

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, December 14, 2023

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MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, December 14, 2023 at 2 Montgomery Street, Jersey City, New Jersey and via videoconference.

PRESENT:

NEW JERSEY

Hon. Kevin J. O’Toole, Chairman
 Hon. J. Christian Bollwage
 Hon. George Helmy
 Hon. Joseph Kelley
 Hon. Kevin P. McCabe
 Hon. Michelle E. Richardson

NEW YORK

Hon. Jeffrey H. Lynford, Vice Chairman
 Hon. Steven M. Cohen
 Hon. Leecia R. Eve*
 Hon. Winston C. Fisher
 Hon. Gary LaBarbera*
 Hon. Rossana Rosado*

Richard Cotton, President
 Amy H. Fisher, Counsel

Richard J. Abbato
 James K. Allen Jr.
 M. Rizwan Baig
 Christopher Beacham
 Ana Carvajalino*
 Edward T. Cetnar
 David W. Compton
 Reinaldo Cotto
 Diannae C. Ehler
 Gregory W. Ehrie
 Charles R. Everett Jr.
 Benjamin Feldman
 Kristen Figaro
 Robert E. Galvin
 Shannon E. Gates
 John Gay
 Erik H. George
 James Heitmann
 Kirsten Hernandez*
 Natasha G. Jean Philipp-Cumberbatch
 Sherien N. Khella
 Annesa H. Lau
 Stephen Marinko
 Elizabeth M. McCarthy
 Jacqueline McCarthy
 James E. McCoy
 Matthew F. Murray

* Remote participants via teleconference.

Jessica Ortiz
Hersh K. Parekh*
Kathryn Parneros
Steven Plate
Alan L. Reiss
Bethann Rooney
Jessica Russ*
Peter D. Simon
Debra M. Torres
Derek H. Utter
Lillian D. Valenti
Michael Vozza
Li Pei Wang
Michael Wojnar

Guests:

Thomas Holl, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey*
David Ullman, Assistant Secretary for Transportation, Office of the Governor of New York*

Public Commenters:

Matthew Buchys-Hyland (Video Statement)
Jerry Keenan (Video Statement)

Topic:

2024 Budget
2024 Budget and Capital Plan

* Remote participants via teleconference.

Report on Prior Meeting's Minutes

Copies of the Minutes of the meeting of November 21, 2023 were delivered in electronic form to the Governors of New York and New Jersey on November 22, 2023. The time for action by the Governors of New York and New Jersey expired at midnight on December 7, 2023.

Chairman's Report

The Chairman advised that as part of the Port Authority's public speakers' program, two video statements were received. The video statements were shown as part of the public Board Meeting.

**PATH – REPLACEMENT OF SUBSTATION NO. 8 – PROJECT
REAUTHORIZATION AND INCREASE IN AUTHORIZATION TO CONTRACT
PAT-774.216**

It was recommended that the Board: (1) reauthorize a project to replace Port Authority Trans-Hudson Corporation (PATH) Substation No. 8, at an estimated total project cost of \$86.3 million, an increase of \$14.3 million from the previously authorized amount; and (2) authorize the President of PATH to increase Contract PAT-774.216, with Yonkers Contracting Co., Inc. (Yonkers), by approximately \$6.3 million, the cost of which is within the proposed reauthorization amount, to complete the construction of a new 27-kilovolt fully enclosed Substation No. 8.

At its meeting of April 27, 2017, the Board authorized: (1) the project to replace Substation No. 8 with a fully enclosed two-story building on an adjacent site, and to demolish the existing substation, at an estimated total project cost of \$53.9 million; and (2) the President of PATH to: (a) retain architectural and engineering services to support the design and implementation of the project; and (b) enter into agreements to acquire interests in real property necessary to effectuate the construction of the project.

At its June 2019 meeting, the Board reauthorized the project, increasing the authorized cost by \$18.8 million, resulting in an estimated total project cost of \$72 million. At that time, the Board also authorized the President of PATH to award of Contract PAT-774.216 to the lowest bidder, Yonkers, at an estimated total construction cost of \$45.2 million. The increase at that time was primarily due to construction market factors, which resulted in a low bid that exceeded the internal estimate.

Project reauthorization to increase the authorized amount by \$14.3 million to \$86.3 million is now required to accommodate additional construction costs, engineering support, contingency, and agency allocations. This increase is the result of events since the construction contract was awarded, including: (i) a 20-month delay in project completion due to supply chain issues caused by COVID-19; (ii) unforeseen field conditions that were not identified until late in the construction; and (iii) fire alarm system integration issues and newly added requirements with respect to high voltage electrical switchgear.

Of the incremental \$14.3 million in costs, 90 percent is anticipated to be funded by existing FTA grants, subject to FTA approval, with the remaining \$1.4 million to be covered by PATH.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bollwage, Cohen, Eve, Fisher, Helmy, Kelley, LaBarbera, Lynford, McCabe, O'Toole, Richardson and Rosado in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project to replace Substation 8 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$86.3 million, an increase of \$14.3 million from the previously authorized amount of \$72 million, be and it hereby is reauthorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to increase Contract PAT-774.216 with Yonkers Contracting Co., Inc. (Yonkers), by approximately \$6.3 million, to complete the construction of the new Substation No. 8, the cost of which is included within the project reauthorization amount; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to take action with respect to construction contracts, contracts for professional, technical and advisory services, and such other contracts and agreements 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 documents in connection with the foregoing project shall be subject to the approval of Counsel or her authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or her authorized representative.

PATH - JOURNAL SQUARE TRANSPORTATION CENTER – YUM & CHILL TB HOLDINGS LLC D/B/A TACO BELL – LEASE LRR-402 – NEW LEASE

It was recommended that the Board authorize the President of Port Authority Trans-Hudson Corporation (PATH) to enter into a lease agreement (Lease) with Yum & Chill TB Holdings LLC d/b/a Taco Bell (Taco Bell) to provide for the letting of approximately 1,831 square feet of retail space on the plaza level of the Journal Square Transportation Center (JSTC), for the operation of a restaurant.

The Lease would commence on or about January 4, 2024, and run for a term of ten years, with four five-year options for Taco Bell to extend its letting of the space. PATH would have the right to terminate the Lease, without cause, upon 180 days' notice. It is expected that Taco Bell would invest approximately \$1.3 million for the build-out of the retail space and would receive an up to 10-month free rent period during the build-out phase. Taco Bell also would be required to undertake a mid-lease refurbishment of the premises during the sixth year of the Lease. Should PATH exercise its early termination right, PATH would reimburse the unamortized portion of Taco Bell's capital investment in the leasehold, which would include the cost of the mid-lease refurbishment, if the lease were terminated after such refurbishment.

Over the initial 10-year term of the Lease, PATH would receive a total aggregate rental of approximately \$1.1 million. The Lease is subject to a market reset at the start of the third option period, if exercised.

PATH would pay a brokerage commission to GRID Real Estate LLC (GRID), in accordance with the terms of its existing retail brokerage agreement with GRID. The Lease would commence on or about January 4, 2024, and Taco Bell would receive up to ten months of free rent to build out the space.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bollwage, Cohen, Eve, Fisher, Helmy, Kelley, LaBarbera, Lynford, McCabe, O'Toole, Richardson and Rosado in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into a new lease with Yum & Chill TB Holdings LLC d/b/a Taco Bell (Taco Bell) for the letting of approximately 1,831 square feet of retail space at Journal Square Transportation Center, for the operation of a restaurant, for a term of ten years, with Taco Bell to have four five-year renewal options; substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to enter into any other contracts and agreements as may be necessary or appropriate in connection with the foregoing; and it is further

RESOLVED, that the form of the foregoing lease, and all other contracts, agreements and other documents in connection with the foregoing, shall be subject to the approval of Counsel or her authorized representative, and the terms of such lease, contracts, agreements and other documents shall be subject to review by Counsel or her authorized representative.

Whereupon, the meeting was adjourned.

Counsel