

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
MEETINGS OF THE BOARD OF COMMISSIONERS AND BOARD COMMITTEE
MEETINGS – THURSDAY, SEPTEMBER 30, 2021

The following is the agenda and related materials as of Friday, September 24, for the September 30, 2021 Meetings of the Board of Commissioners and Board Committees of The Port Authority of New York and New Jersey and its subsidiaries.

Due to challenges related to the ongoing COVID-19 public health crisis and in order to maintain social distancing, in-person attendance at the meetings will be limited to Commissioners and Port Authority staff required to conduct the meetings, and individuals from the media with press credentials, as described below.

Members of the media who wish to attend in-person should submit their request to press@panynj.gov. Requests will be accommodated on a first-come, first-served basis as space is limited due to safety protocols. Those members of the media who have confirmed their in-person attendance with the Port Authority's Media Department must complete a health verification questionnaire prior to entering 4 World Trade Center, which is required of all staff and visitors and may be accessed here: <https://panynj.force.com/s/provide-email>. Media may also attend virtually and must still RSVP at press@panynj.gov to confirm their participation and receive the invite link.

For members of the public interested in viewing the proceedings, a video broadcast will be live streamed from the Port Authority's Website. The video broadcast may be accessed at <https://www.panynj.gov/corporate/en/board-meeting-info/videos.html>

Executive Session Meetings – 9:00 a.m.

Joint Committees on Finance and Audit

The Committees on Finance and Audit will meet jointly in executive session to discuss matters involving ongoing negotiations or reviews of contracts or proposals and, matters related to the lease of real property, where disclosure would affect the value thereof or the public interest.

Committee on Finance

The Committee on Finance will meet in executive session to discuss and act upon matters involving ongoing negotiations or reviews of contracts or proposals.

Executive Session - All Commissioners

The Board of Commissioners will meet in executive session prior to the public meetings, to discuss matters related to personnel and personnel procedures, matters involving ongoing negotiations or reviews of contracts or proposals, matters related to the purchase, sale, or lease of real property, where disclosure would affect the value thereof or the public interest, and to discuss and act upon matters related to proposed, pending, or current litigation or judicial or administrative proceedings.

Public Session Committee Meetings – 12:00 noon

Committee on Operations

- ♦ Newark Liberty International Airport New Terminal A Expansion and Development of Airport Lounge – New Lease Huntley Lawrence

Board Meeting – 12:15 p.m. (estimated)

- ◆ Moment of Silence
- ◆ Staff Recognition
- ◆ Report of Executive Director
 - Coronavirus Update
- ◆ Speakers Program*
- ◆ Resolution Approvals

Richard Cotton

For more information, contact the Office of the Secretary at (212) 435-6682 or (212) 435-7312.

Media Only: (212) 435-7777
SUBJECT TO CHANGE

* Members of the public wishing to address the Board on Port Authority-related matters should submit an email that includes their name, affiliation and subject matter to Speakersprogram@panynj.gov by noon on Tuesday, September 28.

Either written statements or pre-recorded video statements may be submitted. Pre-recorded videos are limited to three minutes each maximum. Pre-recorded videos submitted as part of the speakers' program will be broadcast as part of the public Board meeting. The speakers program may be limited to 30 minutes in total.

Note: Pre-recorded video statements must be smaller than 100 megabytes.

**Form of Proposed Resolutions to be Considered by the Board and Committees
at the September 30, 2021 Meeting***

1. Newark Liberty International Airport – Expansion of New Terminal A Building and Development of Airport Lounge – American Express Travel Related Services, Company, Inc. - New Lease
2. 7 World Trade Center – Consolidated Edison Company of New York, Inc. – New Lease
3. Purchase of Public Liability Insurance (To be Considered by Committee on Finance)

* The Committee on Finance is expected to take action in executive session with regard to a matter involving ongoing negotiations or reviews of contracts or proposals. The Board is also expected to take action in executive session with regard to matters related to proposed, pending, or current litigation or judicial or administrative proceedings.

NEWARK LIBERTY INTERNATIONAL AIRPORT – EXPANSION OF NEW TERMINAL A BUILDING AND DEVELOPMENT OF AIRPORT LOUNGE – AMERICAN EXPRESS TRAVEL RELATED SERVICES, COMPANY, INC. - NEW LEASE

It was recommended that the Board authorize the Executive Director to enter into a new lease with American Express Travel Related Services, Company, Inc. (Amex), the preferred proposer pursuant to a competitive procurement process conducted by Munich Airport International GmbH (MAI) that Port Authority staff subsequently reviewed and endorsed, providing for the construction of an approximately 50,000-square-foot expansion building (“NTA Expansion Area”) adjacent and accessible to the New Terminal A (NTA) building at Newark Liberty International Airport (EWR). The lease would also provide for the letting, operation and management of an approximately 18,000-square-foot passenger lounge within such NTA Expansion Area for a term of 15 years, with one five-year option period exercisable by Amex upon the satisfaction of certain conditions precedent. The lounge would be located on the third floor of the NTA Expansion Area, and the areas on the first and second floors of such New Building would be subleased back to the Port Authority for potential sub-subleasing to third parties. The proposed lease terms represent fair market value.

In May 2021, NTA’s terminal operator, MAI released a Request for Information (RFI) as part of a competitive procurement process for a non-airline-branded passenger lounge at NTA, on the Port Authority’s behalf. Two firms submitted proposals, which were evaluated by MAI, and a recommendation was rendered to the Port Authority based on the following: (1) alignment with terminal profile; (2) financial terms; (3) cohesion with terminal concessions program; (4) operational risk; and (5) customer experience impact. Amex was the preferred proposer and is the lessee recommended by MAI to construct the NTA Expansion Area and operate and maintain the new airport passenger lounge. Port Authority staff concurred with MAI’s recommendation.

The lease would commence on or about January 1, 2022 and continue for 15-years after the commencement of rent payments to the Port Authority. Under the proposed lease, the payment of rent is expected to commence on or about the earlier of August 1, 2023, or the commencement of operations at the lounge. Amex would pay the Port Authority directly an approximate total aggregate rental of \$121.5 million over the term of the lease, pay a percentage of gross receipts, and invest approximately \$100 million to construct the NTA Expansion Area and passenger lounge. The Port Authority would not make any capital investments in connection with the proposed lease.

The lounge would include an array of industry-leading amenities, such as: (1) a viewing terrace overlooking the EWR airfield, Port of Newark, New York and Newark Harbor, and the Manhattan skyline; (2) multiple signature Amex food and bar areas; (3) a piano lounge; (4) a Jersey jazz-themed bar; and (5) a speakeasy-themed backstage cocktail lounge. The lounge would also offer premium amenities, such as wellness rooms, workstations and world-class restroom facilities.

With respect to the areas on the first and second floors of the NTA Expansion Area to be subleased to the Port Authority by Amex for potential sub-subleasing to third parties, the space would consist of approximately 32,000 square feet, of which approximately 22,000 square feet would be made available for subletting by the Port Authority and the remaining 10,000 square feet would be required to support the operation of the NTA Expansion, including vertical circulation and other core building systems and support space. MAI would continue, as the operator of NTA, to have responsibility for the operation and maintenance of the portions of the NTA Expansion Area that are not exclusively leased or subleased, pursuant to its existing agreement with the Port Authority, and would be reimbursed for these costs pursuant to such agreement.

Pursuant to the foregoing report, the following resolution was adopted:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease with American Express Travel Related Services, Company, Inc. (Amex) for the construction of an approximately 50,000-square-foot expansion of the New Terminal A (NTA) building at Newark Liberty International Airport, and the operation, and management of a new passenger lounge, for a term that would expire 15-years after rent commencement, with one five-year option period, 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 subleasing agreements with Amex for areas on the first and second floors of the expansion building for potential sub-subleasing to third parties, substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

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

7 WORLD TRADE CENTER – CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – NEW LEASE

It was recommended that the Board authorize the Executive Director to enter into a restated and amended triple net lease (Lease) with the Consolidated Edison Company of New York, Inc. (Con Edison) for a 50-year term, commencing retroactively on November 1, 2020, to provide for the letting of a substation at portions of the basement, 1st, 2nd, and 3rd floors of the 7 World Trade Center (7 WTC) site, consisting of approximately 73,000 square feet. The proposed lease terms represent fair market value.

Pursuant to a lease with Con Edison that commenced in 1968, the Port Authority built a substation at the 7 WTC site to power the original WTC campus. Such lease provided for a 50-year lease term, effective upon substantial completion of the substation, which was achieved in 1970. To accommodate the WTC redevelopment after the events of September 11, 2001, Con Edison agreed to reconstruct a substation at 7 WTC on a smaller, reconfigured site. The Con Edison substation will continue to provide power to the WTC campus and other parts of lower Manhattan, including Battery Park City. The new Lease would restate and amend the previous lease with Con Edison for an additional 50-year term, under which Con Edison would continue to occupy, operate and maintain the reconfigured substation.

Pursuant to the Lease, Con Edison would be fully responsible for operating expense and capital expense obligations. Con Edison would pay a total aggregate rental of approximately \$314 million over the term of the Lease. The amount of rent would be adjusted on November 1, 2045, to be equal to the greater of Fair Market Rent or the then current rent plus annual escalations. The Lease and rent would commence on November 1, 2020, with the rental increase being applied retroactively. The proposed terms were informed by independent appraisals undertaken on behalf of the Port Authority and Con Edison by third parties.

Pursuant to the foregoing report, the Board adopted the following resolution:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a restated and amended triple net lease with the Consolidated Edison Company of New York, Inc. for a 50-year term to provide for the letting of a substation at portions of the basement, 1st, 2nd, and 3rd floors of the 7 World Trade Center site, consisting of approximately 73,000 square feet, substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other agreements necessary or appropriate in connection with the foregoing; and it is further

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

PURCHASE OF PUBLIC LIABILITY INSURANCE

It was recommended that the Committee on Finance (Committee) authorize the Executive Director, the Chief Financial Officer, the Chief Procurement Officer and the Treasurer, each individually, to: (1) purchase public liability insurance (Liability Insurance) for the Port Authority and its component units, including excess workers' compensation, aviation, aviation war-risk, and non-aviation liability coverage, through the insurance broker Marsh USA Inc. (Marsh), for a one-year term, effective October 27, 2021; and (2) purchase terrorism and Nuclear, Biological, Chemical and Radiological (NBCR) property and liability insurance coverage through broker Willis Towers Watson Northeast, Inc. (Willis), for up to a two-year term, effective October 27, 2021. Such coverage would have appropriate available limits, self-insured retentions, and other terms, including coverage for excess workers' compensation for Port Authority employees.

These insurance programs are necessary to provide financial protection to the Port Authority and its component units against potential losses related to bodily injury and property damage claims or suits brought by first and third parties.

At its May 27, 2021 meeting, the Committee authorized an agreement with Willis to provide brokerage services, including placement and administration, for the Port Authority's property damage and loss of revenue, terrorism and NBCR insurance programs for a three-year term, commencing on June 15, 2021, with an additional three-year extension period, at the Port Authority's discretion. In addition, the Committee authorized an agreement with Marsh to provide brokerage services, including placement and administration, for the aviation liability and war risk, and non-aviation liability and excess workers' compensation insurance programs for a three-year term, commencing on June 15, 2021, with an additional three-year extension period, at the Port Authority's discretion.

At its meeting on September 24, 2020, the Committee authorized the purchase of Liability Insurance through Willis, for all facilities of the Port Authority and its component units, for a one-year term, effective October 27, 2020. NBCR insurance coverage was placed for a three-year term, effective October 27, 2018, and terrorism coverage was placed for a two-year term, effective October 27, 2019. All three insurance coverages are due to expire on October 27, 2021.

The insurance coverages would be purchased from interested foreign and domestic insurers and Port Authority Insurance Captive Entity, LLC, through the brokers, Willis and Marsh. Program options would be discussed with Willis and Marsh, and insurance underwriters, in order to place the most comprehensive coverage at the best available prices.

The Committee has power to act in this matter under and pursuant to the By-Laws and its Charter.

Pursuant to the foregoing report, the following resolution was adopted by the Committee:

RESOLVED, that the purchase of public liability insurance for the Port Authority and its component units, including aviation, aviation war-risk, and non-aviation coverage, through the insurance broker Marsh USA, Inc., for a one-year term, effective October 27, 2021, substantially in accordance with the terms outlined to the Committee, be and it hereby is authorized; and it is further

RESOLVED, that the purchase of terrorism and Nuclear, Biological, Chemical and Radiological insurance coverage through insurance broker Willis Towers Watson Northeast, Inc., for up to a two-year term, effective October 27, 2021, substantially in accordance with the terms outlined to the Committee, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director, the Chief Financial Officer, the Treasurer and the Chief Procurement Officer be and each, individually, hereby is authorized, for and on behalf of the Port Authority, to take action to effectuate the foregoing; and it is further

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