December 2015

BUDGET 2016

THE PORT AUTHORITY OF NY & NJ

MISSION

Meet the critical transportation infrastructure needs of the bistate region's people, businesses, and visitors by providing the highest-quality and most-efficient transportation and port commerce facilities and services to move people and goods within the region, provide access to the nation and the world, and promote the region's economic development.

PORT AUTHORITY OF NY & NJ FACILITY MAP

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

PRESENTED TO

Port Authority of New York & New Jersey

For the Fiscal Year Beginning

January 1, 2015

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Port Authority of New York and New Jersey for its annual budget for the fiscal year beginning January 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

LETTER FROM THE CHAIRMAN AND THE EXECUTIVE DIRECTOR

Dear Governors,

On behalf of the Port Authority of New York and New Jersey and its Board of Commissioners, we are pleased to share details of the Authority's $7.9 billion capital and operating budget for 2016, which the Board recently authorized to advance our core mission of meeting the critical transportation infrastructure needs of the bi-state region. The budget includes $3.5 billion in capital investment and $3.0 billion in operating expenses, with the remaining amount covering debt service and related expenses. As stewards of the public interest, the agency has carefully prioritized where and how to apply our resources in the coming year, balancing the demands of maintaining our critical transportation assets with a fiscally sound approach to investing for the future needs of our customers and stakeholders.

The $3.5 billion in 2016 capital investment will advance key projects in the Port Authority's 2014-2023 Capital Plan. Our capital plan has been prioritized to maintain our assets in a state of good repair, while modernizing and adding capacity where needed. Highlights of our 2016 Capital Plan include investments in modernization and redevelopment of LaGuardia Airport, planning for the replacement of the Port Authority Bus Terminal and Terminal A at Newark Liberty International Airport, replacement of the Goethals Bridge, the Bayonne Bridge "Raise the Roadway" navigational clearance project, ongoing rehabilitation of the George Washington Bridge, continued technological upgrades to the PATH system, and replacement of berths and wharves at our Ports together with the completion of our on-dock and intermodal express rail programs.

The $3.0 billion in budgeted 2016 operating expenses represents a 2.8% increase from last year's base, driven by increased regulatory costs, higher security-related spending, and general inflation across all our operating divisions. Excluding incremental expenses associated with the phase-in of new facilities at the World Trade Center, the 2016 budget represents an increase in core expenses of 2.4% versus last year. The operating budget includes continued implementation of the "Quality of Commute" improvement program at the Port Authority Bus Terminal, increased police and maintenance staff to address new work load and attrition and thereby reduce future overtime, enhanced training and succession planning programs, and operation and maintenance activities at the PATH World Trade Center Transportation Hub "Oculus" and retail complex that is to open in 2016.

Earlier this year, the Board of Commissioners joined you in endorsing the recommendations of the bi-state Special Panel on the Future of the Port Authority as set forth in its December 2014 report, entitled *Keeping the Region Moving*. Those recommendations called for significant improvements in the structure and governance of the agency — including the appointment of a single, Board-appointed CEO to oversee the agency — as well as a fundamental recommitment to the Port Authority's core transportation mission. As you know, we have established a Special Panel Implementation Office within the agency to maintain institutional focus on these crucial reforms, and the Board remains deeply engaged in ensuring their success. We used this year's budgeting

process to methodically review the agency's assets and business lines, and associated revenues and expenditures, to ensure that this budget furthers the long-term goals of the Special Panel recommendations. The Board has also begun the process of refreshing its 2014-2023 ten-year Capital Plan to incorporate new priorities flowing from the Special Panel's analysis, consistent with sound management of our financial capacity; we expect this process to be completed by mid-2016.

Recently, you asked the Port Authority to take on a leadership role in the planning, financial design, and construction of the "Gateway" tunnel project, in collaboration with other federal and state agencies. Hundreds of thousands of people rely daily on the existing tunnels, constructed more than a century ago, to cross the Hudson by rail each day, and the consequences for the region of failing to provide for their replacement would be catastrophic, as you have noted. The Port Authority is proud to be called upon to lead this historic effort, and we are committed to working with our partners in the U.S. Department of Transportation, Amtrak, and New Jersey Transit, among others, to design and execute a project plan that will see the new tunnels constructed as promptly and cost-effectively as possible; we will also work closely with federal and state agencies to expedite required regulatory approvals to avoid unnecessary delays. At your direction, we are establishing a dedicated entity to carry on this vital work with a singular focus and sense of urgency, and we will spare no effort in seeing it to a successful conclusion.

The Port Authority is a vital contributor to the economic health and development of the bi-state region, supporting more than $23 billion in annual wages and $80 billion in regional economic activity. We remain committed to providing the people of New York and New Jersey, and the millions of travelers who visit our region each year, with safe and dependable transportation facilities, and to earning the public's trust each and every day by conducting our operations in a straightforward, inclusive, and transparent manner. We thank you for your leadership and guidance over the past year, and we will continue to keep you apprised of our progress in the coming year.

Sincerely,

John J. Degnan
Chairman

Patrick Foye
Executive Director

BUDGET SUMMARY

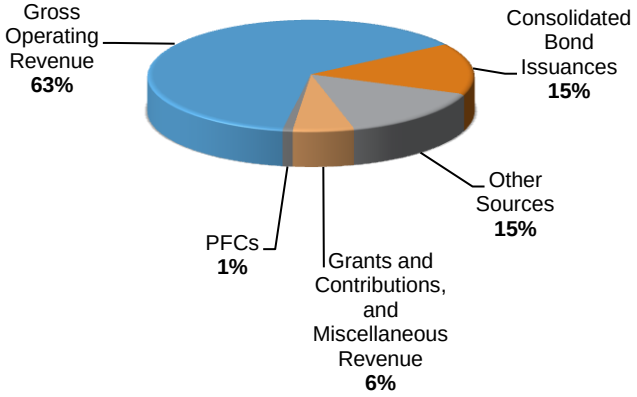
2016 BUDGET OVERVIEW

The Port Authority plays a vital role in the regional economy, annually moving millions of people and millions of tons of cargo in its network of aviation, rail, surface transportation and seaport facilities. As we continue to meet the critical infrastructure needs of the bi-state region, the Port Authority strengthens commerce and economic development by supporting more than 500,000 regional job-years, $23 billion in annual wages and $80 billion in regional economic activity annually.

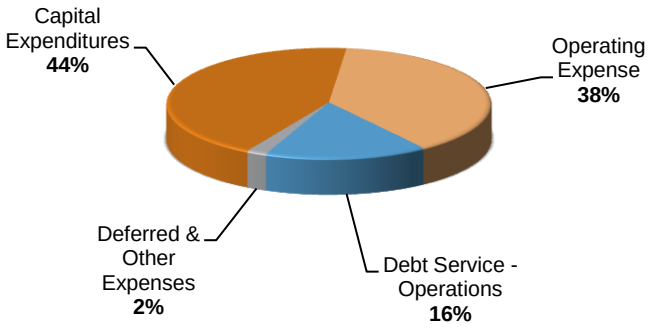
The Port Authority's budget is supported by multiple sources of funds including revenues derived principally from tolls, fares, landing and dockage fees; rentals and other charges for the use of Port Authority facilities; the issuance of bonds, notes and other financing obligations; grants, capital contributions, financial income earned on its investments; and the application of airport Passenger Facility Charges. The Port Authority raises the necessary funds for the improvement, construction or acquisition of its facilities based upon the strength of its own credit. The Port Authority has no power to levy taxes or assessments. Its bonds, notes and other obligations are not obligations of the States of New York or New Jersey (the "States") or of either of them, and are not guaranteed by the States or by either of them.

The 2016 Budget of $7.9 billion is comprised of $3.0 billion for the Operating Budget, $3.7 billion for Capital and Deferred expenses, and $1.2 billion for Debt Service charged to operations. This expenditure budget was prepared in a fiscally disciplined manner consistent with the Agency's fiduciary responsibility to its stakeholders and its mission to ensure continuous safe and secure operations, enhance customer service and plan for the future.

SOURCES: $7.9 Billion



USES: $7.9 Billion



The 2016 Operating Budget of $3.0 billion represents a 2.8% increase over the prior year budget and includes the incremental expenses associated with phasing-in operations of the final significant components of the World Trade Center (WTC), including the permanent PATH Station, the retail facilities and Liberty Park. It provides for operations, maintenance, and security of all facilities. In addition, new initiatives include the Port Commerce master plan, an Aviation strategic vision plan, the implementation of a centralized Agency Operations Center, and continued advancement of the Port Authority Bus Terminal's Quality of Commute program (QoC). In order to address staff turn-over, retirements, and new workload, the budget also includes two police training classes for a total of 250 recruits, additional maintenance staff, and continued support for succession planning within the agency.

The 2016 Capital Budget of $3.5 billion includes $1.2 billion (34%) for state of good repair (SGR) projects continuing the Port Authority's focus on ensuring its critical assets are available for use. The Capital Budget also includes investment in the modernization of our airports including the redevelopment of Terminal B at LaGuardia Airport (LGA) and planning for Terminal A at Newark Liberty International Airport (EWR), the continued improvements in the Port Authority Bus Terminal (PABT) and planning for its long term replacement, and the completion of additional components of the WTC including the Transportation Hub and retail complex.

Overall, the Port Authority's 2016 Budget provides the resources necessary to advance the agency's core mission and keep the region moving.

2016 TOTAL EXPENDITURE BUDGET

(In thousands)	Personal Services*	Material & Services	Total Expenditures
Chief, Capital Planning, Execution & Asset Management	$1,575	$118	**$1,693**
Business Diversity and Civil Rights	3,017	2,101	**5,118**
Environmental & Energy Programs	3,000	2,212	**5,212**
Ferry Transportation	–	2,847	**2,847**
Planning and Regional Development	3,689	961	**4,650**
Project Management Office	3,057	3,592	**6,649**
WTC Construction	22,321	691,116	**713,437**
WTC Redevelopment	6,582	284,010	**290,592**
Chief, Human Capital			
Human Resources	17,655	8,736	**26,391**
Labor Relations	1,579	568	**2,147**
Chief, Procurement & Contracting Officer	13,628	3,235	**16,863**
Chief, Public & Government Affairs	264	38	**302**
Government & Community Affairs	3,067	1,811	**4,878**
Media Relations	1,690	709	**2,399**
Marketing	3,456	5,549	**9,005**
Chief, Real Estate & Development	1,741	386	**2,127**
Real Estate & Development	8,062	47,640	**55,702***(1)*
Chief, Technology Services	19,269	96,509	**115,778***(1)*
Chief Engineer	97,259	203,086	**300,345**
Capital Construction Contracts	–	904,240	**904,240**
Chief Financial Officer	906	2,875	**3,781**
Comptroller	12,768	880	**13,648**
Management and Budget	6,544	1,183	**7,727**
Financial Analysis	966	1,650	**2,616**
Treasury	6,180	7,015	**13,195**
Chief Operating Officer	4,323	3,069	**7,392**
Aviation	261,246	941,412	**1,202,658**
Port Commerce	29,844	74,426	**104,270**
Rail Transit	217,585	119,995	**337,580**
Tunnels, Bridges & Terminals	137,367	478,894	**616,261**
Operations Services	72,208	35,669	**107,877***(1)*
Executive Director	1,184	122	**1,306**
General Counsel / Law	18,899	17,166	**36,065**
Inspector General	13,466	8,095	**21,561**
Audit	10,933	2,964	**13,897**
Office of Continuous Improvement	622	268	**890**
Office of the Secretary	4,206	3,111	**7,317**
Special Panel Implementation Office	1,118	188	**1,306**
Chief Security Officer	24,955	142,695	**167,650**
Emergency Management	3,633	8,086	**11,719**
Port Authority Police Department	407,434	41,101	**448,535**
Corporate Expenditures:			
Amounts in Connection with Operating Asset Obligations	–	18,952	**18,952**
Debt Service Allocated to Operations and Capitalized	–	1,461,571	**1,461,571**
Purchased & Self-Insurance	–	191,241	**191,241**
Municipal Rents and Payments in Lieu of Taxes (PILOT)	–	305,559	**305,559**
Port Authority Insurance Captive Entity, LLC (PAICE)	–	4,746	**4,746**
Agency Budget Provisions - Capital & Operating	1,287	186,275	**187,562**
Regional Programs	711	37,649	**38,360**
Special Project Bonds	–	86,755	**86,755**
Total Port Authority Budget	$1,449,296	$6,443,076	**$7,892,372**

(1) Net after interdepartmental chargebacks to other departments.

* Personal Services includes salaries and employee benefits.

REVENUES AND RESERVES

Pursuant to Port Authority Bond Resolutions

(In thousands)	2014 Actual	2015 Budget*	2015 Estimate	2016 Budget
		Year ended December 31st		
Gross Operating Revenues	$4,475,193	$4,667,088	$4,764,175	**$4,988,956**
Expenses:				
Operating & Maintenance Expenses	2,679,518	2,719,199	2,706,906	**2,792,701**
Allocated Expenses	243,736	214,465	221,416	**226,829**
Total Operating Expenses	2,923,254	2,933,664	2,928,322	**3,019,530**
Operating Asset Obligations	23,734	21,468	21,387	**18,952**
Total Expenses	2,946,988	2,955,132	2,949,709	**3,038,482**
Net Operating Revenues before Net Recoverables	1,528,205	1,711,956	1,814,466	**1,950,474**
Net (revenue)/expense related to Superstorm Sandy	(53,530)	–	–	**–**
Net Operating Revenues	$1,581,735	$1,711,956	$1,814,466	**$1,950,474**
Financial Income:				
Interest Income	17,637	10,795	11,369	**17,709**
Net increase/(decrease) in fair value of investments	(2,950)	–	–	**–**
Contributions in aid of construction	465,152	368,997	310,096	**298,785**
Application of WTC Retail Joint Venture Payments	652,104	–	101,735	**63,681**
Application of Passenger Facility Charges	221,156	258,911	280,000	**98,555**
Application of 4 WTC Associated Payments	6,128	36,766	36,766	**41,520**
Grants	207,898	142,707	109,869	**120,859**
Pass-through grant program payments	(107,606)	(140,000)	(54,000)	**(75,000)**
Net Revenues Available for Debt Service and Reserves	$3,041,254	$2,390,132	$2,610,301	**$2,516,583**
Debt Service:				
Interest on Bonds and Other Asset Obligations	646,804	766,210	851,541	**863,742**
Debt Maturities and Retirements	226,205	260,550	251,240	**265,930**
Repayment of Asset Financing Obligations	105,562	122,358	51,808	**102,240**
Total Debt Service	$978,571	$1,149,118	$1,154,589	**$1,231,912**
Increase in Reserves from Operations & Financial Income generated on Reserve Funds	2,062,683	1,241,014	1,455,712	**1,284,671**
Direct Investment in Facilities	(1,473,432)	(1,572,878)	(1,971,709)	**(1,649,925)**
Change in appropriation for self-Insurance	28,100	–	–	**–**
Increase / (Decrease) in Reserves	617,351	(331,864)	(515,997)	**(365,254)**
Reserves, beginning of year **	3,809,916	3,671,844	4,427,267	**3,911,270**
Reserves, end of year	$4,427,267	$3,339,980	$3,911,270	**$3,546,016**

* 2015 Budget has been restated to reflect additional authorization in 2015 totaling $3.9 million.

** 2015 Budget beginning reserves based on estimates prior to year-end 2014.

ASSETS AND LIABILITIES

Pursuant to Port Authority Bond Resolutions

(In thousands)	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
			December 31st	
ASSETS				
Invested In Facilities	$47,609,312	$50,428,285	$50,300,256	**$53,800,178**
Cash and Investments	5,561,953	4,690,237	6,246,890	**4,746,179**
Other Assets	4,914,142	4,808,473	4,933,387	**4,920,571**
Total Assets	58,085,407	59,926,995	61,480,533	**63,466,928**
LIABILITIES				
Consolidated Bonds and Other Financing Obligations	20,328,737	20,433,470	22,277,274	**22,823,068**
Other Obligations	2,756,030	3,515,661	2,676,690	**2,616,690**
Accounts Payable and Other Liabilities	2,894,839	3,462,692	3,041,245	**2,991,245**
Total Liabilities	25,979,606	27,411,823	27,995,209	**28,431,003**
NET POSITION	$32,105,801	$32,515,172	$33,485,324	**$35,035,925**
Net position is composed of:				
Facility Infrastructure Investment	27,678,534	29,175,192	29,574,054	**31,489,909**
Reserves:				
General Reserve Fund	2,131,711	2,242,550	2,297,542	**2,324,352**
Consolidated Bond Reserve Fund	2,295,556	1,097,430	1,613,728	**1,221,664**
Total Reserve Funds	4,427,267	3,339,980	3,911,270	**3,546,016**
NET POSITION	$32,105,801	$32,515,172	$33,485,324	**$35,035,925**

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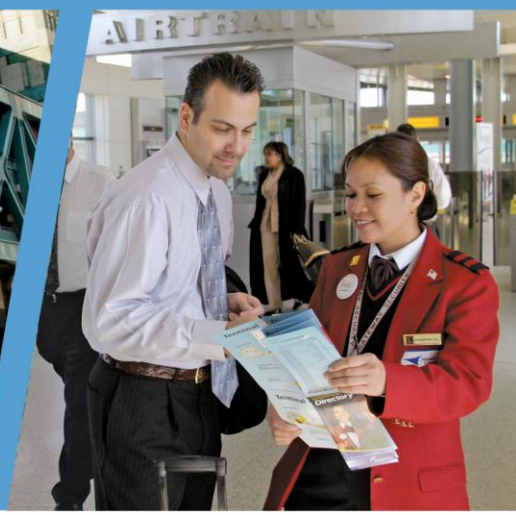


BUDGET DETAILS

SOURCES AND USES OF FUNDS

Sources

The 2016 Budget for sources of $7.9 billion is $86 million or 1.1% higher than the 2015 Budget.

Sources (In millions)				
	2015 Budget	2016 Budget	Variance	% Change
Gross Operating Revenues	$4,667	**$4,989**	$322	6.9%
Consolidated Bond Issuances	1,500	**1,200**	(300)	-20.0%
Other Sources*	993	**1,154**	161	16.2%
Grants, Contributions and Misc. Revenues**	387	**450**	63	16.3%
Application of Passenger Facility Charges***	259	**99**	(160)	-61.8%
Total	$7,806	**$7,892**	$86	1.1%

* Other sources include unspent proceeds from previous bond issuances, financial income, and the application of monies from the Consolidated Bond Reserve Fund for purposes of funding capital investment.

** Grants, contributions, and miscellaneous revenues include grants and capital contributions from third parties.

*** Application of Passenger Facility Charges (PFCs) is based on the timing of capital spending on related eligible capital projects.

Uses

The 2016 Budget for uses of $7.9 billion is $86 million or 1.1% higher than the 2015 Budget.

Uses (In millions)				
	2015 Budget	2016 Budget	Variance	% Change
Operating Expenses	$2,955	**$3,038**	$83	2.8%
Debt Service - Operations	1,149	**1,232**	83	7.2%
Deferred & Other Expenses*	79	**122**	43	54.4%
Capital Expenditures	3,623	**3,500**	(123)	-3.4%
Total	$7,806	**$7,892**	$86	1.1%

* Deferred Expenses includes the purchase of ancillary equipment utilized at Port Authority facilities and corporate information technology systems. These deferred expenses are amortized over the expected period of beneficial use.

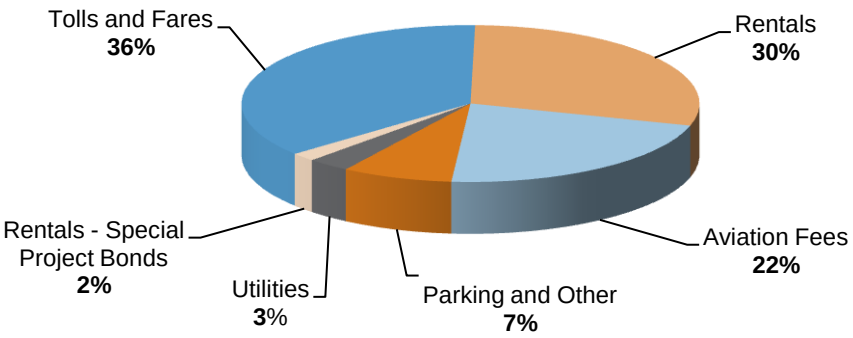
OPERATING REVENUES

The 2016 Operating Revenue Budget of $5.0 billion reflects an increase of $322 million, or 6.9% compared to the 2015 Budget.

2016 Operating Revenues Highlights

- Higher toll revenues of $123 million, resulting from the full-year impact of the last authorized toll increase (effective December 6, 2015) and higher vehicular activity.
- Higher Aviation revenues of $108 million related to new leases and higher percentage fees based on increased passenger activity.
- Higher WTC revenues of $67 million, reflecting the full-year impact of One WTC Observatory operations and an increase in occupancy and tenant services at WTC.

2016 Operating Revenue Budget by Category



2016 Operating Revenues by Category and Department (In thousands)								
	Total	TB&T	PATH	Aviation	Port Commerce	Development	WTC	Ferries & Regional
Tolls and Fares	$1,817,971	$1,637,311	$180,660	$ –	$ –	$ –	$ –	$ –
Rentals	1,502,223	42,319	5,863	1,000,078	217,935	17,941	217,375	712
Aviation Fees	1,084,758	–	–	1,084,758	–	–	–	–
Parking and Other	347,677	13,925	1,940	265,718	50,375	463	15,256	–
Utilities	149,572	2,314	–	120,598	1,711	9,367	15,580	2
Rentals - Special Project Bonds	86,755	–	–	86,755	–	–	–	–
Total	**$4,988,956**	**$1,695,869**	**$188,463**	**$2,557,907**	**$270,021**	**$27,771**	**$248,211**	**$714**

Revenue Category Descriptions

Rentals - The Port Authority charges rent for the use of space at various facilities. There are two primary types of rentals: Fixed Rentals, which are fixed monthly amounts stipulated in tenants' lease agreements; and Percentage Rentals, which are based on certain types of activities.

Tolls and Fares - These revenues are generated from tolls collected at Port Authority tunnels and bridges and fares charged to passengers of the Port Authority Trans-Hudson (PATH) railroad system.

Aviation Fees - These fees include various cost recovery revenues that are based on agreements with airlines, operating at certain PA aviation facilities (LGA, JFK, EWR), covering items such as flight fees, monorail fees, and fuel and security related recoveries.

Parking and Other - The Port Authority charges an hourly or daily rate for the use of parking lots located at the airports and bus terminals.

Utilities - These revenues include the resale of electricity, water, steam and other fuels to tenants based on consumption levels.

Rentals - **Special Project Bonds -** This represents special limited obligations issued for the purpose of providing a single project for a lessee or for the purpose of refunding all or any part of a prior series of Special Project Bonds, or a combination of such purposes. Special Project Bonds are secured solely by a pledge of facility rental under a lease with the lessee.

OPERATING EXPENSES

The 2016 Operating Expense Budget of $3.0 billion reflects an increase of $83 million, or 2.8% compared to the 2015 Budget. It includes expenses required to operate and maintain our assets, meet regulatory compliance requirements, support training and succession planning initiatives, police and secure our facilities, and fund new initiatives at existing facilities.

2016 Operating Expenses Highlights

Asset Management and Regulatory Compliance

- Aviation electrical maintenance and asset management
- PATH inspections required for Federal Railroad Administration (FRA) regulatory compliance
- Business Diversity and Civil Rights programs to ensure compliance with Minority, Women-Owned, and Disadvantaged Business Enterprises (M/W/DBE) goals

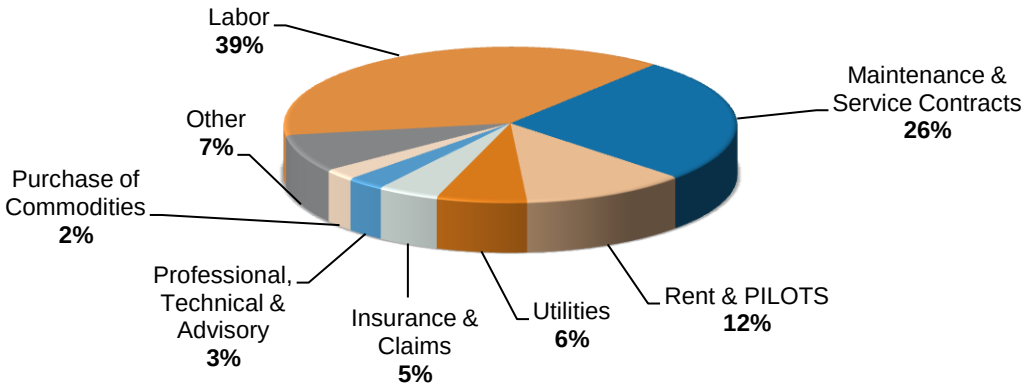
Training and Succession Planning

- Police classes to address attrition and new workload
- PATH Car Equipment Training program
- TB&T Operations Supervisory Succession Training program
- Electrician Training program

Planning for the Future

- Aviation strategic vision and regional airport access
- Port Commerce master plan to ensure land use optimization
- PABT Quality of Commute program (QoC)
- Agency-wide Cyber Security program
- Agency Operations Center

2016 Operating Expense Budget by Category



2016 Operating Expenses by Category and Department (In thousands)								
	Total	TB&T	PATH	Aviation	Port Commerce	Development	WTC	Allocated & Other
Operations	$858,095	$144,018	$129,386	$442,032	$37,238	$10,014	$76,188	$19,219
Security	662,439	143,820	58,535	353,665	24,235	784	81,274	126
Maintenance	659,041	112,072	118,668	289,548	55,646	2,112	58,652	22,343
Management Services	409,580	43,056	34,144	95,908	34,064	686	31,146	170,576
Rent & PILOT	342,968	3,502	874	229,942	24,873	2,115	57,087	24,575
Interest Expense	106,359	–	–	86,755	–	–	–	19,604
Total	**$3,038,482**	**$446,468**	**$341,607**	**$1,497,850**	**$176,056**	**$15,711**	**$304,347**	**$256,443**

Expense Category Descriptions

Operations - Non-maintenance operations spending, including customer service, facility management, facility operations, leases, revenue collection costs, and utilities.

Security - Providing safe and secure facilities by maintaining vigilance for potential threats, investment in infrastructure and new technology, and employment of best practices in security and emergency preparedness operations.

Maintenance - Costs incurred to keep property, facility structures and equipment operating at a high level of performance, including conforming with applicable codes and regulations. Activities include electrical, general maintenance (elevators and escalators, tunnel subway pump, automotive maintenance and servicing, etc.), inspections, mechanical, janitorial/grounds keeping, snow and ice removal, and structural (inspections).

Management Services - Functions that support line business operations as well as agency-wide management, including costs related to agency oversight, departmental management, audit, financial services, human resource management, insurance, legal services, planning, public and government affairs, technology support, and training.

Rent & PILOT - Payments made periodically to governmental agencies and other landlords in return for the use of land, buildings, offices, or other property.

Interest Expense - Interest on special project bonds and operating asset obligations such as equipment notes, and fund Buy-Out Obligations.

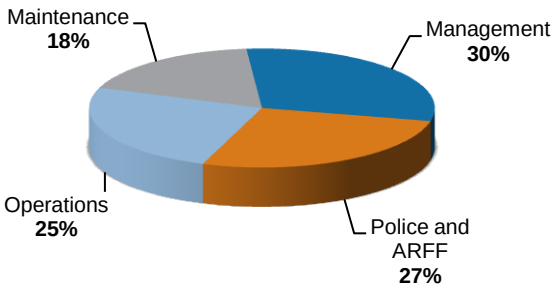
Allocated & Other - Comprised of staff department and development expenses allocated to facilities, regional programs and direct expenses for ferries.

STAFFING

The Port Authority workforce is a significant component of the Operating Budget. Total 2016 operating labor expense, including benefits, is $1.2 billion. This accounts for 39% of the Operating Budget.

Port Authority employees manage, build, operate, maintain, and secure an intricate network of aviation, rail, surface transportation, seaport and commercial facilities. Approximately 70% of the workforce is represented through the collective bargaining process and work in various core functions, including operations, maintenance, policing, firefighting, and clerical. Non-represented employees generally provide centralized management, advisory, technical/engineering, administrative and capital support.

Agency Staffing by Function



Collectively, the workforce ensures that the Agency's network of critical transportation and trade assets efficiently move millions of customers, as well as transport a vital share of regional air, sea and overland cargo annually. The agency has sought to make the most cost-effective use of its human resources, leveraging technology to realize efficiencies, gauge how we are doing compared to our peers, recalibrate staff positions and workload as necessary, proactively manage overtime usage, and optimize the agency mix of internal and external human capital.

In 2016, the budgeted authorized permanent positions will increase to 7,137 to provide appropriate support for new initiatives and workload, including enterprise asset management, airfield electrical maintenance and regulatory compliance work, and other key operational and security functions. Increased positions address agency needs in the most cost-effective manner and labor cost mix, which consider new staffing needs and required overtime. Overtime is determined using a zero-based methodology that considers productivity, absences and workload requirements.

The 2016 Budget also includes:

- Significant training and succession planning efforts, including PATH Car Equipment Training, Electrician Training and TB&T Operations Supervisory Training.

- Two new Port Authority police classes to address attrition, expanding operations at the WTC facility and other increases in policing needs.

Permanent Positions

Department	2014 Actual	*2015 Budget	2016 Budget
Chief, Capital Planning, Execution & Asset Management	5	7	**7**
Project Management Office	8	17	**17**
Business Diversity and Civil Rights	15	18	**18**
Environmental and Energy Programs	12	12	**12**
Planning & Regional Development	22	20	**20**
WTC Redevelopment	16	16	**16**
WTC Construction	101	96	**96**
Chief, Human Capital			
Human Resources	75	79	**79**
Labor Relations	6	7	**7**
Chief, Procurement & Contracting Officer	92	92	**92**
Chief, Public & Government Affairs	2	2	**2**
Government & Community Affairs	13	13	**13**
Media Relations	10	10	**10**
Marketing	24	23	**23**
Chief, Real Estate & Development	50	48	**48**
Chief, Technology Services	103	102	**102**
Chief Engineer	538	546	**546**
Chief Financial Officer	3	4	**4**
Comptroller	98	99	**99**
Management and Budget	41	41	**41**
Financial Analysis	7	6	**6**
Priority Programs	6	4	**4**
Treasury	42	41	**41**
Chief Operating Officer	9	10	**10**
Aviation	1,217	1,235	**1,245**
Port Commerce	169	167	**169**
Rail Transit	1,073	1,082	**1,082**
Tunnels, Bridges & Terminals	873	890	**890**
Operations Services	423	423	**423**
Executive Director	4	4	**4**
General Counsel / Law	127	128	**128**
Inspector General	47	68	**70**
Audit	77	77	**77**
Office of Continuous Improvement	–	2	**2**
Office of the Secretary	16	16	**16**
Transparency Office	2	4	**6**
Special Panel Implementation Office	4	4	**4**
Chief Security Officer	9	7	**7**
Office of Emergency Management	17	15	**15**
Security Business Resource Management	60	72	**72**
Security Operations & Programs	21	65	**65**
WTC Security	1	4	**4**
Port Authority Police Department	1,540	1,545	**1,545**
Total Permanent Positions	6,978	7,121	**7,137**

* The 2015 Budget has been restated to conform with current year classification of positions.

DEBT SERVICE ON FINANCING OBLIGATIONS

The Port Authority's strong credit rating (Fitch, S&P AA-; Moody's Aa3) allows it to access capital markets at competitive interest rates to finance long-term capital investments in its facilities. The Port Authority is projected to have approximately $21.0 billion of Consolidated Bonds outstanding as of December 31, 2015. (See Appendix 3 for more information)

In 2015, the Port Authority issued approximately $3.0 billion in Consolidated Bonds, including $1.3 billion to fund capital projects and $2 billion to refund certain outstanding Consolidated Bonds to achieve debt service savings[1]. The bonds were issued at competitive rates, demonstrating the continued interest of investors in Port Authority obligations.

The 2016 Operating Budget contains $1.2 billion of debt service, with approximately $1.1 billion related to the debt service on outstanding Consolidated Bonds.

	Year ended December 31			
(In thousands)	**2014 Actual**	**2015 Budget**	**2015 Estimate**	**2016 Budget**
Consolidated Bonds:				
Interest on Consolidated Bonds	$634,358	$698,293	$783,139	**$794,721**
Principal on Consolidated Bonds	226,205	260,550	251,240	**265,930**
Costs of Issuance	542	801	1,137	**1,045**
Subtotal	$861,105	$959,644	$1,035,516	**$1,061,696**
Special Obligations:				
Interest on Special Obligations*	$97	$694	$402	**$1,361**
Principal on Special Obligations*	103,080	120,000	49,450	**100,000**
MOTBY Obligation	3,407	3,487	3,928	**3,562**
4WTC Liberty Bonds Obligation	10,882	65,293	65,293	**65,293**
Subtotal	$117,466	$189,474	$119,073	**$170,216**
Total Debt Service	$978,571	$1,149,118	$1,154,589	**$1,231,912**

* Includes Variable Rate Master Notes and Commercial Paper obligations.

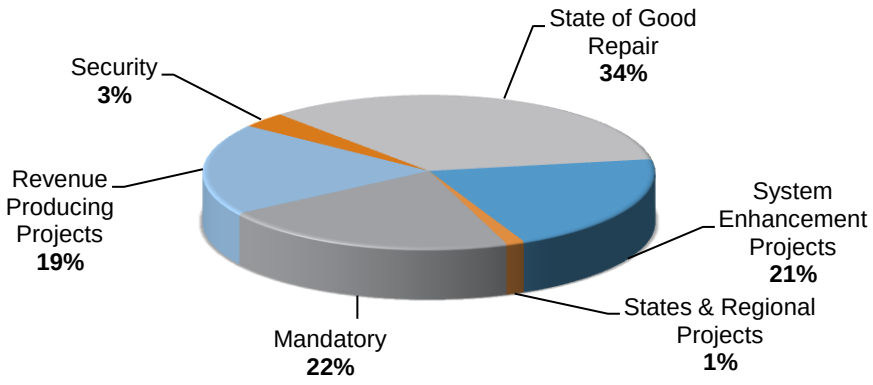
Note: Interest expense excludes approximately $230 million of interest allocated to capital.

[1] In October 2015, the Port Authority issued approximately $1.03 billion with the intent of advance refunding Consolidated Bond Series 142nd and 144th, which will mature in 2016 and 2017, respectively.

CAPITAL EXPENDITURES

The 2016 Capital Budget provides $3.5 billion of capital investment across all facilities to further the advancement of capital projects contained in the 2014-2023 Port Authority Capital Plan. Additional details on these projects are in the Capital Budget Summary section. The spending plan represents the Port Authority's commitment to maintain its assets in a state of good repair (SGR) and ensures continued investment for safe and secure facilities that enhance the regional transportation network.

2016 Capital Expenditure Budget by Category



The 2016 Capital Budget reflects the continuous risk-based prioritization and ranking process that was implemented to develop the 2014-2023 Capital Plan. This process considered asset condition, operational and revenue impact, threat assessment, customer service, regional benefit, and regulatory or statutory requirements. Further, these projects will be vetted and gated through their planning, design and construction stages throughout the year. The Gate Review Process provides the Agency with another means of adjusting priorities as future conditions arise.

The Gate Review Process will also be used to support the update of the 2014-2023 Capital Plan during 2016. All projects will be re-scored and prioritized accordingly. The recommendations and findings of the report from the bistate Special Panel on the Future of the Port Authority will also be considered. The Capital Plan update will be consistent with Port Authority strategic objectives and the Agency's financial capacity. Emerging needs and alternative funding options will also be considered.

With the recent announcement by the Governors of New York and New Jersey, the Port Authority will create a special purpose entity, the Gateway Development Corporation, to oversee the development, execution and financing of the Gateway project in collaboration with Amtrak and United States Department of Transportation (USDOT). In 2016, the Port Authority will identify the operational and capital requirements necessary to provide for its role in this new entity.

2016 Capital Spending Highlights

Port Maintenance

- Replacing and rehabilitating berths and wharves, along with improving roadways
- Developing Greenville Yards for intermodal transportation

Mass Transit Systems

- Port Authority Bus Terminal replacement master planning effort and international design competition
- PATH Signal System Replacement Program for Positive Train Control
- Expansion of PATH station capacity and modernization
- Modernization of bus operations and retail development at the George Washington Bridge Bus Station

Redevelopment of Aviation Facilities

- Continued redevelopment of Terminal B at LaGuardia Airport
- Planning for Terminal A replacement at Newark Liberty International Airport

Improvement of Interstate Transportation

- Bayonne Bridge Navigational Clearance Program (BBNCP)
- Goethals Bridge Replacement Program (Public-Private Partnership)

Further Development of the World Trade Center Site

- WTC Transportation Hub
- WTC Retail Complex

Net Capital Expenditures By Department (In thousands)

	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Tunnels, Bridges & Terminals	$961,854	$814,114	$722,190	**$952,171**
PATH	222,050	221,631	162,161	**290,004**
Aviation	715,456	778,084	807,237	**887,568**
Port Commerce	210,496	152,533	106,943	**174,988**
Development & Ferry	3,588	860	3,500	**2,030**
World Trade Center	1,964,395	1,625,388	880,326	**977,749**
Regional Programs	2,211	–	8,583	**35,140**
Agency Provisions	–	30,000	–	**180,275**
Agency Total	$4,080,050	$3,622,610	$2,690,940	**$3,499,925**

Note: Capital investment includes capitalized interest expense.

DEPARTMENTAL BUDGET SUMMARIES

TUNNELS, BRIDGES & TERMINALS

Mission

TB&T's mission is to connect the road networks of New York and New Jersey through tunnels, bridges and interstate bus terminals that permit people and goods to move safely, efficiently, and conveniently.

TB&T Facilities

Six interstate vehicular crossings and two interstate bus terminals provide vital links between New York and New Jersey, and function in three broad regions: northern (George Washington Bridge (GWB) and the Bus Station (GWBBS)); central (the Lincoln (LT) and Holland (HT) Tunnels and the Bus Terminal (PABT)); and southern (the three Staten Island Bridges).

These facilities, which operate 24 hours a day, 7 days a week, 365 days a year, are critical to the movement of commuters and freight between New York and New Jersey, and connect the region to the rest of the country.

Core Functions

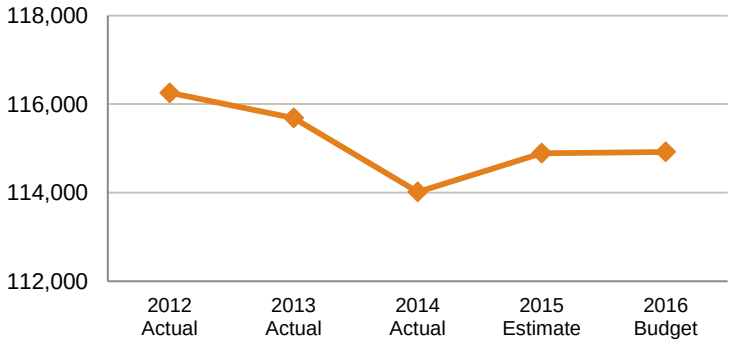
- Operate and maintain four long-span bridges, two trans-Hudson tunnels, and the Port Authority Bus Terminal.
- Design and deliver a robust capital program to ensure safety and security standards across TB&T facilities.
- Provide continuous toll collection services and management for both electronic toll collection and cash operations.

Activity Levels

TB&T's eastbound vehicle volume are expected to reach 114.9 million in 2016, an increase of 0.8 million vehicles, or 0.7% over the 2015 Budget.

The 2016 projection assumes a continuation of the strong auto, large truck, and small truck performance that occurred in 2015. The growth in the 2016 traffic forecast is partially offset by a slight decline in bus traffic.

TB&T - ALL VEHICLES (In thousands)



Staffing

TB&T has 890 permanent positions dedicated to the operating, maintaining, and managing of facilities.

Operations (525)

Facility management has staff at GWB (126), Holland Tunnel (127), Lincoln Tunnel (135), PABT (53), Staten Island Bridges (77) and department wide operations (7), who are responsible for toll collection, traffic management, incident and emergency response, bus and passenger operations at bus terminals, and construction programs that ensure integrity of assets, infrastructure and equipment, as well as code and regulatory compliance.

Maintenance (275)

Maintenance staff at GWB (47), Holland Tunnel (69), Lincoln Tunnel (71), PABT (53) and Staten Island Bridges (35) perform daily maintenance activities including preventive maintenance, critical emergency response, and capital project support. Structural general maintenance includes plumbing, electrical requirements, paving condition response, building maintenance, and general condition repairs in the course of operations.

Management (90)

Management and administrative staff (90) support the operations and maintenance of the facilities, including capital program delivery; asset management; development programs at facilities and department properties; transportation and business planning; financial services and analysis; revenue program management, including the operations and maintenance of the toll collection system and customer service contracts; a variety of operating and maintenance agreements; and department-wide management oversight and administrative services.

2016 Projected Free Cash Flow by Facility

A Free Cash Flow statement represents the cash that a facility is able to generate after monies required to operate, maintain or expand its asset base are considered. The following table details 2016 projected free cash flow by facility.

TB&T Projected Free Cash Flow (In thousands)

	Gross Operating Revenues	O&M Expenses	Allocated Expenses	EBIDA	Grants, Contributions & PFC	Capital Expenditures	2016 Free Cash Flow
George Washington Bridge & Bus Station	$780,240	$112,412	$14,057	$653,771	$1,926	$120,534	**$535,163**
Holland Tunnel	203,247	69,855	10,402	122,990	12,410	57,389	**78,011**
Lincoln Tunnel	261,309	90,803	12,074	158,432	3,615	282,850	**(120,803)**
Bayonne Bridge	40,194	20,181	2,499	17,514	385	353,789	**(335,890)**
Goethals Bridge	200,239	25,925	3,056	171,258	514	63,862	**107,910**
Outerbridge Crossing	163,804	25,933	3,039	134,832	501	5,022	**130,311**
Port Authority Bus Terminal	46,836	101,359	11,248	(65,771)	3,676	68,725	**(130,820)**
Total - TB&T	$1,695,869	$446,468	$56,375	$1,193,026	$23,027	$952,171	**$263,882**

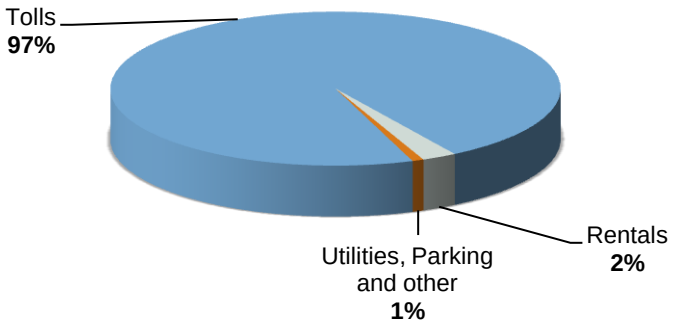
2016 TB&T Operating Revenue

TB&T's 2016 Operating Revenue Budget is $1.7 billion.

Tolls constitute 97% of the total revenue and reflect the increase in toll rates effective December 2015, which is the last of the scheduled changes to the toll rates approved in 2011.

The remainder of TB&T's revenue is derived mainly from tenants and public vehicular parking at PABT.

2016 TB&T Operating Revenue
Budget by Category



TB&T Operating Revenue by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Tolls	$1,394,302	$1,514,090	$1,528,721	**$1,637,311**
Rentals	39,608	40,964	40,429	**42,319**
Parking and other	11,878	11,592	12,751	**13,925**
Utilities	2,108	2,188	2,304	**2,314**
Total Operating Revenues	$1,447,896	$1,568,834	$1,584,205	**$1,695,869**

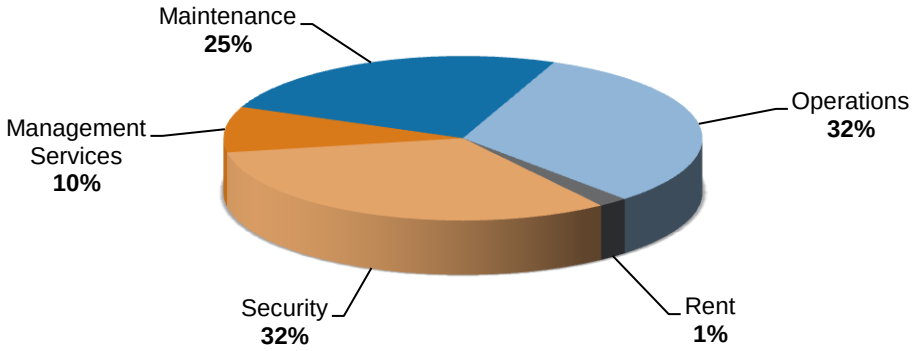
2016 TB&T Operating Expense

TB&T total Operating Expense Budget of $503 million supports revenue collection systems, maintenance of assets, traffic and customer service management while providing safe and reliable facility operations. The 2016 Budget provides resources to operate and maintain the aging toll collection system, replace scheduled E-ZPass® tags, and support new Intelligent Transportation Systems (ITS) field devices to improve operations and traveler information.

The budget funds critical customer service initiatives, including the PABT Quality of Commute Program which provides for the installation and support of additional air conditioning units on the fourth floor pull-through platforms, an improved bus tracking system to measure bus movements through the Lincoln Tunnel into the PABT, and continued leak mitigation and repair.

The 2016 Budget also provides resources for critical training and succession planning initiatives.
Finally, TB&T's 2016 Budget includes additional Port Authority police coverage to support construction activity at the Staten Island Bridges (SIB), as well as maintenance of new Access Control System and security devices across all facilities.

2016 TB&T Operating & Maintenance Expense Budget by Category



TB&T Operating Expense by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Operations	$149,293	$148,577	$151,716	**$144,018**
Security	144,089	142,694	140,310	**143,820**
Maintenance	106,972	110,809	108,813	**112,072**
Management Services	46,927	41,166	37,759	**43,056**
Rent	2,957	3,698	3,520	**3,502**
Sub-total Operating & Maintenance	$450,238	$446,944	$442,118	**$446,468**
Allocated	60,145	55,406	56,066	**56,375**
Total Operating Expenses	$510,383	$502,350	$498,184	**$502,843**

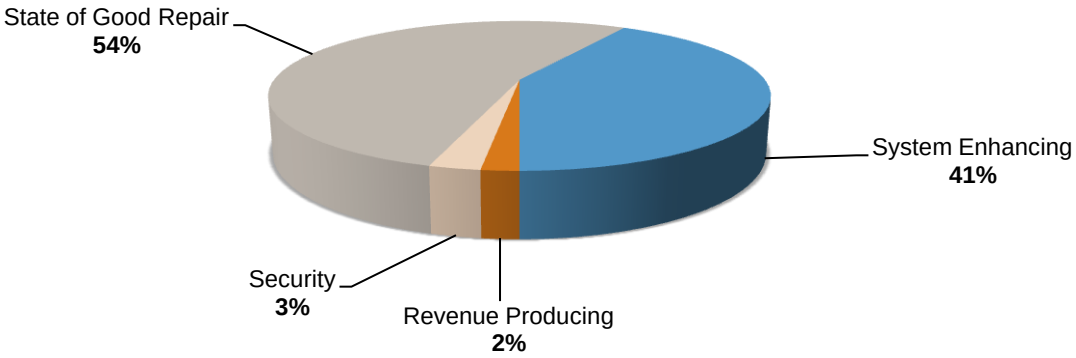
2016 Capital Budget Overview

TB&T 2016 Capital Budget of $952 million in expenditures includes $512 million to rehabilitate and maintain the facilities in a state of good repair.

The budget also includes $395 million for system enhancement for the Bayonne Bridge Navigational Clearance Program (BBNCP) with a total cost of $351 million and the PABT Replacement Program with a total cost of $15 million.

Additionally, $26 million and $19 million are provided for security and revenue producing projects, respectively.

2016 TB&T Capital Budget



TB&T Net Capital Expenditures by Facility (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Holland Tunnel	$20,376	$36,590	$39,025	**$57,389**
Lincoln Tunnel	320,147	312,481	223,519	**282,850**
George Washington Bridge	70,796	65,835	63,627	**100,872**
George Washington Bridge Bus Station	21,276	35,856	28,622	**19,662**
Bayonne Bridge	225,560	274,389	297,892	**353,789**
Goethals Bridge	268,947	38,001	32,235	**63,862**
Outerbridge Crossing	14,246	7,203	5,209	**5,022**
Port Authority Bus Terminal	20,506	43,759	32,061	**68,725**
Total Net Capital Expenditures	$961,854	$814,114	$722,190	**$952,171**

2016 Capital Budget - Significant Projects: TB&T (In millions)				
Project ID	Asset Class	Project Title & Description	Operational Impacts	2016 Budget
CB06-087	Bridges	**Bayonne Bridge Navigational Clearance Project (BBNCP):** The BBNCP raises the existing air draft clearance to 215 feet from the current 151 feet and includes replacement of the existing main span deck, and the NY and NJ approach structures and access ramps as well as strengthening of the Arch structure. The project includes a bikeway and provides for future mass transit options.	Allow larger and more efficient ships to access the Port of New York and New Jersey.	$351
CB07-103	Bridges	**Goethals Bridge Replacement Project (GBRP):** The new Goethals Bridge will provide six 12-foot wide lanes (three lanes in each direction), a 12-foot wide outer shoulder and a 5-foot wide inner shoulder in each travel direction, a 10-foot wide bikeway/walkway along the northern edge of the westbound roadway, and a center corridor to accommodate future mass transit. The length of the main span will be 900 feet over the Arthur Kill.	Provide safer operating conditions, decrease congestion, enhance structural integrity and reduce life-cycle costs, eliminate horizontal obstructions within the Arthur Kill navigation channel, provide for pedestrian and bicycle traffic, and provision for future mass transit expansion.	$52
Multiple	Bridges	**Lincoln Tunnel Access Program**: The LTAP consists of the rehabilitation of the Pulaski Skyway, a new road for Route 1 & 9 Truck north connecting St. Pauls Avenue to Secaucus Road, and the replacement of the Wittpenn Bridge with a new structure located North of the existing bridge.	The LTAP is intended to improve the roadways and approaches leading to the Lincoln Tunnel, foster economic activity, and improve regional competitiveness.	$240
CB04-319	Paving & Roadways	**George Washington Bridge Replacement of Suspender Ropes and Rehabilitation of Main Cables:** Provides for replacement of all 592 suspender ropes, main cable, rehabilitation, handrails, necklace lighting, security enhancements, upper level sidewalks, access ramps, and utility relocations.	Maintain structural integrity and state of good repair of the bridge so traffic load restrictions do not become necessary.	$8
CT06-285	Buildings & Garages	**Port Authority Bus Terminal Redevelopment Planning:** Conduct an international design competition soliciting conceptual designs for a new bus terminal.	Advance the planning process for the replacement of the Port Authority Bus Terminal to meet future capacity requirements.	$15
Multiple	Multiple	**PABT Quality of Commute (QoC):** This program provides $90 million for improvements to on-time performance and building services to improve commuter services.	This program is intended to increase on-time performance of buses and update building services to improve commuter satisfaction.	$23

PORT AUTHORITY TRANS-HUDSON

Mission

PATH's mission is to excel in the delivery of a safe, reliable, high quality and cost-effective transportation service that contributes to enhanced regional mobility and economic development.

PATH Facilities

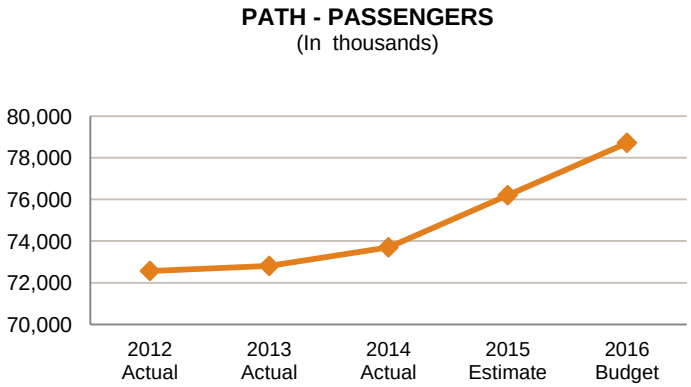
The system encompasses 14 route miles and 13 stations – 6 in Manhattan and 7 in New Jersey – as well as the Journal Square Transportation Center (JSTC) and a complex network of electrical cables, communication equipment, signals, and track infrastructure. PATH's fleet of 350 active vehicles operates 24 hours a day, 7 days a week, making it one of the few 24-hour rail transit systems in the world. In 2016, PATH will open the final sections of the World Trade Center Transportation Hub, a state-of-the art station featuring connections to the World Trade Center site, retail destinations, and the New York City subway.

Core Functions

- Operate and maintain a safe, reliable and efficient rail transit system and bus transportation terminal.
- Comply with federal safety and environmental rules and regulations.
- Continue to improve service and address customer demands.
- Manage energy resources effectively.
- Deliver a capital program that continues to focus on maintaining facilities in a stage of good repair, ensures regulatory compliance, as well as post-Superstorm Sandy recovery and resiliency efforts.

Activity Levels

PATH's 2016 ridership is expected to reach 78.7 million trips, an increase of 1.7 million passengers, or 2.2%, over the 2015 Budget. This upward trend in ridership reflects the system's continued recovery from the impacts of Superstorm Sandy and a return to pre-Sandy commuting patterns. The primary factors influencing PATH ridership are Manhattan office employment and Hudson County population, both of which are expected to grow, yielding additional work commute trips. The 2016 Budget also assumes the incremental impact of residential development near Harrison Station.



Staffing

PATH has 1,082 permanent employees dedicated to operating, maintaining, and managing a full-service rail transit system and bus terminal.

Operations (423)

The operations staff operate and manage the dispatching and movement of trains in and out of the stations and yards, develop and maintain train schedules, and provide passenger information and customer care programs throughout the stations, including compliance with Federal Railroad Administration (FRA) rules and regulations.

Maintenance (602)

The maintenance staff includes Car Equipment (219), Ways and Structures (214), and Power, Signals and Communication (169). These divisions ensure reliable and efficient train movement by inspecting, repairing or replacing components of railcars, tracks, station structures, signals, power distribution and communications.

Management (57)

Management and administrative staff support the operation and maintenance of facilities, including capital program delivery, asset management, rail operations planning, property and revenue management, strategic business planning and financial functions, safety and environmental management, and department wide management oversight and administrative services.

2016 Projected Free Cash Flow by Facility

A Free Cash Flow statement represents the cash that a facility is able to generate after monies required to operate, maintain or expand its asset base are considered. The following table details 2016 projected free cash flow by facility.

PATH Projected Free Cash Flow (In thousands)

	Gross Operating Revenues	O&M Expenses	Allocated Expenses	EBIDA	Grants, Contributions & PFC(1)	Capital Expenditures(1)	2016 Free Cash Flow
PATH	$183,088	$326,541	$48,009	$(191,462)	$74,573	$290,004	**$(406,893)**
Journal Square Transportation Center	5,375	15,066	274	(9,965)	–	–	**(9,965)**
Total - PATH	$188,463	$341,607	$48,283	$(201,427)	$74,573	$290,004	**$(416,858)**

(1) FTA Grants and related capital expenditures for the WTC Transportation Hub are included in World Trade Center (see page 58).

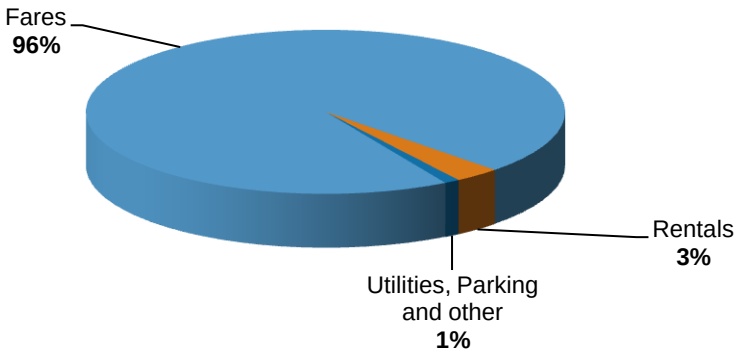
2016 PATH Operating Revenue

PATH's 2016 Operating Revenue Budget of $188 million reflects an increase of $1.7 million or 1%.

Fares constitute the vast majority of PATH's operating revenues. Based on the forecast 2016 ridership of 78.7 million passengers, 2016 fare revenues are projected to be $180.7 million.

The remainder of PATH's revenue is derived from rentals, including rents from tenants at Journal Square Transportation Center (JSTC), displaying advertising throughout the system, and parking at JSTC.

2016 PATH Operating Revenue Budget by Category



PATH Revenue by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Fares	$159,322	$178,279	$174,885	**$180,660**
Rentals	7,533	6,630	6,325	**5,863**
Parking and other	1,607	1,636	1,869	**1,940**
Utilities	206	189	–	**–**
Total Operating Revenues	$168,668	$186,734	$183,079	**$188,463**

2016 PATH Operating Expense

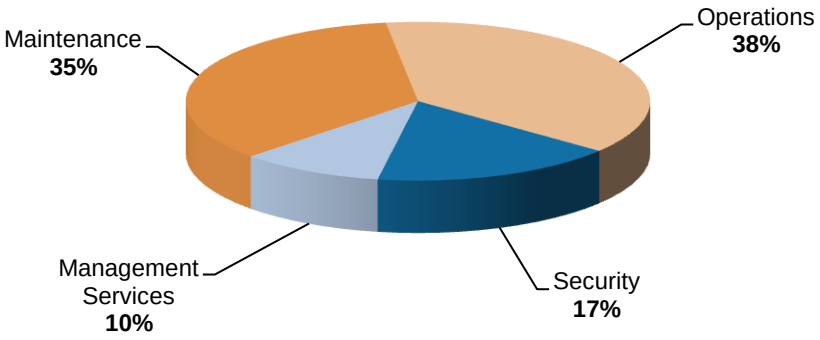
PATH's 2016 total Operating Expense Budget of $390 million provides for a safe, reliable railroad operation while providing for customer service, staff development and maintenance of critical infrastructure and assets.

The 2016 Budget provides for the maintenance of PATH's PA-5 railcar fleet, ensuring these critical operating assets meet PATH's standards for safety and reliability. In addition to these resources, the budget funds an apprentice class for railcar inspection. Training these new inspectors will allow PATH to fill this highly skilled function as current car inspectors retire.

Other initiatives funded in the 2016 Budget include an expanded PATH safety program. This will provide training and operational resources to ensure compliance with current and future regulations from the Federal Railroad Administration (FRA) and other regulatory agencies. The 2016 Budget also provides additional janitorial, Port Authority police and security services to support PATH's expanded operations at the WTC Transportation Hub, as new areas become operational.

Other expenses include insurance and engineering work, which ensure the protection, preservation, and continued maintenance of PATH facilities and assets.

2016 PATH Operating & Maintenance Expense Budget by Category



PATH Operating Expense by Category (In thousands)

	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Operations	$116,310	$117,701	$115,407	**$129,386**
Security	69,127	58,230	64,136	**58,535**
Maintenance	117,476	113,119	127,509	**118,668**
Management Services	38,026	23,324	24,979	**34,144**
Rent	814	837	837	**874**
Sub-total Operating & Maintenance	$341,753	$313,211	$332,868	**$341,607**
Allocated	59,520	46,289	51,090	**48,283**
Total Operating Expenses	$401,273	$359,500	$383,958	**$389,890**

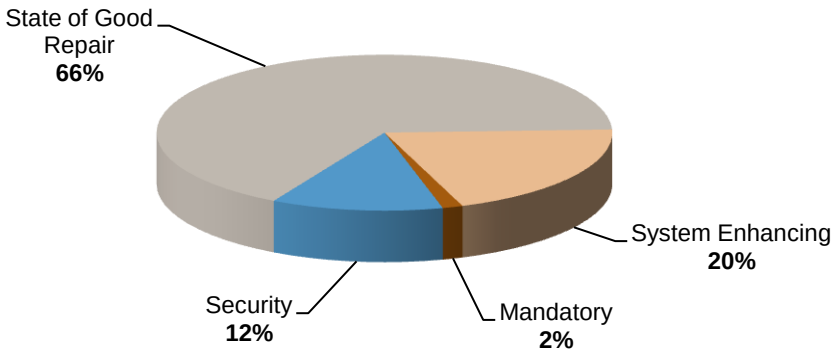
2016 Capital Budget Overview

PATH's 2016 Capital Budget provides for a total of $290 million in expenditures. A total of $192 million is for critical state of good repair work, including post-Superstorm Sandy recovery and resiliency efforts in the tunnels, as well as continuation of the PATH modernization program, and $47 million for the Signal System Replacement Program.

An additional $58 million is for system enhancement, such as upgrades to PATH stations, and another $40 million is for security and mandatory projects.

The combined impacts of PATH's aging infrastructure along with the effects of 2012's Superstorm Sandy continue to drive capital priorities. PATH has developed a comprehensive list of capital projects that need to be completed to fully restore the system and provide resiliency against future storms.

2016 PATH Capital Budget



PATH Net Capital Expenditures by Facility (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
PATH	$218,066	$221,433	$161,920	**$290,004**
Journal Square Transportation Center	3,984	198	241	–
Total Net Capital Expenditures	$222,050	$221,631	$162,161	**$290,004**

2016 Capital Budget - Significant Projects: PATH (In millions)				
Project ID	Asset Type	Project Title & Description	Operational Impacts	2016 Budget
Multiple	Control Systems	**Signal System Replacement Program:** Replace outdated signal system that has exceeded design life with a computerized Automatic Train Control (ATC) System using communications-based train control technology. Install secondary train detection system to serve as a back-up signal system.	Comply with FRA mandates for Positive Train Control (PTC) and allow for increased capacity to meet growing ridership demand. System will allow for increased capacity of 20% by permitting trains to run safely while in closer proximity to each other.	$47
CR02-458	Buildings & Garages	**Harrison Station Renovation:** Redevelop Harrison station with platform extension for longer trains, new station entrances, and protected waiting areas.	Enhance safety and station quality, and provide expanded capacity to meet growing ridership demand. Project will also improve access for disabled riders.	$47
CR02-336	Electrical Power & Lighting	**Replacement and Upgrade of the Christopher St. Substation**: Replace and upgrade the electrical substation at Christopher Street.	Maintain infrastructure and enhance reliability, security and quality of service for PATH riders.	$13
CR02-290	Rail Systems	**PATH to NEC Rail Link Station:** Plans for extension of PATH system from Newark Penn to Newark Airport Station, including conversion of storage tracks to running rail, new track, new platform at EWR, replacement storage yard, and new maintenance building and power supply.	Improve access to Newark Liberty International Airport (EWR) by providing a one-seat ride from Lower Manhattan.	$4
Multiple	Multiple	**Superstorm Sandy Recovery & Resiliency:** Complete a broad array of projects, including rehabilitation and replacement of electrical substations, repair of electrical and communications equipment, and installation of flood protection at stations and facilities.	Return damaged assets to a state of good repair and prepare the system for future coastal storms.	$79

AVIATION

Mission

Aviation's mission is to ensure the safety, security, and efficiency of the airport system to best serve its customers and to build infrastructure to provide services to meet the demand for air transportation of people, goods, and services.

Aviation Facilities

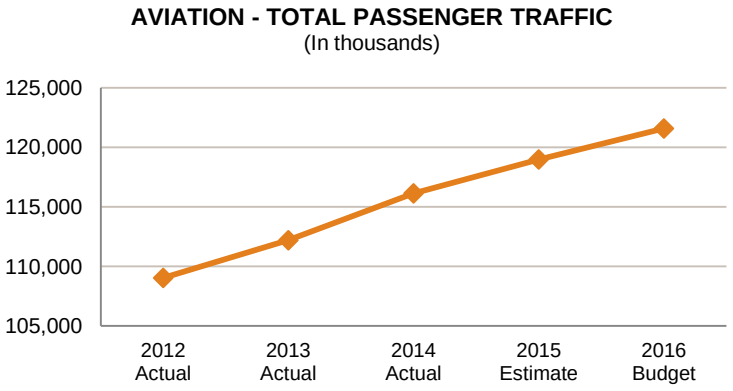
John F. Kennedy International Airport (JFK) serves as the region's chief international gateway to the world, while Newark Liberty International Airport (EWR) serves both national and international markets. LaGuardia Airport (LGA) serves as the premier short-haul facility in the region. Stewart International (SWF), acquired in 2007, was the first major transportation facility to come under the Port Authority's control offering the potential to increase capacity and augment service already provided by the major airports in the New York-New Jersey region. Teterboro (TEB) serves general aviation clients. In 2013, the Port Authority entered into a management services agreement with the South Jersey Transportation Authority to advise in the operations and maintenance of Atlantic City International Airport (ACY).

Core Functions

- Develop, manage, and maintain passenger terminals, runways, and cargo facilities in compliance with Federal Aviation Administration (FAA) regulatory standards.
- Negotiate agreements and handle tenant relationships with airlines that rent passenger terminal and terminal gates, hangars, and cargo space, as well as with retail merchants and concession agreements.
- Supervise contract services for various operational and maintenance activities.
- Manage security and coordinate with the Transportation Security Administration (TSA) and Customs and Border Protection (CBP).
- Provide general management advisory services to the South Jersey Transportation Authority (SJTA) related to ACY.

Activity Levels

In 2016, approximately 122 million people are projected to use the Port Authority's aviation facilities, a growth of approximately 3 million passengers, or 2.5% over 2015. This projected increase is driven by four interrelated components:



- It is expected that airline seat capacities will increase in anticipation of rising demand;
- The U.S economy is expected to sustain its growth with a projected 2.8% of GDP;
- The U.S. dollar is expected to continue to strengthen against major foreign currencies, which would help sustain growth in outbound international travel;
- Lower oil prices are expected to continue in 2016. The multiplier effect of oil prices has several implications as it reduces jet fuel cost, provides a boost to disposable income, lowers production costs, energizes GDP growth, and encourages higher travel demand.

Cargo activity increased in 2015, and is expected to end the year with an increase of 1.5% over 2014 — the second consecutive year of positive growth. Growth in 2015 was primarily due to the decline of global oil prices, which made it affordable for some shippers to move some of their cargo from land to air. In 2016, we expect cargo activity to rise by 1.4%, as low oil prices continue to favor the use of air cargo over alternate modes.

Staffing

Aviation has 1,245 permanent positions, of which 956 are dedicated to operating, maintaining and managing the airports, and the remaining 289 support aircraft rescue and firefighting.

Operations (290)

The operations staff at JFK (110), EWR (109), LGA (63), SWF (5) and TEB (3) operate and manage the aeronautical, landside, security and customer care functions, including compliance with FAA rules and regulations.

Maintenance (530)

The maintenance staff at JFK (224), EWR (167), LGA (139) provide maintenance programs to ensure that the facilities' assets, infrastructure and equipment are operating at a high level of performance, including code and regulatory compliance.

Management Services (136)

Management and administrative staff provide support to facilities operations and maintenance, including capital program delivery, asset management, property and revenue management; strategic and business planning and financial functions; airspace modernization, environmental management, and overall management oversight and administrative services.

Security - Aircraft Rescue and Firefighting (ARFF) (289)

The ARFF staff at JFK (93), EWR/TEB (121), and LGA (75) provide aircraft rescue and fire fighting services to airlines in accordance with Federal Aviation Administration (FAA) mandated guidelines.

2016 Projected Free Cash Flow by Facility

A Free Cash Flow statement represents the cash that a facility is able to generate after monies required to operate, maintain or expand its asset base are considered. The following table details 2016 projected free cash flow by facility.

Aviation Projected Free Cash Flow (In thousands)

	Gross Operating Revenues	O&M Expenses	Allocated Expenses	EBIDA	Grants, Contributions & PFC	Capital Expenditures	2016 Free Cash Flow
LaGuardia Airport	$379,821	$260,252	$25,339	$94,230	$76,115	$536,610	**$(366,265)**
John F. Kennedy International Airport	1,213,750	729,035	41,301	443,414	147,994	175,528	**415,880**
Newark Liberty International Airport	914,988	457,092	32,000	425,896	85,537	154,920	**356,513**
Teterboro Airport	40,949	28,664	2,195	10,090	3,699	7,850	**5,939**
Stewart International Airport	8,399	22,807	549	(14,957)	3,077	12,660	**(24,540)**
Total - Aviation	$2,557,907	$1,497,850	$101,384	$958,673	$316,422	$887,568	**$387,527**

2016 Aviation Operating Revenue

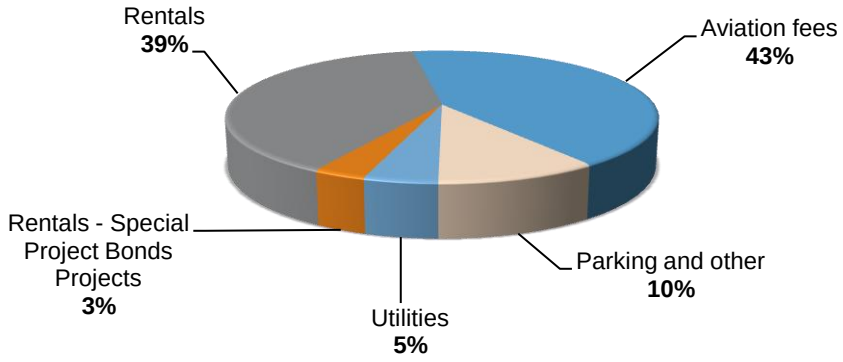
Aviation's Operating Revenue Budget of $2.6 billion reflects an increase of $108 million, or 4.4%, compared to the 2015 Budget.

Aviation fees, the largest source of the department's revenue, include flight fees that are generated through contractual agreements with the airlines for the recovery of certain operating expenses and capital investment. Also included in this category are fuel and security fees, monorail fees, and monorail fare box revenues.

Rentals include fixed rentals associated with agreements for terminals and warehouses, ground rent, and various buildings throughout the airport facilities. Fixed rentals increased by $46 million in the 2016 Budget for new leases at JFK and LGA as well as other scheduled escalations. Percentage and variable rentals consist of airport concessions, cargo and ground transportation, aircraft services and advertising revenue. Percentage and variable rentals increased by $34 million in the 2016 Budget due to growth in activity levels across the three major airports.

Parking revenue includes fees charged to tenants and customers for public parking at the airports.

2016 Aviation Operating Revenue Budget by Category



Aviation Revenue by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Rentals	$949,314	$919,889	$977,634	**$1,000,078**
Aviation Fees	1,058,415	1,055,815	1,057,381	**1,084,758**
Parking and Other	249,253	255,320	260,662	**265,718**
Utilities	123,983	126,285	123,976	**120,598**
Rentals - Special Project Bonds Projects	98,141	92,759	92,759	**86,755**
Total Operating Revenues	$2,479,106	$2,450,068	$2,512,412	**$2,557,907**

2016 Aviation Operating Expense

Aviation's total Operating Expense Budget is $1.6 billion – an increase of $44 million, or 2.8%, compared to the 2015 budget.

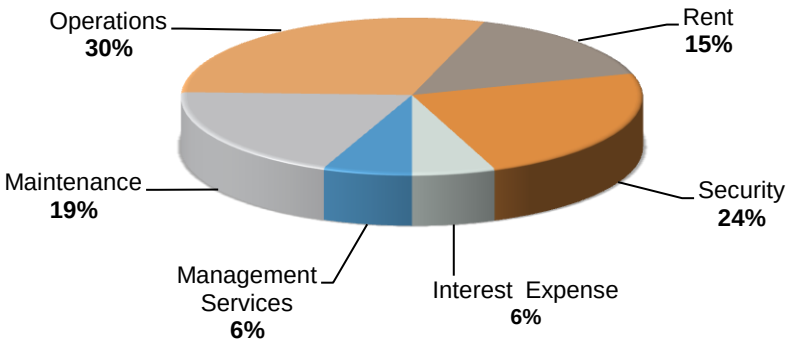
The 2016 Budget provides for maintenance of critical assets at aviation facilities, including corrective and preventive maintenance for airport roadways, airside and landside buildings and structures, signage repairs, and augmented airfield lighting repairs and replacement.

Operation expense provides for transportation and customer service initiatives, which include the operation of the AirTrain systems at JFK and EWR airports, bus and taxi dispatch contracts, and snow removal services within the airfield, parking and terminal areas as well as the presence of Customer Care Representatives throughout the airports.

Security expense includes policing, unarmed guards, cyber security and technology, and Aircraft Rescue Firefighting to help to ensure the safety of passenger and cargo movement.

Management expense includes staffing and consulting costs to fund studies and initiatives for increasing airport efficiency and competitiveness. These studies allow for increased mitigation of operational impacts, including noise abatement, as well as the strategic visioning of airport assets to enhance the condition, capacity and connectivity of the airports in order to meet growing demands.

2016 Aviation Operating & Maintenance Expense Budget by Category

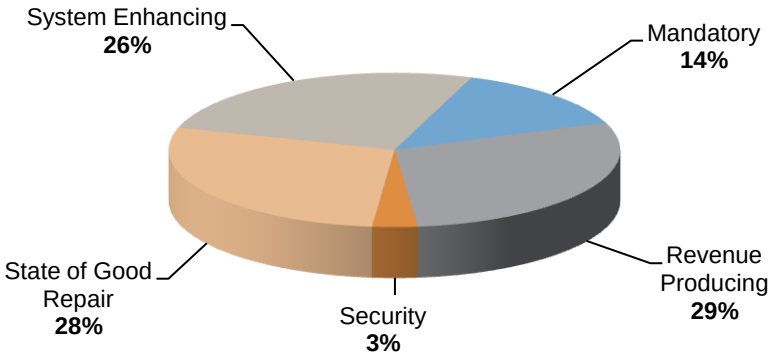


Aviation Operating Expense by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Operations	$452,864	$442,566	$426,339	**$442,032**
Security	342,256	348,841	340,337	**353,665**
Maintenance	286,646	261,545	286,957	**289,548**
Management Services	91,423	73,339	82,923	**95,908**
Rent	245,606	239,471	241,909	**229,942**
Interest Expense	98,141	92,759	92,759	**86,755**
Sub-total Operating & Maintenance	$1,516,936	$1,458,521	$1,471,224	**$1,497,850**
Allocated	106,254	96,805	98,469	**101,384**
Total Operating Expenses	$1,623,190	$1,555,326	$1,569,693	**$1,599,234**

2016 Capital Budget Overview

Aviation's 2016 Capital Budget provides for $888 million in expenditures. A total of $249 million will be used to maintain airport assets in a state of good repair while $259 million will fund revenue producing projects. Expenditures of $230 million and $29 million are dedicated towards enhancing overall system capacity and security, respectively. Finally, $121 million will be used to fund regulatory mandated projects. The 2016 Capital Budget focuses on addressing aging infrastructure, safety and security, and congestion and delays. Over 50% of the 2016 Capital Budget for Aviation is dedicated to the ongoing modernization efforts at LGA Terminal B.

2016 Aviation Capital Budget



Aviation Net Capital Expenditures by Facility (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
LaGuardia Airport	$229,044	$347,851	$359,013	**$536,610**
John F. Kennedy International Airport	241,093	308,221	306,554	**175,528**
Newark Liberty International Airport	183,347	93,873	104,644	**154,920**
Teterboro Airport	14,424	4,931	9,669	**7,850**
Stewart International Airport	47,548	23,208	27,357	**12,660**
Total Net Capital Expenditures	$715,456	$778,084	$807,237	**$887,568**

Note: Net Capital Expenditures includes capital investment funded with Passenger Facility Charges (PFCs).

2016 Capital Budget - Significant Projects: Aviation (In millions)				
Project ID	Asset Class	Project Title & Description	Operational Impacts	2016 Budget
CA22-419	Buildings & Garages	**LGA Terminal Replacement**: Replace the existing 1964 Terminal through a private consortium under a public-private partnership (PPP) model.	Allow the airport to accommodate a projected increased passenger load and provide acceptable levels of service, while efficiently meeting all safety, security and other operational requirements.	$215
Multiple	Other	**LGA Capital Infrastructure:** Portfolio of projects being undertaken by the Port Authority at LGA includes utility infrastructure, an electrical substation, parking, roadways, and select building demolition.	Address short-term and long-term infrastructure needs and contribute to the redevelopment of the overall airport, while supporting the LGA Terminal B Replacement Program.	$246
CA03-168	Runways & Taxiways	**JFK Runway 4L- 22R Runway Safety Area:** Provides for rehabilitation of Runway 4L-22R including replacement of runway lighting, electrical infrastructure and guidance signs, enhancement of runway safety areas and navigation aids.	Lower pavement maintenance costs, enhance system capacity, reduce delays and accommodate larger (Group VI) aircraft.	$100
CA04-583	Other	**EWR Infrastructure Renewal Fuel Distribution:** Provides for replacement of the multiple fuel distribution pipelines with common distribution piping from the Fuel Farm to Terminal B and C gates.	Reduce electric usage, ongoing maintenance costs and the risk of fuel leaks.	$37

PORT COMMERCE

Mission

Port Commerce's mission is to develop and manage competitive port infrastructure and services by expediting the movement of cargo in a secure and financially sound manner while minimizing the impact to the environment, conserving natural resources and supporting sustainable growth.

Port Commerce Facilities

The Port of New York and New Jersey is currently the largest port on the East coast, the third largest in the U.S. and 22nd largest in the world. The Port is located in the center of the largest consumer region in the country, servicing more than 23 million regional consumers, with over 3 million plus containers that are loaded and unloaded at its docks each year.

The Port Commerce Department (PCD) oversees the following facilities: Port Newark, Elizabeth – Port Authority Marine Terminal, Port Jersey – Port Authority Marine Terminal, Brooklyn – Port Authority Marine Terminal, Howland Hook Marine Terminal, and rail terminals including Greenville Yard PA Marine Terminal and NY/NJ Railroad (Cross Harbor).

Core Functions

- Develop and maintain all Port facility common areas and marine terminals, focusing on asset management, service reliability and efficiency, security and environmental stewardship.

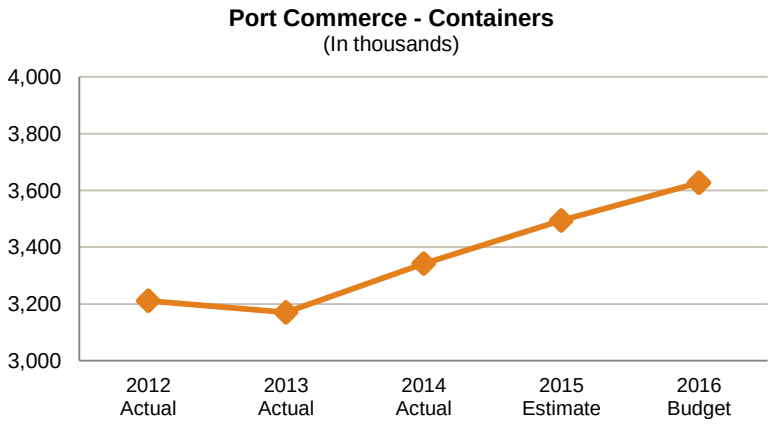
- Manage and deliver Port facility capital initiatives, including terminal development, port-wide rail facilities and operations.

- Promote Port facilities as the premier cargo destination in the East coast, including Beneficial Cargo Owner outreach and liaising with all major ocean carriers and cruise lines.

- Oversee the leasing, administration and facilitation of improvements and initiatives across Port facilities, carriers and cruise lines.

Activity Levels

The Port of New York and New Jersey accounts for approximately 30% of the total value of the U.S. containerized trade. The critical advantage to operations, for trading partners, regional, state, national, and global stakeholders, and other users along the supply chain, is the direct access to various transportation networks in the country from the port.



The 2016 Budget projects 3.6 million containers or 9% above the 2015 budget. Higher activity seen in 2015 is expected to continue due to an upturn in economic conditions.

Staffing

Port Commerce has 169 permanent positions dedicated to operating, maintaining and managing the marine terminals and port system.

Operations (31)

The operations staff at the New Jersey Marine Terminals (24) and New York Marine Terminals (7) are dedicated to ensuring that the berths, waterways, roadways, rail facilities, multi-tenant properties, and common utilities are operated in a manner that allows for the safe and efficient movement of international cargo to and from our facilities. Staff oversee and administer terminal properties, and ensure compliance with all security regulations and preparedness for multi-hazards.

Maintenance (74)

The maintenance staff at the New Jersey Marine Terminals (54) and New York Marine Terminals (20) is dedicated to maintaining the marine terminals and port system, and ensuring compliance with applicable codes and regulations.

Management (64)

Management and administrative staff support the operations and maintenance of facilities including capital program delivery, asset management, waterways management, cargo and revenue management, strategic analysis, maintenance of industry relations, business planning and financial functions, port security and emergency management programs, environmental programs management, facility and rail management, and department wide management oversight and administrative services.

2016 Projected Free Cash Flow by Facility

A Free Cash Flow statement represents the cash that a facility is able to generate after monies required to operate, maintain or expand its asset base are considered. The following table details 2016 projected free cash flow by facility.

Port Commerce Projected Free Cash Flow (In thousands)							
	Gross Operating Revenues	O&M Expenses	Allocated Expenses	EBIDA	Grants, Contributions & PFC	Capital Expenditures	2016 Free Cash Flow
Port Newark	$78,805	$93,509	$5,212	$(19,916)	$4,077	$60,550	**$(76,389)**
Elizabeth PA Marine Terminal	137,791	24,555	1,545	111,691	280	10,707	**101,264**
Brooklyn PA Marine Terminal	6,001	11,432	823	(6,254)	175	629	**(6,708)**
Red Hook Container Terminal	1,611	7,328	274	(5,991)	–	–	**(5,991)**
Howland Hook Marine Terminal	18,021	11,674	549	5,798	–	12,403	**(6,605)**
NJ Marine Redevelopment	–	–	–	–	–	17,025	**(17,025)**
Greenville Yard New York & New Jersey Rail, LLC	4,527	5,680	274	(1,427)	40,731	28,896	**10,408**
Port Jersey – PA Marine Terminal	23,265	21,878	823	564	12,695	44,778	**(31,519)**
Total - Port Commerce	$270,021	$176,056	$9,500	$84,465	$57,958	$174,988	**$(32,565)**

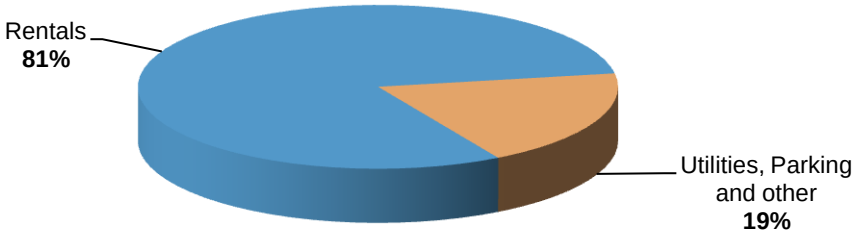
2016 Port Commerce Operating Revenue

Port Commerce Operating Revenue Budget of $270 million reflects an increase of $18.6 million or 7% compared to the 2015 budget.

The main source of revenue is rentals, representing 81% of total revenues. Fixed Rentals correspond to various lease agreements located at Port facilities, while the remainder of the rental revenue is driven by container and other activity.

The 2016 Budget for Parking and Other revenues include those collected for the Cargo Facility Charges (CFC) of $35.5 million. The remaining revenue is mainly for dockage and wharfage fees and tenant parking.

2016 Port Commerce Operating Revenue Budget by Category



Port Commerce Revenue by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Rentals	$196,288	$205,663	$203,716	**$217,935**
Parking and Other	49,606	44,051	52,610	**50,375**
Utilities	2,549	1,675	2,656	**1,711**
Total Operating Revenue	$248,443	$251,389	$258,982	**$270,021**

2016 Port Commerce Operating Expense

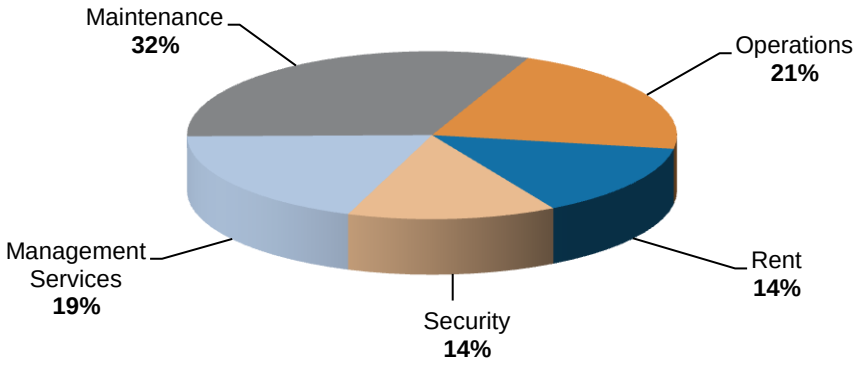
Port Commerce's total Operating Expense Budget is $186 million – an increase of $3 million or 1.8% compared to the 2015 Budget. The 2016 Budget provides for maintenance to critical assets at Port facilities, including berth and channel dredging and fender repairs.

Security expenses associated with policing continue to ensure a coordinated approach to the safety and security of cargo at the Port facilities.

Management expenses include staffing and consulting costs for the development of a master plan to provide a framework for optimizing land use.

The 2016 Budget continues to include programs that incent environmental initiatives at the ports, including the Truck Replacement Program and the Clean Vessel initiative.

2016 Port Commerce Operating & Maintenance Expense Budget by Category



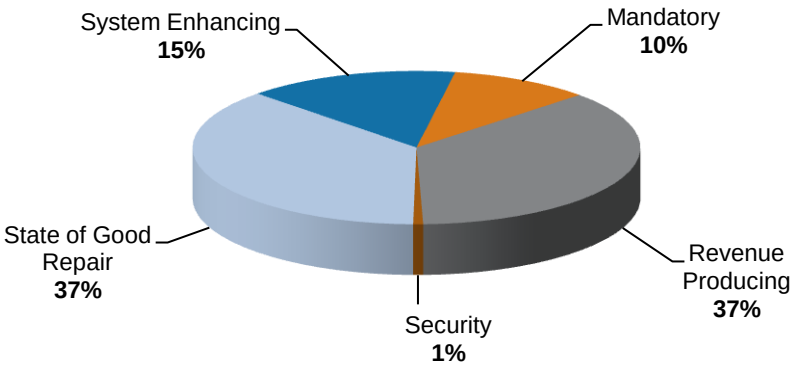
Port Commerce Operating Expense by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Operations	$41,223	$39,882	$43,628	**$37,238**
Security	23,419	20,066	22,762	**24,235**
Maintenance	47,594	51,713	50,499	**55,646**
Management Services	24,634	35,817	27,926	**34,064**
Rent	25,977	26,798	24,732	**24,873**
Sub-total Operating & Maintenance	$162,847	$174,276	$169,547	**$176,056**
Allocated	9,698	8,030	8,534	**9,500**
Total Operating Expenses	$172,545	$182,306	$178,081	**$185,556**

2016 Capital Budget Overview

Port Commerce's 2016 Capital Budget of $175 million includes $65 million to maintain Port's assets in a state of good repair, $64 million will be dedicated to revenue producing projects, $27 million to system enhancement, $18 million to mandatory projects, and $1 million for security projects.

Approximately 30% of the 2016 Capital Budget for Port Commerce is dedicated to the rail facility being constructed at Greenville Yard and improvements being made to the Cross-Harbor carfloat system.

2016 Port Commerce Capital Budget



Port Commerce Net Capital Expenditures by Facility (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Port Newark	$62,935	$67,858	$59,120	**$60,550**
Elizabeth - PA Marine Terminal	36,063	14,957	3,377	**10,707**
Brooklyn - PA Marine Terminal	6,981	2,848	5,089	**629**
Red Hook Container Terminal	–	749	–	**–**
Howland Hook Marine Terminal	18,063	12,806	6,084	**12,403**
NJ Marine Development	–	–	–	**17,025**
Greenville Yard / NY and NJ, Rail LLC	8,546	27,960	11,506	**28,896**
Port Jersey - Port Authority Marine Terminal	77,908	25,355	21,767	**44,778**
Total Net Capital Expenditures	$210,496	$152,533	$106,943	**$174,988**

2016 Capital Budget – Significant Projects: Port Commerce (In millions)				
Project ID	Asset Class	Project Title & Description	Operational Impacts	2016 Budget
CP16-035	Rail Systems	**Express Rail Intermodal Container Transfer Facility at Greenville Yard:** This project will provide a new state-of-the-art intermodal rail facility at Global Marine Terminal's Port Jersey facility at Greenville.	Improve the flow of goods to and from the Port of New York and New Jersey and in accordance with the lease agreement with Global Container Terminal Bayonne LP.	$35
CP17-027	Bridges	**Greenville Yard (NJMT)-Reconstruction of Transfer Bridge 10:** Reconstruction of Transfer Bridge 10 is part of a project to improve the New York-New Jersey Rail, LLC (NYNJR) Cross-Harbor carfloat system.	Reduce truck congestion and improve air quality in the region.	$17

DEVELOPMENT

Mission

Development's mission is to identify and advance strategic business initiatives that leverage the value of Port Authority property, promote real estate best practices, and to leverage private investment in its non-core assets.

Development Facilities

Development oversees certain Port Authority properties, including Bathgate Industrial Park, Industrial Park at Elizabeth, Waterfront Development (Queens West Waterfront Development and the Hoboken South Waterfront Development), and the Teleport.

This also includes the Essex County Resource Recovery Facility, which is managed under a restructured operating agreement where the facility operator is responsible for all operating and capital expenditures, and the Newark Legal and Communications Center which transferred the beneficial interest in the net lease agreement to the building tenant.

Core Functions

- Maximize Port Authority revenues by identifying opportunities such as new retail and industrial space leasing, investigate the disposition of non-core assets and sell undeveloped parcels.

Staffing

Real Estate and Development has a total of 48 permanent positions dedicated to managing the Port Authority's Development Facilities, certain Agency owned and leased real estate assets, as well as analyzing and optimizing the centralization and consolidation of Port Authority staff office space in New York and New Jersey with the objective of decreasing the need for total office space and reducing total occupancy costs.

Operations (4)

Facility staff operates and manages the Teleport and Bathgate Industrial Park in a safe, efficient, cost-effective manner that encourages staff productivity.

Maintenance (1)

The maintenance staff provides supervisory oversight on multiple maintenance contracts.

Management Services (43)

Provide management and administrative services for Port Authority properties, as well as negotiate cost-effective property acquisitions, sales, land swaps and development agreements and leases for agency facilities such as the Bathgate Industrial Park and the Teleport. Services include leasing of commercial and retail space, planning and project development. Management services also oversee rental payments for leased space.

2016 Projected Free Cash Flow by Facility

A Free Cash Flow statement represents the cash that a facility is able to generate after monies required to operate, maintain or expand its asset base are considered. The following table details 2016 projected free cash flow by facility.

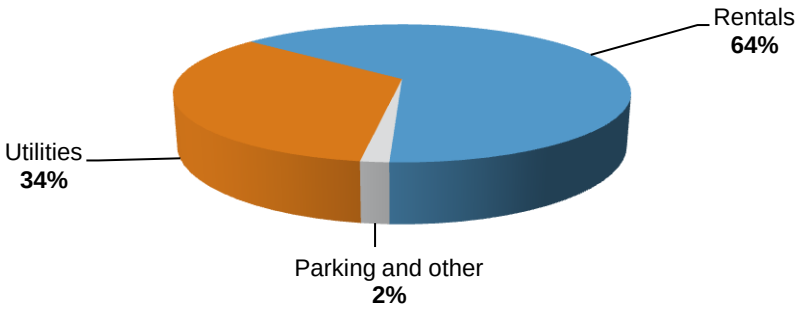
Development Projected Free Cash Flow (In thousands)

	Gross Operating Revenues	O&M Expenses	Allocated Expenses	EBIDA	Capital Expenditures	2016 Free Cash Flow
Essex County Resource Recovery Facility	$19	$100	$ –	$(81)	$ –	**$(81)**
Industrial Park at Elizabeth	1,149	149	–	1,000	–	**1,000**
Bathgate Industrial Park	4,038	2,445	–	1,593	–	**1,593**
Teleport	13,823	12,958	274	591	1,305	**(714)**
Newark Legal & Communications Center	–	57	–	(57)	–	**(57)**
Queens West Waterfront Development	869	–	–	869	–	**869**
Hoboken South Waterfront Development	7,873	2	13	7,858	–	**7,858**
Total Development	$27,771	$15,711	$287	$11,773	$1,305	**$10,468**

2016 Development Operating Revenue

Development's 2016 Operating Revenue Budget of $28 million is mainly comprised of fixed rentals and resale of electricity.

2016 Development Operating Revenue
Budget by Category

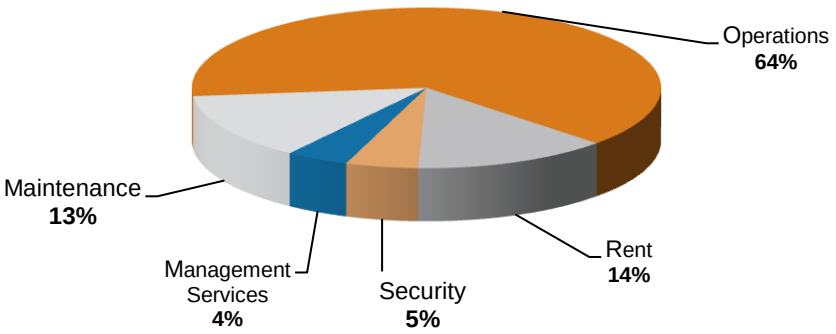


Development Revenue by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Rentals	$40,608	$17,551	$18,769	**$17,941**
Parking and other	1,318	499	354	**463**
Utilities	9,151	10,316	9,068	**9,367**
Total Operating Revenues	$51,077	$28,366	$28,191	**$27,771**

2016 Development Operating Expense

Development total Operating Expense Budget of $16 million provides for operating and maintaining the development facilities in 2016, which allows the Port Authority to earn revenues through rent and resale of utilities.

2016 Development Operating & Maintenance Expense Budget by Category



Development Operating Expense by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Operations	$9,719	$10,409	$9,841	**$10,014**
Security	665	760	755	**784**
Maintenance	1,938	2,560	2,555	**2,112**
Management Services	693	734	793	**686**
Rent	2,460	2,366	2,084	**2,115**
Sub-total Operating & Maintenance	$15,475	$16,829	$16,028	**$15,711**
Allocated	262	283	237	**287**
Total Operating Expenses	$15,737	$17,112	$16,265	**$15,998**

2016 Capital Budget Overview

Development's 2016 Capital Budget of $ 1.3 million is for a mandatory project related to the Teleport.

Development Net Capital Expenditures by Facility (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Hoboken South Waterfront Development	$570	$ –	$ –	**$ –**
Newark Legal and Communications Center	158	–	–	**–**
Teleport	1,249	860	966	**1,305**
Total Net Capital Expenditures	$1,977	$860	$966	**$1,305**

WORLD TRADE CENTER

Mission

The WTC Department's mission is to redevelop and operate the WTC facilities in order to create a financially successful and physically integrated complex that anchors the revitalization of Lower Manhattan, supports regional transportation and prosperity, and provides visitors, tenants, the community and the region with a safe, secure, environmentally sensitive complex, while honoring those lost on 9/11.

Facilities

The World Trade Center is comprised of approximately 16 acres. The redevelopment of the WTC will provide approximately 10 million square feet of above-grade office space and consist of:

- One World Trade Center
- Tower 2
- Tower 3
- Tower 4
- Tower 5
- WTC Retail
- WTC Transportation Hub
- 9/11 Memorial and Museum

Core Functions

- Complete the design and construction of the various projects at the site, including coordination with private development and governmental entities for the retail space complex, Transportation Hub, the Vehicle Security Center and core site infrastructure.

- Manage the WTC campus including security functions and site-wide operations.

- Negotiate and implement joint venture agreements for office and retail development.

Staffing

World Trade Center has 112 permanent positions, of which 96 are dedicated to rebuilding the WTC Site.

Capital (96)

Staff dedicated to rebuild the WTC Site, manage the design guidelines and contracts to construct capital program elements and oversee the numerous onsite construction managers and contractors.

Management (16)

Management and administrative staff to manage real estate and business relationships, including property and revenue management, business planning and financial functions, and overall management oversight.

2016 Projected Free Cash Flow by Facility

A Free Cash Flow statement represents the cash that a facility is able to generate after monies required to operate, maintain or expand its asset base are considered. The following table details 2016 projected free cash flow by facility.

WTC Projected Free Cash Flow (In thousands)

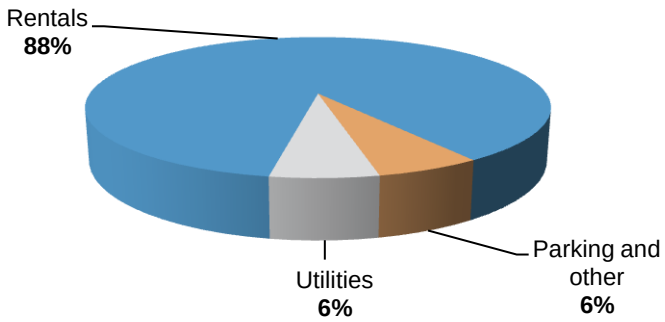
	Gross Operating Revenues	O&M Expenses	Allocated Expenses	EBIDA	Grants, Contributions & PFC	Capital Expenditures	2016 Free Cash Flow
WTC Site*	$26,216	$148,144	$10,155	$(132,083)	$117,611	$642,711	**$(657,183)**
One World Trade Center	176,314	123,184	274	52,856	(8,656)	152,667	**(108,467)**
WTC 2, 3, 4	38,426	24,169	296	13,961	41,520	2,124	**53,357**
WTC Retail LLC	7,255	8,850	275	(1,870)	51,434	180,247	**(130,683)**
Total WTC	$248,211	$304,347	$11,000	$(67,136)	$201,909	$977,749	**$(842,976)**

* Includes WTC Site, WTC Transportation Hub, Towers 5 & 7, and Memorial.

2016 WTC Operating Revenue

WTC's Operation Revenue Budget of $248 million is $67 million or 37% over the 2015 budget. The main components of WTC revenue are rentals and fees from tenants. The 2016 Budget includes the full-year impact of operation of the One WTC Observatory.

2016 WTC Revenue Budget by Category



WTC Revenue by Category (In thousands)

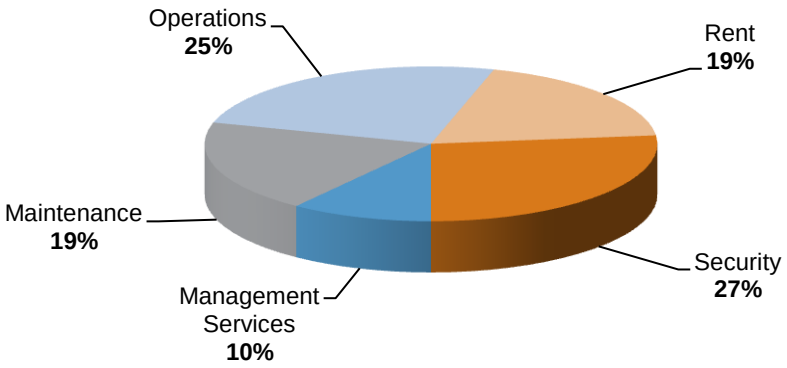
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Rentals	$60,683	$164,079	$169,217	**$217,375**
Parking and other	7,585	2,360	13,741	**15,256**
Utilities	11,055	14,571	13,641	**15,580**
Total Operating Revenues	$79,323	$181,010	$196,599	**$248,211**

2016 WTC Operating Expense

WTC total 2016 Operating Expense Budget is $315 million - an increase of $11 million or 4% compared to the 2015 Budget.

The budget provides for maintenance, operations, security and insurance costs to support the operations of One WTC, sitewide operations, centralized infrastructure and retail. During 2016, additional components of the site will become fully operational (Vehicle Security Center, Transportation Hub, PATH Platforms C&D and the Retail Complex). WTC Retail, which occupies 365,000 square feet, is scheduled for a grand opening of the first phase in early 2016. Westfield America, Inc. has net leased and will operate and maintain the retail complex. The 2016 Budget includes additional operations and security costs to support future openings.

2016 WTC Operating & Maintenance Expense Budget by Category

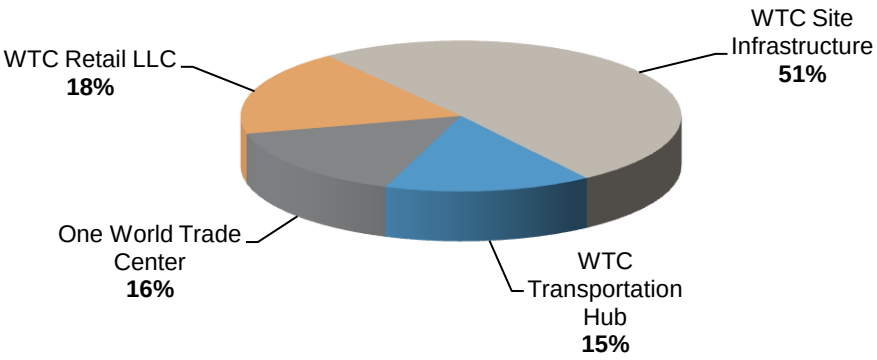


WTC Operating Expense by Category (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Operations	$43,297	$84,153	$74,559	**$76,188**
Security	45,373	68,985	59,683	**81,274**
Maintenance	34,579	66,112	49,989	**58,652**
Management Services	30,822	22,793	29,175	**31,146**
Rent & PILOT	30,910	54,598	50,188	**57,087**
Sub-total Operating & Maintenance	$184,981	$296,641	$263,594	**$304,347**
Allocated	7,808	7,651	6,980	**11,000**
Total Operating Expenses	$192,789	$304,292	$270,574	**$315,347**

2016 Capital Budget Overview

WTC's 2016 Capital Budget provides expenditures totaling $978 million to support the WTC rebuilding effort and the continued repairs to WTC assets as a result of Superstorm Sandy.

2016 WTC Capital Budget



WTC Net Capital Expenditures by Facility (In thousands)				
	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
WTC Transportation Hub	$290,365	$350,207	$128,634	**$148,216**
WTC Retail LLC	280,612	294,245	141,159	**180,247**
One World Trade Center	389,203	349,210	158,175	**152,667**
WTC Site (incl. infrastructure, Memorial and VSC)	1,004,215	631,726	452,358	**496,619**
Total Net Capital Expenditures	$1,964,395	$1,625,388	$880,326	**$977,749**

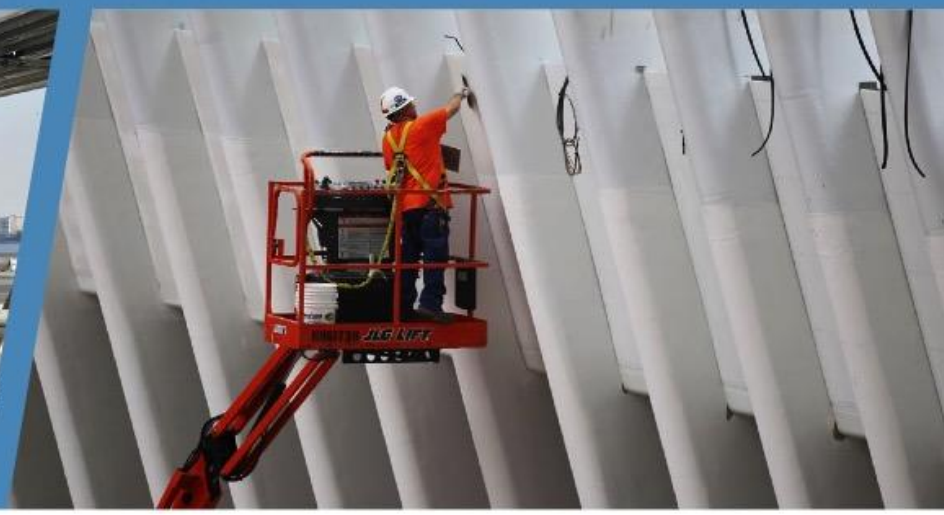
2016 Capital Budget – Significant Projects: WTC (In millions)				
Project ID	Asset Class	Project Title & Description	Operational Impacts	2016 Budget
CR12-001	Building & Garages	**WTC Transportation Hub**: Construction of a new 800,000 square feet facility that will provide access to 11 subway lines, PATH, ferries, WTC retail, and a range of amenities.	Provide increased capacity to accommodate over 200,000 daily commuters.	$148
CW30-001	Building & Garages	**WTC Retail**: Development of approximately 365,000 square feet of world-class retail and restaurant space.	Support the revival of Lower Manhattan's economy and contribute to economic growth in the region.	$180
Multiple	Building & Garages	**WTC Vehicular Safety Center (VSC) and Tour Bus Parking Facility**: Construction of a secure screening facility for buses, trucks, and cars entering the WTC site and its facilities.	Provide comprehensive security screening for vehicles entering the WTC site.	$93

STAFF DEPARTMENTS

The Port Authority has certain corporate departments that provide centralized management, advisory, technical, administrative and capital planning support services to Port Authority facilities. Costs associated with these centralized services are allocated to operating facilities and capital projects on the basis of direct labor.

Allocated Expenses (In thousands)

Department	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
Chief, Capital Planning, Execution & Asset Management	$2,022	$2,320	$1,978	**$2,324**
Business Diversity and Civil Rights	4,253	4,625	4,079	**5,118**
Environmental and Energy Programs	4,786	4,737	5,003	**5,212**
Planning & Regional Development	4,759	4,438	4,558	**4,650**
WTC Construction	3,404	–	3,403	**4,288**
Chief, Human Capital				
Human Resources	24,239	24,314	22,300	**24,630**
Labor Relations	2,397	1,710	2,221	**2,147**
Chief, Procurement & Contracting Officer	9,562	10,425	10,592	**10,394**
Chief, Public & Government Affairs	17	258	17	**302**
Government & Community Affairs	4,292	4,817	4,238	**4,878**
Media Relations	1,842	2,370	2,095	**2,399**
Marketing	5,736	4,945	4,997	**4,570**
Chief, Real Estate & Development	2,241	2,759	2,104	**2,127**
Real Estate	15,619	18,520	20,737	**22,470**
Chief, Technology Services				
Technology Department	56,960	60,691	54,802	**61,595**
Corporate Enterprise Systems	17,017	19,498	17,923	**20,034**
Chief Engineer	2,489	2,680	1,723	**1,738**
Chief Financial Officer	3,032	3,743	3,800	**3,781**
Comptroller	10,080	10,601	10,578	**11,029**
Management and Budget	6,409	7,006	6,160	**6,853**
Office of Financial Analysis	1,031	1,420	1,420	**1,416**
Treasury	10,128	11,153	9,140	**11,479**
Chief Operating Officer	7,497	5,875	5,095	**7,234**
Operation Services	4,567	5,103	4,750	**5,513**
Executive Director	1,286	1,379	1,352	**1,306**
General Counsel / Law	21,044	20,394	20,599	**19,798**
Inspector General	9,883	8,871	9,227	**9,517**
Audit	9,770	9,675	9,060	**9,610**
Office of Continuous Improvement	–	678	363	**890**
Office of the Secretary	5,055	6,250	5,619	**7,317**
Special Panel Implementation Office	1,280	1,265	1,247	**1,306**
Other	23,949	(1,001)	(222)	**(1,591)**
Sub-total General Administrative	$276,646	$261,519	$250,958	**$274,334**
Allocated Expenses:				
Less General Administrative allocated to Capital	$39,565	$52,304	$33,992	**$51,849**
General Administrative Allocated to Operations	237,081	209,215	216,966	**222,485**
Development Expenses	6,655	5,250	4,450	**4,344**
Total Allocated Expenses to Operations	$243,736	$214,465	$221,416	**$226,829**



CAPITAL BUDGET SUMMARY

CAPITAL PROJECT LISTING

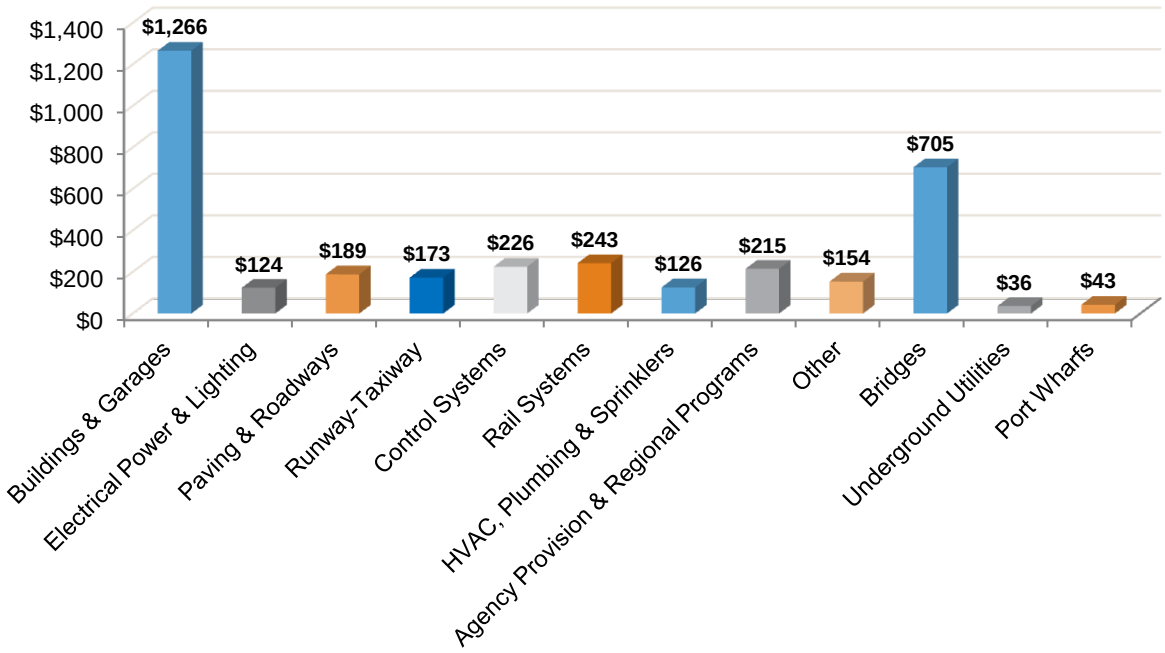
The definitions of project category and stage designations below support the capital project listing in the following section.

Category Designations	
(MAND)	Mandatory
(RPP)	Revenue Producing Projects
(SEC)	Security
(SGR)	State of Good Repair
(SEP)	System Enhancement Projects
(SRP)	State and Regional Projects
CMWP	Capital Major Works Program

Stage Designations
(Stage P) Planning
(Stage 1) Conceptual Design
(Stage 2) Preliminary Design
(Stage 3) Contract Documents
(Stage 4) Construction
(Stage 5) Closeout Stage
(Stage M1) Multiple Stages, Reporting Stage 1
(Stage M2) Multiple Stages, Reporting Stage 2
(Stage M3) Multiple Stages, Reporting Stage 3
(Stage M4) Multiple Stages, Reporting Stage 4

Refer to the Capital Planning dashboard on the Agency website to access Key Performance Indicators with metrics on project performance against total project costs and planned schedule completion.
http://capitaldashboard.panynj.gov/

2016 Capital Expenditures by Asset Class
(In thousands)



2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	TUNNELS, BRIDGES & TERMINALS			
	CB02- HOLLAND TUNNEL			
	BUILDINGS & GARAGES			
CB02-175	REPLACEMENT OF BULKHEAD DOORS IN VENTILATION BUILDINGS	SGR	3	$710
CB02-180	STAIR REHABILITATION IN NEW YORK RIVER VENTILATION BUILDINGS	SGR	4	237
CB02-200	WATERSIDE BUFFER ZONE PROTECTION	SEC	3	456
CB02-207	REHABILITATION OF BRONZE DOORS AT SPRING STREET	SGR	3	179
CB02-217	NEW YORK EMERGENCY GARAGE - ROOF & PARAPET REPLACEMENT	SGR	3	332
	CONTROL SYSTEMS			
CB02-184	ACCESS CONTROL SYSTEM ENHANCEMENT	SEC	4	1,920
CB02-202	REPLACEMENT OF TOLL COLLECTION SYSTEM	SGR	3	1,100
CB02-205	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	1,544
CB02-208	IN-BUILDING RADIO FREQUENCY COVERAGE ENHANCEMENTS	SEC	4	52
CB02-224	ITCS STRATEGIC INVESTMENT	SGR	4	3,378
CB02-227	HT-AGENCY-WIDE TRANPORTATION MANAGEMENT SOFTWARE	SGR	1	806
	ELECTRICAL POWER & LIGHTING			
CB02-225	LATENT SALT DAMAGE TO SYSTEMS	SGR	1	1,826
	HVAC, PLUMBING & SPRINKLERS			
CB02-040	REHABILITATION OF TUNNEL VENTILATION SYSTEM MECHANICAL/ELECTRICAL	SGR	4	27,457
CB02-162	REPLACEMENT OF FLOOR DRAINS/PIPING OF 4 VENT BUILDINGS	SGR	4	489
CB02-173	REPLACEMENT/REHABILITATION OF BOILER AND HOT WATER HEATER AT NJSB & NJAB	SGR	3	546
CB02-188	REPLACEMENT OF WATERLINE ALONG SOUTH TUNNEL ENTRANCE ROADWAY	SGR	4	80
CB02-195	REHABILITATION SUPPLY BLOWER PORTS	SGR	3	3,917
CB02-213	HT - MITIGATION OF WATER LEAKAGE AT OFFSET DUCTS AND EXHAUST DUCTS	SGR	3	307
	OTHER-MISCELLANEOUS			
CB02-123	REPLACEMENT OF PIERS 9/204	SGR	M3	9,953
CB02-226	LATENT SALT DAMAGE MITIGATION	SGR	1	1,712
	PAVING & ROADWAYS			
CB02-177	REPLACEMENT OF SIDEWALK ALONG CANAL STREET	SGR	3	388
	CB02-HOLLAND TUNNEL			**57,389**
	CB03-LINCOLN TUNNEL			
	BRIDGES			
CB03-267	PULASKI SKYWAY REHABILITATION	SGR	M4	140,340
CB03-268	REPLACEMENT OF ROUTE 7 WITTPENN BRIDGE	SGR	M4	81,236
	BUILDINGS & GARAGES			
CB03-261	WATERSIDE BUFFER ZONE PROTECTION	SEC	3	257
CB03-289	ADDITIONAL BUS PARKING/STAGING IN LOTS D & E	SEP	4	2,174
	CONTROL SYSTEMS			
CB03-252	ACCESS CONTROL SYSTEM ENHANCEMENT	SEC	4	530
CB03-262	REPLACEMENT OF TOLL COLLECTION SYSTEM	SGR	3	1,708
CB03-266	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	1,493
CB03-278	OVERHEIGHT STRUC & DETECTORS AT NY ENTR	SGR	1	824
CB03-284	ITCS STRATEGIC INVESTMENT	SGR	4	3,073
CB03-290	LT-AGENCY-WIDE TRANPORTATION MANAGEMENT SOFTWARE	SGR	1	810
	ELECTRICAL POWER & LIGHTING			
CB03-285	LATENT SALT DAMAGE TO MEP SYSTEMS	SGR	1	199
CB03-287	XBL SIGNAL UPGRADE	SGR	4	1,414
	HVAC, PLUMBING & SPRINKLERS			
CB03-093	REPAINTING OF TUNNEL VENTILATION FANS	SGR	4	1,908
CB03-167	EXPLOSION PROOF EQUIPMENT AT MID-RIVER PUMP ROOMS	SGR	5	187
CB03-231	REPLACEMENT OF VENTILATION LOUVERS IN NY VENTILATION BUILDINGS	SGR	4	5,360
CB03-264	REPLACE HVAC SYSTEM AT ADMIN. BUILDING - PHASE II	SGR	3	255

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	OTHER-MISCELLANEOUS			
CB03-286	LATENT SALT DAMAGE MITIGATION	SGR	1	150
	PAVING & ROADWAYS			
CB03-211	STRUCTURAL REHABILITATION AND REPAVING OF HELIX	SGR	4	238
CB03-213	REPLACEMENT OF HELIX - PLANNING	SGR	1	4,083
CB03-234	NEW YORK BUS RAMP COMPLEX/PROTECTION	SEC	1	570
CB03-244	REPAVING OF CENTER TUNNEL	SGR	4	104
CB03-245	DECK REPLACEMENT OF THE NY EXPRESSWAY BTWN W31ST AND W33RD STREETS	SGR	4	17,658
CB03-269	ROUTE 1&9 REPLACEMENT	SEP	M3	18,103
CB03-280	REPLACE CURB PLATES IN THE NORTH AND SOUTH TUBES	SGR	4	176
	CB03-LINCOLN TUNNEL			**282,850**
	CB04-GEORGE WASHINGTON BRIDGE			
	BRIDGES			
CB04-132	REHABILITATION OF STRUCTURAL STEEL, LEAD PAINT REMOVAL & RECOATING UNDERSIDE	SGR	M3	8,579
CB04-252	NJ ANCHORAGE IMPROVEMENTS	SEP	5	55
CB04-261	REHABILITATION OF UPPER LEVEL SPAN OVER NJ ANCHORAGE AND HUDSON TERRACE	SGR	3	7,982
CB04-272	REHABILITATION OF NY/NJ ANCHOR MAIN CABLE STRANDS	SGR	4	2,502
CB04-276	REHABILITATION OF 178TH & 179TH STREET RAMPS, BUS RAMPS, AND BUS TURNAROUND	SGR	3	2,256
CB04-285	REPLACEMENT OF THE PALISADES INTERSTATE PARKWAY HELIX	SGR	3	14,589
CB04-287	PRIORITY STEEL AND CONCRETE REHABILITATION	SGR	5	341
CB04-317	REHABILITATION OF CENTER AVE BRIDGE AND LEMOINE AVE BRIDGE	SGR	3	2,334
CB04-319	REPLACEMENT OF SUSPENDER ROPES AND REHABILITATION OF MAIN CABLES	SGR	3	8,211
CB04-333	FACILITY STEEL AND CONCRETE REHABILITATION	SGR	4	2,231
CB04-336	REHABILITATION OF TME OVERPASSES - PHASE 1	SGR	1	1,098
CB04-361	REHABILITATION OF FACILITY WIDE PRIORITY	SGR	3	5,908
CB04-375	MAIN CABLE PROTECTION	SEC	3	248
CB04-380	GWB - REHAB OF DECK PHASE II	SGR	P	1,360
	CONTROL SYSTEMS			
CB04-260	REPLACEMENT OF TOLL COLLECTION SYSTEM	SGR	3	3,471
CB04-312	UPGRADE/REPLACE ITS SIGNS AND FIELD DEVICES	SGR	M4	2,447
CB04-318	ACCESS CONTROL SYSTEM ENHANCEMENT	SEC	4	3,960
CB04-351	ACCESS RAMP BARRIER UPGRADES	SEC	3	1,831
CB04-357	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	1,631
CB04-367	GWB - REPLACE SCADA SYSTEM	SGR	P	741
CB04-370	GWB - TRAVEL TIME SYSTEM (ITS) UPGRADE	SGR	5	8
CB04-377	ITCS STRATEGIC INVESTMENT	SGR	4	11,272
CB04-379	GWB-AGENCY-WIDE TRANPORTATION MANAGEMENT SOFTWARE	SGR	1	1,448
	HVAC, PLUMBING & SPRINKLERS			
CB04-228	REHABILITATION OF MAIN SPAN FIRE STANDPIPE SYSTEM	SGR	4	184
CB04-359	GWB SANITARY SEWER REHABILITATION AT ADMIN BLDG PARKING LOT	SGR	3	1,056
	OTHER-MISCELLANEOUS			
CB04-378	ELECTRICAL FEEDER REPLACEMENT	SGR	4	281
	PAVING & ROADWAYS			
CB04-258	FORT LEE STREET IMPROVEMENTS	SGR	4	1,542
CB04-262	REPLACEMENT OF IMPACT ATTENUATORS GUIDE RAILS & BARRIERS	SGR	5	117
CB04-270	REHABILITATION OF MAIN SPAN UPPER LEVEL STRUCTURAL STEEL	SGR	4	1,398
CB04-288	REPLACEMENT OF MEDIAN BARRIERS AND TRAFFIC SAFETY IMPROVEMENTS	SGR	3	1,629
CB04-300	PAVEMENT REPLACEMENT OF LOWER LEVEL EASTBOUND MAIN SPAN, LLEB APPROACH & RAMPS	SGR	3	9,243
CB04-301	REHABILITATION OF NORTHBOUND & SOUTHBOUND RAMPS TO PALISADES INTERSTATE PKWY	SGR	5	55
CB04-302	REHABILITATION OF HUDSON RAMPS PAVEMENTS	SGR	4	362
CB04-362	GWB REPAVE EASTBOUND UPPER LEVEL	SGR	3	502
	CB04-GEORGE WASHINGTON BRIDGE			**100,872**

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	CB06-BAYONNE BRIDGE			
	BRIDGES			
CB06-087	NAVIGATIONAL CLEARANCE PROGRAM	SEP	M4	351,248
	CONTROL SYSTEMS			
CB06-100	CCTV CAMERA SYSTEM REPLACEMENT	SEC	M4	62
CB06-113	TOLL COLLECTION SYSTEM REPLACEMENT	SGR	3	504
CB06-120	BB-AGENCY-WIDE TRANPORTATION MANAGEMENT SOFTWARE	SGR	1	236
	OTHER-MISCELLANEOUS			
CB06-119	TOLLS BY MAIL FUNCTIONALITY	SEP	4	1,739
	CB06-BAYONNE BRIDGE			**353,789**
	CB07-GOETHALS BRIDGE			
	BRIDGES			
CB07-103	GOETHALS BRIDGE REPLACEMENT	SGR	4	52,399
	CONTROL SYSTEMS			
CB07-134	REPLACEMENT OF CCTV CAMERA SYSTEM	SEC	M4	55
CB07-139	STRUCTURAL STEEL REPAIR	SGR	4	40
CB07-149	REPLACEMENT OF TOLL COLLECTION SYSTEM	SGR	3	1,012
CB07-152	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	1,167
CB07-155	ITCS STRATEGIC INVESTMENT	SGR	4	3,032
CB07-156	GB-AGENCY-WIDE TRANPORTATION MANAGEMENT SOFTWARE	SGR	1	236
	PAVING & ROADWAYS			
CB07-145	INTERCHANGE RAMPS PROJECT	SEP	1	5,921
	CB07-GOETHALS BRIDGE			**63,862**
	CB08-OUTERBRIDGE CROSSING			
	BRIDGES			
CB08-099	REPAIR OF STRUCTURAL STEEL	SGR	4	61
CB08-109	MAIN SPAN PIER & FENDER UPGRADES	SEC	P	342
CB08-115	CROSS BRACING	SEC	1	641
	CONTROL SYSTEMS			
CB08-097	REPLACEMENT OF CCTV CAMERA SYSTEM	SEC	M4	66
CB08-110	REPLACEMENT OF TOLL COLLECTION SYSTEM	SGR	3	863
CB08-117	ITCS STRATEGIC INVESTMENT	SGR	4	2,518
CB08-118	OBX-AGENCY-WIDE TRANPORTATION MANAGEMENT SOFTWARE	SGR	1	223
	HVAC, PLUMBING & SPRINKLERS			
CB08-083	TOLL CANOPY - REPLACEMENTS OF HVAC UNITS AND ROOF	SGR	4	155
	PAVING & ROADWAYS			
CB08-107	REHABILITATION OF PAVEMENT	SGR	4	153
	CB08-OUTERBRIDGE CROSSING			**5,022**
	CB48-GEORGE WASHINGTON BRIDGE BUS STATION			
	BUILDINGS & GARAGES			
CB48-056	GWBBS REDEVELOPMENT	RPP	4	19,041
CB48-061	INSTALLATION OF BOLLARDS	SEC	1	472
	CONTROL SYSTEMS			
CB48-065	AGENCY-WIDE TRANPORTATION MANAGEMENT SOFTWARE	SGR	1	149
	CB48-GEORGE WASHINGTON BRIDGE BUS STATION			**19,662**

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	CT06-PORT AUTHORITY BUS TERMINAL			
	BUILDINGS & GARAGES			
CT06-211	WEST MIDTOWN BUS PARKING AND STAGING FACILITY	SEP	3	63
CT06-212	REHABILITATION OF ESCALATORS	SGR	1	448
CT06-239	INTERNAL STRUCTURAL ENHANCEMENTS	SEC	1	702
CT06-252	QUALITY OF COMMUTE IMPROVEMENTS-PHASE II	SGR	P	8,124
CT06-267	VIDEO PROCESSING EQUIPMENT ROOM MODIFICATIONS	SGR	4	474
CT06-274	MITIGATION OF MAJOR CEILING LEAKS	SGR	3	1,047
CT06-276	REHABILITATE ELEVATORS	SGR	1	380
CT06-277	REPLACE CEILING SLATS	SGR	P	1,568
CT06-281	ENHANCEMENT OF BUILDING ENTRANCES AND REPLACEMENT OF ENTRANCE/EXIT DOORS	SGR	4	1,054
CT06-282	REHABILITATE FLOORING, WALLS & FINISHES	SGR	3	2,582
CT06-285	PABT REPLACEMENT PROGRAM	SEP	P	15,000
	CONTROL SYSTEMS			
CT06-120	REPLACEMENT OF BUILDING AUTOMATED MONITORING & CONTROL SYSTEM	SGR	4	1,124
CT06-241	UPGRADE CCTV SURVEILLANCE EQUIPMENT	SEC	M4	4,032
CT06-246	PABT - ENHANCEMENT OF ACCESS CONTROL SYSTEM	SEC	4	996
CT06-266	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	2,946
CT06-275	REPLACEMENT OF VISUAL PAGING SYSTEM AND MASTER CLOCK SYSTEM	SGR	3	1,145
CT06-278	INSTALLATION OF BUS TRACKING SYSTEM AND SOFTWARE	SEP	4	1,025
CT06-279	IMPROVE CELL PHONE AND WIFI SERVICE	SEP	4	13
CT06-283	PABT-AGENCY-WIDE TRANPORTATION MANAGEMENT SOFTWARE	SGR	1	174
	ELECTRICAL POWER & LIGHTING			
CT06-202	REPLACEMENT OF PRIMARY ELECTRIC SERVICE	SGR	4	4,079
	HVAC, PLUMBING & SPRINKLERS			
CT06-199	REPLACEMENT OF FIRE PUMPS	SGR	4	1,997
CT06-200	REPLACEMENT OF FIRE ALARM SYSTEM	MAND	3	1,188
CT06-220	PUBLIC RESTROOMS	SGR	M4	9,219
CT06-230	REPLACEMENT OF SOUTH WING HVAC UNITS & ASSOCIATED ELECTRICAL DIST SYSTEM	SGR	4	8,872
	PAVING & ROADWAYS			
CT06-259	NORTH WING SBL WEARING COURSE REPLACEMENT	SGR	3	473
	CT06-PORT AUTHORITY BUS TERMINAL			**68,725**
	TUNNELS, BRIDGES & TERMINALS TOTAL			**952,171**
	PATH			
	CR02-PATH			
	BUILDINGS & GARAGES			
CR02-508	REPLACEMENT OF ROOF FOR SUBSTATION 5 (BACKUS)	SGR	4	211
CR02-509	REPLACEMENT OF ROOF FOR SUBSTATION 15 (CAISSON)	SGR	4	235
CR02-522	REPLACE ADA ELEVATOR - HOBOKEN	SGR	1	814
CR02-527	REPLACEMENT OF IN-GROUND LIFTS HARRISON CAR MTC FACILITY	SGR	3	5,344
CR02-556	REPLACE ELEVATORS - HCMF	SGR	1	671
CR02-574	30TH ST MEZZANINE REHABILITATION	SGR	3	5,253
CR02-576	REPLACEMENT OF ROOF - MACMILLAN BLOEDEL (MMB) BUILDING	SGR	3	901
CR02-587	HOBOKEN FLOOD RESILIENCY	SGR	1	447
CR02-599	HARRISON CAR MAINTENANCE FACILITY AUTOMATIC FLOOD BARRIER	SGR	2	1,356
CR02-600	EXCHANGE PLACE STATION HEAD HOUSE PROTECTION	SGR	2	524
CR02-601	HARRISON CAR MAINTENANCE FACILITY CONCRETE SEA WALL	SGR	2	1,382
CR02-611	NEWPORT STATION ESCALATORS REPLACEMENT	SGR	1	1,107
CR02-612	GROVE STREET STATION HEAD HOUSE PROTECTION	SGR	2	558
CR02-613	NEWPORT STATION HEAD HOUSE PROTECTION	SGR	2	405

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	CONTROL SYSTEMS			
CR02-150	SIGNAL REPLACEMENT PROGRAM	SGR	4	44,107
CR02-352	RADIO BASE STATION/SIMULCAST RADIO SYSTEM	SGR	M5	268
CR02-419	PATH - FIRE ALARM SYSTEM UPGRADE	SGR	3	2,879
CR02-439	INSTALL NETWORK MANAGEMENT SYSTEM	SEP	4	793
CR02-492	REHABILITATION OF VITAL SIGNAL RELAY	SGR	4	180
CR02-535	SCADA PROGRAMMABLE LOGIC CONTROLLERS AND INTERFACE EQUIPMENT REPLACEMENT	SGR	P	489
CR02-573	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	3,092
CR02-580	SOUTH ST YARD COUNTER-TERRORISM INFRASTRUCTURE IMPROVEMENTS	SGR	4	810
CR02-594	REPLACEMENT OF CORROSION PROTECTION AND CONTROL SYSTEM IN TUNNELS E & F	SGR	P	278
CR02-606	ENTERPRISE TRANSPORTATION MANAGEMENT SOFTWARE ACQUISITION & IMPLEMENTATION	SGR	P	266
	ELECTRICAL POWER & LIGHTING			
CR02-233	WASHINGTON ST. POWERHOUSE - CONSTRUCTION AND RELOCATION OF SUBSTATION NO.2	SGR	M1	2,337
CR02-336	REPLACEMENT AND UPGRADE OF THE CHRISTOPHER ST SUBSTATION	SGR	4	12,822
CR02-412	REHABILITATION OF DUCT BANK	SGR	1	1,032
CR02-421	TUNNEL ELECTRICAL LIGHTING SYSTEM	SGR	1	833
CR02-426	YARD LIGHTING REPLACEMENT	SGR	P	590
CR02-427	TUNNEL EMERGENCY EVACUATION SHAFTS - LIGHTING & EXIT SIGNAGE	SGR	5	10
CR02-434	EMERGENCY DIESEL GENERATORS FOR HARRISON CAR MTC FACILITY & CONSOLIDATED SHOP	SEP	3	2,369
CR02-462	REPLACEMENT OF SUBSTATION #7	SGR	3	996
CR02-463	REPLACEMENT OF SUBSTATION #9	SGR	3	6,645
CR02-495	INSTALLATION OF CONTROL CABLES AT CHRISTOPHER ST STATION	SGR	4	109
CR02-518	REPLACEMENT OF SWITCHING STATION NO. 6	SGR	4	4,149
CR02-529	REPLACEMENT OF TRACKSIDE CIRCUIT BREAKERS	SGR	1	846
CR02-548	REPLACEMENT OF SUBSTATION No. 14	SGR	1	1,947
CR02-557	REPLACEMENT OF 650V DC 2,000KCMIL CABLES IN ALL TUNNELS EXCEPT E AND F	SGR	4	359
CR02-569	SUBSTATION #8 - PROPERTY ACQUISITION	SGR	2	1,259
CR02-572	REPLACEMENT OF SWITCHING STATION #10 - NEWARK, NJ	SGR	4	126
CR02-589	SIGNAL REPLACEMENT TUNNELS E & F	SGR	P	259
CR02-590	REPLACEMENT OF RADIO AND ELECTRONICS IN TUNNELS E & F	SGR	P	242
CR02-591	REPLACEMENT OF 27KV, 15KV, TRACTION POWER & INTER-TRIPPING CABLES IN TUNNELS E & F	SGR	P	560
CR02-592	REPLACEMENT OF LIGHTING, BLUE LIGHT STA & 480V POWER DIST. EQPMNT IN TUNNELS E & F	SGR	P	368
CR02-593	REPLACEMENT OF AUXILIARY POWER EQUIPMENT & CABLE REPLACEMENT AT EXCHANGE PL	SGR	P	264
	HVAC, PLUMBING & SPRINKLERS			
CR02-507	FIRE SUPPRESSION SYSTEM UPGRADE	SGR	1	400
CR02-517	CONSOLIDATED MTC SHOP - EXHAUST AND VENTILATION SYSTEM MODIFICATIONS	SGR	4	432
CR02-586	HOBOKEN STATION UNDER PLATFORM FAN REPLACEMENT	SGR	3	2,276
	OTHER-FUELING			
CR02-582	HACKENSACK RIVER BRIDGE EMERGENCY GENERATOR FUEL TANK	SGR	3	5,807
	OTHER-MISCELLANEOUS			
CR02-597	PATH REPLACEMENT OF EXCHANGE PLACE STATION ESCALATORS	SGR	3	2,459
CR02-598	GROVE ST. STATION - INTERIM ADA	MAND	4	4,175
CR02-609	PATH EXCHANGE PLACE STATION ELEVATORS	SGR	1	952
CR02-610	NEWPORT STATION ELEVATORS REPLACEMENT	SGR	1	808

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	RAIL SYSTEMS			
CR02-212	TIE RENEWAL PROGRAM	SGR	4	3,870
CR02-258	TURNOUT REPLACEMENT - PHASE 3	SGR	M4	3,860
CR02-259	CONTINUOUS WELDED RAIL PROGRAM	SGR	4	2,010
CR02-261	CONTACT RAIL PROGRAM	SGR	4	3,195
CR02-290	PATH EXTENSION TO NORTHEAST CORRIDOR RAIL LINK STATION	SEP	1	4,005
CR02-328	TUNNEL TRACK AND DRAINAGE PROGRAM	SGR	4	929
CR02-345	PURCHASE NEW RAILCARS (PA-5)	SGR	4	2,188
CR02-358	RESTRAINING RAIL PROGRAM	SGR	4	711
CR02-384	SOUTH STREET COMPRESSOR UPGRADE	SEP	3	265
CR02-406	SYSTEM UPGRADES FOR PA-5 FLEET	SGR	M4	1,864
CR02-458	REPLACEMENT & UPGRADE OF HARRISON STATION	SEP	M4	46,671
CR02-490	JSQ AIRLINE REPLACEMENT PHASE I	SGR	4	447
CR02-496	HARRISON STATION - PROPERTY ACQUISITION, REMEDIATION & DEMOLITION	SEP	M4	2,261
CR02-516	REPLACEMENT OF MITER RAILS HACKENSACK RIVER BRIDGE	SGR	4	3,426
CR02-536	PA-5 OVERHAUL PROGRAM	SGR	P	8,231
CR02-545	REPLACEMENT OF ATS EQUIPMENT	SGR	4	969
CR02-560	INSTALLATION OF GRAPE CROSSOVER AREA	SEP	P	1,895
CR02-564	CROSSOVER REPLACEMENT - WEST SIDE	SGR	P	133
CR02-583	REPAIRS TO ADDRESS LATENT SALT HURRICANE SANDY DAMAGE IN TUNNELS v PHASE I	SGR	M4	11,824
CR02-584	EQUIPMENT PURCHASE RECOVERY WORK	SGR	M4	10,906
CR02-585	DESIGN AND PURCHASE RESILIENCY EQUIPMENT	SGR	M4	13,551
CR02-588	SUBS 7, 8, 9 AND 14 MID-TERM REHAB	SGR	M4	717
CR02-595	REPLACEMENT OF TRACK, THIRD RAIL AND APPURTENANCES IN TUNNELS E & F	SGR	P	35
CR02-602	EXTENSION OF RAIL YARDS	SGR	P	796
CR02-608	PATH UPTOWN TUNNELS A & B - CABLES EMERGENCY REPLACEMENT	SGR	P	3,811
	CR02-PATH			**256,371**
	CR08-PATH SAFETY			
CR08-066	EXCHANGE PLACE BOLLARDS	SEC	3	503
CR08-068	JOURNAL SQUARE TRANSPORTATION CENTER BOLLARDS	SEC	3	1,788
CR08-078	TUNNEL WATER MANAGEMENT	SEC	M4	21,469
CR08-079	TUNNEL MITIGATION	SEC	M4	2,191
CR08-081	EXCHANGE PLACE WATERSIDE UPGRADE	SEC	3	344
CR08-091	CCTV & ACCESS CONTROL UPGRADES AT 33RD, HOB, PAV & NWK STATIONS	SEC	4	73
CR08-096	INSTALLATION OF LENEL ACCESS CONTROL & CCTV	SEC	4	4,580
CR08-100	UPGRADE OF UNIFIED COMMUNICATIONS NETWORK - SONET	SGR	4	1,391
CR08-101	CCTV & ACCESS CONTROL UPGRADES AT 9TH, 14TH & 23RD ST. STATIONS	SEC	4	448
CR08-104	RADIO SYSTEM MODIFICATIONS - PHASE I	SEC	M4	846
	CR08-PATH SAFETY			**33,633**
	PATH TOTAL			**290,004**

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	AVIATION			
	LAGUARDIA AIRPORT & REDEVELOPMENT PROGRAM			
	BRIDGES			
CA02-464	REPLACEMENT OF THE RUNWAY DECK EXPANSION JOINTS	SGR	P	636
	BUILDINGS & GARAGES			
CA02-114	LGA BOLLARD INSTALLATION AT TENANT TERMINALS	SEC	M4	41
CA22-372	CENTRAL HEATING & REFRIGERATION PLANT	SGR	P	25,000
CA22-419	CTB REDEVELOPMENT PROGRAM - TERMINAL CONSTRUCTION AND RAMP	RPP	M4	215,000
CA22-429	RELOCATION OF PARKING LOT 10E / INGRAHAMS MTN	SEP	M4	2,270
CA22-443	SURFACE AND STRUCTURE PARKING PROGRAM	SEP	M4	99,755
CA22-474	EAST PARKING GARAGE	SEP	4	11,813
CA22-482	LGA REDEVELOPMENT PROGRAM FINAL PLANNING & DESIGN	RPP	M3	9,160
	CONTROL SYSTEMS			
CA02-045	INSTALL CCTV AT SELECT AOA ACCESS DOORS TERMINALS A,C & D	SEC	P	262
CA02-231	PERIMETER INTRUSION DETECTION SYSTEM	SEC	4	79
CA02-330	BIOMETRICS	SEC	P	77
CA02-414	AVIATION MULTIFACILTY ENTERPRISE TRANSPORTATION MANAGEMENT SOFTWARE	SGR	3	563
CA02-447	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	3,079
CA02-489	REPLACEMENT AND ENHANCEMENT OF PARKING ACCESS AND REVENUE CONTROL SYSTEMS	SGR	P	607
	ELECTRICAL POWER & LIGHTING			
CA02-381	REHABILITATION OF ELECTRICAL DISTRIBUTION TO SUPPORT GENERATORS	SGR	1	470
CA02-454	FEEDER UPGRADE AND REDISTRIBUTION FOR DELTA 2013 EXPANSION OF DELTA AIRLINES	SEP	4	131
CA02-484	AOA LIGHT CIRCUIT REPLACEMENT	SGR	1	442
CA22-460	UTILITY INFRASTRUCTURE UPGRADE	SEP	4	2,150
CA22-461	EAST END SUBSTATION FOUNDATION AND SITE UTILITIES	SGR	5	492
CA22-469	EAST END SUBSTATION BUILDING, EQUIPMENT AND FEEDERS	SGR	4	7,782
	HVAC, PLUMBING & SPRINKLERS			
CA02-328	UPGRADE PUMPS IN PUMP HOUSE 4	SGR	5	58
CA02-485	PUMP HOUSES 2 AND 3 REHABILITATION	SEP	3	3,135
CA02-486	FLOOD CONTROL AND RESILIENCY IMPROVEMENTS	SEP	M4	19,404
CA02-488	PUMP HOUSE 6 STORM RELATED REPAIRS	SEP	3	1,957
	OTHER-MISCELLANEOUS			
CA02-483	UNIFIED NETWORK SYSTEM INFRASTRUCTURE AT GUARD POSTS 1, 2 & 3	SGR	3	1,283
	PAVING & ROADWAYS			
CA02-360	REHABILITATION OF EAST END LGA ROAD PAVEMENT	SGR	4	270
CA02-465	REHABILITATION OF RUNWAY DECK PRIORITY STRUCTURAL ELEMENTS - 3	SGR	P	943
CA22-442	AIR TERMINAL HIGHWAY EAST OF GUARD POST 1	SEP	4	51,759
CA22-444	HANGARS 1, 2 & 4 SITE REUTILIZATION	SEP	4	8,284
	RUNWAY-TAXIWAY			
CA02-118	REHABILITATION OF RUNWAYS DECK WEARING SURFACE	SGR	1	5,072
CA02-129	REHABILITATION OF RUNWAY DECK STRUCTURAL ELEMENTS - 2	SGR	4	2,778
CA02-401	REHABILITATION OF RUNWAY 13-31 AND ASSOCIATED TAXIWAYS	SGR	4	18,146
CA02-417	RUNWAY 13 & 22 DECKS SAFETY OVERRUN	MAND	M4	3,942
CA02-423	REHABILITATION OF TAXIWAYS WEST OF RUNWAY 4-22	SGR	4	5,947
CA02-445	REHABILITATION OF TAXIWAYS A, M, AND ZA	SGR	4	110
CA02-466	REHABILITATION OF TAXIWAY "A" FROM ("L" TO "B") AND TAXIWAY "B" (FROM "G" TO "CY")	SGR	3	4,568
CA02-467	REHABILITATION OF TW B FROM TW G TO TW V	SGR	P	1,242
CA22-441	AIR TERMINAL RSR AND TAXIWAY CONNECTIONS	SEP	P	10,000
	UNDERGROUND UTILITIES			
CA22-440	REPLACEMENT OF UTILITIES EAST OF GUARD POST 1	SGR	M4	17,903
	LAGUARDIA AIRPORT & REDEVELOPMENT PROGRAM			**536,610**

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	CA03-JFK INTERNATIONAL AIRPORT			
	BUILDINGS & GARAGES			
CA03-141	JFK BOLLARD INSTALLATION AT TENANT TERMINALS	SEC	M4	9,753
CA03-574	BUILDING 156 (CONTROL TOWER) ROOFING AND HVAC REPLACEMENT	SGR	3	2,244
CA03-591	DELTA T3/T4 REDEVELOPMENT	RPP	4	10,715
CA03-605	BUILDING 14 ROOF REPLACEMENT - EAST WING WATERPROOFING	SGR	3	469
CA03-763	INSTALLATION OF WELCOME CENTERS AT TERMINAL 4 AND 5	SEP	4	303
	CONTROL SYSTEMS			
CA03-061	CCTV AT TERMINAL BAGGAGE AREAS	SEC	3	1,167
CA03-389	PERIMETER INTRUSION DETECTION SYSTEM	SEC	4	35
CA03-391	(ACDTV I & II) AOA CACS & CHECKPOINT CCTV SYS IMPROVEMENTS	SEC	4	28
CA03-505	BIOMETRICS	SEC	3	105
CA03-507	VEHICLE GATE SECURITY UPGRADE	SEC	M4	905
CA03-636	SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA)	SGR	4	3,397
CA03-639	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	4,079
CA03-646	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SGR	1	1,753
CA03-675	REPLACEMENT OF FIRE ALARM SYSTEM AT THE AIRPORT TRAFFIC CONTROL TOWER	SGR	4	3,426
CA03-677	UPGRADE/REHABILITATION FACILITY-WIDE FIRE ALARM SYSTEM	SGR	1	618
CA03-774	AVIATION MULTIFACILTY ENTERPRISE TRANSPORTATION\MANAGEMENT SOFTWARE	SGR	3	430
CA03-777	REPLACEMENT AND ENHANCEMENT OF PARKING ACCESS AND REVENUE CONTROL SYSTEMS	SGR	P	935
	ELECTRICAL POWER & LIGHTING			
CA03-518	REPLACEMENT OF RUNWAY 4R APPROACH LIGHTING SYSTEM PIER	SGR	1	1,354
CA03-621	REPLACEMENT OF 5KV FEEDERS	SGR	4	9,606
CA03-755	WEST AREA LIGHTING	SEP	4	3,068
CA03-764	CUT & COVER TUNNEL POWER DIST VAULT & PUMP STATION REPAIRS & HAZARD MITIGATION	SGR	1	430
CA03-765	JFK AIRSIDE FAA SWITCHGEAR REPAIRS	SGR	3	2,155
CA03-769	LIGHT CIRCUIT REPLACEMENT AT AERONAUTICAL OPERATIONAL AREA	SGR	1	1,278
CA03-778	JFK VEHICULAR GUARD POST LIGHTING IMPROVEMENTS	SEC	1	358
	HVAC, PLUMBING & SPRINKLERS			
CA03-748	ACCESS AND SAFETY IMPROVEMENTS AT BUILDING NO.161	MAND	4	1,138
CA03-766	INSTALLATION OF TIDE GATES/DRAINAGE CHECK VALVES AT JFK AIRPORT	SEP	3	882
CA03-775	BACKFLOW PREVENTION DEVICES INSTALLATION AND WATER METER UPGRADES - PHASE IV	MAND	1	436
	OTHER-FUELING			
CA03-017	REPLACEMENT OF GEOCOMPOSITE LINERS AT BULK FUEL FARM - PHASE 2	MAND	5	379
	OTHER-MISCELLANEOUS			
CA03-779	JFK PLANNING AND REDEVELOPMENT	SEP	P	5,000
	PAVING & ROADWAYS			
CA03-023	PAVEMENT REHABILITATION - NORTH BOUNDARY, EASTERN AND NORTH HANGAR ROADS	SGR	4	462
CA03-025	PAVEMENT REHABILITATION OF PAN AM ROAD	SGR	4	3,374
CA03-036	PAVEMENT REHABILITATION OF EAST AND WEST HANGAR ROADS	SGR	4	161
CA03-234	PAVEMENT REHAB - CARGO PLAZA ROAD & CENTER CARGO ROAD	SGR	5	34
CA03-554	REHABILITATION OF 148TH STREET AND JFK EXPRESSWAY RAMPS	SGR	4	96
CA03-555	PAVEMENT REHABILITATION OF VAN WYCK EXPRESSWAY NORTH & SOUTH SERVICE	SGR	4	511
CA03-594	PAVEMENT REHABILITATION OF CARGO SERVICE ROAD, 147TH AVE, 147TH & 148TH	SGR	4	115
CA03-616	NORTH BOUNDARY ROAD REALIGNMENT	MAND	4	342
	RUNWAY-TAXIWAY			
CA03-168	RUNWAY 4L-22R RSA COMPLIANCE/RUNWAY RECONSTRUCTION	MAND	4	95,213
CA03-516	REHABILITATION OF RUNWAY 4R-22L	SGR	3	5,885
CA03-529	REHABILITATION OF TAXIWAY Q AND QG	SGR	1	2,603
CA03-614	REHABILITATION OF TAXIWAY B (TAXIWAY N TO TAXIWAY TB)	SGR	4	29
CA03-760	ENGINEERED MATERIAL ARRESTOR SYSTEM	MAND	4	257
	CA03-JFK INTERNATIONAL AIRPORT			**175,528**

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	NEWARK LIBERTY INTERNATIONAL AIRPORT & REDEVELOPMENT PROGRAM			
	BRIDGES			
CA04-529	REHABILITATION OF CENTRAL TERMINAL AREA BRIDGES	SGR	1	296
CA04-559	REHABILITATION OF CTA ENTRANCE & BRIDGES –N1, N2, N18, N19, N20, N21 AND N22	SGR	1	611
CA04-589	REHABILITATION OF EXPANSION JOINTS AND STRUCTURALELEMENTS OF FACILITY BRIDGES	SGR	M4	2,364
	BUILDINGS & GARAGES			
CA04-041	SCHOOL SOUNDPROOFING - PHASE 3	MAND	4	9,021
CA04-045	TERMINAL B EXTERIOR CURTAIN WALL GLASS UPGRADE	SEC	2	2,004
CA04-482	EWR- BOLLARD INSTALLATION AT TENANT TERMINALS	SEC	4	632
CA04-519	REPLACEMENT OF GUARD POSTS E2 AND D	SGR	4	129
CA04-593	TERMINAL B INTERNATIONAL ARRIVALS MEETER-GREETER QUEUING AREA MODIFICATIONS	RPP	1	1,791
CA04-596	BUILDING 157 INFRASTRUCTURE IMPROVEMENT	SGR	4	227
CA44-017	LOWER LEVEL EXPANSION & B1 VERTICAL CIRC. PFC	RPP	5	2,639
CA44-018	MID & UPPER LEVELS INTERNATIONAL DEPARTURES-PFC	RPP	4	68
CA44-026	MID-LEVEL INTERNATIONAL MEETER/GREETER-PFC	RPP	5	92
CA44-037	TERMINAL A REDEVELOPMENT - TERMINAL (POST PLANNING PHASE)	RPP	P	2,895
CA44-038	TERMINAL A REDEVELOPMENT - AIRSIDE (POST PLANNING PHASE)	RPP	P	1,948
CA44-039	TERMINAL A REDEVELOPMENT - LANDSIDE (POST PLANNING PHASE)	RPP	3	12,097
	CONTROL SYSTEMS			
CA04-049	CCTV AT TERMINAL BAGGAGE AREAS	SEC	3	1,060
CA04-054	INSTALL CCTV AT SELECT AOA ACCESS DOORS	SEC	1	293
CA04-316	PERIMETER INTRUSION DETECTION SYSTEM	SEC	4	35
CA04-397	BIOMETRICS	SEC	3	148
CA04-598	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	3,822
CA04-640	AVIATION MULTIFACILTY ENTERPRISE TRANSPORTATION MANAGEMENT SOFTWARE	SGR	3	210
CA04-643	REPLACEMENT AND ENHANCEMENT OF PARKING ACCESS AND REVENUE CONTROL SYSTEMS	SGR	P	920
	ELECTRICAL POWER & LIGHTING			
CA04-528	REPLACEMENT OF CHRP NORTH ELECTRICAL SUBSTATION AND CHILLER UPGRADES	SGR	3	2,563
CA04-539	TERMINAL B 4TH ELECTRICAL SUBSTATION	SEP	3	5,020
CA04-579	INFRASTRUCTURE RENEWAL - ELECTRICAL DISTRIBUTION	SGR	3	22,428
CA04-584	TERMINAL B INFRASTRUCTURE AND UTILITY REPLACEMENT & UPGRADE VIA WORK ORDER	SGR	M4	2,228
CA04-639	EWR AOA LIGHT CIRCUIT REPLACEMENT	SGR	3	1,092
	HVAC, PLUMBING & SPRINKLERS			
CA04-498	REPLACEMENT OF HIGH TEMPERATURE HOT WATER GENERATORS AT CHRP	SGR	M4	139
CA04-555	END-OF-LIFE REPLACEMENT OF AIRTRAIN HVAC - S.A.#5	SGR	4	1,802
CA04-599	INSTALLATION OF PRE-CONDITION AIR UNITS FOR AIRCRAFT AT GATES B54 & B55, TERMINAL B	SEP	M5	6
	OTHER-FUELING			
CA04-547	REHABILITATION OF FUEL PIT VAULT HATCHES	MAND	4	631
CA04-583	INFRASTRUCTURE RENEWAL - FUEL DISTRIBUTION - PHASE 1	SGR	4	37,013
	PAVING & ROADWAYS			
CA04-512	RELOCATION OF BREWSTER ROAD - RUNWAY 11 EMAS SITEWORK	MAND	5	421
CA04-538	REHABILITATION OF TERMINAL C DEPARTURE AND 1&9 EXIT SOUTH AREA ROADWAY	SGR	5	151
	RAIL SYSTEMS			
CA04-057	AIRTRAIN GUIDEWAY COLUMN PROTECTION	SEP	M4	43
CA04-513	AIRTRAIN BASE GUIDEWAY - NET COST WORK	SGR	4	2,000
CA04-514	AIRTRAIN CAPITAL ASSET REPLACEMENT PROGRAM	SGR	4	19,898
CA44-041	AIRTRAIN REPLACEMENT PLANNING	SGR	2	9,977
	RUNWAY-TAXIWAY			
CA04-455	REHAB R/W 4L-22R AND DELAY REDUCTION	SGR	5	30
CA04-521	REHABILITATION OF TAXIWAY "Y" (FROM RM TO S)	SGR	P	707
CA04-524	REHABILITATION OF TAXIWAY Z (FROM RUNWAY EDGE TO UA)	SGR	1	953
CA04-569	END AROUND TAXIWAYS FOR RUNWAY 4L-22R	SEP	1	2,383
CA04-629	OVERNIGHT AIRCRAFT PARKING	RPP	M4	2,133
	NEWARK LIBERTY INTERNATIONAL AIRPORT & REDEVELOPMENT PROGRAM			**154,920**

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	CA05-TETERBORO AIRPORT			
	BUILDINGS & GARAGES			
CA05-142	ARFF BUILDING REPLACEMENT	SEP	1	544
CA05-147	PAPD FEMALE LOCKER ROOM FACILITY AT BUILDING 27	MAND	4	113
	CONTROL SYSTEMS			
CA05-049	PERIMETER INTRUSION DETECTION SYSTEM	SEC	4	44
CA05-153	AVIATION MULTIFACILTY ENTERPRISE TRANSPORTATION MANAGEMENT SOFTWARE	SGR	3	48
	ELECTRICAL POWER & LIGHTING			
CA05-151	TEB AOA LIGHT CIRCUIT REPLACEMENT	SGR	3	725
CA05-152	REPLACEMENT OF AIRFIELD LIGHTING VAULT	SGR	1	474
	PAVING & ROADWAYS			
CA05-108	REDNECK AVENUE RELOCATION	MAND	4	203
	RUNWAY-TAXIWAY			
CA05-112	TEB RUNWAY 1 RUNWAY SAFEWAY AREA -1000 FT OVERRUN AND PATROL ROAD	MAND	5	35
CA05-122	INSTALLATION OF INTERIOR WILDLIFE FENCE	SEP	4	226
CA05-127	REHABILITATION OF TAXIWAY G (WEST OF R/W 1-19) AND TAXIWAY E (HI SPEED)	SGR	P	263
CA05-129	REHABILITATION OF TAXIWAY L	SGR	P	481
CA05-130	REMOVAL OF TAXIWAY B AND INSTALLATION OF NEW TAXIWAY V	SEP	3	3,718
	UNDERGROUND UTILITIES			
CA05-141	STORMWATER DRAINAGE SYSTEM REHABILITATION	SGR	3	976
	CA05-TETERBORO AIRPORT			**7,850**
	CA06-STEWART AIRPORT			
	BUILDINGS & GARAGES			
CA06-007	TERMINAL EXPANSION FEDERAL INSPECTION FACILITY AND WELCOME CENTER	SEP	3	1,160
CA06-050	DESIGN AND CONSTRUCTION OF THE MID-HUDSON REGIONAL CRIME LABORATORY	SEP	4	1,054
CA06-119	GUARD POST HARDENING	SEC	1	427
	CONTROL SYSTEMS			
CA06-012	REHABILITATION OF OPERATIONS CONTROL CENTER	SGR	1	172
CA06-126	AVIATION MULTIFACILTY ENTERPRISE TRANSPORTATION MANAGEMENT SOFTWARE	SGR	3	49
CA06-127	REPLACEMENT AND ENHANCEMENT OF PARKING ACCESS & REVENUE CONTROL SYSTEMS	SGR	P	124
	HVAC, PLUMBING & SPRINKLERS			
CA06-046	POSITIVE AIR PRESSURE FOR PASSENGER LOADING BRIDGES	MAND	4	1,718
CA06-079	BACKFLOW PREVENTER DEVICES	MAND	3	1,288
	OTHER-MISCELLANEOUS			
CA06-115	UPGRADE OF AOA PERIMETER CHAIN LINK FENCE	SEC	1	269
	RUNWAY-TAXIWAY			
CA06-017	REHABILITATION OF TAXIWAY B	SGR	4	308
CA06-045	REPLACEMENT OF AIRFIELD SIGNS	SGR	4	169
CA06-066	REHABILITATION OF RUNWAYS 9-27 AND 16-34	SGR	4	4,744
CA06-100	RUNWAY INCURSION MITIGATION - PHASE 1B	MAND	4	1,178
	CA06-STEWART AIRPORT			**12,660**
	AVIATION TOTAL			**887,568**

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	PORT COMMERCE			
	CP05-PORT NEWARK			
	BUILDINGS & GARAGES			
CP05-266	RECONSTRUCTION AND RELOCATION OF RESIDENT ENGINEERS OFFICE	SGR	1	416
	CONTROL SYSTEMS			
CP05-124	PORT SECURITY PROGRAM-NJMT-BADGE,ID SYS.	SEC	P	129
CP05-249	TRAFFIC SIGNALS AT NJMT	SGR	M4	4,148
CP05-255	800 MHZ SIMULCAST TRUNKED RADIO SYSTEM UPGRADE	SEC	M4	1,063
CP05-272	ENTERPRISE TRANSPORTATION MANAGEMENT SOFTWARE ACQUISITION AND IMPLEMENTATION	SGR	3	293
	ELECTRICAL POWER & LIGHTING			
CP05-251	RESTORATION OF OFFICE SPACE AT BUILDING 260	SGR	1	728
	HVAC, PLUMBING & SPRINKLERS			
CP05-238	SANITARY LIFT STATIONS AT NJMT	SGR	4	640
	PAVING & ROADWAYS			
CP05-156	PORT STREET & BREWSTER ROAD CONNECTOR	SEP	4	1,204
CP05-187	PORT STREET CAPACITY AND CORBIN STREET RAMPS IMPROVEMENT	SGR	M4	9,208
CP05-277	TYLER STREET PAVING	SGR	P	1,030
	PORT WHARFS			
CP05-173	BERTH 14 WHARF RECONSTRUCTION	SGR	4	9,896
CP05-220	BERTHS 30, 32 AND 34 FENDER SYSTEM UPGRADE	SGR	4	4,657
CP05-233	BERTH 3 WHARF RECONSTRUCTION	SGR	4	8,231
CP05-241	WHARF REHABILITATION	SGR	P	2,666
CP05-246	BERTH 19 REHABILITATION	SGR	4	4,503
CP05-278	BERTH 36 PRIORITY REPAIRS	SGR	3	652
CP05-280	REHABILITATION OF BERTHS 18,24,26,34	SGR	4	1,262
	RAIL SYSTEMS			
CP05-148	EXPRESS RAIL/CORBIN INTERMODAL RAIL SUPPORT - TRACK WORK - PHASE 2A	RPP	M4	3,400
	UNDERGROUND UTILITIES			
CP05-193	UPGRADE WATER LINES AT NJMT	SGR	M4	5,874
CP05-239	PHASE 2 WATER SYSTEM AT NJMT	SGR	P	550
	CP05-PORT NEWARK			**60,550**
	CP08-ELIZABETH PA MARINE TERMINALS			
	HVAC, PLUMBING & SPRINKLERS			
CP08-148	BUILDING 1400 UPGRADE OF FIRE SUPPRESSION SYSTEM	RPP	3	824
	UNDERGROUND UTILITIES			
CP08-111	UTILITIES RELOCATION FOR 50' CHANNEL (KILL VAN KULL/NEWARK BAY)	MAND	4	8,928
CP08-147	MAHER WATER MAIN REPLACEMENT	SGR	M4	955
	CP08-ELIZABETH PA MARINE TERMINALS			**10,707**
	CP09-BROOKLYN MARINE TERMINALS			
CP09-085	PORT SECURITY PROGRAM NYMT-BADGE,ID SYS	SEC	P	57
	ELECTRICAL POWER & LIGHTING			
CP09-108	PIERS CRUISE TERMINAL SHORE POWER	SEP	4	572
	CP09-BROOKLYN MARINE TERMINALS			**629**
	CP11-HOWLAND HOOK			
	ELECTRICAL POWER & LIGHTING			
CP11-044	UTILITIES RELOCATION FOR ARTHUR KILL 50' CHANNEL	MAND	4	8,898

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	PAVING & ROADWAYS			
CP11-056	ROADWAY ACCESS IMPROVEMENTS - EASTBOUND RAMP	SEP	1	2,096
CP11-089	HOWLAND HOOK - UPGRADE PAVEMENT SUBGRADE	SGR	1	1,374
	RAIL SYSTEMS			
CP11-055	PORT IVORY INTERMODAL TERMINAL (TRACKS 6-7) - PHASE 1B	RPP	5	35
	CP11-HOWLAND HOOK			**12,403**
	CP14-NEW JERSEY REDEVELOPMENT			
	RAIL SYSTEMS			
CP14-023	REGIONAL RAIL FREIGHT	SEP	P	17,025
	CP14-NEW JERSEY REDEVELOPMENT			**17,025**
	CP16-PORT JERSEY-PORT AUTHORITY MARINE TERMINAL			
	ELECTRICAL POWER & LIGHTING			
CP16-066	UPGRADE OF PROTECTIVE DEVICES & DISTRIBUTION EQUIPMENT – EAST SUBSTATION	SGR	M4	3,909
	HVAC, PLUMBING & SPRINKLERS			
CP16-053	INSTALLTION OF BACKFLOW PREVENTION DEVICES AT PORT JERSEY SOUTH	MAND	5	15
CP16-059	REPLACE HEATING SYSTEM IN BUILDING 180 IN PORT JERSEY SOUTH	SGR	4	39
	PAVING & ROADWAYS			
CP16-038	ACCESS IMPROVEMENTS PORT JERSEY	SEP	4	3,346
	PORT WHARFS			
CP16-047	BERTH E-1 AND E-2 RECONSTRUCTION (EDA 2009 GRANT)	SGR	3	752
	RAIL SYSTEMS			
CP16-027	GLOBAL TERMINAL DEVELOPMENT	RPP	4	1,437
CP16-035	EXPRESS RAIL - INTERMODAL CONTAINER TRANSFER FACILITY AT GREENVILLE YARD	RPP	M4	34,543
	UNDERGROUND UTILITIES			
CP16-068	PORT JERSEY - UNDERGROUND ELECTRICAL DELIVERY LINES REPLACEMENT	SGR	3	737
	CP16-PORT JERSEY-PORT AUTHORITY MARINE TERMINAL			**44,778**
	CP17-GREENVILLE YARD/NYNJ RAIL LLC			
	BRIDGES			
CP17-027	RECONSTRUCTION OF TRANSFER BRIDGE #10	RPP	4	16,752
	PORT WHARFS			
CP17-019	CONSTRUCTION OF NEW BARGE	RPP	4	5,173
CP17-033	FENDER SYSTEM MODIFICATIONS AT 65TH STREET TERMINAL (CROSS HARBOR)	SEP	4	2,308
CP17-034	REHABILITATION OF MOORING CELLS AT NY/NJ RAILROAD	SGR	3	2,557
	RAIL SYSTEMS			
CP17-016	INSTALLATION OF SUPPORT TRACKS	RPP	3	1,792
CP17-029	PURCHASE OF 3 NEW ULTRA-LOW EMISSIONS LOCOMOTIVES	SEP	5	314
	CP17-GREENVILLE YARD/NYNJ RAIL LLC			**28,896**
	PORT COMMERCE TOTAL			**174,988**

2016 CAPITAL PROJECT LISTING

SORTED BY DEPARTMENT, FACILITY AND ASSET CLASS

(In thousands)

PROJECT ID	TITLE	CATEGORY	STAGE	2016 BUDGET
	DEVELOPMENT			
	CH02-FERRY SERVICES			
	OTHER-MISCELLANEOUS			
CH02-021	LIBERTY STATE PARK FERRY SLIP REHABILITATION & RESILIENCY	SEC	1	725
	CH02-FERRY SERVICES			**725**
	CW03-TELEPORT			
	HVAC, PLUMBING & SPRINKLERS			
CW03-029	TELEPORT - INSTALLATION OF BACKFLOW PREVENTION DEVICES	MAND	3	1,305
	CW03-TELEPORT			**1,305**
	DEVELOPMENT TOTAL			**2,030**
	WORLD TRADE CENTER			
CR12	WTC TRANSPORTATION HUB	MAND	M4	148,216
CW11	WTC SITE INFRASTRUCTURE	MAND/SEC	M4	494,495
CW30	WTC RETAIL REDEVELOPMENT	RPP	M4	180,247
CW31	ONE WORLD TRADE CENTER	RPP	M4	152,667
CW34	WTC TOWER 4	MAND	3	2,124
	WORLD TRADE CENTER TOTAL			**977,749**
	REGIONAL CAPITAL PROGRAMS			
	OTHER-MISCELLANEOUS			
CF81-002	NY ECONOMIC DEVELOPMENT PROGRAM	SRP	1	500
CF84-009	HUDSON-RARITAN ESTUARY II - NJ	SRP	1	1,000
CF85-009	HUDSON-RARITAN ESTUARY II - NY	SRP	1	1,000
CF93-001	NY REGIONAL INFRASTRUCTURE RENEWAL PROGRAM	SRP	1	15,000
CF94-001	NJ REGIONAL INFRASTRUCTURE RENEWAL PROGRAM	SRP	1	15,000
CF99-001	REGIONAL TRANSPORTATION AND ECONOMIC DEVELOPMENT PROJECTS	SRP	1	2,640
	REGIONAL CAPITAL PROGRAMS			**35,140**
	REGIONAL CAPITAL PROGRAMS TOTAL			**35,140**
	BUDGET PROVISIONS			
	OTHER-MISCELLANEOUS			
	AGENCY EMERGING NEEDS	SGR	1	108,275
	AGENCY INFRASTRUCTURE IMPROVEMENTS	SGR	1	30,000
	TECHNOLOGY	SGR	1	2,000
	CAPITAL MAJOR WORKS PROGRAMS	SGR	1	40,000
	PROVISIONS TOTAL			**180,275**
	AGENCY TOTAL			**$3,499,925**

APPENDICES

APPENDIX 1. ECONOMIC OUTLOOK

The Chief Economist with the Agency's Planning and Regional Development department provides the Regional Economic Outlook. The national story, since the official end of the Great Recession in 2009, is of an economy that has been slowly healing and positioning itself for stronger growth while being in the midst of deep structural changes in economic activity, and shifts in business and consumer behavior patterns. It is also the New York/New Jersey regional story and is a narrative expected to replay itself both nationally and regionally over the next one-to-three years. Specifically, the national economy is expected to grow roughly 2% annually in 2015 and 2016, followed by slightly stronger growth of approximately 2.4% in 2017.The recent slowdown in productivity growth is expected to be a main contributor of this "new normal," an outlook in which aggregate output growth will stay below its long-term trend of 3%.

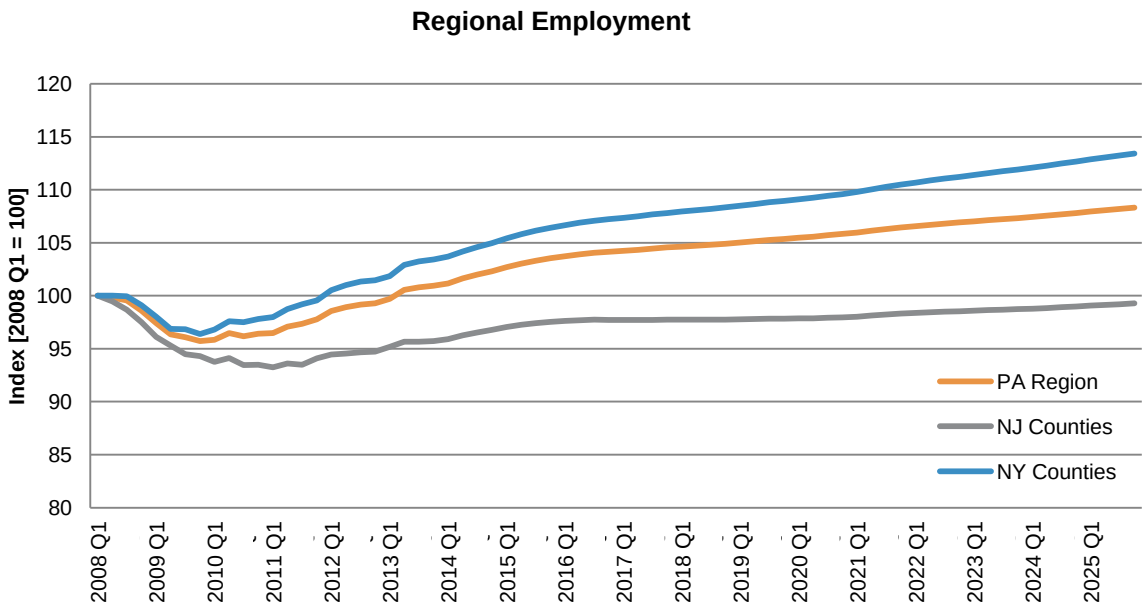
As a guide to the development of the Port Authority 2016 budget, the Agency assumed that its baseline outlook is one of continued moderate growth in 2015 and beyond, with Europe and China managing their economic problems, oil prices rising again slowly, and no other significant economic complications. This scenario is in line with many mainstream economic forecasts. A more optimistic scenario would have the economy finally picking up more steam, extending stronger growth into 2016 and 2017. Labor markets would expand causing higher wages but also higher rates of household spending. Europe and the rest of the world would experience better growth conditions and create more demand for U.S. exports. Energy prices would remain lower for a longer period. In a more pessimistic scenario, the economy experiences a near-term recession in 2016/2017. The Eurozone economy would slow and move into a recession, China would experience greater problems, and the demand for U.S. exports would deteriorate. Households in the U.S. would lose confidence and hold back spending on consumer goods, housing and automobiles. Based on the Chief Economist's assessment, the probability of the baseline scenario may be around 60%, again in line with the expectations of many peers.

The main contributor to economic growth has been the U.S. consumer sector, supported by a more buoyant housing market and improved employment conditions. Despite many setbacks, U.S. households are spending in line with their aggregate income gains and their strengthening financial position due to strong stock market gains. Recent declines in the price of crude oil, down more than $50 a barrel from its peak price, have a favorable effect on household budgets and provide a wide effect on the economy. It is likely that some inflationary pressures will emerge starting in 2016 and, as a result, the Federal Reserve will in all probability begin to tighten monetary policy in early 2016 at the latest.

This economic recovery is, however, beset by challenges stemming from tepid growth in workers income, rising income inequality, and political and economic hurdles for our Eurozone and Asian trading partners. Affordability concerns and mortgage lending restrictions are a drag on the housing market, while the lack of housing construction and sales transactions continue to create headwinds for the national and regional economies.

The Port Authority's core catchment area, its 17-county New York/New Jersey Port District and the surrounding bistate region, draws great economic strength from its vast, densely populated local consumer base, and its attractiveness for tourists and visitors from all over the world.

These features continue to provide the New York/New Jersey area with the resilience to remain a premier metropolitan region and gateway in the United States. The regional economic recovery has continued to perform slightly ahead of the national economy in terms of gains in output and employment post-recession. In the Port District, output growth for 2015 and 2016 likely will exceed 2 percent and employment gains are also expected to outpace the national average growth rate. Consumer spending has been strong in New York City and surrounding counties, in part a result of record tourism activity.



Total employment levels now exceed pre-crisis levels, a recovery driven especially by the strong employment growth in the five counties making up New York City. The New Jersey counties, making up the other half of the Port District continue to lag behind national and New York recovery indicators. A full recovery in the Port District west of the Hudson is unlikely within a one-to-three-year horizon.

Despite the overall positive trends, employment gains have occurred in economic sectors that are quite different from the ones that lost most of the jobs during and after the Great Recession. The finance, insurance, brokerage and banking sectors, which have been major contributors to regional income at a rate disproportionately high compared to their share of employment, have been severely affected, and have continued to show lackluster growth. Some of the lost jobs in banking and financial services may never return. Sectors such as leisure and hospitality, tourism, healthcare, and professional business services, i.e. not the traditional office-based sectors of the regional economy, have shown very strong gains across the board. Healthcare, for instance, did not experience any declines in employment, even during the 2008/2009 crisis. These trends are likely to continue resulting in strong employment gains but only modest wage level improvements on average over the next several years.

As is the case nationally, long-term unemployment and overall low labor force participation rate among workers persist. Specifically, groups of workers such as older individuals who have been unemployed for longer stretches of time, as well as younger workers relatively new to the workforce, seem to be having a hard time finding work even in a recovering economy.

These shifts in industry composition in the region could continue to affect traditional Agency activity and revenue streams, most pointedly, traffic volumes at Port Authority bridges and tunnels and passenger levels on PATH. Sectors such as finance, insurance and banking, where growth has slowed, have typically been a large portion of the local bridge and tunnel-commuting base. Other sectors such as leisure and hospitality, tourism and professional business services have a lower incidence of automobile commuting. In addition, some of those sectors may have a lower incident of shift work. Healthcare is one example which, combined with demographic shifts and altered travel preferences among “Millennials,” may be manifesting itself in changes to levels of auto trips across PA facilities. On PATH, passenger growth has continued post-Sandy due to strong employment gains in Manhattan. Such employment growth is expected to continue, albeit at a slightly lower pace, still creating additional demand for PATH capacity, especially during peak periods. Other PA business lines have benefited from the improvement in economic conditions. For instance, Aviation and Port Commerce have experienced significant increases in passenger and cargo volumes, and those positive growth trends are expected to continue into 2016 and 2017.

While forecasting continued recovery and growth in the local economy, the Agency is also aware that a heightened level of uncertainty is a hallmark of the region’s economic outlook over the near-term. Therefore, the Port Authority will continuously monitor regional, national, and international economic trends to facilitate appropriate responses to any deviations from baseline expectations.

APPENDIX 2. CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (MULTIYEAR PROJECTION)

Prepared in Accordance with Generally Accepted Accounting Principles

	Year ended December 31st							
(In thousands)	2014 Actual	2015 Budget	2015 Estimate	2016 Budget	2017 Projection(1)	2018 Projection(1)	2019 Projection(1)	2020 Projection(1)
Gross Operating Revenues	$4,481,812	$4,667,088	$4,771,951	**$4,998,100**	$5,174,322	$5,287,770	$5,460,286	$5,712,231
Operating Expenses:								
Operating & Maintenance Expenses	(2,679,518)	(2,719,199)	(2,706,906)	**(2,792,701)**	(2,891,387)	(2,942,903)	(2,994,357)	(3,036,009)
Allocated Expenses	(243,736)	(214,465)	(221,416)	**(226,829)**	(229,171)	(230,908)	(235,064)	(239,295)
Total Operating Expenses	(2,923,254)	(2,933,664)	(2,928,322)	**(3,019,530)**	(3,120,558)	(3,173,811)	(3,229,421)	(3,275,304)
Net (revenue)/expense related to Superstorm Sandy	53,530	–	–	**–**	–	–	–	–
Depreciation & Amortization	(996,633)	(1,010,401)	(1,126,670)	**(1,151,257)**	(1,205,524)	(1,218,267)	(1,248,724)	(1,279,942)
Income from Operations	615,455	723,023	716,959	**827,313**	848,240	895,692	982,141	1,156,985
Non-operating revenues and (expenses)								
Interest Income	41,050	35,043	40,251	**38,662**	47,119	57,805	63,507	69,799
Net increase/(decrease) in fair value of investments	(2,950)	–	–	**–**	–	–	–	–
Interest Expenses	(642,510)	(758,940)	(851,173)	**(863,742)**	(868,758)	(894,078)	(956,988)	(1,008,157)
Operating Asset Obligations	(23,734)	(21,468)	(21,387)	**(18,952)**	(16,407)	(13,672)	(10,429)	(6,751)
Grants & Pass-through grant payments, net	100,292	2,707	55,868	**45,859**	16,433	13,970	6,000	6,000
Net gain/(loss) on disposition of assets	19,043		–	**–**	–	–	–	–
4WTC associated payments	6,128	36,766	36,766	**41,520**	65,293	65,293	65,293	65,293
Non-operating expenses, net	(502,681)	(705,892)	(739,675)	**(756,653)**	(756,320)	(770,682)	(832,617)	(873,816)
Income / (Loss) before capital contributions and PFC	112,774	17,131	(22,716)	**70,660**	91,920	125,010	149,524	283,169
Capital Contributions and passenger facility charges								
Grants and contributions in aid of construction (2)	700,267	368,997	310,096	**298,786**	360,026	223,104	231,532	192,892
Passenger facility charges (PFC)	233,172	236,286	239,694	**244,945**	251,532	258,316	264,666	271,201
Total capital contributions and PFC	933,439	605,283	549,790	**543,731**	611,558	481,420	496,198	464,093
Increase in Net Position	$1,046,213	$622,414	$527,074	**$614,391**	$703,478	$606,430	$645,722	$747,262
Net Position, January 1	$13,728,327	$14,357,494	$14,774,540	**$15,301,614**	$15,916,005	$16,619,483	$17,225,913	$17,871,635
Net Position, December 31	$14,774,540	$14,979,908	$15,301,614	**$15,916,005**	$16,619,483	$17,225,913	$17,871,635	$18,618,897

(1) Disclaimer: The information in this schedule is based upon conditions existing at the present time recognizing that the estimates of future revenues and expenses set forth in the forecast years constitute present estimates and statements of expectation. Any forecast is subject to uncertainties, and, inevitably, some estimates and assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecasts set forth herein and actual results, and those differences may be material.

(2) Grants and Contributions in aid of construction in 2014 includes $235 million in non-cash capital contributions from the WTC Towers 3 and 4 net lessee.

Note: Revenues include the GAAP recognition of WTC retail upfront payment.

APPENDIX 2A. CONSOLIDATED STATEMENTS OF NET POSITION

Prepared in Accordance with Generally Accepted Accounting Principles

(In thousands)	2014 Actual	2015 Budget	2015 Estimate	2016 Budget
		December 31st		
ASSETS:				
Cash and Investments	$5,561,953	$4,690,237	$6,246,890	**$4,746,179**
Receivables, net	680,068	598,949	709,929	**1,178,718**
Restricted Receivables	38,766	54,789	107,208	**174,663**
Deferred charges and other noncurrent assets	1,543,275	1,473,859	1,573,125	**1,524,093**
Amounts receivable – Special Project Bonds	1,513,892	1,435,940	1,435,981	**1,376,923**
Amounts receivable – 4 WTC Project Bonds	1,248,085	1,248,187	1,248,187	**1,248,187**
Unamortized costs for regional programs	342,987	378,650	291,290	**241,290**
Facilities, net	30,773,475	32,465,332	32,824,178	**34,765,000**
Total Assets and Deferred Outflows	41,702,501	42,345,943	44,436,788	**45,255,053**
LIABILITIES:				
Accounts payable	1,289,162	1,543,483	1,633,761	**1,383,761**
Accrued interest and other liabilities (including PAICE)	1,466,962	1,169,886	1,104,043	**1,003,711**
Accrued pension and other employee benefits	602,205	703,535	675,669	**775,473**
Amounts Payable – Special Project Bonds	1,513,892	1,435,940	1,435,981	**1,376,923**
Amounts Payable – 4 WTC Project Bonds	1,248,085	1,248,187	1,248,187	**1,248,187**
Bonds and other asset financing obligations	20,807,655	21,265,004	23,037,533	**23,550,993**
Total Liabilities and Deferred Inflows	26,927,961	27,366,035	29,135,174	**29,339,048**
NET POSITION	$14,774,540	$14,979,908	$15,301,614	**$15,916,005**
Net position is composed of:				
Net investment in capital assets	$10,402,894	$12,400,364	$10,735,599	**$11,245,370**
Restricted:				
Passenger Facility Charges	193,678	170,210	136,432	**136,578**
PA Insurance Captive Entity – PAICE	177,179	179,737	194,124	**198,870**
Minority Interest in Tower 1 Joint Venture, LLC	100,000	100,000	100,000	**100,000**
Unrestricted	3,900,789	2,129,597	4,135,459	**4,235,187**
TOTAL NET POSITION	$14,774,540	$14,979,908	$15,301,614	**$15,916,005**

APPENDIX 2B. INFORMATION ON PORT AUTHORITY OPERATIONS

Prepared in Accordance with Generally Accepted Accounting Principles

Year ended December 31st

(In thousands)	Gross Operating Revenues	O&M Expenses	Allocated Expenses	Depreciation & Amortization	Income (Loss) from Operations	Net Interest & Other Exp.	Grants, Contributions & PFCs	2016 Increase/ (Decrease) in Net Position	2015 Estimate Increase/ (Decrease) in Net Position	2014 Increase/ (Decrease) in Net Position
INTERSTATE TRANSORTATION NETWORK										
Holland Tunnel	$203,247	$69,855	$10,402	$16,168	$106,822	$12,057	$12,410	**$107,175**	$78,974	$58,155
Lincoln Tunnel	261,309	90,803	12,074	39,229	119,203	30,273	3,615	**92,545**	63,099	63,591
George Washington Bridge & Bus Station	780,240	112,412	14,057	36,509	617,262	23,258	1,926	**595,930**	555,051	468,712
Bayonne Bridge	40,194	20,181	2,499	4,492	13,022	6,127	385	**7,280**	(8,457)	(2,624)
Goethals Bridge	200,239	25,925	3,056	35,190	136,068	4,785	514	**131,797**	124,263	99,500
Outerbridge Crossing	163,804	25,933	3,039	4,360	130,472	3,230	501	**127,743**	124,182	111,133
Port Authority Bus Terminal	46,836	101,359	11,248	25,149	(90,920)	14,982	3,676	**(102,226)**	(106,300)	(108,239)
Subtotal - Tunnels, Bridges & Terminals	1,695,869	446,468	56,375	161,097	1,031,929	94,712	23,027	**960,244**	830,812	690,228
PATH General	183,088	326,541	48,009	172,868	(364,330)	52,930	190,573	**(226,687)**	(169,890)	(169,851)
Journal Square Transportation Center	5,375	15,066	274	9,070	(19,035)	2,817	–	**(21,852)**	(18,779)	(18,306)
Subtotal - PATH	188,463	341,607	48,283	181,938	(383,365)	55,747	190,573	**(248,539)**	(188,669)	(188,157)
Ferry Transportation	214	2,696	–	5,289	(7,771)	3,777	–	**(11,548)**	(1,847)	(10,919)
Total Intersate Transportation Network	1,884,546	790,771	104,658	348,324	640,793	154,236	213,600	**700,157**	640,296	491,152
Aviation										
LaGuardia Airport	379,821	260,252	25,339	49,431	44,799	26,170	32,005	**50,634**	42,466	19,783
John F. Kennedy International Airport	1,213,750	729,035	41,301	138,140	305,274	73,230	65,501	**297,545**	136,392	187,784
Newark Liberty International Airport	914,988	457,092	32,000	113,157	312,739	63,352	28,017	**277,404**	340,190	218,954
Teterboro Airport	40,949	28,664	2,195	16,005	(5,915)	8,283	3,699	**(10,499)**	(9,978)	(6,618)
Stewart International Airport	8,399	22,807	549	2,404	(17,361)	2,207	2,199	**(17,369)**	(14,183)	(12,100)
PFC Program	–	–	–	91,084	(91,084)	–	185,000	**93,916**	141,415	136,176
Total - Aviation	2,557,907	1,497,850	101,384	410,221	548,452	173,242	316,421	**691,631**	636,302	543,979
Port Commerce										
Port Newark	78,805	93,509	5,212	38,551	(58,467)	24,667	4,077	**(79,057)**	(64,178)	(76,892)
Elizabeth - PA Marine Terminal	137,791	24,555	1,545	42,215	69,476	34,062	280	**35,694**	24,714	35,168
Brooklyn - PA Marine Terminal	6,001	11,432	823	936	(7,190)	1,932	175	**(8,947)**	(7,530)	(8,763)
Howland Hook Marine Terminal	18,021	11,674	549	17,228	(11,430)	14,421	–	**(25,851)**	(26,478)	(16,111)
New York & New Jersey Rail, LLC	3,822	5,672	274	1,199	(3,323)	4,031	38,369	**31,015**	2,255	5,345
Greenville Yard	705	8	–	–	697	–	2,362	**3,059**	645	544
Port Jersey – Port Authority Marine Terminal	23,265	21,878	823	6,560	(5,996)	12,709	12,695	**(6,010)**	(18,653)	(13,312)
Red Hook Container Terminal	1,611	7,328	274	72	(6,063)	79	–	**(6,142)**	(6,931)	(5,979)
Brooklyn Piers 1-5	–	–	–	–	–	–	–	**–**	(90)	–
Total - Port Commerce	270,021	176,056	9,500	106,761	(22,296)	91,901	57,958	**(56,239)**	(96,246)	(80,000)
Development										
Essex County Resource Recovery Facility	19	100	–	2	(83)	106	–	**(189)**	(1,787)	(272)
PA Industrial Park at Elizabeth	1,149	149	–	275	725	228	–	**497**	324	554
Bathgate Industrial Park	4,038	2,445	–	1,115	478	61	–	**417**	697	705
Teleport	13,823	12,958	274	2,543	(1,952)	335	–	**(2,287)**	(2,951)	(2,623)
Newark Legal & Communications Center	–	57	–	2,605	(2,662)	–	–	**(2,662)**	(12,467)	39,007
Hoboken Waterfront	7,873	2	13	2,862	4,996	2,568	–	**2,428**	2,306	1,269
Queens West Waterfront	869	–	–	605	264	1,577	–	**(1,313)**	(1,123)	(1,431)
Total – Development	27,771	15,711	287	10,007	1,766	4,875	–	**(3,109)**	(15,001)	37,209
World Trade Center										
WTC Site	64,641	172,313	10,452	102,540	(220,664)	204,703	43,131	**(382,236)**	(286,263)	273,829
One World Trade Center	176,314	123,184	274	87,092	(34,236)	126,524	–	**(160,760)**	(198,353)	(134,732)
WTC Retail LLC	16,400	8,850	274	11,603	(4,327)	60,453	–	**(64,780)**	(36,411)	(16,669)
Total - World Trade Center	257,355	304,347	11,000	201,235	(259,227)	391,680	43,131	**(607,776)**	(521,027)	122,428
Regional Programs & Access to Regions Core (ARC)	500	3,220	–	74,709	(77,429)	28,098	–	**(105,527)**	(112,943)	(120,993)
Port Authority Insurance Captive Entity, LLC	–	4,746	–	–	(4,746)	–	–	**(4,746)**	(4,307)	(1,092)
Revenue related to Sandy	–	–	–	–	–	–	–	**–**	–	53,530
Sub-total	500	7,966	–	74,709	(82,175)	28,098	–	**(110,273)**	(117,250)	(68,555)
Total Port Authority	$4,998,100	$2,792,701	$226,829	$1,151,257	$827,313	$844,032	$631,110	**$614,391**	$527,074	$1,046,213

APPENDIX 3. OUTSTANDING OBLIGATIONS AND FINANCING

(In thousands)	2014 Actual	Issued/ Accreted	2015 Repaid/ Refunded	2015 Estimate	Issued/ Accreted	2016 Repaid/ Refunded	2016 Budget
				December 31st			
Consolidated Bonds	$19,229,020	$3,025,000	$(1,234,095)	$21,019,925	$1,200,000	$(946,895)	**$21,273,030**
Commercial Paper	448,185	1,433,255	(1,455,020)	426,420	175,000	(100,000)	**501,420**
Variable Rate Master Notes	77,900	–	–	77,900	–	–	**77,900**
Port Authority Equipment Notes	31,500	–	(31,500)	–	–	–	**–**
Fund for Reg. Dev. Buy-Out	283,562	21,383	(51,212)	253,733	18,871	(51,211)	**221,393**
MOTBY Obligation	48,254	1,129	(5,000)	44,383	1,322	(5,000)	**40,705**
Tower 4 Liberty Bonds	1,225,520	–	–	1,225,520	–	–	**1,225,520**
Goethals Bridge Replacement Capital Asset Obligation	210,316	244,597	–	454,913	253,707	–	**708,620**
Sub-total	$21,554,257	$4,725,364	($2,776,827)	$23,502,794	$1,648,900	($1,103,106)	**$24,048,588**
Special Project Bonds	1,530,510	–	(79,340)	1,451,170	–	(60,000)	**1,391,170**
Total Obligations	$23,084,767	$4,725,364	$(2,856,167)	$24,953,964	$1,648,900	$(1,163,106)	**$25,439,758**

Limitations related to Outstanding Obligations: Limitations applicable to Port Authority debt are not, unless otherwise indicated, "legal limits" established by State constitutions or laws but, rather, are set forth in, or calculated in accordance with, the contracts with the holders of such obligations, as adopted by the Port Authority's Board of Commissioners. Subject to the issuance tests and limitations contained in the various resolutions and policies established by the Port Authority**.**

- Consolidated Bonds: (which includes Consolidated Notes) established pursuant to the Consolidated Bond Resolution of October 9, 1952, under which additional bonds may not be issued except under one or another of three conditions, each of which requires that a certain future calendar year's debt service is met at least 1.3 times by certain revenues. Represents the principal amount due for Consolidated Bonds.

- Commercial Paper: These obligations are issued to provide short-term financing for authorized projects at Port Authority facilities and may be outstanding until December 31, 2020 under the current approved program. The maximum aggregate principal amount that may be outstanding at any one time, under the current program, is $250 million for Series A, $250 million for Series B and $250 million for Series C.

- Variable Rate Master Notes: These notes may be issued in a total aggregate principal amount outstanding at any one time not to exceed $400 million.

- Port Authority Equipment Notes: These notes may be issued in an aggregate principal amount outstanding at any one time not to exceed $250 million.

- Fund for Regional Development Buy-Out Obligations: Represents the present value of amounts due to the States of New York and New Jersey upon the termination, in 1990, of the Fund for Regional Development.

- MOTBY Obligation: Represents the amounts due to the Bayonne Local Redevelopment Authority for the purchase of certain parcels of the Marine Ocean Terminal at Bayonne Peninsula.

- Tower 4 Liberty Bonds: A special obligation of the Port Authority evidenced by a separateTower 4 Bond Payment Agreement between the Port Authority and the Tower 4 Liberty Bond trustee. Represents the principal amount due on the New York Liberty Development Corporation Liberty Revenue Bonds, Series 2011, for the 4 World Trade Center Project.

- Goethals Bridge Replacement Capital Asset Obligation: Upon the substantial completion of the Replacement Bridge, the Port Authority is required to make a payment to the private developer in the amount of $1.02 billion, subject to certain adjustments for the construction of the replacement bridge. In lieu of a cash payment at that time, the developer will extend a loan in that principal amount to the Port Authority, to be repaid in monthly payments of principal and interest (the “DFA Payments”). DFA Payments are a special obligation of the Port Authority, payable over the term of the Project Agreement, which has a scheduled expiration date on the thirty-fifth anniversary of the substantial completion date of the Replacement Bridge. The DFA Payments are subject to certain deductions for non-compliance by the private developer with the terms of the Project Agreement.

- Special Project Bonds: Neither the full faith and credit of the Port Authority, nor the General Reserve Fund, nor the Consolidated Bond Reserve Fund are pledged to the payment of the principal and interest on Special Project Bonds. Each series of Special Project Bonds is to be issued under a separate resolution and may be issued in one or more installments as the Port Authority may determine.

APPENDIX 4. BUDGET PROCESS AND FINANCIAL POLICIES

A Unified Planning Process

Each year, the Port Authority undertakes a comprehensive unified planning process to develop its Annual Budget, capital programs and business plans for its operations. This planning model ensures consistency with the Agency's long-term mission and goals, as articulated through the policy and strategic direction established by the Board of Commissioners.

The Port Authority's annual budget is prepared on a basis consistent with the Port Authority's By-Laws. The Board approves an annual expenditure budget comprised of operating expenses, debt service, gross capital expenditures, and other expenditures, such as heavy equipment and computer systems that are deferred and amortized in future periods. The Board also approves updates to the Agency multi-year Capital Plan and amendments to the current year budget, as necessary.

Developing the Budget

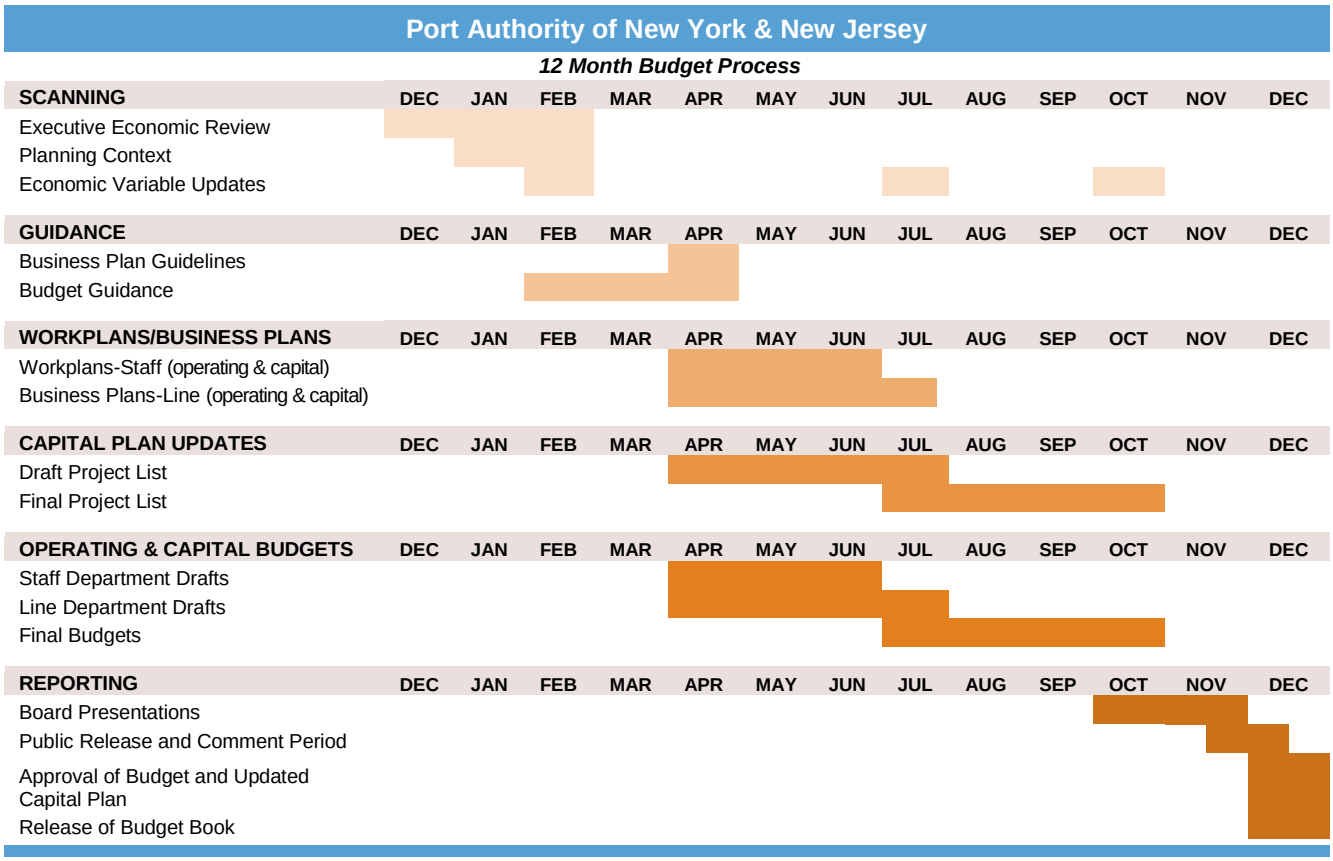
Typically, the budget process begins with efforts to understand the economic and business environment in which the Agency will be operating in the coming years, especially over the subsequent three-year period, and to ensure that all departments and the executive offices are of common accord on regional context and trends. In support of this consistency, the Planning and Regional Development Department develops the regional planning context, releases quarterly forecasts of economic and business variables and, throughout the year, schedules economic outlook webinars, issues topical economic bulletins and hosts subject area information and analysis roundtables. The Agency uses this information and other business intelligence to re-assess Agency priorities and develop short-term strategies in line with longer term Agency goals. With this groundwork as a foundation, the Executive Director provides planning and budget guidance directives that include agency-wide priorities, and any budget targets. This guidance informs the development of department business and work plans, the capital program, and the budget for the coming year.

The Management and Budget Department (Management and Budget) is responsible for managing and implementing several cross-functional processes, including the Annual Budget process to ensure the Port Authority budget is fiscally sound and reflective of the Agency mission. Throughout the year, Management and Budget regularly monitors budget performance, identifying any offsets required to accommodate unanticipated resource needs, as well as areas where corrective or rebalancing initiatives become necessary. Agency policy indicates the appropriate level of notification and /or authorization for any such corrective adjustments.

All departments submit the quantitative data on what they plan to spend and revenues they expect to take in. In addition, the operating departments that manage the Port Authority's lines of business (Port Commerce, Aviation, PATH, Tunnels, Bridges, and Terminals, and Real Estate and Development), prepare business plans that detail both capital and operating department-specific strategies and initiatives, and that are consistent with the planning context and strategic priorities articulated by the Executive Director. Staff departments prepare work plans laying out how they intend to support the Agency and especially its operating arms in achieving Agency and departmental objectives. Management and Budget, and Capital Planning review departmental submissions and, in consultation with executive management, provide comments for incorporation, as appropriate.

As departments incorporate Agency comments, they update and resubmit business/work plans, capital project lists and budget proposals. Management and Budget, and Capital Planning assess the financial impact of the updated submissions, working iteratively with the executive offices and the departments to refine and finalize a corporate budget and a capital project list that can achieve Port Authority business objectives within the financial constraints of the Agency and in accordance with the long-range Capital Plan.

A final corporate budget proposal is posted online for public information and comment. The complete and thoroughly vetted package of the proposed budget, capital project list updates and business/work plans is presented to the Board of Commissioners for approval. In general, the development of the full Port Authority budget is a 12-month process and follows the calendar shown below. When circumstances warrant, the process may be extended.



Basis of Budgeting

Revenues and expenses are budgeted in an enterprise fund using the accrual basis of accounting. The budgeted Revenues and Reserves schedule is prepared pursuant to Port Authority bond resolutions and differs in some respects from accounting principles generally accepted in the United States, with the primary difference being the inclusion of principal and interest payments on outstanding Port Authority debt in lieu of depreciation and amortization related to capital investment.

This is intended to demonstrate to the bondholders that the Agency is generating sufficient cash flows to meet current and future debt service. For presentation purposes, budgeted net position is calculated on a basis consistent with generally accepted accounting principles. Management and Budget prepares periodic financial reports, designed to inform all levels of executive management, that measure and discuss actual and

projected performance against budget and the Capital Plan. Financial reports are also presented to the Board of Commissioners on a quarterly basis that concisely describe the operating and capital results and financial position of the Agency as a whole, including year-end estimates, highlight exceptions or significant changes impacting the Agency's financial condition, and to suggest areas where management action may be necessary.

Financial Policies

The Port Authority is financially self-sustaining and raises the monies necessary to operate its facilities and provide services to the public at large through tolls, fares, rentals and other user charges. Funds needed for capital improvements, construction and acquisition of facilities are raised on the basis of the Port Authority's own credit. The Port Authority cannot pledge the credit of either of the States of New York and New Jersey or any municipality, nor can it levy taxes or assessments.

Within the context of programmatic Agency-wide objectives, the Port Authority has established various financial measures designed to ensure that the Agency is able to sustain its projects, plan for the future, and fund debt service. The Port Authority maintains two reserve funds, the General Reserve Fund and the Consolidated Bond Reserve Fund, which were established in accordance with applicable laws, statutes and resolutions. The Agency has set specific targets for the balances of the reserve funds at any given time, as well as other debt related ratios, including the Additional Bonds Test (as defined in the Consolidated Bond Resolution), and debt service coverage.

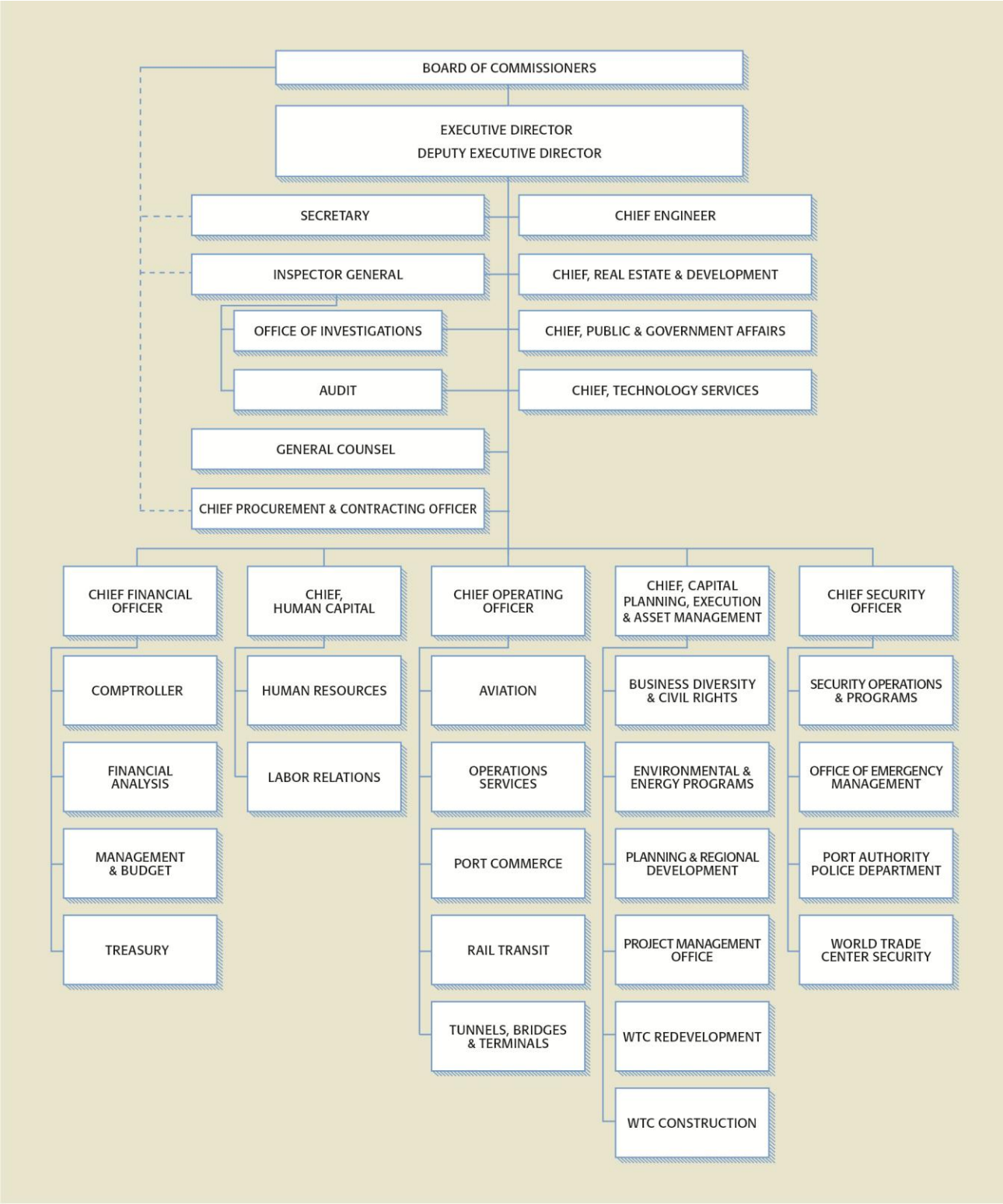
The General Reserve Fund is pledged in support of Consolidated Bonds and Notes. Statutes, which required the Port Authority to create the General Reserve Fund, established the principle of pooling revenues from all facilities and require that the Port Authority apply surplus revenues from all of its facilities financed by the issue and sale of bonds legal for investment (as defined in the applicable statutes) to maintain the General Reserve Fund in an amount at least equal to 10% of the par value of outstanding bonds legal for investment. The balance remaining of all net revenues of the Port Authority's existing facilities, after deducting payments for debt service upon all Consolidated Bonds and Notes and the amount necessary to maintain the General Reserve Fund at its statutorily required amount, is to be paid into the Consolidated Bond Reserve Fund, which is pledged as additional security for all outstanding Consolidated Bonds and Notes. Consolidated Bonds and Notes have a first lien upon the net revenues (as defined in the Consolidated Bond Resolution) of all existing facilities of the Port Authority and any additional facility financed by Consolidated Bonds and Notes.

Special Obligations of the Port Authority includes Commercial paper notes, Variable rate master notes, MOTBY obligations, Tower 4 Liberty Bonds and the Goethals Bridge Replacement Capital Asset Obligation. Special obligations of the Port Authority are payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes, or from net revenues deposited to the Consolidated Bond Reserve Fund, and in the event such net revenues are insufficient therefore, from other moneys of the Port Authority legally available for such payments when due. Special obligations of the Port Authority are subject in all respects to the payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund statutes.

Special obligations of the Port Authority are not secured by or payable from the General Reserve Fund. Additionally, special obligations of the Port Authority do not create any lien on, pledge of or security interest in any revenues, reserve funds or other property of the Port Authority. Equipment notes and the Fund for regional development buy-out obligation are payable in the same manner and from the same sources as operating expenses. Special project bonds are not secured by or payable from the General Reserve Fund or the Consolidated Bond Reserve Fund.

The Port Authority has a long-standing policy of maintaining total reserve funds in an amount equal to at least the next two years' bonded debt service on outstanding debt secured by a pledge of the General Reserve Fund. The monies in the reserve funds may be accumulated or applied only to the purposes set forth in legislation and the agreements with the holders of the Port Authority's obligations pertaining thereto.

APPENDIX 5. ORGANIZATIONAL CHART



APPENDIX 6: SELECT CAPITAL AND OPERATING PERFORMANCE METRICS

The Port Authority continues to advance its mission to meet critical infrastructure needs of the bi-state region.

CAPITAL PERFORMANCE METRICS (In millions)					
GOALS	**PROJECTS**	**PROJECT DELIVERABLES**	**2015 MAJOR OUTCOMES**	**2016 BUDGET**	**2016 PROJECT MILESTONES**
Building the Region and Investing in the Future	LGA Terminal B Replacement and Airport Infrastructure Redevelopment	• State-of-the-art facility, consistent with vision for unified, modernized central terminal area and other infrastructure improvements	• Selection of Preferred Proposer (Laguardia Gateway Partners) for Terminal B redevelopment • Opening of the new East Parking Garage • Completion of the Demolition and site Utilization of Hangars 2 & 4 • Started construction for Hangar 7 South Improvement • Partial energizing of new East End Substation feeders	$461	• Start of construction for new headhouse, Concourse B, West parking Garage, associated roadways and bridges, utilities, and apron areas for New Terminal B • Completion of the full energizing and testing of new East End Substation (EES) • Complete swing over of all Electrical loads from existing Central Electrical Substation and EES in full operation • Completion of construction of new East Field Lighting Vault • Progress on planning for additional projects to advance the modernization of the entire airport
	Goethals Bridge Replacement	• Replacement of 900-foot bridge including six 12-foot wide lanes and outer and inner shoulders, in conjunction with a private developer	• Continued construction of eastbound bridge structure and approaches to include: - Completed installation of majority of drilled shafts and bridge columns, installation of foundations, and first phase of eastbound traffic rerouting in NJ - Commenced construction of bridge towers in NY and NJ, installation of bridge column cap beams, demolition of existing bridge approach over NJ Turnpike, and construction work on PA property for relocation of Gulf Avenue in NY - Continued off site fabrication of bridge girders • Completed design and commenced construction of westbound bridge structure and approaches	$52	• Complete construction for relocation of Gulf Avenue • Complete construction of eastbound bridge structure and approaches • Complete installation of Travis Bridge Rail Spur • Continue construction of westbound bridge structure and approaches
	George Washington Bridge Construction Program	• Replacement of the suspender ropes and main cables of the Bridge • Resurfacing of the Upper and Lower Level main spans and approaches • Rehabilitation of the structural steel of the upper level roadway deck and support structure	• Began construction of Lower Level Priority Steel and Concrete Repairs • Starting construction of Lower Level Eastbound Main Span, Approach & Ramps • Completion of Main Span Upper Level Structural Steel Rehabilitation (Phase I)	$65	• Launch procurement for the suspender ropes project • Begin construction for Replacement of PIP Helix and Rehabilitation of Upper Level Spans over Hudson Terrace and NJ Anchorage • Completion of Temporary PIP Helix • Completion of the resurfacing of the Lower Level East Bound Main Span, Approach & Ramps

CAPITAL PERFORMANCE METRICS (In millions)					
GOALS	PROJECTS	PROJECT DELIVERABLES	2015 MAJOR OUTCOMES	2016 BUDGET	2016 PROJECT MILESTONES
Building the Region and Investing in the Future (Continued)	Bayonne Bridge Navigational Clearance Program	• Raise the navigational clearance from 151-foot to 215-foot utilizing innovative construction staging that will maintain vehicular traffic during construction Reconstruction and rehabilitation of the existing Bayonne Bridge including provision of 12-foot travel lanes, shoulders, median safety divider, acceleration and deceleration lanes, a widened 15-foot walkway, and provision for future transit corridor	• Completed northbound roadway bridge foundations and erected majority of new pier • Began installing main span deck framework	$352	• Complete northbound roadway piers and roadway spans • Complete main span deck steel framing and hanger installation • Install poured roadway deck
	World Trade Center Site	• One World Trade Center (1WTC)	• 1WTC Observatory was opened to the public on May 29th	$978	• Continue lease up of 1WTC • Expansion of the pre-built program
		• WTC Retail	• Tenant fit-out began • Partial start-up of Mechanical Electrical Plumbing (MEP) systems		• Oculus space opened by Port Authority providing improved direct access to transit areas; Grand opening of retail by Westfield • Wayfinding signage installation to help pedestrians navigate WTC site
		• WTC Memorial & Museum	• The Northeast Quadrant of the Memorial plaza was completed and opened to the public		
		• WTC Transportation Hub which will become the third largest transportation hub in New York	• Platform B of WTC was opened to the public on May 7th • The last piece of Oculus glazing was installed on June 20th		• Open additional areas of the Transportation Hub, including Platforms C and D, and retail concourses
		• Vehicle Security Center (VSC) and other site infrastructure	• Started screening vehicles parking at 4WTC • The public can walk at grade down Greenwich St. for the first time in more than 50 years • The sidewalk on Liberty St. adjacent to 4 WTC was opened to the public • Greenwich and Fulton West Streets were paved • Credentialing lanes in the Southbound West St. entry were placed into operation and staffed by the NYPD		• Deconstruction of the temporary PATH station • Completion of Liberty Park, around Greek church work zone • Completion of northbound West St. campus plan security guard booth • Opening of a portion of Liberty St. and West St.

CAPITAL PERFORMANCE METRICS (In millions)

GOALS	PROJECTS	PROJECT DELIVERABLES	2015 MAJOR OUTCOMES	2016 BUDGET	2016 PROJECT MILESTONES
Moving Travelers and Commuters	PATH Signal System Replacement Program	• Comply with the requirements from the Federal Railroad Administration (FRA) for Positive Train Control (PTC) • Increase capacity by 20% when fully deployed by providing for shorter headways	• Installation in Section1, Newark to Kearny, completed • Started system testing with Federal Railroad Administration participation • 198 out of 230 passenger cars are equipped with new ATC/PTC hardware	$47	• Section 1, Newark to Kearny, will be placed in service • Installation will be completed for Newark to WTC line and placed into service in 1Q 2017
	Harrison Station Renovation	• Redevelop Harrison station with platform extensions, new station entrances and protected waiting areas • Increase capacity by accommodating longer trains	• West temporary platforms completed and placed in service on both eastbound and westbound platforms • Abatement and demolition of the Benharjay buildings was started, and the demolition of buildings A and C was completed	$47	• Demolition of Benharjay Building B and site grading will be completed • NE headhouse structural steel erection will be completed, and the installation of architectural finishes will commence
	Port Authority Bus Terminal Quality of Commute Improvement Program	• Improve the passenger experience at the Bus Terminal, which serves over 65 million passenger trips a year	• Gate realignment program to improve bus on-time performance successfully completed • Upgraded customer service level by: rehabilitating 2nd Level Crossover Restrooms in addition to Lower Level South Wing Restrooms • On-time performance Bus Tracking System measures are under construction and the NY-PABT locations are expected to be completed in 4Q 2015 • Installed CCTV cameras at the top of the escalators located in each 4th floor pull through platform	$22.9 (Capital) $2.2 (Operating)	• Complete public restroom rehabilitation • Install S.W and N.W. entry/exit doors • Complete improvements for bus parking/staging in lots D & E • Complete on-time performance Bus Tracking System at NJ location in 2Q 2016 • Improve Cell Phone and Wi-Fi services by 1Q 2016
Connecting Cargo to Customers	Intermodal Rail Program	• Comprehensive rail system with on-dock intermodal facilities for all marine terminals	• Proceeded with construction at Global Terminal Bayonne with goal of completion of project by the end of 2019; final phase of ExpressRail program	$35	• Begin construction of Intermodal Container Transfer Facility (ICTF) at Global Terminal
	Port Commerce Infrastructure Program	• The Infrastructure program is intended to invest in port assets in order to reduce maintenance costs, expand capacity and improve operational efficiency, and ensure code compliance for all systems	• Continued berth reconstruction • Continued replacement of water lines at NJ Marine Terminals (NJMT), including completion of Port Newark southeast section • Upgraded sanitary lift stations • Awarded contracts for portions of Greenville Yards Redevelopment Program • Received and commissioned 3 new locomotives for NY/NJ Railroad • Obtained FEMA obligation for replacement of NYNJ Rail barge mooring cells • Implemented Radio Frequency Identification Device (RFID) system	$175	• Start construction on Greenville ICTF support track • Start Port Street Corridor improvement construction • Begin design for Public Safety space at Port Newark Administration building to replace space damaged by Hurricane Sandy • Start construction of Port Jersey mooring cells • Upgrade Port Newark/Elizabeth Marine Terminal traffic signal systems and replace system at Corbin Street rail crossing

OPERATING PERFORMANCE METRICS*

FACILITIES	PERFORMANCE MEASURE	OPERATING OBJECTIVE	2015 MAJOR OUTCOMES	2016 TARGET
Airports	Flight Delay Reduction	• Improvement of year-to-year delay statistics for all airports	• Reduced YTD operations delays from 5.3% (October 2014) to 4.8% (October 2015)	• Less than 5.3% of total operations delayed
	Customer Satisfaction	• Meet or exceed industry benchmark of 55% of highly satisfied passengers (departing and arriving) in annual customer satisfaction survey for all Port Authority airport terminals	• Departing passenger satisfaction declined from 2014 • The share of highly satisfied arriving passengers increased 6 percentage points from 2014	• Increase proportion of highly satisfied customers by at least 2 percentage points
	FAA Part 139 Compliance	• Meet Federal Aviation Administration (FAA) Federal Aviation Regulation (FAR) Part 139 requirements to meet all safety standards and maintain airports' operating certificates	• Resolved all discrepancies at or before FAA-imposed deadlines • Successfully passed Part 139 inspections	• Meet all requirements for FAA Part 139 inspections; Correct any discrepancies related to FAR Part 139 mandates by FAA imposed deadlines
TB&T	Average Crash Rate (per Million Vehicles)	• Improve safety and travel time reliability by ensuring priority crash locations are monitored and modified when feasible to mitigate and reduce crashes	• Reduced crashes by implementing mitigation strategies to improve traffic safety	• Maintain or decrease in crash rate over the previous year
PATH	Safety Training	• Operate PATH system with a high degree of safety for passengers and employees	• Completed 125% of targeted employees for mandatory safety training	• Continue to achieve 100% completion rate for mandatory safety training
	On-Time Performance at PATH	• Maintain high percentage of PATH trains operating on-time (within 3 minutes of scheduled departure/arrival time)	• 97.73 on-time performance during 24-hour periods (YTD September 2015) • 96.38% on-time performance during peak periods	• Maintain 96.00% 24-hour on-time performance • Maintain 95.00% peak period on-time-performance
	Service Reliability	• Maintain planned mean distance between failure (number of miles, on average, a PATH car travels before breakdown or failure occurs that results in delay)	• 104,900 miles (YTD September 2015)	• Maintain mean distance between failure of at least 100,000 miles
Port Commerce	Increased Intermodal Efficiency	• Increase percent of cargo moved by rail to 20% by 2020 • Improve communication with passengers to more directly solicit customer feedback	• 15.5% of port cargo moved by rail • Implemented recommendations from Port Performance Task Force including: -Creating a trucker guide book for port users -Introduce of an integrated port community system which allows for accessing all information in one website -Advancement of the "grey" chassis pool project • Implemented Radio Frequency Identification Device (RFID) system	• Move at least 16.5% of port cargo by rail • In conjunction with other Council on Port Performance (CPP) Members -Continue implementation of "grey" chassis pool concept – development of sites on or near port -Implement an appointment system to improve productivity at the ports

*Note: These selected performance measures reflect the Port Authority's ongoing efforts to enhance operational performance across all facilities.

APPENDIX 7. GLOSSARY

Allocated Expenses – Expenses allocated to various business programs, operating facilities, and capital projects of the Port Authority, using labor as the basis for allocation, for the provision of centralized general management and administrative services and/or general services applicable to Port District development activities.

Budget – A formal financial estimate of expected revenues and expenditures setting forth the Port Authority's financial operations for a calendar year in a form compatible with the Port Authority's accounting system.The estimate is prepared by all departments and approved by the Board of Commissioners. It serves as the basis for producing the Financial Plan and becomes a means of achieving systematic review of program expenditures to ensure that they are made in accordance with the policies and financial decisions of the Board and the By-Laws of the Port Authority.

Capital Expenditures – Expenditures for projects that benefit future accounting periods and are expected to prolong the service lives of assets beyond the originally assigned life or result in a better or more efficient asset. Capital expenses are broken down into six categories that reflect the policy goals of the Agency:

Mandatory (MAND) – Projects required by law, governmental rule or regulation, or by a rule or policy of the Board of Commissioners.

Regional Projects (SRP) – Projects undertaken by the Port Authority which advance the objectives of the Port Authority but, unlike other Port Authority projects which are typically confined to a specific Port Authority operated facilities, are not operated by the Port Authority. They are generally initiated at the request of one of the two States.

Revenue Producing Projects (RPP) – Projects which provide system enhancements, improved customer service levels, and/or regional benefits, and which yield a positive financial return to the Port Authority on its invested capital.

Security (SEC) – Projects that are necessary to meet the Agency's Security Plan. The Chief Security Office has reviewed the scope of the projects for consistency with Agency security goals.

State of Good Repair (SGR) – Projects that are necessary to maintain the continued functioning of a Port Authority assets consistent with the Agency's business objectives, especially those necessary to maintain critical structural integrity and operational capability of facilities.

System Enhancing Projects (SEP) – Projects that provide system enhancements, improved customer service levels, and/or regional benefits but do not yield a positive financial return to the Port Authority.

Capital Plan – Reflects the current assessment of the potential need for capital expenditures for the modernization, renovation, rehabilitation, expansion or acquisition of existing and additional facilities in order to continue to maintain appropriate levels of service.

Commercial Paper (CP) – Short-term obligations authorized to be issued to provide interim financing for the payment of capital expenditures in connection with the facilities of the Port Authority or to refund prior obligations.

Consolidated Bonds – A form of long-term debt issued pursuant to the Consolidated Bond Resolution of 1952 and subsequent resolutions.

Consolidated Bond Reserve Fund – A special fund created by Section 7 of the Consolidated Bond Resolution. The balance remaining of all net revenues of the Port Authority's existing facilities after deducting payments for debt service upon all Consolidated Bonds and Notes and the amount necessary to maintain the General Reserve Fund at its statutorily required amount, is to be paid into the Consolidated Bond Reserve Fund, which is pledged as additional security for all outstanding Consolidated Bonds and Notes. Consolidated Bonds and Notes have a first lien upon the net revenues (as defined in the Consolidated Bond Resolution) of all existing facilities of the Port Authority and any additional facility financed by Consolidated Bonds.

Debt Service – Represents interest payments, accruals, and mandatory and accelerated amortization (by sinking fund payments, serial maturities, bank loan payments, etc.), on outstanding debt charged to the operating and reserve funds.

Deferred Expenses – Includes the purchase of ancillary equipment utilized at PA facilities and corporate information technology components. These deferred expenses are amortized over the expected period of beneficial use.

Development Expenses – Represents those general expenses of the Port Authority for the development of the Port District. Expenses include certain studies and initiatives.

Direct Investment in Facilities – Represents application of monies in the Consolidated Bond Reserve Fund to the Capital Fund, subject to statutory, contractual, and other commitments and financial policies of the Port Authority in addition to other capital funds carried forward and the proceeds of Port Authority obligations to be issued.

Direct Prorated Expenses – Centralized line department, operations and maintenance services, and engineering general expenses that are prorated directly to individual operating facilities and business programs based on their prorated share of direct labor costs.

EBIDA – Earnings before Interest, Depreciation, and Amortization.

Facility – A location classification defining a complete and self-contained unit operated by the Port Authority.

Fund Balance – Represents the balance of cash and certain specified securities, some of which are required by Port Authority Statutes.

Fund for Regional Development Buy-Out Obligations – Represents the annual implicit interest cost (8.25%) contained in the present value of amounts due to the States of New York and New Jersey upon the termination, in 1990, of the Fund for Regional Development.

General Reserve Fund – A special fund established pursuant to Chapter 5 of the Laws of New Jersey of 1931 and Chapter 48 of the Laws of New York of 1931, as amended and supplemented. Under the statutes authorizing the pledge of the General Reserve Fund, the Port Authority may raise monies to finance or refinance any of its present facilities by the issue and sale of bonds legal for investment. Additional terminal or transportation facilities may also be financed this way. Surplus revenues from facilities are required to be pooled by the Port Authority and applied to the maintenance of a General Reserve Fund in an amount equal to at least 10% of the par value of all such outstanding bonds legal for investment, as so defined.

Gross Operating Revenues – Revenues from rentals, tolls, fares, aviation fees and other charges derived in connection with the use of and privileges granted at Port Authority facilities before the deduction of operating expenses.

Net Operating Revenues – Gross operating revenues less operating expenses and amounts in connection with operating asset obligations, adjusted by net recoverable/expense amounts related to the events of September 11, 2001.

Operating Asset Financing – Interest expense associated with the funding of operating assets such as the **Fund Buy-Out,** where the Port Authority assumed the assets and liabilities of the former Fund for Regional Development, which had been established to sub-lease World Trade Center space previously held by the State of New York; and **Equipment Notes**, which are obligations that are authorized to be issued to facilitate the purchase of operating equipment such as automotive vehicles, telephones, radios, computer equipment and office furnishings.

Operating Expenses – Expenses incurred in connection with the operation, maintenance, security, repair and administration of Port Authority facilities and business programs, including direct prorated, and allocated expenses.

Passenger Facility Charges (PFC) – Pursuant to the Federal Aviation Safety and Capacity Expansion Act of 1990, the Port Authority has been authorized to impose a PFC on passengers utilizing its airports. PFC collections are restricted to projects undertaken with the prior approval of the FAA.

Port Authority Equipment Notes (PAEN) – Obligations authorized to be issued for purposes of payment for expenditures in connection with the facilities of the Port Authority or to refund prior obligations. PAEN carry variable interest rates set by a remarketing agent and are subject to prepayment at the option of the Port Authority or upon demand of the holders.

Special Project Bonds (SPB) – Limited obligations issued for the purpose of providing specific projects for a lessee or to refund prior obligations. SPBs are secured solely by a pledge of facility rental derived by the Port Authority under a lease with the lessee. Neither the full faith and credit of the Port Authority nor any of its revenues, assets or reserve funds are pledged for the payment of debt service on the bonds.

Sources of Funds – Gross operating revenues generated by Port Authority facilities, in addition to monies generated from the issuance of bonds, notes and other obligations, receipt of grants, insurance proceeds, earned income on investments and money drawn down from reserve funds, as well as the collection of Airport Passenger Facility charges. A balanced budget is achieved when the Sources of Funds is equal to the planned spending or Uses of Funds for the fiscal year.

Times Debt Service Earned – The relationship of net revenues available for debt service and reserves to the total obligatory bonded debt service. In this context, "total obligatory bonded debt service" excludes Fund for Regional Development buyout principal and interest expense, debt service on Special Project Bonds, operating equipment lease financing obligations and any PFC backed debt associated with investment in use.

Uses of Funds – The cost of operating expenses, capital expenditures, debt service on outstanding bonds, notes and others obligations, and other expenditures that are deferred and amortized in future periods. When the Uses of Funds is equal to revenues generated by the Sources of Funds, the budget is balanced.

Variable Rate Master Notes (VRMN) – Obligations authorized to be issued for purposes of payment for capital expenditures in connection with the facilities of the Port Authority or to refund prior obligations. VRMN carry variable interest rates in accordance with specified indices and are subject to prepayment at the option of the Port Authority or upon demand of the holders.

Versatile Structure Obligations (VSO) – Obligations authorized to be issued for purposes of payment for capital expenditures in connection with the facilities of the Port Authority or to refund prior obligations. VSO carry variable interest rates set by a remarketing agent and are subject to prepayment at the option of the Port Authority or upon demand of the holders.

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