

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
MEETING OF THE BOARD OF COMMISSIONERS AND BOARD COMMITTEE
MEETINGS – THURSDAY, APRIL 28, 2016

The following is the agenda and related materials as of Friday, April 22, for the April 28, 2016 Meetings of the Board of Commissioners and Board Committees of The Port Authority of New York and New Jersey and its subsidiaries to be held at 4 World Trade Center, 150 Greenwich, NY, NY 10007.

Meeting attendees are required to go through a security screening upon entering the building. Attendees are encouraged to arrive early. Security screening will begin at 10:00 a.m.

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

Committee on Finance

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

World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee will meet in executive session to discuss matters involving ongoing negotiations or reviews of contracts or proposals.

All Commissioners

The Board of Commissioners will also meet in executive session prior to the public meetings to discuss matters related to personnel and personnel procedures, and to discuss and act upon matters related to proposed, pending, or current litigation or judicial or administrative proceedings and matters involving ongoing negotiations or reviews of contracts or proposals.

Public Session Committee Meetings – 11:00 a.m. (Board Room)

Committee on Finance

- ◆ Quarterly Financial Results Libby McCarthy

Committee on Capital Planning, Execution and Asset Management

- ◆ Quarterly Capital Results Michael Massiah

Committee on Governance and Ethics

- ◆ Access to Port Authority Records – Enhanced Transparency and Efficiency – Port Authority Public Records Access Policy and Access to Personal Information Policy Richard Holwell

Board Meeting – 11:30 a.m. (estimated) (Board Room)

- ◆ Report of Executive Director
- ◆ Report of Minimum Wage Policy Working Group
- ◆ Speakers Program*
- ◆ Resolution Approvals

Patrick Foye
Raymond Pocino

For more information, contact the Office of the Secretary at (212) 435-6682 or (212) 435-3712.

Media Only: (212) 435-7777

SUBJECT TO CHANGE

* Members of the public wishing to address the Board on Port Authority-related matters may do so at its public Board Meeting. Individuals who wish to address the Board at its public Board Meeting should register by completing and submitting a registration form, which is located in the Speakers Registration section of the Port Authority Website, by 9:30 a.m. on Thursday, April 28, 2016. Speakers are limited to three minutes each, and speaking time may not be transferred. The use of audio visual equipment is not permitted. The public comment period may be limited to 30 minutes. Appropriate photo identification is required.

Summaries of Proposed Actions and form of Proposed Resolutions to be Considered by the Board (or Committee) at the April 28, 2016 Meeting*

1. Access to Port Authority Records – Enhanced Transparency and Efficiency - Port Authority Public Records Access Policy
2. Access to Port Authority Records – Enhanced Transparency and Efficiency – Access to Personal Information Policy
3. John F. Kennedy International Airport – American Airlines, Inc. - Terminal 8 – Lease AYB-085R – Consent to Refinancing of Bonds and Lease Supplement
4. Purchase of Property Damage and Loss of Revenue Insurance, Including Terrorism Coverage (To be considered by Committee on Finance)

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

(Board – 4/28/16)

1. Access to Port Authority Records – Enhanced Transparency and Efficiency – Port Authority Public Records Access Policy

Request:

- *This item authorizes a Port Authority Public Records Access Policy in compliance with Chapter 12 of the Laws of New York of 2015 and Chapter 64 of the Laws of New Jersey of 2015, and in furtherance of the Port Authority’s commitment to enhance the openness and transparency of the agency through the provision of timely access to its public records.*

ACCESS TO PORT AUTHORITY RECORDS – ENHANCED TRANSPARENCY AND EFFICIENCY - PORT AUTHORITY PUBLIC RECORDS ACCESS POLICY

In compliance with Chapter 12 of the Laws of New York of 2015 and Chapter 64 of the Laws of New Jersey of 2015, and in furtherance of the Port Authority’s commitment to enhance the openness and transparency of the agency through the provision of timely access to the public records of the Port Authority and its component units, today the Board adopts the following Port Authority Public Records Access Policy. This Policy will provide residents of the States of New York and New Jersey, and other members of the public, with an equal right of access to records of the Port Authority, in accordance with applicable law in the two States.

RESOLVED, that any “record” of the Port Authority shall be disclosed to the public, unless it is exempt from disclosure under both the New York Freedom of Information Law and the New Jersey Open Public Records Act; and it is further

RESOLVED, that any information kept, held, filed, produced or reproduced by, with or for the Port Authority, in any physical form whatsoever, including, but not limited to, any paper, written or printed book, document, report, statement, examination, memorandum, opinion, folder, file, manual, pamphlet, form, design, drawing, map, plan, photograph, letter, microfilm, computer tape or disc, rule, regulation or code, data-processed or image-processed document, information stored or maintained electronically or by sound-recording or in a similar device, or any copy thereof, shall be a “record” of the Port Authority; and it is further

RESOLVED, that there shall be within the Port Authority a Freedom of Information Appeal Office (“Appeal Office”), with such powers and duties as provided herein and directed by such officer or officers as appointed by the Executive Director, or his successor in office or duties, from time to time; provided that neither the Secretary of the Port Authority nor any member of the Office of the Secretary may be so appointed; and it is further

RESOLVED, that except for the duties and responsibilities of the Appeal Office as provided herein, the Secretary of the Port Authority (or designee(s)) shall administer this Port Authority Public Records Access Policy pursuant to the following procedures, which meet or exceed the procedures applicable under the New York Freedom of Information Law and the New Jersey Open Public Records Act:

PUBLIC RECORDS ACCESS POLICY

Section 1: Designation of Records Access Officer and Custodian of Government Records

The Secretary of the Port Authority is hereby designated as the Records Access Officer, as defined in Section 1401.2 of Title 21 of New York Complied Rules and Regulations, and the Custodian of Government Records, as defined in Section 47:1A-1.1 of Title 47 of the New Jersey Statutes.

Section 2: Access to Public Records

The Secretary shall ensure that:

(a) A subject matter list of Port Authority records is maintained, which shall be sufficiently detailed and updated annually to permit identification of the category of any record requested, and shall also maintain a list of records which shall be made immediately available in accordance with law;

(b) Certain public records are made available for public inspection and copying during regular business hours at designated location(s) and times, and provide notice of such availability on the Port Authority website and through any other appropriate means;

(c) Assistance is provided to persons seeking records to identify and reasonably describe the records sought, if necessary, and when appropriate, indicate the manner in which the records sought are filed or retrieved;

(d) Persons seeking records are contacted when a request is voluminous or when locating the records involves substantial effort, so that Port Authority staff may ascertain the nature of records of primary interest and attempt to reasonably reduce the volume of records requested; and

(e) The Port Authority maintains record request form(s) and public notices consistent with Chapter 12 of the Laws of New York of 2015 and Chapter 64 of the Laws of New Jersey of 2015.

Section 3: Location and Hours for Requests for Inspection

Requests for in-person inspection or copying of records may be made to the Secretary of the Port Authority (or designee(s)) in writing, and may be submitted in person, during regular business hours at the Port Authority's main office, at 4 World Trade Center, 150 Greenwich Street, New York, New York 10007.

Section 4: Requests for Public Access to Records

(a) Whether made in person or as provided below, requests for records must contain sufficient information to enable the Port Authority to identify and locate the particular records sought. Such requests must not be overly broad and must be as detailed as possible and provide, at a minimum, a clear description of the record or type of record being sought.

(b) Requests for inspection or copying of records should be made to the Secretary of the Port Authority (or designee(s)) and may be made in writing and submitted:

(1) by postal or private delivery, addressed to the Secretary, The Port Authority of New York and New Jersey, at the Port Authority's main office, 4 World Trade Center, 150 Greenwich Street, New York, New York 10007, Attention: FOI Administrator;

(2) by facsimile, addressed to the Secretary, The Port Authority of New York and New Jersey, at the Port Authority's main office at 4 World Trade Center, 150 Greenwich Street, New York, New York 10007, Attention: FOI Administrator, at the telephone extension designated for this purpose, which shall be posted on the Port Authority's website; or

(3) by electronic means, such as electronic mail ("e-mail") addressed to the Secretary, The Port Authority of New York and New Jersey, Attention: FOI Administrator, at the e-mail address designated for this purpose, which shall be posted on the Port Authority's website, or through the Port Authority's website.

Section 5: Agency Response

(a) Upon locating any records responsive to the request, the Secretary (or designee(s)) shall take one of the following actions:

(1) Make a copy of any public record available upon payment or offer to pay established fees;

(2) Permit the requester to copy any public record; or

(3) Upon identifying responsive Port Authority records that fit in at least one exclusion and/or exemption category in the New York Freedom of Information Law and at least one exclusion and/or exemption category in the New Jersey Open Public Records Act, deny access to such records, in whole or in part, and explain in writing the reasons therefor.

(b) Except those records that shall be made immediately available, a response to a request for records shall be given within five business days of receipt of a request by:

(1) Granting or denying access to records, in whole or in part, pursuant to this Policy; or

(2) Informing the requester that the request or portion of the request does not reasonably describe or identify the records sought and including direction, to the extent possible, that would enable that person to reasonably describe requested records;

(3) Acknowledging the receipt of a request in writing, including when the request will be granted or denied, in whole or in part, which date shall be reasonable under the circumstances of the request. If the Secretary determines to grant a request in whole or in part, and if circumstances prevent disclosure to the person requesting the record or records within twenty business days from the date of the acknowledgement of the receipt of the request, the agency shall state, in writing, both the reason for the inability to grant the request within twenty business days and a date certain within a reasonable period, depending on the circumstances, when the request will be granted in whole or in part.

(c) In determining a reasonable time for granting or denying a request under the circumstances of a request pursuant to subsection (b)(3) above, the Secretary (or designee(s)) shall consider: the volume of the request; the ease or difficulty in locating or retrieving records; the complexity of the request; the need to review records to determine the extent to which they must be disclosed; the number of requests received by the agency; whether the request is for records to which immediate access shall be ordinarily granted by law; and similar factors that bear on the ability to grant access to records promptly and within a reasonable time.

(d) A failure to comply with the time limitations described herein shall constitute a denial of a request, except that the Port Authority's communication regarding an estimated fee, required to be paid before access is provided, within such time limitations, shall not be considered a denial.

Section 6: Appeal

(a) Any denial of a request for access to records by the Secretary (or designee(s)) may be appealed by the requester to the Appeal Office within thirty days of a denial.

(b) Pursuant to the New York Freedom of Information Law, a requester must first exhaust the appeals process under this Section before the requester may bring a proceeding for review of any denial of a request for access to records in the courts of the State of New York, in accordance with New York Public Officers Law Section 89(4)(b).

(c) Pursuant to the New Jersey Open Public Records Act, a requester may institute a proceeding to challenge the denial of a request for access to records by the Secretary (or designees), by filing an action in New Jersey Superior Court or a complaint with the Government Records Council, as set forth in Section 47:1A-6 of Title 47 of the New Jersey Statutes, without first filing an appeal under this Section. If, however, such person elects to file an appeal under this Section in lieu of first proceeding by filing an

action in New Jersey Superior Court or a complaint with the Government Records Council, as set forth in Section 47:1A-6 of Title 47 of the New Jersey Statutes, the limitations period applicable to any claim under Section 47:1A-6 arising out of a denial of a request for access to records shall be tolled and suspended until such time as the appeal is denied.

(d) The time for deciding an appeal by the Appeal Office shall commence upon receipt of a written appeal identifying:

- (1) the date and location of requests for records; and
- (2) a description, to the extent possible, of the records that were denied;

(e) A failure to determine an appeal within ten business days of its receipt by granting access to the records sought or fully explaining the reasons for further denial in writing shall constitute a denial of the appeal.

(f) The Secretary of the Port Authority (or designee(s)) shall notify the Chairman of the Committee on Governance and Ethics of the Port Authority Board of Commissioners when any proceeding is commenced in the Courts of New York, Courts of New Jersey or the Government Records Council seeking review of a denial of a request for access to records.

(g) This Section shall not be construed to affect any right of any requester at law.

Section 7: Fees

(a) The Secretary may determine whether, and in what amount, fees may be charged for the fulfillment of requests for access to records.

(b) Any fee schedule used by the Secretary shall be posted on the Port Authority's website, and the Secretary shall be responsible for maintaining it in updated form.

(c) For any fee that is calculated, in whole or in part based on the agency's actual cost in searching for and producing copies of records, the Secretary (or designee(s)) shall perform and document such calculation.

(d) The Secretary may require payment of any fee charged under this Section 7 before access to records is granted.

(e) For any fee charged under this Section 7, the Secretary (or designee(s)) shall inform the requester of the estimated fee before the charge is incurred.

Section 8: Intent

This Public Records Access Policy is intended to comply with both the New York Freedom of Information Law and the New Jersey Open Public Records Act. To the extent any person who makes a request for records contends that the Policy is in any way inconsistent with the New York Freedom of Information Law or the New Jersey Open Public Records Act, the Policy shall be interpreted in a way that renders it consistent with those laws.

; and it is further,

RESOLVED, that the Resolution adopted on October 22, 2014, entitled “Access to Port Authority Records – Enhanced Transparency and Efficiency – Revised Freedom of Information Policy” shall be, and hereby it is, rescinded.

(Board – 4/28/16)

2. Access to Port Authority Records – Enhanced Transparency and Efficiency – Access to Personal Information Policy

Request:

- *This item authorizes a Port Authority Access to Personal Information Policy in compliance with Chapter 12 of the Laws of New York of 2015 and Chapter 64 of the Laws of New Jersey of 2015, which references Article 6-A of the Public Officers Law of the State of New York, known as the Personal Privacy Protection Law, and in furtherance of the Port Authority’s commitment to enhance the openness and transparency of the agency through the provision of timely access to its public records.*

ACCESS TO PORT AUTHORITY RECORDS – ENHANCED TRANSPARENCY AND EFFICIENCY – ACCESS TO PERSONAL INFORMATION POLICY

In accordance with Chapter 12 of the Laws of New York of 2015 and Chapter 64 of the Laws of New Jersey of 2015, which reference Article 6-A of the Public Officers Law of the State of New York, known as the Personal Privacy Protection Law, and in furtherance of the Port Authority’s commitment to enhance the openness and transparency of the agency through the provision of timely access to the public records of the Port Authority and its component units, today the Board adopts the following Access to Personal Information Policy. This Policy will provide residents of the States of New York and New Jersey, and other members of the public, with an equal right of access to their personal information kept by the Port Authority in accordance with applicable law in the two States. An individual whose personal information is in the Port Authority’s possession should generally have access to such information, as well as the ability to seek amendment or correction to such information in accordance with this Policy; therefore, it is:

RESOLVED, that any “record” requested by any natural person about whom personal information has been collected by the Port Authority, defined as the “data subject,” shall be made available to such person in accordance with this Policy; and it is further

RESOLVED, that except for the duties and responsibilities of the Appeal Office as provided herein, the Secretary of the Port Authority (or designee(s)) shall administer this Port Authority Public Access to Personal Information Policy pursuant to the following procedures which are in compliance with Chapter 12 of the Laws of New York of 2015 and Chapter 64 of the Laws of New Jersey of 2015:

PORT AUTHORITY ACCESS TO PERSONAL INFORMATION POLICY

Section 1: Designation of Administrator for Access to Personal Information

(a) The Secretary of the Port Authority is responsible for ensuring compliance with this Policy, and for coordinating the Port Authority's response to requests for records or amendments of records thereunder.

(b) Any correspondence pertaining to this policy may be addressed to Port Authority, Office of the Secretary, at the main office of the Port Authority, at 4 World Trade Center, 150 Greenwich Street, New York, New York 10007.

Section 2: Access to Personal Information

(a) The Secretary (or designee(s)) shall be responsible for:

(1) assisting a data subject in identifying and requesting personal information, if necessary;

(2) describing the contents of systems of records orally or in writing, in order to enable a data subject to learn whether a system of records includes a record or personal information identifiable to a data subject requesting such record or personal information;

(3) taking one of the following actions upon locating the record sought:

(i) make the record available for inspection, in a printed form without codes or symbols, unless an accompanying document explaining such codes or symbols is also provided;

(ii) permit the data subject to copy the record; or

(iii) deny access to the record, in whole or in part, and explain in writing the reasons therefor;

(4) making a copy available, upon request, upon payment of, or offer to pay, established fees, if any, or permitting the data subject to copy the records;

(5) upon request, certifying that a copy of a record is a true copy; or

(6) certifying, upon request, that:

(i) the Port Authority does not have possession of the record sought;

(ii) the Port Authority cannot locate the record sought after having made a diligent search; or

(iii) the information sought cannot be retrieved by use of the description thereof, or by use of the name or other identifier of the data subject without extraordinary search methods being employed by the Port Authority.

Section 3: Location and Hours for Requests for Inspection

Requests for in-person inspection or copying of records may be made to the Secretary of the Port Authority in writing, and may be submitted in person, during regular business hours at the Port Authority's main office at 4 World Trade Center, 150 Greenwich Street, New York, New York 10007.

Section 4: Requests for access to records

(a) Requests must contain sufficient information to enable the Port Authority to locate and identify the particular records sought. Such requests must not be overly broad, but must be as detailed as possible and provide, at a minimum, a clear description of the record or type of record being sought.

(b) All requests shall be made in writing, except that the Port Authority, in its discretion, may make records available upon an oral request made in person after the data subject has demonstrated proof of identity, if proof of identity is required.

(c) A request shall identify the data subject and reasonably describe the record sought. To the extent possible, the data subject shall supply identifying information that assists the agency in locating the record sought.

(d) Requests based upon categories of information described in a notice of a system of records or a privacy impact statement shall be deemed to reasonably describe the record sought.

(e) When a request is made in person, or when records are made available in person following a request by mail, the Port Authority may require appropriate identification, such as a driver's license including a photograph of the driver, an identifier assigned to the data subject by the Port Authority, a photograph or similar information that confirms that the record sought pertains to the data subject.

(f) When a request is made by mail, the Port Authority may require verification of a signature or inclusion of an identifier generally known only by a data subject, or similar appropriate identification.

(g) Within five business days of the receipt of a request, the Port Authority shall provide access to the record, deny access in writing, explaining the reasons therefor, or acknowledge the receipt of the request in writing, stating the approximate date when the request will be granted or denied, which date shall not exceed thirty days from the date of the acknowledgment.

Section 5: Requests for amendment of records

(a) Within thirty business days of a request from a data subject for correction or amendment of a record or personal information that is reasonably described and that pertains to the data subject, the Port Authority shall:

(1) make the amendment or correction, in whole or in part, and inform the data subject that, on request, such correction or amendment will be provided to any such person or governmental unit to which the record or personal information has been or is disclosed, in accordance with law; or

(2) inform the data subject in writing of its refusal to correct or amend the record, including the reasons therefor.

(b) Denial of a request for a record or amendment or correction of a record or personal information shall:

(1) be in writing, explaining the reasons therefor; and

(2) identify the person to whom an appeal may be directed.

(c) A failure to grant or deny access to records within five business days of the receipt of a request or within thirty days of an acknowledgment of the receipt of a request, or a failure to respond to a request for amendment or correction of a record within thirty business days of receipt of such a request, shall be construed as a denial that may be appealed.

Section 6: Appeal

(a) Any person denied access to a record or denied a request to amend or correct a record or personal information pursuant to the preceding section may, within thirty business days of such denial, appeal to the Port Authority Freedom of Information Appeal Office.

(b) The time for deciding an appeal shall commence upon receipt of a written appeal that identifies:

(1) the date and location of a request for a record or amendment or correction of a record or personal information;

(2) the record that is the subject of the appeal; and

(3) the name and return address of the appellant.

(c) A failure to determine an appeal of a denial of access within seven business days of its receipt, by granting access to the records sought or fully explaining the reasons for further denial in writing and informing the data subject of his or her right to seek judicial review of the denial in accordance with the Personal Privacy Protection Law, shall constitute a denial of the appeal.

(d) A failure to determine an appeal concerning a denial of a request for correction or amendment within thirty business days of its receipt, by correcting or amending the record or personal information, or by fully explaining the reasons for further denial in writing and informing the data subject of his or her right to seek judicial review of the denial in accordance with the Personal Privacy Protection Law, shall constitute a denial of the appeal.

(e) If, on appeal, a record or personal information is corrected or amended, the data subject shall be informed that, on request, the correction or amendment will be provided to any person or governmental unit to which the record or personal information has been or is disclosed, in accordance with law.

(f) The Secretary of the Port Authority (or designee(s)) shall notify the Chairman of the Committee on Governance and Ethics of the Port Authority Board of Commissioners when any proceeding is commenced in the Courts of New York or the Courts of New Jersey seeking review of a denial of a request for access to a record or a request to amend or correct a record or personal information.

Section 7: Statement of Disagreement by Data Subject

(a) If correction or amendment of a record or personal information is denied, in whole or in part, upon appeal, the determination rendered pursuant to the appeal shall inform the data subject of the right to:

(1) file with the Secretary a statement of reasonable length setting forth the data subject's reasons for disagreement with the determination;

(2) request that such a statement of disagreement be provided to any person or governmental unit to which the record has been or is disclosed, in accordance with law.

(b) Upon receipt of a statement of disagreement by a data subject, the Secretary or staff shall coordinate the Port Authority's fulfillment of its obligation:

(1) to clearly note any portions of the record that are disputed; and

(2) to attach the data subject's statement of disagreement in conjunction with a disclosure to a person or governmental unit, in accordance with law.

(c) The Port Authority may also include a concise statement of its reasons for not making the requested amendment or correction and attach such statement to the data subject's statement of disagreement in conjunction with a disclosure to a person or governmental unit in accordance with law.

Section 8: Fees

(a) The Secretary may determine whether, and in what amount, fees may be charged for the fulfillment of requests for access to records.

(b) Any fee schedule used by the Secretary shall be posted on the Port Authority's website, and the Secretary shall be responsible for maintaining it in updated form.

(c) For any fee that is calculated, in whole or in part, based on the agency's actual cost, the Secretary shall perform and document such calculation.

(d) The Secretary may require payment of any fee charged under this Section 8 before access to records is granted.

(e) For any fee charged under this Section 8, the Secretary shall inform the requester of the estimated fee before the charge is incurred.

Section 9: Intent

This Access to Personal Information Policy is intended to comply with Chapter 12 of the Laws of New York of 2015 and Chapter 64 of the Laws of New Jersey of 2015, which reference Article 6-A of the Public Officers Law of the State of New York, known as the Personal Privacy Protection Law. To the extent any person who makes a request for access to records or for amendment of records contends that the Policy is any way inconsistent with such laws, the Policy shall be interpreted in a way that renders it consistent with those laws.

(Board – 4/28/16)

3. John F. Kennedy International Airport – American Airlines, Inc. - Terminal 8 – Lease AYB-085R – Consent to Financing of Bonds and Lease Supplement

Request:

- This item authorizes (i) the Port Authority's consent to American Airlines' request to refinance its existing New York City Industrial Development Agency (IDA) Bonds that were issued in connection with American Airlines' financing of the redevelopment of Terminal 8 at John F. Kennedy International Airport (JFK) with New York Transportation Development Corporation (NYTDC) bonds; and (ii) a lease supplement to provide for amendments to the leasehold mortgage and rental provisions with respect to the Terminal 8 facility.

Transaction Details:

- The proposed consent and supplement would commence on or about August 1, 2016.
- Port Authority consent is required for the re-financing of the current bonds.
- The Port Authority would receive one-time fees totaling approximately \$3.2 million from American, in consideration for granting its consent to American for the refinancing of its debt. In addition, the lease would be amended to increase the leasehold mortgage fee applied to debt service.

Background:

- American, a passenger airline carrier at JFK, currently leases Terminal 8, Building 79, Hangar 10 and employee parking facilities.
- In 1999, the Board authorized the redevelopment of American's terminal facilities. With the Port Authority's consent, the construction was financed by American through New York City IDA bonds, Series 2002A and B and Series 2005. In 2012, American retired the Series 2002A bonds.
- American proposes to refinance the outstanding Series 2002B and Series 2005 IDA bond debt, previously issued to finance the redevelopment of Terminal 8 at JFK, with refunding bonds to be issued by NYTDC, in an amount currently estimated to be approximately \$882 million.
- Lease AYB-085R expires on December 1, 2036.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – AMERICAN AIRLINES, INC. -
TERMINAL 8 – LEASE AYB-085R – CONSENT TO REFINANCING OF BONDS
AND LEASE SUPPLEMENT**

It was recommended that the Board authorize the Executive Director, in connection with the financing of the redevelopment of the American Airlines Inc. (American) passenger terminal facility (Terminal 8) at John F. Kennedy International Airport (JFK), to: (1) consent to the refinancing of the existing New York City Industrial Development Agency (IDA) bond debt with New York Transportation Development Corporation (NYTDC) bonds, and associated transactions, including a new leasehold mortgage; and (2) enter into a supplemental agreement with American amending the leasehold mortgaging and rental provisions of Lease AYB-085R (Lease), the existing lease with American covering Terminal 8.

American proposes to refinance the outstanding Series 2002B and Series 2005 IDA bond debt, previously issued to finance the redevelopment of Terminal 8 at JFK, with refunding bonds to be issued by NYTDC, in an amount currently estimated to be approximately \$882 million. The NYTDC bonds would be guaranteed by American and its parent, American Airlines Group Inc. (AAG), and the obligations of American and AAG under those guarantees would be secured by a mortgage on American's leasehold interest in Terminal 8. Lease AYB-085R expires on December 1, 2036.

The Port Authority would receive one-time fees totaling approximately \$3.2 million from American, in consideration for granting its consent to American for the refinancing of its debt. In addition, the Lease would be amended to increase the leasehold mortgage fee applied to debt service.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, in connection with the financing of the redevelopment of the American Airlines Inc. (American) passenger terminal facility at John F. Kennedy International Airport under Lease AYB-085R (the Lease), to: (1) consent to the refinancing of the existing New York City Industrial Development Agency bond debt with New York Transportation Development Corporation bonds, and associated transactions, including a new leasehold mortgage; and (2) enter into a supplemental agreement with American amending the leasehold mortgaging and rental provisions of the Lease; all substantially in accordance with the terms outlined to the Board; and it is further

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

RESOLVED, that the form of all contracts and agreement in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

4. Purchase of Property Damage and Loss of Revenue Insurance, Including Terrorism Coverage

- *This item requests authorization from the Committee on Finance to purchase certain insurance through broker Willis Towers Watson, formerly known as Willis Group Holdings (Willis), with appropriate available limits, sub-limits, deductibles, retentions, and other terms, for the assets of the Port Authority and its component units, composed of property damage and loss of revenue insurance for a one-year term effective June 1, 2016; and coverage for losses arising from acts of terrorism under the Property Insurance program for a one-year period, effective June 1, 2017 (should market capacity and pricing warrant securing coverage for a period beyond May 31, 2017).*

Transaction Details:

- *The Property Insurance coverage provides protection for all owned, operated and leased properties of the Port Authority and its component units against financial losses resulting from damage to property, exclusive of certain World Trade Center (WTC) assets, which are covered under a separate WTC-specific Property Insurance program.*
- *Program options will be discussed with Willis and insurance underwriters, in order to place the most comprehensive coverage at the best available price, through a combination of risk transfer and risk retention strategies. Separate sub-limits and deductibles would apply for certain exposures, including the perils of windstorm and flood.*
- *The program also provides for the purchase of terrorism coverage under the federal Terrorism Risk Insurance Program Reauthorization Act of 2015 through the Port Authority Insurance Captive Entity, LLC.*

Background:

- *At its meeting on February 19, 2015, the Committee authorized an agreement with Willis to provide brokerage services, including placement and administration, for Property and Public Liability insurance programs, for a three-year term.*
- *At its April 30, 2015 meeting, the Committee authorized the purchase of Property Insurance coverage for a one-year term and the purchase of coverage for losses arising from acts of terrorism under the Property Insurance Program for a two-year term.*

**PURCHASE OF PROPERTY DAMAGE AND LOSS OF REVENUE INSURANCE,
INCLUDING TERRORISM COVERAGE**

It was recommended that the Committee on Finance (Committee) authorize the purchase of certain insurance, through the broker Willis Towers Watson f/k/a Willis Group (Willis), with the appropriate available limits, sub-limits, deductibles, retentions and other terms, for the assets of the Port Authority and its component units, with the exception of certain infrastructure at the World Trade Center site, for which the Port Authority has obtained separate insurance, composed of: (1) property damage and loss of revenue insurance, for a one-year term, effective June 1, 2016; and (2) coverage for losses arising from acts of terrorism under the Property Insurance program, for a one-year term, effective June 1, 2017 (should market capacity and pricing warrant securing coverage for a term beyond May 31, 2017). The Executive Director, the Chief Financial Officer, the Treasurer and the Chief Procurement Officer, each individually, would be authorized to effectuate the Property Insurance purchase.

The Property Insurance program is necessary to protect the Port Authority from financial loss attributable to damage to its owned, operated and leased properties and resultant loss of revenues.

At its February 19, 2015 meeting, the Committee authorized a brokerage agreement with Willis for a three-year term, effective March 2015, to provide brokerage services, including placement and administration, for the Property Insurance and public liability programs, at an aggregate estimated brokerage fee of \$2,026,768. The Port Authority will have the option to extend the agreement with Willis for an additional three-year term, at an aggregate estimated additional brokerage fee of \$2,233,431.

At its meeting of April 30, 2015, the Committee authorized the purchase of: (1) Property Insurance for the Port Authority's owned, operated and leased properties (except for certain infrastructure at the World Trade Center site, for which the Port Authority obtained separate Property Insurance) through Willis at a one-year term; and (2) the purchase of coverage for losses arising from acts of terrorism under the Property Insurance program for a two-year term.

Program options would be discussed with Willis and insurance underwriters, in order to place the most comprehensive coverage at the best available price, through a combination of risk transfer and risk retention strategies. Separate sub-limits and deductibles would apply for certain exposures, including the perils of windstorm and flood. The program also provides for the purchase of terrorism coverage under the federal Terrorism Risk Insurance Program Reauthorization Act of 2015 through the Port Authority Insurance Captive Entity, LLC.

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

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

RESOLVED, that the purchase of certain insurance coverage, through the broker Willis Towers Watson f/k/a Willis Group, for assets of the Port Authority and its component units (with the exception of certain infrastructure at the World Trade Center site, for which the Port Authority has obtained separate insurance), composed of: (1) property damage and loss of revenue insurance (Property Insurance) for a one-year term, effective June 1, 2016; and (2) coverage for losses arising from acts of terrorism under the Property Insurance program, for a one-year term, effective June 1, 2017, substantially in accordance with the terms outlined to the Committee, be and it hereby is authorized; and it is further

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

RESOLVED, that all documents required to effectuate the foregoing shall be subject to review by General Counsel or his authorized representative.