

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

## MINUTES

Thursday, February 16, 2017

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, February 16, 2017 at 150 Greenwich Street, City, County and State of New York**

**PRESENT:**

**NEW JERSEY**

Hon. John J. Degnan, Chairman  
 Hon. Richard H. Bagger  
 Hon. William P. Schuber  
 Hon. David S. Steiner

**NEW YORK**

Hon. Michael D. Fascitelli  
 Hon. Hamilton E. James  
 Hon. Kenneth Lipper  
 Hon. Jeffrey H. Lynford

Patrick J. Foye, Executive Director  
 Michael E. Farbiarz, General Counsel  
 Karen E. Eastman, Secretary

Luke S. Bassis, Deputy Director, Procurement  
 Justin E. Bernbach, Director, Government and Community Affairs, New York  
 John Bilich, Acting Chief Security Officer  
 Molly C. Campbell, Director, Port  
 Ana M. Carvajalino, Director, Office of Financial Planning  
 Steven J. Coleman, Deputy Director, Media Relations  
 Janet D. Cox, Director, Management and Budget  
 Nicole Crifo, Senior Advisor to the Chairman  
 Stephanie E. Dawson, Chief Operating Officer  
 Michael B. DeGidio, Director, Security Operations  
 Clarelle D. DeGraffe, Deputy Director, Rail Transit  
 Gerard A. Del Tufo, Assistant Director, Development and Operations, Real Estate Services  
 John C. Denise, Audio Visual Supervisor, Marketing  
 Michael P. Dombrowski, Audio Visual Specialist, Marketing  
 Benjamin S. Engle, Project Manager, Human Resources  
 Jose B. Febrillet, Director, Project Management  
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police  
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals  
 Frank H. Gallo, Assistant Director, Capital Project Management, Rail Transit  
 Robert E. Galvin, Chief Technology Officer  
 David P. Garten, Chief of Staff to the Vice Chairman  
 Glenn P. Guzi, External Affairs Logistics Manager, World Trade Center Redevelopment  
 Linda C. Handel, Deputy Secretary, Office of the Secretary  
 Patricia A. Hurley, Chief of Staff to the Chairman  
 Howard G. Kadin, Esq., Law  
 Sherien N. Khella, Deputy Director, Office of Financial Planning  
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 William Laventhal, Executive Policy Analyst, Office of the Executive Director  
 Huntley A. Lawrence, Director, Aviation  
 John H. Ma, Chief of Staff to the Executive Director  
 Stephen Marinko, Esq., Law  
 Ronald Marsico, Director, Media Relations

Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management  
 Hugh P. McCann, Director, World Trade Center Operations  
 Daniel G. McCarron, Comptroller  
 Elizabeth M. McCarthy, Chief Financial Officer  
 James E. McCoy, General Manager, Board Unit, Office of the Secretary  
 David J. McGrath, Manager, Marketing and Communications, Marketing  
 Mark F. Muriello, Deputy Director, Tunnels, Bridges and Terminals  
 Maria Oliveri, Associate Board Management and Support Specialist, Office of the Secretary  
 Matthew Pedersen, Senior Manager of Real Estate Development, Real Estate Services  
 Steven P. Plate, Chief, Major Capital Projects  
 Alan L. Reiss, Director, World Trade Center Construction  
 Michael Shannon, Manager, Corporate Budget, Management and Budget  
 James A. Starace, Chief Engineer/Director of Engineering  
 Timothy G. Stickelman, Assistant General Counsel  
 Lillian D. Valenti, Chief Procurement and Contracting Officer  
 Sheree R. Van Duynes, Manager, Policies and Protocol, Office of the Secretary  
 Samantha Weston, Legal Management Executive, Procurement  
 Cheryl A. Yetka, Treasurer  
 William J. Young, Senior External Relations Client Manager, Government and Community Affairs  
 Anni Zhu, Leadership Fellow, Human Resources

Guests:

Mary Maples, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey  
 Matthew Trapasso, Special Assistant, Office of the Governor of New York  
 Michael Wojnar, Assistant Secretary for Transportation, Office of the Governor of New York

Speakers:

Vanessa Agudelo, Office of New York State  
 Senator Marisol Acantar

Shirley Aldebol, Local 32 BJ

Leslie Azzouni, Unite Here, Local 100

Christine Berthet, Community Board 4

Michael Blaustein, Partnership for NYC

Janna Chernetz, Tri-State Transportation  
 Campaign

Maritza Collado, Local 32BJ

Michael DeFreitas, Local 32 BJ

Margaret Donovan, The Twin Towers Alliance

Cesar Flores, Unite Here, Local 100

Dustin Fry, Columbia Mailman School of  
 Public Health

Tiffanie Fisher, Councilwoman,  
 City of Hoboken, NJ

Hon. Robert M. Gordon, New Jersey State Senator

Louis Heimbach, Stewart Airport Commission

Andrew Hollweck, New York Building Congress

Richard Hughes, The Twin Towers Alliance

Topic:

GWB Bicycle Access

Capital Plan and Airport Worker Wages

Airport Worker Protection

2017-2026 Capital Plan

2017-2026 Capital Plan

2017-2026 Capital Plan

Capital Plan and Airport Worker Wages

Capital Plan and Airport Worker Wages

Transparency

Airport Worker Protection

GWB Bicycle Access

Port Authority Bus Terminal

2017-2026 Capital Plan

2017-2026 Capital Plan

2017-2026 Capital Plan

Port Authority Practices

Speakers:

Charles Komanoff, Right of Way  
 Gary LaBarbera, Building and Construction  
 Trades Council of Greater New York  
 Steven Leone, Local 32 BJ  
 Jack May, Resident of Montclair  
 Reverend Kevin McCall, National Action  
 Network New Jersey  
 Gregory O'Brian, Unite Here, Local 100  
 Karl Olszewski, KJO Rapid-Rail Response  
 & Emergency Preparedness, LLC  
 Arthur Piccolo, Bowling Green Association, Inc.  
 Susan Rodetis  
 Stephen Sigmund, Global Gateway Alliance  
 Brad Taylor, 5 Borough Bike Club  
 Hon. John Wisniewski, New Jersey State  
 Assemblyman

Topic:

2017-2026 Capital Plan  
 2017-2026 Capital Plan  
  
 Capital Plan and Airport Worker Wages  
 Extension of PATH to EWR  
 Capital Plan and Airport Worker Wages  
  
 Airport Worker Protection  
 2017-2026 Capital Plan  
  
 WTC Transit Hub  
 2017-2026 Capital Plan  
 2017-2026 Capital Plan  
 2017-2026 Capital Plan  
 2017-2026 Capital Plan

The public meeting was called to order by Chairman Degnan at 12:53 p.m. and ended at 3:10 p.m. The Board also met in executive session prior to the public session. Commissioner Pocino was present for the executive session.

### **Action on Minutes**

The Secretary submitted for approval Minutes of the meeting of January 5, 2017. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on January 6, 2017. The Secretary reported further that the time for action by the Governors of New York and New Jersey had expired at midnight on January 23, 2017.

Whereupon, the Board unanimously approved the Minutes of the meeting of January 5, 2017.

### **Report of Committee on Security**

The Committee on Security reported, for information, on matters discussed in executive and public sessions at its meeting on February 16, 2017, which included discussion of matters related to public safety or law enforcement, matters involving external or internal investigations or audits, review of contract security guard working conditions at the George Washington Bridge, and the report was received.

### **Report of Committee on Finance**

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on February 16, 2017, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

### **Report of Committee on Operations**

The Committee on Operations reported, for information, on matters discussed in public session at its meeting on February 16, 2017, which included discussion of a lease for the development of an aircraft hangar at Stewart International Airport, and discussion of an extension to an air service incentive program at Stewart International Airport, and the report was received.

## **ADOPTION OF 2017-2026 CAPITAL PLAN**

Following an extensive period of public comment, it was recommended that the Board adopt the 2017-2026 Capital Plan.

The Port Authority aims to provide the highest quality and most efficient transportation facilities. Such facilities are dependent on a rigorous long-term capital plan that allocates resources in light of Port Authority priorities; and that plans for long-term investments that enhance cost-effectiveness, improve performance, strengthen safety and security, implement new technologies, maintain infrastructure in a state of good repair, and advance regional economic competitiveness.

Throughout 2016 and continuing into 2017, the Board met on numerous occasions, often with Port Authority staff, to work toward the formulation of a proposed capital plan. On January 5, 2017 the Board resolved that the proposed capital plan should be issued publicly, with an extended period of public comment to follow. On January 11, 2017, the proposed capital plan (“Proposed Capital Plan”) was posted on the Port Authority’s website (“Website”). In addition, and as resolved by the Board on January 5, 2017, two public meetings (“Meetings”) were held with respect to the Proposed Capital Plan, on January 31, 2017 in New York and on February 7, 2017 in New Jersey. Before the Meetings, multiple newspaper advertisements were placed, to publicize the Meetings and to invite participation from members of the public. The Meetings were attended by Commissioners from each state, the Executive Director, and the Chief Financial Officer. The Meetings were video-recorded, and the video-recordings were posted on the Website. In addition, a summary of public comments to the proposed capital plan, conveyed both in public meetings and by means of electronic mail, has been provided to the Board.

In light of the work that the Board and Port Authority staff have undertaken, and the input that has been received from the public, it was recommended that the Board adopt the 2017-2026 Capital Plan (“Capital Plan”). The Capital Plan includes \$29.5 billion in direct spending on Port Authority projects, and a commitment to support debt service on \$2.7 billion of Gateway Development Corporation low-cost borrowing for the Gateway passenger rail tunnel project and related infrastructure. In addition, the Capital Plan is expected to result in the creation of 235,400 total job years; \$20 billion in total wages; and \$56 billion in overall economic activity.

The Capital Plan includes the following components:

- Renewing Port Authority assets to maintain them in a state of good repair, so that the Port Authority can continue providing infrastructure that is efficient, reliable, and safe. This category includes the “Restoring the George” construction program at the George Washington Bridge, as well as projects to rehabilitate runways at John F. Kennedy International Airport, and to replace the Lincoln Tunnel Helix.
- Expanding capacity, improving connectivity, and advancing the region’s transportation needs by, among other things, funding investments with respect to a replacement for the Port Authority Bus Terminal; redevelopment of Terminals C and D and related infrastructure at LaGuardia Airport; redevelopment of John F. Kennedy International Airport; redevelopment of Terminal A at Newark Liberty International Airport; a new AirTrain connecting LaGuardia Airport to Willets Point; and an extension of the PATH

rail infrastructure from the existing terminus at Newark Penn Station to a station adjacent to the Northeast Corridor Rail Link Station, at Newark Liberty International Airport.

- Partnering with federal and regional entities to restore infrastructure that was damaged by Superstorm Sandy, to enhance resiliency, and to plan for the future. This category also includes the Port Authority’s support of the Gateway Development Program.
- Delivering projects that are currently in construction, including: supporting the Terminal B Redevelopment Project at LaGuardia Airport; making upgrades to the Harrison and Grove Street PATH stations, and to a port and rail cargo facility at Greenville Yard–Port Authority Marine Terminal; and completing other large projects, such as the Bayonne Bridge Navigational Clearance Program, the Goethals Bridge Replacement, and the PATH Signals Replacement Program (including positive train control) and the World Trade Center site.

In addition to adopting the Capital Plan, it was recommended that the Board reaffirm, in accord with its Resolution of January 5, 2017, the process by which the Capital Plan will be monitored and potentially modified going forward. As part of this process, the Committee on Finance and the Committee on Capital Planning, Execution, and Asset Management should continue their current practice of working with staff on quarterly monitoring of Port Authority capital expenditures and capital capacity. In addition, at least every two years the Board should reassess the Capital Plan in light of then-current information as to capital capacity and the progress of capital projects, and determine whether there will be sufficient resources to: (1) invest in Capital Plan projects during the remaining period of the Capital Plan at roughly the pace and the cost that has been planned, and (2) fund necessary expenditures in the subsequent ten-year period. If the Board cannot make this determination, it should modify the Capital Plan to ensure that these two conditions can be met and to maintain a balanced Plan.

Finally, it was recommended that the Board reaffirm, in accord with its Resolution of January 5, 2017, the process, including existing Board authorization procedures, for determining when construction may begin on a given capital project to be set out in the Capital Plan. This process should include, among other things, consideration of: the revenue-generating potential and capital capacity impact of the capital project; the relative priority of the project; and the overall capital capacity of the Port Authority. If in the Board’s judgment there is not sufficient capital capacity, then: (1) construction should not begin; (2) other projects should be deferred, eliminated, or modified to the point that there is sufficient capital capacity, at which point construction may begin; or (3) the Board should consider other fiscally-prudent alternatives, taking into account such factors as revenues, expenses, and anticipated project costs. In determining whether there is sufficient capital capacity, consideration should be given to steps to reduce expenses (“Savings”), as well as to projected revenue increases and anticipated receipt of proceeds from either third-party grants or monetization of Port Authority assets (collectively, “Additional Funding”), but only to the extent that such Savings and Additional Funding are, in the judgment of the Board, highly likely to be realized.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that, the 2017-2026 Capital Plan (“Capital Plan”), which includes \$29.5 billion in direct spending on Port Authority projects, and a commitment to support debt service on \$2.7 billion of Gateway Program Development Corporation low-cost borrowing for the Gateway passenger rail tunnel project and related infrastructure, be and it hereby is adopted; and it is further

**RESOLVED**, that the 2017 Budget, adopted by the Board at its meeting of December 8, 2016, be and it hereby is amended, to provide for capital expenditures during 2017 in accordance with the Capital Plan, with overall 2017 capital expenditures remaining in the amount of approximately \$2.9 billion; and it is further

**RESOLVED**, that, as part of the process by which the Capital Plan will be monitored and might be adjusted in the future, the Committee on Finance and the Committee on Capital Planning, Execution, and Asset Management should continue working with staff on quarterly monitoring of Port Authority capital expenditures and capital capacity; and it is further

**RESOLVED**, that, at least every two years, the Board shall reassess the Capital Plan in light of then-current information as to capital capacity and the progress of capital projects, and determine whether there will be sufficient resources to: (1) invest in Capital Plan projects during the remaining period of the Capital Plan at roughly the pace and the cost that has been planned; and (2) fund necessary expenditures in the subsequent ten-year period - and if the Board cannot make this determination, it shall modify the Capital Plan to ensure that these two conditions can be met and to maintain a balanced Plan; and it is further

**RESOLVED**, that, in addition to existing Board authorization procedures, construction may begin on a given capital project included in the Capital Plan only after consideration of, among other things, the revenue-generating potential and capital capacity impact of the capital project; the relative priority of the project; and the overall capital capacity of the Port Authority - and if in the Board’s judgment there is not sufficient capital capacity (“Sufficient Capacity”), then: (1) construction shall not begin; (2) other projects shall be deferred, eliminated, or modified to the point that there is sufficient capital capacity, at which point construction may begin; or (3) the Board shall consider other fiscally-prudent alternatives, taking into account such factors as revenues, expenses, and anticipated project costs; and it is further

**RESOLVED**, that, in determining whether there is Sufficient Capacity, the Board shall consider steps to reduce expenses (“Savings”), as well as projected revenue increases and anticipated receipt of proceeds from either third-party grants or monetization of Port Authority assets (collectively, “Additional Funding”), but only to



the extent that such Savings and Additional Funding are, in the judgment of the Board, highly likely to be realized; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary or appropriate to effectuate the foregoing.

## **PORT AUTHORITY BUS TERMINAL – REPLACEMENT PLANNING AND DEVELOPMENT – PLANNING AUTHORIZATION – PHASE 1**

It was recommended that the Board authorize: (1) the first phase of a comprehensive planning effort for the advancement and further definition of capital projects related to the development of a replacement for the Port Authority Bus Terminal (PABT) located on the West Side of Manhattan, including planning for support facilities, such as bus parking and staging facilities; and (2) planning for potential intermediate bus staging and storage facilities and other initiatives for the efficient operation of the interstate bus network, including the existing PABT facility, at a total estimated aggregate cost for (1) and (2) of \$70 million; and (3) the Executive Director to enter into agreements for professional, technical and related advisory services in support of the PABT replacement planning effort, as well as for the intermediate initiatives to support efficient operation of the existing PABT, with each consultant to be retained in accordance with federally compliant procurement processes, all at a total estimated amount of \$50 million, the cost of which is covered within the requested \$70 million planning authorization amount.

Collaboration and coordination of these planning efforts is necessary so that, at the conclusion of the final planning phase, subject to further authorization by the Board, as necessary, these combined efforts would adhere to the requirements of the National Environmental Policy Act (NEPA) and result in completion of a Final Environmental Impact Statement (EIS), yielding a Record of Decision (ROD).

The PABT, located on the West Side of Manhattan, was first opened for service in 1950 and last underwent major expansion in 1979, increasing capacity by 50 percent with the addition of North Wing. Currently located between 40th and 42nd Streets and 8th and 9th Avenues, the facility is integrated with direct off-street bus access to the Lincoln Tunnel and adjoins 12 subway lines and five New York City Transit (NYCT) bus routes, and offers convenient pedestrian access to Manhattan's densest office locations — including the future Hudson Yards development, the Theater District, shopping and entertainment centers.

The PABT is currently challenged with fundamental capacity shortfalls amid growing commuter and intercity bus travel demand, a scarcity of bus parking and staging, aging infrastructure and systems, and a future need for significant structural rehabilitation of terminal floor slabs. In recognition of the PABT's critical role in interstate mass transit, the facility operates beyond its capacity limits in the peak hours, both for bus movements to and within the Terminal, as well as passenger handling capacity within the Terminal. The lack of adequate capacity presents an ongoing challenge to address traffic congestion, delays, crowding and services reliability. Significant new investment is needed to serve today's customers adequately and respond to growing trans-Hudson bus travel demand. Bus parking and staging is cited by bus operators and terminal management as an immediate need, to sustain the vitality of today's operations and as an essential element of the functionality required for an effective replacement bus terminal. The recently completed Trans-Hudson Commuting Capacity study recommended early-action development of additional bus parking and staging capacity that may serve today's bus operations and potentially the future replacement terminal.

The Port Authority has undergone a series of pre-planning exercises to address replacement needs and constraints prior to formal project planning and pertinent regulatory review. Improving trans-Hudson transportation, including the interstate bus network, is included in the Regional Transportation Plan documents adopted by both the New York Metropolitan Transportation

Council and the North Jersey Transportation Planning Authority, the federally designated metropolitan planning organizations covering the bi-state metropolitan area.

Specific areas to be considered for the PABT Replacement Program include a comprehensive review of planning and design alternatives related to: (1) facility size and structural requirements; (2) the locations of all required facilities; (3) connections to the Lincoln Tunnel and NYCT subway and bus systems; (4) bus parking and staging facilities; and (5) ancillary development opportunities, including those involving Port Authority properties located on the West Side of Manhattan, that would be further evaluated and advanced from conceptual planning to the preferred alternative and Draft EIS under this proposed Phase 1 planning authorization. Phase 1 planning work is expected to commence in the first quarter of 2017 and be completed in the third/fourth quarter of 2018.

The proposed planning authorization would include retaining services for public/stakeholder engagement and additional technical planning services, to continue conceptual planning efforts to identify and screen alternatives for a site(s) for construction, and would advance into the design phase by identifying technical inputs, regulatory requirements, implementation steps, infrastructure requirements, functional requirements and operational efficiencies associated with various concepts. This process is essential to the continuation of planning in accordance with NEPA and other federal, state, or local regulatory requirements for development. These professional, technical and related advisory services agreements would be procured pursuant to federally compliant competitive procurement processes.

The Phase 1 planning effort would identify and assess an optimal PABT facility location, from among those considered to date and other options, based on: (1) ongoing engagement with representatives of New York and New Jersey elected officials, other regional transportation and New York City agencies and neighboring stakeholders; (2) Midtown Bus Master Planning efforts recommending the site one block west of the current facility; (3) the comparative analysis and suggestions of the Independent Panel in the Port Authority Bus Terminal International Design + Deliverability Competition; and (4) findings and recommendations of the Trans-Hudson Commuting Capacity Study.

New bus parking and staging capacity will be required to: (1) address the acute shortage of bus parking and staging capacity in the vicinity of the PABT; (2) improve bus operations and customer service, with improved reliability, travel-time predictability and on-time performance; (3) enhance the operating efficiency of the PABT, especially during the evening peak hours; (4) reduce eastbound congestion at the Lincoln Tunnel in New Jersey during the afternoon and evening hours; and (5) minimize Midtown congestion resulting from interstate bus diversions to local New York City streets.

Authorization of the aforementioned comprehensive planning effort for the replacement of the PABT would reaffirm the Port Authority's commitment to providing patrons with modern, efficient, sustainable, reliable and customer-oriented facilities, as well as access to other public transportation services. The planning effort would take into account the Port Authority's commitment to minimizing any anticipated neighborhood impacts during planning, construction and operation of the replacement PABT that may result from the selection of a preferred alternative, determined in accordance with NEPA and any other applicable federal, regional or local review processes.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that: (1) the first phase of a comprehensive planning effort for the advancement and further definition of capital projects related to the development of a replacement for the Port Authority Bus Terminal (PABT), located on the West Side on Manhattan, including planning for support facilities, such as bus parking and storage facilities; and (2) planning for potential intermediate bus staging and storage facilities and other initiatives for the efficient operation of the interstate bus network, including the existing PABT facility, at a total estimated aggregate cost for (1) and (2) of \$70 million, be and they hereby are authorized; and it is further

**RESOLVED**, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, to enter into agreements for professional, technical, and related advisory services in support of the PABT replacement planning effort, as well as the intermediate initiatives to support the efficient operation of the existing PABT facility, with each consultant to be retained in accordance with federally compliant procurement processes, at an estimated aggregate amount of \$50 million, the cost of which is covered within the requested \$70 million planning authorization amount; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to other contracts for professional, technical and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning effort, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing planning effort shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

## **JOHN F. KENNEDY INTERNATIONAL AIRPORT – REDEVELOPMENT - PLANNING AUTHORIZATION**

It was recommended that the Board authorize: (1) a Port Authority planning effort to develop a master plan, and additional conceptual planning work to support future airport development at John F. Kennedy International Airport (JFK), through programs, projects and development deals, at an estimated total cost of \$50 million; and (2) the Executive Director to: (a) enter into agreements for professional, technical and advisory services, pursuant to publicly advertised Requests for Proposals, to provide program management, planning, architectural and engineering services in support of the foregoing planning effort, at an estimated amount of \$40 million; and (b) submit an application to the Federal Aviation Administration to collect and expend up to \$50 million in Passenger Facility Charges to recover expenditures associated with the planning effort.

JFK opened in 1948 and originally operated with one terminal and one runway while serving approximately 200,000 passengers annually. Today, JFK operates with six terminals and four runways. In 2016, the airport accommodated an estimated 450,000 flights and served a record approximately 59 million passengers, which demonstrated 22-percent growth over the past five years. Demand at the airport is expected to continue to increase, with current forecasts estimating activity reaching 100 million annual passengers by 2050.

Current terminal development is challenged by airfield and landside infrastructure boundaries that have been static since the early 1990s. As a result, during certain peak periods the airport cannot adequately support today's passenger volumes. As passenger and air traffic demand increases, the already congested airfield, terminals and landside roadway and parking systems will be further strained. In addition, to date, JFK's terminals have been developed as independent projects, without the benefit of an overall master plan to guide their development. This independent development has created a fragmented airport with inconsistent levels of service across the terminals.

In January 2015, New York Governor Andrew Cuomo created an Airport Advisory Panel (Advisory Panel) to make recommendations to the State of New York and the Port Authority regarding the transformation of LaGuardia and JFK Airports. The Advisory Panel, with the assistance of expert consultants, received input from, and worked with, the Port Authority and other agencies, including the New York State Metropolitan Transportation Authority (MTA) and the New York State Department of Transportation (NYSDOT). On January 4, 2017, the Advisory Panel issued a report entitled, "A Vision Plan for John F. Kennedy International Airport" (JFK Vision Plan), which included recommendations for a 21<sup>st</sup> century airport.

The JFK Vision Plan's recommendations include improving road access to JFK and expanding rail mass transit, requiring close coordination and collaboration by the Port Authority with external stakeholders, including the NYSDOT and the MTA. The master plan to be developed pursuant to the proposed planning authorization would provide key inputs on JFK's future passenger and traffic volumes, to allow the Port Authority to coordinate planning properly with the NYSDOT and the MTA.

This master planning work also would focus on a comprehensive, airport-wide framework for transforming JFK into a unified, world-class airport, following upon recommendations included in the JFK Vision Plan, addressing challenges that include: the creation of an interconnected terminal layout; a redesign of the on-airport traffic pattern; centralization of the parking lots; expansion of taxiways; the addition of world-class amenities; and the use of state-of-the-art security technology. The Port Authority's master planning effort would address these challenges, while also informing specific development areas through feasibility and conceptual planning studies, including studies of the airport terminals, cargo facilities, airport roadways, parking, AirTrain JFK, airfield capacity, supporting utility infrastructure, and aeronautical improvements.

As part of the Port Authority's proposed planning authorization, near-term development opportunities at JFK – such as: the redevelopment of older terminals, including, but not limited to, Terminals 1, 2 and 7; the continued operation of the cogeneration power plant; planning for enhancements to the existing aircraft fuel farm facilities; utility infrastructure capacity planning; AirTrain capacity enhancement; and North Cargo Area development – would be guided by the Port Authority's master plan and supporting conceptual studies on tangentially related development areas, such as roadway design, parking, utilities and aeronautical improvements.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a Port Authority planning effort to develop a master plan, and additional conceptual planning work to support future airport development at John F. Kennedy International Airport, at an estimated total cost of \$50 million, be and it hereby is authorized; 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 agreements for professional, technical and advisory services, pursuant to publicly advertised Requests for Proposals, to provide program management, planning, architectural and engineering services in support of the foregoing planning effort, at an estimated amount of \$40 million; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to other contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning effort, pursuant to authority granted in the By-Laws or other resolution adopted by 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 submit an application to the Federal Aviation Administration to collect and expend up to \$50 million in Passenger Facility Charges to recover expenditures associated with the foregoing planning effort; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing planning effort shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**LAGUARDIA AIRPORT – IMPLEMENTATION OF AN AIRTRAIN SYSTEM –  
PLANNING AUTHORIZATION**

It was recommended that the Board authorize: (1) preliminary planning work to determine the constructability, and operational and financial feasibility, of a new AirTrain system at LaGuardia Airport (LGA), at a total estimated cost of \$20 million; and (2) the Executive Director to: (a) award contract(s) for expert professional technical services to support the preliminary planning effort, on a task-order basis, pursuant to publicly advertised Requests for Proposals, at an estimated amount of \$17 million; and (b) submit an application to the Federal Aviation Administration to collect and expend up to \$20 million in Passenger Facility Charges to recover expenditures associated with planning for a new AirTrain system at LGA.

Under the proposed planning authorization, the Port Authority would undertake planning and feasibility work for the future AirTrain System, including alternative analysis, conceptual layouts, a detailed ridership study, a traffic study, thorough geotechnical investigation, and capital and operating cost estimates and scheduling, development of financing needs and potential solutions, as well as coordination with other planning efforts at LGA.

The planning effort would require the retention of professional technical services to assist staff with performance of the above tasks.

The proposed planning effort would evaluate the potential impacts of AirTrain implementation on recent off-airport and on-airport development, as well as any other master planning or long-term redevelopment efforts undertaken for LGA and off-airport areas adjacent to the selected alignment. This planning effort also would include an analysis of operational, financial and community impacts and legal considerations.

The implementation of an AirTrain at LGA would have significant benefit to the long-term development and success of the airport. Adding an important ground transportation alternative would improve the connectivity between the terminals and the Long Island Rail Road and the New York City Transit subway system, and enhance mass transit connections for airport customers.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that preliminary planning work to determine the constructability, and operational and financial feasibility, of a new AirTrain system at LaGuardia Airport, at a total estimated cost of \$20 million, be and it hereby is authorized; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award contract(s) for expert professional technical services to support the preliminary planning effort, on a task-order basis, pursuant to publicly advertised Requests for Proposals, at an estimated amount of \$17 million; and it is further



**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to other contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning work, pursuant to authority granted in the By-Laws or other resolution adopted by 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 submit an application to the Federal Aviation Administration to collect and expend up to \$20 million in Passenger Facility Charges to recover expenditures associated with the foregoing planning work; and it is further

**RESOLVED**, that the form of any contracts, agreements or other documents in connection with the foregoing planning work shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

## **STEWART INTERNATIONAL AIRPORT – AIR SERVICE DEVELOPMENT INCENTIVE PROGRAM – PROGRAM AUTHORIZATION**

It was recommended that the Board authorize the Executive Director to extend an existing air service incentive program, which would continue to provide for financial and marketing incentives to passenger airlines that initiate non-stop service on new routes from Stewart International Airport (SWF) for a three-year period. For new non-stop domestic routes, the following incentives would continue to be offered: (1) a credit of up to \$525 per turn for ground handling service charges for the first and second full years of new non-stop service; (2) marketing and advertising support valued at \$3 per outbound seat, not to exceed \$150,000 per destination in the first full year of non-stop service and \$75,000 in the second full year of non-stop service; and (3) a 50-percent reduction in rent and fees associated with the new service for the first full year of non-stop service, and a 25-percent reduction in rent and fees in the second full year of non-stop service. For new non-stop international routes, the following incentives would continue to be offered: (1) a credit of up to \$900 per turn for ground handling service charges for the first and second full years of new non-stop service; (2) marketing and advertising support valued at \$3 per outbound seat, not to exceed \$250,000 per destination in the first full year of non-stop service and \$125,000 per destination in the second full year of non-stop service; and (3) a 100-percent reduction in rent and fees associated with the new service for the first full year of non-stop service, and a 50-percent reduction in rent and fees in the second full year of non-stop service. The incentives would be provided to participating airlines for a 24-month period from service start date, provided that service begins between April 1, 2017 and March 31, 2020.

Since acquiring SWF in November 2007, overall passenger enplanements at the airport have decreased, due to negative economic conditions, fluctuating fuel cost, reductions in industry capacity, and increased competition from nearby airports. As a result, airlines have been reducing seats and retiring smaller, less fuel-efficient regional jets predominantly serving smaller airports like SWF. Some airports in closer proximity to larger metropolitan hubs have witnessed a complete cessation of scheduled air service.

In an effort to prevent a further reduction in air service at SWF, the Board authorized a Retention Incentive Program in August 2008. The program waived certain fees and rentals for all airlines providing passenger service at SWF for a period of three months. This program proved to be successful in retaining existing airlines and air service. At that time, the Board also was informed that staff would develop longer-term solutions to grow air service at SWF.

On February 9, 2012, the Board authorized a five-year air service development incentive program for SWF, on the same terms as for the currently proposed extension of the program. Given the significant number of airports competing for a limited number of available seats, staff has been aggressively pursuing airlines while marketing SWF as an alternative gateway to the New York/New Jersey region. These efforts have resulted in direct flights from SWF to Myrtle Beach International Airport and St. Pete–Clearwater International Airport. The existing program authorized in 2012 is due to expire on March 31, 2017. The proposed extension of the program, which would continue the previously established incentives for an additional three-year period, seeks to attract and sustain new route service and the associated revenue by mitigating startup and marketing costs during the critical first 24 months of service.

The incentive program, as extended, would be in effect from April 1, 2017 through March 31, 2020. The incentive credit to be provided to participating airlines requires that service begin by March 31, 2020.

The total amount of costs associated with the program would be determined by the flight activity, and the number of outbound seats, to new destinations. It is expected that additional revenue generated by increased flights and passenger traffic would more than offset the cost of the program.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to offer to passenger airlines that initiate non-stop service on new domestic routes from Stewart International Airport (SWF) the following incentives, for a 24-month period from service start date, provided that service begins between April 1, 2017 and March 31, 2020: (1) a credit of up to \$525 per turn for ground handling service charges for the first and second full years of new non-stop service; (2) marketing and advertising support valued at \$3 per outbound seat, not to exceed \$150,000 per destination in the first full year of non-stop service and \$75,000 in the second full year of non-stop service; and (3) a 50-percent reduction in rent and fees associated with the new service for the first full year of non-stop service, and a 25-percent reduction in rent and fees in the second full year of non-stop service; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to offer to passenger airlines that initiate non-stop service on new international routes from SWF the following incentives, for a 24-month period from service start date, provided that service begins between April 1, 2017 and March 31, 2020: (1) a credit of up to \$900 per turn for ground handling service charges for the first and second full years of new non-stop service; (2) marketing and advertising support valued at \$3 per outbound seat, not to exceed \$250,000 per destination in the first full year of non-stop service and \$125,000 per destination in the second full year of non-stop service; and (3) a 100-percent reduction in rent and fees associated with the new service for the first full year of non-stop service, and a 50-percent reduction in rent and fees in the second full year of non-stop service; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**STEWART INTERNATIONAL AIRPORT – TAYLOR JET CENTER, LLC – NEW LEASE**

It was recommended that the Board authorize the Executive Director to enter into a new 30-year lease agreement with Taylor Jet Center, LLC (TJC), or an affiliate of TJC, that would provide for the letting of an estimated 34,297 square feet of land at Stewart International Airport (SWF) for the construction of a corporate aircraft hangar, commencing on or about April 1, 2017, with rent commencing on the earlier of TJC's beneficial occupancy of the new corporate aircraft hangar, or one year from lease commencement. The lease also would include two, five-year renewal options, under the same terms and conditions as the initial term, with rental to be subject to a market reset of the appraised value of the undeveloped land, upon six months' prior written notice.

In November 2007, the Port Authority assumed the operations of SWF, consisting of 2,406 acres of land. The proposed leasehold is located within the aeronautical operations area and has never been developed.

Pursuant to the proposed lease, TJC would be obligated to invest a minimum of \$1 million for the design and construction of a hangar for the storage and maintenance of its corporate aircraft and helicopters. Over the initial term of the lease, the Port Authority would receive a total aggregate ground rental of approximately \$646,000. TJC would be responsible for any environmental remediation and costs associated with the construction of the corporate aircraft hangar and associated ramp area. TJC also would be responsible for all operational, maintenance and repair costs associated with the leased premises.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a 30-year lease agreement with Taylor Jet Center, LLC (TJC), or an affiliate of TJC, with two, five-year renewal options, that would provide for the letting of an estimated 34,297 square feet of land at Stewart International Airport for the construction of a corporate aircraft hangar, commencing on or about April 1, 2017, with rental payments commencing on the earlier of TJC's beneficial occupancy of the new corporate aircraft hangar, or one year from lease commencement, 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, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**VEHICULAR CROSSINGS - TOLL COLLECTION PROGRAM - BAYONNE BRIDGE  
CARPOOL PLAN**

It was recommended that the Port Authority Carpool Plan (Plan) be discontinued at the Bayonne Bridge (Bridge), due to the practical impossibility of continuing the Plan with the onset of open-road cashless tolling at the Bridge.

Extensive modernization of the Bridge is taking place as part of the Bayonne Bridge Navigational Clearance Program. For example, the Bridge's roadway is being raised to a height of 215 feet to allow larger, more efficient vessels access to ports, and the Bridge, as rehabilitated and renewed, will feature wider lanes, new shoulders, and median safety dividers, as well as new piers, a new roadway deck, and new approach roads. These improvements will ensure that the Bridge can be operated safely and efficiently for generations to come. As part of these changes, the Bridge will be transitioning to an open-road cashless tolling system. This system will allow tolls to be collected electronically, without recourse to traditional toll plazas. The introduction of open-road cashless tolling will allow drivers to move freely and efficiently across the Bridge, which will save commuters a great deal of time, reduce traffic congestion, and protect the environment by decreasing vehicular emissions.

As the new Bridge all-electronic tolling system will no longer make use of toll plazas, it will not be possible, as a practical matter, to administer the Plan. For example, there will be no toll plaza operators who can determine whether a vehicle seeking to make use of the Plan has the requisite number of occupants. Accordingly, it was recommended that the Plan be discontinued, effective immediately.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that, without need of additional public hearings or further public consideration or comment, the Port Authority Carpool Plan discount will no longer be available to vehicles crossing the Bayonne Bridge; and it is further

**RESOLVED**, that the resolution adopting a toll schedule applicable to Port Authority vehicular crossings, revised by the Board of Commissioners on August 19, 2011, be and it hereby is amended accordingly; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to exercise any discretion or judgment, and to take all action necessary or appropriate, or which may be or is required to be exercised or taken, to implement the provisions of this resolution immediately.

## **JOHN F. KENNEDY INTERNATIONAL AIRPORT – INSTALLATION OF TIDE GATES – PROJECT AUTHORIZATION**

It was recommended that the Board authorize: (1) a project for the installation of flood prevention tide gates and associated work at drainage Outfalls 2, 3, 4, 5 and 6 at John F. Kennedy International Airport (JFK), at an estimated total project cost of \$7 million; and (2) the Executive Director to award a contract to perform the construction work associated with the installation of the flood prevention tide gates, at an estimated construction cost of \$4 million.

Superstorm Sandy caused heavy rains, winds and storm surges along the coastlines of New York and New Jersey that resulted in unprecedented flooding at JFK. Heightened water levels in Jamaica Bay and the Bergen Basin forced saltwater from these two bodies of water back through the outfalls and onto airport property, flooding the bulk fuel farm area, Hangar 19, and other low-lying areas. The impacts of the storm included a 48-hour airport closure that caused the cancellation of almost 2,600 flights. Following the storm, the Port Authority commissioned a study to evaluate potential solutions aimed at minimizing and/or eliminating site flooding due to the effects of storm surge.

In 2014, a study providing a conceptual analysis of the existing storm water system and proposing improvements to minimize storm surge effects at JFK was completed. The report included a recommendation to install tide gates on several outfalls to protect against future flooding.

The preliminary design report identified a total of five outfalls that had contributed to the flooding of the bulk fuel farm and the Hangar 19 areas. Measures to protect the five outfalls (Outfalls 2, 3, 4, 5 and 6) were combined to form the proposed project. The proposed project scope includes the installation of five new tide gates and the replacement of existing security grills with steel security cages outside each gate. Implementation of the proposed project would help prevent flooding of the fuel farm, Hangar 19 and other low-lying areas at JFK due to storm surge flowing back through the storm sewer outfalls, preventing the loss of vital infrastructure in storm surge conditions.

An application has been submitted for Federal Emergency Management Agency grants in support of the project, which is expected to result in recovery of a portion of planning, engineering, and construction costs. Eligibility for federal reimbursements and grants would necessitate that contracts be awarded in compliance with the selection criteria and procedures set forth in the federal Brooks Act.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a project for the installation of flood prevention tide gates and associated work at drainage Outfalls 2, 3, 4, 5 and 6 at John F. Kennedy International Airport, at an estimated total project cost of \$7 million, be and it hereby is authorized; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a contract to perform the construction work associated with the installation of the flood prevention tide gates, at an estimated construction cost of \$4 million; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services, and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

## **HOLLAND TUNNEL – LATENT SALT DAMAGE REPAIRS AND MITIGATION PROGRAM – PLANNING AUTHORIZATION**

It was recommended that the Board authorize planning work in support of the development of a program to provide for the repair and restoration of systems and structures at the Holland Tunnel (HT) that were damaged by Hurricane Sandy and its associated storm surge, and perimeter and flood protection at the HT portals and ventilation buildings, at a total estimated cost of \$6.9 million.

The HT was severely affected by Hurricane Sandy. A National Historic Civil and Mechanical Engineering Landmark, the HT and its support facilities were flooded, with an estimated 30 million gallons of brackish water entering through the New Jersey roadway portals and through the exhaust air duct system into both the North and South tubes.

The HT was closed for ten days due to damage caused by Hurricane Sandy, and was reopened to commuter traffic on November 7, 2012. At the start of the 2013 hurricane season, the Port Authority deployed several preventive measures at the HT in preparation for a storm of similar magnitude, which included: the purchase and installation of stop logs at each of the HT ventilation buildings; the installation of concrete barriers at the North Tunnel exit portal and New Jersey Administration Building; and the purchase of emergency generators, fillable barriers, and other back-up equipment.

In December 2013, the Federal Emergency Management Agency (FEMA) updated its flood maps and elevations, based on Hurricane Sandy and other recent storm events. The new design flood elevations are designed for a 500-year flood level.

A Stage I study was completed in April 2016, which resulted in recommendations to repair and/or replace the damaged electrical and mechanical systems and structures, and to install additional flood protection measures in accordance with the latest FEMA flood design guidelines, in order to mitigate the deterioration of the systems and protect against future flooding conditions. There are multiple repair and mitigation projects that would be supported by this planning authorization. The planning work would be performed by firms retained under the Sandy Indefinite Quantity Contract Agreements for the performance of architectural and engineering services for federally funded repair and resiliency projects related to Hurricane Sandy. Approximately 90 percent of eligible costs is expected to be recovered through FEMA grants.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that planning work in support of the development of a program to provide for the repair and restoration of systems and structures at the Holland Tunnel (HT) that were damaged by Hurricane Sandy and its associated storm surge, and perimeter and flood protection at the HT portals and ventilation buildings, at a total estimated cost of \$6.9 million, be and it hereby is authorized; and it is further



**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning work, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing planning work shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**PORT AUTHORITY BUS TERMINAL REPLACEMENT – AUTHORIZATION OF PAYMENT OF HONORARIA TO FINALISTS OF THE DESIGN & DELIVERABILITY COMPETITION**

As part of the planning process for the replacement of the Port Authority Bus Terminal (PABT), at its meeting of October 22, 2015, the Board, among other things, directed the Executive Director to conduct an international design and deliverability competition soliciting conceptual designs for a new bus terminal on the site one block west of the current structure, between Ninth and Eleventh Avenues in Manhattan, and for suggestions of potential alternative sites for a bus terminal (should a competitor's analysis determine that the proposed site west of Ninth Avenue is not optimal), with such designs to allow for: (1) sequential construction of key elements (including terminal facilities and bus-staging facilities) as estimates of future capacity needs are refined, (2) scalability of the terminal complex to meet developing capacity requirements, and (3) appropriate pedestrian connections to mass transit in the vicinity of the new terminal.

On March 11, 2016, the Port Authority released detailed information regarding a two-stage Bus Terminal Design and Deliverability Competition (D & D Competition) to the public.

In April 2016, an international panel of jurors, renowned for their expertise in urban planning, transportation operations, architecture, construction management, engineering and other fields, was selected to evaluate submissions in the D & D Competition. The panel was responsible for selecting a group of finalists from competitors, advising the Board of its comparative analyses of each finalist team's submission, and recommending honoraria amounts for each finalist team.

The agency received responses to Phase One of the D & D Competition in April 2016 and Phase Two in the late summer of 2016.

The panel selected the following teams as finalists, whose entries were most closely aligned with the objectives of the competition, analyzed the finalists' conceptual proposals, prepared a written report, and advised the Board of their comparative analysis. Based on the panel's comparative analysis, it was recommended that a payment of honoraria be made to the finalists in the following amounts: (1) Arcadis of New York, Inc. – \$400,000; (2) Archilier Architecture Consortium – \$200,000; (3) Hudson Terminal Center Collaborative – \$200,000; (4) Pelli Clarke Pelli Architects – \$400,000; and (5) Perkins Eastman – \$400,000.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that, in connection with the Port Authority Bus Terminal Design and Deliverability Competition (D & D Competition), the payment of honoraria in the following amounts to the following teams selected as finalists in the D & D Competition be and it hereby is authorized: (1) Arcadis of New York, Inc. – \$400,000; (2) Archilier Architecture Consortium – \$200,000; (3) Hudson Terminal Center Collaborative – \$200,000; (4) Pelli Clarke Pelli Architects – \$400,000; and (5) Perkins Eastman – \$400,000; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary or appropriate to effectuate the foregoing.

## **FURTHER MEASURES TO IMPROVE PORT AUTHORITY GOVERNANCE - OATHS, CONFLICTS OF INTEREST, AND AFFIRMATIVE COOPERATION WITH INVESTIGATIONS**

It was recommended that the Board take further steps to improve governance of the Port Authority, by requiring senior Port Authority employees to take an oath; by expanding the process for identifying and addressing potential conflicts of interest; and by eliminating an impediment to employee participation in workplace investigations of potential misconduct.

During recent years, the Port Authority has redoubled its efforts to adhere to the highest standards of accountability, transparency, and ethical conduct. Robust new policies have been put in place to insure rigorous protections for whistleblowers; broad and vigorous public participation at Board meetings; transparency-minded compliance with freedom of information requirements; and wide public dissemination of Port Authority financial information. In addition, and among other things, during recent years the Port Authority has established a strong recusal policy for addressing potential conflicts of interest between Commissioners' private interests and public duties; instituted a "zero-tolerance" policy with respect to offering or accepting gifts, favors, discounts, or payment of business expenses from vendors, tenants, concessionaires, patrons, or anyone who does business with the Port Authority or is likely to do business with the Port Authority; eliminated the relatively summary "consent calendar" process under which certain Board matters had previously been considered; mandated public posting of the Board's agenda well in advance of Board meetings; embarked on a nationwide search for a Chief Ethics and Compliance Officer; directed the General Counsel to review agency contracts for conformity with underlying Board resolutions; cooperated fully with outside investigations of the Port Authority, including by waiving certain evidentiary privileges; and instituted a "Voice of the Employee" system, that allows Port Authority employees to report to a third-party service any apparent conflict of interest or inappropriate conduct.

Still, more can be done. For example, Commissioners have long taken an oath of office upon embarking on their duties. Such oaths emphasize that Port Authority personnel must always follow the law, and that fundamental point can be further underscored by requiring that an oath also be taken by Port Authority Senior Leaders (defined for these purposes in Exhibit A to this Resolution). Such an oath should read as follows: "I [NAME] hereby swear or affirm that, in the course of discharging my duties at The Port Authority of New York and New Jersey, I will, to the best of my knowledge and ability, endeavor at all times to follow applicable law."

In addition, Commissioners have long been expected to complete extensive financial disclosure forms. These forms, along with other information, are periodically analyzed by the General Counsel, who identifies potential conflicts of interest between decisions that the Board will be asked to consider and Commissioners' disclosed financial interests. Port Authority Senior Leaders, who already complete financial disclosure forms, should be expected to participate in an analogous process. Such a process ("Conflict of Interest Process") should require the General Counsel to identify potential conflicts of interest between Port Authority Senior Leaders' disclosed financial interests and decisions that the Board will be asked to consider. The Conflict of Interest Process should also include a mechanism for dealing with potentially complex conflict of interest matters, including, if need be, disclosing them to the Board. In addition, the Conflict of Interest Process should permit Port Authority Senior Leaders to consult with the Governance and Ethics

Committee of the Board with respect to any issues that emerge during the Process. It was recommended that the Executive Director, with assistance from the General Counsel, should specify in detail by April 20, 2017 what the Conflict of Interest Process shall entail.

Finally, the Port Authority works to root out fraud, waste, and abuse, and to promote a pervasive culture of ethics and compliance. These goals are not advanced by the following text, commonly referred to as “Rule 3,” which appears in various Port Authority rules, regulations, instructions, directives, manuals, and policies (collectively, “Workplace Policies”): “[a]ll employees must cooperate in authorized investigations of any act, omission or occurrence in or upon Port Authority property (including, but not limited to misconduct, accidents, crime and the like), provided, however, that this rule shall not require any employee to give evidence against himself in connection with the investigation of an alleged act of misconduct on his part.”

Certain parts of Rule 3 make it unnecessarily difficult to ask employees common-sense questions about workplace matters. In addition, while the Constitution vests individuals with the right not to incriminate themselves, Rule 3 sweeps more broadly than that. For example, Rule 3 deals with *all* alleged workplace “misconduct,” not just potentially criminal misconduct. Moreover, Rule 3 vests employees with the right not to answer the most basic questions about their activities, even as the Supreme Court has long held that public employees can lawfully be asked “to account for their performance of their public trust[.]”

It was recommended that the Executive Director modify Rule 3, wherever it appears in the Workplace Policies. As modified, Rule 3 should read as follows: “All employees must cooperate in authorized investigations of any act, omission or occurrence in or upon Port Authority property or otherwise related to Port Authority activities (including, but not limited to misconduct, accidents, crime and the like).”

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, James, Lipper, Lynford, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that Port Authority Senior Leaders, defined for these purposes in Exhibit A to this Resolution, shall take an oath, which will require the person taking the oath to swear or affirm in writing that he or she will discharge all Port Authority duties in conformity with the law; and it is further

**RESOLVED**, that Port Authority Senior Leaders, defined for these purposes in Exhibit A to this Resolution, shall participate in a Conflict of Interest Process which will (a) require the General Counsel to identify potential conflicts of interest between Port Authority Senior Leaders’ disclosed financial interests and decisions that the Board will be asked to consider, (b) include a mechanism for dealing with potentially complex conflict of interest matters, including, if need be, disclosing them to the Board, and (c) permit Port Authority Senior Leaders to consult with the Governance and Ethics Committee of the Board with respect to any issues that emerge during the Process; and it is further

**RESOLVED**, that the Executive Director, with assistance from the General Counsel, shall specify in detail by April 20, 2017 what the Conflict of Interest Process shall entail and file it with the Board of Commissioners; and it is further

**RESOLVED**, that, absent objections by the Board of Commissioners, the Conflict of Interest Process shall become final 30 days after it has been filed with the Board, after which the Executive Director shall ensure that Port Authority Senior Leaders participate in the finalized Conflict of Interest Process; and it is further

**RESOLVED**, that Port Authority Senior Leaders take the following written oath: “I [NAME] hereby swear or affirm that, in the course of discharging my duties at The Port Authority of New York and New Jersey, I will, to the best of my knowledge and ability, endeavor at all times to follow applicable law”; and it is further

**RESOLVED**, that the following text --- “[a]ll employees must cooperate in authorized investigations of any act, omission or occurrence in or upon Port Authority property (including, but not limited to misconduct, accidents, crime and the like), provided, however, that this rule shall not require any employee to give evidence against himself in connection with the investigation of an alleged act of misconduct on his part” --- be modified by the Executive Director wherever it appears in Port Authority rules, regulations, instructions, directives, manuals, or policies so that, as modified, the text shall read: “All employees must cooperate in authorized investigations of any act, omission or occurrence in or upon Port Authority property or otherwise related to Port Authority activities (including, but not limited to misconduct, accidents, crime and the like).”; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary or appropriate to effectuate the foregoing.

**EXHIBIT A**

For the purposes of the attached Resolution, and the associated report, Port Authority Senior Leaders are: those officers listed in Section II of the By Laws of The Port Authority of New York and New Jersey (corrected to September 20, 2012) who are not also Commissioners; the Inspector General; all Chiefs; all Directors; the Chiefs of Staff or Senior Advisors to the Chairman of the Board of Commissioners, the Vice-Chairman of the Board of Commissioners, and the Executive Director; and any person not listed above who is denominated as a member of “Senior Executive Management” on the Monthly Personnel Report prepared by the Human Resources Department.

## **MOYNIHAN STATION TRANSPORTATION PROGRAM – FACILITY CERTIFICATION**

It was recommended that the Board certify the Moynihan Station Transportation Program (Moynihan Program) as an additional facility (Facility) of the Port Authority, and authorize the Executive Director or Chief Financial Officer (CFO): (1) to reaffirm the certification at the time of issuance of the first series of Consolidated Bonds (which includes Consolidated Notes) for purposes which include capital expenditures for the Facility, provided that there is no substantial adverse change in the economic basis for the certification; (2) to spend certain of the proceeds of such Consolidated Bond issuance on certain expenditures for the Facility; and (3) thereafter, also spend moneys in the General Reserve Fund and Consolidated Bond Reserve Fund, or proceeds of existing series of Consolidated Bonds, for additional expenditures for the Facility.

At its meeting on September 22, 2016, the Board authorized the Executive Director to provide, at the request of the State of New York, a one-time financial contribution of \$150 million to the State of New York, acting through New York State Urban Development Corporation d/b/a Empire State Development Corporation and/or its subsidiary, Moynihan Station Development Corporation, to advance the Moynihan Program, a project to redevelop the James A. Farley United States Post Office Building and its Western Annex into a new transportation facility serving the New York-New Jersey region, to be known as Moynihan Station.

Coincident with the Board's September 22, 2016 authorization of the Moynihan Program, the Board received a written legal opinion from outside counsel (September Legal Opinion) opining that the expenditure of funds on the Moynihan Program is in accord with the legislation of the States of New York and New Jersey pertaining to the Port Authority, including the Compact of April 30, 1921 and the various amendments to it, and the September 22, 2016 resolution. The Board has received an additional written legal opinion from outside counsel, dated February 16, 2017, that reaches the same conclusion.

The Moynihan Program is to be an additional facility of the Port Authority, and, therefore, the Port Authority must certify its opinion as to certain matters related to the financial effect upon the Port Authority of the Facility.

So that the Commissioners, in the exercise of sound business judgment, may determine whether such certification is appropriate, the CFO has reviewed with the Commissioners, among other things, the financial condition of the Port Authority and the economics of the Facility.

It is the CFO's opinion that, subject to reaffirmation of this opinion at the time of issuance of the first series of Consolidated Bonds for purposes which include capital expenditures for the Facility, the application of any portion of the proceeds of such series of Consolidated Bonds in connection with the Facility will not, during the periods 2017 through 2046, reflecting the average 30-year term of Consolidated Bonds, and 2017 through 2026, the ensuing ten-year period associated with Consolidated Bonds, including Consolidated Notes, with a maturity of less than ten years, in light of the Port Authority's estimated expenditures in connection with the Facility and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether



statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds.

The CFO's opinion incorporates anticipated results for the Port Authority for the period 2017–2026, based in part on the 2017-2026 Capital Plan approved by the Board at today's meeting, as well as forecasted anticipated revenue and expenses for such period, based on assumptions set forth in the schedule to her opinion, and other conditions existing at the present time. The opinion also states that the CFO reviewed a forecast of the Port Authority's net revenues available for required debt service for the next ten years, also based on such assumptions, and that at no time during the ensuing ten-year period are net revenues available for debt service forecasted to be inadequate to make debt service payments. The CFO's opinion notes that it is not reasonable to forecast accurately beyond this ten-year period, and that therefore, her judgment with respect to the financial ability of the Port Authority to continue to maintain net revenues sufficient to pay its debt service is based upon the continued ability of the Port Authority to function and fulfill its agreements with the holders of its obligations.

The CFO's opinion notes that any forecast is subject to uncertainties, and, inevitably, some estimates and assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The CFO's opinion also states that these opinions and estimates are based in part on information supplied by the Comptroller, the Director of Financial Planning, the Director of Management & Budget, the Chief of Capital Planning, Execution and Asset Management, and the Chief Engineer, which information, the CFO indicated, she believes to be accurate.

In reaching the conclusions set forth in her opinion, the CFO considered the covenants with holders of the Port Authority's Consolidated Bonds to establish charges in connection with the Port Authority's facilities to the end that at least sufficient net revenues may be produced therefrom to provide for the debt service on all Consolidated Bonds, including those issued in connection with the Facility, and to maintain in good condition all facilities and to operate them in an efficient and economical manner, such that renewals and replacements necessary for the proper and economic maintenance and operation are made.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, James, Lipper, Lynford and Schuber voting in favor; Commissioner Fascitelli and Commissioner Steiner recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that certification (Certification) is hereby made, as of February 16, 2017, that, in the opinion of the Port Authority, the issuance of Consolidated Bonds (which includes Consolidated Notes) for purposes which include capital expenditures in connection with the Moynihan Transportation Program (the Facility) will not, during the periods 2017 through 2046, and 2017 through 2026, in light of the Port Authority's estimated revenues and expenses in connection with the Facility, and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill

its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and it is further

**RESOLVED**, that, the Executive Director or the Chief Financial Officer be and each hereby is authorized: (1) to reaffirm the Certification on behalf of the Port Authority at the time of issuance of the first series of Consolidated Bonds (which includes Consolidated Notes) for purposes which include capital expenditures in connection with the Facility, provided that there is no substantial adverse change in the economic basis for the Certification, in which event the Certification shall remain in effect as the opinion of the Port Authority at the time of such issuance; (2) to spend certain of the proceeds of such Consolidated Bond issuance on certain expenditures for the Facility; and (3) thereafter, also spend moneys in the General Reserve Fund and Consolidated Bond Reserve Fund, or proceeds of existing series of Consolidated Bonds, for additional expenditures for the Facility; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of all contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

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Secretary