

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

**MINUTES OF SPECIAL BOARD MEETING**

**Friday, June 3, 2022**

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**MINUTES of the Special Board Meeting of The Port Authority of New York and New Jersey held Friday June 3, 2022 via videoconference.**

**PRESENT:**

**NEW JERSEY**

Hon. Kevin J. O’Toole, Chairman  
 Hon. Dana M Martinotti  
 Hon. Kevin P. McCabe  
 Hon. Robert J. Menendez  
 Hon. Michelle E. Richardson

**NEW YORK**

Hon. Jeffrey H. Lynford, Vice Chairman  
 Hon. Steven M. Cohen  
 Hon. Leecia R. Eve  
 Hon. Daniel J. Horwitz  
 Hon. Gary LaBarbera  
 Hon. Rossana Rosado

Richard Cotton, Executive Director  
 Michael E. Farbiarz, General Counsel  
 James E. McCoy, Secretary

James K. Allen Jr., Chief of Staff to the Vice Chairman  
 Benjamin M. Branham, Chief Communications Officer  
 Ana Carvajalino, Director, Financial Planning  
 Rebecca L. Cassidy, General Manager, Board Unit, Office of the Secretary  
 David Compton, Manager, Marketing  
 Janet D. Cox, Chief of Staff and Special Counsel to the Executive Director  
 Michael P. Dombrowski, Audio Visual Specialist, Marketing  
 Charles Everett, Director, Aviation  
 Benjamin Feldman, Senior Advisor to the Chairman  
 Amy H. Fisher, First Deputy General Counsel and Director of Legal Affairs  
 John Gay, Inspector General  
 Robert W. Gibbon, Special Counselor to the Executive Director  
 Amber Greene, Deputy Director, Media Relations  
 James Heitmann, Director of Development, Aviation  
 Kirsten Hernandez, Special Assistant to the Executive Director  
 Sherien N. Khella, Treasurer  
 Scott Ladd, Assistant Director, Media Relations  
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 Huntley A. Lawrence, Chief Operating Officer  
 Elizabeth M. McCarthy, Chief Financial Officer  
 Jessica Ortiz, Deputy Inspector General and Director of Investigations  
 Hersh K. Parekh, Director, Government and Community Affairs, New York  
 Thomas Pietrykoski, Director, Corporate Communications  
 Alan L. Reiss, Director, World Trade Center Construction  
 Jessica Russ, Executive Policy Analyst, Office of the Secretary  
 Peter D. Simon, Chief of Staff to the Chairman  
 Derek H. Utter, Chief Development Officer  
 Lillian D. Valenti, Chief Procurement and Contracting Officer

Guests:

Noreen M. Giblin, Deputy Chief Counsel, Authorities Unit, Office of the Governor  
of New Jersey

Natalie Millstein, Senior Advisor for Transportation, Office of the Governor of  
New York

The public meeting was called to order by Chairman O’Toole at 2:45 p.m. and ended at 3:03 p.m. Commissioner Rosado submitted her affirmative vote to the Secretary on the resolution before the Board, prior to departing the public session. The Board also met in executive session prior to the public session.

### **Chairman’s Report**

The Chairman advised that there were no written or video statements received in connection with the Port Authority’s public speakers’ program for today’s Special Board Meeting.

## **JOHN F. KENNEDY INTERNATIONAL AIRPORT REDEVELOPMENT PROGRAM – APPROVAL OF CHANGE OF CONTROL FOR TERMINAL ONE PROJECT**

The Port Authority’s major airports are critical pillars of the regional economy, and are gateways to the nation and to the world beyond, for over 100 million passengers per year and vast quantities of cargo. The agency’s airports aim to function as an integrated system --- and that system as a whole has long been in need of thorough-going, *systematic* improvement. That is precisely what the Port Authority has been laser focused on over the last five years.

The agency dramatically raised minimum wages for thousands of airport workers with an eye to lowering employee turnover --- so as to improve both airport security and airport service. The agency’s largest-ever investment in New Jersey will soon bear impressive fruit --- with intense focus from senior leadership helping to ensure that extraordinary milestones will be achieved this year at Newark Liberty International Airport, with many more to come. The rebuilding of LaGuardia Airport continues apace, and is nearing completion. And about five months ago, on December 16, 2021, the Board approved a lease (“Lease”) for a new airport passenger terminal (“Terminal One”) at John F. Kennedy International Airport (“JFK”) to be developed, constructed, operated and maintained by a special purpose entity (“NTO”).

The airport projects described above are cutting-edge, and they are unmatched nationally for their ambition and for their enormous scope. These projects can only be successful because of the Port Authority’s strong and close partnership with the men and women of organized labor. Skilled, well-paid union workers have worked on the agency’s infrastructure projects throughout the pandemic. And tens of thousands of these workers have worked, and will *continue* to work, on all aspects of the agency’s \$37 billion capital plan --- at the PATH and at our seaports; at our bridges and tunnels and at the bus terminal; and of course at our major airports, including at JFK.

The JFK Lease would enable construction of a 2.4 million square foot, state-of-the-art terminal at JFK (“New Terminal One”) focused on sustainable and technologically-advanced operations to replace existing JFK Terminals 1 and 2 and an aircraft parking area on the former site of JFK Terminal 3. New Terminal One would transform and greatly improve JFK, and would be financed with an infusion of private capital of approximately \$9 billion. Such large-scale infusions of capital greatly benefit the regional economy --- and allow the Port Authority to carefully husband its own capital, and to put its revenue to use on critical bi-state infrastructure projects that need building.

When the Lease was approved by the Board in December 2021, it was anticipated that it would be led by a consortium of investors --- affiliates of The Carlyle Group (“Carlyle”); JLC Infrastructure; and Union Life Insurance Company. In February, an affiliate of Carlyle, the controlling party under the Lease as it had been approved in December 2021, proposed to transfer most of its interest in the project to Ferrovial Airports Holding US Corp. (“Ferrovial US”, an affiliate of Ferrovial S.A., a major Spain-based public company (“Ferrovial”)). This would give Ferrovial a controlling position over most NTO management decisions.

Ferrovial develops, finances, constructs, and operates infrastructure projects worldwide. It has a current market capitalization of approximately \$19 billion. And it has extensive aviation experience through the large-scale projects it has operated for a number of years, including at Heathrow Airport. Since February, agency senior professional staff has conducted due diligence with respect to Ferrovial, and has analyzed both the operational and financial aspects of Ferrovial coming into the Lease. Against this backdrop, the agency's staff has now recommended that the Board approve the change of control from Carlyle to Ferrovial.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, Menendez, O'Toole, Richardson, and Rosado 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, in the context of the lease previously approved by the Board on December 16, 2021 (“Lease”) for the development, construction and operation of a new passenger terminal (“New Terminal One”) at John F. Kennedy Airport, the change of control described above from an affiliate of the Carlyle Group to an affiliate of Ferrovial S.A. is approved; and it is further

**RESOLVED**, that the Executive Director is authorized, for and on behalf of the Port Authority, to enter into the Lease for New Terminal One previously approved by the Board, as conformed to reflect Ferrovial's controlling interest, and to take any and all other action to effectuate the terms and conditions set forth in the Lease and enter into any other contracts and agreements necessary or appropriate in connection with the foregoing with NTO or any other party; 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 the General Counsel or his authorized representatives, and the terms of such contracts, agreements and other documents shall be subject to the review of the General Counsel or his authorized representatives.

Whereupon, the meeting was adjourned.

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Secretary