

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

**MINUTES**

**Thursday, February 11, 2021**

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**MINUTES of the Annual Meeting of The Port Authority of New York and New Jersey held Thursday, February 11, 2021 via teleconference.**

**PRESENT:**

**NEW JERSEY**

Hon. Kevin J. O'Toole, Chairman  
 Hon. Richard H. Bagger  
 Hon. Kevin P. McCabe  
 Hon. Raymond M. Pocino

**NEW YORK**

Hon. Jeffrey H. Lynford, Vice Chairman  
 Hon. Leecia 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, Chief of Staff to the Vice Chairman  
 Justin E. Bernbach, Director, Government and Community Affairs, New York  
 John Bilich, Chief Security Officer  
 Benjamin M. Branham, Chief Communications Officer  
 Brian Caraveo, Cinematographer, Marketing  
 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  
 Clarelle D. DeGraffe, Director, Rail Transit  
 Michael P. Dombrowski, Audio Visual Specialist, Marketing  
 Diannae C. Ehler, Director, Tunnels, Bridges and Terminals  
 Benjamin Feldman, Senior Advisor to the Chairman  
 Amy H. Fisher, First Deputy General Counsel and Director of Legal Affairs  
 Robert E. Galvin, Chief Technology Officer  
 Robert Gibbon, Special Counselor to the Executive Director  
 Mary Lee Hannell, Chief, Human Capital  
 Natasha G. Jean Philipp-Cumberbatch, Manager, Corporate Transparency,  
 Office of the Secretary  
 Milena Kosc-Garcia, Principal Board Management and Support Specialist,  
 Office of the Secretary  
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 Huntley A. Lawrence, Acting Chief Operating Officer/Director, Aviation  
 Elizabeth M. McCarthy, Chief Financial Officer  
 Tobi Mettle, Chief of Staff for Agency Initiatives, Office of the Executive Director  
 Alec Nadeau, Manager, Executive Initiatives and Policy, Office of the Executive Director

Hersh K. Parekh, Director, Government and Community Relations for Aviation Redevelopment  
in New York

Steven P. Plate, Chief, Major Capital Projects

Alan L. Reiss, Director, World Trade Center Construction and Interim Director of  
World Trade Center Operations

Sam Ruda, Director, Port

Jessica Russ, Executive Policy Analyst, Office of the Secretary

Peter D. Simon, Chief of Staff to the Chairman

James A. Starace, Chief Engineer/Director of Engineering

Debra M. Torres, Chief Ethics and Compliance Officer

Derek H. Utter, Chief Development Officer

Lillian D. Valenti, Chief Procurement and Contracting Officer

Guest:

Edmund Caulfield, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey

Public Commenters:

Liam Blank, Tri-State Transportation Campaign

Todd Fine, Washington Street Historical Society

Charlene Talarico

Samuel Turvey, ReThinkNYC

Neile Weissman, Complete George

Topic:

PABT Redevelopment

5 World Trade Center

Port Authority

PABT Redevelopment

GWB Bike Paths

The public meeting was called to order by Chairman O’Toole at 12:20 p.m. and ended at 1:27 p.m. The Board also met in executive session prior to the public session.

### **Report on Prior Meeting’s Minutes**

Copies of the Minutes of the meeting of December 17, 2020 were delivered in electronic form to the Governors of New York and New Jersey on December 18, 2020. The time for action by the Governors of New York and New Jersey expired at midnight on January 5, 2021.

### **Chairman’s Report**

The Chairman advised that due to the ongoing public health crisis posed by COVID-19, and in light of the recommendation from the Centers for Disease Control and Prevention and the States of New York and New Jersey, today’s meeting is being held via teleconference, with audio of the proceedings simultaneously webcast on the Port Authority’s website.

The Chairman also advised that as part of the Port Authority’s public speakers’ program, three written statements and two video statements were received and provided to the Directors and other relevant staff prior to today’s Board Meeting. The written statements will also be filed with the transcripts of today’s meetings on the Port Authority’s website. The two videos were shown as part of the public Board Meeting.

### **Moment of Silence**

The Chairman requested a moment of silence in observance of the upcoming 28<sup>th</sup> anniversary of the February 26, 1993 terrorist attack on The World Trade Center.

### **Memorial Tribute to Fallen Employees**

The Chairman advised that five agency employees succumbed to the Coronavirus in 2020. Each of these employees: Anthony Panariello, Engineer, PATH; Robert V. Elijah, Power Rail Maintainer, PATH; Sharon James, Senior Administrative Secretary, Engineering; Uday Mehta, Manager of Environmental Field Operations, Engineering; and Wayne Ben Ali, Senior Risk Analyst, Treasury, will be deeply missed.

Following the Chairman’s remarks, a memorial video was shown demonstrating their contributions to the agency. The Chairman then called for a moment of silence in memory of their service.

### **Memorial Tribute to George T. McDonald**

The Chairman noted the recent passing of Commissioner George T. McDonald, on January 26, 2021. The Chairman discussed Commissioner McDonald’s charitable works and recalled the significant positive impact that he had on the Port Authority’s Board and staff alike. The Chairman stated that Commissioner McDonald’s passing was an enormous loss for this agency and the region. Following the Chairman’s remarks, a video was shown that included remembrances by Commissioners and the Executive Director of Commissioner McDonald and his meaningful and impactful life. The Chairman then called for a moment of silence in memory of Commissioner McDonald.

## **ELECTION OF OFFICERS**

Pursuant to the By-Laws of The Port Authority of New York and New Jersey and each of its subsidiaries (collectively, “Port Authority”), this Board meeting, the first of 2021, will be the Port Authority’s annual meeting. Under the By-Laws, officers are elected at the annual meeting, based on nominations from the Nominating Committee, which includes every member of the Board, other than the Chairman and the Vice Chairman.

At its meeting held earlier today, the Nominating Committee unanimously acted to nominate the officers listed in the attached Nominating Committee report.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McCabe, O'Toole, Pocino 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 the individuals listed in the attached Nominating Committee report be and hereby are elected to serve as officers of The Port Authority of New York and New Jersey and its subsidiary corporations.

**NOMINATING COMMITTEE REPORT**

**The Port Authority of New York and New Jersey**

Officer

Chairman

Vice-Chairman

Executive Director

General Counsel

Secretary

Chief Financial Officer

Comptroller

Treasurer

Appointee

Kevin J. O’Toole

Jeffrey H. Lynford

Richard Cotton

Michael E. Farbiarz

James E. McCoy

Elizabeth M. McCarthy

Daniel G. McCarron

Cheryl A. Yetka

**GREENVILLE YARD-PORT AUTHORITY MARINE TERMINAL – WEEKS MARINE, INC. – NEW LEASE GY-004**

It was recommended that the Board authorize the Executive Director to enter into a new lease with Weeks Marine, Inc. (Weeks) for a term of 22 years, commencing retroactively on March 1, 2014, with one mutual five-year extension option, for the letting of an estimated 118,483 square feet of upland open area, an estimated 2,992 linear feet of berth space, and an estimated 112,500 square feet of pier area at the Greenville Yard-Port Authority Marine Terminal (Greenville Yard), for the mooring and repair of barges and marine equipment, the in-barge processing of dredged materials, and other activities in support of Weeks' marine construction projects throughout the Port District and the region.

Weeks has leased Pier 21 at Greenville Yard for over 40 years and has been leasing the premises on a holdover basis since the prior lease expired on February 28, 2014. Pursuant to the new lease, Weeks would accept the property "as is" and would invest an estimated \$20 million to rehabilitate and strengthen the wharf and berth structures, to maintain a state of good repair. If Weeks fails to complete the rehabilitation project by March 1, 2026 (with a six-month cure period), the lease would terminate on February 28, 2031. Weeks would pay an aggregate fixed rental of approximately \$20 million from March 1, 2021 through February 29, 2036, with a rental adjustment based on fair market value on March 1, 2031. The proposed lease terms represent fair market value and are supported by two independent appraisals performed on behalf of the Port Authority.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McCabe, O'Toole, Pocino 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease with Weeks Marine, Inc. for the letting of an estimated 118,483 square feet of upland open area, an estimated 2,992 linear feet of berth space, and an estimated 112,500 square feet of pier area located at the Greenville Yard-Port Authority Marine Terminal, for the mooring of vessels and other marine equipment, in-barge processing of dredged materials, and other activities in support of its marine construction projects, for a term of 22 years, commencing retroactively on March 1, 2014, with one mutual five-year extension option, 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 as may be necessary or appropriate to effectuate the foregoing; and it is further

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

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – REDEVELOPMENT PROGRAM  
– AUTHORIZATION TO REVISE THE ALLOCATION OF PREVIOUSLY  
AUTHORIZED PROGRAM FUNDS (WITHOUT INCREASE) TO EARLY  
ACTION LANDSIDE WORKS AND PROFESSIONAL ADVISORY PROGRAM  
SUPPORT SERVICES**

At its meetings of February 16, 2017, October 25, 2018, December 13, 2018, October 24, 2019 and November 21, 2019, the Board authorized a total of approximately \$1.1 billion for planning, project management, design and early works construction activities in connection with Port Authority-funded components of the John F. Kennedy International Airport (“Airport”) Redevelopment Program (“JFK Redevelopment Program”) and authorized the Port Authority to negotiate with certain private parties for the redevelopment of consolidated terminals in the North and South of the Airport. As a result of the COVID-19 pandemic, certain elements of the JFK Redevelopment Program need to be delayed, modified or curtailed. The Port Authority is conducting ongoing discussions with the private developer groups to address project timing changes, including potential plan modifications and/or phased scheduling, among other options. At this time, there is no guarantee that the terminal redevelopment projects will move forward.

In light of the fact that elements of the JFK Redevelopment Program have been delayed, it was recommended that \$201 million in previously authorized funding be reallocated from airside redevelopment work to other work. The reallocated funds would be used to focus on two elements: (1) advancing landside projects that would support the JFK Redevelopment Program, but importantly, also have independent utility for the Airport; and (2) shifting some funds to support planning and non-construction activities that would be necessary in the event the Port Authority is successful in renegotiating the public private partnership deals.

It was therefore recommended that the Board authorize the reallocation of approximately \$201 million in previously authorized airside work associated with the resequencing of the rehabilitation of Taxiway K4 and construction of multi-use aircraft facilities in the southern area of the Airport (the “Deferred Projects”), in order to accommodate projects that staff have identified as having utility independent from, and being useful irrespective of, the JFK Redevelopment Program (the “Prioritized Projects”). The Prioritized Projects are: (i) a new electrical substation (“Substation Project”); (ii) improvements to Building 111 at the Airport to accommodate a consolidated Airport Operations Center and future potential leasehold areas or to configure Building 111 to consolidate JFK Redevelopment project offices; and (iii) early action landside construction work, including utility relocations and installation of traffic monitoring sensors and other equipment and construction of roadway circulation improvements to provide for the more efficient management of existing and forecast on-airport vehicular traffic. In addition, a portion of the funds would go towards further advancement of terminal planning in support of the renegotiations of the public private partnership development agreements.

In order to effectuate the Priority Projects and to support ongoing efforts to continue private developer negotiations and other planning efforts in light of the COVID-19 pandemic, it also was recommended that the Board authorize the Executive Director to provide additional funds to airport master planner Mott MacDonald Group (\$15 million) and project manager HTNB Corporation (\$25 million), under existing contracts with those parties. The extension of funding for these two contracts is within both the \$201 million being reallocated and the previously authorized \$1.1 billion.

It was also recommended that the Board authorize the Executive Director to make future reallocations of funds, as necessary, to implement other elements of the JFK Redevelopment Program, so long as such reallocations would not result in the total cost of such expenditures exceeding the currently authorized \$1.1 billion.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McCabe, O'Toole, Pocino 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 the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to reallocate approximately \$201 million in previously approved funds in connection with Port Authority-funded components of the John F. Kennedy International Airport Redevelopment Program, and to take other actions consistent 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 take action with respect to the award of contracts, and to take other actions as may be necessary to effectuate the foregoing, in accordance with authority granted in the By-Laws; 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 representation, and the terms of such contracts, agreements and other documents shall be subject to review by the General Counsel or his authorized representative.

## **ACCESS FEE FOR FOR-HIRE VEHICLES AND TAXIS**

During the summer of 2019, as it considered possible adjustments to tolls, fares, and fees, the Port Authority held seven public hearings and collected over 1,300 written public comments. At the conclusion of this information-gathering process, the Board resolved, among other things, to impose certain fees at the agency's three major airports --- fees for each for-hire vehicle ("FHV") pick-up and drop-off, and fees for each taxi pick-up of passengers. Pursuant to prior Board action, these airport access fees are due to take effect on April 5, 2021.

The referenced airport access fee was understood and intended by the Board, consistent with standard practice at airports around the United States, to be an obligation to the Port Authority of FHV customers and taxi customers. Because this understanding was never made explicit in prior Board resolutions, it was recommended that it be spelled out now.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McCabe, O'Toole, Pocino 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, for avoidance of doubt, the airport access fee due to be imposed on April 5, 2021 at the agency's three major airports shall be an obligation of for-hire vehicle customers and taxi customers, which will generally be collected from customers at the end of the trip as part of the trip fare.

## **CONDITIONAL SELECTION OF DEVELOPMENT PROPOSAL FOR WORLD TRADE CENTER SOUTHERN SITE**

It was recommended that the Board authorize the Executive Director to negotiate on an exclusive basis with a special purpose entity consisting of Brookfield Properties and Silverstein Properties (the “Developer”) that would develop, construct, finance, and operate a building located on a site that is now all-but-vacant. The site is located on the 130-140 Liberty Street parcels, adjacent to the World Trade Center complex (the “Southern Site”).

The Southern Site includes the former location of the Deutsche Bank building, which was severely damaged in the September 11, 2001 terrorist attacks and subsequently demolished.

On February 22, 2019, three governmental entities that have an interest in the Southern Site --- the Port Authority, the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), and ESD’s subsidiary, Lower Manhattan Development Corporation (“LMDC”) --- entered into a Memorandum of Understanding (“MOU”). The MOU set forth the terms on which a Request for Proposals (“RFP”) would be issued, seeking developers for the Southern Site. The RFP was jointly issued on June 26, 2019, by the Port Authority and LMDC. It stated that proposals for both residential and commercial projects to be located on the Southern Site would be considered.

The RFP provided that proposals would be evaluated based on: the likelihood of successful completion and operation of the development; superior financial value and financial feasibility; community benefits; developer diversity practices; and developer experience and capabilities. The Port Authority, ESD and LMDC received and analyzed a number of proposals; of those, two were advanced for final consideration. Following further review, the selection committee identified the Developer as the highest-rated proposer. On the basis of the recommendation of the selection committee, Port Authority staff recommended that the Board authorize exclusive negotiations with the Developer. The recommendation has been fully concurred in by ESD and LMDC, as well as Savills Inc., a global real estate advisory firm and broker that has been providing advice and assistance to the Port Authority on this matter.

Following approval by the Board, exclusive negotiations would be held with the Developer. The goal of the negotiations would be (i) to finalize and execute a development agreement (the “Initial Agreement”), and (ii) to agree upon a long-term ground lease (the “Lease”) to be executed by the Developer and placed in escrow until the completion of initial activities and arrangement of financing for the project. The terms of both the Initial Agreement and the Lease would be made substantially in accord with the financial and other terms that have been presented in executive session today to the Board, and in executive session on previous occasions to multiple Board Committees. As presented, the Developer, at its own cost and risk and without financial contribution from the Port Authority, would design, construct, and operate a 1.5-million gross square-foot building on the Southern Site, comprising approximately 1,300 multifamily units, of which 25 percent (approximately 330 units) would permanently be affordable units, as well as office, community, and ground-floor rental space. The Lease would have a 99-year term and would require rental payments --- in a minimum annual amount that has been described with specificity to the Board in executive session --- from the Developer to the Port Authority.

If consummated on the terms outlined in executive session to the Board, the Developer's proposal would provide substantial economic value to the Port Authority and would represent a significant advancement towards completing reconstruction of the World Trade Center campus, including adding over 60,000 square feet of community space, and providing significant jobs (including construction jobs) at a time when they are greatly needed.

Commencement of exclusive negotiation with the Developer would begin after Board approval of this resolution, but execution of the Initial Agreement (to which would be attached a fully negotiated Lease) would remain subject to the Board's approval, as well as any other approvals that may be needed, such as a modification of the General Project Plan ("GPP") for the World Trade Center campus, adopted in 2004 and amended in 2007.

In addition, upon commencement of exclusive negotiation with the Developer, the parties would promptly seek to enter into a term sheet setting out the basis of negotiation of the Initial Agreement and the Lease, and the Developer would make a good-faith deposit into escrow, a portion of which would be at risk if the Developer does not act to execute the Initial Agreement and the Lease as anticipated. In addition, the Developer would be required to provide funds to cover certain costs of the parties (including the Port Authority) through completion of the GPP modification process.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McCabe, O'Toole, Pocino 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 the Board accepts the selection committee's recommendation for the Port Authority to enter into exclusive negotiations with a special purpose entity consisting of Brookfield Properties and Silverstein Properties (the "Developer"), for the development, financing, construction, operation and management of a multifamily-unit residential building on the site formerly occupied by 130 Liberty Street and 140 Liberty Street, adjacent to the World Trade Center complex, on terms to be reflected in an initial development agreement and a long-term lease, that have been summarized above and that have been detailed with greater specificity to the Board in executive session; 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 any and all action necessary or desirable to effectuate the foregoing, and that the initial development agreement incorporating the terms of the long-term lease, as alluded to in the preceding paragraph, shall have force and effect only if and when it is approved by the Board, following the completion of negotiations; and it is further

**RESOLVED**, that the form of all contracts, agreements and 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.

Whereupon, the meeting was adjourned.

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Secretary