DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER SITE – AGREEMENT WITH SILVERSTEIN PROPERTIES, INC. FOR CONSTRUCTION OF THE MECHANICAL, ELECTRICAL, PLUMBING AND FIRE PROTECTION WORK FOR TENANT VEHICLE PARKING AREAS UNDER TOWERS 3 AND 4 IN THE EAST BATHTUB

It was recommended that the Board authorize the Executive Director to enter into an agreement with Silverstein Properties, Inc. (SPI) to reimburse SPI an amount not to exceed $6.7 million for the construction of the mechanical, electrical, plumbing and fire protection (MEPFP) work for the tenant vehicle parking areas under Towers 3 and 4 within the East Bathtub of the World Trade Center (WTC) site.

The current WTC Site Master Plan includes several site infrastructure projects that are located below grade or at grade in the East Bathtub. These facilities are being designed and constructed by either the Port Authority or SPI, depending on their below-grade location. In accordance with the Master Development Agreement (MDA), the Port Authority is responsible for the construction of all tenant parking spaces within the East Bathtub.

As part of the MDA, the Port Authority agreed to provide SPI with approximately 300 tenant parking spaces located in the East Bathtub, dedicated to Towers 2, 3, and 4. In addition, the Port Authority will have 85 parking spaces in the East Bathtub allocated to One World Trade Center, the Freedom Tower.

The core and shell work for the East Bathtub tenant vehicle parking is being performed by SPI in the areas under Tower 2, Tower 3 and Tower 4, and by the Port Authority in the areas under the WTC Transportation Hub and the New York City Transit No. 1 Subway Line. The next phase is the MEPFP of the parking areas under Towers 3 and 4, which SPI will perform. Due to the necessary coordination that is required to take place in order to ensure that proper clearances and special arrangement of services are adhered to during the core-and-shell construction of these spaces, it was recommended that the MEPFP construction under Towers 3 and 4, which is not covered by previously authorized reimbursement agreements, be procured and installed as an "add alternate" to the bid packages being prepared and issued by SPI for Tower 4. This new scope is necessary in order to ensure that the MEPFP is properly coordinated with the parking layout, and to maintain the procurement and construction schedule for the East Bathtub.

Under existing reimbursement agreements, the Port Authority has broad oversight of SPI's activities, including approving the bid packages prior to issuance, approving the allocation of project costs and overseeing construction for quality assurance. Port Authority staff is present at all bid openings, trade contractors' scope-of-work review sessions and contract negotiations. The Executive Director has authority to approve such contract awards, subject to prior review with the Chairman of the WTC Redevelopment Subcommittee. Under the proposed agreement, the Port Authority would continue to have these oversight controls, and the Executive Director would have authority to approve contract awards, subject to prior review with the Chairman of the WTC Redevelopment Subcommittee.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Hochberg, Holmes, Mack, Pocino and Steiner voting in favor; none against:

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 Silverstein Properties, Inc. (SPI) pursuant to which the Port Authority will reimburse SPI, in an amount not to exceed $6.7 million, for the construction of the mechanical, electrical, plumbing and fire protection work for the tenant vehicle parking areas under Towers 3 and 4 within the East Bathtub of the World Trade Center site; and it further

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