State of New York
Office of the State Comptroller
Division of Management Audit and State Financial Services

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

REGIONAL DEVELOPMENT PROGRAM

REPORT 97-S-37

H. Carl McCall

Comptroller

State of New York
Office of the State Comptroller

Division of Management Audit and
State Financial Services

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Mr. Lewis M. Eisenberg
Chairman
Port Authority of New York and New Jersey
One World Trade Center
New York, NY 10048

Dear Mr. Eisenberg:

The following is our report on the Port Authority of New York and New Jersey's Regional Development Program.

We did this audit according to the State Comptroller's authority as stated in Section 7071 of the Unconsolidated Laws of New York. We list major contributors to this report in Appendix A.

Office of the State Comptroller
Division of Management Audit
and State Financial Services

September 30, 1998

Executive Summary

Port Authority of New York and New Jersey Regional Development Program

Scope of Audit

In 1978, the legislatures of the states of New York and New Jersey authorized the Port Authority of New York and New Jersey (Port Authority) to undertake a regional development program that included the construction and operation of industrial parks and other economic development projects in the inner cities of the Port Authority region. The intent of the program was to create and/or retain jobs, stimulate private investment, stabilize or improve the tax base, and create momentum for economic development near the industrial parks. Regional development projects undertaken by the Port Authority include the Essex County Resource Recovery Facility in New Jersey; Bathgate Industrial Park in the Bronx; the Industrial Park at Yonkers, NY; the Industrial Park at Elizabeth, NJ; and the Teleport on Staten Island, NY. Another regional development project was the Newark Legal Center in Newark, NJ, which was undertaken pursuant to state laws passed in New York and New Jersey in 1962. When fully developed, these six projects were expected to directly support 9,875 jobs. Through December 1996, construction of these projects cost the Port Authority approximately $531.6 million. From 1992 through calendar year 1996, the projects incurred a net loss of approximately $29.1 million (including amortization).

Our audit addressed the following questions:

- To what extent has the Port Authority's regional development program fulfilled its original intent of creating and/or retaining jobs, stimulating private investment, and foster the development of the areas surrounding the projects?

- Should the Port Authority develop a strategy for the disposition of profitable regional development projects that are not part of its core mission?

Audit Observations and Conclusions

Significant improvements have been made to the six sites where the Port Authority's projects are located. As of December 17, 1997, the projects were supporting a total of 6,260 jobs. However, the projects have not all served as catalysts for the economic development of their immediate areas, as originally envisioned. Three of the projects -- Newark Legal Center, Yonkers Industrial Park, and the Teleport -- have a total vacancy of 232,291 square feet of rentable space, resulting in a potential cumulative gross revenue loss of $14.7 million to the Port Authority. In addition, 2 lots at Bathgate Industrial Park and 30 acres of the 100-acre site at the Teleport remain undeveloped. Moreover, four of the six projects — the

Elizabeth, Bathgate, and Yonkers industrial parks; and the Newark Legal Center -- have generated net annual losses (at least during some recent years) and, as a result, have been a drain on the operations of the two remaining projects and the Port Authority as a whole. The projects' location in economically-distressed areas has often discouraged prospective tenants and developers. The Port Authority must work to overcome this challenge to meet the goals of improving these areas. We recommended that the Port Authority enhance its marketing efforts to attract tenants and investors who can create and retain jobs. (See pp. 7-11)

Moreover, additional charges in lieu of taxes on common area infrastructure and other facility improvements, as well as the methodology used for determining those amounts, have made Teleport rentals particularly unattractive. The Port Authority needs to look at ways to make these rents competitive. (See pp. 9-11)

In 1995, the Port Authority's new Executive Director decided to reemphasize its core mission of providing transportation to the bi-state region. As a result, Port Authority officials have sold 79 acres of the 91-acre Elizabeth Industrial Park and 2 of the 7 buildings at Yonkers Industrial Park, but said they decided not to sell the Bathgate Industrial Park and the Teleport because both facilities continue to contribute to net operating revenues. We recommended that the Port Authority develop a strategy for all of its projects, including divesting itself of additional projects that are not part of its core mission. (See pp. 11-13)

There are shortfalls in revenues from the Essex County Resource Recovery Facility (Essex Facility). Essex County is expected to make a reasonable effort to ensure that the facility receives 680,000 tons of acceptable solid waste. Instead, between 230,000 to 280,000 tons of waste are being diverted to landfills and incinerators located outside the county that charge a lower fee to accept the waste. We estimated that this diversion results in decreased annual revenues to the Port Authority and the plant operator ranging from $7.9 million to $9.7 million. Diversion and replacement waste from alternate sources mitigated some of this loss in 1997, but a recent decision by the U.S. Supreme Court allows carters to bypass designated waste disposal facilities, such as the Essex Facility, thus leading to further revenue decreases in the future. We suggested that officials from the Port Authority work with those from Essex County and the State of New Jersey to make this project economically viable. (See pp. 23-25)

Comments of Port Authority Officials

In response to the draft audit report, Port Authority officials did not specifically agree or disagree with our recommendations. However, officials stated that many of our recommendations were consistent with the Port Authority's existing business strategy. Furthermore, the Port Authority's response indicated that officials had taken actions to implement several of our recommendations.

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Introduction

Background

The Port Authority of New York and New Jersey (Port Authority) was established on April 30, 1921, to promote and administer transportation-related activities within the Port District, an area of about 1,500 square miles in both states, centered on the Statue of Liberty. Since 1950, employment opportunities in the bi-state Port District, particularly within the older central cities, have declined. As a result, available land and other resources in the region have been underutilized, the tax base has eroded, and the rate of unemployment has been substantially higher than the national average. In 1978, in recognition of the loss of manufacturing jobs and plants in the Port District and the negative impact of that loss on the region's economy, the Port Authority was authorized by the states of New York and New Jersey to expand its traditional transportation-related activities. It undertook a regional development program that included the construction and operation of industrial parks and other economic development projects in the inner cities of the Port District. The intent of the program was to create and/or retain jobs, stimulate private investment, stabilize or improve the tax base, and create momentum for economic development near the projects. Over the years, the Port Authority has developed and/or funded several industrial and economic development projects. During our audit the following projects were in operation:

- **Essex County Resource Recovery Facility**

  New Jersey's largest waste-to-energy plant, this privately-operated facility opened in 1990 to serve the solid waste disposal needs of the 22 municipalities in Essex County, NJ. The Port Authority financed its construction and continues to oversee negotiations for the sale of energy and materials recovered in its operations.

- **Bathgate Industrial Park**

  A 21.5-acre facility in the Bronx, a borough of New York City (City), that was jointly developed by the Port Authority and the City on land leased from the City, Bathgate was opened in 1982. The Port Authority funded the construction of seven of its eight buildings, all of which are currently occupied. Two vacant lots remain undeveloped.

- **Yonkers Industrial Park**

  Opened in 1986, this park is located on a 21-acre site in the City of Yonkers, NY, that was abandoned by the Otis Elevator Company in the early 1980s. The site, with its seven multi-story buildings, was purchased by the Port Authority to house the American/Japanese firm, Kawasaki Inc., which had contracts to build rail cars for the Port Authority's Trans-Hudson (PATH) trains. This industrial park is part of the Yonkers Downtown and Waterfront Development District.

- **Elizabeth Industrial Park**

  This 91-acre former landfill in Elizabeth, NJ, was developed by the Port Authority in 1986. In 1988 and 1995, the Port Authority sold 21-acre and 25-acre portions of the site to IKEA, a Swedish home furnishings retailer that subsequently constructed a large retail distribution center on the property. In August 1997, the company bought another 33 acres of the parcel for $5.4 million. The Port Authority has leased the remaining 12 acres to American Food International (AFI), a food service distributor, and has financed the construction of that company's facilities on that land.

- **Newark Legal Center**

  This 20-story office tower was developed by the Port Authority (pursuant to state laws passed in New York and New Jersey in 1962) and opened in 1989 with the objective of retaining legal firms based in Newark, NJ. The Legal Center is a coordinated development of the Newark Legal and Communications Urban Renewal Corporation (a subsidiary of the Port Authority), the City of Newark, and the Newark Economic Development Corporation. The master plan prepared by a consultant, the Grad Partnership, stated that the Legal Center was the first phase of a larger commercial complex, the Newark Legal and Communications Center, which called for the development of three office buildings, structured parking, a hotel, and a pedestrian skyway and plaza. To date, the Legal Center, parking garage, pedestrian skyway and plaza, and the foundation of a second high-rise office tower have been constructed.

- **Teleport**

  This 100-acre site on Staten Island, another City borough, was leased from the City by the Port Authority. Opened in 1986, it houses five office buildings and a satellite transmission facility. The 26 earth-stations at the site serve several top corporations and major broadcasting networks. Five of the six buildings were built and are operated by private developers and tenants. Approximately 30 acres of the 100-acre site are still undeveloped; the Port Authority maintains a long-term municipal lease on it, and has real estate development and management responsibility for the facility.

Through December 1996, the Port Authority spent a total of approximately $531.6 million on the construction of these six projects. From 1992 through calendar year 1996, the projects incurred a net loss of $29.1 million, as indicated in the following table:

Combined Operating Results of Six Regional Development Projects of the Port Authority -- 1992-96
(in millions*)

	1992	1993	1994	1995	1996	TOTAL
Operating Revenues	$89.4	$93.6	$92.1	$88.6	$85.1	$448.8
Operating and Maintenance Expenses	86.0	90.1	81.0	80.1	80.2	417.4
Allocated Expenses	1.8	1.7	1.6	1.5	1.0	7.6
Total Expenses before Amortization	87.8	91.8	82.6	81.6	81.2	425.0
Income (Loss) before Amortization	1.6	1.8	9.5	7.0	3.9	23.8
Amortization	(10.1)	(10.2)	(10.6)	(11.8)	(20.5)	(63.2)
Income(Loss) from Operations	(8.5)	(8.4)	(1.1)	(4.8)	(16.6)	(39.4)
Net Interest **	0.4	1.5	1.2	6.3	0.9	10.3
Net Income (Loss)*	($8.1)	($6.9)	$0.1	$1.5	($15.7)	($29.1)

* All amounts were rounded.
** Interest expense less income that cannot be identified specifically with any particular operating segment.

The Port Authority is also constructing two waterfront development projects: the South Waterfront in Hoboken, NJ, and Queens West in the New York City borough of Queens.

To encourage businesses to locate in the projects, the Port Authority provides incentives such as long-term leases to tenants and developers. Tenants may also qualify for PILOTS (payments-in-lieu-of-taxes); tax abatements; wage, tax, and utility credits; and loans. During the life of these lease agreements, the Port Authority expects to attain a cumulative return on investment from any funds advanced for capital construction. To generate that return, tenants are charged a basic annual rent that includes the recapture of its imputed debt services (interest and amortization) on the funds the Port Authority has advanced.

Audit Scope, Objectives and Methodology

We reviewed the Port Authority's administration of the projects within its regional development program that were completed and in operation during the period January 1, 1992 through November 21, 1997. Our objectives were to determine how effectively Port Authority officials had managed the program to fulfill their intent to create jobs, stimulate private investment, and foster the development of the area surrounding the projects; and to determine whether the Port Authority should develop a strategy for the disposition of profitable regional development projects that are not part of its core mission. To accomplish these objectives, we reviewed the Port Authority's policies, procedures, and business and master plans relevant to the development, funding, administration, and operation of the six projects. We also analyzed rental, ground, and other leases; financial statements of the Port Authority and selected tenants; board minutes; correspondence with tenants and other interested parties; rental arrearage reports; documents relevant to the partial sale of two of the projects; and facility-disposition studies performed by the Port Authority. We interviewed Port Authority representatives, current and former tenants, and other interested stake-holders.

We did our audit according to generally accepted government auditing standards. Such standards require that we plan and do our audit to assess adequately those Port Authority operations included in our audit scope. Further, these standards require that we understand the Port Authority's internal control structure and its compliance with those laws, rules and regulations that govern the operations included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying other

auditing procedures as we consider necessary in the circumstances. An audit also includes assessing management's estimates, judgments, and decisions. We believe our audit provides a reasonable basis for our findings, conclusions and recommendations.

We use a risk-based approach when selecting activities to audit. This approach focuses our audit efforts on those operations identified through a preliminary survey as having the greatest chance for needing improvement. So, by design, we use our finite audit resources to identify where and how to make improvements. Thus, we devote little audit effort to reviewing operations that may be efficient or effective. As a result, we prepare our audit reports on an "exception basis." This report, therefore, highlights those areas needing improvement and does not focus on activities that may be functioning properly.

Comments of Port Authority Officials

We provided draft copies of this report to Port Authority officials for their review and comment. Their comments have been considered in preparing this final report and are included as Appendix B.

In their comments, Port Authority officials did not specifically agree or disagree with our recommendations. However, officials stated that many of our recommendations were consistent with the Port Authority's existing business strategy. Furthermore, Port Authority response indicated that officials had taken actions to implement several of our recommendations.

Within 90 days after final release of this report, we request that the Chairman of the Port Authority report to the Governor, the State Comptroller, and leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

Operation of Regional Development Projects

Economic Growth and Job Creation

Each of the Port Authority's regional development projects was, by design, located in an economically-distressed neighborhood that needed the type of jobs the projects were expected to attract. For example, the Elizabeth Industrial Park, the Essex County Resource Recovery Facility, and the Teleport were built on undeveloped and/or undesirable parcels of land. The Legal Center was built on a site that had housed abandoned warehouses, gas stations, and parking lots. The site selected for the Yonkers Industrial Park had been abandoned by the Otis Elevator Company; and the site for the Bathgate Industrial Park was a cluster of vacant rubble-strewn lots in the South Bronx. In addition to investments by private developers, the Port Authority has invested $531.6 million in site acquisition, preparation, and capital construction related to these projects. A breakdown of these investments is presented in the following table:

Facility	Amount
Newark Legal Center	$91,986,000
Teleport	70,810,000
Bathgate Industrial Park	45,277,000
Elizabeth Industrial Park	23,660,000
Yonkers Industrial Park	45,227,000
Essex County Resource Recovery Facility	254,632,000*
TOTAL	$531,592,000

* Includes approximately $210 million in advancements to American Refueling for construction of the facility.

Port Authority officials told us that the Bathgate Industrial Park contributes more than $1.7 million annually to the Port Authority's operating revenues, has had a major impact on development within the Bronx, and has been the catalyst for the construction of many new buildings in the neighborhood. All of Bathgate's eight buildings are fully rented; however, two lots remain undeveloped. Port Authority officials pointed out that they have recently leased one of the lots to the operator of a chain

of dry-cleaning retail stores, which expects to use Port Authority funds to construct a central processing plant, a retail store, and its corporate headquarters at the site. Furthermore, an existing tenant is contemplating the construction of a new 72,000 square feet warehouse at the park.

The Teleport was the world's first high-tech business park and communications center. According to Port Authority representatives, it is operating at a profit and has been a catalyst for the construction of two other office buildings in the area. However, 30 acres of the 100-acre site remain undeveloped and a major tenant has chosen not to renew its lease for office space. Port Authority officials told us that they are currently trying to market four undeveloped parcels and the vacant office space at this site.

Just two office buildings and a hotel were located in the riverfront area in downtown Newark, NJ, before the Port Authority's proposed development in the area. The complex that the Port Authority and its partners proposed - the Newark Legal and Communications Center - would have included three additional Class A office buildings, structured parking, and a hotel on a site that was housing abandoned warehouses, gas stations, and parking lots at the time. Although just one of these buildings has been constructed, the project has served as a catalyst for the construction of four other privately-funded Class A office buildings in the neighborhood. In addition, the New Jersey Performing Arts Center, Newark's newest development, has recently been constructed and opened nearby.

The Elizabeth Industrial Park, a contaminated landfill when purchased by the Port Authority, has had a major impact on the area. The Port Authority and IKEA have transformed this parcel of land into a major retail development that is generating significant tax revenues for the City of Elizabeth and State of New Jersey. In addition, a large shopping complex is currently being developed adjacent to the park. In contrast, we have noticed no discernable improvements in the area surrounding the Yonkers Industrial Park. The Yonkers site, which has incurred $2.7 million annual deficits, is for sale. Two vacant buildings have been sold, and a sale is being negotiated for a third building. Of the remaining four buildings, three are fully leased and the other is half-vacant. Port Authority officials told us that the property would have hastened the decline of the area if it had remained abandoned.

In addition to the accomplishments cited by Port Authority officials, the Port Authority's regional development projects had expectations in terms of job creation and attracting tenants and investors.

The original expectation was that these projects would support 9,875 jobs. They have supported 6,260 as indicated in the following table:

Project	Projected Jobs	Current Jobs*
Newark Legal Center	1,500	1,170
Teleport	3,400	2,500
Bathgate Industrial Park	1,925	1,300
Elizabeth Industrial Park	1,500	900
Yonkers Industrial Park	1,500	300
Essex County Resource Recovery Facility	50	90
Total	9,875	6,260

* As of December 17, 1997 per Port Authority records.

Port Authority officials cited several reasons for not meeting the originally anticipated level of job creation. They told us that the success of the Legal Center in attracting additional office buildings to the downtown Newark area has made it difficult to rent all of its space, since the other new buildings are competing for the same prospective tenants. On the other hand, they indicated that a remote location and high taxes have made it difficult to attract investors to the Teleport. And in Yonkers, the industrial park is located in the oldest and most economically distressed part of the city, which has a shrinking manufacturing base; thus it has been difficult to attract buyers and/or tenants there, as well. The officials noted that the downturn in the nation's economy in the late 1980s, as well as the fact that the projects were located in distressed areas, had often meant that they faced an uphill battle in their efforts to find tenants and developers for all of the projects.

Unoccupied Space

Port Authority project revenues are derived principally from the tenants and developers use of the facilities. We found that the Port Authority has a total of 232,291 square feet of unoccupied space in its Yonkers, Newark, and Teleport properties, resulting in a potential cumulative gross revenue loss of about $14.7 million based on full occupancy, as shown in the following table:

Project	Unoccupied Space Square Feet *	Potential Gross Revenue Loss
Yonkers Industrial Park	166,641	$ 5,576,309
Newark Legal Center	43,250	8,996,000
Teleport	22,400	93,333
Total	232,291	$14,665,642

* As of September 8, 1997

In the Yonkers Industrial Park, the Port Authority purchased the site and buildings abandoned by the Otis Elevator Company for an estimated cost of $24 million and expended an additional $21 million on critical capital improvements. As of September 8, 1997, Buildings 1 and 2, representing a total of 166,641 square feet of rental space, had been vacant for 5 to 9 years, resulting in a potential cumulative revenue loss of more than $5.6 million. Port Authority officials told us that our calculation of potential revenue loss is overstated because it does not include the costs of broker's commissions, free rent offered to tenants during the initial months of their tenancy, or fix-up allowances provided to tenants. However, these costs are considered during the negotiation process to lease the space and cannot be quantified until a tenant is found. Port Authority officials also told us that Building 1, which represents 138,569 square feet of the vacant space, has been intentionally left vacant because the estimated cost of rehabilitating it -- $7.5 million -- would have exceeded the revenues the space would generate in rents. In December 1997, Building 1 was sold to the City of Yonkers, which plans to use it for Board of Education offices and a new public library.

In response to the draft report, Port Authority officials indicated that they leased space at the Yonkers Industrial Park on a short-term basis in the past. Officials added that they recently leased the vacant space at Building 2, while the sale of the remainder of the Yonkers facility is anticipated.

We also found that a total of 43,250 square feet, or 10.5 percent of the Newark Legal Center's net rentable square footage was still vacant on September 8, 1997. This space has been vacant since the facility was opened in 1989; as a result, nearly $9 million in potential cumulative revenue has been lost to the Port Authority. We asked Port Authority officials why these spaces have been vacant for so long. They explained

that there had been such high expectations for the success of the Legal Center that it had been built three floors higher than originally planned. However, they said, the facility opened for business during the worst real estate market the City of Newark had seen in decades. Moreover, two tenants had defaulted on their purchase agreements for office space and the U.S. Postal Service backed out of a pending lease agreement. According to Port Authority officials, these problems have been exacerbated by the negative image of the city, as well as the success of the Legal Center in attracting several other high-rise office buildings to the area.

The Teleport projects have also lost tenants. One tenant, which occupied approximately 22,400 square feet of office space at the Teleport, has relocated to comparable office space at its new location in New Jersey. Port Authority officials have been unable to find a replacement tenant for this space, primarily because of the high supplemental rents (payments-in-lieu-of-taxes), which they and tenant representatives cited as the primary reason for the company's departure. We calculated that the loss of a tenant for this space has meant a $186,667 loss in revenue for the four-month period July through October 1997.

In response to the draft report, Port Authority officials stated that their staff will continue to aggressively develop and market vacant space to attract tenants and investors. Officials added that negotiations were underway with private parties to develop vacant sites at the Teleport. Also, one of the undeveloped sites at the Bathgate Industrial Park was undergoing construction with the exception that it will be ready for occupancy by early 1999.

Divestiture

In the past, the steadily-growing revenue streams from the Port's core businesses have been used to leverage the investments in new facilities and business activities on the public's behalf. These revenues have also been used to subsidize facilities and functions, such as industrial parks, that have operated at a deficit. However, Port Authority officials realize that existing revenue streams cannot continue to support additional new investments or facilities, and it is necessary to identify alternative sources of funds that can support the development of new endeavors. Some funds could be generated by selling facilities the Port Authority owns and/or operates that are no longer central to the agency's core mission and represent a drain on its resources, as well as those that have ceased to provide significant regional economic benefits.

Through December 31, 1996, the Authority has invested nearly $531.6 million to develop the six regional development projects, and another $601 million to operate them. However, from 1992 to 1996, the Industrial Park at Elizabeth and the Yonkers Industrial Park generated yearly net losses (excluding amortization), as shown in Exhibit A of this report. The Essex County Resources Recovery Facility and the Newark Legal Center also generated annual losses (excluding amortization), during at least two years during this period (see Exhibit A). The Newark Legal Center has shown a positive trend, with operating surpluses for 1995 and 1996, after generated surpluses for 1994 and 1995, the Essex County Resources Recovery Facility generated a loss of $2.7 million in 1996. As discussed later in this report, there is considerable risk that this project may generate significant losses in the future.

Although the Port Authority has no written strategy for the disposition of its regional development projects, it has conducted a number of disposition studies that were prerequisites for implementing cost containment, revenue enhancement, and disposition initiatives at projects that were no longer serving their original public purposes. A 1994 study recommended the sale of the Yonkers Industrial Park, which had generated a $23 million net operating deficit for the period 1985 through 1993. We were told that the Authority offered to sell this facility in 1995 at its appraised value of more than $17 million but rejected an offer of approximately $6 million. Since then, two vacant building have been sold; and the sale of another is being negotiated. A broker retained to market the facility told us that the Port Authority needs to be more realistic about the price it is asking. In turn, Port Authority representatives told us that Kawasaki and other parties have shown some interest in buying the facility that is being reappraised. They said they were optimistic that this new appraisal would be a catalyst for the sale of the entire facility.

The Port Authority has already sold 79 acres of its 91-acre Elizabeth Industrial Park to IKEA for $19.1 million. Although they may not have recouped their original $23.7 million investment, Port Authority officials believe there were many benefits to the sale. These include the return of the facility to the City of Elizabeth's tax rolls and enhanced job creation from the expansion of IKEA's operations. In addition, Port Authority officials told us they are no longer responsible for costs arising from the operation and maintenance of the facility's common areas and its environmental mitigation system. Moreover, they said IKEA has agreed to indemnify, defend, and hold the Port Authority harmless against any environmental claims that pertain to the park. Port Authority officials told us they did not sell the remaining 12 acres to IKEA because their Board

of Commissioners had previously approved the leasing of that acreage to American Food International (AFI), which planned to build a food distribution warehouse there with financial assistance from the Port Authority.

In early 1997, Port Authority officials performed a preliminary financial analysis in an effort to estimate the possible impact of disposing of the Bathgate and Teleport facilities. They concluded that since both had been profitable - contributing $2.2 million and $9 million, respectively, to the Port Authority's net operating revenues - any disposition should capture their full asset value to the Port Authority. They also explained that it was not a good time to continue active discussion of the sale of the Essex Facility because they were concerned about the outcome of the legal issues associated with garbage disposal in New Jersey. Moreover, any decision concerning the sale of the Legal Center is contingent on the repurchase of office space in the Center that was originally sold to some tenants.

The Port Authority's 1994-98 business plan noted that the ongoing structural changes within the region's economy will continue to shift jobs and business away from manufacturing and toward service-based activities, thus lowering the demand for industrial parks and bolstering interest in commercial and waterfront development. As previously noted, the Port Authority is currently funding and developing two waterfront projects.

In light of the recent legal decisions relating to garbage disposal in New Jersey and the net losses generated at Bathgate, Yonkers, and the Legal Center, the Port Authority needs to expeditiously develop a strategy for the disposition of regional development projects that are not part of its core mission. Proceeds from those sales could then be used to identify and pursue new opportunities in the Port Authority region and to undertake initiatives that would address emerging regional trends and the needs of the region's economy and business environment.

Recommendations

1. Enhance marketing efforts for current and potential projects with the objective of attracting tenants and investors who can create and retain jobs.

2. Develop a strategy for the disposition of additional regional development projects that are not part of the Port Authority's core mission.

3. Consider leasing vacant spaces at the Yonkers Industrial Park on a short-term basis until it is sold.

   (In response to the draft report, Port Authority officials stated that they have a strategy for the disposition of regional development projects which includes evaluating and marketing each site for possible disposition/privatization. Officials made reference to the sale of Building #1 at the Yonkers Industrial Park to the City of Yonkers in December 1997, as noted previously in our report. They added that additional parcels at the Yonkers Industrial Park will be sold if acceptable terms can be negotiated.

   Officials further stated that they have returned potential retail sites at the Bathgate Industrial Park to the City of New York for marketing to prospective developers. Also, negotiations are underway with private entities for the sale of properties at the Elizabeth Industrial Park and the Teleport.)

Supplemental Rent

Since 1984, the Port Authority has expended approximately $70 million for site preparation and infrastructure development at the Teleport. During the same period, private developers have invested more than $550 million. The ground lease establishing the Teleport, which was executed between the Port Authority and the City on May 15, 1984, provides for the payment by the Port Authority of basic, additional, and supplemental rent. Supplemental rent is a PILOT (payments-in-lieu-of-taxes) that is supposed to help cover the cost on common area infrastructure and other facility improvements, such as the Telecenter and the infield shield wall surrounding the satellite area. It is an allowable operating and maintenance pass-through expense that Teleport tenants can be charged and is equal to the taxes that would have been paid on the property based on the assessed value of these improvements and the current City tax rate. Port Authority representatives generally pay such assessments to the City and bill the tenants for their share. The 1996 supplemental rent totaled $988,000, including the amounts the Port Authority indicated were paid by the following six tenants:

Tenant	Supplemental Rent	Annual Rent	Percentage of Annual Rent
Teleport Associates*	$101,572	$1,013,374	10.02%
Telehouse*	$59,360	$974,451	6.09%
TCG***	$160,455	$6,283,574	11.60%
Nomura**	$139,368	$629,244	22.15%
Globecast**	$12,590	$38,256	32.19%
Merrill Lynch*	$73,095	$1,198,173	6.10%

* Common areas only.

** Common areas and Port Authority-owned Telecenter.

*** Includes approximately $3.5 million of annual rent that is not subject to supplemental rent and $1.4 million in supplemental rent paid directly to the City.

When we met with current and former tenants of the Teleport, they complained that the supplemental rent and the methodology used by the City's Department of Finance to value property at the Teleport obligate them to pay rents that are exceedingly high. A former tenant, who relocated to New Jersey at the expiration of his lease, told us that his company had paid $60,400 in supplemental rent, or an extra $6 per square foot, in calendar year 1996. In lieu of taxes, the former tenant now pays just $0.85 per square foot to rent space at his new location. He also told us that his company had tried unsuccessfully in 1995, two years before its lease expired, to obtain the Port Authority's assistance in renegotiating the supplemental rent. The vacated space has not yet been rented. As a result, we calculated that the Port Authority has lost $86,667 in potential revenue for the four-month period of July to October 1997.

A major tenant/developer told us that the amount of supplemental rent his company pays has increased every five years during its tenure at the Teleport. At this rate, he has projected that the $60,000 yearly supplemental rent his company now pays will double by the year 2005, just seven years in the future. This tenant has refused to pick up an option to develop additional areas at the facility. Moreover, two of his sub-tenants have relocated -- one to a building adjacent to the Teleport. He attributed both relocations to the uncompetitive rents charged at the Teleport. Another tenant, who pays supplemental rents of $10 to $13 per square foot, has refused repeated offers to rent the vacated space choosing instead to increase the amount of space leased at other facilities in New Jersey. Moreover, this tenant has an option to cancel its leasehold of 178,000 square feet in 1999 and has indicated that it is tempted to relocate the complete operation to New Jersey because of the high supplemental rent it has been paying.

When we spoke to Port Authority officials, they explained that the supplemental rent is so high because it is based on the method used for determining the assessed value of the property. However, for supplemental rent purposes, the building known as the Telecenter, as well as the facility's common areas, are assessed as special-purpose parcels. They said increases to the supplemental rent are calculated according to a construction index, not increases in market value. As a result, the facility's tax rate averages $11 to $12 per square foot, which is almost double the rate assessed on properties in Manhattan and triple the rate assessed in suburban New Jersey. The assessed tax is added to a tenant's rent in the form of a PILOT.

Both tenants and Port Authority officials told us that the high supplemental rent was making the rental of space unattractive to potential tenants and developers. They said a continuation of this situation would eventually lead to increased vacancies at the facility. Tenants have expressed the fear that when individual tax abatements expire, the other buildings will be assessed at the same rate as the Telecenter and the facility's common areas. Moreover, tenants argue that rent concessions from the Port Authority and/or a reduction in the supplemental rent assessed by the City are needed to keep the Teleport competitive.

Tenants and Port Authority officials recently met with representatives from the Staten Island Borough President's Office. Port Authority representatives said they initiated this dialogue with the Borough President because of the importance of the Teleport to Staten Island. However, the supplemental rent issue has not been resolved. In order to retain investment and employment levels at the Teleport while creating a platform for further development at the site, this supplemental rent issue needs to be resolved in an expeditious manner.

Recommendation

4. Consider renegotiating the lease between the Port Authority and New York City to provide Teleport tenants with a more advantageous supplemental rent arrangement. Negotiate directly with the highest level of City government to effect a change. The Port Authority should develop the analysis and support to demonstrate the need to keep these property rentals competitive as a means of keeping the area economically viable.

   (In response to the draft report, Port Authority officials stated that the City of New York and the Port Authority recently amended the Teleport ground lease to eliminate the supplemental rent as of July, 1998. Officials added that this will ensure that rental rates for the Teleport will remain competitive.)

Arrearages

The Port Authority imposes rent and operating and maintenance (O&M) charges on tenants who locate at its regional development projects. To run these projects properly, the Port Authority must be vigilant in its efforts to collect rental payments and charges from its tenants when they become due. If these are not collected on a timely basis, arrearages will ensue. As arrearages increase, the chances of collecting the full amounts decrease and Port Authority representatives may be induced to renegotiate rental leases, accept lower rents than originally agreed on, and/or lose the O&M charges.

Port Authority representatives told us that they recognize the social and economic importance of preserving the jobs supported by tenants at the facilities and that they believe the public sector has an investment in and commitment to the firms and the employment opportunities they represent. As a result, they prefer to work towards a remedy with those tenants who claim they are experiencing financial difficulties. When the tenants can substantiate their claims, the Port Authority renegotiates lease agreements to help them remain at the facilities.

As of October 14, 1997, five of these tenants and one former tenant owed the Port Authority nearly $2.6 million.

One tenant in Bathgate Industrial Park, whose tenancy began in 1985, now occupies three buildings at Bathgate. In early 1997, the company's representatives informed the Port Authority that, because of cash flow problems, they were unable to meet their rental obligations and needed to renegotiate their lease agreements. After a review of the tenant's financial statements, continuous negotiations with company representatives, and serving the company with Default and Termination Notices for non-payment of rent, an agreement was reached. The tenant was allowed to repay the rental arrears in six monthly installments, while continuing to pay its monthly rent. As of October 31, 1997, three of the six installments had been paid.

Another tenant, which has been a Bathgate tenant since 1987, filed for bankruptcy on December 17, 1996. The court's affirmation of this tenant's reorganization and its new lease agreement with the Port Authority requires the tenant to pay an amount representing 40 percent of its pre-petitioned rent arrearage. However, the company is required to

pay the entire post-petition arrearage plus interest, in installments, over the life of the new six-year lease. In the case of a tenant at Yonkers Industrial Park, its arrearage resulted from a disagreement over the effective date of the company's lease agreement with the Port Authority, as well as a dispute over the cost of improvements made to the Yonkers facility. A lease supplement approved in early November 1997 adjusts the date of the lease and credits the tenant with a portion of the arrearage. The remaining arrearage will be paid in equal installments over the life of the new lease supplement.

According to their lease agreements with the Port Authority, each tenant at the Newark Legal Center is required to pay a percentage of the facility's common operating and maintenance charges, based on the percentage of the building it occupies. Port Authority officials told us that one tenant's arrearage resulted from a dispute over the firm's share of these charges. In a recent resolution of this dispute, the arrearage is being rolled over into the payment terms of a lease extension that will be issued to this tenant. In contrast, Port Authority officials told us that the lease agreement with another tenant at the same location has been terminated and legal proceedings have been initiated to recover the arrearage, which is subject to the vagaries of litigation.

The Port Authority's Credit, Collection and Accounts Receivable Division (CCAR) is responsible for monitoring and collecting account receivables. CCAR representatives told us that, despite the Port Authority's policy for dealing with arrearages, each department interprets and implements the policy differently. They said the Port Authority's current Executive Director has indicated his intolerance for late rent payments and has advised his staff to monitor accounts receivable more aggressively to determine why they are delinquent. As a result, CCAR staff have been instructed to establish a uniform practice for managing the Port Authority's accounts receivable balances. Each department is to designate specific staff to manage its accounts receivable. These individuals are to meet on a monthly basis with CCAR staff to address receivables that are more than 60 days in arrears. To prevent the arrearages from reaching serious proportions, CCAR officials told us they would initiate this process sooner for any major tenant/lessee with significant monthly billings. In this way, the Port Authority hopes to minimize the number of tenants in arrears and prevent arrearages from becoming unmanageable and therefore uncollectible.

In response to the draft report, Port Authority officials stated that they expected to recover about $1.8 million (of the $2.6 million in arrearages

referred to in our report), as a result of aggressive actions taken by Port Authority staff. Officials added that the extent of recovery of the remaining $800,000 will depend upon the outcome of court decisions and litigations.

Recommendations

5. Monitor departments to ensure that all staff adhere to the Port Authority's policy for dealing with arrearages, and ensure that tenants pay their rents and other charges in a timely manner.

6. Avoid significant arrearages by aggressively monitoring accounts receivable in the initial stages to determine why they are delinquent.

Essex County Resource Recovery Facility

Waste collection and disposal have never been simple matters in New Jersey. However, until the recent court decisions, there were two constants — 1) the state's disposal costs were among the highest in the nation, and 2) the state controlled the disposal of garbage. County officials were obligated to send the garbage collected in their communities to state-designated sites; in return, they had the exclusive right to finance the disposal operations at these sites. Based on this privilege, many counties borrowed tens of millions of dollars to develop and build landfills, waste transfer facilities, and expensive waste-to-energy incinerators. These projects were seen as investments whose costs could be passed on to homeowners and businesses through local taxes or garbage-collection fees. In contrast, the Port Authority provided funds to build the Essex County Resource Recovery Facility, thus freeing the county's 22 local governments from having to raise taxes immediately to pay for the plant.

In return, under the terms of the contract with the Port Authority, Essex County officials are obligated to use reasonable efforts to ensure that at least 680,000 tons of acceptable solid waste originating in their county are delivered to the plant each year. Private carters are paid to collect and deliver the county's garbage to the plant. In turn, the plant is paid a "tipping fee" of about $66.50 per ton to accept the waste. If either the Port Authority or American Ref-Fuel (ARF), the plant's owner/operator, is unable to mitigate shortfalls in the county's deliveries, a surcharge is imposed on the following year's tipping fees. Port Authority representatives told us that the carters have been delivering just 400,000 to 450,000 tons per year to the plant. They said many carters were diverting some of the waste they collect to out-of-state facilities and landfills that charge a lower "tipping fee." In spite of this diversion, Port Authority officials told us the plant is operating at capacity. It is able to do so, they said, because the plant mitigates the shortfall with waste from out-of-county sources.

However, we estimate that, even by accepting waste from other localities, the Port Authority and ARF receive between $7.9 million and $9.7 million less in annual revenues; outside sources pay a "gate fee" of just $32 per ton, not the $66.50 tipping fee paid by Essex County. Port Authority officials claimed these revenue shortfalls, which they estimate will result in a net decrease of $2.7 million in the facility's revenues in 1997, are recovered through the surcharge imposed on the following year's tipping

fee. They told us that, although they have discussed the diversion problem and the resulting revenue loss with Essex County officials, the problem remains unresolved. Moreover, they expressed the belief that neither they nor ARF can require the carters to use the official waste disposal site exclusively unless Essex County enforces its contracts with the private carters.

In 1994, private carters began challenging the state's disposal arrangements. In May 1997, a Federal appeals court found the state's system and its "excessive tipping fees" to be anticompetitive and unconstitutional. This decision, which was affirmed by the U. S. Supreme Court in November 1997, effectively deregulated the garbage industry in New Jersey. As a result, carters can now legally bypass the more-costly transfer stations and waste-to-energy incinerators owned or supported by counties that must charge higher prices to pay off their bonds and honor contracts. Communities hoping to lower costs have already begun to alter their disposal plans, taking their waste to cheaper out-of-state landfills. Some want to abandon their own incinerators and find cheaper landfill opportunities, while others have arranged to dump their trash in other states at rates that are 30 percent or 40 percent lower than those charged at the official New Jersey sites. However, Essex County may not be free to exercise such options. It is locked into contracts with the Port Authority that require it to pay fees for accepting trash originating in the county that are higher than those paid to the Port Authority for accepting trash from out-of-county sources. Essex County officials believe that, although the original arrangement may have been ground-breaking at the time, it is no longer a good one. They hope to break the contract with the Port Authority so they can cut costs by using out-of-county landfills.

The recent court decisions are expected to result in even more Essex County waste being diverted from the plant. Thus, the idea of imposing a surcharge on carters who can now legally divert garbage to out-of-county landfills is no longer a practical way to ease revenue losses. The Port Authority may now be faced with an even greater risk of decreased revenues at the same time it needs to meet debt payments on its investment in the plant. Furthermore, the operators of the plant may be forced to lay off some plant employees unless they can mitigate the decrease in Essex County waste with increased amounts of waste from other sources.

In response to the draft report, Port Authority officials indicated that they have made an interim pricing arrangement which has allowed the plant to

process the bulk of Essex County's waste. They added that Port Authority staff are working closely with State New Jersey officials to attempt to enact legislation to protect the plant's financial position, if market rate tipping fees continue to fall below those allowed by the contract. Port Authority officials also indicated that they are working aggressively to keep the plant operating at capacity, and they are unaware of any plans to lay-off employees at the facility.

Recommendation

7. Work with officials of Essex County, the State of New Jersey, and ARF to explore alternative ways of protecting the Port Authority's interest in the Essex County Resource Recovery Facility and improving the Facility's financial position.

INCOME (LOSS) BEFORE AMORTIZATION
(in thousands)

	CALENDAR YEARS				
	1992	1993	1994	1995	1996
ESSEX COUNTY RESOURCE RECOVERY FACILITY					
Gross Operating Revenues	$67,967	$69,359	$65,603	$59,225	$53,334
Expenses:					
Operating & Maintenance Expenses	67,818	69,377	59,574	57,460	55,890
Allocated Expenses	198	156	157	171	167
Total Expenses before Amortization	68,016	69,533	59,731	57,631	56,057
Income (Loss) before Amortization	($49)	($174)	$5,872	$1,594	($2,723)
INDUSTRIAL PARK AT ELIZABETH					
Gross Operating Revenues	$79	$469	$566	$1,106	$1,207
Expenses:					
Operating & Maintenance Expenses	956	1,134	937	1,234	4,145
Allocated Expenses	155	110	93	136	63
Total Expenses before Amortization	1,111	1,244	1,030	1,370	4,208
Income (Loss) before Amortization	($1,032)	($775)	($464)	($264)	($3,001)
BATHGATE INDUSTRIAL PARK					
Gross Operating Revenues	$2,533	$2,482	$3,204	$3,121	$3,181
Expenses:					
Operating & Maintenance Expenses	1,388	965	1,963	1,395	1,458
Allocated Expenses	120	112	142	116	110
Total Expenses before Amortization	1,508	1,077	2,105	1,511	1,568
Income (Loss) before Amortization	$1,025	$1,405	$1,099	$1,610	$1,613
YONKERS INDUSTRIAL PARK					
Gross Operating Revenues	$2,631	$3,042	$2,448	$2,603	$2,970
Expenses:					
Operating & Maintenance Expenses	4,144	5,288	5,200	4,722	3,187
Allocated Expenses	490	460	568	365	131
Total Expenses before Amortization	4,634	5,748	5,768	5,087	3,318
Income (Loss) before Amortization	($2,003)	($2,706)	($3,320)	($2,484)	($348)
TELEPORT					
Gross Operating Revenues	$11,160	$12,425	$13,764	$15,060	$17,539
Expenses:					
Operating & Maintenance Expenses	6,466	6,990	7,569	9,559	10,006
Allocated Expenses	406	417	328	439	331
Total Expenses before Amortization	6,872	7,407	7,897	9,998	10,337
Income (Loss) before Amortization	$4,288	$5,018	$5,867	$5,062	$7,202
NEWARK LEGAL CENTER					
Gross Operating Revenues	$4,994	$5,799	$6,475	$7,473	$6,893
Expenses:					
Operating & Maintenance Expenses	5,310	6,395	5,726	5,704	5,500
Allocated Expenses	410	400	302	262	226
Total Expenses before Amortization	5,720	6,795	6,028	5,966	5,726
Income (Loss) before Amortization	($726)	($996)	$447	$1,507	$1,167

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August 5, 1998

Mr. William P. Challice
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Office of the State Comptroller
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270 Broadway, 19th Floor
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Ref.: Office of the New York State Comptroller - Draft Report on The Port Authority of New York & New Jersey's Regional Development Program, dated June 24, 1998

Dear Mr. Challice:

Thank you for providing us with an opportunity to comment on the referenced draft report dated June 24, 1998 and forwarded to Port Authority Chairman Eisenberg. It is interesting to note that many of the recommendations contained in your report are consistent with our existing business strategy.

Our specific comments with respect to the recommendations cited in the draft report follow:

Recommendation #1: "Enhance marketing efforts for current and potential projects with the objective of attracting tenants and investors who can create and retain jobs."

Port Authority staff will continue to aggressively develop and market vacant space to attract tenants and investors to our facilities. For example, negotiations are underway with private developers for the development of vacant sites at the Teleport. Similarly, one of the two undeveloped sites at the Bathgate Industrial Park is undergoing construction with the expectation that the space will be available for occupancy by early 1999.

Recommendation #2: "Develop a strategy for the disposition of additional regional development projects that are not part of the Port Authority's core mission."

The Port Authority has a strategy for the disposition of additional regional development projects which includes evaluating and marketing each for possible disposition/privatization. Consistent with our disposition strategy, Building #1 located at the Yonkers Industrial Park was sold to the City of Yonkers in December 1997. The remaining parcels at Yonkers Industrial Park will be sold for private development if acceptable terms can be negotiated. At the Bathgate Industrial Park, the Port Authority has returned potential retail sites along Third Avenue to the City of New York for marketing to prospective retail developers.

Moreover, negotiations are underway with representatives of AFI Industries, a tenant at the Elizabeth Industrial Park, with regard to the purchase of their leasehold which includes a warehouse building and land. With the successful completion of this sale, the Port Authority will have sold the entire Elizabeth Industrial Park to private sector interests. At the Teleport, discussions with a private developer for the purchase of a vacant site are underway. Please note that since both the Teleport and the Bathgate Industrial Park are leased from the City of New York, "disposition" is not entirely within the control of the Port Authority.

Recommendation #3: "Consider the viability of leasing vacant spaces at the Yonkers Industrial Park on a short-term basis until it is sold."

In fact, it has been the Port Authority's practice to make space available at the Yonkers Industrial Park on a short-term basis. Prior to selling Building #1 to the City of Yonkers, space was leased in that building, as well as portions of Building #2, to Kawasaki for the storage of rail car parts and office purposes, on an interim basis. While a sale of the remainder of the Yonkers facility is anticipated, the balance of Building #2 has been recently leased to a film production company.

Recommendation: #4: "Consider renegotiating the lease between the Port Authority and New York City to provide Teleport tenants with a more advantageous supplemental rent arrangement. Negotiate directly with the highest level of City government to effect a change. The Port Authority should develop the analysis and support to demonstrate the need to keep these property rentals competitive as a means of keeping the area economically viable."

On July 9, 1998, the City of New York and the Port Authority executed an amendment to the Teleport ground lease eliminating Supplemental Rent as of July 1, 1998. The elimination of Supplemental Rent will ensure that Teleport rental rates remain competitive. This positive development was communicated to all Teleport tenants on July 23, 1998.

Recommendation #5: "Monitor departments to ensure that all staff adhere to the Port Authority's policy for dealing with arrearages, and ensure that tenants pay their rents and other charges in a timely manner."

Recommendation #6: "Avoid significant arrearages by aggressively monitoring accounts receivable in the initial stages to determine why they are delinquent."

The Port Authority's Credit, Collection and Accounts Receivable Division (CCAR) has had long-standing procedures in place to monitor accounts receivable, to ensure that rents are paid on a timely basis, and to quickly follow-up with tenants who are delinquent. These procedures are contained in the Financial Department's Standard Practice Instructions. CCAR staff aggressively work to obtain delinquent payments, monitor the level of additional billings, and make every effort to determine the reason for non-payment. If necessary, CCAR seeks assistance from line department staff to resolve any outstanding amounts due the Agency.

With respect to the amount of $2.6 million owed by five tenants and one former tenant which is mentioned on page 16, it should be noted that we expect to recover approximately $1.8 million (70%) as a result of aggressive actions taken by Port Authority staff. The outcome of bankruptcy court decisions and litigation initiated by the Port Authority will determine to what extent that we recover the remaining balance of approximately $800,000.

Recommendation #7: "Work with officials of Essex County, the State of New Jersey, and ARF to explore alternative ways of protecting the Port Authority's interest in the Essex Resource Recovery Plant and improving the Plant's financial position."

The Port Authority has been diligently working with Essex County officials to continue the flow of their waste to the Essex facility. To that end, an interim pricing arrangement has allowed the plant to process the bulk of Essex County's waste despite the elimination of flow control. Staff is also closely working with State of New Jersey officials regarding the enactment of legislation which may provide some protection for the plant's financial position in the event that market rate tipping fees continue to lag the fees allowed by our contracts.

Other Comments

- The Newark Legal and Communications Center (NLCC) is not part of the program authorized by the Industrial Development legislation of 1978 as implied in the opening paragraph of the Executive Summary. In fact, the development and construction of the NLCC was undertaken as part of the port development project authorized by bi-state legislation in 1962. Accordingly, the language in the first paragraph of the Executive Summary should be amended.

- On page one of the Executive Summary, there is a reference to "a net loss of approximately $29.1 million". On page 10 of the draft report there is another reference to net losses which reads "four of the projects have generated net losses, as indicated in Exhibit A of this report." However, Exhibit A shows that four of the six projects had positive income for the five-year period ended 1996. Exhibit A does not show the computation of net losses of approximately $29.1 million, nor does it show that four projects generated net losses before amortization.

- The statement on page two of the Executive Summary that the location of projects "in economically-distressed areas has often discouraged prospective tenants and developers" is to acknowledge the purpose of the industrial development legislation and the justification for Port Authority involvement.

- The report should be amended (see page 3) to read that approximately thirty (not thirty-five) acres remain undeveloped at the Teleport facility.

- Both the Executive Summary and page 11 of the draft report refer to a financial analysis performed by staff that estimated the impact of disposing of the Bathgate and Teleport facilities. In several discussions with the auditors, they were advised that this financial analysis had not been finalized, and as such, its preliminary conclusions did not represent the official position of the Agency.

For that reason, we believe that it is inappropriate to make reference to this draft report and any of its preliminary conclusions.

- The last paragraph on page 20 contains a statement that the private sector operator of the Essex County Resource Recovery facility may be forced to lay-off employees unless they are able to mitigate the recent decrease in Essex County waste. It should be noted that the plant operator and the Port Authority are working aggressively to keep the plant operating at capacity, and we are unaware of any plans to lay-off plant employees.

Again, we appreciate the opportunity to provide our comments with respect to this draft report.

Sincerely,

C. F. McClafferty

Charles F. McClafferty
Chief Financial Officer

cc: Hon. Lewis M. Eisenberg, PANY/NJ
Mr. Robert E. Boyle, PANY/NJ
Ms. Deirdre A. Taylor, NYS/DOB
Ms. Andrea Zaretzi, NYS/Oversight Committee