

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

**MINUTES**

**Thursday, November 17, 2022**

Report on Prior Meeting’s Minutes	94
World Trade Center – Authorization of Certain Code Variances to the New York City Building Code for the Ronald O. Perelman Performing Arts Center; and Amendment to Agreement of Lease and Access Agreement with The World Trade Center Performing Arts Center, Inc.	95
Newark Liberty International Airport – Terminal B – Rehabilitation of Pavement in Aircraft Parking Areas – Project Authorization	98
Port Jersey-Port Authority Marine Terminal – Rehabilitation of Berths E-1 and E-2 – Project Reauthorization	100
Port Authority Special Obligation Institutional Loan Program – Treasurer’s Report to the Board of Commissioners	102
Port Authority Special Obligation Institutional Loan Program – Resolution	104

**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, November 17, 2022 at 150 Greenwich Street, New York, New York and via videoconference.**

**PRESENT:**

**NEW JERSEY**

Hon. Kevin J. O’Toole, Chairman  
 Hon. Dana M. Martinotti  
 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. Daniel J. Horwitz  
 Hon. Gary LaBarbera  
 Hon. Rossana Rosado\*

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

James K. Allen Jr., Chief Communications Officer  
 Robert F. Alwell, Assistant Manager, Comptroller’s Department  
 Luke Bassis, Deputy Director, Procurement  
 Carrol Bennett, Acting Chief, Diversity, Equity and Inclusion  
 John Bilich, Chief Security Officer  
 Carla J. Bonacci, Assistant Director, World Trade Center Construction  
 Vincent J. Borst, Assistant Director, Office Space and Property Management,  
 Operations Services  
 Meredith L. Brooks, Associate Board Management Support Specialist, Office of the  
 Secretary  
 Ana Carvajalino, Director, Financial Planning\*  
 Rebecca L. Cassidy, Assistant Director, Passenger Services and Customer Experience,  
 Rail Transit  
 Leticia Caviness, Chief Diversity Officer, Office of Equity, Diversity and Inclusion  
 David W. Compton, Manager, Marketing  
 Janet D. Cox, Chief of Staff and Special Counselor to the Executive Director\*  
 Jennifer S. Davis, Chief, Intergovernmental Affairs\*  
 Clarelle D. DeGraffe, Director, Rail Transit  
 Charles R. Everett Jr., Director, Aviation\*  
 Susan M. Falkowski-Crowley, Manager, Business Services, Engineering  
 Benjamin Feldman, Deputy Chief Communications Officer  
 Kristen Figaro, Senior External Relations Client Manager, Intergovernmental Affairs  
 Amy H. Fisher, First Deputy General Counsel and Director of Legal Affairs  
 Robert E. Galvin, Chief Technology Officer  
 John Gay, Inspector General  
 Erik H. George, Director, Management and Budget  
 Robert W. Gibbon, Special Counselor to the Executive Director\*

Mark Green, Police Officer, Aircraft Rescue and Firefighting Facility, Aviation  
 Jawauna M. Greene, Director, Brand and Customer Partnerships  
 Mercedes Guzman, Administrative Assistant to Executive Director  
 Mary Lee Hannell, Chief, Human Capital\*  
 James Heitmann, Director of Development, Aviation  
 Kirsten Hernandez, Special Assistant to the Executive Director\*  
 Natasha G. Jean Philipp-Cumberbatch, Manager, Corporate Transparency, Office of the  
 Secretary  
 James Keane, General Manager, Operations Safety, Chief Health and Safety Office  
 Amanda M. Kwan, Manager, Media Support Services, Media Relations  
 Brian Lapp, Chief Health and Safety Officer  
 Annesa H. Lau, Director, Operations Services  
 Huntley A. Lawrence, Chief Operating Officer  
 Daniel G. McCarron, Comptroller  
 Elizabeth M. McCarthy, Chief Financial Officer  
 Matthew Murray, Senior Advisor to the Chairman  
 Jessica Ortiz, Deputy Inspector General and Director of Investigations  
 Kathryn Parneros, External Relations Executive, Intergovernmental Affairs  
 Thomas Pietrykoski, Director, Corporate Communications  
 Steven P. Plate, Chief, Major Capital Projects  
 Alan L. Reiss, Director, World Trade Center Construction\*  
 Risa Resnick, Senior Program Manager, Procurement  
 Jessica Russ, Executive Policy Analyst, Office of the Secretary\*  
 Peter D. Simon, Chief of Staff to the Chairman  
 Joann Spirito, Assistant Director, Procurement  
 James A. Starace, Chief Engineer  
 Debra M. Torres, Chief Ethics and Compliance Officer  
 Derek H. Utter, Chief Development Officer  
 Lillian D. Valenti, Chief Procurement Officer  
 Cesar Ventura, Manager, Corporate Budgeting, Management and Budget  
 Michael Vozza, Assistant Director, Corporate Budgeting and Analysis, Management and  
 Budget

Guests:

Noreen M. Giblin, Deputy Chief Counsel, Authorities Unit, Office of the Governor of New  
 Jersey\*  
 Natalie Millstein, Senior Advisor for Transportation, Office of the Governor of New York\*

Public Commenters:

Jason Anthony  
 Murray Bodin

Topics:

Tolls and Fares  
 Safety

The public meeting was called to order by Chairman O’Toole at 12:03 p.m. and ended at 1:39 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 October 27, 2022 were delivered in electronic form to the Governors of New York and New Jersey on October 28, 2022. The time for action by the Governors of New York and New Jersey expired at midnight on November 14, 2022.

**WORLD TRADE CENTER - AUTHORIZATION OF VARIANCES TO NEW YORK CITY BUILDING CODE REQUIREMENTS FOR THE RONALD O. PERELMAN PERFORMING ARTS CENTER; AND AMENDMENT TO LEASE WITH THE WORLD TRADE CENTER PERFORMING ARTS CENTER, INC.**

It was recommended that the Board: (i) accept the recommendation of the Chief Engineer that code variances from existing New York City building code requirements for the Performing Arts Center at the World Trade Center (“WTC PAC Building”) are necessary in order to construct the facility as proposed and may be granted without life safety concerns, so long as certain mitigations described below are in place as anticipated; and (ii) authorize an amendment of the WTC PAC Building Lease to permit the Port Authority to provide domestic water to the WTC PAC Building on a metered basis, through its own account with the New York City Department of Environmental Protection, at the Port Authority’s cost plus an administrative fee (as is the case with the WTC Retail Net Lessee).

On March 19, 2018, the Port Authority and the sponsor of the Performing Arts Center, The World Trade Center Performing Arts Center, Inc. (the “WTC PAC Lessee”) entered into a Lease Agreement for the construction and operation of a performing arts venue on the WTC campus. The WTC PAC Building is now nearing completion and expects to open to the public in 2023.

The WTC PAC Building is an eight-story structure, composed of approximately 130,000 square feet of space that will include a flexible theater arrangement to accommodate up to three separate theater areas of varying sizes and seating configurations, with a maximum seating for up to 1,300 attendees, as well as a restaurant, a café, and a dining terrace. The World Trade Center General Project Plan, first adopted in 2006 (and amended in 2007 and 2022), called for cultural components, such as the WTC PAC Building, to be accommodated on the World Trade Center campus.

Building Code Variances to Enable Port Authority to Issue Permits to Occupy and for WTC PAC Building Operations

The New York City building codes for theaters assume fixed seating and a proscenium stage, rather than the WTC PAC Building’s flexible stage/seating configurations, to maximize the types of performances that may be held at the venue. Specifically, three variances from the code are required concerning: (i) the required separation between the performance floor and the floor below; (ii) the required separation between the theater stage and seating areas; and (iii) allowing for the quantity of plywood to exceed allowable amounts in the finished construction (collectively, “Non-conforming Items”). Based on discussions with the WTC PAC Lessee, the Chief Engineer has concluded that construction modifications to meet the code are not possible while accommodating the flexible (non-standard) theater arrangements.

The Chief Engineer has considered the risks of the Non-conforming Items and has determined that they will not result in life safety concerns so long as the following mitigations are implemented: (i) multiple enhancements to the fire sprinkler system; (ii) installation of an early smoke/fire detection system; (iii) installation of fire-retardant plywood; (iv) additional signage and means of emergency egress; (v) additional portable fire extinguishers; and (vi) a dedicated fire safety director and staff, including fire watch during all performances. The WTC PAC Lessee has agreed to implement these mitigants in construction and during the term of the Lease.

Pursuant to actions taken by the Board and a Committee of the Board in 1993 (collectively “Prior Board Actions”), the Port Authority voluntarily conforms with applicable municipal codes affecting construction, except where variances from such conformance is warranted because conformance would unfavorably affect the efficiency and/or economy of the facility in question and where the code’s safety objectives can be met through alternative means.

The Prior Board Actions also authorized the Executive Director to enter into memoranda of understanding (“MOU”) with various code entities, including the New York City Department of Buildings (“NYC DOB”) and the New York City Fire Department (“FDNY”), relating to their respective obligations related to code compliance. Pursuant to that authorization, the Port Authority subsequently entered into MOUs with NYC DOB and FDNY, under which the Port Authority is required to, among other things, advise the respective entity of any proposed variances to building and fire codes.

In respect of the proposed WTC PAC Building variances, in discussions with the NYC DOB and FDNY, both entities have agreed that the variances present no life safety issues if the mitigations referenced above are implemented. Both NYCDOB and FDNY have provided written confirmation of their concurrence with respect to the proposed variances.

In making his recommendation, the Chief Engineer relied, in part, on a peer review by third-party experts, Mott McDonald and Meacham Associates, which independently affirmed that the proposed design, including code variances, will provide a safe facility. The Chief Engineer has also relied on a commitment from the WTC PAC Lessee that it will implement a written safety management procedure acceptable to the Port Authority as an additional mitigant (the “Mitigation Procedures”).

#### Lease Amendment for Port Authority to Provide Domestic Water to WTC PAC

As originally stipulated in the lease between the Port Authority and the WTC PAC Lessee, the WTC PAC Lessee was to contract directly with the New York City Department of Environmental Protection (“DEP”) to obtain domestic water for the WTC PAC Building. However, the WTC PAC Lessee did not build the necessary domestic water utility infrastructure required to establish a direct account with DEP. As a result, for ease of administration, and to ensure the timely opening of the WTC PAC Building, the proposed lease amendment would allow the WTC PAC Lessee to utilize the Port Authority’s WTC account with DEP (along with the associated domestic water meters) to obtain domestic water for the WTC PAC Building. The Port Authority would bill WTC PAC Lessee, based on actual usage, including an administrative charge.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, O'Toole, Richardson and Rosado in favor. Commissioner Cohen did not participate in the consideration of, or vote on this matter. 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 does hereby determine to accept the recommendation of the Chief Engineer that, in the case of the World Trade Center Performing Arts Center (WTC PAC Building), variances from the New York City Building and Fire Codes are warranted, so long as mitigants described to the Board are implemented and maintained (“Mitigation Procedures”); and it is further

**RESOLVED**, that the Executive Director be and he hereby is delegated the authority to grant the variances requested, subject to the Mitigation Procedures, as consistent with the Chief Engineer’s recommendation; and it is further

**RESOLVED**, that the Board approve the amendment of the lease for the WTC PAC Building with The World Trade Center Performing Arts Center, Inc. (the “WTC PAC Lessee”) to provide for the Mitigation Procedures and to permit the WTC PAC Lessee to obtain its domestic water from the Port Authority through the Port Authority’s account with the New York City Department of Environmental Protection, with charges billed back at the Port Authority’s rates plus an administrative charge, for actual usage as measured by water meters installed for the WTC PAC Building; and it is further

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

**NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL B –  
REHABILITATION OF PAVEMENT IN AIRCRAFT PARKING AREAS –  
PROJECT AUTHORIZATION**

It was recommended that the Board authorize: (1) a project to rehabilitate pavement for the Terminal B aircraft parking areas at Newark Liberty International Airport (EWR), at an estimated total project cost of \$32.4 million; and (2) the Executive Director to award Contract EWR-154.357 to perform the pavement rehabilitation work, at an estimated amount of \$21.5 million, which is included in the estimated total project cost.

EWR is a critical part of the Port Authority’s regional airport system, serving commercial aviation activity in the New York/New Jersey metropolitan region. The Terminal B aircraft parking areas provide aircraft with access to the terminal gates. The pavement in the aircraft parking areas was last rehabilitated in 2008. Rehabilitation of the pavement at this time is necessary to maintain a state of good repair.

Contract EWR-154.357 would provide for the full-depth pavement mill and overlay at the Terminal B aircraft parking areas, at an estimated total construction cost of \$21.5 million. The completion of the project would ensure continued safe aircraft operations in compliance with Federal Aviation Administration (FAA) standards.

Some elements of work may be recovered in part through federal grants from the FAA under the Airport Improvement Program.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, O’Toole, Richardson 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 pavement for the aircraft parking areas at Newark Liberty International Airport Terminal B, at total estimated total project cost of \$32.4 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 Contract EWR-154.357 for the performance of the pavement rehabilitation work associated with the foregoing project, to the lowest-priced qualified bidder pursuant to a publicly advertised procurement process, at an estimated total amount of \$21.5 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, 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 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 JERSEY-PORT AUTHORITY MARINE TERMINAL – REHABILITATION OF BERTHS E-1 AND E-2 – PROJECT REAUTHORIZATION**

It was recommended that the Board: (1) reauthorize a project to rehabilitate Berths E-1 and E-2 (the Berths) at the Port Jersey-Port Authority Marine Terminal (PJPAMT), at an estimated total project cost of \$47.2 million, an increase of \$17.2 million over the previously authorized amount; and (2) authorize the Executive Director to increase the amount of Contract PJ-664.531 with J. E. Hannon Inc. T/A Bird Construction (Bird) by up to \$10.4 million (included in the total project cost increase of \$17.2 million), for a total revised contract amount of \$29.4 million, in order to complete the construction of the project.

Constructed in 1942, the Berths are located at the PJPAMT, formerly the Military Ocean Terminal at Bayonne, and were originally designed as low-level relieving platforms utilizing timber materials. Prior to the Port Authority purchasing the peninsula at this site in 2010, the U.S. Navy and the City of Bayonne and its Bayonne Local Redevelopment Authority owned and maintained the facility, commissioning various repairs to address ongoing needs.

At its October 24, 2019 meeting, the Board authorized a project to rehabilitate the Berths at the PJPAMT, at an estimated total project cost of \$30 million. The currently proposed increase in the project amount would provide the additional funds needed to safely remove and replace those sections of the Berths needed to continue providing safe and efficient dry dock services to the U.S. Navy, Military Sealift Command, Bayonne Dry Dock and Repair Corp. (BDDR) and other clients at the PJPAMT.

BDDR is the current operator of the Dry Dock facility at the PJPAMT under a lease with the Port Authority that runs through December 31, 2039. The lease requires BDDR to invest a minimum of \$17 million by December 31, 2034 for improvements to its leasehold, to support its ship repair operation. The work authorized in this project will support the stabilization of the piers, thereby permitting BDDR to implement the remaining required improvements to the leasehold.

In April 2021, Contract PJ-664.531 was awarded to Bird, pursuant to a public advertisement, to rehabilitate the Berths at an estimated total construction cost of \$16.5 million.

During initial demolition activities associated with construction, Bird encountered unforeseen conditions, including significant amounts of underwater debris and deterioration of existing structures in excess of the assumptions included in the contract documents, which required the need for additional design services and resulted in a delay in construction activities. Additionally, Bird was directed by the Port Authority to install certain additional infrastructure to maintain tenant operations throughout the duration of the project, in accordance with the lease requirements.

Bird was provided with additional compensation in the amount of \$2.5 million for incremental costs it previously incurred to progress the construction of the project utilizing existing project contingency funds.

This increase in project authorization is needed to fund additional design and construction work which was not able to be identified prior to starting construction. Once the demolition and removal of the structures began, it became evident that the scope of work would significantly exceed both the assumptions at the time of project authorization, and what was originally identified in the contract bid documents.

The additional design and construction work is primarily due to: (1) unforeseen pile deterioration, additional bollard installation and removal of debris and hazardous material; and (2) additional engineering design costs to address the unforeseen site conditions.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, O'Toole, Richardson 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 to rehabilitate Berths E-1 and E-2 (the Berths) at the Port Jersey- Port Authority Marine Terminal Dry Dock facility in Bayonne, New Jersey, at an estimated total project cost of \$47.2 million, an increase of \$17.2 million over the previously authorized amount, be and it hereby is reauthorized; 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 by up to \$10.4 million, the amount of Contract PJ-664.531 with J.E. Hannon Inc. T/A Bird Construction for the rehabilitation of the Berths, resulting in an estimated total contract amount of approximately \$29.4 million, inclusive of allowances for extra work and field-ordered 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 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 resolutions 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 SPECIAL OBLIGATION INSTITUTIONAL LOAN PROGRAM –  
TREASURER’S REPORT TO THE BOARD OF COMMISSIONERS**

The Port Authority has generally relied on its ability to issue consolidated bonds pursuant to the Board’s Consolidated Bond Resolution adopted October 9, 1952 (“Consolidated Bond Resolution”) to fund its capital program. To address cash flow needs for the capital program between consolidated bond offerings, the Port Authority has also issued short term commercial paper notes (which mature and are remarketed frequently throughout the year). Proceeds from the sale of commercial paper are used for capital expenses pending the next consolidated bond offering. Under the Board’s most recent authorization of commercial paper in October 2020, issuance of commercial paper is limited to \$750,000,000. In recent years, the issuance of commercial paper has been enhanced through loan facilities and letters of credit provided by financial institutions to add liquidity in the event of market instability which might otherwise limit the ability to remarket commercial paper (“Credit Enhancements”).

Commercial paper issued by the Port Authority is a special obligation payable from funds available in the Consolidated Bond Reserve Fund following payment of debt service on consolidated bonds and the required deposit into the General Reserve Fund, as required by the Consolidated Bond Resolution and the Port Authority’s statutes, and is therefore junior in priority to repayment of the consolidated bonds as they become due (hereinafter, a “Special Obligation”).

After consideration and in consultation with the Board’s Committee on Finance, the Treasurer recommended that the Port Authority have the ability, without further authorization, to borrow funds from financial institutions (including banks) for certain of its junior priority debt obligations under one or both of the following circumstances.

First, the Treasurer would have flexibility to determine, from time to time, whether to continue to issue commercial paper under existing authority or to reduce its issuance (in whole or in part) and instead, to arrange a direct revolving credit line with a financial institution as described below (in each case, a “Bank Line”). Use of Bank Lines is generally expected to be less costly than maintaining a commercial paper program (although interest rates and availability fees alone may sometimes be more costly than commercial paper interest rates) and are likely to be less volatile than the commercial paper market, where external events (such as the 2008 financial recession and in 2020 following the outbreak of Covid-19) may limit the ability to remarket the commercial paper when necessary. Any Bank Line would be limited to five years and would continue to be a Special Obligation of the Port Authority. Authorization of a Bank Line would include the conversion of any unpaid draw thereunder to a term loan if it were not repaid in accordance with its terms.

Second, the Treasurer would be able to determine, from time to time, to enter into one or more medium-term loans with financial institutions as an alternative to a consolidated bond issuance (in each case, a “Bank Loan”). No Bank Loan would have a term in excess of 15 years and would not be secured, except in accordance with the Consolidated Bond Resolution and applicable law. A Bank Loan could bear interest at a fixed or variable rate (or either, from time to time during the term), and the Treasurer would have the authority to select the rate. Bank Loans used from time to time to supplement or replace a portion of consolidated bond offerings can increase available borrowing capacity (due to covenant restrictions on consolidated bond

offerings) and act as additional credit support for consolidated bonds (to which they are structurally subordinated). The proceeds of Bank Loans will be used for Port Authority capital costs.

The Treasurer proposes to limit the authorized amount of available short-term or medium-term credit hereunder to a total of \$1,250,000,000, calculated at any time by adding the following items in existence at the time of calculation (without duplication): (i) the principal amount of outstanding commercial paper notes; *plus* (ii) outstanding amounts under Credit Enhancements; *plus* (iii) outstanding amounts drawn under Bank Lines; *plus* (iv) the outstanding principal amount of any Bank Loans.

**PORT AUTHORITY SPECIAL OBLIGATION INSTITUTIONAL LOAN PROGRAM – RESOLUTION**

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, O'Toole, Richardson 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.

**WHEREAS**, The Port Authority of New York and New Jersey (hereinafter referred to as the “Authority”) has been authorized and empowered to issue bonds, notes or other obligations or evidences of indebtedness to provide funds for the financing of its facilities; and

**WHEREAS**, the Authority (x) periodically issues bonds and notes to investors through its Consolidated Bond Program under an October 9, 1952 resolution of the Board entitled “*Consolidated Bonds – Establishment of Issue*” and (y) has made provision for a Commercial Paper Program under an October 29, 2020 resolution of the Board entitled “*Commercial Paper Notes*”, which commercial paper notes may be associated with loan facilities and letters of credit provided by financial institutions to provide additional liquidity; and

**WHEREAS**, the Authority now desires to establish a program to provide for issuance of alternative debt instruments (x) when and so long as a line of credit or revolving credit facility (together with any loan deemed to have been entered into in the event of the failure to repay any drawing thereunder, a “Bank Line”) is determined by the Treasurer to be more efficient and cost effective than the Port Authority’s Commercial Paper Program in providing liquidity support for the Authority’s capital program and (y) when and so long as a term loan (“Bank Loan”), is determined by the Treasurer to be more efficient and cost effective than issuing a like amount of Consolidated Bonds; and

**WHEREAS**, both Bank Lines and Bank Loans shall in all events be Special Obligations (as defined below) and secured only in accordance with the Consolidated Bond Resolution and applicable law.

**NOW, THEREFORE**, be it resolved that: (i) the Authority be, and it hereby is, authorized to effectuate the Special Obligation Institutional Loan Program in accordance with the terms and conditions which follow; and (ii) the Authorized Officers (as defined below) be and each hereby is, authorized to enter into one or more agreements evidencing Institutional Loans (including notes obligating the Authority to repay any Institutional Loans) subject to the Special Institutional Debt Loan Limit and the terms and conditions set forth below and to modify, amend or supplement such agreements so long as they remain in accordance with the terms and conditions which follow after giving effect to such modifications, amendments or supplements; and (iii) such Authorized Officers be, and each of them hereby is, authorized to enter into such other agreements, certificates and other instruments and to do any and all acts necessary or proper for carrying out and implementing the terms of, and the transactions contemplated by, this Resolution.

## **SPECIAL OBLIGATION INSTITUTIONAL LOAN PROGRAM TERMS AND CONDITIONS**

### **ARTICLE I. DEFINITIONS.**

Unless the context shall clearly indicate some other meaning or may otherwise clearly require, the terms defined in this Article I shall have the meanings specified in this Article I, with the following definitions to be equally applicable to both singular and plural forms of any terms defined in this Article I and *vice versa*. Any words or phrases not otherwise defined in this Article I and specifically defined in the Consolidated Bond Resolution shall be read and construed in accordance with such specific definitions (except as herein otherwise expressly provided or unless the context otherwise requires).

The term “Authorized Officer” shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice Chairman; Chairman of the Committee on Finance; Executive Director; Chief Financial Officer; or Treasurer of the Authority, or their respective successors in office or duties.

The term “Bank Line” shall have the meaning in the third recital of this Resolution and shall include any loan deemed made upon the conversion of any unpaid draw thereunder if it were not repaid in accordance with its terms.

The term “Bank Loan” shall have the meaning in the third recital of this Resolution.

The term “Commercial Paper Notes” means the notes issued under the Commercial Paper Program.

The term “Commercial Paper Program” shall mean the issue of obligation of the Authority known as “Commercial Paper Notes”; under the resolution of the Authority adopted on October 29, 2020.

The term “Consolidated Bonds” shall mean the issue of obligations of the Authority known as “Consolidated Bonds” (which also includes generally shorter-term bonds known as “Consolidated Notes”).

The term “Consolidated Bond Reserve Fund” shall mean the special fund by that name established by Section 7 of the Consolidated Bond Resolution.

The term “Consolidated Bond Resolution” shall mean the resolution of the Authority adopted October 9, 1952, entitled “*Consolidated Bonds-Establishment of Issue*”.

The term “Credit Enhancement” shall mean any of the standby lines of credit, letters of credit or similar instruments available to be drawn in the event the Commercial Paper Notes cannot be remarketed or as otherwise provided by the terms thereof.

The term “General Reserve Fund” shall mean the special fund by that name established by the General Reserve Fund Statutes.

The term “General Reserve Fund Resolution” shall mean the resolution of the Authority adopted March 9, 1931, entitled “*General Reserve Fund Supporting Bonds Legal for Investment*”, as amended by the resolution of the Authority adopted May 5, 1932, entitled “*Investments: Authority of Finance Committee*”, as further amended by the Consolidated Bond Resolution to conform to the provisions of Section 6 of the Consolidated Bond Resolution.

The term “General Reserve Fund Statutes” shall mean Chapter 5 of the Laws of New Jersey of 1931, as amended, and Chapter 48 of the Laws of New York of 1931, as amended.

The term “Institutional Loan” means any Bank Line or Bank Loan.

The term “Loan Agreement” shall mean any credit agreement, note, loan agreement or other evidence of indebtedness between the Authority and a financial institution selected in accordance with Section 2.02 which provides for an extension of credit by the institution to the Authority which is a special obligation of the Authority.

The term “Net Revenues”, solely for the purpose of this Resolution, shall mean, with respect to any date of calculation, the revenues of the Authority pledged under the Consolidated Bond Resolution and remaining after (1) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (2) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (3) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution.

The term “Port Authority Special Obligation Institutional Loan Program Resolution” shall mean the resolution of the Authority adopted November 17, 2022, entitled “*Port Authority Special Obligation Institutional Loan Program-Resolution*”, as the same may be modified, amended or supplemented.

The term “Special Obligation” shall mean an obligation of the Authority payable solely from the sources specified in Section 2.03 of this Resolution.

The term “Special Institutional Debt Loan Limit” shall be \$1,250,000,000, calculated at any time, by adding the following items in existence at the time of calculation (without duplication): (i) the principal amount of outstanding Commercial Paper Notes; *plus* (ii) outstanding amounts under Credit Enhancements; *plus* (iii) outstanding amounts drawn under Bank Lines; *plus* (iv) the outstanding principal amount of any Bank Loans.

**ARTICLE II. ESTABLISHMENT, AUTHORIZATION AND TERMS.****SECTION 2.01. Establishment and Authorization of the Special Obligation Institutional Loan Program.**

There is established the Authority's Special Obligation Institutional Loan Program with a total maximum amount at any time of principal outstanding or available for drawing, which shall not exceed the Special Institutional Debt Loan Limit. The Treasurer will ensure that no additional draws under any Bank Line are made which would result in the Special Institutional Debt Loan Limit being exceeded, even though such draws may be available under the terms of any Bank Line.

Any Authorized Officer of the Authority is authorized to enter into one or more Loan Agreements with financial institutions selected in accordance with these Terms and Conditions evidencing an Institutional Loan together with such other documents or certificates necessary or desirable to effectuate and document such Institutional Loan.

**SECTION 2.02. Selection of Financial Institutions.**

From time to time, an Authorized Officer of the Authority is authorized to select banks or other financial institutions to participate in the Special Obligation Institutional Loan Program based on a solicitation of such lenders meeting the credit and other criteria established by such Authorized Officers, after considering such factors as borrowing costs, credit quality, proposed terms embodied in the Loan Agreements and other relevant loan documents and such other matters as such Authorized Officers consider relevant to maintaining an efficient and cost-effective Special Obligation Institutional Loan Program.

**SECTION 2.03. Source of Payment.**

The principal of and interest on any Institutional Loan and any fees, costs or expenses or other obligations due pursuant to an Institutional Loan shall be a special obligation of the Authority and shall be payable from the proceeds of obligations of the Authority issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes, or from Net Revenues deposited to the Consolidated Bond Reserve Fund, and in the event such proceeds or Net Revenues are insufficient therefor, from other moneys of the Authority legally available for such payments when due. Such amounts shall not be payable from the General Reserve Fund, and the payment of such amounts shall be subject in all respects to (1) payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and (2) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes.

**SECTION 2.04. Application of Proceeds.**

The proceeds of any borrowing under any Loan Agreement may be allocated to the payment of expenses for, or investment in, facilities of the Authority or for purpose of refunding other obligations of the Authority.

An Authorized Officer may allocate the proceeds of any Institutional Loan or any portion thereof to purposes in connection with some but not all of the purposes authorized, and may also specifically designate any bonds, notes or other obligations of the Authority to be refunded with any of such proceeds; *provided, however*, that no portion of the proceeds of any Institutional Loan shall be allocated to purposes in connection with an additional facility of the Authority prior to the initial expenditure of proceeds of the first series of Consolidated Bonds issued for purposes of capital expenditures in connection with such additional facility.

**SECTION 2.05. Limited Security for Repayment of Institutional Loans.**

An Institutional Loan shall be repaid from the sources set forth in Section 2.03 and shall be secured through a pledge of assets of the Authority only to the extent permitted under the Consolidated Bond Resolution and applicable law.

**ARTICLE III. MISCELLANEOUS.**

**SECTION 3.01. Determinations Deemed Conclusive.**

Whenever in this Resolution it is provided that any (x) selection, designation, determination or estimate may be made; or (y) action may be taken or withheld, in either case, in the opinion, discretion or judgement of the Authority or an Authorized Officer, then such selection, designation, determination, estimate or action taken or withheld by the Authority or Authorized Officer shall be conclusive for the purposes of the Special Obligation Institutional Loan Program.

**SECTION 3.02. Authorization.**

An Authorized Officer may take any action authorized under this Resolution which such Authorized Officer deems appropriate to effectuate the Institutional Loan without further action by the Authority.

Whereupon, the meeting was adjourned.

---

Secretary