

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES OF SPECIAL BOARD MEETING

Thursday, May 11, 2000

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MINUTES of a special meeting of The Port Authority of New York and New Jersey held Thursday, May 11, 2000, at One World Trade Center, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Kathleen A. Donovan
 Hon. William J. Martini
 Hon. Alan G. Philiposian
 Hon. Anthony J. Sartor

NEW YORK

Hon. Peter S. Kalikow
 Hon. David S. Mack
 Hon. Bradford J. Race, Jr.

Robert E. Boyle, Executive Director
 Jeffrey S. Green, General Counsel
 Daniel D. Bergstein, Secretary

Kayla M. Bergeron, Director, Media Relations
 Lillian C. Borrone, Director, Port Commerce
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 William DeCota, Director, Aviation
 Michael P. DePallo, Director/General Manager, PATH
 Karen E. Eastman, Assistant Secretary
 Michael Glassner, Executive Assistant to the Chairman
 Victoria Cross Kelly, Deputy Director, PATH
 Louis J. LaCapra, Chief of Staff
 Francis J. Lombardi, Chief Engineer
 Charles F. McClafferty, Chief Financial Officer
 John Paczkowski, Assistant Director, Office of Policy and Planning
 Kenneth P. Philmus, Director, Tunnels, Bridges & Terminals
 Alan L. Reiss, Director, World Trade
 Cruz C. Russell, Director, Office of Policy and Planning
 Ronald H. Shiftan, Deputy Executive Director
 Christopher O. Ward, Chief, Corporate Planning and External Affairs

Guest:

Carolyn Laney, Program Manager, Public Authorities, New York State

The Secretary reported that the meeting was duly called in accordance with the By-Laws.

The special board meeting was called to order in executive session by Commissioner Kalikow, as Acting Chairman, under Article III, Section C of the By-Laws, at 11:53 a.m. and ended at 11:54 a.m.

**NEWARK INTERNATIONAL AIRPORT - FEDERAL EXPRESS CORPORATION -
EXTENSION OF LEASES ANA-639 AND ANB-002**

It was recommended that the Board authorize the Executive Director to enter into supplemental agreements to Lease ANA-639 and Lease ANB-002 with Federal Express Corporation to provide for the extension of the term of the letting under the leases and additions of building and land areas to the leasehold premises in Buildings 155 and 156 at Newark International Airport for a term of approximately ten years, commencing on or about May 30, 2000 and ending August 31, 2010, with the constant factors of the annual rentals under both leases being initially increased to a total of \$6,695,159, which constant factors would each be increased by 4 percent on January 1, 2001 and on each January 1st thereafter in addition to the scheduled adjustments to the airport services factors of the annual rentals under both leases.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Commissioners Donovan, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into supplemental agreements to Lease ANA-639 and Lease ANB-002 with Federal Express Corporation at Newark International Airport, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreements, in each instance, shall be subject to the approval of General Counsel or his authorized representative.

THE WORLD TRADE CENTER – RICHTREE U.S., INC. – LEASE SURRENDER

It was recommended that the Board authorize the Executive Director to enter into a surrender agreement with Richtree U.S., Inc. (Richtree) covering its entire World Trade Center premises consisting of approximately 47,000 square feet of space, effective on or about April 30, 2000.

The Port Authority entered into a twenty-year lease agreement with Richtree in December 1997, which, as amended in November 1998, provided for the operation of two restaurants at The World Trade Center. Richtree has expended \$4.2 million to complete design and begin construction of the restaurants, but does not have the funds to complete the project, nor does it have a realistic prospect for securing such financing in the near term. Richtree's premises occupy key locations on the Plaza and Concourse Levels of The World Trade Center, and their continued vacancy will inhibit the further development of The World Trade Center's retail facilities. Under the terms of the proposed surrender, the Port Authority will recapture the premises unencumbered by any legal claim and be in a position to market the space immediately under favorable market conditions. Pursuant to the lease, Richtree has been reimbursed the sum of \$366,000 for design, construction and base building work it performed in the space. As a condition of the surrender, Richtree will pay the Port Authority \$1 million, representing rentals due through February 15, 2000, and will be reimbursed by the Port Authority for a portion of its remaining construction costs, not to exceed \$350,000 net of the rental payment due the Port Authority.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Commissioners Donovan, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Richtree U.S., Inc. (Richtree) whereby Richtree would surrender the entire premises under the Port Authority's existing lease agreement with Richtree covering the construction and operation of a Marche restaurant on the Plaza Level of The World Trade Center and a Marchelino restaurant on the Concourse Level thereof, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Secretary