

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

**MINUTES**

**Thursday, April 25, 2019**

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, April 25, 2019 at 150 Greenwich Street, City, County and State of New York**

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

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

Cheryl Ann L. Albiez, Senior Public Information Officer, Media Relations  
 Arnaz Ali, Manager, Corporate Transparency, Office of the Secretary  
 James K. Allen Jr., Chief of Staff to the Vice Chairman  
 Adam L. Barsky, Chief of Staff to the Executive Director and Special Counselor  
 Justin E. Bernbach, Director, Government and Community Affairs, New York  
 John Bilich, Chief Security Officer  
 Benjamin M. Branham, Chief Communications Officer  
 Rebecca L. Cassidy, General Manager, Board Unit, Office of the Secretary  
 Edward T. Cetnar, Director, Public Safety/Superintendent of Police  
 Jennifer S. Davis, Chief Intergovernmental Affairs Officer  
 Clarelle D. DeGraffe, Director, Rail Transit  
 John C. Denise, Audio Visual Supervisor, Marketing  
 Michael P. Dombrowski, Audio Visual Specialist, Marketing  
 Diannae C. Ehler, Director, Tunnels, Bridges and Terminals  
 Benjamin Engle, Project Manager, Gateway Group  
 Jose Febrillet, Director, Project Management Office  
 Benjamin Feldman, Senior External Relations Executive, Intergovernmental Affairs  
 Amy H. Fisher, First Deputy General Counsel  
 Kevin Frick, Attorney, Law  
 Robert E. Galvin, Chief Technology Officer  
 Mary Lee Hannell, Chief, Human Capital  
 Natasha G. Jean Philipp-Cumberbatch, Senior Executive Correspondence and Support  
 Coordinator, Office of the Secretary  
 Milena Kosci, Principal Board Management and Support Specialist, Office of the Secretary  
 Scott Ladd, Assistant Director, Media Relations  
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 Huntley A. Lawrence, Director, Aviation  
 Stephen Marinko, Assistant General Counsel  
 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  
 Mary K. Murphy, Director, Planning and Regional Development  
 Alec Nadeau, Special Assistant to the Executive Director  
 Maria Oliveri, Associate Board Management and Support Specialist, Office of the Secretary  
 Steven P. Plate, Chief, Major Capital Projects  
 Alan L. Reiss, Director, World Trade Center Construction  
 Lenis Rodriguez, Staff Public Information Officer, Media Relations  
 Sam Ruda, Director, Port  
 Peter D. Simon, Chief of Staff to the Chairman  
 James A. Starace, Chief Engineer/Director of Engineering  
 Debra M. Torres, Chief Ethics and Compliance Officer  
 Derek H. Utter, Chief Development Officer  
 Lillian D. Valenti, Chief Procurement and Contracting Officer  
 Christine Weydig, Director, Office of Environmental and Energy Programs

Guests:

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

Speakers:

Murray Bodin, Member of the Public  
 Marc Dupervilt, Unite Here, Local 100  
 Manuel Monroy, Unite Here, Local 100  
 Paul Nunziato, Port Authority PBA, Inc.  
 Henry Pacheco, Unite Here, Local 100  
 Charlene Talarico

Neile Weissman, Complete George

Topic:

Transportation Issues  
 Airline catering workers  
 Airline catering workers  
 Contract  
 Airline catering workers  
 Human Resources Policies and  
 Procedures  
 Widening Paths on GWB

The public meeting was called to order by Chairman O’Toole at 12:21 p.m. and ended at 12:57 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 March 21, 2019 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on March 22, 2019. The time for action by the Governors of New York and New Jersey expired at midnight on April 5, 2019.

## **ESTABLISHMENT OF THE PORT AUTHORITY CENTENNIAL SUBCOMMITTEE**

On April 30, 1921, as the first of its kind in the Western Hemisphere, The Port of New York Authority was established to administer the common harbor interests of New York and New Jersey. It was the first interstate agency created under a clause of the Constitution permitting compacts between states, only with congressional consent. The Port Authority's area of jurisdiction was called the "Port District," a bi-state region of approximately 1,500 square miles centered on the New York harbor. In 1972, the agency's name was changed to The Port Authority of New York and New Jersey in order to appropriately recognize its status as a bi-state agency.

Since the agency's inception our mission has remained steadfast -- to identify and meet the critical transportation infrastructure needs of the bi-state region's businesses, residents, and visitors, providing the highest quality, most efficient transportation and port commerce facilities and services that move people and goods within the region; and providing access to the rest of the nation and to the world while strengthening the economic competitiveness of the New York-New Jersey metropolitan region.

On April 30, 2021, The Port Authority of New York and New Jersey will celebrate its 100<sup>th</sup> Anniversary. As we begin to look back on the first 100 years, we plan to commemorate the significant accomplishments that have been achieved, reflect on the tragedies that this agency has endured and pledge our unwavering commitment for the next 100 years to continue our core mission as a provider of transportation infrastructure to ensure people and goods move safely and dependably throughout the region for generations to come.

As we approach this historic occasion of the agency's 100<sup>th</sup> Anniversary, it is appropriate that the Board establish a special subcommittee, which shall be known as the Port Authority Centennial Subcommittee, to oversee planning for the commemoration of this significant milestone in the agency's history and in recognition of both the profound impact the agency has had on this region over the past 100 years and its importance for continuing to move the region forward over the next 100 years.

The Subcommittee shall be composed of Commissioner O'Toole (as Chairman of the Subcommittee), Commissioner Lynford (as Vice-Chairman of the Subcommittee), Commissioner Eve and Commissioner McCabe.

The Port Authority Centennial Subcommittee shall be disbanded on December 31, 2021.

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

**RESOLVED**, that in recognition of the upcoming 100<sup>th</sup> Anniversary of The Port Authority of New York and New Jersey in 2021, the establishment of a Port Authority Centennial Subcommittee is hereby established and shall be disbanded on December 31, 2021.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – NORTH CARGO FACILITY  
DEVELOPMENT PHASE II - FORMER HANGARS 3, 4 AND 5 SITE – JFK AIR  
CARGO, LLC – NEW LEASE AGREEMENT**

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with JFK Air Cargo, LLC (Air Cargo) for the letting of approximately 16.2 acres of land at John F. Kennedy International Airport (JFK) for a term of approximately 31 years and six months, and providing for the development of a new state-of-the-art cargo-handling facility (Cargo Facility) by Air Cargo, to be located on the existing Hangars 3, 4 and 5 site at JFK.

The proposed lease would commence on or about June 1, 2019 and expire on November 30, 2050. Under the proposed lease, Air Cargo would be required to: (1) demolish all existing structures on the premises, and perform certain underground utilities work, including the removal of foundations and other sub-surface items on-site that are necessary to prepare the site for the Cargo Facility; (2) relocate existing electrical switchgear and any other utilities necessary to prepare the site for the Cargo Facility; and (3) construct a new truck turnaround and roadway improvements. The Port Authority would reimburse Air Cargo for such site preparation work, in an amount not to exceed \$13 million. After Air Cargo completed such demolition and utilities work, it would be required to design and construct an approximately 250,000-square-foot state-of-the-art Cargo Facility, with a minimum capital investment of \$70 million. In the event that Air Cargo failed to make such minimum investment, it would be required to reimburse the Port Authority for any shortfall. Air Cargo would sublease most of the premises to cargo handlers for their operations, with such subleases to be subject to the prior written consent of the Port Authority. Air Cargo would be permitted to obtain a leasehold mortgage to finance the construction of the Cargo Facility.

Building rent would not be charged over the duration of the term, in order to allow Air Cargo to amortize up to \$70 million of its capital investment. The commencement of ground rent would be delayed, to allow Air Cargo time to complete its construction, but in no event would ground rent be delayed beyond two years from lease commencement. Estimated aggregate ground rental payments by Air Cargo over the base term of the proposed lease would total approximately \$152 million. Additionally, Air Cargo would also pay sublease fees to the Port Authority.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement with JFK Air Cargo, LLC for the letting of approximately 16.2 acres of land at John F. Kennedy International Airport for a term of approximately 31 years and six months, and providing for the development of a new state-of-the-art cargo handling facility, substantially in accordance with the terms outlined to the Board; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements 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.

**CONFIDENTIAL ITEM**

The Board approved a claim settlement in executive session, which shall remain confidential, until settlement and resolution of similar pending claims.

Whereupon, the meeting was adjourned.

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Deputy Secretary