

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, March 26, 2020

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, March 26, 2020 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. George T. McDonald
 Hon. Rossana Rosado

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

Benjamin M. Branham, Chief Communications Officer
 Ana Carvajalino, Director, Financial Planning
 Rebecca L. Cassidy, General Manager, Board Unit, Office of the Secretary
 Clarelle D. DeGraffe, Director, Rail Transit
 Michael P. Dombrowski, Audio Visual Specialist, Marketing
 Erik George, Executive Advisor, Chief Financial Officer
 Mary Lee Hannell, Chief, Human Capital
 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
 Peter D. Simon, Chief of Staff to the Chairman
 James A. Starace, Chief Engineer/Director of Engineering
 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
 Lauren Hernandez, Assistant Secretary for Transportation, Office of the Governor of New York
 Brian Wilton, Deputy Chief Counsel - Director of Authorities, Office of the Governor of New Jersey

Public Commenters:

Stephen Brophy, PATH
Maria Campos, Unite Here, Local 100
Bill Granfield, President, Unite Here, Local 100 and
Alvin Ramnarain, President, Local 1102 RWDSU-UFCW
Phil Jensen, Worldwide Flight Services
Edith Muzquiz, Unite Here, Local 100
Charlene Talarico
Neile Weissman, Complete George

Topic:

PATH Contract Negotiations
Airport Worker Layoffs
Airport Worker Layoffs
WWF's Cargo Services
Airport Worker Layoffs
Port Authority Leadership
Sustainable Infrastructure

The public meeting was called to order by Chairman O’Toole at 12:14 p.m. and ended at 12:41 p.m. The Board also met in executive session prior to the public session.

Report on Prior Meetings’ Minutes

Copies of the Minutes of the meeting of February 13, 2020 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on February 14, 2020. The time for action by the Governors of New York and New Jersey expired at midnight on March 2, 2020.

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 to avoid gatherings of more than 10 people, 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 in lieu of the Port Authority’s public speakers’ program, numerous written statements were received and provided to the Commissioners 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 Chairman noted that none of the written comments received related to action items before the Board for approval.

PORT NEWARK – METAL MANAGEMENT NORTHEAST, INC. – LEASE LPN-195, SUPPLEMENT NO. 6; NEW LEASE LPN-329; AND NEW LEASE LPN-328

It was recommended that the Board authorize the Executive Director to enter into the following agreements with Metal Management Northeast, Inc. (Metal Management) for the letting of space at Port Newark: (1) Supplement No. 6 to Lease LPN-195, for the letting of approximately 19 acres of open area upland of Berths 30/32, approximately 900 linear feet of berthing area and approximately 90,000 square feet of associated open area at Berths 30/32, and approximately 4,100 square feet of office space in Building 182, in support of its salt management operation, for an additional term of five years, commencing on March 1, 2020; (2) new Lease LPN-329, for the letting of approximately five acres of open area upland of Berths 26/28, in support of its scrap metal export operations, for a term of approximately 11 years and seven months, commencing retroactively on August 1, 2013; and (3) new Lease LPN-328, for the letting of approximately 1.65 acres of open area upland of Berths 32/34, in support of its salt import operations, for a term of approximately 11 years and seven months, commencing retroactively on August 1, 2013. Under the proposed agreements, all three leases would expire on February 28, 2025.

Metal Management (formerly known as Naporano Iron & Metal Co.), has been a tenant at Port Newark since 1983, providing bulk stevedoring services for the handling of salt and scrap metal. Metal Management has occupied the premises of Leases LPN-329 and LPN-328 since July 31, 2013 on a holdover basis. The term of Lease LPN-195 expired on February 29, 2020. Metal Management would pay an aggregate fixed rental at fair market value over the terms of the respective leases as follows: (1) Supplement No. 6 to Lease LPN-195 – approximately \$11.9 million; (2) Lease LPN-329 – approximately \$5.4 million; and (3) Lease LPN-328 – approximately \$2.5 million. Under Lease LPN-329, Metal Management would agree to provide for the remediation of the current site to address environmental concerns, at its sole cost.

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 Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into the following agreements with Metal Management Northeast, Inc. for the letting of space at Port Newark: (1) Supplement No. 6 to Lease LPN-195, for the letting of approximately 19 acres of open area upland of Berths 30/32, approximately 900 linear feet of berthing area and approximately 90,000 square feet of associated open area at Berths 30/32, and approximately 4,100 square feet of office space in Building 182, in support of its salt management operation, for an additional term of five years; (2) new Lease LPN-329, for the letting of approximately five acres of open area upland of Berths 26/28, in support of its scrap metal export operations, for a term of approximately 11 years and seven months; and (3) new Lease LPN-328, for the letting of approximately 1.65 acres of open area upland of Berths 32/34, in support of its salt import operations, for a term of approximately 11 years and seven months; each 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 leases, and all other 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 leases, contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**ELIZABETH-PORT AUTHORITY MARINE TERMINAL – EXPRESSRAIL
ELIZABETH SOUTHBOUND CONNECTOR – PLANNING AUTHORIZATION**

It was recommended that the Board authorize preliminary design and planning work to develop a project to construct a southbound connection from the existing ExpressRail Elizabeth lead track at the Elizabeth-Port Authority Marine Terminal (EPAMT) to the Consolidated Rail Corporation's (Conrail) Garden State Secondary Line (Garden State Line), the primary north-south rail line that runs parallel to the New Jersey Turnpike adjacent to Port Newark and the EPAMT, at an estimated total cost of \$850,000. The planning effort would include field surveys, an assessment of existing utilities, and identification of required construction easements and property acquisitions. The work would lead to the development of a cost estimate and construction timeline, as well as a preferred alignment for the proposed project.

The Board authorized the construction of the existing ExpressRail Elizabeth facility in 2002. The facility was activated in 2004, with ten tracks and one northbound lead track. Eight additional tracks and a second northbound lead track were constructed in 2010.

In 2018, as the ExpressRail facility at the Port Jersey-Port Authority Marine Terminal was nearing completion, staff began to look at options to improve the operation of the ExpressRail intermodal rail network through all port facilities. As a result, a study was undertaken in 2019, which recommended a project to provide a southbound connection from ExpressRail Elizabeth to the Garden State Line, which would provide a second point of access and egress for rail freight operations at the ExpressRail Elizabeth facility.

Under the current rail freight operations, trains can only arrive or depart to or from the northbound lead track. The future implementation of this project would allow for more efficient and fluid movement of trains in and out of the ExpressRail Elizabeth facility, further increasing the competitiveness of the Port of New York and New Jersey.

It is anticipated that the Port Authority will enter into a funding agreement with Millennium Marine Rail (Millennium), a joint venture of Maher Terminals and APM Terminals, to cover a portion of the cost of the planning work. Additionally, the future implementation of the proposed project is subject to Millennium providing funds for a portion of the total project cost, as well as the receipt of federal and/or state grant funds to offset a portion of the future project costs.

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 preliminary design and planning work to develop a project to construct a southbound connection from the existing ExpressRail Elizabeth lead track at the Elizabeth-Port Authority Marine Terminal to the Consolidated Rail Corporation's Garden State Secondary Line, at an estimated total cost of \$850,000, 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 enter into an agreement with Millennium Marine Rail (Millennium), a joint venture of Maher Terminals and APM Terminals, pursuant to which Millennium would provide the Port Authority with funds covering a portion of the cost of the foregoing preliminary design and planning work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of Port Authority, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing preliminary design and planning work; and it is further

RESOLVED, that the form of all contracts, agreements, and other documents in connection with the foregoing preliminary design 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.

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, 2019 (2019 Financial Statements), and recommended to the Board that such Consolidated Financial Statements be included in the Port Authority's 2019 Comprehensive Annual Financial Report (CAFR) and other publications, as appropriate. It was therefore recommended that the Board authorize the publication of the Port Authority's 2019 CAFR, which shall include the audited 2019 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 2019 Comprehensive Annual Financial Report, which shall include the Port Authority's Consolidated Financial Statements and Appended Note Disclosures for the year ended December 31, 2019, be and the same hereby is authorized.

Whereupon, the meeting was adjourned.

Secretary