



World Trade Center Campus

New Panamax Vessel Passing
Beneath Raised Bayonne Bridge

LaGuardia Airport Redevelopment

New Harrison PATH Station

Proposed 2019 Budget

December 13, 2018

THE PORT AUTHORITY OF NY & NJ

Proposed 2019 Budget is fiscally balanced

SOURCES || \$8.5B

- **\$5.4 billion** in Gross Operating Revenues
- **\$1.0 billion** in Consolidated Bond Issuances
- **\$1.3 billion** in Other Sources
- **\$0.5 billion** in Grants, Contributions and Miscellaneous Revenues
- **\$0.3 billion** in Application of Passenger Facility Charges

USES || \$8.5B

- **\$3.3 billion** for Operating Expenses
- **\$3.7 billion** for Capital spending
- **\$1.3 billion** for Debt Service to Operations
- **\$0.2 billion** to support Deferred Expenses and Other Programs

2019 core expense growth is in line with inflation and more than offset by projected revenue increases

	2018 Budget	2019 Budget	19 Budget vs 18 Budget	
Operating Revenues	\$5,260	\$5,384	\$124	2.4%
Core Operating Expenses	3,193	3,263	70	2.2%
<i>Incremental Security/Sandy Expenses (one-time)</i>	0	23	23	0.7%
Net Operating Revenues	\$2,067	\$2,098	\$31	1.5%

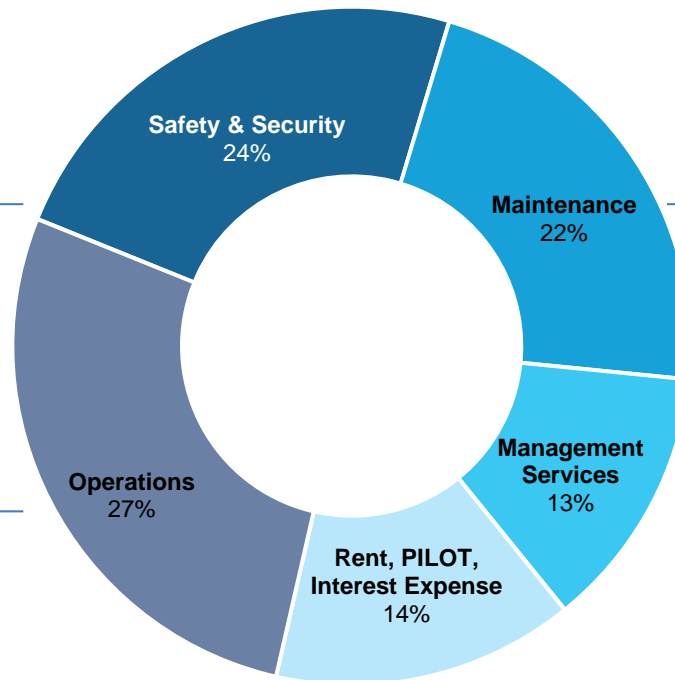
Proposed Operating Budget focused on O&M and security

Safety & Security (\$773M)

Increase of \$45M, or 6%, to support cyber security efforts, Airport Operations Centers, CCTV, and updated emergency operation plans.

Operations (\$904M)

Increase of \$22M, or 2.5%, driven by enhanced customer experience initiatives, mobile applications with social media channels, and countdown clocks at PATH stations.



Maintenance (\$720M)

Increase of \$18M, or 2.5%, driven by new investments in WTC and Port system maintenance, continued expansion of the agency's asset management platform, and the Goethals's Bridge maintenance agreement.

Management Services (\$414M)

Increase of \$22M, or 5.7%, to support business operations and planning, including sustainability commitments.

Rent, PILOTS and Interest Expenses (\$475M)

Proposed Budget includes strategic initiatives aligned with agency priorities



Safety & Security

- Airport Operations Center and security credentialing
- Emergency operations plans
- Cyber security program
- Increase in police force size



Customer Experience

- Airport customer experience
- Improved wait-time notifications at airports and PATH
- Digital and social media, including apps and website



Operational Excellence

- Enterprise asset management platform
- Intermodal rail
- Connected and autonomous bus
- Workforce planning program



Sustainability

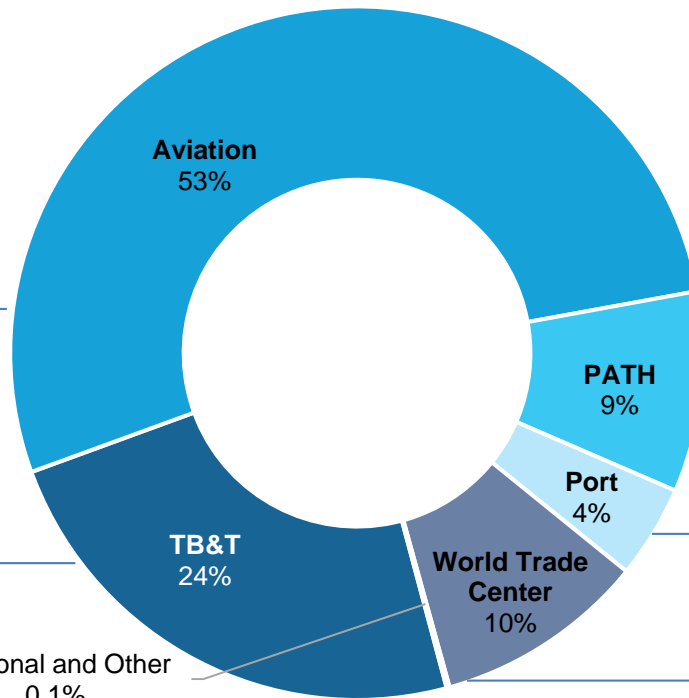
- Electric vehicles and airport buses
- Energy efficiency projects
- Port environmental programs

The Proposed 2019 Capital Budget of \$3.7 billion advances key projects aligned with the 2017-2026 Capital Plan

Aviation (\$2B)
Continue redevelopment of the region's airports.

TB&T (\$885M)
Continue the significant state of good repair work on critical bridge and tunnel facilities.

Regional and Other
0.1%



PATH (\$351M)
Continuation of the Signal Replacement Program and Superstorm Sandy recovery and resilience.

Port (\$163M)
Support construction and design activities at port facilities.

WTC (\$370M)
Support tenant and retail as construction winds down.

Proposed 2019 Capital Budget highlights



Aviation

\$2 billion: Continue the redevelopment of the region's airports, including: continued construction of the entirely new, redeveloped facility at LGA, as well as planning and design for the AirTrain LGA; continued investments at Newark Liberty for the construction of the new, state-of-the-art Terminal One; and planning continuation at JFK Int'l to advance the redevelopment of the airport through the Airport Advisory Panel's Vision Plan.



TB&T

\$885 million: Upgrades to Trans-Hudson crossings, including completing the Bayonne Bridge Navigational Clearance Program, advancing the George Washington Bridge suspender rope replacement project as well as several other key components of the "Restoring the George" program, and continued construction of the Lincoln Tunnel Access program.



PATH

\$351 million: Continuing PATH's Signal System Replacement Program and the PATH station and equipment modernization programs, including the Superstorm Sandy recovery work, in addition to continuing planning and design for the extension of the PATH system to the Newark Liberty rail link.

Proposed 2019 Capital Budget highlights cont'd



Port

\$163 million: Support construction and design activities at our port facilities, including: completion of construction of the first lead track of the Global Intermodal Container Transfer Facility at Port Jersey, an environmental review of the Cross Harbor Freight Movement Program, and continued construction work of the pavement subgrade at Howland Hook Marine Terminal.





WTC

\$370 million: Winding down construction activities at the World Trade Center complex, including improvements to One World Trade Center and World Trade Center retail space, construction on the Bathtub Vehicular Access project, and building support infrastructure under the planned Performing Arts Center and the World Trade Center Transportation Hub.

Based on public comments received, no changes to the Proposed Budget are recommended

2019 Public Comments Summary

As of 12/10/2018

	 E-MAIL	 SOCIAL MEDIA
BUDGET RELATED COMMENTS	1	2
GENERAL COMMENTS		15

Requested 2019 Budget Authorization

\$3.3B | Operating Expenses

\$3.7B | Capital Expenditures

\$1.3B | Debt Service to Operations

\$0.2B | Deferred & Other Expenses