

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, December 16, 2021

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, December 16, 2021 at 150 Greenwich Street, New York City, New York and State of New York and via teleconference.

PRESENT:

NEW JERSEY

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

NEW YORK

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

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

James K. Allen Jr., Chief of Staff to the Vice Chairman*
 Christopher Beacham, Chief of Staff, Chief Financial Officer
 Carrol Bennett, Acting Chief, Office of Diversity, Equity and Inclusion**
 John Bilich, Chief Security Officer
 Benjamin M. Branham, Chief Communications Officer
 Ana Carvajalino, Director, Financial Planning*
 Rebecca L. Cassidy, General Manager, Board Unit, Office of the Secretary
 Edward T. Cetnar, Director of Public Safety/Superintendent of Police*
 Janet D. Cox, Chief of Staff and Special Counsel to the Executive Director*
 Gideon Davidson, Special Assistant to the Executive Director*
 Jennifer S. Davis, Chief, Intergovernmental Affairs*
 Clarelle D. DeGraffe, Director, Rail Transit*
 Alfred P. Doblin, Director, Strategic Communications, Office of the Chief Communications Officer
 Nicholas Doscher, Police Officer*
 Benjamin Feldman, Senior Advisor to the Chairman
 Amy H. Fisher, First Deputy General Counsel and Director of Legal Affairs
 Robert E. Galvin, Chief Technology Officer**
 John Gay, Inspector General*
 Erik George, Interim Deputy Director, Management and Budget
 Robert Gibbon, Special Counselor to the Executive Director*
 Amber Greene, Deputy Director, Media Relations**
 Mary Lee Hannell, Chief, Human Capital
 Kirsten Hernandez, Leadership Fellow, Human Resources*
 Milena Kosc-Garcia, Principal Board Management Support Specialist, Office of the Secretary
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey*

Annesa H. Lau, Director, Operations Services*
 Huntley A. Lawrence, Director, Aviation and Acting Chief Operating Officer
 Elizabeth M. McCarthy, Chief Financial Officer
 Keith O'Connell, Police Officer*
 Jessica Ortiz, Deputy Inspector General and Director of Investigations*
 Hersh K. Parekh, Director, Government and Community Relations for Aviation
 Redevelopment in New York*
 Steven P. Plate, Chief, Major Capital Projects*
 Alan L. Reiss, Director, World Trade Center Construction*
 Sam Ruda, Director, Port*
 Jessica Russ, Executive Policy Analyst, Office of the Secretary*
 Peter D. Simon, Chief of Staff to the Chairman
 James A. Starace, Chief Engineer/Director of Engineering*
 Debra M. Torres, Chief Ethics and Compliance Officer*
 Derek H. Utter, Chief Development Officer
 Lillian D. Valenti, Chief Procurement Officer*
 Cheryl A. Yetka, Treasurer*

Guests:

Noreen M. Giblin, Deputy Chief Counsel, Authorities Unit, Office of the Governor of New Jersey*
 Lauren LaRusso, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey
 Raymond Pocino, former Port Authority Commissioner

Public Commenters (Video and Written Statements):

Vittoria Fariello
 Bernard F. Rebecchi

Topics:

5 World Trade Center Site
 Hiring Practices at Port Authority

* Remote participants via teleconference.

**Staff present in-person for a brief period.

The public meeting was called to order by Chairman O’Toole at 12:26 p.m. and ended at 1:45 p.m. Commissioners Horwitz and Lynford were present for portions of the public meeting and submitted their affirmative votes to the Chairman on the resolutions before the Board, prior to departing the public session. The Board also met in executive session prior to the public session. Food and beverages were not offered in executive session. Mask rules were uniformly observed, and social distancing was maintained throughout the meetings.

Report on Prior Meeting’s Minutes

Copies of the Minutes of the meeting of November 18, 2021 were delivered in electronic form to the Governors of New York and New Jersey on November 19, 2021. The time for action by the Governors of New York and New Jersey expired at midnight on December 6, 2021.

Chairman’s Report

The Chairman advised that in light of the ongoing COVID-19 public health crisis, in-person attendance at the meetings will be limited to Commissioners, Port Authority staff required to conduct the meetings, and credentialed members of the press, subject to space limitations due to safety protocols.

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

TRIBUTE TO RAYMOND M. POCINO

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner Raymond M. Pocino upon his recent retirement from the Board.

WHEREAS, from his appointment by New Jersey Governor James McGreevey in June 2002, Raymond Pocino has given tirelessly of his time, talent, and experience to further the mission and goals of the Port Authority. Commissioner Pocino served with distinction as a member of the Board of Commissioners and has been committed to the agency's core mission of building and maintaining transportation infrastructure for the region in a fiscally prudent and publicly transparent manner; and

WHEREAS, Commissioner Pocino served for over 10 years as the Chair of the Committee on Construction, providing leadership in the development of transformative agency projects to improve regional mobility of people and goods in a safe and efficient manner, while consistently asserting the positive impact of the Port Authority's Capital Plan in creating good-paying construction jobs; and

WHEREAS, Commissioner Pocino served as Chair of the Labor Subcommittee and the Board's Minimum Wage Working Group, providing the full breadth of his experience as a nationally renowned labor leader on Port Authority labor matters, including the development of revisions to the minimum wage policy for non-trade labor at the Port Authority's three major commercial airports, which resulted in significant increases to the wages for these workers and improved labor retention for employers; and

WHEREAS, during his more than 19 years on the Board, Commissioner Pocino also served on the Committee on Finance, Committee on Capital Planning, Execution and Asset Management, Security Committee, Committee on Governance and Ethics and Audit Committee with integrity and enthusiasm, providing leadership in the shaping of agency policies and initiatives; and

WHEREAS, throughout his tenure, Commissioner Pocino was a steadfast supporter of the agency's staff who consistently recognized their commitment and praised their positive contributions;

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey, do hereby express to the Honorable Raymond M. Pocino their sincere appreciation for his leadership and service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to the Honorable Raymond M. Pocino as a token of the high esteem in which he is held by the Board and staff alike.

PORT AUTHORITY 2022 BUDGET

Consistent with longstanding Port Authority policy and in keeping with governance best practices, the proposed 2022 Budget is being presented to the Board for its consideration. The proposed 2022 Budget provides for capital and operating expenditures during calendar year 2022 necessary to advance the agency's mission, priorities and standards, while reflecting the agency's continuing recovery and ongoing challenges from the COVID-19 pandemic.

The proposed 2022 Budget of approximately \$7.9 billion ensures that the Port Authority maintains its commitment to high standards of safety, security, operational excellence and customer service for its customers, while maintaining fiscal discipline, particularly in view of the ongoing impacts of the COVID-19 pandemic on the Port Authority's financial condition. The proposed 2022 Budget is supported by a substantial increase in projected revenues in 2022 as compared to the 2021 Budget, reflecting the agency's ongoing activity recovery from the COVID-19 pandemic. The 2022 Budget levels, however, remain significantly below pre-pandemic projections. The 2022 Budget does not incorporate any anticipated funding to be received by the Port Authority from the recently enacted federal infrastructure funding bill, given the uncertainties until implementing guidelines are written by federal agencies. Once such funding is allocated, executive management will discuss with the Board the use of that support, reflecting its nature and conditions.

The proposed 2022 Budget allocates approximately \$3.4 billion for operating expenses, approximately \$2.7 billion for capital expenditures, and approximately \$1.8 billion for debt service and other expenses.

The proposed 2022 core operating expense budget, totaling approximately \$3.4 billion, reflects a core increase of \$211 million, or 6.6 percent, from the 2021 austerity operating expense budget. It provides for inflation-based growth for labor and contracts, non-discretionary contractual increases, and targeted incremental spending to: (1) prudently restore resources reduced as a result of lower activity volumes at the height of the pandemic, in relation to the ongoing activity recovery; (2) make incremental security investments, including funding for two new classes of Port Authority Police recruits (necessary to maintain the size of the police force after retirements) and additional cybersecurity protections; and (3) invest in new projects and initiatives, including innovative demonstration projects, sustainability initiatives to advance the agency's net-zero emissions commitments and revenue-generating and customer experience projects.

In addition, the 2022 operating expense budget incorporates an additional \$41 million of non-core operating expenses that are either: (1) non-recurring expenses that are completely reimbursable from third parties; or (2) expenses funded through the 2022 capital spending budget, but due to Generally Accepted Accounting Principles are required to be included as operating expenses.

The 2022 capital spending budget of approximately \$2.7 billion reflects an increase of \$316 million, or 13 percent, from the 2021 austerity capital spending budget. However, for the third year in a row, annual capital spending is still dramatically reduced from pre-COVID-19 planned spending. The 2022 capital spending budget phases in additional spending in a fiscally prudent manner from the reduced spending levels in 2020 and 2021 that were necessary as a result of the adverse impacts of COVID-19 on the agency's cash flow and financial position. The proposed 2022 capital spending budget advances the agency's commitment to rebuilding the region's aging infrastructure.

The proposed 2022 debt service and deferred expense budget of approximately \$1.8 billion reflects an increase of \$74 million, or 4.5 percent, from the 2021 debt service and deferred expense budget. This increase is driven by the schedule of borrowing required to fund the agency's Capital Plan, in addition to an increase in deferred expenditures to fund sustainability initiatives, vehicle purchases and replacements (including electric vehicles and buses), and planned technology investments.

A provision also is included to reimburse the States of New York and New Jersey for up to \$295,000 of expenses incurred by each of the two States, including staff costs, in reviewing the 2022 Budget.

The Executive Director would implement the 2022 Budget in conjunction with his authority under the By-Laws and other applicable authorizations, and take action with respect to professional, technical, or advisory services, contracts for maintenance and services, construction, commodities (materials, equipment and supplies) and utilities purchases, leasing of equipment, the purchase of insurance, and other actions, including staffing, personnel benefit, classification, range and procedural adjustments.

The Executive Director would effectuate capital plan spending in conjunction with his authority under the By-Laws, and other applicable authorizations, consistent with the proposed 2022 Budget and capital program projections, primarily through the use of Port Authority debt obligations and the Consolidated Bond Reserve Fund. As such, it would be desirable to establish the maximum limit on Consolidated Bond Reserve Fund applications to be used for such purposes, in an amount not to exceed \$1.8 billion (after reimbursement for temporary applications).

The Port Authority's facilities enhance the region's competitiveness and prosperity by providing transportation services that efficiently move people and goods within the region and facilitate access to the nation and the world. The Port Authority strives to coordinate terminal, transportation and other facilities of commerce in the New York-New Jersey metropolitan region surrounding the Port of New York and New Jersey and does so by identifying and meeting the critical transportation infrastructure needs that support bi-state commerce, as well as trade in both goods and services between the region and the rest of the nation and world.

The Executive Director's authority, pending final adoption and approval of the annual Budget each year, to make expenditures and undertake contractual commitments, also would be confirmed.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Cohen, Eve, Horwitz, Lynford, LaBarbera, Martinotti, McCabe, Menendez, O'Toole, and Richardson 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 2022 Budget of The Port Authority of New York and New Jersey, as set forth below, be and the same hereby is approved and adopted, including authority for the Executive Director, pending final adoption of the annual Budget each year, to make expenditures and undertake contractual commitments:

**THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
Including Its Related Entities
2022 BUDGET**

(in thousands)	OPERATING	CAPITAL	DEBT SERVICE, DEFERRALS & OTHER	TOTAL
Total Port Authority Budget	\$3,444,735	\$2,736,393	\$1,713,858	\$7,894,986

(1) Net after interdepartmental chargebacks to other departments.

; and it is further

RESOLVED, that, based upon a requisition of the Governor of the State of New York or the Governor of the State of New Jersey, or the duly authorized designee of each, the Port Authority shall pay to the State of New York or the State of New Jersey, or both, upon receipt of an appropriate expenditure plan from said State, an amount not in excess of \$295,000 to each said State to reimburse said State or States for expenses incurred by said State or States, including staff costs, in reviewing the annual Budget of the Port Authority and any amendments thereto; and it is further

RESOLVED, that the provision by the Executive Director of portions of the Port Authority’s capital program from time to time, consistent with the 2022 Budget and capital program projections (including the continuing application of the Capital Fund on a temporary basis, subject to reimbursement), by application of moneys in the Consolidated Bond Reserve Fund to the Capital Fund for capital expenditures for the year 2022 in connection with the Port Authority’s facilities, shall not, subject to statutory, contractual, and other commitments and financial policies of the Port Authority, exceed approximately \$1.8 billion (after reimbursement for temporary applications).

**NEWARK LIBERTY INTERNATIONAL AIRPORT – GAZ REALTY, INC, D/B/A
NEWARK AIRPORT PLAZA, INC. – LEASE ANB-862 – SUPPLEMENT NO. 1**

It was recommended that the Board authorize the Executive Director to enter into a supplement to Lease ANB-862 (Supplement) with Gaz Realty, Inc. d/b/a/ Newark Airport Plaza, Inc. (GAZ) to extend its lease of a multi-fuel vehicle service station (Service Station) at Newark Liberty International Airport (EWR) for a two-year period. This would extend the lease's expiration date from June 30, 2029 to June 30, 2031. The extension would allow GAZ to amortize its \$3 million investment to improve the amenities it offers to the airport community.

On May 22, 2008, the Board authorized the Executive Director to enter into a new lease agreement with GAZ covering the design, construction, operation, and maintenance of an approximately 60,000-square-foot Service Station located on 1.39 acres of land at EWR for a 20-year period (2008 through 2029). GAZ currently operates, maintains, and leases the Service Station at EWR. The Service Station contains a convenience store that is subleased and operated by the 7-Eleven Corporation, and a gas station that is also subleased.

In addition to the two-year lease extension (from 2029-2031), the proposed Supplement would provide for GAZ to invest a minimum of \$3 million in facility improvements, including the design and construction of two quick-serve restaurants within the existing leasehold, and the installation of four electric vehicle charging stations. The \$3 million investment would be required to be completed within 18 months of the Supplement being executed. If the total investment amount is less than \$3 million, GAZ would be required to remit the difference to the Port Authority.

Under the terms of the proposed Supplement, GAZ would continue to pay fixed rent and an annual percentage rental to the Port Authority. The Port Authority would receive an aggregate total fixed rent of approximately \$776,947 during the extension period.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Cohen, Eve, Horwitz, Lynford, LaBarbera, Martinotti, McCabe, Menendez, O'Toole and Richardson 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 supplement to Lease ANB-862 with Gaz Realty, Inc. d/b/a Newark Airport Plaza, Inc. (GAZ), providing for a two-year lease extension of GAZ's leasehold covering approximately 1.39 acres at Newark Liberty International Airport from June 30, 2029 through June 30, 2031, 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 agreements necessary or appropriate in connection with the foregoing; 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.

JOHN F. KENNEDY INTERNATIONAL AIRPORT REDEVELOPMENT PROGRAM – NEW TERMINAL 1 LEASE AND TERMINAL ONE GROUP LEASE EXTENSION

John F. Kennedy International Airport (“JFK” or “Airport”) is one of the busiest airports in the country, and for millions of international travelers it is a key gateway to the New York-New Jersey region, and to the United States. But the Airport needs systematic improvement, particularly in the central passenger terminal area, where existing buildings are reaching the end of their useful lives. To that end, the Port Authority is implementing an Airport-wide master plan, which provides for new state-of-the-art passenger facilities with a focus on sustainable and technologically-advanced operations.

As part of this effort, in October 2018 the Board approved exclusive negotiations with two different sponsor groups proposing public-private partnerships, with an eye to the sponsors using private funding sources to develop new passenger terminals (on the south side and the north side of the Airport) to replace outdated facilities, while the Port Authority invested in the necessary supporting infrastructure. These negotiations slowed beginning in early 2020, as private sponsors and the financial markets they depend upon took time to carefully assess the impact of the COVID-19 pandemic. But nonetheless, over the course of the last year, certain critical JFK redevelopment transactions have moved forward. First, in April 2021 the Board approved the redevelopment of Terminal 4 by its current operator, JFK International Air Terminal LLC, and anchor tenant, Delta Air Lines. And second, in August 2021, the Board approved a new lease with JFK Millennium Partners, one of the above-referenced public-private sponsor groups, to develop a new passenger terminal on the north side of the Airport. Moreover, before the onset of the pandemic, in February 2019, the Board approved a lease amendment for an upgrade and expansion of Terminal 8 by American Airlines, which will enable British Airways to move its operations from Terminal 7 to Terminal 8 and allow for the transferring of the Terminal 7 site to JFK Millennium Partners to make way for the new passenger terminal development on the north side of the Airport.

Now, Port Authority staff recommended that the Board approve the largest JFK redevelopment transaction of this overall redevelopment, reflected in a proposed lease between the Port Authority and JFKTerminalOneCo, LLC (“NTO Sponsor”), for the development of a \$9.5 billion privately financed passenger terminal anchoring the south side of the Airport, to be built on an 134-acre site currently occupied by JFK’s existing Terminal 1, JFK’s Terminal 2, and an aircraft parking area in what was formerly JFK’s Terminal 3. This passenger terminal is referred to here as “New Terminal One.”

Pursuant to the proposed lease, the NTO Sponsor would invest \$9.5 billion of private capital to build New Terminal One, and the Port Authority would, for its part, contribute funds to improve roads and other facilities that will serve New Terminal One customers. In addition, under the proposed lease the NTO Sponsor would be required to make substantial annual rent payments to the Port Authority through 2060, with details set out below.

New Terminal One

Under the proposed lease, the NTO Sponsor would design and construct a 2.4 million-square-foot JFK passenger terminal, to include an expansive arrivals and departures hall, top-of-class amenities, cutting-edge security technology, public art installations and top-of-the-line concession and retail space with iconic New York food and beverage stores --- with the goal to become one of the world’s top-rated passenger terminals, as assessed by SkyTrax, a leading industry benchmarking company.

Under the proposed lease, New Terminal One is to be constructed by the NTO Sponsor in three phases. The first phase, Phase A, is expected to begin in 2022. Construction during this phase would include building the arrivals and departures hall, and building 14 wide-body gates on a single concourse.

As the Phase A portion of New Terminal One reaches the point when it can be effectively operated, a second phase, Phase B1, would get underway. During Phase B1, 3 or 5 new gates (including 1 narrow-body, with the balance wide-body), based on financing availability, would be built by the NTO Sponsor on a second concourse. Finally, during the third and final phase of construction, Phase B2, a final 4 or 6 new wide-body gates would be added by the NTO Sponsor. All of this would result in a final terminal capacity of 23 gates, including 22 wide-body gates and 1 narrow-body gate.

The NTO Sponsor is to build each of the three above-described phases, so long as (i) it can achieve an investment grade rating for additional funding for the design and construction, or (ii) international passenger enplanements reach certain levels. The NTO Sponsor’s legal obligation to complete Phases B1 and B2 may be delayed based on *force majeure* events, including certain systemic disruption in financial markets.

The Lessee: The NTO Sponsor

As contemplated in a lease arrangement approved by the Board in November 2019, New Terminal One would have been composed of: (i) the Terminal One Group Association (“TOGA”), a group of four international airlines and the lessee of the existing Terminal 1, and (ii) the NTO Sponsor, a group of developer-financial sponsors, led by The Carlyle Group, JLC Infrastructure (a certified minority-owned investment firm) and Ullico (a union pension fund). But as a result of the impacts of the COVID-19 pandemic, extensive renegotiation of the 2019 lease has been required, including to reflect the termination of the development arrangements that had existed between TOGA and the NTO Sponsor.

Accordingly, as currently recommended by staff, the NTO Sponsor would, alone, enter into a new lease with the Port Authority.

Financial Terms

As noted above, under the proposed lease New Terminal One would invest \$9.5 billion in private capital.

For its part, the Port Authority would undertake design and construction of Airport improvements, to be used in large measure by New Terminal One customers. This work represents a portion of the \$2.9 billion allocated for JFK Redevelopment in the Port Authority's 2017-2026 Capital Plan.

The proposed lease would run through 2060, coterminous with the ground lease for the Airport between the Port Authority and The City of New York, which was extended in February 2021 from 2050 to 2060. The terms of the proposed lease are generally consistent with other Airport passenger terminal redevelopment transactions, with some exceptions set out in this resolution.

Over the course of the proposed lease, the NTO Sponsor must provide the Port Authority with (i) approximately \$185 million in annual fixed rents (subject to escalation), plus (ii) a concession rent calculated based on a 50% share in concession revenues from New Terminal One, with a guaranteed annual payment per enplaned passenger

In addition to the NTO Sponsor's investment of \$9.5 billion to the building of New Terminal One, and its obligation to make the rent payments to the Port Authority described in the preceding paragraph, the proposed lease also includes a "windfall protection" financial sharing formula. This allows the Port Authority to receive additional rents from the NTO Sponsor if in the future the NTO Sponsor earns more than a particular rate of return that is set out in the proposed lease.

In the interest of enhancing the NTO Sponsor credit metrics, given the lower and uncertain traffic projections resulting from the COVID-19 pandemic, the lease provides that the NTO Sponsor may defer certain rent payments during the period of 2026-2033. Such deferrals can be made solely to the extent that the NTO Sponsor's cash flow is insufficient to pay these rents after payment of debt service, before distribution to the Sponsors or its anchor tenants. Moreover, deferred amounts would bear interest to the Port Authority at a rate of 7.5% and would be payable in full on or before 2038. Finally, no distributions to the NTO Sponsor, or its partners or investors, would be permitted during the period when any rents to the Port Authority are being deferred.

Site Availability for New Terminal One

As noted above, New Terminal One is to be constructed in a part of JFK where the current Terminal 1 stands. Accordingly, developing New Terminal One requires ensuring timely access to the current Terminal 1.

To accomplish this, Port Authority staff recommended that the Board approve a second lease transaction --- namely, a lease extending the existing lease with Terminal One Group Association TOGA, a consortium of airlines, that currently includes Japan Airlines Company, Ltd., Deutsche Lufthansa Aktiengesellschaft, Korean Air Lines Co., Ltd., and Societe Air France, the current Terminal 1 operator. The extension would run for approximately three years, through

December 2025, with rolling one-month extensions thereafter, until completion of the Phase A of the New Terminal One.

Under the terms of the proposed lease extension, TOGA would continue to pay ground rent for the Terminal 1 premises and would also pay building rent beginning in May 2023 for the duration of the extended term. TOGA would make certain capital investments to maintain Terminal 1 at a cost of approximately \$12 million.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Cohen, Eve, Horwitz, Lynford, LaBarbera, Martinotti, McCabe, Menendez, O'Toole and Richardson in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease with JFKTerminalOneCo, LLC (“NTO Sponsor”) for the design, construction, financing, operation and maintenance of a new airport passenger terminal (“New Terminal One”) at John F. Kennedy International Airport (“Airport”), to be located on the south side of the Airport on a site currently occupied by existing passenger terminals known as “Terminal 1” and “Terminal 2,” and by a vacant site currently used for aircraft parking, which lease shall commence for the vacant site upon closing of the financing for the first phase (“Phase A”) of the New Terminal One, with the Terminals 1 and 2 premises added thereto upon expiration of their current leases and vacation of the terminals on or about December 2022 (Terminal 2) and to align with the completion of Phase A of the New Terminal One (Terminal 1), and shall terminate on December 30, 2060 (or earlier in accordance with its terms), all substantially on 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 the existing lease with Terminal One Group Association (“TOGA”) through December 2025 and thereafter on a month-to-month basis for handover to NTO Sponsor upon completion of the first phase of development of New Terminal One, substantially in accordance with the terms outlined to the Board, and to acknowledge that Japan Airlines Company, Ltd. is not expected to be a member of TOGA during the extended term; 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 other action and enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; 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 representatives, and the terms of such contracts, agreements and other documents shall be subject to the review of General Counsel or his authorized representatives.

JOHN F. KENNEDY INTERNATIONAL AIRPORT REDEVELOPMENT PROGRAM – REDEVELOPMENT PROGRAM AUTHORIZATION

In furtherance of its master plan for the redevelopment of John F. Kennedy International Airport (JFK, or Airport), the Port Authority has negotiated with private developers for approximately \$15 billion in private investment for new and improved passenger terminals in the central terminal area of the Airport. To effectuate the redevelopment program (Program), the Port Authority included \$2.9 billion in its 2017-2026 Capital Plan for Airport capital investment to (a) support private passenger terminal development expenditures; and (b) improve the backbone infrastructure at the Airport.

The Program is composed of six elements (Program Elements) further described below: (i) roadways and utilities; (ii) a Ground Transportation Center (GTC); (iii) airside improvements; (iv) AirTrain JFK capacity enhancements; (v) design and construction of a new Central Substation 2; and (vi) project management, planning and oversight.

The Board has previously authorized \$1.24 billion (of the total \$2.9 billion Capital Plan allocation) for planning, preliminary design and early action enabling infrastructure work associated with the Program, through prior actions taken in February 2017, December 2018, October 2019, November 2019, February 2021, April 2021, and July 2021 (collectively, the “Prior Authorizations”). This approach allowed for early work to proceed as lease negotiations continued with private developers for the passenger terminals.

Port Authority staff now recommended authorization of the full JFK Redevelopment Program to permit the further development and implementation of the terminal projects comprising the Program and to otherwise improve the Airport to support the new terminal investments. Authorization would result in the release of the remaining \$1.66 billion included in the 2017-2026 Capital Plan (“New Authorizations”). The full Program amount (inclusive of Prior Authorizations) supports the following Program Elements:

- Approximately \$954.8 million for roadways and utilities - the Port Authority will upgrade and simplify the existing Airport roadway circulation network, making it easier to navigate, and will relocate and upgrade existing utilities as necessary on the shared areas of the Airport to boundaries with the private terminals;
- Approximately \$362.5 million for a Ground Transportation Center - a facility providing world-class centralized ground transportation options will be constructed by the Port Authority to replace the existing Blue and Green Garages;
- Approximately \$574.7 million for airside improvement projects - the new terminal layout will be integrated into the existing airside system to ensure a seamless and safe connection for aircraft movement between taxiway and terminal aprons, a multi-use aircraft parking and de-icing facility will be constructed, and Taxiway K4 will be extended;
- Approximately \$234.6 million for AirTrain JFK improvements - the Port Authority will purchase 15 additional cars, add two additional storage yard tracks, expand the transition zone track, extend the existing operations and maintenance facility and

upgrade the train control system for AirTrain JFK;

- Approximately \$132.9 million for a new Central Substation - a new 40 MVA capacity substation on the south side of the Airport will be added to provide additional power to the central terminal area; and
- Approximately \$385.2 million for project management, planning and oversight for the Program, including immediate extensions through December 2027 to contracts with (a) Mott, MacDonald Group at an additional cost of \$20 million; and (b) HNTB Corporation at an additional cost of \$60 million.

In addition to the foregoing Program Elements, a \$255.3 million Program contingency fund (Contingency Fund) would be established to support Airport-wide enabling infrastructure needs to deliver the Program, and may be allocated to increase funding for Program Elements so long as the overall total Program cost does not exceed \$2.9 billion. In addition, savings achieved on projects completed below the budgeted amount would be reallocated to the Contingency Fund.

The Port Authority Program work would be performed in accordance with the Port Authority's sustainable construction standards, and would include a program for barging materials to and from the airport, to reduce truck traffic and resulting local community impacts, expanded bicycle access, greenspaces, capture of de-icing fluids and recycling of materials.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Cohen, Eve, Horwitz, Lynford, LaBarbera, Martinotti, McCabe, Menendez, O'Toole and Richardson 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 funds necessary for the John F. Kennedy International Airport ("Airport") improvements described above ("Program Elements") are authorized in the total amount of \$2.9 billion (inclusive of \$1.24 billion previously authorized in connection with planning, preliminary design and early action enabling infrastructure work); and it is further

RESOLVED, that a contingency fund (the "Reserve") equal to \$255.3 million plus cost savings arising from design and construction of the Program Elements from the estimated costs presented to the Board, be established to provide for unforeseen costs of the Program, which may be allocated by the Executive Director, in his discretion, as he believes is logically and reasonably necessary to effectuate the Program; 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 and extend the duration of the existing contracts with (i) Mott MacDonald Group for Airport master planning services through December 2027 at a cost of \$20 million, and (ii) HNTB Corporation for project management services for the Program through December 2027 at a cost of \$60 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 any other action and enter into any other contracts and agreements necessary or appropriate in connection with the foregoing and otherwise as he believes is logically and reasonably necessary to effectuate the Program Elements for the purposes described in this resolution; 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 representatives, and the terms of such contracts, agreements and other documents shall be subject to the review of General Counsel or his authorized representatives.

Whereupon, the meeting was adjourned.

Secretary