

**The Port Authority of New York and New Jersey
Committee on Operations Transcripts
October 20, 2016**

[Chair J. Degnan] I'm going to call this meeting to order. We're now convening our Public Session Committee Meetings, starting with the Committee on Operations. Public meetings of the Committee on Capital Planning, Execution and Asset Management and the Committee on Finance will follow the Committee on Operations and we'll conclude the public portion of today's meetings with the public Board Meeting which will follow immediately upon that. Today's meetings are being broadcast on the Port Authority's website for anybody interested in viewing them. The Committee On Operations also met jointly with the Committee on Finance in executive session, earlier today to discuss matters involving ongoing negotiations or reviews of contracts or proposals. At this point, I'll ask the Board Secretary to advise those present on the composition of the Committee on Operations and any Commissioner recusals on any matter before the Committee at today's public meeting.

[K. Eastman] Thank you. The Committee is composed of yourself as Chairman, Commissioner Rechler is Vice-Chairman and Commissioners Laufenberg, Lipper and Steiner. All Committee members are present at today's meeting, with the exception of Commissioner Rechler. Of the two actions, Newark International Airport United Parcel Company and the third party use of Port Authority facilities, there were no recusals required.

[Chair J. Degnan] Okay, at that point we'll proceed with the discussion. Tom Bosco, the Director of Aviation is going to do a presentation to the Board on the United Parcel Service Company transaction at Newark Airport. Tom.

[T. Bosco] I'm sorry Mr. Chairman, the computer's restarting now. It will be like two seconds, just give an overview or something.

[Chair J. Degnan] Tom would you be comfortable without the slides? Or...

[T. Bosco] Yes. So good morning Commissioners. Today, I ask you to authorize the Executive Director to enter into new lease and supporting ancillary agreements with UPS for a new air cargo facility on the airport's north side. And we're talking Newark Liberty here, sir. The UPS move from its existing location on the south side of the airport to new facilities on the north side of the airport, will make way for the construction of a new Terminal A, previously approved by this Board. Okay, I'm just waiting for the map to show up. So Newark Liberty has served as a UPS gateway for express air cargo to and from Canada and Europe since 1982. UPS' existing facility on the south side of the airport was built in 1987. The current lease expires at the end of this year. Under this proposed authorization, we would extend the existing lease approximately 16 months, to May 1st 2018, in order to give UPS time to develop new facilities, on the airport's north side. Under this authorization, UPS will lease 22.4 acres to build a 40,000 square foot cargo facility on the north side of the airport. It would lease a portion of existing Building 157 for office space, warehouse bays, aircraft and vehicle parking and it would also lease one acre on the airport's northeast side for truck parking and staging. The Port Authority would receive 25

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years of rental payments commencing the earlier of beneficial occupancy of the new facilities or May 1st 2018. The basic terms of the agreement is that UPS will invest a minimum of \$50 million in the new cargo building. It will relocate utilities, in this case high pressure water for fire protection on the Port Authority's behalf with reimbursement from the Port Authority not to exceed \$2.5 million. So Commissioners, subject to your questions I ask that you advance this item to the full Board for approval today.

[Chair J. Degnan] So the public understands this is a Committee Meeting on Operations. Procedure is to recommend to the Board and its later public session for the Board to adopt as a whole, so at this point, is there a motion from someone on the op... >> So moved. >> Second. Any further questions or comments? Any opposition? All those in favor, please indicate by saying "Aye." >> Aye.

[Chair J. Degnan] Oppose.

[Chair J. Degnan] This does not require a roll call vote because the Board will be voting on it later. Thanks Tom. The next item is the Third Party Use of Port Authority Facilities, Portia Henry, from our staff who has led the development of this proposal will make the presentation. Thanks Portia.

[Portia Henry] Thank you. Good afternoon Chairman, Vice-Chairman and Board of Commissioners. Over the last year, I have had the privilege of working along with the staff working group to begin a policy discussion of a uniformed framework for administering requests by outside entities for permitted use of non-tenant and when applicable, tenant space, throughout The Port Authority network of transportation facilities. This also includes the World Trade Center, the property which currently has the highest number of annual requests due to its unique commercial space, location and historic value. The Port Authority receives special event and media requests from for-profit, not-for-profit and governmental entities to utilize its facilities. Now to provide context, between 2014 and 2015 outside entities submitted 146 requests for use of Port Authority facilities and infrastructure. Including but not limited to photo shoots and filming. Historically, the agency has approached such requests on a case by case basis depending on the facility and nature of the proposal. Now to provide a few examples of the types of events this policy will address. On the upper left-hand corner, on the next slide.

[Facility Event Examples:] Filmings Tours Run/Walk/Bike Races The upper left-hand corner, we have pictured the film crew working along with Port Authority staff to coordinate logistics for the recent motion picture film, Sully at LaGuardia Airport. Now Aviation operations and maintenance, Port Authority police and other key agency staff hosted over 300 extras and another 200-member production crew to film this one-day shoot. Now pictured on the right-hand corner, we have a group of PATH facility members after completing a technical tour. This is one of the many ways in which the agency remains involved with the local community groups and academic institutions to foster educational opportunities throughout the Port District. Now in addition, we also host run, walk and bike races that are often scheduled year -around in close coordination with facility operations providing unique experiences to local fitness enthusiasts. Overall through the working group's preliminary analysis, some solicitations tend to be more or less involved in terms of planning and coordination. The coming policy will seek to address

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ways in which authorizations and scheduling can be streamlined to provide timely responses to requestors. The intended policy will provide a framework that not only will preserve the intended transportation use of Port Authority facilities, while maintaining safe, secure and orderly operations when considering permit request. To ensure transparency, the adopted process will provide uniform protocols for examining public requests across the agency's business streams for scheduling and functional purposes. Now in addition to protecting Port Authority intellectual property and value in concurrence with existing agency policies, the third party use of facilities policy will seek to provide fundamental agency-wide standards to guide permitting decisions.

[Policy Guidelines] The policy will also address recovery of operating costs

[Maintain a safe, secure, and orderly operation of the facilities] in mitigating operational and financial impacts

[Ensure policy transparency Protect Port Authority intellectual property] incurred as a result of permitted activities

[Recovery of operating costs] through a standard fee structure.

[Implementation] Now the resolution underway today will commission the establishment of guidelines for implementation of this policy to take agency-wide effect January 2017. Under the direction of the Chief Operating Office and in very close coordination with the offices of the Chief Security Officer, Inspector General, Chief Engineer, Government and Community Relations and applicable Facility Management. Each facility will continue to oversee logistics and processing according to the unique constraints of the requested space or infrastructure. Furthermore, it is our intent that implementation of this policy will clarify process and fee requirements for external requestors and reinforce the agency's continued commitment to transparency and accountability. Thank you. I would like to open the floor to questions.

[Chair J. Degnan] Thank you, Portia. Any questions about this? This will put some process, context, standards, and guidelines around what has come up now. I talked the process with the entire leadership about Those who consider requesting the use of our facilities for various purposes. If there are no questions or comments, is there a motion from a Committee member not recused to move the item forward to the Board for final approval. >> I move it Chair >> Second. Any objections? Is there a second? Any objections? Hearing none the motion is passed. Now that concludes today's meeting on the Committee on Operations. Now the next Committee meeting would be the CPEAM meeting and Scott Rechler is normally the Chair of that, he's detained in his arrival today and so I'm going to go ahead and proceed to chair that Committee meeting as Vice-Chairman myself. The first presentation is a presentation by Molly Campbell on Port...