

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
MEETING OF THE BOARD OF COMMISSIONERS AND BOARD COMMITTEE
MEETINGS – THURSDAY, NOVEMBER 21, 2019

The following is the revised agenda and related materials as of Tuesday, November 19, for the November 21, 2019 Meetings of the Board of Commissioners and Board Committees of The Port Authority of New York and New Jersey and its subsidiaries to be held at 4 World Trade Center, 150 Greenwich Street, NY, NY 10007.

Meeting attendees are required to go through a security screening upon entering the building. Attendees are encouraged to arrive early. Security screening will begin at 11:00 a.m.

Executive Session Meetings – 9:00 a.m. (23rd Floor – Agenda Review Room)

Committee on Finance

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

Executive Session - All Commissioners

The Board of Commissioners will meet in executive session prior to the public meetings, to discuss 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, matters related to personnel or personnel procedures, 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 (23rd Floor - Board Room)

Committee on Capital Planning, Execution and Asset Management

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| ♦ John F. Kennedy International Airport Redevelopment | Derek Utter |
| ♦ John F. Kennedy International Airport – Rehabilitation of Taxiways A and B East and Taxiways A and B South- Project Authorization | Huntley Lawrence |
| ♦ Newark Liberty International Airport – Rehabilitation of Runway 4R-22L - Project Authorization | Huntley Lawrence |

Board Meeting – 12:30 p.m. (estimated) (23rd Floor – Board Room)

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| ♦ Report of Executive Director | Richard Cotton |
| ♦ Speakers Program | |
| ♦ Resolution Approvals | |

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 may do so at its public Board Meeting. Individuals who wish to address the Board at its public Board Meeting should register by completing and submitting a registration form, which is located in the Speakers Registration section of the Port Authority Website, by 9:00 a.m. on the day of the Board meeting. Speakers are limited to three minutes each, and speaking time may not be transferred. The use of audio visual equipment is not permitted. The public comment period may be limited to 30 minutes. Appropriate photo identification is required.

**Form of Proposed Resolutions to be Considered by the Board and Committees
at the November 21, 2019 Meeting***

1. Newark Liberty International Airport – Rehabilitation of Runway 4R-22L – Project Authorization
2. John F. Kennedy International Airport – Rehabilitation of Taxiways A and B East and Taxiways A and B South – Project Authorization
3. John F. Kennedy International Airport – Authorization to Enter Terminal Lease Agreement with Terminal One Sponsors Group
4. PATH – Agreement Regarding Easement at 25 Columbus Drive, Jersey City, New Jersey

* The Board is also expected to take action in executive session with regard to a matter related to proposed, pending, or current litigation or judicial or administrative proceedings.

NEWARK LIBERTY INTERNATIONAL AIRPORT – REHABILITATION OF RUNWAY 4R-22L – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the rehabilitation of Runway 4R-22L and portions of its connecting taxiways at Newark Liberty International Airport (EWR), at an estimated total project cost of \$99.2 million; and (2) the Executive Director to submit an application to the Federal Aviation Administration for permission to use Passenger Facility Charges to cover eligible project costs.

Runway 4R-22L is 10,000 feet long and 150 feet wide, and was last rehabilitated in 2012. This runway is one of three runways at EWR, and it serves as the primary arrival runway. The most recent inspection of the runway identified pavement deterioration as a result of normal wear associated with use and weather. Rehabilitation of the runway is necessary in order to maintain a state of good repair.

At its meeting of June 28, 2018, the Board authorized the expenditure of approximately \$1.4 million for planning and engineering services necessary to develop the project scope and a cost estimate for the delivery of the project. The resulting recommendation from that planning effort is to rehabilitate the runway, by milling and overlaying the existing asphalt concrete and replacing electrical infrastructure and lighting.

It is expected that a portion of the cost of the project would be recoverable through grants from the federal Airport Improvement Program.

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

RESOLVED, that a project for the rehabilitation of Runway 4R-22L and portions of its connecting taxiways at Newark Liberty International Airport, at an estimated total project cost of \$99.2 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and behalf of the Port Authority, to submit an application to the Federal Aviation Administration for permission to use Passenger Facility Charges to cover eligible costs for the foregoing project; 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.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – REHABILITATION OF TAXIWAYS A AND B EAST AND TAXIWAYS A AND B SOUTH – PROJECT AUTHORIZATION

It was recommended that the Board authorize a project for the rehabilitation of Taxiways A and B East and Taxiways A and B South at John F. Kennedy International Airport (JFK), at an estimated total project cost of \$145 million.

The portions of Taxiways A and B that are the subject of this authorization total approximately 23,800 linear feet (approximately 4.5 miles). Overall, these two taxiways serve every departing and arriving aircraft at JFK, by providing aircraft with connections from a runway to passenger terminals or cargo facilities.

Taxiways A and B East were last rehabilitated in 2007, and Taxiways A and B South were last rehabilitated in 2008. The most recent inspection of these taxiways indicated that they need to be rehabilitated in order to maintain a state of good repair.

The proposed project would provide for milling and overlaying the asphalt pavement on the two taxiways, and associated electrical infrastructure and drainage improvements.

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

RESOLVED, that a project for the rehabilitation of Taxiways A and B East and Taxiways A and B South at John F. Kennedy International Airport, at an estimated total project cost of \$145 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 take action with respect to contracts for construction, 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.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – AUTHORIZATION TO ENTER
TERMINAL LEASE AGREEMENT WITH TERMINAL ONE SPONSORS
GROUP**

At its meetings on October 25, 2018, the Board of Commissioners approved exclusive negotiations for redevelopment of a passenger terminal on the south side of John F. Kennedy International Airport (the “Airport”), based upon the terms and conditions in a detailed lease term sheet (“Term Sheet”). The Term Sheet had been submitted as part of the Port Authority’s selection process which resulted in the recommendation to proceed with such negotiations. The counterparty, a sponsor group comprised of Deutsche Lufthansa Aktiengesellschaft, Société AirFrance, Japan Airlines Company, Ltd. and Korean Air Lines Co., Ltd. (the airlines which now collectively operate Terminal 1 at the Airport), also includes development and financial partners led by The Carlyle Group, JLC Infrastructure and Ullico (such consortium, the “Lessee”). Those negotiations are now substantially concluded and the Port Authority and the Lessee propose to enter into a lease (the “Proposed Lease”) for design, construction, financing, operation and maintenance of the new terminal.

The Proposed Lease embodies all material terms previously outlined to the Board. It provides for construction of a new terminal on the site previously occupied by existing Terminals 1 and 2 and an aircraft parking area previously occupied by Terminal 3 at an estimated cost to the Lessee of approximately \$7.4 billion, to be opened in stages through 2025 (with the existing terminals remaining in operation until the transition to the new terminal can occur). The Proposed Lease term expires on December 30, 2050 (a day prior to expiration of the underlying Airport lease between the Port Authority and the City of New York), and provides for an upfront payment and both rent and a share of concessions revenues to be paid over the Proposed Lease term to the Port Authority. In the event investment returns to the Lessee or its owners exceed specific thresholds, in certain cases the Port Authority will share in such proceeds.

The Proposed Lease provides that risks of cost overruns and operational matters are generally retained by the Lessee and there is limited recourse to the Port Authority, absent its willful acts in contravention of the Proposed Lease.

The Lessee seeks to finance its investment, in part, with borrowed funds secured by a leasehold mortgage covering its rights in the Proposed Lease and repaid from terminal revenues over the term of the Proposed Lease and, as such, the Lessee requires Board approval of the Proposed Lease at this time to proceed with such financing. It is anticipated that the Proposed Lease would be finalized over the next several months and signed in Spring 2020 by the Port Authority and the Lessee without material change from its current form, upon issuance of approval for the Airport redevelopment from the Federal Aviation Administration under the National Environmental Policy Act, and subject to concurrent completion of the Lessee’s financing. It is therefore now recommended that the Board approve the Proposed Lease, with such non-material changes as the Executive Director, in his discretion, approves. Material changes to the Proposed Lease, if any, would be subject to additional Board approval before execution.

In addition to the foregoing, it is recommended that the Board approve \$515 million in Port Authority expenditures for infrastructure upgrades associated with the Proposed Lease (the “T1-T3 Port Authority Expenditures”). The T1-T3 Port Authority Expenditures are in addition to \$595 million in JFK redevelopment costs and expenses approved by the Board in February 2017, December 2018 and October 2019, and will be used for (1) airside work including milling of existing pavement, re-grading, installation of fueling and drainage infrastructure, repaving, striping and airfield signage, taxiway lighting and installation of glycol collection systems (for de-icing fluid); and (2) program management and design services to support the JFK redevelopment program. The T1-T3 Port Authority Expenditures are provided for in the capital allocation for the JFK redevelopment program in the 2017-2026 Capital Plan.

Pursuant to the foregoing report, the following resolutions were 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 Agreement and any related agreements and documents (collectively, the “Proposed Lease”) with an entity (the “Lessee”) to be owned by the consortium of the airlines which currently operate John F. Kennedy International Airport Terminal 1 and development and financial partners led by The Carlyle Group, JLC Infrastructure and Ullico, which Proposed Lease provides for the design, construction, financing, operation and maintenance of a new passenger terminal covering the site currently occupied by Terminals 1 and 2 and adjacent parcels, substantially in accordance with the terms outlined to the Board, with such non-material changes as the Executive Director, in his discretion, may determine, which Proposed Lease shall be executed by, and become binding upon, the Port Authority and the Lessee at such time as the Lessee’s financing and certain permits for the new facility are obtained; and it is further

RESOLVED, that the Port Authority is authorized to expend up to \$515 million for additional expenses in connection with investments to support the transactions described in the Lease to be used for (1) airside work including milling of existing pavement, re-grading, installation of fueling and drainage infrastructure, repaving, striping and airfield signage, taxiway lighting and installation of glycol collection systems (for de-icing fluid); and (2) program management and design services to support the JFK redevelopment program; 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 the General Counsel or his authorized representatives, and the terms of such contracts, agreements and other documents shall be subject to the approval of the General Counsel or his authorized representatives.

PATH – AGREEMENT REGARDING EASEMENT AT 25 COLUMBUS DRIVE, JERSEY CITY, NEW JERSEY

It was recommended that the Board authorize the President of Port Authority Trans-Hudson Corporation (PATH) to enter into an agreement with PH Urban Renewal, LLC (Developer) pursuant to which PATH would relinquish a portion of a permanent subsurface easement it holds over a piece of real property located at 25 Columbus Drive, Jersey City, New Jersey, between the PATH Grove Street and Exchange Place Stations.

Presently, PATH has certain subsurface easement rights encompassing an approximately 26,000-square-foot area (Existing Easement Area) underneath property owned by the Developer. The Developer has requested that PATH agree to extinguish its easement with respect to that portion of the Existing Easement Area that is not needed for PATH purposes. PATH staff has analyzed the Existing Easement Area and determined that only that portion of the Existing Easement Area consisting of Tunnel H and 10 feet from the PATH tunnels, or 9,253 square feet (New Easement Area), is needed for PATH purposes. The remaining portion of the Existing Easement Area has never been used by PATH.

The proposed agreement with the Developer would clarify PATH's easement rights with respect to the New Easement Area, as part of the proposed transaction. The portion of the existing easement that would be vacated and extinguished by PATH has been valued at \$5,000 by the Developer's appraiser. PATH's review appraiser has concurred in that valuation. Through the proposed transaction, the Developer would pay PATH \$30,000, to compensate PATH for the value of the portion of the existing easement to be vacated and extinguished, as well as related expenses.

The Developer has development approvals from the City of Jersey City (City) and intends to construct a mixed-use development at this location. In addition, the Developer would construct a public school on the property located above the easement, which, once complete, would be deeded to the City. The subterranean easement held by PATH does not restrict the Developer in its ability to construct the development. However, the Developer has requested that PATH enter into the proposed agreement to exchange easements, as a requirement to obtain title insurance.

RESOLVED, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into an agreement with PH Urban Renewal, LLC (Developer) pursuant to which PATH will relinquish a portion of a permanent subsurface easement at a piece of real property located at 25 Columbus Drive, Jersey City, New Jersey, between the PATH Grove Street and Exchange Place Stations, retaining the balance of the easement for its continued use; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to enter into any other contracts or agreements necessary or appropriate 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 Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.