

The Port Authority of New York and New Jersey



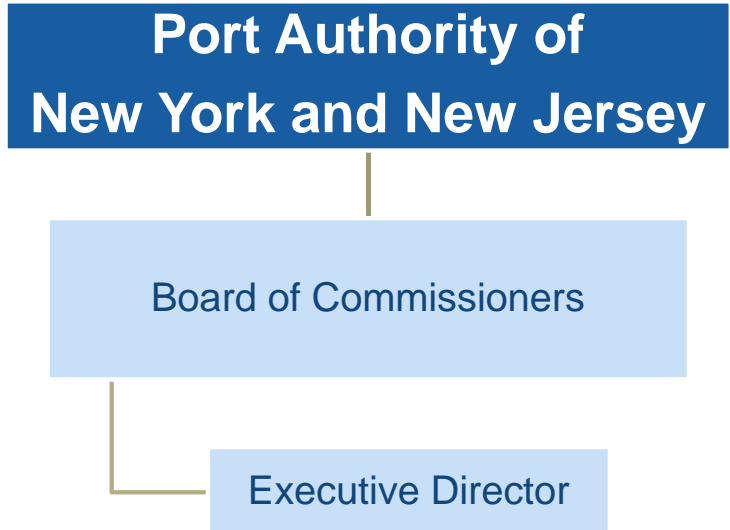
JP Morgan Public Finance Transportation & Utility Investor Forum

March 17, 2017

THE PORT AUTHORITY OF NY & NJ

Port Authority is Approaching its 96th Anniversary

- Established in 1921 by the States of New York and New Jersey, with the consent of U.S. Congress
- Mandate to provide transportation, terminal and other facilities of commerce within the Port District - 1,500 square miles in New York and New Jersey, centering around the New York Harbor
- PA stands on its own – operationally and financially



PANYNJ Assets Provide a Diverse and Stable Revenue Base



Airports

Marine Ports

Tunnels, Bridges & Bus Stations

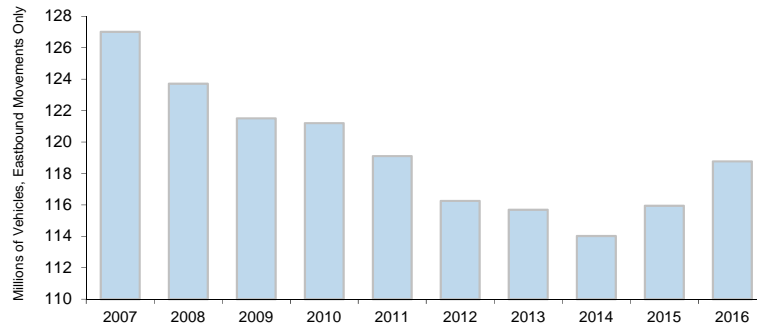
Trans-Hudson Rail System (PATH)

World Trade Center

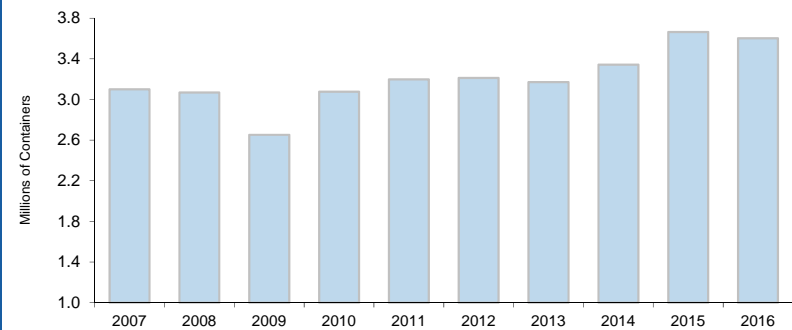
Other real estate/economic development properties

Demand Across all PANYNJ Facilities is Robust

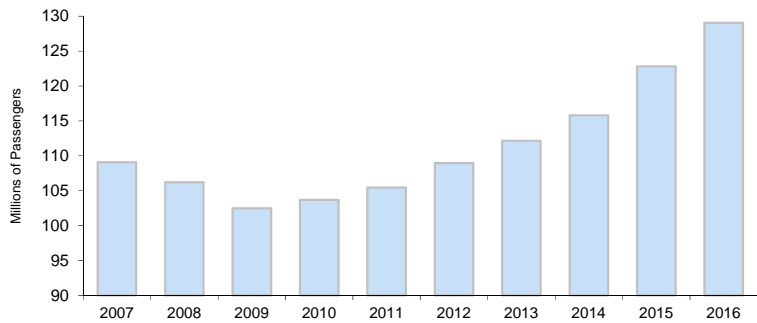
Vehicular Traffic Volume at Port Authority Crossings (1)
(Millions of Vehicles)



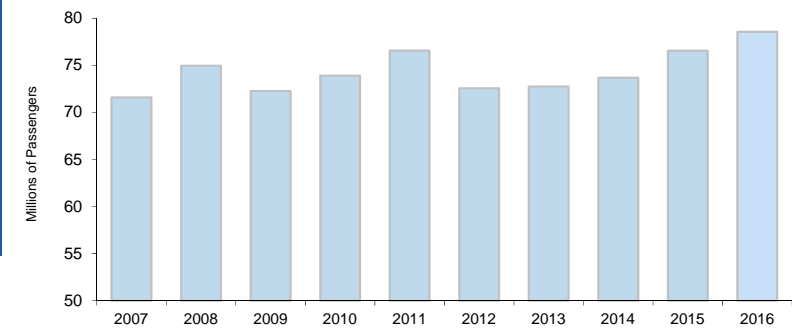
Containers at Port Authority Marine Terminals
(Millions of Containers)



Number of Passengers at Port Authority Airports
(Millions of Passengers – Newark Liberty, JFK and LaGuardia)



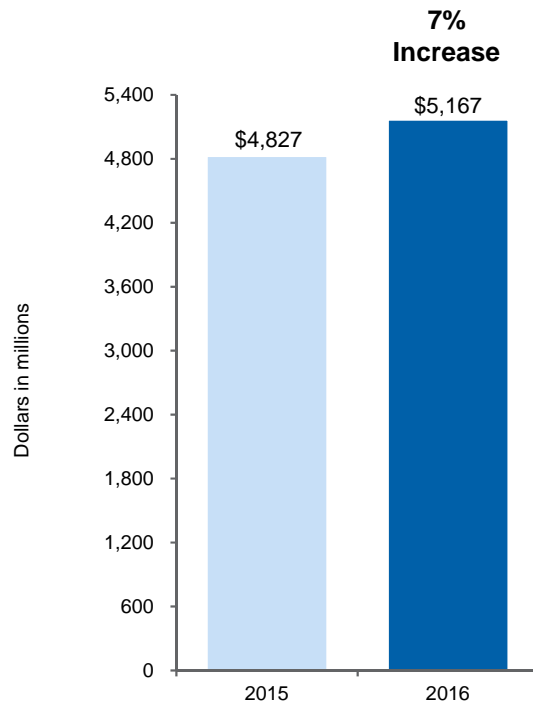
Number of Passengers at PATH Stations
(Millions of Passengers)



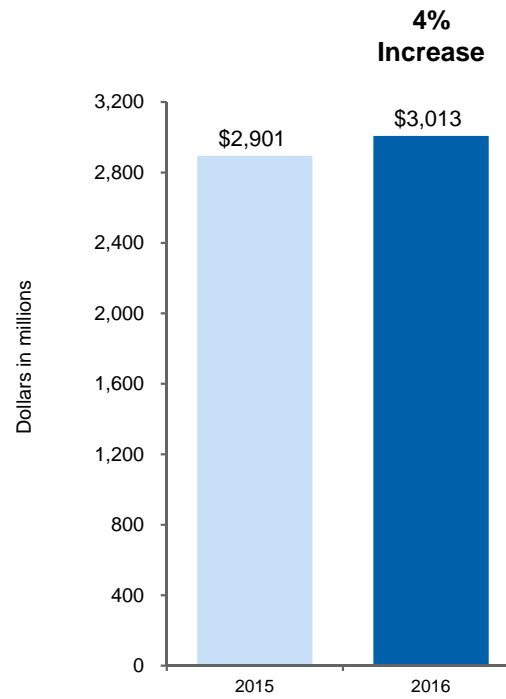
(1) Eastbound movements only. Total vehicular usage at all Port Authority crossings is approximately twice that shown for each year.

PANYNJ 2016 Financial Results Very Strong

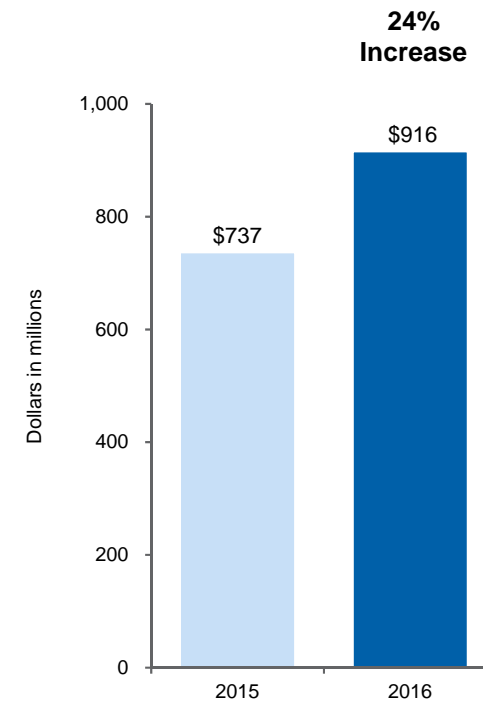
Gross Operating Revenues



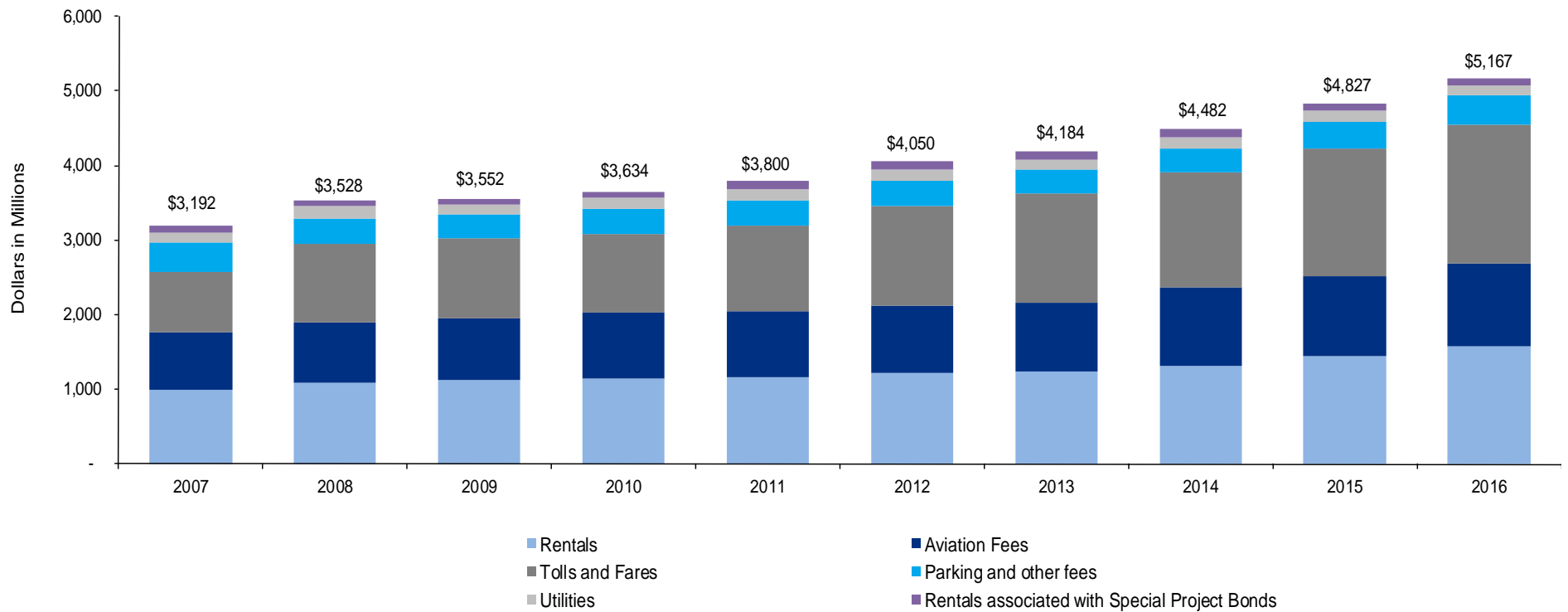
Operating Expenses



Income from Operations



Diverse Revenue Sources Demonstrate Continued Growth



Year-ended December 31, 2016: Overall Solid Performance

Operating Income



Non-Operating Activities



Increase in Net Position

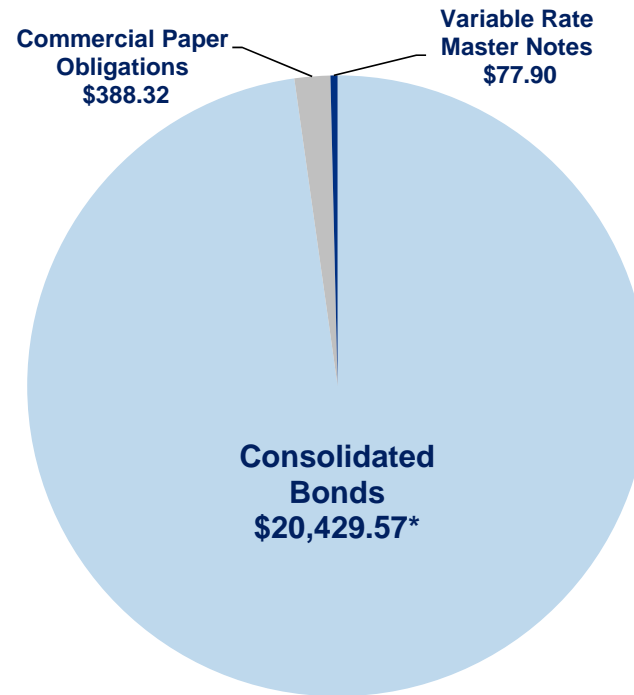


Port Authority Outstanding Debt Summary

Consolidated Bonds are the Port Authority's primary financing instrument

Consolidated Bonds have a first lien upon Port Authority net revenues

Principal Amounts of Certain Port Authority Obligations Outstanding as of December 31, 2016
(Dollars in Millions)



* Includes \$394.6 million of bonds to be refunded in 2017 with proceeds on hand generated from the sale of bonds in October 2015

Port Authority Capital Plan 2017-2026



Guiding Principles in Developing the Plan

The plan adheres to three guiding principles:

To apply the agency's financial capacity and full resources toward modernizing and expanding the region's aging airports, seaports, mass transit facilities, and other vital trans-Hudson transportation assets

To continue serving our customers efficiently, focusing on maintaining our facilities in a state of good repair, while ensuring safety, security and resiliency

To allocate the agency's affordable capital to its highest priority needs in a fiscally responsible manner so as to achieve a financially balanced plan

This foundation for the future is built on our four (4) main funding priorities and objectives: **Renew**, **Expand and Connect**, **Partner** and **Deliver**

A Comprehensive Budget and Capital Planning Process was used

Annual assessment of various factors impacting the Port Authority

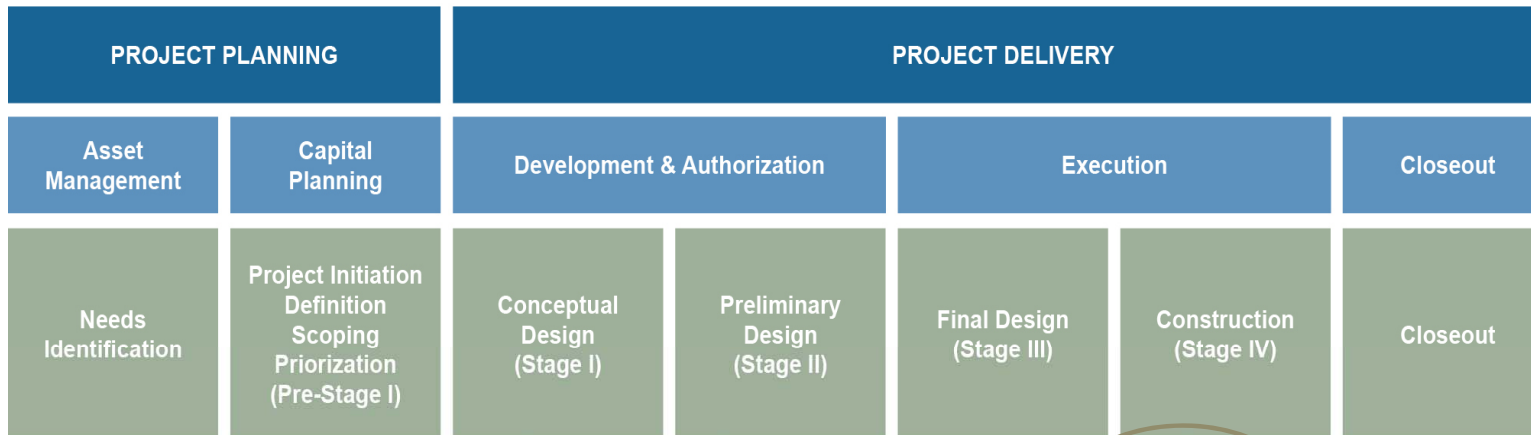
- Contractual, municipal lease and other relationships
- Operational requirements for facilities
- Regional needs, customer demands and industry trends for each line of business



Integrated Financial Model

- Used to determine the capital capacity for the 10-year period
- Capacity is calculated based on statutory requirements, bond covenants and internal policy ratios
- Capacity is then allocated to the various projects under consideration using a comprehensive risk based approach

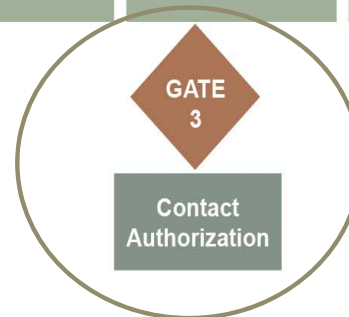
A Rigorous Gates Process will be used to Manage the Plan



Planning Authorization



Project Authorization



Contact Authorization

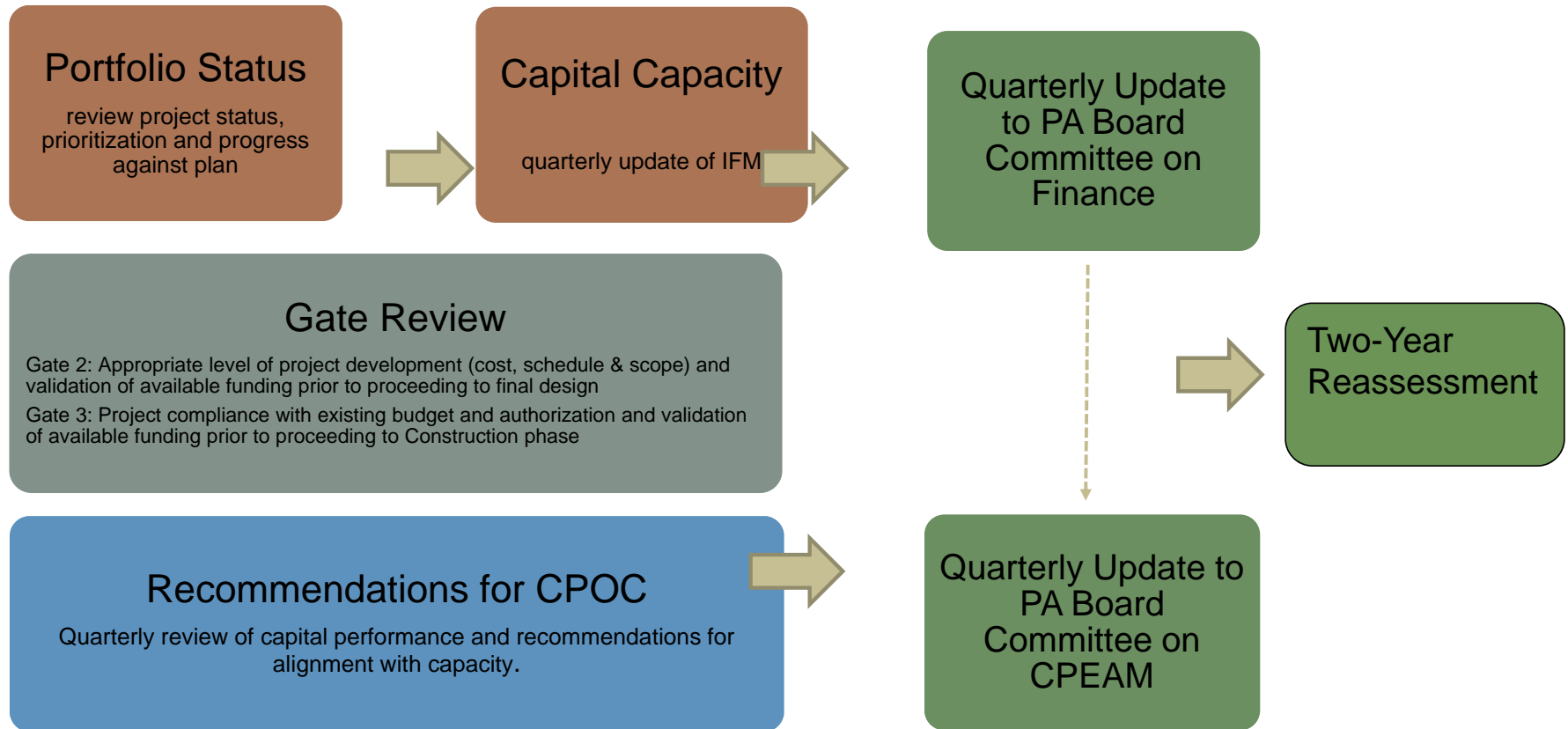
CRITICAL GATE THAT WILL DETERMINE WHETHER A PROJECT CAN PROCEED TO CONSTRUCTION OR NOT

Gate 1 ensures: Proper Project definition, scoping and prioritization

Gate 2 ensures: Appropriate level of Project Development (cost, schedule and scope).
Validation of available capacity prior to proceeding to Final Design

Gate 3 ensures: Project Compliance with existing budget & authorization
Validation of available capacity prior to proceeding to Construction

Monitoring and Delivering the Plan



CPEAM: Capital Planning, Execution, and Asset Management
CPOC: Capital Planning Oversight Committee

Spending in 2017-2026 Capital Plan of \$32.2 billion includes:

(\$ in Billions)



* Includes PA support of the Gateway Development Program

Projected Sources for the Capital Plan

Proposed Capital Program – Direct Port Authority Spending	\$29,500
Port Authority Support of the Gateway Program	2,700
Total Proposed Capital Program	\$32,200
Currently Projected Sources	
Consolidated Bond Proceeds	\$11,275
Pay-as-you-go Capital Investment	11,315
Other Special Obligations	2,700
Federal Funding for Storm recovery and resilience	1,600
Passenger Facility Charges – Aviation	2,800
Other currently awarded federal grants	530
New federal grants or other third party funding	1,730
Non-core real estate asset sales or net-leases	250
Total Funds Projected to be Available	\$32,200

Highlights of the 2017-2026 \$32.2 billion of investments in infrastructure and assets critical to the region include:



Aviation: \$11.6B

- LGA redevelopment
- LGA AirTrain system
- EWR Terminal A
- JFK runway & taxiway rehabilitations

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TB&T: \$10B

- Bus Terminal replacement
- Goethals Bridge
- Bayonne Bridge navigational clearance
- GWB restoration program
- Lincoln Tunnel Helix replacement
- Planning Outerbridge Crossing replacement



PATH: \$4.4B

- PATH Forward program
- Signal system upgrade
- PATH extension to EWR
- PATH fleet expansion
- Harrison Station redevelopment



Port: \$1.1B

- Port Street Corridor
- Greenville Yard Intermodal container



WTC: \$1.8B

- Completion of:
 - site-wide infrastructure
 - Transportation Hub
 - Retail complex

Port Authority Support of the Gateway Program

Gateway Program Development Corporation

- Expected to borrow a low interest federal loan (RRIF) to fund project construction of Phase 1 of the Gateway Program

Port Authority

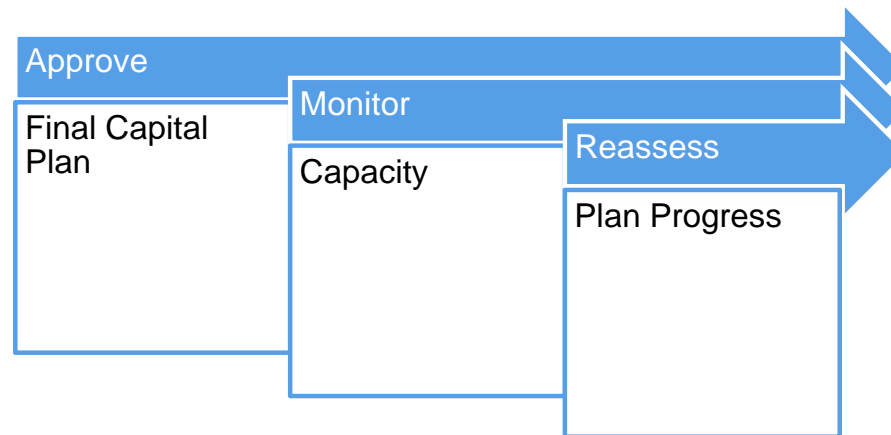
- Provide annual funding to GDC to pay the debt service on up to **\$2.7 billion** of the loan GDC is expected to borrow

Other Considerations

- PA commitment capped at \$2.7 billion
- PA will not be the primary obligor
- PA will not be liable for any construction completion, cost overrun or project funding risk
- Payments to GDC subordinated to Consolidated Bond obligations
- PA commitment is subject to the Gates process

Capital Plan Summary

- Capital Plan is financially and fiscally balanced
- Projections reflect conservative assumptions regarding current rates, charges and other sources of funding
- Board is committed to maintaining a balanced plan
- Plan is a blue print that will be monitored rigorously and modified over time to reflect then current circumstances, priorities and financial capacity



In Conclusion...

