

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**MINUTES**

**Thursday, June 15, 2017**

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, June 15, 2017 at 2 Montgomery Street, City, County and State of New Jersey**

**PRESENT:**

**NEW JERSEY**

Hon. John J. Degnan, Chairman  
 Hon. Richard H. Bagger  
 Hon. William P. Schuber  
 Hon. David Steiner  
 Hon. Caren Z. Turner

**NEW YORK**

Hon. Michael D. Fascitelli  
 Hon. Kenneth Lipper  
 Hon. Jeffrey H. Lynford

Patrick J. Foye, Executive Director  
 Michael E. Farbiarz, General Counsel  
 Karen E. Eastman, Secretary

Julia Basile, Deputy Director, Human Resources  
 Denise Berger, Assistant Chief Engineer, Engineering  
 Justin E. Bernbach, Director, Government and Community Affairs, New York  
 John Bilich, Acting Chief Security Officer  
 Vincent Borst, Assistant Director, Real Estate Services  
 Radomir Bulayev, Assistant Director, Capital Projects Management, Rail Transit  
 Molly C. Campbell, Director, Port  
 Ana A. Carvajalino, Director, Office of Financial Planning  
 Wilfred Chabrier, Chief Diversity and Inclusion Officer  
 Patricia A. Clark, Senior Advisor, Aviation Policy, Aviation  
 Steven J. Coleman, Deputy Director, Media Relations  
 Janet D. Cox, Director, Management and Budget  
 Nicole Crifo, Deputy Chief Ethics and Compliance Officer  
 Clarelle D. DeGraffe, Deputy Director, Rail Transit  
 John C. Denise, Audio Visual Supervisor, Marketing  
 Robert J. Donahue, Executive Financial Analyst, Office of the Chief Financial Officer  
 Benjamin S. Engle, Project Manager, Human Resources  
 Jose B. Febrillet, Director, Project Management  
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police  
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals  
 Robert E. Galvin, Chief Technology Officer  
 Matthew Gilhooley, Police Officer  
 Jacqueline Grossgold, Business Development Executive, Office of Business Diversity and Civil Rights  
 Glenn P. Guzi, External Affairs Logistics Manager, World Trade Center Redevelopment  
 Linda C. Handel, Deputy Secretary, Office of the Secretary  
 MaryLee Hannell, Chief, Human Capital  
 Gary Heard, Chief of Staff to the Chairman  
 Sherien Khella, Deputy Director, Office of Financial Planning  
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 Huntley A. Lawrence, Director, Aviation

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  
 Thomas Matthew, Police Officer  
 Daniel G. McCarron, Comptroller  
 Elizabeth M. McCarthy, Chief Financial Officer  
 James E. McCoy, General Manager, Board Unit, Office of the Secretary  
 Mark F. Muriello, Deputy Director, Tunnels, Bridges and Terminals  
 Maria Oliveri, Associate Board Management and Support Specialist, Office of the Secretary  
 Ida Perich, General Manager, Office of Business Diversity and Civil Rights  
 Steven P. Plate, Chief, Major Capital Projects  
 Alan L. Reiss, Director, World Trade Center Construction  
 Beth E. Siegel, Program Director, Rail Transit  
 James A. Starace, Chief Engineer/Director of Engineering  
 Lillian D. Valenti, Chief Procurement and Contracting Officer  
 Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary  
 Anni Zhu, Leadership Fellow, Human Resources

Guests:

Ali Chaudhry, Deputy Secretary for Transportation, Office of the Governor of New York  
 Mary Maples, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Member of the Public  
 Katharine Horsman, Brompton Bicycle Inc.

Dustin Jones, United for Equal Access  
 Tina Payne, Unite Here, Local 100  
 Cody Petit-Frere, Unite Here, Local 100  
 Mabel Richards, Unite Here, Local 100  
 Irene Rogers, Unite Here, Local 100

Connor Sargent, NYCeWheels

Sherry Scalercio-senberg, Member of the Public

Neile Weissman, Complete George

Topic:

Transportation Issues  
 Widening of Paths on George Washington Bridge  
 Equal Access at New York City Airports  
 Airport Workers' Protection  
 Airport Workers' Protection  
 Working Conditions at LaGuardia Airport  
 Working Conditions at John F. Kennedy International Airport  
 Widening of Paths on George Washington Bridge  
 Americans with Disabilities Act Alleged Violation  
 Widening of Paths on George Washington Bridge

The public meeting was called to order by Chairman Degnan at 1:10 p.m. and ended at 2:19 p.m. The Board also met in executive session prior to the public session.

### **Action on Minutes**

The Secretary submitted for approval Minutes of the meeting of April 27, 2017. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on May 1, 2017. The Secretary reported further that the time for action by the Governors of New York and New Jersey had expired at midnight on May 15, 2017.

Whereupon, the Board unanimously approved the Minutes of the meeting of April 27, 2017.

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

It was reported that the comment period for the revisions to Rules and Regulations for the Port Authority Bus Terminal, which were filed with the Board on April 21, 2017, had expired.

### **Report of Audit Committee**

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on May 10, 2017, which included discussion of matters involving external or internal investigations or audits, and the report was received.

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

The Committee on Security reported, for information, on matters discussed in executive session at its meeting on June 15, 2017, which included discussion of matters related to 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 May 10, 2017 meeting, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, matters related to the purchase, sale, or lease of real property where disclosure would affect the value thereof or the public interest, and matters in which the release of information could impair the right to receive funds from the United States or other grantor. The Committee on Finance also reported, for information, on matters discussed and action taken in executive and public sessions at its meeting on June 15, 2017, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and receipt of reports from the Special Panel Implementation Office's Asset Review Metric/Capital Plan and Finance teams, and the report was received.

### **Report of Committee on Operations**

The Committee on Operations reported, for information, on matters discussed in public session at its meeting on June 15, 2017, which included discussion of an item that authorizes certain concession leases primarily in Terminal B at Newark Liberty International Airport, a review of the Port Authority's Workforce Diversity and Inclusion Program and receipt of a report from the Special Panel Implementation Office's Aviation Team, 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 June 15, 2017, which included a review of the Port Authority's Minority, Women-Owned and Small Business Enterprise participation results for 2016, and the report was received.

## **TRIBUTE TO MICHAEL D. FASCITELLI**

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner Michael D. Fascitelli as he retires from the Board. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**WHEREAS**, from his appointment by New York Governor Andrew Cuomo in July 2015, Michael Fascitelli has given tirelessly of his time, talent and experience to further the mission and goals of the Port Authority; and

**WHEREAS**, Michael has served with distinction as a member of the Board of Commissioners and has brought the full measure of his real estate and development experience to provide sound advice in the advancement of the agency's agenda and commitment to its core mission of building and maintaining transportation infrastructure for the region; and

**WHEREAS**, as a member of the Committee on Security, Michael has provided leadership in the advancement of the agency's security programs, enabling the strengthening of critical infrastructure, ensuring the safety and security of the agency's facilities, so that the public and commerce can be provided with dependable, trustworthy passage throughout the region; and

**WHEREAS**, as a member of the Committee on Capital Planning, Execution & Asset Management, Michael Fascitelli has provided leadership in the development and advancement of the agency's Capital Plan ensuring projects supported the Port Authority's mission to improve regional mobility of people and goods, as well as fostering economic growth and opportunity in the region,

**NOW, therefore, be it**

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

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

## **TRIBUTE TO HAMILTON E. JAMES**

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner Hamilton E. “Tony” James as he retires from the Board. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**WHEREAS**, from his appointment by New York Governor Andrew Cuomo in June 2015, Tony James has given tirelessly of his time, talent and experience to further the mission and goals of the Port Authority. Tony served with distinction as a member of the Board of Commissioners and has been committed to the agency’s core mission of building and maintaining transportation infrastructure for the region in a fiscally prudent manner; and

**WHEREAS**, as a member of the Committee on Finance, Tony brought the full measure of his formidable financial expertise to provide innovative and practical advice on financial management matters in order to ensure the continued protection of the agency’s balance sheet including through growth initiatives, and in the development of, and measures to ensure strong ongoing discipline and oversight over, the agency’s recently adopted ten-year Capital Plan; and

**WHEREAS**, as a member of the Committee on Governance and Ethics, Tony has been a proponent for the highest levels of honesty, integrity, accountability and transparency to the public,

**NOW, therefore, be it**

**RESOLVED**, that the Commissioners of The Port Authority of New York and New Jersey, do hereby express to the Honorable Hamilton E. “Tony” James, their sincere appreciation for his leadership and service to the agency and the region it serves; and it is further

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



## **TRIBUTE TO KENNETH LIPPER**

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner Kenneth Lipper as he retires from the Board. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**WHEREAS**, from his appointment by New York Governor Andrew Cuomo in June 2013, Ken Lipper has given tirelessly of his time, talent and experience to further the mission and goals of the Port Authority. Ken served with distinction as a member of the Board of Commissioners and has been committed to the agency's core mission of building and maintaining transportation infrastructure for the region in a fiscally prudent and publicly transparent manner; and

**WHEREAS**, as the Chair of the Committee on Governance and Ethics, Ken has been committed to the highest standards of governance, ethics and transparency, including efforts to restore public trust and promote accountability, and has spearheaded the refinement of existing, and development of new policies to ensure the highest levels of accountability that will serve the agency for years to come; and

**WHEREAS**, as a member of the Committee on Finance, Ken has ensured the agency remains committed to the highest standards of financial management and reporting, and is fiscally responsible in administering its multi-billion-dollar Budget and Capital Plan; and

**WHEREAS**, as a member of the Committee on Operations, Ken has ensured that persistent focus be maintained on the full cost to operate the agency's facilities,

**NOW, therefore, be it**

**RESOLVED**, that the Commissioners of The Port Authority of New York and New Jersey, do hereby express to the Honorable Kenneth Lipper, their sincere appreciation for his leadership and service to the agency and the region it serves; and it is further

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

## **TRIBUTE TO WILLIAM “PAT” SCHUBER**

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner William “Pat” Schuber as he retires from the Board. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**WHEREAS**, from his appointment by New Jersey Governor Chris Christie in July 2011, Pat Schuber has given tirelessly of his time, talent and experience to further the mission and goals of the Port Authority; and

**WHEREAS**, Pat Schuber served with great pride as a member of the Board of Commissioners and has been committed to the agency’s core mission of building and maintaining transportation infrastructure for the region; and

**WHEREAS**, as Chairman of the Committee on Security, Pat Schuber has provided leadership in the advancement of the agency’s Security Operations and Security Capital Programs, ensuring the safety and security of the agency’s facilities, so that the public and commerce may have the benefit of dependable, trustworthy passage throughout the region; and

**WHEREAS**, as Chairman and later Vice Chairman of the Committee on Governance and Ethics, Pat Schuber has been an advocate for numerous governance reforms put in place to ensure the agency meets its commitment to achieve the highest levels of honesty, integrity, accountability and transparency to the public; and

**WHEREAS**, as a member of the Committee on Finance, Pat Schuber has ensured the agency remains committed to the highest standards of financial management and reporting, and is fiscally responsible in administering its multi-billion-dollar Budget and Capital Plan; and

**WHEREAS**, Pat Schuber has been an advocate of the communities in which agency facilities are located, and has consistently reinforced the need to deal openly and proactively to address local community concerns with respect to the impact of the agency’s operations,

**NOW, therefore, be it**

**RESOLVED**, that the Commissioners of The Port Authority of New York and New Jersey do hereby express to the Honorable William “Pat” Schuber, their sincere appreciation for his leadership and service to the agency and the region it serves; and it is further

**RESOLVED**, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to the Honorable William “Pat” Schuber as a token of the high esteem in which he is held by the Board and staff alike.

## **TRIBUTE TO CEDRICK T. FULTON**

In recognition of his 24 years of dedicated and distinguished service to the Port Authority, we congratulate Cedrick T. Fulton on his upcoming departure from the Port Authority.

Since joining the agency in March 1993, Cedrick has led a distinguished career, where he has held progressively more responsible positions, including as General Manager of the Port Authority Bus Terminal from 1998 to 2004, and as Deputy Director of Tunnels Bridges and Terminals from 2005 to 2010. He has served as the agency's Director of Tunnels, Bridges and Terminals since December 2010.

Cedrick Fulton's extensive operations experience has enabled him to oversee significant portions of the Port Authority's interstate transportation network, ensuring that the agency's tunnels and bridges are maintained in a state of good repair, with several transformative projects advanced under his watch, including the "Restore the George" Program at the George Washington Bridge, the Goethals Bridge Modernization Program and the Bayonne Bridge Navigational Clearance Program, as well as numerous other major rehabilitation projects to extend the useful life of agency assets, which will benefit the users of these facilities for many years to come.

It is with sincere gratitude that we recognize Cedrick T. Fulton for his dedicated public service to the Port Authority and the region it serves.

## **NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL B CONCESSIONS PROGRAM – NEW LEASE AGREEMENTS**

It was recommended that the Board authorize the Executive Director to enter into 10 new leases involving 28 locations and 19 automated teller machines (ATM), mainly throughout Terminal B at Newark Liberty International Airport (EWR). This phase of the Terminal B concessions program would cover the leasing of a total of approximately 31,195 square feet of space for the operation of various concession establishments.

On July 26, 2007, the Board authorized the Executive Director to enter into an agreement with Westfield Airports, LLC f/k/a Westfield Concessions Management, LLC (Westfield) for the management of the retail and food and beverage concessions at, and loading dock and storage facilities for, Terminals A and B at EWR for a seven-year period, through August 31, 2014, with a three-year extension option. On December 4, 2013, the Board authorized the Executive Director to extend the term of the agreement with Westfield for an additional two-year period, through August 31, 2019, in exchange for a capital investment of up to \$3.5 million by Westfield to renovate the food courts in Terminals A and B. The implementation of the concessions program is a multi-phase process. The first eight phases of the program were authorized by the Board under separate actions from June 2008 through July 2015, which covered approximately 90,279 square feet of space in Terminals A and B for 82 concessions, including several newly created spaces under the Terminal B Modernization Project.

Each concessionaire would be obligated to pay the greater of a minimum annual guaranteed rent (MAG) or percentage rent based on the gross receipts of the concessionaire's operation. The concessionaires would be obligated to make an initial capital investment in connection with their occupancy of the leased premises, and seven of the concessionaires also would be obligated to make a mid-term refurbishment investment. The Port Authority would retain the right to terminate the leases on 30 days' notice, without cause, in which event the Port Authority would be obligated to reimburse the concessionaires for their respective unamortized capital investments. The leases would be for five-year to ten-year terms.

Specific material terms of the concessions leases are as follows:

### **International Shoppes, LLC - Lease ANC-647**

International Shoppes, LLC, or an affiliated entity, would lease certain space in Terminal B for duty free shops. The aggregate rental over the lease term would be approximately \$35 million in MAG.

### **Pacific Gateway Concessions, LLC – Lease ANC-648**

Pacific Gateway Concessions, LLC, or an affiliated entity, would lease certain space in Terminal B for retail operations. The aggregate rental over the lease term would be approximately \$9,042,000 in MAG.

**Travelex Currency Services, Inc. – Lease ANC-649**

Travelex Currency Services, Inc., or an affiliated entity, would lease certain space in Terminal B for currency exchange services. The aggregate rental over the lease term would be approximately \$3,300,000 in MAG.

**Travelex Currency Services, Inc. – Lease ANC-650**

Travelex Currency Services, Inc., or an affiliated entity, would lease certain space, primarily in Terminal B (with one location in Terminal A and one location outside Terminal C at the taxi stand area), for the operation of ATMs. The aggregate rental over the lease term would be approximately \$2,700,000 in MAG.

**Canonica PRI LLC – Lease ANC-651**

Canonica PRI, LLC, or an affiliated entity, would lease certain space in Terminal B for retail operations. The aggregate rental over the lease term would be approximately \$9,797,000 in MAG.

**Areas DFB EWR, JV – Lease ANC-652**

Areas DFB EWR, JV, or an affiliated entity, would lease certain space in Terminal B for food and beverage operations. The aggregate rental over the lease term would be approximately \$10,750,000 in MAG.

**Host International, Inc. – Lease ANC-653**

Host International, Inc., or an affiliated entity, would lease certain space in Terminal B for food and beverage operations. The aggregate rental over the lease term would be approximately \$10,920,000 in MAG.

**InMotion Entertainment Group, LLC – Lease ANC-654**

InMotion Entertainment Group, LLC, or an affiliated entity, would lease certain space in Terminal B for retail operations. The aggregate rental over the lease term would be approximately \$475,000 in MAG.

**Villa Newark B, LLC – Lease ANC-655**

Villa Newark B, LLC, or an affiliated entity, would lease certain space in Terminal B for food and beverage operations. The aggregate rental over the lease term would be approximately \$804,000 in MAG.

**Villa Newark B, LLC – Lease ANC-656**

Villa Newark B, LLC, or an affiliated entity, would lease certain space in Terminal B for food and beverage operations. The aggregate rental over the lease term would be approximately \$1,792,000 in MAG.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into the ten concession lease agreements set forth above, for a total of approximately 31,195 square feet of space primarily in Terminal B at Newark Liberty International Airport (EWR), as part of the Terminal B concessions program, substantially in accordance with the terms outlined in the foregoing report; 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, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – BUILDINGS 139 AND 143 - LSG SKY CHEFS – NEW LEASE AYE-547**

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with LSG Sky Chefs (Sky Chefs) at John F. Kennedy International Airport (JFK), pursuant to which Sky Chefs would lease approximately ten acres of land and approximately 168,890 square feet of building space (Buildings 139 and 143) for a five-year term, retroactive to July 1, 2014, in order to use the premises for the preparation of inflight catering meals, with an option to extend the lease term for one additional five-year period, subject to the mutual consent of the parties.

Sky Chefs has operated an inflight catering business at JFK since the early 1990s, when it acquired the assets and assumed the leaseholds of several inflight catering firms. Sky Chefs currently provides inflight catering services at Buildings 139 and 143 as a holdover tenant under Lease AYD-945, which expired on June 30, 2014.

Under the proposed new lease agreement, Sky Chefs would occupy Building 139, which is located on 7.2 acres of land and consists of 132,890 square feet of garage, kitchen and office space, and Building 143, which is located on 2.8 acres of land and consists of 36,000 square feet of kitchen and office space. Sky Chefs would make minimum guaranteed capital investments at Building 139 and at Building 143 for utility, infrastructure and roof upgrades and replacements, and for environmental remediation, including asbestos removal.

Negotiations for the proposed lease commenced in 2013, but were delayed by a shift in Sky Chefs' corporate strategy and changes in its management. During this negotiation period, Sky Chefs has continued to provide inflight catering services out of Buildings 139 and 143 as a holdover tenant, and has paid building and ground rental at the rates in place at the expiration of Lease AYD-945.

Sky Chefs would agree to remit a one-time payment to capture rental escalations that were not realized during the holdover period of July 1, 2014 through June 30, 2017. If Sky Chefs failed to remit the full retrospective payment amount when invoiced, interest would accrue on any unpaid balance until fully paid.

The estimated aggregate rental over the base term of the proposed new lease is approximately \$24.6 million, composed of building rent, ground rent, and the one-time retrospective payment.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter a lease with LSG Sky Chefs (Sky Chefs) at John F. Kennedy International Airport (JFK), pursuant to which Sky Chefs will lease Buildings 139 and 143 and associated land at JFK for a five-year term, retrospective to July 1, 2014, in order to use the premises for the preparation of inflight catering meals, with an option to extend the lease term for one additional five-year period, subject to the mutual consent of the parties, substantially in accordance with

the foregoing report; 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, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.



**PORT AUTHORITY BUS TERMINAL – BUILDING AUTOMATED MONITORING AND CONTROL SYSTEM UPGRADE – AUTHORIZATION OF ADDITIONAL FUNDS FOR PROJECT COMPLETION**

It was recommended that the Board authorize the expenditure of an additional estimated \$2.3 million in support of the completion of a project to upgrade the Building Automated Monitoring and Control System (BAMCS) at the Port Authority Bus Terminal (PABT), at a revised estimated total project cost of \$30.5 million. It was also recommended that the Board authorize the expenditure of an additional estimated \$2,505,006 for Maintenance Contract BT-254.062M2 with T.E.C. Systems, Inc., as well as an additional amount of approximately \$2,534,757 to cover the two, two-year extension options of that contract (if exercised), in order to provide for maintenance of the existing BAMCS and certain other systems, in accordance with the terms of the awarded contract. This would result in a total revised estimated contract amount of \$8,262,626 for Maintenance Contract BT-254.062M2.

The PABT, which opened in 1950, currently accommodates approximately 200,000 daily customers who travel through the facility. The BAMCS is interfaced with, and controls and/or monitors, 12 building systems, which are critical to maintain the safe and secure operation of the PABT. At its August 5, 2010 meeting, the Board authorized a project to replace the existing BAMCS, in order to ensure the continued and reliable monitoring and control of the PABT's various mechanical and electrical systems and to keep the facility in a state of good repair. Approximately 90 percent of the base contract was installed, with roughly 50 percent of the upgraded BAMCS turned over to operations by year-end 2014. However, due to various factors associated with the complexity of the project and required extended system testing, it was necessary to extend the duration of construction. Furthermore, monitoring and control functions were added, to facilitate maintenance and existing operations. These delays and changes resulted in significantly greater staff involvement, which was necessary to handle requests for information, changes in the scope of work, voluminous testing, troubleshooting, and integration of legacy systems into the BAMCS.

Contract BT-254.0622M2 is required to maintain the existing BAMCS during construction, and to continue maintaining certain other systems not affected by the contractor installation of the new BAMCS. Authorization of additional funds for the contract is necessary in order to provide compensation to the contractor in accordance with the terms of the executed contract.

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

**RESOLVED**, that the expenditure of an additional estimated amount of \$2.3 million in support of the completion of a project to upgrade the Building Automated Monitoring and Control System at the Port Authority Bus Terminal, at a revised estimated total project cost of \$30.5 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 the authorized amount of Maintenance Contract BT-254.062M2 with T.E.C. Systems, Inc., substantially in accordance with the terms outlined in the foregoing report; and it is further

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

**WORLD TRADE CENTER (WTC) SITE – FLOOD MITIGATION AND RESILIENCY IMPROVEMENTS PROGRAM – AT-GRADE WATER INTRUSION PROTECTION SYSTEMS – WTC VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY – AWARD OF CONTRACT**

It was recommended that the Board authorize the Executive Director to enter into a construction contract with Paul J. Scariano, Inc. for the fabrication and installation of at-grade Water Intrusion Protection Systems (WIPS) at the World Trade Center Vehicular Security Center and Tour Bus Parking Facility (WTC VSC), at an estimated total cost of \$13,454,560, inclusive of clause work and an eight-percent allowance for extra work.

As Hurricane Sandy and its associated storm surge demonstrated, business and transportation assets in low-lying areas of Lower Manhattan are at risk of storm surge flooding. The high value and critical nature of the Port Authority facilities, particularly the Port Authority Trans-Hudson rail system and other transportation facilities at the WTC site, require a comprehensive flood protection plan, including multiple levels of protection to minimize the impact of future storms.

In the fall of 2013, a comprehensive flood hazard mitigation plan was developed for the WTC site that included evaluations of site-wide and project-specific vulnerabilities, flood mitigation strategies and improvement alternatives. The WTC's flood mitigation plan recommended three "rings of protection" to protect the WTC site effectively against potential coastal flooding levels comparable in magnitude to Hurricane Sandy's storm surge. The first ring of protection is a perimeter bollard protection system (BPS) at the western portion of the WTC site. The second and third rings of protection, known as WIPS at-grade and below-grade, respectively, include various flood barriers, roll-down doors, louvers, hatches, structural hardening, waterproofing, and similar measures.

The scope of work under the proposed construction contract consists of providing and installing at-grade WIPS at the WTC VSC. The WIPS at-grade equipment would be located at or immediately inside building doorway and roadway areas, particularly where elevator shafts, ventilation shafts, stairwells, and ramps otherwise would allow water to penetrate the asset, including within the below-grade levels. Primary WIPS components to be constructed under the proposed contract include flexible membrane systems, flood panels, sliding gates, and other water barriers that can be deployed in advance of severe coastal flooding conditions. The proposed contract includes a clause work allowance to provide for compensation for premium time, idle salaried workers and equipment, emergency delays, and certain other costs as set forth in the contract.

On October 16, 2013, the Board authorized initial planning and design work to evaluate and develop long-term flood resiliency projects at the WTC site, at an estimated total cost of \$10 million, including the award of contracts and agreements for expert planning, engineering, and project management services, including Stage II design of a BPS and a prototype. At its meeting of December 10, 2014, the Board authorized additional planning work (Phase 2 Planning), in the amount of \$10 million, to advance the final design of all BPS and WIPS components (at-grade and below-grade), bringing the total amount authorized for such planning and design contracts to \$20 million.

On July 23, 2015, the Board authorized a project for the design and construction of at-grade flood mitigation and resiliency improvements at the WTC site, including a perimeter BPS and WIPS at street-level openings to protect Port Authority assets at the WTC site from potential coastal flooding, at an estimated total project cost of \$112.9 million, and authorized the Executive Director to enter into a grant agreement with the Federal Transit Administration (FTA) for the FTA to reimburse the Port Authority an amount equal to 75 percent of eligible expenditures, up to a maximum of approximately \$84.7 million. The currently proposed contract award is part of the aforementioned project. The Port Authority and the FTA executed the associated grant agreement in August 2016.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Paul J. Scariano, Inc. for the fabrication and installation of at-grade Water Intrusion Protection Systems at the World Trade Center Vehicular Security Center and Tour Bus Parking Facility, at an estimated total cost of \$13,454,560, inclusive of clause work and an eight-percent allowance for extra work; and it is further

**RESOLVED**, that the form of the foregoing agreement shall be subject to the approval of General Counsel or his authorized representative, and the terms of the agreement shall be subject to review by General Counsel or his authorized representative.

**CONFIDENTIAL ITEM**

The Board took action in executive session on a matter that shall remain confidential until such time as its publication is determined not to endanger the public interest.

**CONFIDENTIAL ITEM**

The Board took action in executive session on a security matter that shall remain confidential until such time as its publication is determined not to endanger the public interest.

Whereupon, the meeting was adjourned.

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Secretary