

# ***Comprehensive Review of Agency Non-Core/Mission Critical Assets***

Committee on Operations

April 26, 2012

## ***Governors' Direction – Comprehensive Audit***

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- August 2011 – Governors direct Commissioners to commence a comprehensive audit of Port Authority
- Special Committee of Board Established
  - Retention of Navigant
- February 2011 – Navigant Issues Phase I Report

## *Next Step*

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- Undertake review of all real estate and other non-core/mission critical assets
  - Teleport
  - Newark Legal and Communications Center
- Restructured Agreement for Essex County Resource Recovery Facility to Eliminate Port Authority's Financial Obligations

## Teleport

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- 1980 – Board authorized a study to review feasibility of establishing a major communications center – Teleport
- June 1983 – Board certified as additional facility of the PA and authorized issuance of Consolidated Bonds for capital investments in facility
- Under lease to the PA from the City of New York since 1984 through 2024
  - 4 Major Tenants – *Corporate Commons, Merrill Lynch, Telehouse International Corp of America and Teleport Communications Group (AT&T)*
- \$76,802,000 Cumulative Capital Investment to date
- Additional Capital Investment Required - 2013-2015 - \$6.8 million
- Net Loss of \$2,204,000 in 2011
- Net Loss of \$1,266,000 in 2010

## ***Newark Legal and Communications Center***

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- October 1984 – Board certified as an additional facility of the Port Authority and authorized issuance of Consolidated Bonds for capital investments in facility
- 1988 – Newark Legal and Communications Center Urban Renewal Corporation formed to effectuate the construction of a 360,000 square foot office building -- the Newark Legal and Communications Center
- December 2001 – Net Lease with Matrix One Riverfront Plaza LLC  
*(50-year term with 4, 10-year renewal options)*
- \$97,255,000 Cumulative Capital Investment to date
- Net Loss of \$1,958,000 in 2011
- Net Loss of \$4,228,000 in 2010



## *Requested Authorization*

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- Authorize the Review of all Real Estate and Non-Core/Mission Critical Assets commencing with:
  - Teleport, Staten Island, New York
  - Newark Legal and Communications Center, Newark, NJ
  - Future non-core/mission critical assets to be identified