ten percent in the latter years of the Lease term.

The Lease originally provided for substantial completion of the entire project (both the Leased Premises and the Bus Facility) by March 31, 2016. However, DV has indicated that construction will not be substantially completed until the fourth quarter of 2016. The Port Authority has negotiated an agreement whereby the required completion date would be extended to no later than November 30, 2016, and in exchange, DV, effective April 1, 2016, would pay the Port Authority approximately \$5,000 per workday to mitigate the additional costs to be incurred by the Port Authority for monitoring the construction work.

At the request of the bus carriers serving the GWBBS, the pre-approved gate design for the Bus Facility will be modified to provide improved ADA access, egress, and overall mobility to and from buses. Because this modification is a revision of the approved project scope of work, it requires a change order under the Lease and authorization for the additional cost, which is expected to be approximately \$380,000. This would increase the amount of reimbursement to DV from an amount not to exceed \$52.7 million to an amount not to exceed \$53.1 million.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor. Assistant 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, in connection with the George Washington Bridge Bus Station (GWBBS) Redevelopment Project, to: (1) restructure the lease agreement (Lease) between the Port Authority and GWBBS Development Venture LLC (DV) to: (a) provide for a deferral in rental payments from 2021 to 2025, to allow DV to absorb and finance additional project costs incurred for the redevelopment of the GWBBS; (b) increase DV's aggregate rental payments, from approximately \$53 million to approximately \$60.5 million; and (c) increase the percentage rental from eight percent to ten percent in the latter years of the Lease, beginning in 2045; and (2) increase, by approximately \$380,000, the amount to be reimbursed by the Port Authority to DV for the cost of additional construction work requested by the Port Authority to address additional Americans with Disabilities Act accommodations at bus gates, bringing the total amount to be reimbursed from an amount not to exceed \$52.7 million to an amount not to exceed \$53.1 million; all substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into 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 agreement 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: (1) an agreement and/or amendments of agreements with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), National Ocean Service, to provide for the operation and maintenance of the New York/New Jersey Physical Oceanographic Real-Time System (PORTS) for a four-year period, from May 1, 2016 through April 30, 2020, at an estimated total cost of \$461,620, of which amount NOAA would utilize \$112,000 in unspent funds that remain under the current agreement for PORTS operating and maintenance costs incurred from May 1, 2016 through April 30, 2017, and the Port Authority would provide \$349,620 for PORTS operating and maintenance costs incurred from May 1, 2017 through April 30, 2020; and (2) future agreements with NOAA for the operation and maintenance of PORTS beyond April 2020, to ensure its continued availability to support safe navigation for vessels using the Port Authority's marine terminal facilities.

PORTS is a hydrological data collection and dissemination system consisting of sensors, communication lines and computer software developed by NOAA. The program, which is critical to ensure the maximum cargo capacity and safe navigation of vessels calling at the Port of New York and New Jersey, allows ship operators to access real-time data to increase the amount of cargo they can carry consistent with safe navigation and environmental protection of natural resources, and provides opportunities to capitalize on the commercial potential of the Port of New York and New Jersey.

Start-up costs were absorbed by NOAA during the system's development. 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.

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. On March 20, 2013, the Board authorized the Executive Director to enter into an agreement with NOAA for the operation and maintenance of PORTS for a three-year period at a total cost to the Port Authority of \$450,000.

The current agreement with NOAA will expire on April 30, 2016. Because maintaining confidence in port safety is a critical objective of the Port Authority, it was recommended at this time that the Port Authority enter into an agreement with NOAA for the operation and maintenance

of PORTS for a four-year period, from May 1, 2016 through April 30, 2020, at a total cost of approximately \$461,620. Of that amount, NOAA would utilize \$112,000 in unspent funds that remain under the current agreement for operating and maintenance costs incurred from May 1, 2016 through April 30, 2017, and the Port Authority would provide a total amount of \$349,620 for operating and maintenance costs incurred from May 1, 2017 through April 30, 2020. In the event that outside funding sources are secured for all or a portion of the term of the currently proposed agreement, those monies would be utilized to reduce the amount of the Port Authority's contribution toward the operating and maintenance costs associated with PORTS.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor. Assistant 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: (1) agreements and/or amendments to agreements with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), National Ocean Service, to provide for the operation and maintenance of the New York/New Jersey Physical Oceanographic Real-Time System (PORTS) for a four-year period, from May 1, 2016 through April 30, 2020, at an estimated total cost of \$461,620, of which amount NOAA will utilize \$112,000 in unspent funds that remain under the current agreement for PORTS operating and maintenance costs incurred from May 1, 2016 through April 30, 2017, and the Port Authority will provide \$349,620 for PORTS operating and maintenance costs incurred from May 1, 2017 through April 30, 2020; and (2) future agreements with NOAA for the operation and maintenance of PORTS beyond April 2020; 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 the General Counsel or his authorized representative.

**NEWARK BAY, PORT NEWARK AND PORT NEWARK BRANCH CHANNELS –
FEDERAL MAINTENANCE DREDGING – AGREEMENT WITH UNITED STATES
DEPARTMENT OF THE ARMY – FUNDING FOR UPLAND PLACEMENT**

It was recommended that the Board authorize the Executive Director to enter into an agreement with the United States Department of the Army, Army Corps of Engineers (Corps), in connection with the federal maintenance dredging of the Newark Bay, Port Newark and Port Newark Branch Channels (collectively, the Newark Bay Channels) by the Corps, to remove approximately 313,900 cubic yards of dredged material, with the Port Authority to fund the \$12.85 million differential between the cost of dredging and ocean placement of the material, and the cost of dredging, processing and placement of the dredged material at an upland facility, of which amount \$2.85 million would be provided through the Corps, as authorized by the Water Resources Reform and Development Act of 2014 (WRRDA 2014) and appropriated by the United States Congress (Congress), and \$10 million would be provided by the Port Authority.

On May 30, 1986, the Port Authority and the Corps executed a Local Cooperation Agreement (LCA) to deepen the Kill Van Kull and Newark Bay Channels to a depth of 40 feet. The LCA also requires the Corps to maintain the channels at the depth to which they were dredged. The LCA anticipates that ocean placement of dredged material would be available at the Historic Area Remediation Site (HARS), and provides that if the dredged material could not be placed in the ocean at the HARS, the Port Authority would be responsible for providing an alternate placement site.

By Public Notice dated August 25, 2013, the Corps advised that up to 985,000 cubic yards of material needed to be dredged from certain areas of the Newark Bay Channels to restore them to their authorized depth of 40 feet. Because sufficient funds to dredge all 985,000 cubic yards were neither budgeted by the Port Authority nor appropriated by Congress at that time, the affected areas in the Newark Bay Channels were reviewed and prioritized by both agencies. In early 2015, the Corps advised the Port Authority that it had sufficient funding to dredge approximately 210,000 cubic yards of material. On March 19, 2015, the Board authorized the Port Authority to enter into an agreement with the Corps, pursuant to which the Corps would dredge and remove approximately 210,000 cubic yards of material from the Newark Bay Channels, and the Port Authority would fund the cost differential between dredging and ocean placement of the dredged material, and dredging, processing and placement of the dredged material at an upland facility, at a cost share estimated at \$12 million.

The Corps recently advised the Port Authority that it has funding available to dredge approximately 313,900 cubic yards of material from the Newark Bay Channels in 2016. Because the material to be dredged would not meet federal standards for ocean placement at the HARS, it would be placed at a permitted upland placement site within New York or New Jersey, with the non-federal-sponsor cost-share estimated at \$12.85 million. Of that amount, \$2.85 million would be provided through the Corps under WRRDA 2014, and \$10 million would be provided by the Port Authority.

It is anticipated that work would commence during the third quarter of 2016. The Corps would be responsible for fulfilling all environmental and regulatory requirements, including applicable testing, and would acquire all necessary federal and state permits. In addition, the Corps would require bidders to identify an approved and operating upland placement site, and to provide all approvals necessary to use the site, including the sampling and testing of the material.

This work would help ensure the continued safe navigation of vessels calling at the Port of New York and New Jersey.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor. Assistant General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the United States Department of the Army, Army Corps of Engineers (Corps), in the form required by the Corps pursuant to federal law or Corps policy, pursuant to which the Corps will dredge and remove approximately 313,900 cubic yards of material from the Newark Bay, Port Newark and Port Newark Branch Channels, and the Port Authority will fund the \$12.85 million differential between the cost of dredging and ocean placement of the dredged material, and the cost of dredging, processing and placement of the dredged material at an upland facility, of which amount \$2.85 million will be provided through the Corps, as authorized by the Water Resources Reform and Development Act of 2014 and appropriated by the United States Congress, and \$10 million will be provided by the Port Authority; and it is further

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

**GEORGE WASHINGTON BRIDGE REHABILITATION PROGRAM –
REHABILITATION OF CENTER AVENUE AND LEMOINE AVENUE BRIDGES -
PROJECT AUTHORIZATION AND AUTHORIZATION OF INCREASE IN
ARCHITECTURAL AND ENGINEERING SERVICES**

It was recommended that the Board authorize: (1) a project for the rehabilitation of the Center Avenue and Lemoine Avenue bridges over approach roadways that serve the George Washington Bridge (GWB), at an estimated total project cost of \$90.9 million; and (2) the Executive Director to increase, by \$3 million, the amount of an existing agreement with Hardesty & Hanover, LLP (Hardesty) to provide for expert professional architectural and engineering services beyond Stage I services in connection with the project, increasing the total authorized amount of that agreement from \$1.9 million to \$4.9 million (the cost of which is included in the total project cost).

The Center Avenue and Lemoine Avenue bridges span over the approach roadways for the GWB in New Jersey. Both bridges were built by the Port Authority in stages between 1935 and 1965. The Center Avenue bridge was last rehabilitated in the late 1980s. The Lemoine Avenue bridge was partially rehabilitated in the late 1990s. Although this limited rehabilitation work extended the service life of each structure, rehabilitation of both bridges is required in order to maintain a state of good repair.

The recommended scope of work for the proposed project includes: replacing concrete deck, sidewalks, and parapets in all spans of both the Center Avenue and Lemoine Avenue bridges; seismically retrofitting both bridges; repairing the existing substructures of both bridges; and replacing existing roadway and underdeck lighting for both bridges. For the Center Avenue bridge, the project scope also includes the replacement of existing concrete girders with steel girders for three spans and modifications to five piers. The existing water main supported under the deck of the Center Avenue bridge also would be replaced. Turn improvements would be made at the intersection of Center Avenue and Bruce Reynolds Boulevard. Spalled concrete on the underside of the Linwood Avenue bridge also would be repaired.

On February 9, 2012, the Board authorized the expenditure of a total amount of \$233 million for planning, final engineering and construction work in connection with the GWB Rehabilitation Program, including \$3.4 million for planning and preliminary design work for the rehabilitation / replacement of the Center Avenue and Lemoine Avenue bridges. As part of that planning authorization, the Executive Director was authorized to retain Hardesty to perform architectural and engineering services to support the planning effort, at an estimated cost of \$1.9 million. At that time, the Board was advised that authorization of an additional amount of \$2 million for the agreement with Hardesty would be sought in the future. An incremental increase of \$1 million in the amount of that agreement (which would increase the total authorized amount to \$4.9 million) currently is being requested, in order to accommodate additional services, including additional traffic studies and analyses, evaluation of additional construction staging alternatives, addressing routine and safety repairs for the Center Avenue ramps, seismic upgrading of the Lemoine Avenue bridge, Center Avenue turn improvements, replacing the heating system for the Lemoine Avenue bridge sidewalks, and performing priority repairs at the Linwood Avenue bridge.

The project would require lane narrowing and turning restrictions on the Center Avenue and Lemoine Avenue bridges during construction, which could result in negative impacts to traffic on the local street network. In order to alleviate those impacts, mitigation measures, including detours, would be implemented. In addition, the work would be carefully coordinated with other ongoing construction projects to minimize potential traffic impacts.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor. Assistant General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the rehabilitation of the Center Avenue and Lemoine Avenue bridges over approach roadways that serve the George Washington Bridge, at an estimated total project cost of \$90.9 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 increase, by \$3 million, the amount of an existing agreement with Hardesty & Hanover, LLP to provide for expert professional architectural and engineering services beyond Stage I services in connection with the foregoing project, increasing the total authorized amount of that agreement from \$1.9 million to \$4.9 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

**NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL A
REDEVELOPMENT – PROGRAM AUTHORIZATION AND AUTHORIZATION
OF FUNDING FOR CERTAIN PROGRAM ELEMENTS**

It was recommended that the Board authorize: (1) a program for the redevelopment of Terminal A (Redevelopment Program) at Newark Liberty International Airport (EWR), at an estimated total program cost of \$2.3 billion; (2) the expenditure of an amount of up to \$196.3 million to implement certain elements of the Redevelopment Program, inclusive of certain critical path work and contractual agreements that will be required to support the implementation of the Redevelopment Program, and is composed of: (a) a project for the construction of two new bridges spanning the Peripheral Ditch (Bridges N58 and N59) and related site work, at an estimated cost of \$67.3 million (\$4 million of which was authorized previously, to accommodate design services for the project); (b) program management, design, implementation oversight and integrity monitoring services, at an estimated cost of \$125.8 million, required to support the development and implementation of the Redevelopment Program; and (c) expenditures for any necessary mitigation actions in connection with the Redevelopment Program, as needed to meet applicable environmental regulatory agency requirements, at an estimated cost of \$7.2 million; and (3) the Executive Director to: (a) enter into an agreement(s) for professional program and project delivery support services, on a “call in” basis for a five-year term, with an option to extend the agreement for up to four additional one-year periods, to be procured pursuant to a publicly advertised Request for Proposals (RFP) process, at an estimated total cost of \$55 million; (b) enter into an agreement(s) for expert professional architectural and engineering services to design four additional bridge structures and associated civil, electrical and environmental elements required to support the Redevelopment Program roadway network, to be procured pursuant to a publicly advertised RFP process, at an estimated cost of \$6 million; (c) extend an existing agreement with Pierce Goodwin Alexander & Linville, Inc. d/b/a PGAL, Inc. (PGAL) for the continued performance of expert professional planning, architectural and engineering services, on an “as needed” basis, to support the Redevelopment Program for a five-year period, with an option to extend the agreement for up to four additional one-year periods, at an estimated total cost of \$36 million; (d) enter into an agreement for professional integrity monitoring services on an “as needed” basis to support the Port Authority Office of Inspector General fraud prevention program and the Redevelopment Program for a five-year term, with options to extend the agreement for up to four additional one-year periods, to be procured pursuant to a publicly advertised RFP process, consistent with the terms outlined to the Board; (e) award a contract for the construction of Bridges N58 and N59 and associated site work, at a total estimated amount of \$47.7 million, inclusive of net cost work and extra work; (f) enter into agreements and undertake other actions that may be necessary to accommodate mitigation requirements for the Redevelopment Program, in order to comply with applicable environmental regulatory agency requirements; and (g) submit an application to the Federal Aviation Administration (FAA) for the collection and use of up to \$196.3 million in Passenger Facility Charges (PFCs) to recover expenditures associated with these Redevelopment Program efforts.

Terminal A opened for air passenger traffic in 1973. It no longer meets the standards of a modern airport, is at the end of its useful life, and is in need of significant investment to maintain a state of good repair. In addition, Terminal A is at its capacity to meet today’s demands for frontage, building and airside space.

Through prior actions from May 20, 2004 through July 23, 2015, the Board authorized planning and early-action construction work to support the phased development of the

Redevelopment Program, at an aggregate amount of \$105 million, and authorized the submission of applications to the FAA for the collection and use of up to \$105 million in PFCs to recover expenditures associated with the Redevelopment Program.

The phased planning effort resulted in the proposed Redevelopment Program, which is composed of four overarching elements: a new approximately 1-million-square-foot, modern terminal building with 33 aircraft gates; a 3,000-space parking garage complex with convenient connections to the terminal and AirTrain; landside elements, including a new arrivals and departures roadway network to the Central Terminal Area, utilities and bridges; and airside elements, including a new airfield configuration and all necessary associated infrastructure to serve the new terminal building.

The proposed authorization would accommodate \$196.3 million of expenditures to support the implementation of certain critical path elements of the Redevelopment Program, as well as contracts and other agreements that would be necessary to support implementation of the entire program, and would include: (1) the expenditure of an estimated amount of up to \$7.2 million to execute any necessary mitigation actions for the Redevelopment Program, as required to meet applicable environmental regulatory agency requirements; (2) the allocation of \$10.7 million to cover in-house staffing costs, including necessary Redevelopment Program management project positions and Engineering Department staff and project positions, through 2017; (3) professional engineering consultant services, at an estimated cost of up to \$7.1 million (\$6 million via a RFP for bridge design work and \$1.1 million through existing call-in agreements); (4) professional program management and project delivery support services, at an estimated cost of up to \$55 million; (5) the extension of PGAL's agreement for professional planning, architectural and engineering services, on an "as needed" basis, for the remainder of the Redevelopment Program; (6) retention of professional integrity monitoring services on an "as needed" basis, to support the Port Authority Office of Inspector General fraud prevention program for the duration of the Redevelopment Program; and (7) the expenditure of an estimated amount of \$63.3 million, of the total project cost of \$67.3 million, for the construction of Bridges N58 and N59 (the expenditure of \$4 million for design services was authorized in July 2015).

In 2011, the FAA concurred that an Environmental Assessment (EA) is the appropriate level of National Environmental Policy Act analysis for the Redevelopment Program. A draft EA has been prepared and is being updated for FAA and public review and comment.

Funding for the other elements of the Redevelopment Program referenced herein would be subject to future authorization by the Board.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor. Assistant 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 redevelopment of Terminal A (Redevelopment Program) at Newark Liberty International Airport (EWR) be and it hereby is authorized, at a total estimated program cost of \$2.3 billion, including the expenditure of up to \$196.3 million for certain elements of the Redevelopment Program composed of: (1) a project for the construction of two new bridges (N58 and N59) spanning the Peripheral Ditch and related site work, at an estimated total project cost of \$67.3 million (inclusive of \$4 million for associated design services authorized in July 2015); (2) program management, design, implementation oversight and integrity monitoring services, at an estimated cost of \$125.8 million, required to support the development and implementation of the Redevelopment Program; and (3) expenditures for any necessary mitigation actions in connection with the Redevelopment Program, as needed to meet applicable environmental regulatory requirements, at an estimated cost of \$7.2 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement(s) for professional program and project delivery support services, pursuant to a publicly advertised Request for Proposals (RFP) process expected to commence in the second quarter of 2016, on a “call in” basis for a five-year term, with an option to extend the agreement for up to four additional one-year periods, at an estimated total cost not to exceed \$55 million; (2) enter into an agreement(s), pursuant to a publicly advertised RFP process expected to commence in the second quarter of 2016, for expert professional architectural and engineering services to design four additional bridge structures and associated civil, electrical and environmental elements required to support the Redevelopment Program roadway network, at an estimated cost of \$6 million; (3) enter into an agreement for professional integrity monitoring services, on an “as needed” basis, to support the Port Authority Office of Inspector General fraud prevention program and the Redevelopment Program for a five-year term, with options to extend the agreement for up to four additional one-year periods, consistent with the terms outlined to the Board; (4) award a contract for the construction of Bridges N58 and N59 and associated site work, at a total estimated amount of \$47.7 million, inclusive of net cost work and extra work; and (5) enter into agreements and undertake other actions that may be necessary to accommodate mitigation requirements for the Redevelopment Program, in order to comply with applicable environmental regulatory agency requirements pertaining to the Redevelopment Program, and to take action in accordance with the terms of such contracts, agreements and documents, as may be necessary in connection therewith, or which are a logical and reasonable outgrowth of the matters described herein; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to extend an existing agreement with Pierce Goodwin Alexander & Linville, Inc., d/b/a PGAL, Inc. for the continued performance of expert professional planning, architectural and engineering services, on an “as needed” basis, to support the Redevelopment Program for a period of five years, with an option to extend the agreement for up to four additional one-year periods, at an estimated total cost of \$36 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 certain actions pertaining to the submission of an application to the Federal Aviation Administration for the collection and use of up to \$196.3 million in Passenger Facility Charges to recover expenditures associated with the foregoing Redevelopment Program efforts; and it is further

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

LAGUARDIA AIRPORT REDEVELOPMENT PROGRAM – AUTHORIZATION OF THE LAGUARDIA REDEVELOPMENT PROGRAM AND LEASE AGREEMENT FOR NEW TERMINAL B, CENTRAL HALL AND SUPPORTING INFRASTRUCTURE PROJECT

It was recommended that in order to remedy the functional inefficiencies of Terminal B and related facilities and position the Airport to meet the needs of the 21st Century, the Port Authority is embarking on a major modernization and redevelopment program at the Airport, and that the Board authorize a program for the Redevelopment of LaGuardia Airport (“LGA”) (the “LGA Redevelopment Program”) consisting of the following elements: (1) a LGA Capital Infrastructure Renewal Program consisting of several projects which have been previously authorized by the Board, and are of independent utility, most of which have been completed or are nearly complete, to service immediate and long-term infrastructure needs at the Airport, including airfield improvements, roadways, a new East End substation and East Garage (the “LGA Capital Infrastructure Renewal Projects” or “LGACI Projects”); (2) a New Terminal B, consisting of the design, finance, construction, operation and maintenance of a new Terminal B and related facilities at the Airport, under a public-private partnership with LaGuardia Gateway Partners LLC, (“LGP”) a private consortium, pursuant to the terms of the Lease described below; the design and construction of Supporting Infrastructure, and the design, construction, operation and maintenance of a new Central Hall, to be performed by LGP on a reimbursable basis pursuant to the terms of the Lease together, the “New Terminal B Project”; and (3) certain Airport-Wide Support redevelopment elements (“Airport Wide Support”) consisting of an airport-wide reserve for future potential responsibilities and liabilities of the Port Authority related to construction activity at the airport, and entering into certain agreements with third-parties at a total cost to the Port Authority of \$3.5 billion, which together with private sector funding from LGP of approximately \$1.8 billion for the design and construction of the New Terminal B, will lead to a total of approximately \$5.3 billion in cumulative total investment since 2004 in connection with the LGA Redevelopment Program and as outlined below.

Background and Prior Board Action

The existing Central Terminal Building, also known as Terminal B (“Terminal B”) at LaGuardia Airport (the “Airport”), opened to the public in 1964 with a design capacity of 8 million annual air passengers. Expanded from approximately 750,000 to 835,000 square feet and upgraded in the 1990s, Terminal B served 13.5 million passengers in 2014. Terminal B consists of a four-story central section, two three-story wings and four concourses that can accommodate up to 35 aircraft gate positions. Terminal B has become functionally inefficient, based on current passenger and industry standards. These inefficiencies will only be exacerbated as demand increases. The Port Authority forecasts that passenger traffic at the Airport will reach 34 million passengers by 2030, with 17.5 million passengers using Terminal B, a 1.5-percent annual growth from 2014 through 2030. In addition, Terminal B is disconnected from adjacent Terminals C and D after years of sporadic and fragmented redevelopment at the Airport and nearly every component of the existing infrastructure serving the separate Terminals at the Airport is past its useful life and is undersized for current passenger demand.

During the 1990's, the Port Authority, tenant airlines, and third-party concession developers invested several hundred million dollars in improvements to the terminal's ticketing, baggage, public spaces, and concessions through a series of Board authorizations for a variety of expansion and improvement projects. The final phase of that era's redevelopment program was to be the modernization of the four concourses serving Terminal B. In 2000, early planning work was authorized for what was termed the 'LGA Modernization Program,' followed by discussions with tenant airlines in early 2001 to identify deficiencies in the facility that a modernization program should address. However, with the decline of air traffic following September 11, 2001, stricter safety measures subsequently mandated by the TSA, and changes in aircraft fleet, those early planning efforts paused, and then later evolved into the Central Terminal Building Modernization Program planning effort beginning in 2004.

Through prior actions from May 2004 through February 2016, the Board authorized the expenditure of an aggregate amount of \$1.01 billion for the LGA Redevelopment Program. These prior authorizations were for (i) planning and design services for the New Terminal B Project (including planning for replacing the Central Terminal Building) and other elements of the LGA Redevelopment Program, (ii) the LGACI Projects, including the East End Garage, East End Substation, Demolition of Hangers 2 & 4, Hanger 7 South Improvements, certain general contracting work orders to support airport electrical and other infrastructure improvements, and the West Garage, and (iii) certain early work relating to the Supporting Infrastructure. In 2014, the Supporting Infrastructure (including the West Garage) was included in the scope of the New Terminal B Project work for the purpose of efficiency of Program delivery and coordination of Airport-wide construction. Accordingly, the \$406.6 million amount previously authorized by the Board for the planning, design and construction of the West Garage, as well as certain other previously authorized amounts described above, are subsumed in, and not in addition to, the expenditures authorized herein for the New Terminal B Project.

Through prior actions from March 2003 through October 2015 meetings, the Board authorized the submission of applications to the Federal Aviation Administration (the "FAA") for the collection and use of up to \$468.7 million in passenger facility charges ("PFCs") in connection with the recovery of costs incurred with respect to certain early work relating to the Supporting Infrastructure and certain LGACI Projects, which amounts are subsumed in, and not in addition to, the PFC applications authorized herein for up to \$1 billion in PFCs to provide for recovery of the costs for certain work in support of the New Terminal B Facilities, and for up to \$500 million in PFCs to provide recovery for the costs for certain work in support of the Supporting Infrastructure and the LGACI Projects.

Actions previously taken by the Board, as well as the actions being taken today incorporate certain elements of the recommendations provided by Governor Cuomo's Advisory Panel, and represent the first phase of a holistic master plan that takes a comprehensive development approach to the entire Airport in positioning it to meet the needs of the 21st Century.

New Terminal B Project

The New Terminal B Project, identified as a major priority project in the Port Authority's 10-year capital plan, consists of the design, finance, construction, operation and maintenance, as applicable, of the New Terminal B Facilities, the Supporting Infrastructure and the Central Hall, all as described in more detail in (A), (B) and (C) below.

(A) The New Terminal B Facilities included in the New Terminal B Project consist of the design, finance, construction, operation and maintenance of:

- (i) a new Terminal B, including a new and redesigned contiguous aircraft ramp and apron areas, new contiguous frontage roads and supporting buildings and site utilities;
- (ii) a pedestrian walkway connection between the new Terminal B and the new West Garage;
- (iii) a new central heating and refrigeration plant;
- (iv) a consolidated receiving and warehouse distribution facility; and
- (v) a new hydrant aircraft fueling infrastructure located within the new Terminal B contiguous aircraft ramp areas (collectively, the "New Terminal B Facilities").

(B) The Supporting Infrastructure included in the New Terminal B Project consists of:

- (i) the design and construction of:
 - a. improvements to the public airport roads and utilities associated with such roadway improvements;
 - b. replacement utilities and new utilities serving the New Terminal B Facilities (and during construction of the New Terminal B Facilities, the existing Terminal B, including contiguous aircraft ramp areas (the "Existing Terminal B Facilities"), and the existing central heating and refrigeration plant (together with the Existing Terminal B Facilities, the "Existing Facilities"));
 - c. the new West Garage and associated toll plaza serving the New Terminal B Facilities; and
 - d. airfield modifications between the New Terminal B Facilities and the adjacent taxiways; and
- (ii) the fit-out of Building 30 and coordination of and assistance with relocation of Port Authority operations from the Existing Terminal B Facilities to Building 30 (the fit-out of Building 30, together with the

design and construction of the roadway improvements, the utilities replacement, the West Garage and the airfield modifications, the “Supporting Infrastructure”).

(C) The Central Hall included in the New Terminal B Project consists of the design, construction, operation and maintenance of a non-exclusive, central arrivals/departure hall located between the New Terminal B Facilities and the potential future redeveloped Terminal C at the Airport (the “Central Hall”), in accordance with the recommendations provided by the Airport Master Plan Advisory Panel (“Advisory Panel”) created by New York Governor Andrew Cuomo to advise the Governor and the Port Authority on the modernization of the Airport. The Central Hall will be designed to unify the Airport and may accommodate the future development of one or more of the following: (i) an automated people mover and/or moving walkway; (ii) an AirTrain station; (iii) conference and meeting room capacity; (iv) retail, food and beverage space; and (v) a hotel and related facilities.

Construction of New Terminal B Project

The Lessee will enter into a fixed price, guaranteed design-build contract with the design-build joint venture among Skanska USA Building, Skanska USA Civil Northeast and Walsh Construction (the “DBJV”), with an estimated fixed price design and construction cost for the entire New Terminal B Project, as described above, of approximately \$4.02 billion, inclusive of extra work allowance. The Lessee, through the DBJV, will guarantee completion of the New Terminal B Project by the summer of 2023.

Certain additional early work is being advanced prior to Lease commencement in order to maintain the overall schedule for the Program and to meet critical path construction milestones for the New Terminal B Project and includes additional design, site investigation and on-site construction work for the landside roadway and bridge network, the landside utility network, the Building 30 retrofit and the West Garage and certain design work with respect to the New Terminal B Project (collectively, the “Additional Early Work”). The Additional Early Work is included in the New Terminal B Project scope.

It is recommended that the Board authorize a lease between the Port Authority and the DBJV for the DBJV for approximately 54,000 square feet of office space within Hanger 5 and certain adjacent paved areas for a seven year term, to build out, use and occupy in support of its construction management operations at LGA, under commercially reasonable terms and conditions as reported to the Board and with termination provisions that are consistent with the New Terminal B Project Lease.

The Lease

On the Lease commencement date, the Port Authority is expected to enter into a lease agreement (the “Lease”) with LaGuardia Gateway Partners LLC, as lessee (the “Lessee”), pursuant to which the Port Authority will lease the premises to the Lessee. The Lease commencement date is expected to occur in the second quarter of 2016. The Lease shall expire on December 30, 2050, a day before the expiration of the basic lease between The City of New York and the Port Authority. The Lessee would be granted a leasehold interest in the New Terminal B Facilities and the Central Hall, and during construction, the Existing Facilities, and

would be granted the right to sublease portions of the New Terminal B Facilities and the Central Hall to airline and concession tenants and to charge and collect rents in consideration of tenants' use and occupancy of the premises, all subject to and in accordance with the Lease. The Lessee would operate and maintain the New Terminal B Facilities and the Central Hall after construction completion until the expiration of the Lease term (or in respect of the Central Hall, until such earlier time as provided in the Lease). During the construction of the New Terminal B Project, the Lessee would be responsible for the operation and maintenance of the Existing Facilities, and the decommissioning (as applicable) and demolition of the (i) Existing Facilities; (ii) the P2 Garage, Hangar 1 and frontage roads associated therewith and with the Existing Facilities; (iii) the Central Electrical Substation. The Lessee would not operate and maintain the Supporting Infrastructure. Instead, the Lessee will turn over components of the Supporting Infrastructure to the Port Authority as they are completed, and such completed components are to be operated and maintained by the Port Authority.

The Lease also requires the Lessee to undertake efforts in consultation with the Port Authority's Office of Business Diversity and Civil Rights, to meet certain specific MWBE participation goals of 30%, which is consistent with New York State's MWBE participation goal. The Lease is also subject to Port Authority labor policies, as may be amended, and Federal airport disadvantage business enterprise goals and requirements.

The Lessee is subject to termination of the Lease by the Port Authority and other available remedies if the New Terminal B Facilities are not completed by the summer of 2023. In the case of the Lessee's failure to perform operations and maintenance work in compliance with certain performance criteria, the Lessee will be subject to the assessment of financial penalties in accordance with the Lease. In accordance with the terms of the Lease, the Lessee is entitled to claim monetary compensation from the Port Authority for material and unavoidable net revenue and cost impacts due to the occurrence of certain defined compensation events. The Lessee is also entitled to claim extensions to the construction schedule due to the occurrence of certain defined events that directly cause delays to the construction project. The burden of proof is on the Lessee to show these impacts. As a condition to making a compensation event claim, the Lessee must demonstrate that it took all reasonable actions to mitigate the event. The Lease generally requires the Lessee to manage environmental conditions at the leasehold site on the Port Authority's behalf, with the Lessee's right to claim monetary compensation covering environmental expenses in excess of an assumed baseline for pre-existing conditions.

The Lease can be terminated early (a) by the Port Authority for an uncured Lessee's Event of Default (subject to the lenders' rights) and (b) by the Lessee, in certain circumstances, including, but not limited to material force majeure events that prevent the Lessee from performing all or substantially all of the construction work for more than 90 consecutive days. In the case of termination by the Lessee, the Port Authority will be obligated to pay the Lessee termination compensation, as set forth in the Lease.

It was recommended that the Board authorize the Executive Director to enter into the Lease, an interim agreement (the "Interim Agreement") on behalf of the Port Authority, with the finalized proposal delivered by the Preferred Proposer which is materially consistent, in the aggregate and taken as a whole, with the foregoing report to the Board. It is anticipated that LGP and the airlines will reach agreement with respect to the terms and conditions that consistent with

the foregoing report to the Board, including with respect to project costs, schedule and operating expenses.

It was also recommended that the Board delegate to the Committee on Operations the authority to approve the final terms and conditions of the lease agreement in the event that the lease agreement's terms and conditions are not substantially in accordance with the terms and conditions outlined to the Board.

The proposed funding authorization would also accommodate \$415 million of expenditures to support the implementation of certain critical path elements for the LGA Redevelopment Program, as well as contracts and other agreements that would be necessary to support the implementation of the entire LGA Redevelopment Program, and would include: (1) the allocation of \$225 million to cover in-house staffing support, including necessary LGA Redevelopment Program management project positions and Engineering Department staff and project positions, allocated overhead and other costs including financial expense; (2) expenditures of \$190 million in connection with third-party consultant agreements pertaining to program delivery, oversight, integrity monitoring and support services in connection with the LGA Redevelopment Program.

It was also recommended that the Board authorize the Executive Director to enter into an agreement with LGP to operate and maintain the Central Hall for a limited period of approximately seven years after substantial completion of the Central Hall at an estimated cost of approximately \$34 million.

Projected Funding of New Terminal B Project

The cost of designing and constructing the New Terminal B Project will be funded by the following sources: (i) the Port Authority would fund (A) up to \$1 billion for the design and construction of certain PFC-eligible components of the New Terminal B Facilities, (B) approximately \$856 million for the design and construction of the Supporting Infrastructure, and (C) approximately \$310 million for the design and construction of the Central Hall, all in accordance with the terms of the Lease and the existing agreement with the Preferred Proposer for the performance of early work with respect to the New Terminal B Project (the "Early Work Agreement"), as applicable; (ii) a portion of the net revenues generated from the operations of the Existing Facilities and the New Terminal B Facilities; and (iii) the balance of the design and construction cost for the New Terminal B Project will be privately funded with an equity investment from the members of the Lessee of approximately \$200 million and debt financed by the Lessee on a project finance basis, non-recourse to the Port Authority, with the net proceeds of anticipated tax-exempt private activity and taxable bond issuances. The Port Authority will submit PFC applications for up to \$1 billion in PFCs for recovery of certain costs in support of the New Terminal B Facilities, and up to \$500 million in PFCs to provide for recovery of certain costs in support of the Supporting Infrastructure and the LGACI Projects, as further described below, which amounts will be collected over a period of approximately ten or more years.

With respect to the Supporting Infrastructure that LGP is designing and constructing on behalf of the Port Authority under the Lease, in addition to PFCs, the Port Authority expects to recover part of the cost through flight fees and, with respect to the West Garage, through net parking revenues.

Projected Project Revenues

Pursuant to the terms of the Lease, the Lessee will pay to the Port Authority a share of the net revenues generated by the Lessee's operation of the New Terminal B Facilities, which revenue share would be payable after the payment of (i) permitted operations and maintenance expenses (including base rent payable to the Port Authority of \$15 million per year (escalating with inflation), oversight services fees, Port Authority staff transition cost reimbursement, and a \$500,000 mortgage security fee payable annually to the Port Authority); (ii) debt service and funding of all required reserves; and (iii) any payments that may be agreed between the Lessee and the airlines currently operating at Terminal B. Project revenues are expected to be composed of payments from the airlines calculated using the Lessee's commercial compensatory cost recovery methodology, revenues derived from the Lessee's terminal concessions program (including food & beverage, retail, news & gift, special services, and duty free), and interest income earned on the Lessee's various accounts.

Airport-Wide Support of LGA Redevelopment Program

It was recommended that the Board authorize certain actions in support of the LGA Redevelopment Program, composed of the following elements: (i) an Airport-wide reserve of \$182 million to cover any future potential Port Authority responsibilities and liabilities in connection with the Program or other impacts related to ongoing construction and operations across the Airport; and (ii) authorize the Executive Director to take certain actions, including authorization of the expenditure of \$69.6 million with third-party agreements with public and private parties for certain Port Authority project costs allocated in connection with the Program and as outlined and reported to the Board.

It was also recommended that the Board authorize the Executive Director to take certain actions pertaining to the submission of an application to the FAA for the collection and use of up to \$1 billion in PFCs to be collected over a period of approximately ten or more years to provide for recovery of the costs for certain PFC-eligible work in support of the New Terminal B Facilities, and up to \$500 million in PFCs, net of prior applications, to be collected over a period of approximately ten or more years to provide for recovery of the costs for certain PFC-eligible work in support of the Supporting Infrastructure and the LGACI Projects.

It was also recommended to the Board that certain employees of the Port Authority currently involved in the operation and maintenance and management of the Central Terminal Building at LaGuardia Airport would, while remaining employees of the Port Authority, be made available to perform transition services for LGP during a minimum three to maximum six month transition period following the Lease execution. LGP would reimburse the Port Authority for the allocable expense of the wages and benefits associated with these employees. It is also anticipated that certain of these employees, and not subject to the Post-Employment Restrictions in the Port Authority's Code of Ethics and Financial Disclosure procedures, would be able to accept direct offers of employment from LGP to work for LGP in the operation, maintenance and management of the New Terminal B or otherwise. Any Port Authority employee whose job would be adversely affected by the net lease transaction would be eligible for reassignment to another position within the Port Authority.

.....

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lynford, Rechler and Steiner voting in favor; Commissioner Lipper abstained; and Commissioner Schuber recused and did not participate in the consideration of, or vote on, this item. Assistant 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 take any and all action and engage in any and all activities to effectuate the transaction among the Port Authority and the Preferred Proposer consistent with the foregoing report to the Board, including: (i) the acceptance of the finalized proposal delivered by the Preferred Proposer on terms and conditions that are materially consistent, in the aggregate and taken as a whole, with the foregoing report to the Board including a total fixed price project design and construction cost inclusive of extra work allowance of \$4.015 billion; (ii) the execution and delivery of the Lease, the Interim Agreement and all related agreements, contracts and documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents pertaining to the New Terminal B Project, including the Port Authority's funding commitment under the Lease, as described above; and (iii) to take action in accordance with the terms of such Lease, contracts, agreements and documents, and to take action in accordance with the terms of such Lease, contracts, agreements and documents, as may be necessary in connection therewith or which are a logical and reasonable outgrowth of the matters described herein; and it is further

RESOLVED, that the Committee Operations be and it hereby is authorized to approve final terms and conditions of the lease agreement in the event that the terms and conditions are not substantially in accordance with those 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 expend an estimated \$225 million for Port Authority support, including certain staff and allocated overhead and other costs in connection with the Program; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to expend an estimated \$190 million in connection with third-party consultant agreements pertaining to program delivery, oversight, integrity monitoring and support services in connection with the Program; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to create an estimated \$182 million Airport-wide reserve in connection with potential Port Authority responsibilities and liabilities in connection with the Program or other impacts related to ongoing construction and operations across the Airport; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to expend an estimated \$69.6 million in connection with third-party agreements with both public and private parties for certain Port Authority project costs allocated in connection with the Program and as outlined and reported 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 an agreement with LaGuardia Gateway Partners for the operation and maintenance of the Central Hall for a period of seven years from substantial completion of Central Hall at an estimated cost of \$34 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 enter into an lease with the design-build joint venture among Skanska USA Building, Skanska USA Civil and Walsh Construction Company 2 LLC, to build out, use and occupy office space at Hanger 5A and adjacent paved areas under the terms and conditions reported to the Board for a period of seven years; 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 certain actions pertaining to the submission of an application to the FAA for the collection and use of up to \$1 billion PFCs to provide for recovery of the costs for certain work in support of the New Terminal B Facilities, and up to \$500 million PFCs, net of prior applications, to provide recovery for the costs for certain work in support of the Supporting Infrastructure and the LGACI Projects; and it is further

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

WORLD TRADE CENTER SITE – AUTHORIZATION OF ADDITIONAL CONTRACT ACTIONS AND EXPENDITURES TO SUPPORT ONGOING POST-HURRICANE SANDY RECOVERY WORK AND RELATED COSTS

It was recommended that the Board authorize: (1) the reallocation of funds previously authorized for certain contract actions for construction, architectural and engineering design, and construction support services required to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by construction contractors and consultant services contractors related to associated impact delays and acceleration of work to minimize schedule impact, and to maintain commitments to third-party stakeholders, by increasing, by approximately \$133.74 million, the amount of certain such contract actions, to be offset by an equivalent decrease of approximately \$133.74 million in unspent previously authorized funds for certain other such contract actions; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub (WTC Hub), WTC Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), the National September 11 Memorial and Museum (9/11 Memorial and Museum), and One WTC, among other WTC projects in construction. Although the de-watering of the WTC site was substantially completed in early November 2012, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement, including efforts to mitigate the impacts of future storms. Through separate actions at its meetings from February 6, 2013 through October 22, 2014, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions for construction work and consultant services required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts through November 30, 2014, in a total estimated amount of \$644.59 million.

At the end of 2015, staff reassessed the resources allocated to WTC site projects, such as those involving One WTC, the WTC Hub, the WTC VSC, the WTC Vehicle Roadway Network and Eastside Tour Bus Parking Facility, and the 9/11 Memorial and Museum. This included reassessment of previously authorized funds associated with mitigation efforts and repair and replacement of facilities and equipment at the WTC site that were damaged or destroyed by Hurricane Sandy and its associated storm surge. This reassessment was done to ensure that funds would be allocated in the most efficient manner possible, without increasing the overall Hurricane Sandy-related budget or impacting construction schedules. By reallocating unspent previously authorized Hurricane Sandy-related funds, staff can efficiently move projects forward to completion and close out contracts.

As additional information is obtained through ongoing latent damage inspections, further project evaluations and implementation decisions regarding Hurricane Sandy's impact on the Port Authority's WTC facilities are being made. Any further requests for increases to contracts for actions, or reallocation of previously authorized funds, that will be attributable to Hurricane Sandy work, including oversight of further equipment replacement and installation costs, construction

general conditions and potential mitigation costs, would be subject to further Board authorization and requested on an “as-needed” basis.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford and Schuber voting in favor; Commissioners Rechler and Steiner recused and did not participate in the consideration of, or vote on, this item. Assistant 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 reallocation of funds previously authorized for certain contract actions for construction, architectural and engineering design and construction support services required to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by construction contractors and consultant services contractors related to associated impact delays and acceleration of work to minimize schedule impact, and to maintain commitments to third-party stakeholders, by increasing, by approximately \$133.74 million, the amount of certain such contract actions, to be offset by an equivalent decrease of approximately \$133.74 million in unspent previously authorized funds for certain other such contract actions, be and it hereby is authorized, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary to facilitate the foregoing, consistent with the terms outlined to the Board; and it is further

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

WORLD TRADE CENTER SITE – AUTHORIZATION OF ADDITIONAL CONTRACT ACTIONS TO IMPLEMENT CERTAIN WORK UNDER EXISTING CONTRACTS

It was recommended that the Board authorize: (1) the reallocation of approximately \$3 million in funds previously authorized for the One World Trade Center (WTC) Project, through an increase of approximately \$3 million in the amount of certain construction trade contracts for close-out work, to be offset by an equivalent decrease of approximately \$3 million in the amount of certain other construction trade contracts; and (2) the Executive Director to increase, by an aggregate amount of \$22.45 million, inclusive of an eight-percent allowance for extra work, the amounts of certain existing construction trade contracts for the WTC Vehicular Security Center and Tour Bus Parking Facility (WTC VSC) Project and the WTC Roadway Network and Eastside Tour Bus Parking Facility (WTC Roadway Network) Project, in order to perform site-wide Common Infrastructure work to allow for the close-out of the WTC VSC and WTC Roadway Network Projects.

Several projects at the WTC site are approaching final completion and close-out, including the One WTC, WTC VSC, and WTC Roadway Network Projects, as well as continuing site-wide Common Infrastructure work. As part of a year-end review in 2015, staff reassessed the resources allocated to those projects, to ensure that the funds and work scope for the projects are allocated in the most efficient manner, without increasing overall project budgets or affecting construction schedules. By reallocating funds within a project, the Port Authority can close out contracts in support of project completions.

At its meeting of August 5, 2010, the Board reauthorized the project to design and construct One WTC. The authorization also provided for increases in compensation to design consultants and to construction trade contracts for work being performed on behalf of other projects.

As part of the proposed reallocation of funds among certain construction trade contracts for the One WTC Project, the close-out work associated with the increases in the amount of certain trade contracts would include expenditures for premium time (based upon coordination of project completion with the building operator), additional testing at the First Responders System for initial tenant occupancy, below-grade waterproofing not completed by a defaulted contractor, roofing modifications to accommodate façade maintenance equipment, additional work related to the stair pressurization enhancement, and fire alarm/strobe installation and testing.

At its August 5, 2010 meeting, the Board also authorized the design and construction of the WTC VSC Project, which plays an important role in improving circulation and access of vehicles within Lower Manhattan. The WTC VSC is currently in use to screen deliveries to the WTC site, and it accommodates the off-street screening of cars, trucks and buses that enter the sub-grade roadway and building loading docks.

The WTC Roadway Network Project, authorized by the Board at its September 18, 2013 meeting, is a partially completed sub-grade roadway network that will span the length of the East Bathtub and connect to the loading docks of Towers 2, 3 and 4, as well as to the WTC Hub. The WTC Roadway Network currently is used for public deliveries to Tower 4 and is critical for the redevelopment of the WTC site. It will play an important role in the safe and efficient delivery of goods and services to the WTC site facilities, as well as provide for new tour bus parking areas that will accommodate approximately 46 buses.

Site-wide Common Infrastructure work is required to support interdependent aspects of the WTC site. Construction of underground parking, the construction of Greenwich and Fulton Streets, restaging Route 9A, common foundation excavations and other site-wide mechanical, electrical, plumbing and utilities costs are aggregated under the Common Infrastructure component of the WTC site redevelopment. It also includes the fabrication and delivery of six generator sets and emergency distribution systems (EDS) for an emergency plant that will support the WTC Hub, the WTC retail development, the WTC VSC and the Central Chiller Plant. The presently requested Common Infrastructure scope of work includes electrical, fire protection, ventilation and architectural fit-out work, concrete and masonry work associated with the construction of a WTC VSC EDS room within the work area of the WTC VSC and WTC Roadway Network, as well as installation of communication conduits, a fire alarm system, and a traffic management system. This work at the WTC VSC is needed to complete the project and close out the remaining contracts for the WTC VSC and WTC Roadway Network Projects, as well as to provide emergency power for life-safety systems for the WTC VSC and the WTC Roadway Network.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Schuber and Steiner voting in favor; Commissioner Rechler recused and did not participate in the consideration of, or vote on, this item. Assistant 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 reallocation of approximately \$3 million in funds previously authorized for the One World Trade Center (WTC) Project, through an increase of approximately \$3 million in the amount of certain construction trade contracts for close-out work, to be offset by an equivalent decrease of approximately \$3 million in the amount of certain other construction trade contracts, consistent with the terms outlined to the Board, 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 increase, by an aggregate amount of \$22.45 million, inclusive of an eight-percent allowance for extra work, the amounts of certain existing construction trade contracts for the WTC Vehicular Security Center and Tour Bus Parking Facility Project and the WTC Roadway Network and Eastside Tour Bus Parking Facility Project, in order to perform site-wide Common Infrastructure work to allow the close-out of the projects, consistent with the terms outlined to the Board; and it is further

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

WORLD TRADE CENTER SITE FLOOD RESILIENCY PROGRAMS – FLOOD MITIGATION AND RESILIENCY IMPROVEMENTS AT-GRADE – AWARD OF CONTRACT FOR CONSTRUCTION OF A PERIMETER BOLLARD PROTECTION SYSTEM

It was recommended that the Board authorize the Executive Director to enter into a construction contract with Paul J. Scariano, Inc. to fabricate and install a complete at-grade bollard protection system (BPS) along the perimeter of the National September 11 Memorial Plaza (9/11 Memorial Plaza) and to furnish and install removable flood barriers at certain street intersections at the World Trade Center (WTC) site, in order to protect Port Authority assets, including the WTC Transportation Hub's (WTC Hub) Port Authority Trans-Hudson (PATH) rail system tracks and platforms from potential flooding, at an estimated total cost of \$3,668,200, inclusive of an eight-percent allowance for extra work.

In November 2013, a comprehensive flood hazard mitigation plan was developed for the WTC site, in order to protect the site against coastal flooding levels similar in magnitude to those of Hurricane Sandy's storm surge. The plan recommended three "rings of protection," within a Special Flood Hazard Area designated by the Federal Emergency Management Agency, to protect against coastal flooding. The first ring of protection would be a perimeter BPS at the western portion of the WTC site. The second and third rings of protection, known as Water Intrusion Protection Systems At-Grade and Below-Grade, include various flood barriers, roll-down doors, louvers, hatches, structural hardening, waterproofing and similar measures.

On April 23, 2014, the Board authorized a pilot project for the design and construction of a perimeter BPS prototype located at One World Trade Center, at an estimated total cost of \$25.1 million. That BPS was tested successfully off-site, and was substantially completed in June 2015.

At its meeting of July 23, 2015, the Board authorized the design and construction of at-grade flood mitigation and resiliency projects, including a perimeter BPS, at an estimated total project cost of \$112.9 million. At that time, the Board also authorized the Executive Director to enter into a construction contract to fabricate and install a complete perimeter BPS at the WTC Vehicular Security Center and Tour Bus Facility, as the second component of the site-wide BPS, at an estimated total cost of \$3,580,000, inclusive of clause work and an eight-percent allowance for extra work. The work on that contract is expected to be completed in mid-2016.

The currently proposed contract would be the third and final contract for the construction of the WTC site-wide BPS. The scope of work would include the fabrication, installation and deployment of a complete BPS along the perimeter of the 9/11 Memorial Plaza, and the furnishing and installation of removable flood barriers at the following street intersections surrounding the WTC site: Vesey and Greenwich Streets, Liberty and Greenwich Streets, Liberty and West Streets, and Fulton and West Streets.

The proposed BPS would utilize existing street bollards to establish a temporary flood wall around the site's western perimeter, including the 9/11 Memorial Plaza, which is above the PATH tracks and platforms at the WTC Hub. Existing bollards would be modified to accept customized, removable flood barriers. Certain perimeter locations without sidewalk bollards, such as street crossings, would utilize other types of temporary flood barriers to be furnished and installed under this contract. With the exception of the period immediately before, during,

and following flooding emergencies, the perimeter BPS would not affect the normal functioning and appearance of the WTC site.

Paul J. Scariano, Inc., the recommended awardee, is the lowest priced, technically qualified bidder pursuant to a publicly advertised competitive process.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor. Assistant 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 construction contract with Paul J. Scariano, Inc. to fabricate and install a complete at-grade bollard protection system along the perimeter of the National September 11 Memorial Plaza, and to furnish and install removable flood barriers at certain street intersections at the World Trade Center site, in order to protect Port Authority assets from potential flooding, at an estimated total cost of \$3,668,200, 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.

PUBLICATION OF ANNUAL FINANCIAL STATEMENTS

Pursuant to the By-Laws and its Charter, the Audit Committee's members have reviewed and approved the Port Authority's Consolidated Financial Statements and Appended Note Disclosures for the year ended December 31, 2015, and recommended to the Board that such Consolidated Financial Statements be included in the Port Authority's 2015 Comprehensive Annual Financial Report, and other publications, as appropriate.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor. Assistant 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 Consolidated Financial Statements and Appended Note Disclosures for the year ended December 31, 2015 in the Port Authority's 2015 Comprehensive Annual Financial Report, and other publications, as appropriate, be and the same hereby is authorized.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – NEWARK INTERNATIONAL AIRPORT – THE HUDSON TUBES FACILITY – LEASE AGREEMENT FOR CERTAIN AREAS OF THE REDEVELOPED JAMES A. FARLEY BUILDING TRANSPORTATION AND COMMERCE CENTER – LEASE AGREEMENT AND AMENDMENT -- RESCISSION

At its meeting of June 2, 2000, the Board authorized the Executive Director to enter into a lease agreement with the New York State Urban Development Corporation d/b/a Empire State Development Corporation (ESD) and/or its subsidiaries for the letting by the Port Authority of approximately 40,000 rentable square feet (rsf) of space in the James A. Farley Building (the “Farley Building”) in New York City, which was to be redeveloped into an intermodal transportation center adjacent to Pennsylvania Station. The lease agreement was to be for a term of approximately 35 years, commencing in January 2003, at an annual rental of approximately \$8.3 million. In addition, the Board authorized the Committee on Operations to approve the final terms and conditions of the lease agreement in the event that such final terms and conditions were not substantially in accordance with those outlined to the Board.

Subsequent negotiations with ESD resulted in changes to the terms originally authorized by the Board. Although the revised terms of the lease agreement provided for approximately 40,000 rsf of space for the non-exclusive use of the users of the Port Authority’s airport access and other transportation services, the actual leased space would be approximately 250 rsf, for two ticket counters and a kiosk. In addition, the annual rental would be increased from the originally approved amount of approximately \$8.3 million to approximately \$10.5 million, in consequence of interest rate changes, a later payment start date and other financing shifts. At its meeting of September 28, 2000, the Committee on Operations approved the revised terms of the proposed lease agreement with ESD.

The redevelopment of the Farley Building into an intermodal transportation center has not been completed in the period since the year 2000 actions of the Board and the Committee on Operations, and the proposed lease agreement with ESD has never been executed by the parties. Therefore, it was recommended that the Board rescind the June 2, 2000 action of the Board and the September 28, 2000 action of the Committee on Operations, respectively, authorizing the proposed lease agreement with ESD and approving the final terms thereof.

It was also recommended that the Board direct the Executive Director to arrange for a study of proposals for the Port Authority to participate further in the redevelopment of the Farley Building into an intermodal transportation center, through a transaction which could include a commitment of up to \$150 million to the project, with such arrangement to provide one or more of the following: (1) enhanced airport access for passengers and others using John F. Kennedy International Airport and Newark Liberty International Airport; (2) enhanced services for Port Authority Trans-Hudson Corporation (PATH) commuters; and/or (3) for other purposes consistent with existing legislation and agreements with the holders of the Port Authority’s obligations. The Executive Director would report to the Board regarding such study. Authorization would be sought from the Board in the future for any further action regarding participation by the Port Authority in the redevelopment of the Farley Building.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor; Commissioner Fascitelli recused and did not participate in the consideration of, or vote on, this item. Assistant 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 prior action of the Board of Commissioners at its meeting of June 2, 2000 entitled, “*John F. Kennedy International Airport – Newark International Airport – The Hudson Tubes Facility – Lease Agreement for Certain Areas of the Redeveloped James A. Farley Building Transportation and Commerce Center*,” be and it hereby is rescinded; and it is further

RESOLVED, that the prior action of the Committee on Operations at its meeting of September 28, 2000 entitled, “*John F. Kennedy International Airport – Newark International Airport – The Hudson Tubes Facility – Lease Agreement for Certain Areas of the Redeveloped James A. Farley Building Transportation and Commerce Center*,” be and it hereby is rescinded; and it is further

RESOLVED, that the Executive Director be and he hereby is directed, for and on behalf of the Port Authority, to arrange for a study of proposals for the Port Authority to participate further in the redevelopment of the Farley Building into an intermodal transportation center, through a transaction which could include a commitment of up to \$150 million to the project, and substantially as outlined to the Board, with the Executive Director to report to the Board regarding such study, and authorization to be sought from the Board for any further action regarding participation by the Port Authority in the redevelopment of the Farley Building.

GATEWAY PROGRAM – MEMORANDUM OF UNDERSTANDING WITH THE UNITED STATES DEPARTMENT OF TRANSPORTATION, NATIONAL RAILROAD PASSENGER CORPORATION AND NEW JERSEY TRANSIT CORPORATION, FORMATION OF A DEVELOPMENT CORPORATION AND AGREEMENT WITH AMTRAK RELATED TO THE EXPENDITURE OF FUNDS FOR PRELIMINARY ENGINEERING AND PLANNING FOR THE GATEWAY TUNNEL PROJECT

At its meeting of December 10, 2015, in furtherance of the agreement announced on November 12, 2015 (“Announcement”), between the Governors of New York and New Jersey, joined by Senators Schumer and Booker to advance the Gateway Program (“Program”), the Board authorized the Executive Director, in cooperation with the United States Department of Transportation (“USDOT”) and the National Railroad Passenger Corporation (“Amtrak”), to establish a development corporation, or other similar entity, to advance the Program, and seek any further authorization necessary for Board approval in connection with such corporation, or similar entity, prior to its creation.

The Program consists of a set of rail infrastructure projects between Newark, NJ and New York City. The currently proposed first phase of the Program includes elements that will provide resiliency and maintain a state-of-good-repair on the existing rail infrastructure. Included in the proposed first phase is the Gateway Tunnel Project (two replacement railroad approach tubes connecting New York Penn Station and New Jersey) including the completion of a concrete casing to preserve tunnel right-of-way around the future tracks on the West Side of Manhattan leading from the new tunnel to New York Penn Station, and the replacement of the Portal and Sawtooth bridges in New Jersey. The proposed second phase of the Program includes projects that will both increase capacity and provide resiliency and state-of-good repair on the rail infrastructure between Newark and New York City. This includes expansion of Penn Station New York, Newark Penn Station, and Secaucus Junction.

The Port Authority has been engaged in ongoing discussions with Amtrak, USDOT, and New Jersey Transit Corporation (“NJ TRANSIT”) – a primary user of the existing tubes – with the goal of identifying the full scope of the Project and the other elements of the Program.

In order to support the parties’ collaboration in planning, designing, funding and construction in a manner consistent with the Announcement, it is recommended that the Executive Director be authorized to enter into a Memorandum of Understanding with USDOT, Amtrak and NJ TRANSIT setting forth a framework for the parties’ activities to advance the Program prior to the commencement of operations under the development corporation.

Further, consistent with the Announcement, at this time it is also being reported to the Board that the Executive Director, in consultation with the two lead Commissioners for the Program, is taking steps, in coordination with USDOT and Amtrak, towards the finalization of the form and structure of a development corporation in order to effectuate the Program.

Finally, Amtrak and NJ TRANSIT have commenced expedited environmental review and permitting work for the Gateway Tunnel Project and Amtrak is entering into an agreement with The Gateway Trans Hudson Partnership (Parsons Brinckerhoff, AECOM and STV) (“Partnership”) to conduct preliminary engineering and planning activities in support of expediting such work. Costs for such work is estimated to be \$70 million and will include the

development of information to set forth the project description, identify and assess project impacts and identify any needed mitigation measures. The development of such information will assist the Executive Director and the Board to understand and evaluate the scope and elements of the Project, as an element of the Program. It is also recommended that the Executive Director be authorized to enter into an agreement with Amtrak to reimburse up to \$35 million of the costs incurred by Amtrak under their contract with the Partnership.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor; Commissioner Fascitelli recused and did not participate in the consideration of, or vote on, this item. Assistant 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 hereby is authorized to enter into a Memorandum of Understanding with United States Department of Transportation, the National Passenger Railroad Corporation (“Amtrak”) and New Jersey Transit Corporation to set forth a framework for the parties’ activities to advance the Gateway Program (“Program”) prior to commencement of operations under a development corporation, or a similar entity; and it is further

RESOLVED, that it is acknowledged and affirmed that the Executive Director be and hereby is authorized, in consultation with the two lead Commissioners for the Program, to take steps, in coordination with USDOT and Amtrak, towards the finalization of the form and structure of a development corporation to effectuate the Program; and it is further

RESOLVED, that the Executive Director be and hereby is authorized to enter into an agreement with Amtrak to reimburse it up to \$35 million of preliminary engineering and planning costs incurred by Amtrak pertaining to the design, development and construction of the Gateway Tunnel Project (“Project”) under an agreement between Amtrak and The Gateway Trans Hudson Partnership (Parsons Brinckerhoff, AECOM and STV) to advance the environmental review and permitting for the Project as an element of the Program; and it is further

RESOLVED, that the Executive Director be and hereby is authorized to enter into any other agreements necessary and appropriate in connection with the foregoing; and it is further

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

PORT AUTHORITY BUS TERMINAL REPLACEMENT – ALLOCATION OF CAPITAL FUNDS

At the March 19, 2015 meeting of the Board of Commissioners, Chairman John Degnan announced the formation of a working group of the Board to focus on advancing the planning process for replacement of the 65-year-old Port Authority Bus Terminal ("PABT"), composed of Chairman Degnan, Vice Chairman Scott Rechler, and Commissioners Kenneth Lipper and William "Pat" Schuber (the "Working Group"). The mandate of the Working Group was to examine a broad range of approaches for the replacement of the PABT and to identify the most promising alternative for consideration by the full Board prior to year-end 2015.

At its October 22, 2015 meeting, the Board, based on the Working Group's recommendations, directed the Executive Director to conduct an international design competition soliciting conceptual designs for a new bus terminal on the site recommended by the Working Group, one block west of the current structure, between Ninth and Eleventh Avenues in Manhattan, and for suggestions of potential alternative sites for a bus terminal (should a competitor's analysis determine that the proposed site west of Ninth Avenue is not optimal), with such designs to allow for: (i) sequential construction of key elements (including terminal facilities and bus-staging facilities) as estimates of future capacity needs are refined, (ii) scalability of the terminal complex to meet developing capacity requirements, and (iii) appropriate pedestrian connections to mass transit in the vicinity of the new terminal.

The Board also directed the Executive Director to issue a request for proposals for an outside consultant (or consortium of consultants) to perform a study (the "Trans-Hudson Commuting Capacity Study" or "Capacity Study") of available strategies for meeting and managing the anticipated increases in trans-Hudson commuter demand over the next 30 years, taking into account other modes of increased trans-Hudson capacity including rail and ferry capacity, as well as improvements to, and expansion of, existing infrastructure, expansion of commuting alternatives, promotion of workplace flexibility, and utilization of new technologies to improve throughput and efficiency of existing facilities.

The Board also indicated at that time that the Working Group would remain in operation to oversee and support Port Authority staff, and to report to the Board as developments warrant.

On March 11, 2016, the Port Authority released detailed information regarding a two-stage Bus Terminal Design and Deliverability Competition ("Design Competition") to the public, and it is anticipated that the agency will receive responses to Phase One of the Design Competition in April 2016 and Phase Two in the late summer of 2016, with a competition winner expected to be announced in September 2016. During this period, as previously indicated, the Port Authority will continue to solicit substantial public and stakeholder input.

Based on the foregoing, the Working Group now has recommended that the Board, in establishing the Port Authority's 2017-2026 Capital Plan, which encompasses both revenues and expenditures, commit to allocate funds to provide for the completion of the new Bus Terminal Replacement Project on the West Side of Manhattan, in an amount sufficient to accommodate the anticipated future capacity needs of the replacement of the PABT, which will be informed by the results of the Design Competition and Capacity Study, with the understanding that no bus terminal will be built in New Jersey.

* * *

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor. Assistant 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 Board hereby commits, in establishing the Port Authority's 2017-2026 Capital Plan, which encompasses both revenues and expenditures, to allocate funds for the construction of a new Port Authority Bus Terminal ("PABT"), to be located on the West Side of Manhattan, in an amount sufficient to accommodate the anticipated future capacity needs of the new PABT, which will be informed by the results of the Design Competition and Capacity Study, with the understanding that no bus terminal will be built in New Jersey.

REQUIREMENT FOR A MONITORING AGREEMENT - TISHMAN CONSTRUCTION CORPORATION

Tishman Construction Corporation, an AECOM Company (TCC), is one of the largest construction firms operating in New York City. It provides construction management, general contracting and consulting services on various public and private construction projects. TCC currently holds several contracts to perform work for the Port Authority, including but not limited to, construction manager services, project management services, technical advisory services and general contracting services on certain call-in contracts.

In December 2015, the United States Attorney for the Eastern District of New York (U.S. Attorney) with the cooperation and assistance of the Port Authority's Office of the Inspector General (Inspector General) filed fraud charges against TCC. TCC was charged with improperly billing its clients more than \$5 million over a ten-year period for hours not worked and for billing at rates that were in excess of the agreed-upon contract rates. TCC entered into a Deferred Prosecution Agreement (DPA) with the U.S. Attorney, in which it acknowledged and accepted responsibility for its fraudulent billing practices and agreed to offer restitution to its clients, in the total amount of \$5,650,917.97, and pay a penalty of \$14,580,000 to the United States government over a two-year period. In consideration of TCC's remedial actions to date, and TCC's commitment to take further remedial measures, including among other things, to: (a) accept and acknowledge responsibility for its improper conduct; (b) continue its cooperation with the U.S. Attorney's investigations of its conduct; (c) make restitution available to its clients that were billed improperly; and (d) make the payment of the aforementioned financial penalty to the U.S. government, the U.S. Attorney agreed to defer prosecution for a period of 24 months and to allow TCC to demonstrate good conduct and compliance with the terms of the DPA, and to take additional remedial measures, including creating the position of Compliance Director, adopting a new Code of Conduct, and reforming and revising its time sheet recording and billing policies.

Notwithstanding such remedial actions and restitution, because TCC has substantial ongoing contracts with the Port Authority, the Port Authority wishes to engage the services of an independent Integrity Monitor (Integrity Monitor) with respect to any contracts between TCC and the Port Authority, to be paid for by TCC. The Integrity Monitor would be charged with, among other things, auditing the actions of TCC to ensure compliance with the terms of the DPA.

Therefore, it was recommended that the Board direct the Executive Director to: (1) to enter into a monitoring agreement with TCC to monitor the performance of TCC's work with respect to contracts between TCC and the Port Authority for a period coterminous with the provisions of the DPA; (2) amend all existing contracts between TCC and the Port Authority to require TCC to cooperate fully with the Integrity Monitor with respect to monitoring TCC's performance under such existing contracts, as a condition for being allowed to continue to do business with the Port Authority (Integrity Monitoring Requirement); (3) require the Integrity Monitoring Requirement as a provision of any future contracts between the Port Authority and TCC, during the period covered by the DPA; and (4) require TCC to pay for all costs of the services of such Integrity Monitor in connection with any existing and future contracts between the Port Authority and TCC.

It was recommended further that the Board authorize the Executive Director to enter into an agreement with TCC, whereby TCC would pay the Port Authority interest on the following amounts that TCC has agreed to reimburse the Port Authority pursuant to the DPA: \$414,795 in connection with the One World Trade Center Project and \$44 in connection with the World Trade Center Transportation Hub Project.

Finally, it was recommended that the Board direct the Executive Director to arrange for staff to conduct a study with respect to the adoption of a potential policy and procedures for the debarment and suspension of firms from doing business with the Port Authority and its component units, in furtherance of the agency's policy of awarding contracts only to firms and individuals that are responsible and law-abiding. Following the completion of such study, recommendations would be submitted to the Audit Committee and the Committee on Governance and Ethics addressing, among other matters, the legal and other issues related to the potential adoption of such a policy.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Lipper, Lynford, Rechler, Schuber and Steiner voting in favor; Commissioner Laufenberg recused and did not participate in the consideration of, or vote on, this item. Assistant 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 directed, for and on behalf of the Port Authority, to: (1) to require TCC to enter into an agreement with an independent integrity monitor (Integrity Monitor), as selected by the Office of the Inspector General, to monitor the performance of TCC's work with respect to contracts between TCC and the Port Authority for a period coterminous with the provisions of the DPA; (2) amend all existing contracts between TCC and the Port Authority to require TCC to cooperate fully with the Integrity Monitor with respect to monitoring TCC's performance under such existing contracts, as a condition for being allowed to continue to do business with the Port Authority (Integrity Monitoring Requirement); (3) require the Integrity Monitoring Requirement as a provision of any future contracts between the Port Authority and TCC for a period of coterminous with the provisions of the DPA; and (4) require TCC to pay for all costs of the services of such Integrity Monitor in connection with any existing and future contracts between the Port Authority and TCC; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with TCC to require TCC to pay to the Port Authority interest on the following amounts that TCC has agreed to reimburse the Port Authority pursuant to its DPA with the United States Attorney for the Eastern District of New York – \$414,795 in connection with the One World Trade Center Project and \$44 in connection with the World Trade Center Transportation Hub Project – with the interest accruing from the dates on which those amounts were billed improperly by TCC to the Port Authority; and it is further

RESOLVED, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, to take action with respect to such contracts and agreements as may be necessary to effectuate the foregoing action, 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 Executive Director be and he hereby is directed, for and on behalf of the Port Authority, to (1) arrange for staff to conduct a study with respect to the potential adoption of a policy and procedures for the debarment and suspension of firms from doing business with the Port Authority and its component units; and (2) following the completion of such study, submit recommendations to the Audit Committee and the Committee on Governance and Ethics addressing, among other matters, the legal and other issues related to the potential adoption of such a policy; and it is further

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

Whereupon, the meeting was adjourned.

Secretary