

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

**MINUTES**

**Thursday, March 21, 2019**

Report on Prior Meeting's Minutes	19
John F. Kennedy International Airport – Replacement of the Bergen and Van Wyck Electrical Substations and Replacement of Switchgears in the Central Substation – Project Authorizations - Replacement of Farmers Substation – Phase II Planning Authorization	20
Newark Liberty International Airport Terminal One Redevelopment Program – Modification of Board Authorization for New Lease Agreement with EWR ConRAC, LLC for a Consolidated Rental Car Facility, to Extend Closing Date	22
Underwriting Services for the Issuance of Debt Obligations	24
Publication of Annual Financial Statements	26

**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday,  
March 21, 2019 at 2 Montgomery Street, City of Jersey City, County of Hudson, State of New Jersey**

**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 R. Eve  
Hon. Daniel J. Horwitz  
Hon. Gary LaBarbera  
Hon. George T. McDonald  
Hon. Rossana Rosado

Richard Cotton, Executive Director  
Michael E. Farbiarz, General Counsel  
Linda C. Handel, Secretary

Cheryl Ann L. Albiez, Senior Public Information Officer, Media Relations  
Arnaz Ali, Manager, Corporate Transparency, Office of the Secretary  
James K. Allen Jr., Chief of Staff to the Vice Chairman  
Adam L. Barsky, Chief of Staff to the Executive Director and Special Counselor  
John Bilich, Chief Security Officer  
Benjamin M. Branham, Chief Communications Officer  
Michael Brown, Police Chief  
Ana Carvajalino, Director, Office of Financial Planning  
Rebecca L. Cassidy, General Manager, Board Unit, Office of the Secretary  
Edward T. Cetnar, Director, Public Safety/Superintendent of Police  
Steven J. Coleman, Deputy Director, Media Relations  
Steven Collegio, Police Officer  
Jennifer S. Davis, Chief Intergovernmental Affairs Officer  
Clarelle D. DeGraffe, Deputy Director, Rail Transit  
John C. Denise, Audio Visual Supervisor, Marketing  
Michael P. Dombrowski, Audio Visual Specialist, Marketing  
Diannae C. Ehler, Director, Tunnels, Bridges and Terminals  
Jose Febrillet, Director, Project Management Office  
Benjamin Feldman, Senior External Relations Executive, Intergovernmental Affairs  
Amy H. Fisher, First Deputy General Counsel  
Chris Figaro, Police Inspector  
Kevin Frick, Attorney, Law  
Robert E. Galvin, Chief Technology Officer  
Anthony Giordano, Police Sergeant  
Mary Lee Hannell, Chief, Human Capital  
Natasha G. Jean Philipp-Cumberbatch, Senior Executive Correspondence and Support  
Coordinator, Office of the Secretary  
Morgan Keane, Deputy Chief of Staff to the Executive Director  
Sherien Khella, Deputy Director, Office of Financial Planning  
Milena Kosc, Principal Board Management and Support Specialist, Office of the Secretary

Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 Huntley A. Lawrence, Director, Aviation  
 Stephen Marinko, Assistant General Counsel  
 Ronald Marsico, Director, Media Relations  
 Michael G. Massiah, Chief Diversity and Inclusion Officer  
 Evangelos Mageros, Police Officer  
 Hugh G. McCann, Director, World Trade Center Operations  
 Daniel G. McCarron, Comptroller  
 Elizabeth M. McCarthy, Chief Financial Officer  
 James E. McCoy, Deputy Secretary, Office of the Secretary  
 Mark Muriello, Deputy Director Transportation and Revenue Programs, Tunnels, Bridges and Terminals  
 Mary K. Murphy, Director, Planning and Regional Development  
 Alec Nadeau, Special Assistant to the Executive Director  
 Maria Oliveri, Associate Board Management and Support Specialist, Office of the Secretary  
 Michael Racciopi, Police Officer  
 Lenis Rodriguez, Staff Public Information Officer, Media Relations  
 Sam Ruda, Interim Director, Port  
 Peter D. Simon, Chief of Staff to the Chairman  
 Mark B. Spector, Director, Real Estate  
 James A. Starace, Chief Engineer/Director of Engineering  
 Ocean Stokes, Senior Business Manager, Engineering  
 Debra M. Torres, Chief Ethics and Compliance Officer  
 Derek H. Utter, Chief Development Officer  
 Lillian D. Valenti, Chief Procurement and Contracting Officer  
 Cheryl A. Yetka, Treasurer

Guests:

Edmund Caulfield, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey  
 Michael Wojnar, Assistant Secretary for Transportation, Office of the Governor of New York

Speakers:

Murray Bodin, Member of the Public  
 Michael Brady, Chief Electrical Supervisor, PATH  
 James Cashman, Assistant Supervisor, PATH  
 James Garison, Assistant Trainmaster, PATH  
 Sharron Halpert, Halpert Life Safety Consulting  
 Nate Johnson, Signal Supervisor, PATH  
 Henry Pacheco, UniteHere  
 Paul Radziewicz, Assistant Supervisor, PATH  
 John Rebernick, UniteHere  
 Greg Reich, Assistant Trainmaster, PATH  
 Maximina Santana, UniteHere  
 Neile Weissman, Complete George  
 William Wisowaty, Chief Maintenance Supervisor, PATH  
 Charlene Talarico

Topic:

Transportation Issues  
 Navigant Report  
 Navigant Report  
 Navigant Report  
 SAFETY Act Matters  
 Navigant Report  
 Airport Workers Healthcare Issues  
 Navigant Report  
 Airport Workers Healthcare Issues  
 Navigant Report  
 Airport Workers Healthcare Issues  
 Widening Paths on GWB  
 Navigant Report  
 Human Resources Policies and Procedures

The public meeting was called to order by Chairman O’Toole at 12:29 p.m. and ended at 1:32 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 February 14, 2019 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on February 15, 2019. The time for action by the Governors of New York and New Jersey had expired at midnight on March 4, 2019.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – REPLACEMENT OF THE BERGEN AND VAN WYCK ELECTRICAL SUBSTATIONS AND REPLACEMENT OF SWITCHGEARS IN THE CENTRAL SUBSTATION -- PROJECT AUTHORIZATIONS – REPLACEMENT OF FARMERS SUBSTATION – PHASE II PLANNING AUTHORIZATION**

It was recommended that the Board authorize: (1) a project to replace the existing Bergen and Van Wyck 5-kilovolt (5KV) electrical substations at John F. Kennedy International Airport (JFK) with a new, single Bergen 5KV Substation, at a total estimated project cost of \$122.8 million; (2) a project to replace switchgears E and F in the Central 5KV Substation at JFK, at a total estimated project cost of \$54.7 million; and (3) planning work for the replacement of the Farmers 5KV Substation at JFK, at an estimated amount of \$5 million (collectively, the substations to be referred to as the Electrical Substations).

The Electrical Substations are critical components of the electrical power distribution system at JFK, supplying power to all JFK air terminals, and airside and landside facilities and supporting infrastructure. The Electrical Substations are between 40 and 60 years old, and are nearing the end of their service life. Each of the Electrical Substations requires replacement, in whole or in part, to maintain a state of good repair and support current and future electrical demand at JFK.

The project for the new Bergen Substation would include the design and construction of a new, single substation that would replace the existing Bergen and Van Wyck Substations. The scope of work for the project would include building new switchgears, feeders, associated electrical equipment and a new concrete building to house equipment and associated building systems (*e.g.*, heating, ventilation and air conditioning, and fire alarm systems), and it is currently anticipated that the project would be performed pursuant to a design-build contract. Following completion of construction of the new Bergen Substation, the existing Bergen and Van Wyck Substations would be decommissioned and demolished.

The project for the replacement of Central Substation switchgears E and F would include design and construction for an in-kind replacement of these two switchgears. Project work also would include the removal and demolition of existing switchgears, and construction of a new 5KV duct bank system for the new switchgears. It is currently anticipated that the work would be performed pursuant to a design-bid-build delivery method.

The Phase II planning work for the replacement of the Farmers Substation would include additional design work required to finalize the scope of the replacement project, in anticipation of a future project authorization.

Construction work on the Bergen Substation and Central Substation switchgear projects would require coordination with key airport stakeholders, to minimize impacts on airport operations.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McCabe, McDonald, 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 a project to replace the Bergen and Van Wyck 5-kilovolt (5KV) electrical substations at John F. Kennedy International Airport (JFK) with a new, single Bergen 5KV Substation, at a total estimated project cost of \$122.8 million, be and it hereby is authorized; and it is further

**RESOLVED**, that a project to replace switchgears E and F of the Central 5KV electrical substation at JFK, at a total estimated project cost of \$54.7 million, be and it hereby is authorized; and it is further

**RESOLVED**, that planning work for the replacement of the Farmers 5KV electrical substation, at JFK, at an estimated total amount of \$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 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 projects and planning work, 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 contracts, agreements and other documents in connection with the foregoing projects and planning work 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.

**NEWARK LIBERTY INTERNATIONAL AIRPORT - TERMINAL ONE REDEVELOPMENT PROGRAM - MODIFICATION OF BOARD AUTHORIZATION FOR NEW LEASE AGREEMENT WITH EWR CONRAC LLC FOR A CONSOLIDATED RENTAL CAR FACILITY, TO EXTEND CLOSING DATE**

It was recommended that the Board extend the deadline, from March 31, 2019 to September 30, 2019, for closing a transaction with EWR Conrac, LLC (“Conrac Entity”) for construction of an integrated facility composed of a consolidated rental car facility (“CONRAC”) and a co-located public parking facility to be owned and operated by the Port Authority (the “Public Parking Facility”) at Newark Liberty International Airport (“EWR”). The extension is necessary to obtain certain third-party permits and approvals, including a “finding of no significant impact” (“FONSI”) from the Federal Aviation Administration and confirmation of certain terms and conditions from the car rental companies operating at EWR (“RACs”).

The transaction would be evidenced by a lease between the Port Authority and the Conrac Entity (the “Lease”), which provide for the design, construction, financing, operation and maintenance of a three-story CONRAC, to be constructed concurrently by the Conrac Entity with a 3,000-space, three-story Public Parking Facility above the CONRAC, to be owned and operated by the Port Authority.

On December 17, 2017, the Board had authorized the provision of \$8 million to fund 50 percent of the cost of a study to determine the feasibility of the integrated CONRAC/Public Parking Facility, which study determined that the integrated facility was viable and financeable, with a construction cost for the Public Parking Facility not to exceed \$110 million. On July 26, 2018, the Board authorized the expenditure of up to \$170 million for the EWR Terminal One Program, in order to construct a standalone parking facility, and authorized the Executive Director, in the alternative, to negotiate with Conrac Solutions Capital, LLC (“Conrac Developer”) to build the Public Parking Facility above a full-service CONRAC, for a construction cost not to exceed \$110 million (with \$60 million approved under that option, for project soft costs and contingencies). On November 15, 2018, the joint project composed of the CONRAC and the Public Parking Facility was authorized by the Board as the preferred alternative. On December 13, 2018, the Board extended the date of commercial closing (the date the Lease was to be signed) to March 31, 2019, to match the deadline for closing on the financing for the integrated facility.

Port Authority staff believe they are close to concluding the transaction with the Conrac Entity on the terms and conditions previously described to the Board. There has been a short delay in issuance of the FONSI, without which the transaction cannot close. For these reasons, staff requested the additional period for finalizing the transaction. The delay would also require the Port Authority, prior to transaction closing, to expend up to \$4 million of the approved contingency funding to permit early design work to commence, so that the Public Parking Facility would remain on schedule, with any such payment offsetting the cost of the Public Parking Facility, as set forth in the Lease. The Conrac Developer would simultaneously expend additional pre-closing funds of up to \$6 million for the early work, representing the relative cost of the CONRAC compared to the Public Parking Facility. In the event the transaction is not able to close on or before September 30, 2019, Conrac Entity would deliver all design work completed or in progress on that date to the Port Authority, without cost.

As contemplated, the RACs would continue to collect “Customer Facility Charges” (“CFCs”), as has been the case since November 2018, for eventual use in designing and constructing the CONRAC, and for certain expense reimbursements to the Conrac Developer (or for Conrac Developer expenses and tenant improvements to benefit rental car customers, in the event the transaction is not able to close on or before September 30, 2019). If acceptable to the RACs, certain CFCs may be utilized in advance of closing to reimburse Conrac Developer or an affiliate for the remaining unreimbursed 50 percent of the cost of the feasibility study described above and/or to continue pre-construction activities related to the CONRAC, through the earlier of transaction closing or September 30, 2019.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McCabe, McDonald, 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’s actions, at its meetings of November 15, 2018, entitled “*Newark Liberty International Airport – Terminal One Redevelopment Program – New Lease Agreement with EWR CONRAC LLC for a Consolidated Rental Car Facility, Related Fire Code Variance and Authorization to Collect Certain Additional Fees,*” and December 13, 2018, entitled “*Newark Liberty International Airport – Terminal One Redevelopment Program – Modification of Board Authorization for New Lease Agreement with EWR CONRAC LLC for a Consolidated Rental Car Facility to Extend Date for Commercial Closing*” be and each hereby is amended, to provide that the date to close the transaction (including execution of the lease with EWR Conrac LLC (the “Lease”) and obtaining financing for the transaction) shall occur no later than September 30, 2019, to order to permit certain third-party agreements and approvals to be obtained; 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 or agreements necessary or appropriate to effectuate the foregoing; and it is further

**RESOLVED**, that the form of all contracts, agreement 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.

## **UNDERWRITING SERVICES FOR THE ISSUANCE OF DEBT OBLIGATIONS**

It was recommended that the Board authorize the Chief Financial Officer and the Treasurer, each individually, to select: (1) as senior managers: Bank of America Merrill Lynch, Citibank Global Markets Inc., Goldman Sachs, Co. LLC., Samuel A. Ramirez & Co., Inc., Siebert Cisneros Shank & Co. LLC and UBS Financial Services Inc., (2) as co-managers: Academy Securities, Inc., Blaylock Van, LLC, J.P. Morgan Securities, LLC, Jefferies, LLC, Loop Capital Markets LLC, Oppenheimer & Co. Inc. and Rice Financial Products Company, and (3) as selling group members: Drexel Hamilton, LLC, FTN Financial Capital Markets, Mischler Financial Group, Inc., NW Capital Markets Inc., Rockfleet Financial Services Inc., Stern Brothers & Co, Stifel, Nicolaus & Company, Inc. & Backstrom McCarley Berry Co. and The Williams Capital Group, to provide underwriting services for the issuance of debt obligations supporting both the Port Authority ongoing capital markets program and the refunding of outstanding debt obligations, for a three-year period, commencing on or about April 5, 2019, with two one-year renewal options.

On June 30, 2016, the Board authorized the establishment of an underwriting syndicate composed of senior managers, co-managers and selling group members to provide underwriting services for the issuance of Port Authority debt obligations on a negotiated basis, replacing the senior managing and co-managing underwriter pools awarded in 2012 and 2014, while introducing a pool of selling group members. On November 7, 2018, a publicly advertised selection process was issued to establish a new pool of firms, to replace the pool established in 2016. Firms were selected to serve as qualified underwriters designated as senior managers, co-managers or selling group members. The Port Authority would reserve the right, at its discretion, to elevate firms from their assigned category or to award transactions outside of the qualified pool of firms, should a firm propose a unique cost-saving or meritorious idea.

At the time of each negotiated debt issuance, the Port Authority would select a firm or firms from the pool of senior managers to serve as book-running senior manager(s) and co-senior manager(s), as appropriate. The selection of senior managers, co-managers and selling group members, if any, from the pool for a specific negotiated debt issuance would depend, in part, on the overall size of the deal and consideration of the Port Authority's minority and women-owned business enterprise goals.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McCabe, McDonald, 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 Chief Financial Officer and the Treasurer be and each hereby is authorized, individually, for and on behalf of the Port Authority, to select: (1) as senior managers: Bank of America Merrill Lynch, Citibank Global Markets Inc., Goldman Sachs, Co. LLC., Samuel A. Ramirez & Co., Inc., Siebert Cisneros Shank & Co. LLC and UBS Financial Services Inc., (2) as co-managers: Academy Securities, Inc., Blaylock Van, LLC, J.P. Morgan Securities, LLC, Jefferies, LLC, Loop Capital Markets LLC, Oppenheimer & Co. Inc. and Rice Financial Products Company, and (3) as selling group members: Drexel Hamilton, LLC, FTN Financial Capital Markets, Mischler Financial Group, Inc., NW Capital Markets Inc., Rockfleet Financial Services Inc., Stern Brothers & Co, Stifel, Nicolaus & Company, Inc. & Backstrom McCarley

Berry Co. and The Williams Capital Group, to provide underwriting services for the issuance of debt obligations supporting both the Port Authority ongoing capital markets program and the refunding of outstanding debt obligations, for a three-year period, commencing on or about April 5, 2019, with two one-year renewal options; 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.

## **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, 2018 (2018 Financial Statements), and recommended to the Board that such Consolidated Financial Statements be included in the Port Authority's 2018 Comprehensive Annual Financial Report (CAFR) and other publications, as appropriate. It was therefore recommended that the Board authorize the publication of the 2018 CAFR, which shall include the audited 2018 Financial Statements.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McCabe, McDonald, 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 publication of the Port Authority's 2018 Comprehensive Annual Financial Report, which shall include the Port Authority's Consolidated Financial Statements and Appended Note Disclosures for the year ended December 31, 2018, be and the same hereby is authorized.

Whereupon, the meeting was adjourned.

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Secretary