THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, December 12, 2019

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, December 12, 2019 at 2 Montgomery Street, Jersey City, Hudson County, State of New Jersey

PRESENT:

NEW JERSEY

Hon. Kevin J. O'Toole, Chairman
Hon. Richard H. Bagger
Hon. Kevin P. McCabe
Hon. Raymond M. Pocino

NEW YORK

Hon. Jeffrey H. Lynford, Vice Chairman
Hon. Leecia R. Eve
Hon. Daniel J. Horwitz
Hon. Gary LaBarbera
Hon. George T. McDonald
Hon. Rossana Rosado

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

James K. Allen Jr., Chief of Staff to the Vice Chairman
Justin E. Bernbach, Director, Government and Community Affairs, New York
John Bilich, Chief Security Officer
Benjamin M. Branham, Chief Communications Officer
Meredith L. Brooks, Assoc. Board Management & Support Specialist, Office of Secretary
Ana Carvajalino, Director, Office of Financial Planning
Rebecca L. Cassidy, General Manager, Board Unit, Office of the Secretary
Edward T. Cetnar, Director, Public Safety/Superintendent of Police
Erika Choi, Director of Operations Performance, Office of Continuous Improvement
Steven J. Coleman, Deputy Director, Media Relations
Janet Cox, Director, Management and Budget
Jennifer S. Davis, Chief Intergovernmental Affairs Officer
Michael P. Dombrowski, Audio Visual Specialist, Marketing
Diannae Ehler, Director, Tunnels, Bridges, and Terminals
Benjamin Feldman, Senior Advisor to the Chairman
Amy Fisher, First Deputy General Counsel
Robert E. Galvin, Chief Technology Officer
Erik George, Executive Advisor to the Chief Financial Officer
Robert Gibbon, Special Counselor to the Executive Director
Mercedes Guzman, Administrative Assistant to Executive Director
MaryLee Hannell, Chief, Human Capital
Natasha G. Jean Philipp-Cumberbatch, Manager, Corporate Transparency, Office of the Secretary
Lindsay M. Kryzak, Director, Media Relations
Huntley A. Lawrence, Director, Aviation
Tatyana Lazebnik, Principal Contract Specialist, Procurement
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
Tobi Mettle, Deputy Chief of Staff for Agency Initiatives, Office of the Executive Director
Mark Muriello, Deputy Director, Tunnels, Bridges, and Terminals

Mary K. Murphy, Director, Office of Planning & Reginal Development
Alec Nadeau, Manager, Executive Initiatives and Policy
Hersh K. Parekh, Director, Government and Community Relations for Aviation Redevelopment in New York
Annie Persaud, Deputy Director, Management and Budget
Sam Ruda, Director, Port
Irene Shulman, Executive Business Manager, Chief Security Office
Michael Shulman, Tunnel and Bridge Agent, Tunnels, Bridges, and Terminals
Peter Simon, Chief of Staff to the Chairman
James Starace, Chief Engineer/Director of Engineering
K. Ocean Stokes, Senior Business Manager, Engineering
Deborah Torres, Chief Ethics and Compliance Officer
Derek H. Utter, Chief Development Officer
Lillian D. Valenti, Chief Procurement and Contracting Officer
Michael Vozza, Assistant Director of Corporate Budget and Analysis, Management and Budget

Guests:
Joanne Hernandez, Senior Policy Advisor, Transportation, Office of the Governor of New York
Brian Wilton, Deputy Chief Counsel - Director of Authorities, Office of the Governor of New Jersey

Speakers:	Topic:
Arthur Blakey III, Brotherhood of Locomotive Engineers	PATH Contract Negotiations
Murray Bodin	Change
Thomas Degnan, PATH	PATH Contract Negotiations
Robert Elijah, PATH	PATH Contract Negotiations
Brian Grant, Grant Engineering & Construction Group, LLC	EWR Minority Business Outreach
Alexander Jones, PATH	PATH Contract Negotiations
Sean Mayo, PATH	PATH Contract Negotiations
Anthony Pilla, Brotherhood of Locomotive Engineers	PATH Contract Negotiations
Charlene Talarico	Human Resources Policies and Procedures
Neile Weissman, Complete George	GWB Bicycle Lane

The public meeting was called to order by Chairman O’Toole at 12:29 p.m. and ended at 1:56 p.m. Commissioner Horwitz was present for portions of the public meeting. 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 November 21, 2019 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on November 22, 2019. The time for action by the Governors of New York and New Jersey expired at midnight on December 9, 2019.

PORT AUTHORITY 2020 BUDGET

Consistent with longstanding Port Authority policy and in keeping with governance best practices, the proposed 2020 Budget is being presented to the Board for its consideration. The proposed 2020 Budget provides for capital and operating expenditures during calendar year 2020 necessary to achieve the Port Authority's goals and objectives.

The proposed 2020 Budget would allocate approximately $3.4 billion for ongoing operations, maintenance and security at all agency facilities. It represents a fiscally disciplined approach that ensures the agency's continuous safe and secure operation and proper maintenance of an extensive network of transportation assets. The proposed Budget represents an increase of approximately $64 million, or an inflation-based 1.9 percent, in core operating expenses over the prior year's budget. In addition, the Budget provides for special targeted high-priority incremental spending of $62 million, in order to further the following objectives: (1) to achieve first-class operations; (2) for capital plan project support; and (3) to preserve and generate revenues. This targeted high-priority spending represents an incremental 1.9 percent increase in proposed spending for 2020. It is expected that the future operating expense growth will be in line with inflation, after excluding short-term spending associated with the above-mentioned priority spending.

The 2020 Budget projects that these expenses would be more than offset by increased revenues of approximately $404.7 million, representing a revenue increase of 7.5 percent in comparison to the 2019 Budget. This projected revenue increase is driven primarily by higher toll and fare revenues, higher rental income, and higher aviation fees, as well as AirTrain fare increases, and the new Airport Ground Transportation Access Fee to be implemented in October 2020.

In addition to providing for operating expenses in the amount of approximately $3.4 billion, the proposed 2020 Budget includes approximately $1.4 billion for debt service charged to operations and $0.2 million for deferred expenses and other programs.

The proposed 2020 capital program of $3.6 billion represents an investment plan to advance the agency's core transportation mission and commitment to rebuilding the region's aging infrastructure with 21st century facilities that enhance customer experience and accommodate future growth. The plan also focuses on maintaining these assets in a state of good repair, and in the post-Superstorm Sandy era, on rendering the assets more resilient. The 2020 Budget capital program is in accord with the 2017-2026 Capital Plan adopted originally by the Board of Commissioners in February 2017 and, as modified, on September 26, 2019.

The proposed 2020 Budget continues to assume uninterrupted payments from tenants at all facilities, as specified in their lease agreements.

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 2020 Budget.

The Executive Director would implement the 2020 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 2020 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 better 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 agency meets its responsibility primarily through planning, constructing, financing, and operating trade and transportation infrastructure. It does so within the context of the following six strategic priorities: safety and security through world-class protection; revitalization of infrastructure through the capital plan; providing 21st century customer experience; striving to deliver first-class operations and maintaining financial self-sufficiency with operational excellence; reducing our environmental impact, with initiatives and programs that foster sustainability and resiliency; and being an employer of choice by retaining, growing and attracting top talent.

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

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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 2020 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 in the future, to make expenditures and undertake contractual commitments; and it is further

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
Including Its Related Entities
2020 BUDGET

(in thousands)	OPERATING	CAPITAL	DEBT SERVICE, DEFERRALS & OTHER	TOTAL
Chief Communications Officer	$1,162	$ –	$ –	**$1,162**
Media Relations	2,679	–	–	**2,679**
Marketing	10,716	–	–	**10,716**
Chief Development Officer	664	–	–	**664**
Environmental & Energy Programs	4,985	–	–	**4,985**
Ferry Transportation	637	–	–	**637**
Planning & Regional Development	5,141	–	–	**5,141**
Project Management	222	8,336	–	**8,558**
Real Estate	14,128	528	–	**14,656**
Chief Diversity & Inclusion Officer	9,228	–	–	**9,228**
Chief, Human Capital / Human Resources	27,858	–	–	**27,858**
Labor Relations	2,621	–	–	**2,621**
Chief, Intergovernmental Affairs	5,413	–	–	**5,413**
Chief, Major Capital Projects / WTC Construction	7,751	338,263	–	**346,014**
Chief Procurement & Contracting Officer	14,890	1,617	–	**16,507**
Chief Technology Officer	96,718	–	30,848	**127,566**
Chief Engineer	96,396	215,225	15,020	**326,641**
Capital Construction Contracts	–	1,079,103	–	**1,079,103**
Chief Financial Officer	3,508	–	–	**3,508**
Comptroller	14,633	–	–	**14,633**
Financial Planning	2,777	1,200	–	**3,977**
Management & Budget	6,752	–	–	**6,752**
Treasury	13,026	–	–	**13,026**
Storm Mitigation & Resilience	3,714	–	–	**3,714**
Aviation	869,047	1,033,750	–	**1,902,797**
Port	84,214	27,802	–	**112,016**
PATH	271,693	148,437	–	**420,130**
Tunnels, Bridges & Terminals	282,904	368,277	5,639	**656,820**
World Trade Center	170,002	26,222	–	**196,224**
Operations Services	66,875	13,593	104,213	**184,681 (1)**
Executive Director	1,870	–	–	**1,870**
General Counsel / Law	27,335	9,000	–	**36,335**
Chief Ethics & Compliance Officer	2,201	–	–	**2,201**
Inspector General / Office of Investigations	16,576	12,209	–	**28,785**
Audit	9,615	4,742	–	**14,357**
Office of Continuous Improvement	1,576	–	–	**1,576**
Secretary	6,805	–	–	**6,805**
Chief Security Officer	3,704	2,967	–	**6,671**
Emergency Management	14,370	–	–	**14,370**
Port Authority Police / Public Safety	533,732	–	15,260	**548,992**
Security Business Resource Management	11,264	–	–	**11,264**
Security Operations & Programs	107,177	32,956	5,403	**145,536**
World Trade Center Security	32,659	781	–	**33,440**
Corporate Expenditures:				
Amounts in Connection with Operating Asset Obligations	5,851	–	–	**5,851**
Debt Service | Allocated to Operations & Capitalized Interest	–	206,469	1,404,705	**1,611,174**
Insurance Premiums & Self-Insured Program Costs	138,274	58,020	–	**196,294**
Municipal Rents and Payments in Lieu of Taxes (PILOT)	362,047	–	–	**362,047**
Port Authority Insurance Captive Entity, LLC (PAICE)	590	–	–	**590**
Corporate Allocations	(22,362)	–	2,194	**(20,168)**
Regional Programs	–	25,743	–	**25,743**
Special Project Bonds	68,730	–	–	**68,730**
Total Port Authority Budget	$3,412,368	$3,615,240	$1,583,282	**$8,610,890**

(1) Net after interdepartmental chargebacks to other departments.

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 Port Authority 2020 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 2020 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 $1.8 billion (after reimbursement for temporary applications).

JOHN F. KENNEDY INTERNATIONAL AIRPORT – AERO JFK, LLC – BUILDINGS 21 AND 23 – LEASES AYD-037 AND AYD-038 – SUPPLEMENT NO. 4

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement amending Lease Agreement Nos. AYD-037 (for Building 23 at John F. Kennedy International Airport (JFK)) and AYD-038 (for Building 21 at JFK) with Aero JFK, LLC (Aero), to provide for a 30-month extension of both leases and for Aero's continued subleasing of those buildings to airline cargo tenants. The leases complement the JFK Vision Plan, and would expire on January 31, 2031, with such extensions.

The Port Authority previously leased the premises covered by AYD-037 and AYD-038 to Airis JFK I, LLC and Airis JFK II, LLC, respectively. Airis JFK II, LLC subsequently assigned AYD-038 to Airis JFK I, and, in 2005, Airis JFK I assigned both leases to Aero, with the consent of the Port Authority. Delta Air Lines, Inc. subleases Building 21, and, until July 2018, Lufthansa Cargo AG (Lufthansa) and Alliance Ground Services International shared subleased space in Building 23. It was intended that Lufthansa would expand into all of Building 23 and invest in Building 23, in anticipation of extending its sublease with Aero to 2031. Buildings 21 and 23 will continue to provide modern facilities for cargo tenants, which supplements development taking place in the North Cargo Area for new facilities.

Rentals would be adjusted for the extended term under both leases. The total aggregate rental for the extension period for both leases would be approximately $42 million. In addition, in lieu of monthly payments of a sublease consent fee that would have applied to the Lufthansa subleasehold, the supplemental agreement would provide for the payment to the Port Authority of an advanced lump-sum payment from Aero, payable upon execution of the supplemental agreement. During the extension period, Aero is expected to make an additional capital investment in Building 23 for the installation of energy management systems, heating, ventilation and air conditioning systems, and fire safety upgrades by December 31, 2021. This would be in addition to upgrades previously made by Lufthansa to Building 23.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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 supplemental agreement to amend Lease Agreement Nos. AYD-037 (for Building 23 at John F. Kennedy International Airport (JFK)) and AYD-038 (for Building 21 at JFK) with Aero JFK, LLC (Aero), providing for a 30-month extension of both leases, and allowing for Aero's continued subleasing of those buildings to airline cargo tenants, 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, amendments and agreements necessary or appropriate in connection with the foregoing; and it is further

RESOLVED, that the form of all contracts, amendments, 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, amendments, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL B CONCESSIONS MANAGEMENT – NEW AGREEMENT ANC-938

It was recommended that the Board authorize the Executive Director to enter into a concessions management agreement (Agreement) with Fraport USA, Inc. (Fraport USA) for the management of Terminal B (the Terminal) concessions operations and loading dock/storage facility services at Newark Liberty International Airport. Fraport USA would be responsible for managing an area of approximately 47,000 square feet of concession space, as well as the loading dock and storage facilities that support these concessions operations.

The Agreement would have a term of five years, commencing on or about February 1, 2020. Pursuant to the Agreement, Fraport USA would receive a management fee equal to the greater of a percentage of gross annual receipts or a Minimum Annual Guaranteed fee of $1.45 million. Further, Fraport USA would invest up to $3 million for concessions improvements associated with refurbishments of common areas at the Terminal, at the Port Authority's discretion. Fraport USA would be required to focus on improving concession operations and passenger satisfaction, as measured by Airports Council International's Airport Service Quality (ASQ) scores. The proposed management fee could be supplemented or reduced at the Port Authority's discretion, based on measured performance relative to key performance indicators associated with ASQ scores for concessions in the Terminal.

The Agreement would be subject to termination without cause by the Port Authority upon 30 days' written notice. In the event the Port Authority terminates the Agreement without cause, the Port Authority would be obligated to reimburse Fraport USA for its unamortized investment, up to $3 million. The Port Authority would have the option to extend the term of the Agreement for two, one-year periods on the same terms. Fraport USA was selected as the highest-rated proposer pursuant to a competitive Request for Proposals.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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 concessions management agreement for Newark Liberty International Airport Terminal B with Fraport USA, Inc., for a five-year term with two, one-year extension periods, 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 agreement; and it is further

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

NEWARK LIBERTY INTERNATIONAL AIRPORT – AUTHORIZATION TO REVISE COST RECOVERY METHODOLOGY TO BE REFLECTED IN SCHEDULE OF CHARGES AND LIBERTY FEES AGREEMENTS

At its meeting on November 15, 2018, the Board approved a new flight fee methodology (“Flight Fees”), effective January 1, 2019, for cost recovery from airlines at Newark Liberty International Airport (“EWR”). The new Flight Fee structure is similar to that prevailing at John F. Kennedy International Airport and LaGuardia Airport, in that it establishes a rate base of all recoverable capital and operating costs for providing airfield facilities and services to aeronautical users at EWR (including financing costs and direct and indirect overhead), using the methodology described in Exhibit I hereto, and allocates such costs annually to such aeronautical users. Airlines are charged Flight Fees for recovery of the costs to make the public aircraft facilities available, based on their respective maximum weights for take-off over the year (in thousands of pounds). All airlines are provided an opportunity to enter into multi-year agreements to pay the Flight Fees. Those airlines which do not become signatories to the agreements pay a Public Area Landing Charge as set forth on the Port Authority’s published Schedule of Charges, which are identical to the contractual rates and charges, plus a 10-percent premium. The Port Authority is obligated under federal law to employ a reasonable, consistent, and ‘‘transparent’’ (i.e., clear and fully justified) method of establishing the rate base and its regulator, the Federal Aviation Administration (“FAA”), strongly favors consensual agreement between airport users and airport operators to establish cost recovery methodology. Following the November 2018 action, the Port Authority began charging EWR airlines the new Flight Fees under its Schedule of Charges and under temporary agreements with airlines (“Temporary Agreements”), while negotiations on final fee arrangements continued.

In the November 2018 action, the Board did not modify the fees charged for recovery of costs (i) for capital and operating expenditures of the EWR on-Airport guideway transit system (including portions connecting to the Amtrak Northeast Corridor Station (“AirTrain Fees”)), (ii) for use of the EWR fuel storage and distribution infrastructure (“Fuel Gallonage Fees”), or (iii) associated with the Central Heating and Refrigeration Plant (“CHRP”) that are recovered through additional charges in the EWR terminal leases (“CHRP Fees”).

It was recommended that the Board authorize the Executive Director to: (i) modify the EWR terminal leases to reflect a change in the methodology for calculating the CHRP Fees; (ii) extend the rate base methodology to calculation of AirTrain Fees and Fuel Gallonage Fees; (iii) effectuate AirTrain Fees and Fuel Gallonage Fees beginning January 1, 2020 by (a) modifying and extending the Temporary Agreements to incorporate the new methodology for calculating the fees for a transition period; (b) entering into new agreements through December 31, 2023 covering such Flight Fees, AirTrain Fees and Fuel Gallonage Fees (“Liberty Fees Agreements”) with all signatory airlines as soon as practicable; and (c) modifying the Schedule of Charges, effective January 1, 2020, to reflect the new AirTrain Fees and new Fuel Gallonage Fees.

It was recommended that for calendar year 2020, the AirTrain Fees charged to airlines which have executed Liberty Fee Agreements, be capped at the amount which would have been charged under the methodology in effect prior to January 1, 2020 (“Pre-2020 AirTrain Methodology”), and for calendar year 2021, capped at the amount which is the average of (a) the fees which would have been charged under the Pre-2020 AirTrain Methodology, and (b) the fees which would have been charged under the methodology being approved hereunder. At its October 2019 meeting, the Board approved a program to replace the AirTrain system at EWR. It was recommended that, following the replacement AirTrain system being placed in service, the AirTrain Fees forego cost recovery of unamortized assets associated with the existing AirTrain system if those assets are not part of the replacement system.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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 issue a new "Newark Liberty International Airport Schedule of Charges," effective January 2020, to replace existing rates and charges related to (i) the guideway transit system at Newark Liberty International Airport (EWR) ("AirTrain"), and (ii) the fuel storage and distribution system ("Fuel Gallonage"), with fees calculated in accordance with Exhibit I; and it is further
>
> **RESOLVED,** that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to amend or supplement any agreements at EWR that include provisions for rates and charges made by the Port Authority so that they conform to the rates and charges methodology authorized hereunder, including the methodology for calculating the Central Heating and Refrigeration Plant Fees, AirTrain Fees and Fuel Gallonage Fees; and it is further
>
> **RESOLVED,** that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (i) enter into amendments and extensions to the temporary agreements currently in effect, so that they incorporate the modifications to the Port Authority's rates and charges described in the preceding resolution and the report above; and (ii) enter into new Liberty Fees Agreements with the EWR airlines reflecting the aforementioned rates and charges methodology as soon as practicable; 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 representatives.

Exhibit I

Cost Allocation and Rates Methodology*

Flight Fee, Fuel Gallonage Fee and AirTrain Fee and the CHRP Requirement calculations will be based on cost-accounting principles consistent with generally accepted accounting principles (GAAP). For each fee, the "requirement" to be recovered shall be composed of (1) operating & maintenance expenses, (2) capital investment, and (3) credits.

1. Operating & Maintenance Expenses

a. 100 percent of Direct Expenses, i.e., costs that can be directly identified and specifically associated with the particular airport location or service
   - I. Flight Fee = Public Aircraft Facilities (PAF)
   - II. Fuel Gallonage Fee = Aircraft Fuel Storage and Distribution Facilities
   - III. AirTrain Fee = AirTrain Newark Monorail System, including portions extending to the Northeast Corridor Station
   - IV. CHRP = installations at the Airport comprising central heating and refrigeration plant

b. A proportionate share of expenses for:
   - I. Various airport systems (communications and signal, electric, water and gas distribution, storm and sanitary, air terminal highway, restricted highway system)
   - II. Port Authority administration space
   - III. General costs of the airport, which include activities incurred for the benefit of various areas of the airport, including manager's office, policing and traffic control, and administrative and clerical activities
   - IV. Direct prorated expenses, which represent the general supervision, promotion, planning and operation of activities performed centrally for the benefit of the airport
   - V. General administrative and development expenses

c. A proportionate share of 85 percent of the rent paid or payable to the City of Newark under the Lease

d. The Flight Fee will also include certain costs that have been historically included in the calculation, such as fees for taxi dispatch, cargo police, a portion of various bus services at EWR and a portion of the budget of the Aviation Development Council and the Council for Airport Opportunities

e. 100 percent of bad debts relating to the respective fee categories

* A 10 percent premium would apply for airlines with which the Port Authority has no contractual fee agreement.

2. **Capital Investment**
    a. 100 percent of all amortization and interest (fixed charges) on Port Authority investment in the respective airport location
    b. A proportionate share of fixed charges on Port Authority investment in:
        I. Airport systems (communications and signal, electric, water and gas distribution, storm and sanitary, air terminal highway, and restricted highway system)
        II. Port Authority administration space
    c. A coverage factor of .3 times fixed charges computed on the direct and allocated fixed charges
    d. AirTrain Fees will also include financing costs related to PFC related debt service above the PFC principal amount, including interest during and post construction
    e. Investment taken out of service will not incur an accelerated fixed charge and will be amortized over the estimated useful life first established when the asset was placed into service

3. **Credits**
    a. Schedule of Charges revenues from non-signatory airlines
    b. 25% of the coverage factor computed on the respective fixed charges
    c. One-half of previously imputed overhead include in fixed charges commenced prior to 2019
    d. Adjustments based on under-collections or over-collections of the respective fees from the previous year
    e. Flight Fees will be credited with revenue earned for aircraft parking and storage on areas designated as PAF and any other PAF - related revenues
    f. Fuel Gallonage Fees will be credited with revenues earned from fixed-base operator fuel and lubricant sales
    g. AirTrain Fees will be credited with revenue earned from fares charged for the system, advertisements located on the AirTrain Newark Monorail system, payments from rental car companies specifically for their contribution to the AirTrain system

4. **Agreement Phase-In Discount**
    a. For calendar year 2020, the AirTrain Fee under the Liberty Fee Agreement shall not exceed the rate that would have been calculated based on the methodology in effect under the prior EWR agreements. For calendar year 2021, the AirTrain Fee shall not exceed the average of (1) the rate that would have been calculated based on the methodology in effect under the prior EWR agreements, and (2) the rate calculated under the above-defined methodology
    b. The discount described in (a) above shall not apply to the Schedule of Charges rates for AirTrain Newark Monorail system. The AirTrain Fee in the Schedule of Charges shall be calculated using the new cost-accounting based methodology
    c. Unamortized investment for the existing AirTrain Newark Monorail System to be decommissioned upon commencement of operations of a new AirTrain Newark system will not be recovered through the AirTrain Fee

WORLD TRADE CENTER SITE – SITE-WIDE PROPERTY MANAGEMENT SERVICES CONTRACT – AUTHORIZATION OF FUNDING

It was recommended that the Board authorize the Executive Director to: (1) exercise the first contract renewal option to continue to retain Cushman & Wakefield, Inc. (C&W) to provide management, operation and maintenance of World Trade Center (WTC) site-wide properties, including public spaces at the site and centralized infrastructure, for a one-year period, through June 30, 2021; (2) authorize payment to C&W of a management fee, in a total amount of up to $850,000, for the one-year option period, with up to 20 percent of such amount to be subject to a performance review process, as provided in the contract; and (3) expend up to $50.2 million for the period from January 1, 2020 through December 31, 2020, for management, operation and maintenance services for certain properties and infrastructure at the WTC site through the existing site-wide property management contractor, C&W, and to provide for payments to C&W as follows: (a) an amount of up to $13.4 million for direct staff costs and benefits and reimbursable expenses required to manage, operate and maintain the site; and (b) an amount of up to $36.8 million for contract services retained by C&W on the Port Authority's behalf, including for repairs, maintenance and procurement of materials to operate the site. The proposed expenditure of up to $50.2 million is less than what the Board authorized for fiscal year 2019. In addition, $425,000 would be paid to C&W for management services through June 2020, which is included in the total amount of $5.5 million previously authorized by the Board on May 29, 2013 for the payment of such fees for these services through the base term of the contract, which expires on June 30, 2020.

The Port Authority is responsible for the operation, maintenance and management of certain properties and infrastructure at the WTC site, including the Vehicular Security Center; the Vehicle Roadway Network; the WTC Transportation Hub, excluding the retail net lessee-managed retail space; the Central Chiller Plant and the WTC River Water Pump Station; the Primary Electrical Distribution Center; the East/West Concourse to Brookfield Place; the East and West Bathtub slurry walls; Liberty Park; the WTC Hub Plaza and the Port Authority Trans-Hudson system (PATH) fare zone, with the exception of the track level, which is the responsibility of PATH. Property management services are necessary to commission, operate and maintain these assets.

At its meeting of May 29, 2013, the Board authorized the Executive Director to: (1) award a contract to C&W to provide long-term management, operation and maintenance of WTC site-wide properties, including public spaces at the site, and centralized infrastructure, for a seven-year term ending in June 2020, with three one-year renewal options, subject to annual approval of payments to be made to C&W in consideration of the changing nature of the services performed under the contract as construction of the WTC site is increasingly completed; (2) pay to C&W a management fee, in a total amount of up to $5.5 million (for an average cost of $785,000 per year), for the seven-year base term of the agreement, with up to 20 percent of such amount to be subject to a performance review process; (3) pay an amount of up to $4,752,000, inclusive of an allowance of up to eight percent for extra work, if necessary, for C&W's management and oversight staff, operations and maintenance staff, and reimbursable expenses in connection with the initial year of the contract, with payments for future years to be subject to further authorization by the Board; and (4) pay to C&W an amount of up to $5,076,000, inclusive of an allowance of up to eight percent for extra work, if necessary, for service contracts in connection with the initial year of the contract, with payments for future years to be subject to further authorization by the Board.

At various meetings from May 28, 2014 through December 13, 2018, the Board authorized the Executive Director to make expenditures for the continued management, operation and maintenance of the WTC site through C&W, to provide for payments to C&W for: management and oversight staff, operations and maintenance staff, and reimbursable expenses; service contracts, repairs, maintenance, and materials; and, in one instance, capital asset upgrades and replacement costs; in each case, with payments for future periods to be subject to further authorization by the Board.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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: (1) exercise the first contract renewal option to continue to retain Cushman & Wakefield, Inc. (C&W) to provide management, operation and maintenance of World Trade Center (WTC) site-wide properties, including public spaces at the site and centralized infrastructure, for a one-year period, through June 30, 2021; (2) authorize payment to C&W of a management fee, in a total amount of up to $850,000, for the one-year option period, and up to $425,000 for the period from January 2020 through June 2020, with up to 20 percent of such amounts to be subject to a performance review process, as provided in the contract; and (3) expend up to $50.2 million for the period from January 1, 2020 through December 31, 2020, for management, operation and maintenance services for certain properties and infrastructure at the WTC site through the existing site-wide property management contractor, C&W, and to provide for payments to C&W as follows: (a) an amount of up to $13.4 million for direct staff costs and benefits and reimbursable expenses required to manage, operate and maintain the site; and (b) an amount of up to $36.8 million for contract services retained by C&W on the Port Authority's behalf, including for repairs, maintenance and procurement of materials to operate the site, in each case, with payments for future periods to be subject to further authorization by the Board; 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.

LINCOLN TUNNEL - EXCLUSIVE BUS LANE (XBL) - PROOF-OF-CONCEPT DEMONSTRATION PROGRAM FOR AUTONOMOUS TECHNOLOGY TO IMPROVE CAPACITY OF XBL – PROGRAM AUTHORIZATION

It was recommended that the Board authorize the Executive Director to take all actions necessary to pursue the objectives of a proof-of-concept demonstration program concerning the use of autonomous technology to aid bus drivers as they enter Lincoln Tunnel Exclusive Bus Lane (XBL) and increase the capacity of the XBL, at an estimated amount of $4.8 million (the Program), including, but not limited to, to the following actions: (1) continue to engage a Program Oversight Committee consisting of the New Jersey Department of Transportation (NJDOT), the New Jersey Turnpike Authority (NJTA), the New Jersey Transit Corporation (NJ Transit), Coach USA, LLC, and Greyhound Lines, Inc. in direction setting and Program decision making; (2) enter into agreements with two vendors, Southwest Research Institute and Robotics Research, LLC (collectively, the Vendors), selected for the Program following a publicly advertised Request for Information, to implement autonomous technology design, system integration and equipment outfitting, off-site system testing, and on-site proof-of-concept demonstration, at an estimated aggregate amount of $4.3 million; (3) procure professional and technical advisory services to support the Program's data collection, test plans, and evaluations, as well as the purchase and installation of roadside equipment to augment vehicle location capability along the XBL corridor, at an estimated amount of $500,000; (4) execute agreements with NJ Transit for: (a) the provision of six buses to the Port Authority for testing and demonstration pursuant to the Program; and (b) the provision and/or training of bus drivers to operate the six buses for the on-site proof-of-concept demonstrations; and (5) enter into agreements, as needed, with operating partners of the XBL (*i.e.*, NJDOT and NJTA) to facilitate the use of the XBL during specified times for on-site demonstration periods, as recommended by the Oversight Committee.

The XBL is a 2.5-mile contra-flow bus-only lane connecting the New Jersey Turnpike and New Jersey Route 3 to the Lincoln Tunnel via New Jersey Route 495. The XBL operates weekdays between the hours of 6:00 a.m. and 10:00 a.m. In 2018, the XBL handled approximately 462,500 buses and 18.5 million passengers, making it the most productive highway lane in the nation. The XBL's current average daily volume is 1,850 buses, with peak-period demand (7:15 a.m. to 8:45 a.m.) exceeding the practical capacity of the operation. In early 2018, the Port Authority initiated discussions with our regional partners about developing a demonstration program to serve as a proof-of-concept for autonomous technology for the XBL, and sought support from project partners.

An Oversight Committee, composed of representatives from the NJDOT, the NJTA, NJ Transit, Coach USA, LLC, and Greyhound Lines, Inc., has assisted in the coordination and management of the Program to date and will continue in that capacity throughout the Program. In addition, a Project Advisory Committee, composed of the Oversight Committee and the New York State Department of Transportation, the New York City Department of Transportation, the North Jersey Transportation Planning Authority, the New York Metropolitan Transportation Council, the Federal Transit Administration, and the Federal Highway Administration, would review and comment on the progress and findings of the Program.

In May 2018, a Request for Information was issued publicly, seeking technology vendors, systems integrators, vehicle manufacturers, and vehicle and roadside equipment manufacturers to provide proposed solutions to achieve the Program's objectives. Ten responses were received in July 2018. A Vendors' Day was held in October 2018, which brought all proposers together for presentations to the Project Advisory Committee. The vendors were invited to submit final technical and cost proposals by June 30, 2019, with final negotiated cost proposals submitted by the two selected Vendors in September 2019.

The Vendors would complete work under the Program from December 2019 through May 2021, in five phases: (1) technology design, equipment outfitting, system integration, and software testing (to occur at the Vendors' facilities for a period of up to nine months); (2) off-site functional and technical acceptance testing at the Vendors' test tracks; (3) upon approval of the Oversight Committee, an on-site proof-of-concept technology demonstration on a closed XBL for each vendor; (4) evaluation of individual vendor functional, operational and technical performance against current conditions and program objectives, including reporting and cost-benefit analyses of scaled deployment assessments; and (5) a comparative analysis of the two solutions being evaluated.

The proposed Program would allow staff to evaluate the potential for autonomous technology to increase XBL throughput and improve travel time reliability on the XBL, including the potential for reducing average peak hour delays through reduced vehicle incidents and breakdowns. Based on work completed by staff, autonomous technology could potentially achieve the following benefits: (1) decrease bus headways, to support an increase in XBL throughput, significantly increasing the number of peak-hour passengers from the 32,500 peak-hour passengers currently served; (2) eliminate traffic control device strikes in the XBL, thereby reducing the frequency of XBL closures due to removal and replacement, or resetting, of traffic control devices; (3) improve the productivity of buses entering the XBL at its western end, by enabling bus drivers to merge more efficiently when entering the XBL; (4) improve traffic safety on the XBL, with a goal of zero collisions through autonomous technology; and (5) reduce emissions and improve fuel efficiency, by reducing incidents and stop-and-go traffic.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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 take all actions necessary to pursue the objectives of a proof-of-concept demonstration program concerning the use of autonomous technology to aid bus drivers as they enter Lincoln Tunnel Exclusive Bus Lane (XBL), and increase the capacity of the XBL, at an estimated amount of $4.8 million (the Program), including, but not limited to, the following actions: (1) continue engagement of a Program Oversight Committee consisting of the New Jersey Department of Transportation (NJDOT), the New Jersey Turnpike Authority (NJTA), the New Jersey Transit Corporation (NJ Transit), Coach USA, LLC, and Greyhound Lines, Inc. in direction setting and Program decision making; (2) enter into agreements with two vendors, Southwest Research Institute and Robotics Research, LLC, selected for the Program following a publicly advertised Request for Information, to implement autonomous technology design, system integration and equipment outfitting, off-site

system testing, and on-site proof-of-concept demonstration, at an estimated aggregate amount of $4.3 million; (3) procure professional and technical advisory services to support the Program's data collection, test plans, and evaluations, as well as the purchase and installation of roadside equipment to augment vehicle location capability along the XBL corridor, at an estimated amount of $500,000; (4) execute agreements with NJ Transit for the: (a) provision of six buses to the Port Authority for testing and demonstration pursuant to the Program, and (b) provision and/or training of bus drivers to operate the six buses for the on-site proof-of-concept demonstrations; and (5) enter into agreements, as needed, with operating partners of the XBL (*i.e.*, NJDOT and the NJTA) to facilitate the use of the XBL during specified times for on-site demonstration periods, as recommended by the Oversight Committee; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all other actions necessary to effectuate the foregoing, including the execution of contracts, agreements, and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements, and other documents, and to take action in accordance with the terms of such contracts, agreements, and documents, as may be necessary in connection therewith; 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.

PHASE OUT OF THE CARPOOL PLAN

The Port Authority has long offered a carpool discount, a toll reduction for any vehicle that is carrying at least three people and that is not engaged in commerce. The core purpose of the carpool discount has been to reduce the number of vehicles at the Port Authority's bridge and tunnel crossings, in order to speed traffic by reducing congestion, and help the environment by reducing emissions.

In recent years, the Port Authority has been working to systematically advance precisely these same two goals, by investing in infrastructure that will allow bridge and tunnel tolls to be collected electronically. All-electronic tolling eliminates toll plazas --- and the congestion that often builds up around them. This means smoother and faster commutes. It means less traffic spill-over into nearby communities, and an improvement in air quality, as cars are no longer forced to idle in slow-moving toll lines. And it means greater safety, with dramatic reductions in the sorts of stop-and-go accidents that can happen as drivers approach toll plazas and then pull away from them.

All-electronic tolling is, in short, a big plus for millions of drivers each year; for the environment; and for the communities that host the Port Authority's bridges and tunnels.

But with all-electronic tolling, it is difficult as an operational matter to offer a carpool discount. This is because without operators physically present in toll booths, there is no one to see how many occupants may be in a given car and to confirm the car is not a for-hire vehicle ferrying paying passengers. Technological solutions to this problem are not reliable, based on information currently available to the Port Authority.

Separately, the Port Authority's recent experience with the carpool discount has raised safety concerns. The carpool discount has encouraged people to stand, on foot, on the shoulder of busy bridge and tunnel approach roads --- waiting for a ride for themselves, and to allow the car's driver to secure a discount. This is dangerous, and it slows traffic --- undermining one of the basic reasons why the carpool discount was established in the first place.

It was against this backdrop that, in June of 2019, agency staff recommended a series of adjustments to Port Authority tolls, fares, and fees --- including a recommendation to eliminate the carpool discount in early 2020, in anticipation of the Port Authority's agency-wide turn to all-electronic tolling, at all of its bridges and tunnels.

Following staff's June 2019 recommendations, the Port Authority initiated an extensive public comment process. Seven public hearings were held, at locations across New York and New Jersey. Each hearing was attended by one Commissioner from New York and one Commissioner from New Jersey. Multiple hearings were attended by over a hundred people; at each hearing, every person who wanted to speak was able to. In addition, an on-line comments portal was established; more than 1,300 written comments were received.

The public comments made a practical difference. Some staff proposals were substantially revised in light of information provided by the public.

But as the Board noted at its September 2019 meeting, relatively fewer public comments were received as to certain proposals. With respect to these proposals --- one of which was the elimination on January 5, 2020 of the carpool discount --- the Board acted to accept and adopt staff's initial recommendations.

In the months since the Board's action, there has been a good deal of public comment on the carpool discount. Senior elected leaders have voiced concern about eliminating the discount. And more than 11,000 people have signed a petition to the same effect.

This is important feedback, and the agency values it. In light of it, staff has now adjusted its recommendation to the Board.

As noted above, while they advance the same goals, the carpool discount and all-electronic tolling are at this point operationally incompatible with one another. This means that when all-electronic tolling comes into effect at a given bridge or tunnel, the carpool discount must be eliminated. But it does not mean that carpool discounts must be eliminated *before* then.

Accordingly, staff has now recommended that the carpool discount be maintained as long as possible, and therefore curtailed on a phased basis. The discount, staff has advised, should be eliminated at a given Port Authority facility, or portions thereof, at the point when all-electronic tolling is up and running at that facility, or portions thereof.

This approach is broadly consistent with agency past practice. During recent years, the Port Authority has gradually eliminated the carpool discount at the time that all-electronic tolling has come on-line --- at the Bayonne Bridge (in February 2017), the Outerbridge Crossing (in April 2019), and at the Goethals Bridge (in September 2019).

Motorists who receive the carpool discount have always needed to use E-ZPass. Accordingly, in the transitional period before the carpool discount is eliminated, motorists who choose to make use of the discount should be treated the same as all other E-ZPass users are under the Port Authority's current toll schedules --- namely, their tolls should rise by $1.25 per trip. This means that in the period before it is eliminated, a discounted carpool trip will generally cost $7.75.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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 and directed to eliminate the carpool discount with respect to a given Port Authority bridge, tunnel or portion thereof, at the point in time when all-electronic tolling is instituted at that bridge, tunnel, or portion thereof; and it is further

RESOLVED, that in the transitional period before the carpool discount is eliminated, motorists who choose to make use of the discount will be treated for billing purposes just as all other auto E-ZPass users are, such that their tolls will generally rise by $1.25; and it is further

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

ALL AIRPORTS - REVISION TO LABOR HARMONY POLICY

The Port Authority’s current labor harmony policy dates from 2007. In that year, to achieve the agency’s objective of reducing and/or eliminating labor-related disruptions, the Board established a simple policy: any entity operating an airport food, retail, news/gifts or duty-free concession (“Concessionaire”) must demonstrate compliance with a “labor harmony” clause to be included in the Concessionaire’s contractual agreements with the Port Authority. Concessionaires were generally expected to prove their compliance with the labor harmony clause by providing the Port Authority with a signed agreement with a labor union that seeks to represent the Concessionaire’s employees, and that indicates that the union and its members will refrain from engaging in any picketing, work stoppages, boycotts or any other economic interference. Such signed agreements are referred to here as “Labor Peace Agreements.”

The 2007 labor harmony policy has generally worked. Strikes, picketing, boycotts, and the like can disrupt the efficient operation of large-scale transportation facilities. And actions of this kind have been far from the norm at the Port Authority’s airports.

But while the Port Authority’s goal of achieving labor harmony has not changed, there have been significant changes over the years in the structure of airport retail operations. In particular, it is increasingly common for the Port Authority (or other entities) to enter into direct contractual agreements not with Concessionaires --- but rather with larger-scale firms that then take the lead in ensuring that airport retail spaces are appropriately leased out and operated. These larger-scale firms --- concessionaires managers, developers, or terminal operators --- are referred to here as “Concessions Managers.”

Concessions Managers generally benefit customers, by helping to ensure that a given terminal (or even a given airport) has a broad range of offerings on tap --- a wide and complementary range of options for food, beverages, and other items that passengers may want to buy as they pass through an airport.

But even as Concessions Managers have assumed an increasingly central role at the agency’s airports, the Port Authority’s 2007 labor harmony policy has not kept up. The 2007 policy ignores Concessions Managers, and focuses solely on the contractual relationship between the Port Authority and Concessionaires. This is a missed opportunity. Concessions Managers have a relatively broad and systematic involvement in airport retail operations. Accordingly, they can be especially effective in helping to advance the Port Authority’s long-standing goal of airport labor harmony.

Against this backdrop, it was recommended that the Port Authority’s 2007 labor harmony policy be expanded, so that it reaches not just Concessionaires, but also Concessions Managers. In all other respects, the 2007 labor harmony policy would not be adjusted.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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 a binding Labor Harmony Clause must be included in all future agreements between: (a) Concessionaires and Concession Managers, (b) Concessionaires and the Port Authority, and (c) Concession Managers and the Port Authority; and it is further

RESOLVED, that, as to Concession Managers, the Labor Harmony Clause must require Concession Managers to timely obtain a signed Labor Peace Agreement from each of their Concessionaires, and to promptly provide a copy of the signed Agreement to the Port Authority; and it is further

RESOLVED, that, as to Concessionaires, the Labor Harmony Clause must require Concessionaires to timely obtain a signed Labor Peace Agreement, and to promptly provide the signed Agreement to the Port Authority and to their Concessions Manager.

TETERBORO AIRPORT – REHABILITATION OF RUNWAY 1-19 – PLANNING AUTHORIZATION

It was recommended that the Board authorize preliminary design and planning work to develop a project for the rehabilitation of Runway 1-19 at Teterboro Airport (TEB), at a total estimated cost of $1 million.

Runway 1-19, one of two runways at TEB, is approximately 7,000 feet long and 150 feet wide, and handles approximately half of the flight operations at TEB. The runway was last rehabilitated in 2011. The most recent inspection of the runway determined that the pavement is nearing the end of its useful life.

The proposed planning authorization would provide for preliminary design and planning work necessary to develop the Runway 1-19 rehabilitation project, including evaluation of existing infrastructure to determine improvements that may be required to comply with Federal Aviation Administration standards. Professional planning and engineering services would be retained from existing "call-in" contracts that were established through a publicly advertised Request for Proposals.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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 preliminary design and planning work to develop a project for the rehabilitation of Runway 1-19 at Teterboro Airport, at a total estimated cost of $1 million, be and they hereby are authorized; and it is further
>
> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing, 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 shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

PORT AUTHORITY BUS TERMINAL – REPLACEMENT OF PRIMARY ELECTRICAL SERVICE; AND SOUTH WING – REPLACEMENT OF HEATING, VENTILATION, AND AIR CONDITIONING UNITS AND ASSOCIATED ELECTRICAL DISTRIBUTION SYSTEM – PROJECT REAUTHORIZATIONS

It was recommended that the Board reauthorize projects to replace: (1) the primary electrical service (Electrical Service Project) at the Port Authority Bus Terminal (the PABT), at an estimated total project cost of $23.7 million (an increase of approximately $6 million from the previously authorized amount); and (2) heating, ventilation, and air conditioning (HVAC) units, and upgrade its dedicated electrical power distribution system at the South Wing of the PABT (HVAC Project), at an estimated total project cost of $70 million (an increase of approximately $15.2 million from the previously authorized amount).

The PABT, which opened in 1950, currently serves approximately 260,000 customers per day. The primary electrical services at the PABT are composed of two subsystems. The first subsystem, located in the South Wing, was installed in 1950, as a part of the original bus terminal construction. The second subsystem was added in 1981, as a part of the North Wing expansion of the PABT. These two subsystems distribute power throughout the PABT. The existing primary electrical service, 69 years old in the South Wing and 38 years old in the North Wing, has exceeded its useful life. The HVAC units at the PABT have been in service for approximately 30 years and have exceeded their useful life.

At its meeting on February 24, 2011, the Board authorized the HVAC Project to replace the existing HVAC units, at an estimated total project cost of $54.8 million. Pursuant to that authorization, in March 2012, Contract BT-254.042 was awarded to WDF Inc., at a cost of $32.28 million, for the following work: (1) removing the existing HVAC units located throughout the South Wing of the PABT and replacing such units with new high-efficiency units; (2) furnishing and installing a new 480-volt electrical substation at the PABT; and (3) upgrading the electrical distribution system at the PABT. At the time Contract BT-254.042 was awarded, an existing project was already underway to replace the fire alarms at the PABT. In connection with the proposed replacement of the PABT, the scope of the HVAC Project was expanded to accommodate the redesigned fire alarm system and new HVAC equipment.

The proposed increase of approximately $15.2 million for the HVAC Project is needed to address incremental costs related to delays caused by the project redesign and unexpected field conditions. The proposed reauthorization would address these cost increases and allow for the completion of the HVAC Project.

The proposed increase of approximately $6 million for the Electrical Service Project is needed to address incremental costs due to delays resulting from several factors, including coordination with other PABT projects, utility coordination, and tenant coordination. In addition, the project experienced unexpected field conditions requiring redesign of the new primary electrical system and its component parts. In June 2013, the Executive Director awarded Contract BT-254.130 to TAP Electric Contract Service, Inc., at a total cost of approximately $9.74 million, to complete work to replace the primary electrical services at the PABT. At the start of construction in June 2013, the total project cost was estimated at $17.7 million. The proposed reauthorization would address those cost increases and allow for the completion of the replacement of the primary electrical service system at the PABT.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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: (1) a project to replace the primary electrical service (Electrical Service Project) at the Port Authority Bus Terminal (the PABT), at an estimated total project cost of approximately $23.7 million (an increase of approximately $6 million from the previously authorized amount), be and it hereby is re-authorized; and (2) a project to replace heating, ventilation, and air conditioning (HVAC) units, and upgrade its dedicated electrical power distribution system at the South Wing of the PABT (HVAC Project), at an estimated total project cost of approximately $70 million (an increase of approximately $15.2 million from the previously authorized amount) be and it hereby is re-authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services, and such other contracts and agreements as may be necessary to effectuate the Electrical Service Project and the HVAC Project, pursuant to authority granted in the By-Laws or other resolution adopted by 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 take any and all actions necessary or appropriate to effectuate the foregoing, consistent with the terms outlined to the Board; 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.

WORLD TRADE CENTER SITE - RIVER WATER PUMP STATION UPGRADES – PHASES I AND II – PROJECT AUTHORIZATION

It was recommended that the Board authorize Phases I and II of a project for the rehabilitation of the World Trade Center (WTC) River Water Pump Station (RWPS), at an estimated total project cost of $7.3 million.

Under existing agreements with WTC site stakeholders, the Port Authority is obligated to deliver chilled water for space cooling needs at the WTC complex, with the exception of the commercial office towers. The agency meets this obligation through the operation of the RWPS, located in Battery Park City, which draws water from the Hudson River and delivers it to the WTC Central Chiller Plant. Use of the river water is regulated by the State Pollution Discharge Elimination System (SPDES) permit issued by the New York State Department of Environmental Conservation. The permit includes performance standards for reducing entrainment and impingement of marine life by the RWPS.

The proposed authorization would encompass the first two phases of the WTC RWPS rehabilitation project, in order to maintain a state of good repair. Phase I would include removing accumulated sediment from the intake pipes of the RWPS, to be performed under an existing competitively procured work-order contract, and associated engineering and design costs, agency allocations and a project contingency, at an estimated total cost of $2.3 million. Phase II would include installing new control panels, and sensors, and expanding and optimizing the existing WTC Building Management System (BMS) by installing an automated remote control for chilled water distribution to accommodate stakeholders' space cooling needs, to be performed under an existing competitively procured work-order contract, and associated engineering and design costs, agency allocations and a project contingency, at an estimated total cost of $5 million.

On December 13, 2018, the Board authorized planning and engineering work for the RWPS rehabilitation project, at an estimated total planning cost of $5 million. Of that amount, approximately $2.9 million in planning funds have been committed for Phases I and II of the project. The previously committed planning costs are reflected in the $7.3 million total project cost.

The Phase I work would permit a reduction in the velocity of the river water intake, thereby reducing the impingement and entrainment of marine life. The Phase II work would lead to the development of a newly integrated BMS, which would provide for automatic chilled water delivery modulation based on stakeholders' needs, thereby optimizing performance of the RWPS.

The subsequent phase(s) of the RWPS rehabilitation project, which is subject to future Board authorization, will include additional upgrades and repairs to the RWPS and the installation of sluice gates at the intake pumps.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, 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 Phases I and II of a project for the rehabilitation of the World Trade Center River Water Pump Station, at an estimated total project cost of $7.3 million, be and they hereby are authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional 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.

Whereupon, the meeting was adjourned.

Secretary