

(Board Meeting 11/19/15)

**The Port Authority of New York and New Jersey**  
**Board Meeting Transcripts**  
**November 19, 2015**

[Board Chair J. Degnan] —Committee, so at this point, I'll call to order the Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries. Earlier today the Committees on Operations and Capital Planning, Execution, and Asset Management met in public session. The Nominating Committee met in executive session, and the Committees on Capital Planning, Execution, and Asset Management, Finance, and Operations met jointly in executive session. Their reports will be filed with the official minutes of today's Board Meeting. Commissioners also met in executive session earlier today to discuss matters related to personnel, personnel procedures, and matters involving ongoing negotiations or reviews of contracts or proposals. In accordance with the bylaws of the Port Authority, the nominating committee met in executive session prior to today's meeting in connection with the election of an officer. Commissioner Pocino is Chair of the Nominating Committee. May we have your report?

[Comm. R. Pocino] Thank you, Mr. Chairman. On behalf of the Nominating Committee of the Port Authority of New York and New Jersey, I desire to report that at its meeting held earlier today in accordance with the provision of Article VII of the bylaws, the Committee, by unanimous action, submits the nomination of Richard J. Holwell for election to the office of General Counsel of the Port Authority of New York and New Jersey. Mr. Holwell began his service on November 5, 2015.

[Board Chair J. Degnan] Commissioner Pocino, thank you for your report. Prior to making a motion in this item, I'd ask the corporate secretary to note any recusals.

[K. Eastman] There are no recusals.

[Board Chair J. Degnan] Can I have a motion on the nomination?

[Commissioner] I'll make a motion.

[Commissioner] Second.

[Board Chair J. Degnan] Is there a second?

[Commissioner] Second.

(Board Meeting 11/19/15)

[Board Chair J. Degnan] Ask the corporate secretary to call the roll.

[K. Eastman] Chairman Degnan.

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice Chairman Rechler.

[V-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger.

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Cohen.

[Comm. S. Cohen] Yes.

[K. Eastman] Commissioner Fascitelli.

[Comm. M. Fascitelli] Yes.

[K. Eastman] Commissioner James.

[Comm. T. James] Yes.

[K. Eastman] Commissioner Laufenberg.

(Board Meeting 11/19/15)

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper.

[Comm. K. Lipper] Yes.

[K. Eastman] Commissioner Lynford.

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Pocino.

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Schuber.

[Comm. P. Schuber] Yes.

[K. Eastman] Commissioner Steiner.

[Comm. D. Steiner] Yes.

[Board Chair J. Degnan] As the votes are in order, the item's approved. I'm now going to ask our executive director, Pat Foye, to provide his report.

[Exe. Dir. Pat Foye] Thank you, Chairman. Two items I'd like to cover. First, briefly Gateway and what the Chairman report on some recent developments. And then a discussion on airport workers. First on Gateway, last week Governor's Cuomo and Christie together with Senator

(Board Meeting 11/19/15)

Schumer and Booker announced a framework agreement to advance the Gateway tunnel project for the region. The framework agreement includes a federal funding commitment for the U.S. DOT and AMTRAK to cover no less than 50% of the project cost from federal grants, Amtrak funding, and loans for which the federal partners would be responsible for debt service. This followed upon the letter by the two Governors Cuomo and Christie to the President of the United States in September in which they proposed to the president that the two states would take responsibility for developing a funding plan to cover half the cost in order to get this critical project moving. From an organizational point of view, the governors have asked the Port Authority in consultation with its federal partners and Amtrak and U.S. DOT as well as New Jersey Transit to establish a new development corporation entity to oversee construction and execution of the Gateway Project. While no action is required of the Board today, we'll be coming back to you shortly with proposals to get this effort up and running. Since the announcement by the governors, we've met with Amtrak and New Jersey Transit earlier this week and have a follow-up scheduled later this week. Counsel with the Port Authority is preparing draft organizational documents for the new entity for review by our federal and state partners. We're also sketching out a structured organizational chart and personnel needs for the effort. Beyond that is directed by Governor Christie and Governor Cuomo, we are laser-focused on efforts to expedite the environmental and permitting process for this critical project. The economic transportation and environmental consequences of failure of the existing tunnels prior to the completion of their replacement. The existing tunnels, as you may remember, were completed in 1910. The economic transportation and economic consequences are literally unimaginable. But it's not only a matter of time. It's a matter of cost avoided as well. Shaving a year off a lengthy review process on say a \$10 billion portion of any large project including Gateway equates to fully \$1 billion in savings. That's funding that doesn't have to come from federal and state tax payers or users of the facility. That saving can be realized while fully addressing environmental concerns. Lastly, we're all focused on moving forward and accessing at the earliest opportunity federal grant and loan funds. Draft applications are being prepared. On third-party airport contract worker wages, I state by, again, acknowledging my personal long-standing conflict which is that many years ago, the men and women of 32B, as it was known then, through their union dues sent me to college. I fully support the Board's actions in the past on the issue in light of the matter of simple fairness that people who work hard should not live in poverty. That's the American way. I also fully support the work that remains to be done here at the Port Authority to achieve this goal. Today, I wanted to talk about something that hasn't gotten enough attention in this room which is the business case for increased wages. When the Board unanimously adopted the minimum wage policy for these covered workers in April 2014, which brought the minimum wage up a dollar initially for those making less than \$9 an hour and then to 10.10 effective February of this year. We noted that the policy was being adopted for the purpose of enhancing first, safety; second, security; and third, quality of service at our facilities. I'll note that as with most minimum wage jobs, turnover is significant. A lot of you in the room can identify with that. For employers, however, turnover has real costs in the form of increased hiring and training expense and lost productivity. But in addition, there's an important security issue. At our airports, where most of these workers have access to post-security areas, the impact of high turnover is even more pronounced since each of those workers must get federal TSA fingerprint and background checks in order to receive a SIDAB, short for, many of you know, Security Identification Display Area Badge, to access post-security areas of the airport. These workers—many of you in this room—are literally the first line of defense at the airports. At San

(Board Meeting 11/19/15)

Francisco Airport, it was exactly these issues of safety, security, and employee turnover that led that airport to introduce what they called a Quality Standards Program, or QSP, back in 1998. The QSP today requires employers at SFO, San Francisco, to provide a minimum wage nearing \$13 per hour plus health benefits or approximately \$16 per hour without benefits. A University of California study in 2003, several years after SFO introduced the program, reported significant reduction in turnover in these minimum wage positions from between 80 to 100% per year to much lower levels. The reduction in annual turnover averaged 34% across all companies doing business at that airport, and 60% of firms had average wage increases of over 10%. According to the University of California study, turnover among airport security screeners at SFO went from 95% a year to 19%. The study also cited millions of dollars in employer savings from reduced turnover cost, including lowered hiring and training expense. Anecdotal evidence— and it's only anecdotal at this point— is that turnover at our airports has begun to trend down since the increase to 10.10 occurred only eight months ago. Obviously with only eight months to date, it's too early to have conclusive empirical data on the issue. While I think it hardly quantified, the study also cited data that employers reported overall job performance by workers covered under the policy improved including reduced disciplinary issues and absenteeism. And lastly, the study claimed that employment levels were not impacted by the program given the essential nature of these functions for airport flight activity. While I'm sure economists can debate some of the findings from any study, one he mentioned one more pure private sector example of the business case for a living wage. Costco, the \$70 billion market cap retailer pays its 185,000 employees an average of \$20 an hour well above national retailer averages of under 11.50 an hour. According to a recent business publication, Costco cites lower employee turnover and a more productive work force. In fact, excuse me, annual turnover at Costco for employees who have been there longer than one year is just 5%. Finally while the work about the effect on airline economics is being completed, I do note the following: The United State Department of Justice recently filed suit against one of the major airlines operating at one of our airports citing that airline's exercise of Monopoly power through its aggregation and control of takeoff and landing slots and the resulting premium estimated by some to approach half a billion dollars a year it extracts from passengers at that one airport. Thank you Chairman.

[Board Chair J. Degnan] Thank you, Pat. Let me elaborate on one or two points that you made, Pat. And the first is the Gateway Project. Sorry. Let me elaborate on one or two points Pat made including the Gateway Project. After consulting with the Vice Chairman, we've asked Commissioner Bagger from the New Jersey side and Commissioner Fascitelli from the New York side to function as a working group of the Board to work with Pat to ensure that the response of the Board to the mandate of the governors for this largest public infrastructure job in the United States is appropriate and timely. And I'm grateful to both of them for their willingness to serve on this working group, and I expect to have a public discussion of the early recommendations or tentative recommendations at the next meeting. Secondly, a statement that I'm making on behalf of the Board of Commissioners as you know, there's a search committee of the Board consisting of myself and Vice Chairman Rechler, Commissioners Bagger, and Lynford, that has been conducting a search for the agency's first CEO since Governor's Christie and Cuomo endorsed the December 2014 recommendation of the special panel on the future of the Port Authority that the bi-state agency appointed single Chief Executive Officer selected by and accountable to the Board of Commissioners. The Board appointed a

(Board Meeting 11/19/15)

nationally/internationally recognized CEO search committee. I'm sorry. The Board appointed a leading and internationally-recognized executive search firm to work with that search committee to develop a slate of candidates for consideration by the full Board and we have been doing just that with Spencer and Stewart. The search committee had initially hoped to make its recommendation to the full Board this month. In light of the recent progress made on the Gateway program to construct new cross-Hudson rail tunnels and other major construction projects such as the Port Authority Bus Terminal replacement in LaGuardia and others. The search committee has recommended instead that the CEO search be extended and broadened to ensure that the skill sets representing the— represented at the candidate group reflect all the bi-state agency's future needs. The recent agreement among Governor's Christie and Cuomo and the Obama Administration, as Pat referenced, to fund the Gateway Project is welcomed news for the entire region. Given the leadership role assigned to the Port Authority in this effort, we owe it to the Board to make certain that we take in this substantial new responsibility into account in selecting our first CEO. All right. Just a couple of hours ago, our Executive Director, Pat Foye, who has served this agency in that capacity since November 2011 has publicly notified the staff that he has asked that his name be withdrawn from the CEO selection process, and Pat plans to leave the agency within 120 days. The Board is grateful for Pat's willingness to stay on Board through a transitional period and looks forward to working with him to put an interim leadership team in place to manage the Authority until the search for a permanent CEO is completed. There will be ample time in subsequent meetings for us to recognize the extraordinary contributions Pat Foye has made to the Port Authority over his tenure as executive director. For purposes of today's meeting, I wanted to get that statement on the record and to publicly thank Pat for his efforts. The next item, because the issue was raised in the Executive Director's report and Pat, it would be of interest to me and I'm sure the working group that Ray is about to speak about to have a copy of that report that you referenced in your remarks. I have not seen it. I'm going to ask Ray Pocino who's acting as Chair of a Board Subcommittee on the issue to bring us up to date on the status of his subcommittee activities.

[Comm. R. Pocino] Thank you, Chairman and Commissioners. At its July 23, 2015 meeting, the Board of Commissioners appointed a working group to advise it on the continuing development of the Port Authority's wages and benefits policies for non-trade labor service contract workers which I was asked to chair. The working group, which also includes Commissioners Bagger, Cohen, and Lynford was asked to make recommendations consistent with the Board's April 23, 2014 resolution directing the creation of a long-term plan for enhanced wages and benefits including health benefits for covered workers. And that same resolution, the Port Authority directed an increase in the minimum wage to 10.10 per hour for these workers which is already in effect. The working group has met and has an initial recommendation for the Board's consideration. Specifically, the working group would like the Board's approval to retain an economic consultant to advise it in this important effort. This consultant would explore two key issues that must be addressed in developing a sustainable long-term policy governing wages and benefits for workers at our airports and other facilities. First, what effect would further minimum wage increases or health benefits mandates beyond the existing provisions of the Federal Affordable Care Act have on the prices of products and services purchased on site by the millions of travelers who visit our facilities each year. Second, the impact would further minimum— the impact would further minimum wage increases or health benefits have on the

(Board Meeting 11/19/15)

Port Authority's competitive position with respect to tenants/potential tenants who have the option of locating their businesses either on site or at—either on site, at our airports, or other transit facilities on the adjacent property not owned by the Port Authority. It would be a hollow victory indeed if mandated minimum wages at Port Authority facilities simply caused employers to move to nearby locations not covered by that mandate. The working group with work with Port Authority's procurement unit to expedite the hiring of this consultant and to expedite the work of the committee, after which the group will create a detailed time table for completion of its work for the Board's consideration. This due diligence is necessary to get the facts and research that will allow us to recommend the sound, just policy deserving of the workers of our facilities and I'm looking forward to the completion of the committee's work as soon as possible.

[Board Chair J. Degnan] Thanks, Ray. Are there any commissioners questions or comments? Commissioner Cohen?

[Comm. S. Cohen] Thank you, and thank you Commissioner Pocino. I don't think that anyone here is doing anything other than acting responsibly and in good faith. And I do respect and appreciate the time and the commitment that's been made by the Chair and the subcommittee on which I serve. But month after month, workers have come here to these meetings on their own time, and they've pressed this Board to take action. We have been slow. We have been deliberate. We have even been thoughtful. And all of those often are positive qualities. But there comes a time when slow, deliberate, and thoughtful becomes delay, disrespect, and disengagement. And unfortunately, that's where I think we are. Over the past few months, we've seen in New York a series of actions that have taken place. We now have a minimum wage of \$15 being phased in for fast food workers. We have state employees who will have a minimum wage of \$15. As recently as the past two days, the cities of Rochester and Buffalo followed suit with their employees. And so we're met with an anomalous situation. There are workers, important workers, people who are struggling to make ends meet who are going to be serving the public in our airports, in our facilities, and as they walk to work through those facilities, they will walk by locations where at hamburger stands people are making a minimum wage significantly higher than their own. And anomalous in this situation is not acceptable. I appreciate that this takes time, but how much time is the question. And I think this can be done much more quickly than we have done it. And I think now is the time to do it. And I think we need to do it in a realistic time table. I don't think this is a 60-90-120-day project anymore. I think this is a project that we should work hard and in concert and do effectively as soon as possible which means now. And I feel a sense of regret to the people in this room and to the workers at our airports that it's taken this long. It shouldn't. It shouldn't. You know, in truth, there's a certain reality here, and I think it's a reality, the sentiment of which all of these commissioners agree with. In fact, I'd be hard pressed to believe that we don't which is that a fair and reasonable wage for workers equates to dignity. Depriving workers of one deprives them of the other and I think it's time that we rectify this situation. And I'd like to believe that we can do so rapidly. Thank you.

[Board Chair J. Degnan] Commissioner Lynford.

(Board Meeting 11/19/15)

[Comm. J. Lynford] Thank you, Chairman. Thank you, Vice Chairman. I concur with Commissioner Cohen's remarks, and I wanted to put them in historic as well as current context. In 1938, the Roosevelt Administration created the Fair Labor Standards Act. The minimum wage was set at, if you can believe it, 25 cents an hour. And this wage was set for the entire country. No matter where you lived, no matter what your cost of living was, specifically if New York was more expensive than let's say Dubuque, you still got the same 25 cents an hour. We fast forward to 2015. The federal poverty level is \$31,000 for a family of five. If the \$10.10 wage is multiplied times 40 hours a week times 52 weeks a year, that's only \$21,000 or 66% of the poverty line. And that's before taxes. Clearly we have not kept pace with the requirements to live particularly in New York City. We recognize that inflation erodes living wages. Interestingly, I just read a statistic that in Brooklyn, a dollar of wages is worth about 60 cents purchasing power because things are so expensive. In Manhattan, 40 cents. I share these statistics with you to support the need to go to \$15 an hour and so I join with Commissioner Cohen in supporting his recommendation. Thank you.

[Board Chair J. Degnan] Commissioner Steiner.

[Comm. D. Steiner] I think, Steve and Jeff, that you're right on. I think it's about time. I remember working for a dollar an hour and two dollars an hour as a graduate engineer, two dollars an hour. And you can't live on that money. It's about time we did the right thing. This is what built America, a living wage, a chance to get ahead, and I think we should move forward as fast as possible to get that \$15 minimum and next year re-examine it again. Thank you.

[Comm. T. James] Chairman?

[Board Chair J. Degnan] Sure, yes.

[Comm. T. James] I'll just add my voice to that. It's no secret I wrote an up ad two weeks ago coming out for higher minimum wage nationally. No secret I'm the lead director of Costco which Executive Director Pat Foye mentioned. I will say it's our experiences that by paying better wages we not only got lower turnover. We got more motivated, better trained work force, and it's been a secret to Costco's success. It hasn't been a disadvantage. It hasn't been a sacrifice. Truthfully, it's the right thing to do, but that's—it's even better than that. It makes Costco a stronger company, and I think we can benefit from the same thing at the Port Authority.

[Board Chair J. Degnan] Thank you, Commissioner. Commissioner/Vice Chairman Rechler?

(Board Meeting 11/19/15)

[V-Chair S. Rechler] To sum up, I agree with my fellow commissioners in terms of the time and maybe just to play a little in terms of the themes that Pat raised relative to the economics. When you think about New York today, in this globally integrated 21st century economy where all these people want to come live and work, our airports, that's our front door, and that's the place where everything happens. And you think about what it does in terms of the economy. It generates \$72 billion a year of economic activity in New York. And so of all places for us to not maintain some level of minimum wage, you don't do it at our airport for economics, you don't do it at airports for safety. And we need to make sure, in my opinion, that our workers are paid a fair wage that they can live on. And if you look just actually this morning there was a poll in the New York Times, and it said one-third of the people in the Bronx said they don't have enough money to buy food for their family. There was half the people, the New York residents that were polled, say they're just getting by. And the fact that this is where we are in New York because it's so expensive, as Commissioner Lynford said, to live here that we need to make sure at least within this New York metropolitan region that our workers are paid a wage that they could afford to live here and perform and not worry about getting food on their families' plates. So I also echo commissioner's comments here.

[Board Chair J. Degnan] So let me make a couple of comments on behalf of myself. First of all, Scott, with all due respect, I prefer to think of the region and not New York in terms of the benefits provided by the Port Authority. Secondly, a lot of what you said resonates with me. I'd like to reform the daycare system and guarantee daycare provisions for everybody in the region. I'd like to reform our broken education system and improve it for everybody in the region. But this is the Port Authority of New York and New Jersey. We are not a social welfare agency. We weren't created for that purpose. Only 19 months ago in April of 2014 we mandated an increase from between \$8-9 an hour to \$10.10 an hour by February 1st of 2015. That's about a 12% increase. It's been done and fully implemented. Moreover, that policy included an annual CPI adjustment to increase the minimum wage to reflect the increased cost of living. I think in an effort to avoid the Port Authority having to deal with the political pressure that comes year in and year out to increase minimum wages for employers who are not directly contracting with the Port Authority but are subcontractors to the contractors we do have. The demand now that the increase be made to \$15 an hour comes only seven months after it went up to \$10.10 an hour. That's another 60%—6-0, 60%— increase in wages. The Port Authority was— and we just reiterated this and both governors endorsed the view in the special panel report in December last year created to provide transportation infrastructure. It was not authorized to set social policy with the minimum wage, particularly for employees of entities who do not contract with the Port Authority. And it is not appropriate, in my judgment, for the Board to continue to do this year in and year out. Second point, with all due respect, the workers represented by 32BJ are just that, a union recognized, collectively bargained with their employers. In my history, collective bargaining works because both parties have an interest in resolving the issues without undue economic loss either to the workers justifiably or to the employers. When political entities such as the Port Authority inject themselves with mandatory minimum wage increases with no statistical evidence before it of exactly how many employees will be impacted by this decision, how much will be involved by taking them to \$15 an hour, how much will be passed through to

(Board Meeting 11/19/15)

the airlines, and how much will result in increased ticket prices, not to mention the impact on competition between us and other airports. As Pat report notes, the highest one he could find in the country is San Francisco at \$13 an hour. It is not enough that the State of New York has decided for restaurant workers and other workers to increase the minimum wage to \$15 an hour. We do not have a statutory mandate to set minimum wages for employees of subcontractors of our contractors. The questions I have about whether we should do this going forward are have the employers of these unionized workers been consulted about the impact of it or the status of their collective bargaining negotiations? Will our intervention upset the apple cart in legitimate good faith collective bargaining? How many workers will be affected? What are the total costs? What's the likelihood of those costs being passed through the airlines and through them to the customers. What's the economic and competitive impact and the consequences of an increase in this order of magnitude? What's the danger of the precedent? Commissioner Steiner says, with all due respect, we should consider it next year. Well, we won't even be at the 15 next year. Should we go to 20? When is it going to stop that political pressure is being brought on the Port Authority to increase minimum wages when it's not within its statutory mandate to do so? So I applaud the diligent, focused, disciplined effort that Commissioner Pocino's subcommittee is engaged in and the retention of an economic consultant to answer just the questions I've asked. And frankly, with all due respect to my colleagues, I think it would be irresponsible for the Board to act without that statistical evidence before it. Any other comments? Pat?

[Comm. P. Schuber] If I might, Mr. Chairman—

[boos from the audience]

[Board Chair J. Degnan] I'm surprised it took that long.

[boos from the audience]

[Comm. P. Schuber] Mr. Chairman, Mr. Chairman—

[Member of the public] How much money you making, bro?

[Board Chair J. Degnan] For this job, nothing, nothing, zero.

[Member of the Public] Yeah, OK, right.

(Board Meeting 11/19/15)

[Board Chair J. Degnan] Nada. Pat, you're up.

[Comm. P. Schuber] Mr. Chairman, if I might—

[Member of the Public] You try living on \$12 an hour!

[Comm. P. Schuber] Mr. Chairman, if I might, in my prior life as an elected official and as a Republican I was more supportive of labor than most of my colleagues and continue to be so. This is a very difficult issue, and I think that I've known Ray Pocino for a long, long time, well-before I came to the Board. I have great respect for Ray. I know he's going to do the right thing with his committee with regard to this. I have full confidence in him and the members of the committee with regard to this and I look forward to an expeditious result of that. We'll see what happens as a result.

[Board Chair J. Degnan] Any other comments? Frank?

[Comm. R. Pocino] Yeah, I would just say thank you, Pat, and thank you all commissioners for your comments and your opinions and ideas. I just want to say that I've been Chair of this committee for just over three months. So we do need to do our due diligence so that we can come up with a sound, just policy. We're going to do that, and we're going to do it as soon as we can. So again, I want to thank all of you and you will be hearing from me as we move forward.

[V-Chair S. Rechler] Ray thank you for doing it, and I just encourage you to move as quickly and expeditiously as possible, anything we can do to be supportive, we're willing to be there to help that.

[Board Chair J. Degnan] OK I think it's now time for the public comment period.

[Comm. D. Steiner] Could we go through the rest of the votes? It's getting late and some of us have prior commitments.

(Board Meeting 11/19/15)

[Board Chair J. Degnan] Dave, we've agreed to hear the public before we took votes on matters—

[Members of the public] Vote now! Vote now!

[Board Chair J. Degnan] Thank you. We're now going to proceed with an opportunity for members of the public to comment on Port Authority matters. This public comment period is going to be limited to 30 minutes, provides an opportunity for members of the public to present their views. We should hear the public before we vote. First speaker is Neile Weissman.

[audience yelling]

[Board Chair J. Degnan] Neile Weissman, are you here?

[audience yelling]

[audience yelling]

[Member of the public] What do we do?

[Member of the public] Fight back, fight back!

[Member of the public] What do we do?

[Member of the public] Stand up, fight back!

[audience chanting]

(Board Meeting 11/19/15)

[audience chanting]

[audience chanting]

[audience chanting]

[audience chanting]

[audience chanting]

[Board Chair J. Degnan] Neile, you have 15 seconds left.

[laughing] I'm kidding, take your three minutes and fifteen seconds.

[N. Weissman] Chairman Degnan, Director Foye, Commissioners, last month I spoke about how a linear park on the George Washington Bridge could stimulate \$42 million a year in new tourist spending and create 675 new jobs. Today I will discuss how a bike path on the George Washington Bridge could enhance New York City tax revenues. You have handouts there, also on [completegeorge.org](http://completegeorge.org). A bike path is an amenity like a golf course or a park and their impact in a city like New York can be profound. In what may comprise a perfect storm, homes in proximity to the high line appreciated so dramatically that the city recouped nearly all its investment in a single year. But before we value the GWB, we must first value the grid that it would connect to. The New York City bikeway just passed 1,000 miles. That's 17% of all New York City streets. The city's independent budget office estimated the total property tax in all of New York in fiscal 2015 to be \$22.4 billion. So the grid impacts properties generating some 3.8 billion. The National Association of Realtors cites dozens of studies that positively correlate the proximity of a bike path to home prices from 4% across Delaware at 11% in Indianapolis to 23% in parts of Chicago. So if we assign the New York City grid even a Delaware multiple, it's imputed share of tax revenues would be \$150 million. Presuming the grid expands 50 miles a year to 1,250 miles by the year 2020 when the North GWB path is due to open, that share will rise to \$190 million. So how much more would be realized if the grid was extended to New Jersey? First, there are few facilities within the city suitable for vigorous recreational cycling. Paths within city parks are shared with pedestrians and runners. Roads to Westchester and Aso are as trafficky as any in the city whereas the GWB leads directly to the most heavily-biked roads in the region as illustrated in the Strava heat map which is on your handout. So when the

(Board Meeting 11/19/15)

north path opens in 2020, that should substantially enhance user experience for cyclists from across the city which should enhance the hedonic value of the grid. And even 50 basis points is worth \$24 million a year. But that presumes the north path will be built out as a cycling facility to support grow and demand, not if it's restored as a sidewalk. Understand, look, this is a back of the envelope exercise, but it appears the durable contributions from tourist spending, job creation, and tax collection could well-exceed the costs of construction. I reserve the balance of my 31 seconds for some future date. Thank you, sir.

[Board Chair J. Degnan] Thank you, Neile. Maragaret Donovan.

[M. Donovan] Good afternoon, Commissioners. Month after month, I address the subject of this Board's deviation from the open meetings laws of New York and New Jersey as if they do not matter. By assuming they don't apply to the Port Authority, you don't just skirt the law, you blatantly ignore it. No doubt you think it is with good reason, but the history of the last 14 years shows how faulty and expensive that assumption can be. We clearly see that this is a very different Board than those of the recent past, but it would be diluted to think that removing 99% of a cancer can result in a cure. We understand and appreciate that you are all experts in your field. But expertise does not guarantee wisdom or common sense. That's where the public comes in. And as tiresome as it may be to listen to the same thing every month, someone has to say it. William F. Buckley famously noted that he would rather be governed by the first 2,000 names in the Boston telephone book than by the faculty of Harvard. I think most citizens, whatever their politics, can relate. You may be returning the Port Authority to its mission, but the only reason that you don't know how to pay for that mission, the only reason that you don't know how to pay for the dilapidated bus and air terminals and now the region's share of the Gateway Tunnels is because PATH's commissioners allow Larry Silverstein, out of his contractual responsibility to pay for the rebuilding of the World Trade Center or forfeit the insurance money. Whether it was a good call or not remains to be seen but there should have been hearings and public comment before he was put on public assistance. While the ends do sometimes justify the means, only the public can make that call before any action is taken, not un-elected officials and hyper-politicized governors. Whether anything would have been done differently, whether the Port Authority would not have \$10 billion to invest, if the decisions of the past decade had been open to public scrutiny, it is speculation. But what is a good bet? Is it even with the best of intentions you will make mistakes, possibly big ones going forward, if you don't start complying with the open meetings laws, Happy Thanksgiving. Thank you.

[Board Chair J. Degnan] Thank you. Richard Hughes.

[R. Hughes] Good afternoon, Commissioners. I'm very happy to hear that you're broadening your search for a CEO for this agency. I think that's an excellent decision, and I hope you will make the search international and I hope you will concentrate on someone with expertise in transportation, particularly in transportation. Unfortunately, it's something you've neglected, I

(Board Meeting 11/19/15)

don't mean you personally, but has been neglected by this agency for well-over a decade now and now you're forced to play catch up with a lot less money as Margaret Donovan has pointed out, than you should have had, and projects at least a decade behind so now we're dealing with dilapidated bus terminals and dilapidated airports and no tunnel under the river. So I hope you will really broaden that search and really look around the world. You know, there's 6 billion people or so here and there's got to be somebody who has the expertise necessary to pull this agency out of the quagmire it's been in and bring it back to where it should be and restore its luster which it once had. The second thing I'd like to speak on, and we got cut short last month, and I want to refer to an idea Mr. Rechler had which I think is excellent. And I really hope you will explore that and consider it, and that is to decentralize the delivery of bus passengers into the city. Mr. Rechler has talked about possibly bringing them to the other side of the river and then allowing them to come through on the PATH train service which you run and it's frankly losing money and could do much better. I don't think you can just keep bringing in more and more people into the west side of Manhattan, especially at the 42nd Street Bus Terminal. It's already overloaded, and you're talking about a possible increase of 30-40% over the next decade or so. How can you possibly manage that amount of passengers there? I think you need to look at other parts of Manhattan and I think you need to look at New Jersey. And I think you also need to look at the Bus Terminal at 178th Street and the George Washington Bridge looks dreadfully underutilized, and I think you should think about moving the long line buses out of the Port Authority at 42nd Street into some other part of the city or let them go down to the Javits Center and line up on the street the way bolt bus does and metro bus and those other buses do. But then use that site that you have there at 42nd Street and really develop it the way the way the World Trade site should have been redeveloped and make something of that

[beep] that will provide you with a steady source of income for the future. That is a golden opportunity which you need to seize. And if you do seize that, I think you'll put this agency back on the good financial footing. Thank you.

[Board Chair J. Degnan] Christina Dorotin.

[C. Dorotin] Good evening. My name is Christina Dorotin. And I am a sales associate with Hudson Youth. I'm so glad that more people are visiting our state and using our facilities, and I want to say that I support the expansion of our valuable infrastructure. But I also want to support the New Yorkers who work hard every day to operate all parts of our airport. I encourage you to ensure that as we prepare to expand our airport, we find a way to improve the job concessions workers and the—I'm sorry—the jobs of the concession workers at LaGuardia, JFK, and Newark Airport. Thank you.

[Board Chair J. Degnan] Thank you. Murray Bodin.

[M. Bodin] This is the information age. We're overloaded with information. I'm concerned with

(Board Meeting 11/19/15)

the information provided to drivers, those who use our roads. You're under four jurisdictions: the Port Authority, New York State Department of Transportation, New York City, Department of Transportation, and the New York State Thruway. all with somewhat different approaches to transportation information. I've asked that the traffic engineers from each of these four jurisdictions form a task force or a committee to draw up a set of uniform information, in particular, as a start, those guide signs that don't really give the correct information and particularly using arrow per lanes where each arrow tells you where that lane goes to. The rules are misunderstood. I've been meeting with various people from the law department of some agencies and I suggested that in order to back up these engineers when they come up with a recommendation that the law departments form a task force or a group to understand how this is done. In meeting with one organization, I found out that this can be accomplished by using engineering judgment. That means if engineers decide that this is in the best interest of the public in our area and it's documented, and it's already been used as I discovered. One agency has already done it successfully. So nothing new is being created. We were in an area where there are information silos. Everybody's been going around doing their own thing and not coordinating the four agencies that we're concerned with. So I've asked that. I'm also concerned about the buses in the Bus Terminal at MTA Bus on Monday and New Jersey Transit last week. I strongly suggested that you use low-floor buses. Why are you using these big monster commuter buses? Well, as somebody quietly told me off the record, because we think the commuter wants a fancier ride. The commuter doesn't want a fancier ride. They want a faster ride. When you have a low floor bus like Bolt bus and others or double decker buses, just use the bottom half of it. It's a lighter bus. It uses less fuel, loads faster because you can have two doors, needs to be questioned why you're still buying an outdated bus. Because everybody else is? I'm a sculptor. I do welded sculptures. I'm a welder.

[beep] I've been invited to submit a sculpture in Bethel, Connecticut for a summer exhibition and for that, all the artists will get a stipend for installation. I suggest that the Port Authority consider creating a program where you support artists by giving them a stipend

[beep] and letting them

[beep] put art as a changing for only 3-6 months so that the people, their transportation experience is enhanced. Thank you very much.

[Board Chair J. Degnan] Thank you. Eduardo Lopez.

[E. Lopez] Hello, good evening. My name is Eduardo Lopez and I'm an equipment assembly builder with Sky Chef at JFK Airport. I'm proud to say that I worked at this airport for three years, and I'd like to work closely with the Port Authority to do what it takes to run and expand our airports. But in order to do my job, I need the Port Authority to do its job and enforce it Labor Peace Policy for all concessions and catering company. Thank you.

(Board Meeting 11/19/15)

[Board Chair J. Degnan] Thank you. Rona Dowden.

[R. Dowden] Good afternoon, Commissioners, ladies and gentlemen. My name is Rona Dowden. I am a representative of British Airways International JFK Terminal 7. I work as a hostess there, customer service. Maybe you fly at JFK Airport. Maybe I have served you there. Probably you know me well. But I'm here as a representative of Unite Here to let you know that I'm a proud member, I'm a proud representative here today, and I would like you to know that I am among 2,500 workers. I would like you to know that I believe that you have the power today to make the decision to enforce the Labor Peace Policy. You have the power to make the decision as I voiced today. As you listen to me attentively, we are the people that is ready to move with a vision. And if you are ready to move, let there be no more delay. Let's run together, as a people unite together because we are a united nation and we have the power to run. So thank you very much today for listening to me.

[Board Chair J. Degnan] Thank you. Janna Chernetz.

[J. Chernetz] Good afternoon, Chairman, commissioners. I'm Janna Chernetz. I am the senior New Jersey policy analyst, the tri-state transportation campaign. As you know, the Port Authority Bus Terminal as well as cross-Hudson commuting is a huge advocacy priority for our organization, so I'm here again this month to speak on the Port Authority Bus Terminal. We ask that you look beyond the thirty years that I believe the resolution called for last week—last month. The Port Authority Bus Terminal was originally built in 1915. It reached capacity in 1966. So we need to learn from past mistakes and make sure that the Port Authority is building a Bus Terminal for the future, not thirty years from now, sixty years from now, but even a hundred years from now. And the Port Authority's main goal for this project must be transportation and increasing future bus capacity. Development opportunities should be a secondary goal. The reason why I point that out is if I remember the slides correctly, there were three check marks in development opportunities for concept 3 which was the one that the working group was looking more towards and only one check for commuter convenience and improvement of commute where the other concepts had a stronger improvement for the quality of commute for the bus riders. And we also ask that you start building sooner rather than later. And perhaps this means that building the Bus Terminal in stages to offer more immediate relief. And the other thing that we're asking is to not sell anything just yet. The reason why is perhaps the Port Authority may need that project that property for future transit expansion. So I think this all ties into building the Port Authority not for thirty years, not for sixty years, but perhaps a hundred years in the future. And I welcome the opportunity to sit down with any of the Board members to talk about this. Thank you for the opportunity.

[Board Chair J. Degnan] Thank you. Is there someone here named Mohammad Ali? You're up.

(Board Meeting 11/19/15)

[Mohammad Ali] Good afternoon. My name is Mohammad Ali, and I have worked as a cashier at LaGuardia for six months. I'm a proud member of Unite Here local 100. It is disappointing to me that Au Bon Pain and other companies have been able to skirt deliberate peace policy. I want to thank Mr. Foye, the commissioners of the Port Authority, first off for talking to my union and being willing to talk to the companies to fix this issue. We are hopeful to thank Mr. Foye's initiative that we can make progress on this problem. We will be back next month with an update. Thank you.

[Board Chair J. Degnan] Thank you. We have several items on today's agenda Commissioner Steiner will be hear, for which the respective committee chair will be asked to provide a brief report prior to the matter being considered by the Board. As Chair of the Committee on Operations, I'll now submit an item that would amend an agreement with the Passaic Valley Sewerage Commission to extend the term of certain property access rights at the Port Jersey Port Authority Marine Terminal in order to maintain, repair, and replace its outfall tunnel beyond the current termination date of December 31, 2043 in perpetuity. Prior to making a motion, are there any recusals?

[K. Eastman] No recusals.

[Board Chair J. Degnan] Any commissioners have any comments? Is there a motion?

[Comm. R. Pocino] I make a motion.

[Board Chair J. Degnan] Is there a second? Karen, would you call the roll, please?

[K. Eastman] Chairman Degnan.

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice Chairman Rechler.

[V-Chair S. Rechler] Yes.

(Board Meeting 11/19/15)

[K. Eastman] Commissioner Bagger.

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Cohen.

[Comm. S. Cohen] Yes.

[K. Eastman] Commissioner Fascitelli.

[Comm. M. Fascitelli] Yes.

[K. Eastman] Commissioner James.

[Comm. T. James] Yes.

[K. Eastman] Commissioner Laufenberg.

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper.

[Comm. K. Lipper] Yes.

[K. Eastman] Commissioner Lynford.

[Comm. J. Lynford] Yes.

(Board Meeting 11/19/15)

[K. Eastman] Commissioner Pocino.

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Schuber.

[Comm. P. Schuber] Yes.

[K. Eastman] Commissioner Steiner.

[Comm. D. Steiner] Yes.

[Board Chair J. Degnan] Votes are in order. The item's approved. The commissioners received a presentation in their Board packages on the next item which will be posted on the Port Authority's Internet site following today's meeting. This item authorizes an amendment to the ocean going vessel clean vessel incentive program effective January 2016 that would provide additional funding with approximately \$3.1 million and a three-year extension through December 31, 2018. In addition, the scoring system for vessels to qualify for incentives would be modified including a provision of additional points for participating in the Port Authority's vessel speed reduction program. Any recusals?

[K. Eastman] No recusals.

[Board Chair J. Degnan] Any commissioners have any comments? >> Can I have a motion?

[Comm. R. Pocino] So moved.

[Board Chair J. Degnan] Is there a second?

[Commissioner] Second.

(Board Meeting 11/19/15)

[Board Chair J. Degnan] Would you call the roll please?

[K. Eastman] Chairman Degnan.

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice Chairman Rechler.

[V-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger.

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Cohen.

[Comm. S. Cohen] Yes.

[K. Eastman] Commissioner Fascitelli.

[Comm. M. Fascitelli] Yes.

[K. Eastman] Commissioner James.

[Comm. T. James] Yes.

[K. Eastman] Commissioner Laufenberg.

(Board Meeting 11/19/15)

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper.

[Comm. K. Lipper] Yes.

[K. Eastman] Commissioner Lynford.

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Pocino.

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Schuber.

[Comm. P. Schuber] Yes.

[K. Eastman] Commissioner Steiner.

[Comm. D. Steiner] Yes.

[Board Chair J. Degnan] The matter is approved. The commissioners also received a presentation in their Board packages on the next item which will also be posted on our Internet site following today's meeting. This item authorizes a lease with H&M international Transportation for its use and occupancy of a portion of cargo building 157 as a new U.S. Customs Air Cargo examination facility at Newark Liberty International for a term of approximately twenty years at an aggregate rental of \$14.5 million. Are there any recusals?

(Board Meeting 11/19/15)

[K. Eastman] No recusals.

[Board Chair J. Degnan] Do any commissioners have any comments? >> If not, is there a motion?

[Commissioner] I'll move.

[Board Chair J. Degnan] Second?

[Commissioner] Second.

[Board Chair J. Degnan] Karen, call the roll please.

[K. Eastman] Chairman Degnan.

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice Chairman Rechler.

[V-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger.

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Cohen.

(Board Meeting 11/19/15)

[Comm. S. Cohen] Yes.

[K. Eastman] Commissioner Fascitelli.

[Comm. M. Fascitelli] Yes.

[K. Eastman] Commissioner James.

[Comm. T. James] Yes.

[K. Eastman] Commissioner Laufenberg.

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper.

[Comm. K. Lipper] Yes.

[K. Eastman] Commissioner Lynford.

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Pocino.

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Schuber.

(Board Meeting 11/19/15)

[Comm. P. Schuber] Yes.

[K. Eastman] Commissioner Steiner.

[Comm. D. Steiner] Yes.

[Board Chair J. Degnan] Votes are in order. Item's approved. The next item authorizes a memorandum agreement with the U.S. Customs and Border Protection to provide inspection services at Stewart International Airport at a cost of approximately \$161, 936 for the first year. The cost for subsequent years would be subject to adjustment based on the volume of services required. Are there any recusals?

[K. Eastman] No recusals.

[Board Chair J. Degnan] Do I have any comments? >> Is there a motion?

[Commissioner] So moved.

[Board Chair J. Degnan] Second.

[Commissioner] Second.

[Board Chair J. Degnan] Karen, would you call the roll?

[K. Eastman] Chairman Degnan.

[Board Chair J. Degnan] Yes.

(Board Meeting 11/19/15)

[K. Eastman] Vice Chairman Rechler.

[V-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger.

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Cohen.

[Comm. S. Cohen] Yes.

[K. Eastman] Commissioner Fascitelli.

[Comm. M. Fascitelli] Yes.

[K. Eastman] Commissioner James.

[Comm. T. James] Yes.

[K. Eastman] Commissioner Laufenberg.

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper.

[Comm. K. Lipper] Yes.

(Board Meeting 11/19/15)

[K. Eastman] Commissioner Lynford.

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Pocino.

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Schuber.

[Comm. P. Schuber] Yes.

[K. Eastman] Commissioner Steiner.

[Comm. D. Steiner] Yes.

[Board Chair J. Degnan] Votes are in order. The item's approved. I'll now ask Vice Chairman Rechler as Chair of the Committee on Capital Planning, Execution, and Asset Management and the World Trade Center Redevelopment Committee— subcommittee rather— to provide his report.

[V-Chair S. Rechler] Thank you. I'll now report on certain items under the preview of the Capital Planning Execution Asset Management Committee. The commissioners received the presentation in their Board packages on this item which we posted on the Port Authority's Internet site following today's meeting. The item authorizes a \$65.2 million project for the replacement of the parking access and revenue control systems that John F. Kennedy International Airport, Newark International Airport, LaGuardia Airport, and Stewart International Airport. This item also authorizes the award of a contract to design/install the new system as well as to provide system maintenance for a 12-year term at a total estimated cost of \$127.9 million. >> I may have a motion for this.

(Board Meeting 11/19/15)

[Commissioner] So moved.

[V-Chair S. Rechler] Is there any second? Any recusals?

[K. Eastman] No recusals.

[V-Chair S. Rechler] Then we have a vote.

[K. Eastman] Chairman Degnan.

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice Chairman Rechler.

[V-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger.

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Cohen.

[Comm. S. Cohen] Yes.

[K. Eastman] Commissioner Fascitelli.

[Comm. M. Fascitelli] Yes.

(Board Meeting 11/19/15)

[K. Eastman] Commissioner James.

[Comm. T. James] Yes.

[K. Eastman] Commissioner Laufenberg.

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper.

[Comm. K. Lipper] Yes.

[K. Eastman] Commissioner Lynford.

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Pocino.

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Schuber.

[Comm. P. Schuber] Yes.

[K. Eastman] Commissioner Steiner.

[Comm. D. Steiner] Yes.

(Board Meeting 11/19/15)

[V-Chair S. Rechler] OK. The item is approved. As the Chair of the World Trade Center Redevelopment Subcommittee, I'll now report on an item that authorizes the amendment of agreements with affiliates of the Durst organization to support the lease up of One World Trade Center. The item is composed of three elements and amount of \$47 million. First, the scope of the existing One World Trade Center tenant prebuild program would be expanded to include three additional full floors and one partial floor. Second, this item will provide for the development of a tenant amenities space on the 64th floor which would include conference rooms and other facilities for tenants. And lastly, certain capital improvements would be performed to benefit tenants and enhance efficient operations of the building. Prior to making this motion, any recusals on this matter.

[K. Eastman] No recusals.

[V-Chair S. Rechler] Do I have any questions by commissioners, a motion? >> I'll move.

[Commissioner] Second.

[K. Eastman] Chairman Degnan.

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice Chairman Rechler.

[V-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger.

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Cohen.

(Board Meeting 11/19/15)

[Comm. S. Cohen] Yes.

[K. Eastman] Commissioner Fascitelli.

[Comm. M. Fascitelli] Yes.

[K. Eastman] Commissioner James.

[Comm. T. James] Yes.

[K. Eastman] Commissioner Laufenberg.

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper.

[Comm. K. Lipper] Yes.

[K. Eastman] Commissioner Lynford.

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Pocino.

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Schuber.

(Board Meeting 11/19/15)

[Comm. P. Schuber] Yes.

[K. Eastman] Commissioner Steiner.

[Comm. D. Steiner] Yes.

[V-Chair S. Rechler] The motion is passed. Back to you.

[Board Chair J. Degnan] Thank you, Scott. There will be no further business. I move to—is there a motion to adjourn the meeting, a second? >> Second.

[Commissioners] All in favor, say aye. >> Aye. >> Meeting's now adjourned. Thank you.