

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, September 26, 2019

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, September 26, 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 Albiez, Senior Public Information Officer, Media Relations
 James K. Allen Jr., Chief of Staff to the Vice Chairman
 Carol Bennett, Assistant Director of Capital Planning, Office of Business Diversity and Civil Rights
 Justin E. Bernbach, Director, Government and Community Affairs, New York
 Benjamin M. Branham, Chief Communications Officer
 Alessandra Brown, Leadership Fellow
 Michael Brown, Police Chief
 Meredith L. Brooks, Assoc. Board Management & Support Specialist, Office of Secretary
 Ana Carvajalino, Director, Office of Financial Planning
 Christopher Canary, Leadership Fellow
 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
 Nicole Crifo, Deputy Chief Ethics and Compliance Officer
 Silvia M. Cuevas, Leadership Fellow
 Jennifer S. Davis, Chief Intergovernmental Affairs Officer
 Clarelle D. DeGraffe, Director, Rail Transit
 Michael P. Dombrowski, Audio Visual Specialist, Marketing
 Diannae C. Ehler, Director, Tunnels, Bridges and Terminals
 Benjamin Feldman, Senior Program Manager, Intergovernmental Affairs
 Amy H. Fisher, First Deputy General Counsel
 Kevin Frick, Attorney, Law
 Robert E. Galvin, Chief Technology Officer
 Erik George, Executive Advisor, Chief Financial Office
 Glenn Guzi, Senior Program Manager, World Trade Center Construction
 Mercedes Guzman, Administrative Assistant to Executive Director
 MaryLee Hannell, Chief, Human Capital
 Benjamin Jervis, Executive Policy Analyst, Aviation
 Milena Kosc-Garcia, Principal Board Management and Support Specialist, Office of the Secretary
 Lindsay M. Kryzak, Director, Media Relations

Scott Ladd, Assistant Director, Media Relations
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Michael Lavery, Senior External Relationship Client Manager, Government and Community Affairs
 Huntley A. Lawrence, Director, Aviation
 Stephen Marinko, Assistant General Counsel, Law
 Michael G. Massiah, Chief Diversity and Inclusion Officer
 Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Deputy Secretary, Office of the Secretary
 Alec Nadeau, Manager, Executive Initiatives and Policy
 Steven Plate, Chief, Major Capital Projects
 Sam Ruda, Director, Port
 Mark B. Spector, Director, Real Estate
 James A. Starace, Chief Engineer/Director of Engineering
 K. Ocean Stokes, Senior Business Manager, Engineering
 Deborah Torres, Chief Ethics and Compliance Officer
 Derek H. Utter, Chief Development Officer
 Lillian D. Valenti, Chief Procurement and Contracting Officer
 Kathryn Winfree, External Relations Executive, Intergovernmental Affairs

Guests:

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

Speakers:

Christine Berthet, CHEKPEDS
 Melodie Bryant, Manhattan Resident
 Manual Camacho
 Betty Crockett, Newark's South Ward Resident
 Tom Devito, Transportation Alternatives
 Peter Franco, Candidate 1st Ward City Council Bayonne
 Yvonne Garrett Moore, Moore Vision Public Relations & Planning
 Thomas Grech, Queens Chamber of Commerce
 Noam Kogen, Transportation Alternatives & Kogen's Financial Services LLC
 Paula Mahayosnand, Jersey City Parks Coalition
 Vincent Marchetto, JSQ Resident
 Henry Pacheco, UniteHere Local 100
 Joshua Pierre
 Harley Pollack, Jersey City Bicyclist
 Francesca Royal, Brooklyn Resident
 Victor Salazar, New York Taxi Workers Alliance
 Samuel Santaella, Queens Resident
 Laura Shepard, Bike New York
 Saibou Sidibe, NYC Taxi Driver
 Brian Sullivan, Jersey City Bicyclist
 Charlene Talarico
 Javaid Tariq, NYC Taxi Driver

Topic:

Long distance buses
 Oonee Pod
 Bike Parking JSQ
 Community Responsibility
 Secure bike parking
 Impact of toll increase
 PATH Extension to EWR
 AirTrain LaGuardia Station
 Bike Parking in NYC
 Oonee Pods
 Oonee Pods
 Airport workers issues
 Oonee Pod
 Oonee Pod
 Secure bike parking
 Taxi and For Hire Vehicles
 Secure bike parking
 Secure bike parking
 Taxi and For Hire Vehicles
 Oonee Pod
 Port Authority
 Taxi and Fore Hire Vehicles

Hon. Loretta Weinberg, Majority Leader, New Jersey State
Senate
Neile Weissman, Complete George

Bus Tolls

Climate Change

The public meeting was called to order by Chairman O’Toole at 12:19 p.m. and ended at 2:18 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 July 25, 2019 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on July 26, 2019. The time for action by the Governors of New York and New Jersey expired at midnight on August 9, 2019.

Moment of Silence

In observance of the 18th anniversary of the September 11, 2001 terrorist attacks on The World Trade Center, the Chairman requested a moment of silence in memory of the 84 Port Authority employees lost on that day, and the first responders and recovery workers who were lost due to illnesses relating to their work at the World Trade Center site, as well as for those who perished as a result of the bombing of The World Trade Center on February 26, 1993.

**THE WORLD TRADE CENTER SPECIAL MEDAL AWARDS PROGRAM –
REINSTATEMENT OF ANNUAL VACATION DAY FOR RECIPIENTS OF THE
SEPTEMBER 11TH COMMENDATION AWARD**

At its meeting of April 23, 2002, the Board established a series of medals and awards honoring those individuals and teams who exhibited extraordinary valor, heroism, or physical courage, or an extraordinary level of service, effort or accomplishment, during or in the aftermath of the September 11, 2001 terrorist attacks. Among the awards established was the September 11th Commendation Award, to be presented to an individual or a group of individuals who, on September 11, 2001, performed a specific act involving either personal risk (beyond the normal requirement of the job) or exceptionally good judgment (clearly outstanding to the degree that highly undesirable consequences would otherwise have resulted unless the corrective action was taken). Recipients of this medal, which included both represented and non-represented staff, also were awarded one extra vacation day annually (i.e., a “Medal Day”) for the duration of their employment with the Port Authority or Port Authority Trans-Hudson Corporation (PATH).

As a result of an action taken by the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, at its Special Meeting of March 29, 2012, certain changes were implemented to Port Authority and PATH compensation and benefits programs. Included in those changes was the limitation of the Medal Day, for non-represented employees only, to a one-time allowance, with no reoccurrence thereafter. Represented employees who received the September 11th Commendation Award, or the September 11th Police Commendation Award, have continued to receive the Medal Day. As a result, today, represented and non-represented individuals who took extraordinary acts of bravery on September 11, 2001 are treated differently for comparable acts of heroism.

In order to provide equal treatment for both represented and non-represented employees who took valorous action on September 11, 2001, it was recommended that the Executive Director be authorized and directed to reinstate the annual Medal Day for 19 active non-represented Port Authority and non-represented PATH employees who received the September 11th Commendation Award in recognition of exceptional acts of bravery and judgment performed by those employees on September 11, 2001.

The restoration of this Medal Day for the 19 active non-represented Port Authority and non-represented PATH employees who received the September 11th Commendation Award would be effective beginning in 2019.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 and directed to provide equal treatment for the recognition of extraordinary acts on September 11, 2001 between represented and non-represented employees who received the September 11th Commendation Award, and to reinstate the granting of one additional vacation day annually to the 19 active non-represented employees of the Port Authority and Port Authority Trans-Hudson Corporation who received the September

11th Commendation Award in recognition of exceptional acts of bravery and judgment performed by those employees on September 11, 2001, the day of the terrorist attacks on The World Trade Center. Such action would provide for equality and consistency between represented and non-represented employees who were recognized for similar acts of heroism.

CHANGES IN TOLLS SCHEDULE FOR VEHICULAR INTERSTATE CROSSINGS AND OTHER FEES

The Port Authority was established in 1921, by a Compact between the States of New York and New Jersey, approved by the United States Congress. The Compact charged the agency with “the development of the [region’s] . . . special blessings and natural advantages.” And that is precisely what the Port Authority has done. The agency has developed seaports to take advantage of our deep natural harbors, and bridges and tunnels and train lines to cross them. And the agency has developed airports and a World Trade Center, to connect the nation’s greatest metropolitan area with every corner of the United States --- and with the broader world beyond our shores. Nearly a century from the Port Authority’s founding, our facilities are fundamental pillars of regional prosperity and vitality. And they fuel the engine of our ever-expanding regional economy.

But we must do more and we must do better. To thrive in the 21st century, to secure *today’s* “special blessings,” a modern metropolis needs transportation infrastructure that is fully up to contemporary standards. Infrastructure that moves people and goods safely, efficiently, and reliably. Infrastructure that makes use of cutting-edge technologies. And infrastructure that is built for long-haul resilience, with an eye firmly fixed on environmental sustainability. That is world-class infrastructure in the 21st century. And that is precisely the kind of infrastructure that the Port Authority is committed to delivering. The agency’s concrete recent accomplishments make that clear.

During 2018, the Port Authority opened the Goethals Bridge, the agency’s first new bridge since 1931; completed systematic safety and signals improvements at PATH; inaugurated new gates and a new concourse at LaGuardia Airport, as part of an \$8 billion total airport rebuild; and broke ground on major terminal construction work at Newark Liberty International Airport.

During 2019, the agency has pressed forward with the wholesale redevelopment of John F. Kennedy International Airport and with the federal environmental review process both to build a rail mass transit link to LaGuardia Airport and to replace the obsolete Port Authority Bus Terminal; formally completed the project to re-build the Bayonne Bridge, which included the raising of the Bridge, a step that opened the way for the wave of ultra-large container ships coming through the widened Panama Canal to serve the region; and initiated the PATH Improvement Plan, to provide major capacity increases across the system and to reduce delays.

Doing all this requires funding. But the Port Authority does not rely on taxes or on funding from the States of New York or New Jersey; the agency is self-funding. The Port Authority funds itself, in substantial measure, by working very aggressively to generate revenue from businesses that use our facilities. From global airlines that seek to operate out of our airports. From large-scale cargo-handling firms that do business at a Port Authority marine terminal. And from major commercial developers that want access to agency property. The list goes on, and fully 2/3 of the Port Authority’s revenues come from these sorts of sources. But in the end, operating infrastructure and making serious infrastructure investments are extremely expensive. And it has long been understood that the agency must supplement its revenue --- by making use of its legal authority to collect tolls, fares, and fees from individual users of its facilities.

Periodically adjusting these tolls, fares, and fees is a task that is entrusted to the agency’s Board of Commissioners, acting on advice from Port Authority staff. At its June 27, 2019 meeting, the Board received a recommendation prepared by the agency’s staff --- a proposed set of

adjustments to tolls, fares, and fees, along with an explanation as to why the adjustments were being proposed. In light of the staff proposal, the Board directed that six public hearings be held. To ensure maximal opportunities for participation, six different hearing venues were chosen, three in New York and three in New Jersey. Some hearings were set for the evening and others for the morning, to accommodate different schedules. At the Board's direction, the hearings were widely advertised in area newspapers. An on-line comments portal was established, so that people could readily write in. And various commenters sent in their comments by mail.

During the public comment period, more than 1,300 written comments were received. In addition, seven total public hearings were ultimately conducted; the six that had been scheduled, plus an additional Staten Island hearing, because of inclement weather on the date of the initial Staten Island hearing. Each hearing was attended by one Commissioner from New York and one Commissioner from New Jersey. Spanish and American sign language interpreters were on hand for all hearings, and a video of each hearing was posted to the Port Authority's public website, along with a transcript of the proceedings. Multiple hearings were attended by over a hundred people. And at each hearing every person who wanted to speak was able to.

At the Board's June 27, 2019 meeting, it was resolved that, "in light of information gained during the hearings and by means of written comments," the Board "would expect to consider enacting the [proposed] toll, fare, and fee adjustments" at its September 26, 2019 meeting. Now, after a period of both extensive public comment and internal Port Authority deliberation, the Board is prepared to act.

* * *

As to four of the staff's June 27, 2019 proposals, relatively fewer comments were made:

- Increasing the JFK and Newark Liberty International AirTrain fares to \$7.75, with an automatic inflation-adjustment mechanism added on a going-forward basis. These adjustments were proposed in light of the fact that AirTrain fares have not been adjusted since 2003 (JFK) and 2005 (Newark), and to ensure that, in the future, accumulated inflation can be smoothly and predictably reflected in AirTrain fares.
- Maintaining the PATH single-ride fare at \$2.75, where it has been since 2014, with an automatic inflation-adjustment mechanism added on a going-forward basis and with certain multi-ride PATH discounts to be scaled back.
- Offering E-ZPass discounts only to bridge and tunnel customers with New York or New Jersey E-ZPass accounts. This would bring the Port Authority into line with its peers, such as the New York State Thruway Authority and the New Jersey Turnpike Authority, which do not offer E-ZPass discounts to those who do not have a New York or New Jersey account, respectively.
- Eliminating the bridge and tunnel carpool discount. Toll booths are being phased out as part of the agency's transition to all-electronic tolling, and it is difficult to offer a carpool discount without toll booth operators to see how many passengers are in a given car. In addition, the agency's experience with the carpool discount has raised safety concerns; significant numbers of people stand on the shoulder of busy bridge and tunnel approach roads --- waiting for a pick-up for themselves, and to allow drivers to secure a carpool discount. Finally, at the Port Authority bridges and tunnels that still offer it, the carpool discount is generally utilized by a relatively small percentage of vehicles, about 3.2%.

The justifications for the four above-listed staff proposals were described to the Board in June. These proposals attracted some limited comments; staff closely studied these comments but determined not to alter its earlier recommendations. In addition, each of the proposals set out above is important from the perspective of generating revenues --- and, as set out more fully below, such revenue provides critical support for the Port Authority's operations and for necessary investments.

Accordingly, staff recommended that the four proposals set out above, which are described in more detail in the attached schedule ("Schedule"), should be adopted by the Board of Commissioners, for the reasons presented to the Board in June.

* * *

A fifth proposal made by staff on June 27, 2019 concerned an adjustment to tolls. Under that proposal, a \$1.00 upward adjustment in bridge and tunnel tolls would go into effect on January 5, 2020, and future inflation adjustments would continue thereafter. In light of the very significant growth in E-ZPass penetration (up from 74% in 2008 to more than 85% in 2018), the proposal would also reduce the E-ZPass discount for autos and motorcycles by 25 cents, two times. In addition, bus tolls would have scheduled increases over five years. Finally, staff proposed a change to the Staten Island Bridges Discount Plan. That Plan currently provides toll discounts to those who use the agency's Staten Island/New Jersey bridges three times per month. Agency staff proposed that: (1) the discounted toll should rise from \$6.25 to \$6.88, and (2) the trip threshold for discounted tolls should rise from three trips to ten.

Significant comment was received on various aspects of the proposed toll increases. Numerous comments expressed opposition to staff's proposal for bridge and tunnel toll adjustments --- on the general ground that tolls should not be increased, and on certain more particular grounds that are described below.

In assessing staff's toll adjustments proposal, context is critical. In January of 2008, the Board directed that bridge and tunnel toll increases must keep pace with inflation. This required inflation adjustment was later re-affirmed by the Board in 2011. The 2008 decision, as re-confirmed in 2011, provides that Port Authority tolls must track inflation, beyond any specific toll increase that the Board may approve at any moment in time. When the cumulative impact of inflation builds to \$1.00, calculated from the last toll increase, the Port Authority must put an inflation adjustment into effect. The Port Authority's Chief Financial Officer has concluded that this \$1.00 threshold will be crossed in 2020. This is because the Port Authority has not had a general bridges and tunnels toll increase since 2015 --- and the CFO, using consumer price inflation data and projections, has advised that, in 2020, more than one dollar's worth of inflation will have accumulated since 2015.

Accordingly, under the Board's directives from 2008 and 2011, bridge and tunnel tolls must be increased in 2020 to reflect the five-year (2015-2020) impact of pent-up inflation. In addition, in February of 2017, the Board approved a ten-year capital plan, that outlined a decade's worth of important, much-needed transportation projects. The 2017 capital plan rested on the assumption "that the Board of Commissioners will take certain actions in the future to create or raise certain fees and charges at [Port Authority] facilities to maintain a balanced [capital] plan."

In short, the large bulk of the bridge and tunnel toll adjustment recommended by staff --- the \$1.00 across-the-board inflation adjustment --- is a matter of necessary follow-through on

decisions made and publicly announced years ago by prior Boards, to keep the Port Authority on sound financial footing. Today's proposed \$1.00 inflation adjustment amounts to executing on a decision that was made in 2008; that was re-affirmed in 2011; and that has been relied upon since then, including in the Board's 2017 action to adopt the current 2017-2026 capital plan.

The Board's public commitments in 2008, 2011, and 2017 represent consistent action to chart a responsible long-term course. Following through on these commitments facilitates careful planning and helps to keep the agency's borrowing costs low --- and this redounds directly to the benefit of the people who use the region's facilities every day. No entity can be expected to effectively function if it cannot adjust prices to reflect a build-up of inflation. The Port Authority's long-planned inflation adjustment to its tolls reflects a prudent effort to keep up with rising costs.

In turn, this effort to keep up must, in the case of the Port Authority, account for three important factors --- which can impose costs beyond the general impact of inflation.

The first is that our region is the most persistently threatened area in the United States with respect to terrorist threats. National inflation rates, of the kind used to calculate the proposed \$1.00 toll adjustment, may not fully capture the cost of responding to rising threats to our region --- and the out-of-the-ordinary security expenditures the Port Authority has made, and must continue to make, to protect the hundreds of millions of people who use our facilities each year.

Second, during recent years the inflation rate for infrastructure investments has out-paced the more general rate of inflation. Accordingly, the proposed inflation adjustment may not capture all of the inflation associated with recent work on the Port Authority's infrastructure projects.

And third, as this Board has recently observed, the Port Authority's facilities are being used at record-setting levels. Record-breaking activity means unprecedented wear and tear --- of a kind that takes an especially serious toll on legacy facilities, and that is especially costly to address.

The bigger picture is plain to see. If tolls are not permitted to rise to meet pent-up inflation, the value of those tolls will steadily drop. In real terms, the Port Authority will then have much less money to invest in safely and efficiently operating existing facilities, and in making necessary investments to upgrade or replace worn-out, older facilities. As this Board has previously noted, the American Society of Civil Engineers issues "report cards" that grade U.S. infrastructure; the most recent overall grade is a D+. This is, simply put, a national crisis. And its cause is clear. Throughout the United States, infrastructure spending has plummeted --- annual spending on infrastructure as a percentage of gross domestic product has fallen to levels not seen since the 1940s.

The infrastructure crisis that has gripped the nation must be addressed head on. More than virtually anywhere else in the United States, the shared prosperity and continued vitality of the New York/New Jersey region depends on our public transportation infrastructure functioning, and functioning well. The Port Authority is committed to operating world-class facilities. This requires occasional adjustments to bridge and tunnel tolls to keep up with changing circumstances. And that, at its core, is what the agency's long-planned inflation adjustment is all about.

Moreover, even accounting for an inflation adjustment, Port Authority crossings will *not* generally be more expensive than regional comparators. For a car crossing the MTA's Verrazzano Bridge, the toll by mail rate is \$19; for a car crossing a Port Authority bridge or tunnel, the toll by mail rate/cash rate is today \$15 and is proposed to move up to \$16. In a similar vein, the average

of the Port Authority's peak and off-peak E-ZPass rates for autos and motorcycles would be essentially equivalent to the MTA's comparable E-ZPass rates.

Separate from broader questions with respect to toll adjustments, certain commenters suggested that *bus* tolls should not be adjusted upwards. These commenters generally emphasized that Port Authority tolls should not deter people from commuting by bus, because the alternative is making use of cars, which cause more traffic and impose greater harms on the environment.

But the proposed toll structure does not offer any change in incentive for people to switch from buses to cars. Under the toll proposal, for example, the cash toll for cars will go up in 2020 by \$1.00, and so will the cash toll for buses. Similarly, the peak E-ZPass toll for cars will go up in 2020 by \$1.25, while the peak E-ZPass toll for buses will go up by less --- \$1.00. More fundamentally, tolls on a bus are spread over many more passengers than a car. A one dollar increase on a car toll might be spread over 2 people, for an implied contribution of fifty additional cents per passenger. By contrast, a one dollar increase on a bus toll might be spread over 25 people, for a much *smaller* implied contribution per bus passenger, of four cents per person. How private bus companies choose to handle slightly increased toll costs is up to them. But if bus companies pass toll increases on to their riders on a roughly proportional, per-passenger basis --- bus customers would generally be charged only additional pennies per ride, and much less, on a per-passenger basis, than they would pay for taking a car.

To be sure, after 2020, staff's proposal envisions some regular increases in tolls imposed on buses, beyond those imposed on cars. These scheduled bus toll adjustments, increasing every other year from 2020 to 2026, are designed to provide bus companies with ample time to plan for and accommodate the increases. Moreover, the Port Authority has made, and will continue to make, extraordinary capital investments specifically designed to improve bus travel. These include the multi-billion dollar Port Authority Bus Terminal replacement described above, as well as improvements to the buses-only Lincoln Tunnel XBL-lane; replacement of the Lincoln Tunnel helix, as reflected in the current capital plan; and the wholesale refurbishment of the George Washington Bridge Bus Station, completed in 2017.

In sum, staff's proposed bridge and tunnel toll adjustments, including the proposed bus toll adjustments, are as an overall matter both reasonable and necessary.

One specific toll increase attracted significant commentary and criticism. Staff had proposed, in June of 2019, that the Staten Island Bridges Discount Plan be changed. The discount plan allows for toll discounts on the three Port Authority bridges that connect New Jersey with Staten Island, the Goethals, the Bayonne, and the Outerbridge. As currently formulated, the discount plan is available to any E-ZPass account holder who enrolls their account in the plan. These registered accounts receive the discount if the account holder makes 3 trips on the listed bridges in a given calendar month. During June of this year, staff proposed: (1) the discounted toll should rise from \$6.25 to \$6.88 and (2) the trip-threshold for discounted toll should rise from 3 trips in a calendar month to 10.

At agency public hearings, this proposal was opposed on a variety of grounds. Most speakers emphasized that a discount triggered by 10 monthly trips would have a direct impact on people, some on fixed incomes, who travel to see relatives or to visit sick family members or to the Jersey shore; such trips, even if undertaken every Saturday and every Sunday, would not typically be made on a ten-trips-per-month basis. Other speakers noted that, by virtue of being on

an island, motorists have no ready access to other parts of the region without going over a toll bridge.

In light of these comments, staff recommended that the increase in the discounted toll from \$6.25 to \$6.88 should be adopted as originally proposed with no change, but that the discounted toll should continue to be triggered by 3 trips.

Staff's recommendations as to bridge and tunnel adjustments are generally sound and balanced. They should be adopted as laid out in more detail in the attached Schedule. The Schedule, among other things, reflects a 3-trip trigger for the Staten Island Discount Plan.

* * *

Staff's final June 27, 2019 proposal was to impose an access fee on for-hire vehicles ("FHV's") and taxis operating at the agency's three major airports, JFK, Newark, and LaGuardia (collectively, "Airports"); \$4.00 for each FHV passenger pick-up and drop-off, and \$4.00 for taxi pick-up.

Staff has now revised its proposal, based on both the information that has been received during the public comment period and further study of the relevant issues.

Staff's current proposal has two key elements.

First, airport access fees should not be imposed until October 3, 2020 --- to give stakeholders ample time to plan for a fee that, though ubiquitous nationally, will be new for the New York/New Jersey region. Building in sufficient planning time is especially important against the backdrop of severe difficulties in the regional taxi industry, as well as ongoing and planned construction at the Airports.

Second, staff has proposed that access fees be scaled back --- to \$2.50 for FHV drop-offs and pick-ups; to \$1.25 for pooled FHV drop-offs and pick-ups; and to an initial taxi fee of \$1.25 per taxi pick-up, moving up two years later to \$1.75 per taxi pick-up. The multi-year phase-in as to taxi fees accounts for current circumstances --- the taxi industry is passing through an especially difficult period. And more generally, with these relatively lower access fee levels for both taxis and FHV's, the Port Authority Airports' fees would be the lowest of any of the agency's peer airports.

Staff's current proposal should be adopted. At a fundamental level, an airport access fee makes sense. For the reasons described above, revenue is generally needed to support the agency's operations and its infrastructure investments. And access fees are routinely imposed at peer airports around the country, in: Atlanta, Charlotte, Denver, Dallas/Fort Worth, Detroit, Houston, Las Vegas, Los Angeles, Orlando, Miami, Chicago, Philadelphia, Phoenix, Seattle, San Francisco, and Washington, D.C. Of the fifteen largest airports in the United States as measured by passenger volume, *every one* imposes an access fee --- with the exception only of the Port Authority's Airports.

Airport access fees have become a national standard practice in part because airports around the country routinely spend millions of dollars for the specific purpose of accommodating FHV's and taxis. The Port Authority's Airports are no exception. The agency has invested in building and operating hold-lots. It has invested in traffic management, taxi dispatch systems, and

pick-up facilities, including in many cases in the staffing of these pick-up operations. And, as set forth below, more investment is to come.

Moreover, the Airports are simply being deluged with FHV's. During one year --- between 2017 and 2018 alone --- the number of FHV drop-offs and pick-ups at the Airports surged by 39%. This is an extraordinary increase. It represents an additional increment of more than 6 million drop-offs or pick-ups in just one year. What this means in practice is crystal clear to anyone who has been to the Airports recently. Airport terminal frontages are overwhelmed with volumes of FHV's they were not built for. And the extraordinary surge of FHV's has necessitated a cascade of adjustments that have a broad impact across the Airports as a whole. The agency has had to build FHV-specific hold-lots at each of the Airports. At LaGuardia, the Port Authority recently spent hundreds of millions of dollars on the newly-opened West Garage. And that garage now devotes more than 1/3 of its capacity to FHV staging and pick up.

In sum, while FHV's and taxis provide an important service, they also impose costs. Modest revenue contributions in the form of an access fee are consistent with how airports around the nation operate --- and provide an appropriate and reasonable support to the agency's overall capital plan, with its heavy emphasis on Airport investment.

Agency staff has proposed a higher fee for FHV's than taxis. This, too, is reasonable. An aggregate price differential between FHV's and taxi is consistent with airport practice in Atlanta, Chicago, Las Vegas, Orlando, Philadelphia, Los Angeles, and San Francisco. And the extraordinary recent deluge of Airport FHV's described above imposes a variety of operational challenges on the Airports that the agency must work to address.

In addition, an FHV/taxi price differential helps to ensure customer choice. FHV's and taxis provide different services that appeal to different Airport customers. More than 95% of the FHV's at the Port Authority's Airports rely on a now-familiar business model; customers use phone-based apps to hail drivers for pickups and to make payments. Taxis are different than app-based FHV's. A higher percentage of taxis than FHV's are wheelchair-accessible. Taxis take cash, app-based FHV's generally do not. Taxis do not require a smart phone; app-based FHV's do. And airport taxis are required to charge a fixed rate to many common destinations, like Manhattan; prices charged by app-based FHV's can fluctuate --- which may reduce wait times during high demand periods, but at a greater cost to passengers.

These are substantial differences --- and in light of them, it is hardly surprising that recent national polling data shows that app-based FHV's are more appealing to certain segments of the population (under-50s, for example, and people who are financially better off) and, by implication, taxis are more appealing to other segments of the population.

Against this backdrop, the Port Authority's interest is in seeing the entire Airport community's transportation needs met --- by preserving consumer choice and by seeing to it that ample numbers of reasonably-priced FHV's and taxis are available at the Airports for our customers who prefer them. With respect to FHV's this is not a problem. As noted above, the volume of FHV's at the Airports is soaring. Meanwhile, the supply of Airport taxis is falling. Recent data shows a year to year *decline* of more than 3% in the number of taxis making Airport pick-ups. And there has been a 16% decline in the number of active New York City taxi drivers between

2015 and 2018. Moreover, taxi undersupply may well grow worse --- the New York/New Jersey taxi industry has suffered through severe and well-documented fiscal problems of late, that the Board is familiar with.

A slightly lower initial access fee will help to ensure that taxis remain a reasonably-priced option. This will be especially beneficial for older customers, customers who use wheelchairs, less well-off customers, and customers (including customers arriving from abroad) who do not have smart phones or the appropriate apps --- all of whom, the evidence suggests, disproportionately prefer taxis. And a slightly lower access fee for taxis, especially during the initial phase-in period, will ensure that taxis keep coming to the Airports, even in the current circumstances, as the industry suffers through a difficult period.

In sum, a price differential between FHV and taxis is reasonable. Staff's current recommendation is for Airport access fees to be set at \$2.50 for FHV drop-offs and pick-ups; to \$1.25 for drop-offs and pick-ups for pooled FHVs, which expand consumer choice while keeping cars off the roads; and \$1.25 per taxi pick-ups, moving two years later to \$1.75 per pick-up.

As noted, at these lower fee levels, the Port Authority Airports' access fees for both FHVs and taxis would be the lowest of any of the agency's peer airports. That makes sense. In the New York/New Jersey region, access fees would be new. Other airports around the United States have had ample time to adjust their fees in a measured, incremental way. Moreover, access fees are to be introduced at an unusually sensitive time, marked by dislocation in the industry, the near-term on-set of Manhattan congestion pricing, and a period of intense Airport construction. Relatively low access fees will help to keep FHV drivers and taxi drivers coming to the Airports and in ample numbers, even against the backdrop of changing circumstances.

* * *

One important final point bears mention. Various comments received during the public comment period have underscored that the Port Authority can do much more at the Airports to improve the pick-up/drop-off experience, signage, facilities, traffic management, and amenities for drivers. That is precisely what we intend to do, in accord with the Driver Experience Improvement Plan set out below.

First, more can be done with respect to drivers who illegally pick up Airport passengers:

- Educating customers about both the dangers of illegal drivers, and the safety and ease of a legitimate Airport pick-up into Manhattan or elsewhere.
- Ensuring enforcement resources are focused on the Airports --- including by dispatching larger numbers of officers, increasing reliance on specially-trained officers assigned to "hack" enforcement, and making use of both undercover officers and advanced technology.
- Coordinating with District Attorneys and other local agencies and officials to ensure that all available legal tools are brought to bear --- including, for serious recidivist illegal drivers, forfeiture of vehicles used to make illegal pick-ups, and

imposition of either substantial fines or custodial penalties. Second, facilities at the hold-lots at the Airports must be improved:

- Improving existing bathroom facilities, and moving rapidly to high-quality permanent bathrooms.
- Making available meditation/prayer spaces, as well as driver wash-up spaces.
- Dramatically upgrading cellular service at hold-lots.
- Establishing bulletin boards, to be used by drivers' organizations to provide information to their members.
- Installing improved paving in and around hold-lots, including needed speed bumps.

Third, the Airport taxi dispatch system must be improved.

- Dispatcher policies and procedures should be revised as needed, with direct input from drivers.
- Taxi drivers should be invited to participate in relevant aspects of dispatcher training.
- The Port Authority should work in consultation with drivers, taxi owners, and other stakeholders to generate specifications for a next-generation dispatch system, that operates hold-lots more efficiently and that is not subject to abuse or favoritism. A virtual queue system is one possibility.
- The "short haul" policy seeks to accommodate taxi drivers who return to the Airport after a short or low-fare ride. The current policy should be revisited, and potentially adjusted, with an improved focus on distance and fare received, rather than just geographical location.

Fourth, in connection with Airport construction and development, continuing consultation with all ground transportation stakeholders, including drivers, must be undertaken --- with a focus on improving access, efficiency, and convenience with respect to Airport frontages.

Finally, agency staff should establish regular and suitably high-level communications channels between Port Authority personnel and both the services and the drivers who serve the Airport community. Trust has frayed. Communication and collaboration can help to bring it back. Taxi and FHV drivers and their partners are an integral part of the Airport community --- and they are, in turn, the Port Authority's partners. Systematic efforts must be made to hear their concerns, and to directly address them.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 and directed to adjust tolls and fees in accord with the Port Authority Schedule attached to this Resolution; and it is further

RESOLVED, that the Executive Director be, and he hereby is, directed to: (a) assure and support the good operation of taxi and FHV services at the Airports; (b) follow through on the concrete steps to advance the above-described Driver Experience Improvement Plan, in both the short and medium term; (c) establish regular and suitably high-level communications channels between Port Authority personnel and the taxi and FHV drivers who serve the Airport community; and (d) work with relevant regulatory authorities on implementation of airport access fees; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to exercise all discretion and take any and all action necessary or appropriate in his judgment to effectuate the provisions of the foregoing, including, but not limited to, the execution of agreements, contracts, or analogous documents with any appropriate parties, together with amendments and supplements thereof, and to take action in accordance with the terms of such agreements, contracts, and other documents as may be necessary in connection therewith.

Tolls-Existing & Proposed

Effective January 5, 2020

1. It is proposed that all tolls shall be adjusted for inflationary increases from time to time based on annual calculations of Consumer Price Index (CPI) growth*
2. It is proposed that the E-ZPass toll discounts for all vehicle classes be limited to users registered with a New York or New Jersey E-ZPass Customer Service Center account

All rates apply to the Lincoln Tunnel, Holland Tunnel, George Washington Bridge, Bayonne Bridge, Goethals Bridge, and the Outerbridge Crossing. **Tolls are collected entering New York. No tolls are collected entering New Jersey.**

PEAK HOURS
Weekdays: 6-10 a.m., 4-8 p.m.
Sat. & Sun.: 11 a.m.-9 p.m.

OFF-PEAK HOURS
All Other Times

OVERNIGHT HOURS FOR TRUCKS
Sundays-Thursdays, 10 p.m. until 6 a.m. the following morning

Class	Vehicle Type	Number of Rear Wheels	Number of Axles	E-ZPass Off-Peak Hours ²		E-ZPass Peak Hours ²		E-ZPass Trucks Weekday Overnight Hours ²		Cash/Toll by Mail (TbM) All Hours	
				Existing	Proposed ¹	Existing	Proposed ¹	Existing	Proposed ¹	Existing	Proposed ¹
1	Vehicles with Two Axles and Single Rear Wheels (Includes Two Axle Recreational Vehicles with Single Rear Wheels and No Additional Axles In Tow)		2	\$10.50	\$11.75	\$12.50	\$13.75	N/A	N/A	\$15.00	\$16.00
2	Vehicles with Two Axles and Dual Rear Wheels (Includes Two Axle Recreational Vehicles with Dual Rear Wheels)		2	\$34.00	\$36.00	\$36.00	\$38.00	\$31.00	\$33.00	\$42.00	\$44.00
3	Vehicles with Three Axles or Combinations of Vehicles Totaling Three Axles		3	\$51.00	\$54.00	\$54.00	\$57.00	\$46.50	\$49.50	\$63.00	\$66.00
4	Vehicles with Four Axles or Combinations of Vehicles Totaling Four Axles		4	\$68.00	\$72.00	\$72.00	\$76.00	\$62.00	\$66.00	\$84.00	\$88.00
5	Vehicles with Five Axles or Combinations of Vehicles Totaling Five Axles		5	\$85.00	\$90.00	\$90.00	\$95.00	\$77.50	\$82.50	\$105.00	\$110.00
6	Vehicles with At Least Six Axles or Combinations of Vehicles Totaling At Least Six Axles		6+	\$102.00 Additional Axles \$17.00 each	\$108.00 Additional Axles \$18.00 each	\$108.00 Additional Axles \$18.00 each	\$114.00 Additional Axles \$19.00 each	\$93.00 Additional Axles \$15.50 each	\$99.00 Additional Axles \$16.50 each	\$126.00 Additional Axles \$21.00 each	\$132.00 Additional Axles \$22.00 each
7	Class 1 or 11 (Including Class 1 Recreational Vehicles) with Trailer (Minimum Three Single Wheel Axles)		3	\$20.00 Additional Axles \$9.50 each	\$22.25 Additional Axles \$10.50 each	\$22.00 Additional Axles \$9.50 each	\$24.25 Additional Axles \$10.50 each	N/A	N/A	\$33.00 Additional Axles \$17.00 each	\$34.00 Additional Axles \$18.00 each
8	Two Axle Buses and Mini Buses (Seating Capacity = 10 or More)		2	\$13.00	\$14.00 on 01/05/2020, \$14.50 on 01/02/2022, \$15.50 on 01/07/2024, and \$16.00 on 01/04/2026	\$13.00	\$14.00 on 01/05/2020, \$17.00 on 01/02/2022, \$18.00 on 01/07/2024, and \$21.00 on 01/04/2026	N/A	N/A	\$24.00	\$25.00 on 01/05/2020, \$27.00 on 01/02/2022, \$28.00 on 01/07/2024, and \$30.00 on 01/04/2026
9	Three Axle Buses and Mini Buses (Seating Capacity = 10 or More)		3+	\$13.00	\$14.00 on 01/05/2020, \$14.50 on 01/02/2022, \$15.50 on 01/07/2024, and \$16.00 on 01/04/2026	\$13.00	\$14.00 on 01/05/2020, \$17.00 on 01/02/2022, \$18.00 on 01/07/2024, and \$21.00 on 01/04/2026	N/A	N/A	\$24.00	\$25.00 on 01/05/2020, \$27.00 on 01/02/2022, \$28.00 on 01/07/2024, and \$30.00 on 01/04/2026
11	Motorcycles		2	\$9.50	\$10.75	\$11.50	\$12.75	N/A	N/A	\$15.00	\$16.00

*The CPI increase threshold for tolls will be met when the cumulative impact of inflation results in an adjustment of \$1.00 when applied to the Class 1 Cash/TbM tolls as of January 5, 2020, with a one-time further reduction of \$0.25 to the E-ZPass discount for Class 1, 7, and 11 vehicles; thereafter, once All Electronic Tolling is implemented at all Port Authority vehicular crossings, tolls shall be increased annually by inflation; Class 8 and 9 vehicles are excluded until the final scheduled toll increase on 01/04/2026

Toll Discounts-Existing & Proposed

Effective January 5, 2020

1. Green Pass E-ZPass Off-Peak tolls will be maintained at \$3.50 less than the Class 1 E-ZPass Off-Peak toll for qualifying vehicles registered for the program through the E-ZPass NY Customer Service Center
2. The Staten Island Bridges Discount Plan will maintain a 50% discount off the Class 1 E-ZPass Peak toll rate, rounded to the nearest cent

All rates apply to the Lincoln Tunnel, Holland Tunnel, George Washington Bridge, Bayonne Bridge, Goethals Bridge, and the Outerbridge Crossing. Tolls are collected entering New York. No tolls are collected entering New Jersey.	PEAK HOURS Weekdays: 6-10 a.m., 4-8 p.m. Sat. & Sun.: 11 a.m.-9 p.m.	OFF-PEAK HOURS All Other Times OVERNIGHT HOURS FOR TRUCKS Sundays-Thursdays, 10 p.m. until 6 a.m. the following morning
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Discount Plan-Enrollment Required	Number of Axles	E-ZPass Off-Peak Hours		E-ZPass Peak Hours		E-ZPass Trucks Weekday Overnight Hours		Cash/Toll by Mail (TbM) All Hours	
		Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed
Carpool Plan Class 1 & 11 Vehicles	2	\$6.50 Additional Axles \$9.50 each	Discontinued	\$6.50 Additional Axles \$9.50 each	Discontinued	N/A	N/A	N/A	N/A
Green Pass¹ Eligible Low-Emission Class 1 Vehicles	2	\$7.00 Additional axles \$9.50 each	\$8.25 Additional axles \$10.50 each	\$12.50 Additional axles \$9.50 each	\$13.75 Additional axles \$10.50 each	N/A	N/A	N/A	N/A
New York/New Jersey Staten Island Bridges Discount Plan² Class 1, 7 & 11 Vehicles	2	\$6.25 if 3+ trips taken; \$10.50 if only 1 or 2 trips taken. Additional Axles \$9.50 each	\$6.88 if 3+ trips taken; \$11.75 if 1 or 2 trips taken. Additional axles \$10.50 each.	\$6.25 if 3+ trips taken; \$12.50 if only 1 or 2 trips taken. Additional Axles \$9.50 each	\$6.88 if 3+ trips taken; \$13.75 if 1 or 2 trips taken. Additional axles \$10.50 each.	N/A	N/A	N/A	N/A

AirTrain JFK Fare-Existing & Proposed

Effective November 1, 2019

1. It is proposed that all fares shall be adjusted for inflationary increases from time to time based on annual calculations of Consumer Price Index (CPI) growth*

AirTrain JFK Fare Option*	Price		Price Per Ride	
	Existing	Proposed ¹	Existing	Proposed ¹
Single Ride MetroCard	\$5.00	\$7.75	\$5.00	\$7.75

*The 10-trip card expiration will be reduced to 31 days from the time of activation

AirTrain Newark Fare Option	Price		Price Per Ride	
	Existing	Proposed ¹	Existing	Proposed ¹
Single Ride Ticket (NJ Transit)	\$5.50	\$7.75	\$5.50	\$7.75
Single Ride Ticket (Amtrak)	\$5.00	\$7.75	\$5.00	\$7.75

*The CPI increase threshold for AirTrain fares will be met when the cumulative impact of inflation results in an adjustment of \$0.25 when applied to the AirTrain JFK and AirTrain Newark Single Ride fares as of November 1, 2019

Airport Ground Transportation Access Fee-Existing & Proposed

Effective October 3, 2020

Access Fee (JFK, EWR, LGA)	Pick-Up Price		Drop-Off Price	
	Existing	Proposed	Existing	Proposed ¹
For-Hire-Vehicle (FHV)	N/A	\$2.50	N/A	\$2.50
Pooled FHV*	N/A	\$1.25	N/A	\$1.25
Taxi	N/A	\$1.25 on 10/03/2020, \$1.75 on 10/01/2022	N/A	N/A

*Pooled FHV rides are where two or more paying parties share a single pre-arranged FHV ride and pay separately

REASSESSMENT AND CHANGES TO THE 2017-2026 CAPITAL PLAN

At its meeting on June 27, 2019 the Board was presented with staff’s recommendation to modify the 2017-2026 Capital Plan, first adopted by the Board on February 16, 2017. The original Capital Plan authorized \$32.2 billion in total spending, but also required the Board to reassess the Capital Plan every two years to consider whether modifications were warranted. The Board was also required to review current information on capital capacity and the progress of capital projects, to determine whether there continues to be sufficient resources to: (1) invest in projects during the remaining period of the Capital Plan at roughly the pace and the cost that had been planned; and (2) fund necessary expenditures in the subsequent ten-year period (the “Board Finding”).

The Capital Plan reassessment for 2019 reflected staff’s comprehensive survey of the State of Good Repair (SGR) projects included in the 2017-2026 Capital Plan and staff’s recommended reprioritization based on the current condition of our assets. Adjustments were made to maintain the total spending on SGR projects within the parameters approved in February 2017. The reassessment recommendation also included an increase of \$4.8 billion in capital expenditures (for a total Capital Plan amount of \$37 billion), as a result of: (1) increases to four major projects; (2) the addition of three new projects; and (3) necessary modifications identified through the Capital Plan Oversight Committee management process.

In accordance with its action on June 27, 2019, the Board engaged in public hearings on the proposed Capital Plan changes, giving an opportunity for members of the public to provide their views. Additional opportunity to submit written public comments to the Port Authority’s website or by mail also was provided. Seven hearings were held, concomitantly on the proposed tolls, fares and fees changes being considered by the Board. The Capital Plan, as recommended to be modified on June 27, 2019, is called the “Modified Capital Plan” and is summarized in tabular form below:

Project (\$ in millions)	Proposed Adjustment	2017-2026 Modified Capital Plan
Major Projects <i>(projected to be funded by new project revenue)</i>		
New AirTrain Newark	\$1,640	\$2,050
JFK Redevelopment	1,900	2,900
AirTrain LGA	390	2,050
EWR Terminal One Redevelopment	350	2,700
New Projects		
PATH Improvement Plan	200	200
Electric Vehicle Infrastructure	50	50
EWR Terminal Two Redevelopment Planning	35	35
Remaining Projects in the 2017-2026 Capital Plan	235	27,015
Net Total 2017-2026 Capital Plan Reassessed:	\$4,800	\$37,000

The Modified Capital Plan reassessment included staff’s determination that the projected revenues considered at Capital Plan adoption in 2017, together with: (1) incremental project-

related revenue subsequently associated with the projects (which fund approximately 94 percent of the Capital Plan modifications), including revenue increases from terminal rents, airline cost recoveries, user fees and federal grants associated with certain projects; and (2) the proposed changes in tolls, fares and fees advanced today under separate Board action, provide a reasonable basis to conclude that the Port Authority will continue to have sufficient revenues to undertake and complete the Capital Plan, as revised. Staff has confirmed to the Board that the limited public comments addressing the Capital Plan modifications should not change this conclusion.

From the work that the Board and the staff have undertaken, and the input that has been received from the public, it was therefore recommended that the Board adopt the Modified Capital Plan and formally conclude that, in light of current information on capital capacity and the progress of capital projects, it can adopt the Board Finding for the succeeding two-year period.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 2017-2026 Capital Plan, as modified and described in the foregoing report to include an additional \$4.8 billion of capital costs (the “Modified Capital Plan”), for a total amount of \$37 billion, be and it hereby is adopted; and it is further

RESOLVED, that the Board has determined, based on an analysis in light of current information on capital capacity and the progress of capital projects, that there is a reasonable basis to conclude that the Port Authority will have sufficient resources to: (1) invest in projects during the remaining period of the Modified Capital Plan at roughly the pace and cost as had been planned; and (2) fund necessary expenditures in the subsequent ten-year period, and that therefore, no additional adjustments to the Modified Capital Plan are required; 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 all actions necessary or appropriate to effectuate the foregoing.

Capital Plan 2017-2026

2019 Reassessment - Proposed Capital Plan Changes

2017-2026 Capital Plan

In February 2017, the Board of Commissioners adopted a ten-year 2017-2026 capital plan. The 2017-2026 Capital Plan totaled \$32.2 billion and included \$29.5 billion in direct spending on Port Authority facilities, and a commitment to support debt service payments on \$2.7 billion of Gateway Program Development Corporation low-cost borrowing for Phase 1 of the Gateway Program, subject to certain conditions. The 2017-2026 Capital Plan represents a balanced portfolio of critical projects that affirms and supports the Port Authority's mission to meet the region's core transportation needs, while acting as good stewards of the public's resources in a fiscally responsible way. The 2017-2026 Capital Plan was developed using a comprehensive planning process and risk-based prioritization that considered: top of the agenda 21st Century infrastructure priorities; existing asset conditions; operational and revenue impacts; threat assessments; customer service, regional benefit, regulatory or statutory requirements; and, long-term affordability of the Plan.

Since the Plan was adopted, the Port Authority has completed significant milestones in the delivery of the Plan. Below are significant milestones that have been met to date:

- In June 2017, the Bayonne Bridge project achieved its goal of 215 feet of navigational clearance. The new, wide roadway fully opened this spring and the entire project was completed in June 2019. The Port has seen an increase in the size of vessels calling on the port, with nearly 20 percent of all containerized cargo at the port now carried on ultra-large efficient container vessels enabling the port to handle record levels of cargo.
- In May 2018, the full opening of the new Goethals Bridge was achieved. The new \$1.5 billion cable-stayed crossing over the Arthur Kill between Staten Island, New York and Elizabeth, New Jersey represents a major upgrade to the region's infrastructure system and a vast improvement for drivers.
- The Bayonne Bridge and the Goethals Bridge projects represent the first major new bridge construction by the Port Authority since 1931.
- In June 2018, 3 World Trade Center (WTC) opened, adding approximately 2.5 million square feet of new office space and allowing for the opening of public space around the site. Pedestrian streets, Dey Street and Cortlandt Way, which connect the WTC site with Greenwich and Church Streets, were completed. The WTC campus now provides office space for nearly 40,000 employees.
- In October 2018, the first headhouse of PATH's Harrison Station modernization program was completed, by opening the westbound side of the station, featuring a glass and steel design and modern amenities. The second headhouse at Harrison opened in May 2019.
- PATH is the first railroad system in the region and one of the first in the nation to meet the federal Positive Train Control (PTC) mandate. Last fall the Federal Railroad Administration (FRA) certified that PATH's signal system upgrade met the federal regulatory requirements for PTC, achieving formal completion ahead of the FRA's December 31, 2018 deadline.
- On December 1, 2018 the first new 18-gate concourse opened as part of the complete rebuild of LaGuardia Airport (LGA), which will be the first new airport built in the U.S. in 25 years. The new 250,000-square-foot concourse which houses 18 gates, multiple new passenger amenities and concessions, and two airport lounges is a major milestone in the overall \$8 billion plan of transforming LGA into a state-of-the-art 21st century airport.

- During 2018 cellular service was brought to the underground PATH stations, and new PATH countdown clocks were installed, providing real-time train arrival information to passengers.
- The reconstruction of the Palisades Interstate Parkway helix, a critical component of the “Restoring the George” program, was completed in March 2019. The helix is a critical approach to the George Washington Bridge that connects the southbound Palisades Interstate Parkway to the bridge’s upper level roadway.
- In April 2019, the Port Authority activated cashless tolling at the Outerbridge Crossing, which provides commuters with quicker, safer, and more fuel-efficient travel over the bridge. Implementation of cashless tolling at the Goethals Bridge will occur later this year.

In addition, since the 2017-2026 Capital Plan was adopted, 215 projects have entered the construction phase with new contracts awarded. The following are significant awards:

- More than \$130 million in construction contracts have been awarded to replace two PATH substations which were inundated with flood waters during Superstorm Sandy in 2012. These substations are designed to exceed the Federal Emergency Management Agency’s (FEMA) flood elevation maps, in line with the Port Authority’s climate resilience design guidelines.
- In 2018, new construction contracts were awarded for two projects in the “Restoring the George” program. The projects continue to be delivered on time, with the program expected to be completed by 2024 as planned.
- In 2018, the agency awarded a design-build construction contract and broke ground at Newark Liberty International Airport for the construction of a new Terminal One. This historic \$2.7 billion project will replace the outmoded Terminal A facility.
- In March 2018, the Port Authority awarded a contract to repair PATH Tunnels E and F, which connect the Exchange Place Station in Jersey City, New Jersey to the WTC Station in New York. These tunnels were severely damaged during Superstorm Sandy. Work will be completed over 90 weekends in 2019 and 2020.
- In 2018, multiple contracts were awarded for PATH’s Railcar Overhaul Program for PATH’s PA5 railcar fleet, which is intended to refurbish the original 350 PA5 PATH cars that were procured in 2005.
- In 2018, through two Board actions, 72 new PA5 PATH cars were ordered and will be delivered by the end of 2022. These additional rail cars, combined with the new signal system, will significantly increase capacity and decrease peak hour congestion.

We also continue to make progress on three other mega projects in the 2017-2026 Capital Plan: (1) JFK’s transformation into an integrated 21st century airport; (2) the Port Authority Bus Terminal (PABT) Replacement; and, (3) LaGuardia AirTrain.

- In October 2018, as part of the JFK Redevelopment program, two terminal developers were selected: JetBlue and the Terminal One Group, which are expected to build two new major international terminals on the north and the south side of the airports, respectively.
- In May 2019, we began the environmental review process for the replacement of the obsolete PABT.
- In May of 2019, the Federal Aviation Administration’s (FAA) environmental review process of the new LaGuardia AirTrain began.

2019 Capital Plan Reassessment

The 2017-2026 Capital Plan is a blueprint for future spending and does not supplant the Board’s authorization process for specific projects and contracts. As part of the Board’s approval of the 2017-2026 Capital Plan, the Board confirmed: (1) the process by which performance and plan progress would be

monitored and reported; and, (2) how revisions would be accommodated to reflect changes in programs, policies, projects and the environment in which the Port Authority operates.

Pursuant to the 2017-2026 Capital Plan resolution, staff is required to report quarterly on capital and financial results to the Committee on Capital Planning, Execution and Asset Management, and the Committee on Finance to monitor quarterly capital expenditures and capital capacity. In addition, every two years the Board is required to reassess the Capital Plan in light of then-current information as to capital capacity and the progress of capital projects, and determine whether there will be sufficient resources to: (1) invest in projects during the remaining period of the 2017-2026 Capital Plan at roughly the pace and the cost that has been planned; and, (2) fund necessary expenditures in the subsequent ten-year period. If the Board cannot make this determination, it should modify the Capital Plan to ensure that these two conditions can be met, and to maintain a balanced Plan.

To aid the Board in the process of monitoring the Plan, the Board also directed staff to enhance the “gates” management process. Through this process staff are continually reviewing and recommending whether the next step in the delivery process of a given capital project (planning, design, and finally construction) may begin. This process includes, among other things: consideration of the revenue-generating potential and capital capacity impact of the capital project under review; the relative priority of the project; and, the overall capital capacity of the Port Authority.

The 2019 reassessment process of the Capital Plan began in 2018, with staff from engineering, project management, operations and finance departments conducting a comprehensive survey of the State of Good Repair (SGR) projects included in the 2017-2026 Capital Plan. Staff examined each of the SGR projects and prioritized them based on their current condition. Adjustments are recommended, with certain projects deferred, cancelled or modified to ensure the reassessed capital spending fit within the allocated funding approved in the Capital Plan for SGR projects.

Adjustments are also recommended with respect to four major projects, the additional of three new projects and other adjustments to existing projects. The proposed reassessed Capital Plan increases the total direct spending on Port Authority facilities by \$4.8 billion, from \$29.5 billion to \$34.3 billion. Of the total \$4.8 billion proposed increase, approximately \$4.5 billion or 94% of the increase, is projected to be funded through incremental revenues associated with the projects, including revenue from terminal rents, increased activity, airline cost recoveries, user fees, approval of Passenger Facility Charges (PFC) and receipt of federal grants associated with certain projects.

Major Projects:

The spending associated with certain major projects increased by \$4.3 billion in the proposed reassessed Capital Plan. This increase is projected to be funded by incremental revenues generated by the projects.

- New AirTrain Newark: The reassessed Capital Plan includes a new \$2 billion AirTrain Newark Replacement. This represents an entirely new project. The new AirTrain project replaces the planned spending of \$300 million to keep the old AirTrain in a state of good repair. The increase in the Capital Plan allocation for the new AirTrain is informed by previously authorized planning efforts and is projected to be covered by: airline cost recoveries; rental car fees; future period PFCs; and, farebox revenue, as well as \$110 million of reduced spending elsewhere in the Aviation Capital Plan.
- JFK Redevelopment: With respect to the already announced JFK Redevelopment project, the change made in the reassessed Capital Plan represents the technical Capital Plan provision catching-up with the authorizations made by the Board in October 2018. Approximately \$2.9 billion of the \$13 billion JFK project will be spent on Port Authority infrastructure, including: roadways; airfield improvements; a ground transportation center; and, utilities and electrical substations. The original 2017-2026 Capital Plan provided \$1 billion for spending on PA infrastructure. As reported to the Board in October 2018,

this incremental cost of \$1.9 billion for PA-owned infrastructure is projected to be funded from incremental rentals from private sector sources (the private terminal developers) and airline cost recoveries. The contribution from private capital remains at \$12 billion of the \$13 billion total cost of the redevelopment program, all as approved by the Board in October 2018.

- AirTrain LaGuardia: The reassessed Capital Plan provides for a \$2.05 billion project to build an AirTrain to serve LaGuardia Airport. The original 2017-2026 Capital Plan included \$1.5 billion in spending for this project. The revised project cost is informed by the continuing planning efforts and preliminary engineering studies underway as a result of previously authorized spending by the Board. The net increase to the Capital Plan is \$390 million, net of reductions elsewhere in the Aviation Capital Plan. This increase is projected to be covered by multiple sources, including: farebox revenue; airline cost recoveries; and, future period PFCs.
- EWR Terminal One Redevelopment: In February 2018 the Board reauthorized this project with an increase in the project cost of \$350 million due to market conditions increasing construction costs. As reported to the Board in February 2018, the additional funds required for this increase are projected to be provided by revenues from the new terminal.

New Projects:

Three new projects are proposed to be added to address Port Authority priorities:

- PATH Improvement Plan (\$200 million): PATH is a critical Trans-Hudson link in the region. With the growth of many communities along its route, PATH continues to see record levels of ridership and expects continued growth over the next decade. The modernization of its signal system and the expansion of the railcar fleet are included in the original 2017-2026 Capital Plan. This project adds capital commitment in four separate aspects: (1) key station modifications to enable the running of 9 car trains on the Newark-WTC lines; (2) adopting a new fare payment system based on the integration with the MTA's new OMNY fare payment system; (3) capital support for PATH's new 30-month, 6-point delay reduction initiative; and, (4) funding for planning work to enable 10-car trains on the Newark-WTC line in the future.
- Electrical Vehicle Infrastructure (\$50 million): In October 2018, the Port Authority became the first public transportation agency in the United States to embrace the Paris Climate Agreement. The Port Authority commitment set an interim target of reducing greenhouse gas emissions across its facilities 35 percent by 2025. A significant part of this sustainability agenda includes the conversion of the Port Authority's on-airport shuttle bus fleet, currently comprised of diesel and diesel hybrid vehicles, to an all-electric, zero-emissions shuttle bus fleet. The Port Authority will also convert 50 percent of its light duty vehicle fleet – representing over 600 vehicles – to electric. This project will provide for the construction of the required electric vehicle infrastructure, including charging stations, to support the electric vehicle initiative.
- Planning for a new Terminal Two at Newark Liberty International Airport (\$35 million): Newark Liberty's Terminal B first opened in 1973, the same year as Terminal A, which is currently being replaced with a new Terminal One. Though Terminal B has been renovated to increase capacity and improve the passenger experience, it still faces constraints and is not designed to fully meet the needs of 21st century air travelers. Commencing planning will enable design for a new world-class Terminal Two to move ahead as part of the broader effort to move Newark Liberty International Airport, consistent with all Port Authority airports, to the top echelon of customer rankings.

The table below depicts the proposed adjustments to the 2017-2026 Capital Plan:

Project (\$ in millions)	Proposed Adjustments	2017-2026 Reassessed Capital Plan
Major Projects:		
New AirTrain Newark	\$1,640	\$2,050
JFK Redevelopment	1,900	2,900
AirTrain LGA	390	2,050
EWR Terminal One Redevelopment (as Board approved in February 2018)	350	2,700
New Projects:		
PATH Improvement Plan	200	200
Electric Vehicle (EV) Infrastructure	50	50
EWR Terminal Two Redevelopment Planning	35	35
Remaining projects in the 2017-2026 Capital Plan	235	27,015
Net Total 2017-2026 Reassessed Capital Plan	\$4,800	\$37,000

Newark Liberty International Airport - New AirTrain Newark

Overview: AirTrain Newark is a critical component of the operation of Newark Liberty International Airport (EWR). The line carries an average of 33,000 passengers per day or 12 million passengers per year, providing access to the Northeast Corridor (NEC) Rail Link, as well as providing transfer of customers and employees between the terminals, parking lots, and rental car facilities. Without AirTrain, EWR likely would not function at its current level of service. Specifically, congestion on airport roadways and terminal frontages would increase dramatically and there would be no airport access from Amtrak, NJ TRANSIT or any future PATH to Northeast Corridor Rail Link Station connection without the use of buses.

TOTAL PROJECT COST (Reassessed Capital Plan)	\$2.05 BILLION
INCREMENTAL CAPITAL CAPACITY (from incremental revenue)	\$1.64 BILLION
CURRENT STAGE	PLANNING

Purpose: Replace the existing AirTrain Newark, which has reached the end of its useful life, with a new AirTrain that will meet increasing passenger demands and enable world-class operations that provide passengers with a 21st century customer experience. The existing system and subsystems are beyond their original design life and AirTrain Newark is experiencing increasing numbers of failures causing system disruptions.

Scope: The program will include construction of new AirTrain infrastructure, including guideway, passenger stations, substations, as well as a new maintenance control facility and other system components comprised of vehicles, train control and power distribution. The increase from the 2017-2026 Capital Plan is projected to be funded from project related revenues and future PFCs.

Implementation Plan: The Plan targets AirTrain Newark construction and manufacturing to start in late 2020 or early 2021. System testing and commissioning of the new system, would be targeted for 2024, after which revenue service would partially begin in 2025, with full delivery of the system in 2026. The staging plan for the construction of the new AirTrain Newark will be coordinated with the Terminal One Redevelopment Program construction.



John F. Kennedy International Airport Redevelopment

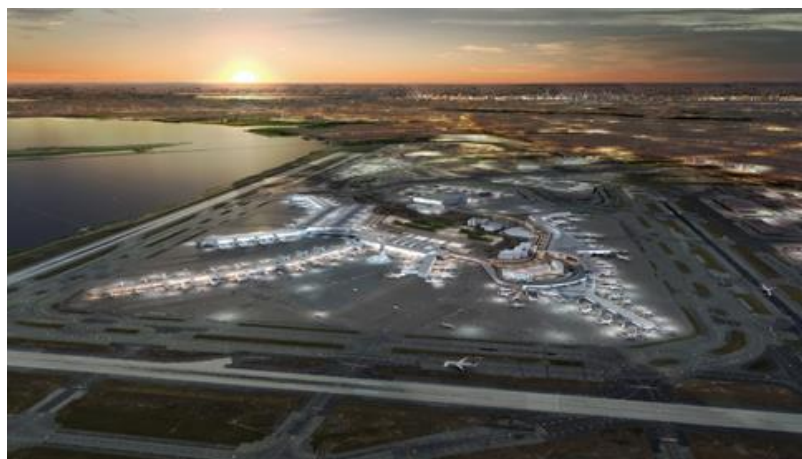
JFK Overview: John F. Kennedy International Airport (JFK) is the region’s largest airport and the nation’s busiest in terms of international passengers. In 2018, it accommodated a record 61.6 million passengers. Without terminal expansion and infrastructure improvements, JFK is expected to reach capacity by the mid-2020s. The airport, which generates \$15 billion in wages and supports nearly 285,000 jobs throughout the region, is routinely given poor marks by passengers due to an inconsistent, sub-par passenger experience and increasingly cramped nature of many facilities.

TOTAL PROJECT COST (Reassessed Capital Plan)	\$2.9 BILLION
INCREMENTAL CAPITAL CAPACITY (from incremental revenue)	\$1.9 BILLION
CURRENT STAGE	PLANNING/DESIGN

Purpose: On January 4, 2017, the Airport Advisory Panel (Advisory Panel), created by New York Governor Andrew Cuomo to make recommendations to the State of New York and the Port Authority regarding the transformation of LaGuardia Airport and JFK, issued a report entitled “A Vision Plan for John F. Kennedy International Airport”. It included recommendations for the redevelopment of JFK to meet the standards of a world-class 21st century airport. The Vision Plan calls for an overhaul of JFK’s eight disparate terminal sites into one unified airport. In October 2018, Governor Andrew Cuomo announced the PA’s selection of two developers to build two new international terminals in the north and south sides of the airport. At its October 2019 meeting the Board authorized staff to continue negotiations with the two proposers.

Scope: This program includes high priority projects to modernize on-airport infrastructure in connection with the proposed Terminal One Group (TOGA) and JetBlue terminal redevelopment. Additional planning completed since the 2017-2026 Capital Plan was approved, and coordination with the private developers, identified further infrastructure improvements required to support the new international terminals. These improvements include: additional roadway improvements; airfield modifications; capacity improvements to AirTrain JFK; traffic mitigation; and, the construction of a new ground transportation center. As reported to the Board in October 2018, the increase from the 2017-2026 Capital Plan is projected to be funded from private sector revenues including rentals from the private terminal developers and airline recoveries.

Implementation Plan: The JFK program is currently in planning and design, with construction slated to start in the latter part of 2020. The program requires staging coordination with other projects underway at the airport as well as close coordination with JFK’s operating airlines.



AirTrain LaGuardia

LGA AirTrain Overview: LaGuardia Airport (LGA) is the only major airport on the East Coast of the United States without direct rail transit access. Under current congested traffic conditions, travel time to LGA by road is unpredictable. Such variability and uncertainty make it difficult for travelers to plan, while also carrying a potential risk of missed flights.

TOTAL PROJECT COST (Reassessed Capital Plan)	\$2.05 BILLION
INCREMENTAL CAPITAL CAPACITY (from incremental revenue)	\$390 MILLION
CURRENT STAGE	PLANNING

Purpose: The AirTrain LGA Program will provide reliable and predictable access to the airport for travelers, airport employees and others having airport-related business. With passenger demand at LGA expected to reach 35 million passengers annually in 2030, reliable and efficient rail service to and from the airport is critical to manage on-site parking, improve drop-off and pick-up activities at the terminal frontages, as well as to reduce road congestion on and off the airport, including its nearby neighborhood streets, and reduce adverse environmental effects caused by travelers accessing the airport by road.

Scope: AirTrain LGA will connect the airport with a new station at Willets Point connecting to existing Long Island Railroad (LIRR) and NYC Transit (NYCT) subway service. The AirTrain will serve air travelers, airport employees and others having airport-related business. The incremental cost being added as part of the reassessed Capital Plan is driven by further advancement of design, a better definition of construction cost to address geotechnical and site conditions and the identification of certain mitigation/support projects required for the AirTrain program. This incremental cost is projected to be funded from multiple revenue sources including farebox revenue, airline cost recoveries and future PFCs.

Implementation Plan: AirTrain LGA construction is expected to start in 2021/2022 following the conclusion of the FAA's environmental review process which formally kicked off in May 2019 with the first public hearings held in early June 2019.



Newark Liberty International Airport Terminal One Redevelopment Program

Overview: The existing Terminal A at Newark Liberty International Airport opened in 1973; it is the oldest terminal at the airport and nearing the end of its useful life. It does not support modern airline operational requirements and strains to serve more passengers than provided under its original design capacity. This program will create a new terminal building equipped to serve the forecasted increase in passengers while providing

an open, modern terminal that customers find easy to access. Importantly, the new terminal will, by design, adapt to increasing demands, including evolving requirements for air travel. The accompanying improved airfield layout will increase flow and allow for larger aircraft with dual taxi-lanes serving all gates.

TOTAL PROJECT COST (Reassessed Capital Plan)	\$2.7 BILLION
INCREMENTAL CAPITAL CAPACITY (from incremental revenue)	\$350 MILLION
CURRENT STAGE	CONSTRUCTION

Purpose: This program will replace the outmoded Terminal A building with a modern facility that meets increasing passenger levels, accommodates larger aircraft and upgrades all supporting infrastructure while providing a configuration whose layout can adapt and expand to allow for unforeseen changes in demand. As approved by the Board in February 2018, the increase to the Capital Plan provided for in the reassessed Capital Plan of \$350 million is driven by market conditions that increased construction costs. The increased costs are projected to be covered by revenues associated with the project.

Scope: The Terminal One Redevelopment Program includes four key elements:

- A new, 1 million square foot common use terminal with 33 gates that can accommodate 13.6 million annual passengers and future growth (the terminal could be expandable to 45 gates).
- Airfield paving on 140 acres contiguous to the new terminal, plus demolition of the existing Terminal A concourse.
- A new road system that connects the new terminal building to the existing Central Terminal Area, including eight new bridges and frontage roads.
- An “open”, tiered and naturally ventilated garage and surface lot featuring approximately 3,000 parking spaces.

Implementation Plan: In February 2018, the Board authorized a contract with Tutor Perini/Parsons JV, a joint venture between Tutor Perini Corporation and Parsons Transportation Group Inc., for the design and construction of Terminal One, and other infrastructure. It is anticipated that the new terminal will open in phases with full opening by the end of 2022.



2017-2026 Capital Plan - 2019 Reassessment

Port Authority of NY & NJ

PATH Improvement Plan

Overview: PATH ridership is at record-high levels, with continued growth expected over the next decade. This project adds capital commitment in four separate aspects: (1) key station modifications to enable the running of 9 car trains on the Newark-WTC line; (2) adopting a new fare payment system based on integration with the MTA’s new OMNY fare payment system; (3) capital support for PATH’s new 30-month, 6-point delay reduction initiative; and, (4) funding for planning work on a project to enable 10-car trains on the Newark-WTC line in the future.

TOTAL PROJECT COST (Reassessed Capital Plan)	\$200 MILLION
CURRENT STAGE	MULTIPLE

Purpose: Leveraging the on-going \$750 million investment in a new signal system that enables PATH to run more trains per hour, and the prior commitment of \$216 million for 72 new rail cars, the PATH Improvement Plan (“PIP”) adds \$80 million for station modifications to enable the conversion of the Newark-WTC line from 8-car trains to 9-car trains running every three minutes during the peak of the rush hour periods. These changes are anticipated to result in a 40 percent increase in capacity on the Newark-WTC line by 2022. PATH also anticipates in that timeframe an increase a 20 percent increase in capacity on the Journal Square-33rd St. line, Hoboken-WTC line and the Hoboken-33rd St. line.

As part of a 30 month \$50 million commitment of funds to reduce delays and enhance customer experience, the PIP includes capital funding to address the key causes of delay. The PIP also includes funding for the implementation of a new fare payment system integrated with the MTA’s new OMNY system.

Scope: To accommodate longer trains on the Newark-WTC line, PATH has proposed capital projects at both the Grove Street Station and the Exchange Place Station, with a planned investment of \$80 million.

As part of the six-point delay reduction initiative, the PIP will provide resources to address four of the major causes of delay: (1) track conditions; (2) switch failures; (3) car equipment failures; and, (4) signal equipment issues.

The PIP also requires capital investment for a new fare payment system that will support contactless media, including debit/credit cards and mobile devices and be fully integrated with MTA’s new fare payment system.

Implementation Plan: The multiple capital projects to support the PIP are expected to be completed by the end of 2022.



Determination of Capital Capacity

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey that has been in existence for 99 years. The agency was created in April 1921 by the two States through a Compact, which was consented to by the Congress of the United States.

Although a joint agency of the two States, the Port Authority stands on its own, both operationally and financially.

Financially, the Port Authority is self-sustaining and raises the funds it needs to acquire, construct or improve its facilities primarily on the basis of its own credit. Except in limited circumstances the Port Authority does not receive federal or state support. When it was created, the states provided the Port Authority with the power to establish charges for the use of its facilities and to borrow money through its bonds or other obligations. In consideration of the self-sustaining nature of the Port Authority, the reassessed Capital Plan continues to allocate the agency's affordable capital to its highest priority needs in a fiscally responsible manner to achieve a financially balanced plan.

The Port Authority employs a comprehensive planning process that considers multiple factors in the development of the annual budget and long-range capital plan and ensures the agency is consistently moving towards achieving long-term goals. The planning process requires an annual assessment of impacts to the continuing operations of the Port Authority's facilities, such as the regional needs, customer demands and industry specific business environments.

These factors constitute an input of the Port Authority Integrated Financial Model (IFM), which was designed for completeness of the financial picture of the Port Authority, and is used to determine capital capacity.

In determining capital capacity, the Port Authority projects its future net revenues based on existing and anticipated contracts and leases, and its approved rates and charges, subject to contractual or other escalations. The determination of capacity also includes reasonable assumptions regarding funds available from third party contributions (including federal funds) to support certain projects in the plan, and net proceeds from the sale or net-lease of non-core real estate assets.

The reassessed Capital Plan increased the total direct spending on Port Authority facilities by \$4.8 billion, from \$29.5 billion to \$34.3 billion. Of the total \$4.8 billion increase, approximately \$4.5 billion or 94% of the increase, is projected to be funded through additional revenues generated by the projects, including anticipated revenue increases from terminal rents, increased activity, airline cost recoveries, user fees and anticipated authorization of PFCs and receipt of federal grants associated with certain projects as previously described.

The capital capacity generated from the incremental revenues from added projects, certain revenue initiatives and future projected revenue from Port Authority facilities provide the necessary funding to support the reassessed Capital Plan and allocate funds to ensure the required funds to deliver the projects that are currently in the construction phase, maintain our assets in full operational capacity, restore and fortify assets damaged by Superstorm Sandy and invest in projects that will expand and improve critical transportation assets.

NEW YORK STEWART INTERNATIONAL AIRPORT – FUTURE STEWART PARTNERS, LLC – OPERATIONS, MAINTENANCE AND CONCESSIONS MANAGEMENT AGREEMENT – NEW AGREEMENT

The Port Authority assumed operation of New York Stewart International Airport (SWF) in the fall of 2007, and throughout the past decade, the Port Authority has pursued growth opportunities for SWF with a variety of actions meant to draw new airlines and customers to the airport. This included the establishment of incentive programs, and planning to develop a permanent federal inspection service (FIS) facility (the “Customs Hall”) to process international passengers. Within the larger airport system operated by the Port Authority, SWF is both a critical transportation hub for the Hudson Valley region, and a potential low-cost alternative airport for customers in the New York – New Jersey metropolitan region.

As a result of these efforts, and with the proliferation of new low-cost air carriers in recent years, the Port Authority and Norwegian Airlines (Norwegian) reached agreement in 2017 for the first-ever transatlantic service at SWF. That June, Norwegian began regularly scheduled flights to and from the following European airports: Edinburgh, Bergen (Norway), Dublin, Shannon, and Belfast. The airline also partnered with the Port Authority to operate an express bus service between SWF and the Port Authority Bus Terminal.

Partly as a result of the new service by Norwegian, SWF’s annual passenger traffic increased from 275,000 in 2016 to approximately 690,000 in 2018. In October 2018, the Board re-authorized a project to develop a FIS Customs Hall, at an estimated total cost of \$37 million, which is currently under construction and anticipated to be completed in mid-2020.

Citing the recent federal investigation into the 737 Max aircraft, the aircraft of choice for Norwegian on its SWF transatlantic service, the airline ceased operations at SWF on September 14, 2019. Given that SWF faces a significant loss of air traffic and passenger volume next year, staff is introducing an aggressive new strategy, with five key components, to attract new and sustainable air service to SWF. This plan includes:

- Modernizing SWF’s air carrier incentive program, to attract and retain new carriers and service to new markets.
- Leveraging partnerships with regional and state agencies, and tourism and trade organizations, to promote the airport as a driver of economic activity.
- Hiring an experienced marketing firm to increase SWF’s visibility in both the international marketplace and in the Hudson Valley Region, and to strengthen the airport’s brand.
- Developing a joint marketing strategy with key businesses and attractions in the Hudson Valley Region to drive traffic through SWF.
- Entering into an agreement with a new best-in-class airport operator, including an expanded scope for the building of a modern concession program and collaboration with the Port Authority on attracting new air service to SWF.

The existing agreement with AFCO AvPORTS Management LLC for operations and maintenance services at SWF will expire on October 31, 2019.

In furtherance of the new strategic initiatives at SWF set out above, it was recommended that the Board authorize the Executive Director to enter into a new agreement (Operator Services Agreement) with Future Stewart Partners, LLC (FSP), or an affiliated entity, composed of ADP International Americas LLC d/b/a ADPIA (Groupe ADP) and AFCO AvPORTS Management LLC d/b/a AvPORTS, for: (1) operations and maintenance services at SWF, at an initial annual management fee of \$650,000, subject to annual escalation in accordance with the Consumer Price Index (CPI); and (2) concessions management services at SWF, at an initial annual management fee of \$35,000, subject to a one-time adjustment in year two of the agreement and future annual escalation in accordance with the CPI. This new Operator Services Agreement would begin on or about November 1, 2019, with a base term of ten years, with one five-year extension option and a 180-day extension option, both options being that of the Port Authority.

In addition to the Operator Services Agreement, the Executive Director also would be authorized to enter into a lease for the concessions space in the SWF passenger terminal with FSP, effective June 15, 2020 (upon expiration of the existing concession space lease with Hudson News). During the term of that lease, FSP would enter into direct subleases with unaffiliated third-party concessionaires.

In the first year of the agreement, the annual cost for operation and maintenance services is estimated at \$14.7 million, which is approximately 5 percent less than the annual cost for these services under the current agreement, while obtaining enhanced services in the areas of marketing the airport and concessions management at SWF. Future years' costs would be subject to annual review as part of the development of the annual budget.

In addition, under the proposed Operator Services Agreement, the Port Authority would receive concession revenue as the greater of a minimum annual guarantee (MAG) based on passenger volume, or a percentage of gross sales in the terminal. If the annual concessions revenue exceeded a threshold amount, the Port Authority would share a portion of such excess amount with FSP. Subject to the Port Authority's consent, the new maintenance, operations, and concessions operator would construct up to \$1 million in upgrades to the concessions space and up to \$3.2 million in terminal gate area improvements, at a time to be mutually determined. In the event the Port Authority directed the new operator to make such improvements, or portions thereof, it would be reimbursed by the Port Authority for its costs to implement the improvements over the term of the new Operator Services Agreement.

The entities comprising FSP – Groupe ADP and AvPORTS (the incumbent operation and maintenance provider at SWF) – have extensive experience in airport management. In particular, Groupe ADP is the operator of Paris’s Charles de Gaulle, Orly, and Le Bourget Airports, and maintains significant ownership and management roles in more than 20 additional airports worldwide, and has won multiple Airports Council International Best Airport Awards in 2018.

Pursuant to the new Operator Services Agreement, FSP would perform the following services: manage all operations at SWF (airside, terminal and landside); perform all tasks required for federal aviation regulation compliance, environmental regulatory compliance, and compliance with the airport security plan under U.S. Transportation Security Administration regulations; provide terminal and landside maintenance at SWF (including a robust life cycle asset management program, custodial services and a strong reporting system for maintenance performance); integrate retail, dining and commercial development in the passenger terminal and provide amenities, food and beverage, and retail offerings to ensure the airport is continuously meeting passenger needs and aiming to provide a world-class customer experience; create opportunities that encourage local business and minority/women-owned/disadvantaged business enterprise participation in all aspects of the services to be provided under the Operator Services Agreement; and monitor all airport activities, including construction, to ensure compliance with all requirements and stipulations of the Port Authority Sustainable Design Policy. In addition, FSP would undertake efforts to increase the amount of air service to SWF, leveraging Groupe ADP’s networks and partnerships to market SWF aggressively around the world. The proposed Operator Services Agreement would measure performance against key performance indicators to ensure a high quality of services. The contractor would be required to provide its services consistent with airport management best practices.

In order to identify the new provider of operator services for SWF, the Port Authority conducted an extensive qualitative-based competitive procurement process, which resulted in the identification of FSP as the highest-rated proposer.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 an Operations, Maintenance, and Concessions Management Agreement (Operator Services Agreement) for New York Stewart International Airport (SWF) with Future Stewart Partners, LLC, or an affiliated entity, composed of ADP International Americas LLC d/b/a ADPIA and AFCO AvPORTS Management LLC d/b/a AvPORTS, for a ten-year term, with one five-year extension option and a 180-day extension option, both options being that of the Port Authority, and an accompanying concession space lease for concessions space within the SWF passenger terminal, 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 extend, at his discretion, the term of an existing operations and maintenance agreement with AFCO AvPORTS Management LLC d/b/a AvPORTS, or an affiliated entity, for a term concluding no later than December 31, 2019, in the event the proposed new agreement with Future Stewart Partners, LLC is not executed on or before October 31, 2019; 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 necessary or appropriate in connection with the foregoing Operator Services Agreement and lease agreement; 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.

PORT AUTHORITY BUS TERMINAL – MTJ CAFÉ LLC D/B/A ANNIE MOORE’S BAR & RESTAURANT – LEASE LBT-765 – NEW LEASE

It was recommended that the Board authorize the Executive Director to enter into a lease agreement (Lease) with MTJ Café LLC d/b/a Annie Moore’s Bar & Restaurant (Annie Moore’s), to provide for the letting of an estimated 6,250 square feet of space adjacent to the main entrance of the South Wing of the Port Authority Bus Terminal (PABT) for the operation of a restaurant.

The Lease would commence on or about November 1, 2019, and expire on or about January 31, 2025, with a single five-year extension right at Annie Moore’s option. The Port Authority would have the right to terminate the Lease, without cause, upon 30 days’ notice. It is expected that Annie Moore’s would invest approximately \$1.1 million for the build-out of the space, with rent to commence upon the earlier of three months from approval of Annie Moore’s build-out plans by the Port Authority or Annie Moore’s opening for business. Should the Port Authority exercise its early termination right, the Port Authority would reimburse Annie Moore’s for the unamortized portion of its capital investment, in an amount of up to \$1.1 million. Over the term of the Lease, the Port Authority would receive a total aggregate rental of approximately \$3.8 million. Annie Moore’s also would pay percentage rental on the portion of its gross receipts that exceeds an annual threshold amount.

The Lease would be subject to a brokerage commission payable to Cushman & Wakefield (C&W), in accordance with the terms of the retail brokerage agreement regarding the PABT between the Port Authority and C&W, which was authorized by the Board at its September 17, 2014 meeting.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 a lease agreement with MTJ Café LLC d/b/a Annie Moore’s Bar & Restaurant to provide for the letting of an estimated 6,250 square feet of space adjacent to the main entrance of the South Wing of the Port Authority Bus Terminal for a five-year-and-three-month term, 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 or agreements necessary or appropriate in connection with the foregoing lease; 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.

**GEORGE WASHINGTON BRIDGE REHABILITATION PROGRAM –
REHABILITATION OF LOWER LEVEL STRUCTURAL STEEL – PROJECT
AUTHORIZATION AND AWARD OF CONTRACTS GWB-244.112 AND GWB-
244.112M**

It was recommended that the Board authorize: (1) a project for the rehabilitation of the structural steel and related work on the underside of the Lower Level of the George Washington Bridge (GWB), at an estimated total project cost of \$311.7 million; and (2) the Executive Director to award the following contracts related to the foregoing project, to the respective lowest-priced qualified bidder, American Bridge Company: (a) Contract GWB-244.112, for the rehabilitation of structural steel, removal of lead-based paint, repainting of the underside of the Lower Level, and the replacement of four maintenance traveler platforms used for maintenance and inspection of the bridge, at an estimated total construction cost of approximately \$196.9 million, inclusive of allowances for extra work, net cost work, performance bond and a risk contingency; and (b) Contract GWB-244.112M, for the maintenance of the traveler platforms and associated systems, at a cost of approximately \$1.4 million for the initial three-year term, with a three-year extension option, at an additional cost of approximately \$1.4 million.

The Port Authority is currently implementing a comprehensive “Restoring the George” program, which is composed of multiple projects covering the rehabilitation or replacement of structural elements of the GWB and its approach roadways, at a combined cost of approximately \$1.92 billion. Biennial inspections of the GWB Lower Level determined that the currently proposed rehabilitation project is needed in order to maintain the Lower Level in a state of good repair. As part of the “Restoring the George” program, through separate actions from February 2012 through July 2017, the Board authorized planning and design development work for the currently proposed project to rehabilitate the underside of the GWB’s Lower Level and replace the movable maintenance platforms, at an aggregate amount of \$21.3 million, which is included in the proposed total project cost.

The proposed project would provide for the following work to be performed on the underside of the GWB Lower Level: rehabilitation of structural steel; removal of the original lead-based paint, which also contains asbestos, and repainting of the steel; replacement of the four maintenance traveler platforms; and maintenance of the newly installed maintenance traveler platforms and associated systems for three years, with the option to renew for an additional three years.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 for the rehabilitation of the structural steel and related work on the underside of the Lower Level of the George Washington Bridge (GWB), at an estimated total project cost of \$311.7 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 award the following contracts in connection with the foregoing project, to the respective lowest-priced qualified bidder, American

Bridge Company: (1) Contract GWB-244.112, for the rehabilitation of structural steel, removal of lead-based paint, repainting of the underside of the Lower Level, and the replacement of four maintenance traveler platforms used for maintenance and inspection of the GWB, at an estimated total construction cost of approximately \$196.9 million, inclusive of allowances for extra work, net cost work, performance bond and a risk contingency; and (2) Contract GWB-244.112M, for the maintenance of the traveler platforms and associated systems, at a cost of approximately \$1.4 million for the initial three-year term, with a three-year extension option, at an additional cost of approximately \$1.4 million; 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 other construction contracts, contracts for professional and advisory services, and such other contracts, agreements and permits as may be necessary to effectuate the foregoing project, 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 project 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.

PORT AUTHORITY BUS TERMINAL – REHABILITATION OF CONCRETE ROADWAY WEARING COURSE FOR LOWER LEVEL, PARTIAL 3RD AND 4TH FLOOR BUS LEVELS – PLANNING AUTHORIZATION

It was recommended that the Board authorize planning work to develop a project to rehabilitate portions of the Port Authority Bus Terminal's (PABT) concrete roadway wearing course (top layer of the roadway), including installation of a waterproofing membrane and permanent traffic markings, as well as rehabilitation of the roadway's underlying structural slab in selected areas of the PABT, at an estimated total cost of \$5 million. The proposed planning effort would include field inspections, development of a recommended scope of work, and delivery of findings and recommendations in a formal report.

Since the opening of the PABT in 1950, the wearing courses of the South Wing Lower Level, Third Floor, and Fourth Floor of the PABT have been repaired and replaced through multiple contracts. The numerous interim repairs have resulted in the waterproofing membrane (located above the wearing course and the concrete and steel structure) being compromised. As a result, water accumulating on the roadway surface, primarily from melting snow brought in on buses, is permeating the structural slab and results in ceiling leaks in spaces located below the roadway.

While planning and development for a new PABT are underway, the Port Authority continues to implement improvements to the existing terminal, to maintain safe and reliable operations and an appropriate level of customer service. The proposed planning effort would allow staff to map the conditions of the concrete roadway wearing courses, in order to prioritize areas for rehabilitation. The planned rehabilitation effort would help to ensure safe operations and address deterioration of the wearing course in critical areas of the PABT, which is causing deterioration of the structural slabs, as well as ceiling water leaks in certain tenant spaces.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 planning work for the development of a project to rehabilitate portions of the Port Authority Bus Terminal's concrete roadway wearing course and underlying structural slab, at an estimated total cost 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 contracts for professional, technical, and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing 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 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.

WORLD TRADE CENTER – AUTHORIZATION TO PROVIDE ADDITIONAL FUNDS FOR THE CONSTRUCTION OF A MEMORIAL TO 9/11 RESCUE AND RECOVERY WORKERS

It was recommended that the Board authorize the Executive Director to enter into a new agreement, or an amendment to an existing agreement, with The National September 11 Memorial Museum (Memorial & Museum) and any other appropriate entities, pursuant to which the Port Authority would provide an additional amount not to exceed \$1.8 million toward the cost of the project to construct a permanent memorial at the World Trade Center (WTC) site honoring all those who assisted in rescue and recovery efforts at the WTC site following the terrorist attacks of September 11, 2001. The currently proposed amount would be in addition to the provision of an amount not to exceed \$500,000 toward the construction of the memorial that was authorized by the Board at its meeting of September 27, 2018.

The Memorial & Museum has undertaken a project to build a memorial at the WTC site to recognize the courage, sacrifice and selflessness of all those who participated in the rescue and recovery efforts, with the memorial located on the Memorial Glade, in the southwest portion of the WTC site. Work on the project is completed, and the memorial was dedicated on May 30, 2019. The Memorial & Museum has requested the Port Authority to provide an additional amount toward the project to construct the memorial, to cover a portion of the costs necessary for the timely and successful completion of the project. The additional amount to be provided by the Port Authority is included in the Port Authority's 2017-2026 Capital Plan.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 an agreement, or an amendment to an existing agreement, with The National September 11 Memorial Museum and any other appropriate entities, pursuant to which the Port Authority will provide an additional amount not to exceed \$1.8 million toward the cost of the project to construct a permanent memorial at the World Trade Center (WTC) site honoring all those who assisted in rescue and recovery efforts at the WTC site following the events of September 11, 2001; and it is further

RESOLVED, that the form of the foregoing amendment or agreement shall be subject to the approval of General Counsel or his authorized representative, and the terms of such amendment or agreement shall be subject to review by General Counsel and his authorized representative.

JOHN F. KENNEDY INTERNATIONAL, NEWARK LIBERTY INTERNATIONAL, LAGUARDIA, AND TETERBORO AIRPORTS – UPGRADE OF PERIMETER INTRUSION DETECTION SYSTEM SECURITY EQUIPMENT AND SOFTWARE - PLANNING AUTHORIZATION AND AWARD OF EARLY ACTION WORK ORDERS

It was recommended that the Board authorize: (1) planning and early-action installation work to upgrade or replace portions of the existing Perimeter Intrusion Detection System (PIDS) at LaGuardia Airport (LGA), John F. Kennedy International Airport (JFK), Newark Liberty International Airport (EWR), and Teterboro Airport (TEB), at a total cost of \$3.8 million; and (2) the Executive Director to increase the amount of the existing maintenance contract with Raytheon Company (Raytheon), to upgrade the PIDS Video Management System software, servers, and storage arrays, and for engineering services to evaluate other component upgrades, at an estimated cost of \$3.1 million, inclusive of allowances for extra work and net cost work, which represents the early-action installation work portion of the proposed authorization amount.

The PIDS, combined with physical barriers, and operational measures, are part of a multi-layered security system at JFK, EWR, LGA and TEB. The PIDS is composed of centralized hardware and software, as well as cameras and detection sensors at perimeter locations that monitor for detection of intrusions. The original PIDS installation was implemented under a design-build contract with Raytheon, and the system is approaching 10 years of age. Certain components require upgrade or replacement in order to maintain the system in a state of good repair.

Raytheon is currently performing PIDS maintenance services under a contract with a term due to expire in 2024, with two one-year option periods and allowances for additional work via work orders. The proposed planning effort would include the development of an order-of-magnitude estimate, strategies to replace equipment while maintaining operations, and a timeline to complete the replacement of all end-of-life hardware/software, and to advance replacement or upgrade of existing obsolete equipment. The upgrade component of the planning effort is expected to be implemented using a custom design-build approach, under a work-order provision in the PIDS maintenance contract with Raytheon. Cost proposals submitted by Raytheon to effectuate the upgrade of the PIDS will be fully evaluated by the Port Authority against industry market standards.

The proposed planning effort would lead to the development of a project to improve detection and response to security threats. Optimal performance of the PIDS at the agency's aviation facilities is necessary, in order to detect and mitigate threats against aircraft and air passengers and prevent disruption to commercial air travel.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 planning and early-action installation work to upgrade or replace portions of the existing Perimeter Intrusion Detection System (PIDS) at LaGuardia Airport, John F. Kennedy International Airport, Newark Liberty

International Airport, and Teterboro Airport, at an estimated total cost of \$3.8 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 increase the amount of the existing maintenance contract with Raytheon Company, to upgrade the PIDS Video Management System software, servers, and storage arrays, and for engineering services to evaluate other component upgrades, at an estimated cost of \$3.1 million, inclusive of allowances for extra work and net cost work; 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 other contracts for professional, technical, and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing 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 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.

MODIFICATION OF CITY OF NEWARK SEAPORT AND AIRPORT LEASE AND SETTLEMENT OF DISPUTE

It was recommended that the Board authorize various concrete steps to adjust the Port Authority's long-term relationship with the City of Newark (City).

In return for a \$5 million up-front payment and an additional rent payment of \$5 million per year for the next 30 years, the City agrees to: (i) extend the October 22, 1947 lease between the City and the Port Authority covering the real property underlying Port Newark and Newark Liberty International Airport, for an additional ten years, to 2075; (ii) advance with a favorable recommendation to approval by the City Council certain proposed real property transactions that would permit the Port Authority to advance its Port Street Corridor Improvements and AirTrain Newark Replacement Projects; (iii) not unreasonably withhold approval for other necessary additions to the Port Authority's Newark property; (iv) negotiate in good faith to permit the Port Authority to connect to the City's high speed fiberoptic network at a preferential discount rate; and (v) release the Port Authority from certain claims the City believes it may have. The parties have also agreed to establish an Office of Airport and Seaport Administration, to be funded by the Port Authority.

Pursuant to the foregoing report, the following resolution was adopted in executive session, with Commissioners Bagger, Eve, Horwitz, Lynford, LaBarbera, 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 approves the specific steps described in the foregoing report to adjust the Port Authority's relationship with the City of Newark; 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, including extending the October 22, 1947 lease between the City and the Port Authority covering the real property underlying Port Newark and Newark Liberty International Airport, for an additional ten years to 2075, on the terms set forth above; 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 the General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by the General Counsel or his authorized representative; and it is further

RESOLVED, that this resolution shall remain confidential until such time as the contracts, agreements and documents evidencing the modifications are executed by both parties, and any conditions to the effectiveness thereof have occurred.

Whereupon, the meeting was adjourned.

Secretary