Testimony of the New York City Economic Development Corporation New York City Council, Committees on Economic Development and Transportation and Infrastructure JFK Airport Oversight Hearing April 3, 2024

Good afternoon, Chairs Farías and Brooks-Powers, and members of the Economic Development and the Transportation and Infrastructure Committees. My name is Jennifer Sun and I serve as the Executive Vice President of Planning for the New York City Economic Development Corporation ("EDC"). I am joined by my colleague Mikelle Adgate, Senior Vice President, of Government and Community Relations. We are here to testify about EDC's role in the JFK redevelopment program.

The John F. Kennedy International Airport is critical to New York City's economy and the aviation industry is one of the largest employers in Queens. JFK supports tens of thousands of direct and indirect jobs and generates over \$40 billion in economic activity while connecting city residents to the world and bringing the world to us. According to the Port Authority of New York and New Jersey, JFK directly employs 37,000 workers and generates more than \$16 billion in wages and nearly 300,000 jobs across the region.

Roles and Responsibilities

As you may recall, from our January 2023 testimony, the City of New York owns the land on which both LaGuardia Airport and John F. Kennedy International Airport are located. Through the Maritime Contract between NYC's Department of Small Business Services and EDC, the City retains EDC to perform services including the promotion and administration of leases for certain City-owned properties which includes "publicly owned aviation facilities."

As part of this arrangement, we at EDC are the lease administrator for the City's lease agreement with the Port Authority of New York & New Jersey (Port Authority) for both airport sites. The Port Authority is a financially self-supporting bistate agency that is tasked with building, operating, and maintaining critical transportation and infrastructure assets in New York and New Jersey. Port Authority is the lessee of JFK through a triple net lease agreement in which the tenant is responsible for the payment of all expenses related to the site, such as rent and utilities, insurance, and maintenance costs. The purpose of a triple net lease is to make the tenant responsible for everything related to the site and remove the landlord from any involvement in

the operations of the tenant at the site. Under these terms, the Port Authority has complete operational control of JFK airport. Through its operational control, the Port Authority oversees capital planning, such as renovations, as well as the current JFK redevelopment program. The Port Authority is also responsible for all aspects of airport functions, including airside operations, asset management, maintenance, customer experience, capacity utilization, environmental stewardship, safety, security, and community relations. Many of these activities it carries out through subleases, vendor agreements and concessions.

The Port Authority has leased, developed, and operated JFK from the City through various leases and amendments dating back to 1947. The current lease agreement for JFK began in 2004 and was set to expire in 2050. However, a lease amendment, facilitated by the City in 2021, extended the lease expiration to 2060.

As lease administrator, EDC participates on the Airport Board with Port Authority staff. The Airport Board was created in the 2004 Lease to assist with and inform the administration of the lease. To be clear, the Airport Board is not a reporting, oversight or enforcement body; rather it is tasked to "review Municipal Air Terminal operations against certain financial, operational, and performance standards" that were established by the City and the Port Authority at the time. With respect to the 2004 Lease, the performance metrics shared by the Port Authority at the Airport Board include market share, passenger and cargo service, operations, capital spending, quality of service, and community relations. As part of the 2021 lease extension, the Port Authority agreed to share additional metrics related to environmental sustainability and community initiatives associated with the JFK redevelopment plan.

In addition, EDC on behalf of the City, can use Airport Board meetings to raise topics that advance shared goals. For example, at an Airport Board meeting last year, EDC echoed the community's concerns regarding overnight truck parking in residential neighborhoods in Southeast Queens. As a member of the Deputy Mayor of Operations' multi-agency taskforce to address inadequate overnight truck parking throughout the city, EDC was able to use its participation in the Airport Board to support the community's calls for the Port Authority to identify potential acreage for this use. In collaboration, the Port Authority was able to negotiate with its private operator and, in November 2023, received Port Authority Board approval to provide approximately 100 additional spots and 25 EV chargers at JFK Airport for overnight truck parking. Although much work remains to address chronic overnight truck parking in

residential areas, the expanded on-airport truck parking provided by the Port Authority is supporting the City's efforts.

JFK Redevelopment Plan

In 2018, in anticipation of a JFK redevelopment effort, the Port Authority convened the JFK Redevelopment Community Advisory Council (Community Advisory Council) co-chaired by U.S. Congressman Gregory Meeks and former Queens Borough President Melinda Katz. The Community Advisory Council has representatives from the New York State Legislature, New York City Council, New York City Community Boards, as well as local non-profit and community focused organizations. The Community Advisory Council convenes regularly and currently receives information regarding the JFK redevelopment and works with the Port Authority to support community outreach efforts and develop community-focused programs to provide meaningful opportunities for local and diverse businesses, MWBEs, students and job seekers.

Between 2018 and 2020, the Port Authority was in negotiations with multiple terminal operators to advance various work streams related to the JFK redevelopment effort. Amidst these efforts, the global COVID-19 pandemic hit, restricting international travel, disrupting global supply chains, and precipitating a chilling effect on the financial markets. JFK traffic volumes were severely affected, and the viability of the JFK redevelopment was jeopardized. Against this backdrop, in February 2021, the de Blasio Administration signed an Emergency Executive Order to extend the Port Authority's lease of JFK Airport from 2050 to 2060. This occurred in close consultation and coordination with Congressman Meeks and Queens Borough President Richards. By extending the lease, the previous administration was able to facilitate the viability of the redevelopment projects and their associated community benefits, including nation-leading Minority-and Women-Owned Business Goals, local business goals, and sustainability initiatives.

In closing, I wish to turn to Introduction 134, the proposed legislation which would require EDC to produce reports twice a year on the progress of the JFK redevelopment plans. EDC is currently reviewing the legislation along with our colleagues at the Law Department and the Port Authority, the latter of which oversees and is responsible for the JFK redevelopment. Thank you for your time this afternoon, we will now take your questions.



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April 3, 2024

Comments of Zach Miller Director of Metro Region Operations Trucking Association of New York

Before the

New York City Council Committees on Economic Development and Transportation & Infrastructure

Good afternoon, Chair Brooks-Powers, Chair Farías and members of the Committees on Economic Development and Transportation and Infrastructure. My name is Zach Miller and I am the Director of Metro Region Operations for the Trucking Association of New York. Since 1932, TANY has advocated on behalf of the trucking industry at all levels of government, providing compliance assistance, safety programs, and educational opportunities to our members, and in the process, creating jobs, supporting the economy, driving safety, and delivering a sustainable future. Thank you for convening this critical oversight hearing on Transparency and Equity and the Future of JFK Airport.

JFK Airport is an economic hub and the most active industrial business zone by truck activity in NYC. In fact, over 20% of all of NYC's goods move through JFK. The redevelopment project is a substantial one, which will help ensure NYC's economic vitality while providing career opportunities for tens of thousands of New Yorkers over the coming decades.

It is important to note that this council, The Port Authority of New York and New Jersey, as well as the Economic Development Corporation (EDC) have taken and continue to take major steps towards truck route modernization, overnight truck parking, and medium and heavy-duty vehicle charging to meet the coming needs of New Yorkers in a safe and equitable way.

We support Int-134 for several reasons. First and foremost, this bill will ensure that the local communities and key stakeholders, which have traditionally been left out of conversations related to large scale transportation developments, are being considered. These communities have unfortunately been subject to negative externalities without the economic opportunities that these projects create. This cannot and will not continue.

We need a home-grown, local workforce with the skills and desires to work in the commercial transportation space, and that requires partnership and transparency. In addition, with an expected freight increase of 68% by 2040, JFK is just one of the major freight hubs which will be reimagined and redeveloped over the coming years, especially as we transition to a carbon neutral economy by 2050. The hope is that we learn what is working at JFK so that it can be replicated (albeit at a smaller scale) throughout the region. The more frequently the reporting, the higher likelihood of that.



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Projects of this scale are difficult, on top of that, public-private partnerships are difficult. We are confident in the Port Authority, EDC, DOT, and all other partners in their work redeveloping JFK, and we expect that Int-134 will make future projects more efficient without making this one more challenging.

As always, the Trucking Association of New York looks forward to ongoing collaboration and dialogue with the City Council, the Department of Transportation, EDC, The Port Authority, and the City of New York. Thank you for your time.



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raulrivera22@hotmail.com

Re: Complaint

Dear Mr. Rivera:

I am writing to confirm receipt of the complaint you submitted to the New York City Conflicts of Interest Board (the "Board") concerning Alexa Aviles, Adrienne Adams, and Jumaane Williams.

Thank you for bringing this matter to the Board's attention. Because of the confidentiality provisions of the City Charter, the Board cannot disclose any action taken by this agency, if any action is warranted, unless the Board issues an order finding that a violation of the conflicts of interest law has occurred, at which time the order would be published.

I am the attorney handling this matter for the Board. Please feel free to contact me at (212) 437-0740 with any questions.

Sincerely,

Jeffrey Tremblay
Director of Enforcement

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