

The Port Authority of New York and New Jersey
Committee on Capital Planning, Execution & Asset Management Transcript
May 28, 2015

[Chair S. Rechler] — asset management is being held in public session in its entirety. At this point, I'd like to ask Karen, our corporate secretary to advise of those present on the committee and if there are any recusals related to the items that we need to address.

[K. Eastman] Thank you. The committee is composed of yourself as Chairman and Chairman Degnan as Vice Chairman and then Commissioner Moerdler, Pocino, and Steiner as members. All committee members are present at today's meeting. With regard to the first item, Teterboro Airport, we move taxiway B and installation of new taxiway V. There are no recusals on this matter.

[Chair S. Rechler] Thank you. OK. We have Tom Bosco coming to provide the report of the Teterboro Airport taxiway B.

[T. Bosco] Good afternoon, Commissioners. Today I ask you to authorize a \$9.5 million project to remove taxiway bravo and replace it with taxiway victor to improve aeronautical safety at Teterboro Airport. I also ask that you authorize the executive director to enter into a contract at an estimated cost of \$3.9 million to perform this work. Now to understand the issue, it helps to know that each runway, whether it's at Teterboro or elsewhere has a runway safety area associated with it. The runway safety area or RSA is essentially a prepared surface around the runway extending 250 feet either side of the runway centerline and a thousand feet beyond the runway ends to reduce the risk of damage to an aircraft should it undershoot, overshoot, or make an excursion from the runway. Simply put, when aircraft, vehicles, or even pedestrians venture inside the RSA without clearance from air traffic control, that constitutes a serious safety violation and is known in FAA parlance as a runway incursion. Now the existing taxiway bravo originally built in 1949 traverses Teterboro's runways 1-19 and 6-24 as shown in yellow on this slide. In recent years, as general aviation aircraft at Teterboro have grown in size, the continued use of taxiway bravo by air traffic control has grown problematic. Aircraft directed to use taxiway bravo by air traffic control cannot exit the RSA of one runway without entering the RSA of the other runway. Consequently, air traffic control has to carefully orchestrate the movement of aircraft on bravo and on the individual runways. Clearly, this configuration is less than ideal and has been designated by FAA as a hotspot. That is a location on the aeronautical area with a history of runway incursions where increased vigilance is necessary and encouraged. Now the proposed contract includes the removal of taxiway bravo, pavement, lights, signs, and drainage and replacing it with taxiway victor and its associated infrastructure shown on this slide in yellow. You'll notice that victor runs parallel to runway 1-19 instead of intersecting with it. This new configuration will eliminate the hotspot, reduce the risk of runway incursions while at the same time expediting the exit of arriving aircraft from the runway. Here you see the economic impact of the project. And on this slide, you see that \$2.1 million in wetlands mitigation is included in the total project cost since both taxiways lie in designated wetlands areas. The funds for this project are included in our 2015 budget and in the ten-year capital plan. 90% of the eligible costs are recoverable to the Port Authority under the airport improvement program. The duration of the project is two

years given the fact that we have to complete the design and work in off-peak hours so as not to impact aircraft operations. Commissioners, subject to your questions. This concludes my presentation, and I ask you to advance this item to the full board for approval today.

[Chair S. Rechler] Does anybody have questions for Tom? Commissioner Schuber, Pat.

[Comm. P. Schuber] Mr. Vice Chair, if I might, just Tom, as you well know that Teterboro Airport has always been an issue for the local residents in that area as well as elected officials. And I understand the importance of this project. I've read the material on it that you provided. Clearly it's a safety issue, and I think also somewhat of a requirement, I guess, of the FAA. But I'd ask you to do as you move forward with this to please, please notice the local officials. There's a committee I know that works with Teterboro Airport of local officials and if you would notice the local legislative delegation from that area as well as the county officials on this, even though I know this is not going to impact the necessity of extra flights or anything along those lines. Anytime anything happens at Teterboro Airport, it sends off a series of rumors in the area and to head those off, I think it would be a better idea if you kind of ran interference with that with the local officials in advance of that.

[T. Bosco] That's a very good point, Commissioner, and in fact, we have reached out to the Teterboro Aircraft Noise Abatement Advisory Committee to brief them on the project and to elected officials in the area.

[Comm. P. Schuber] Especially the elected officials, the county executive if you might, as well as the—that's 36th legislative district, I believe, the legislators from there.

[T. Bosco] Will do, sir.

[Comm. P. Schuber] Thank you.

[Chair S. Rechler] Tom just a question, is this in the capital plan?

[T. Bosco] Yes, it is.

[Chair S. Rechler] OK, thank you. Any other questions from any commissioners? Can I have a motion to move this?

[Comm. R. Pocino] So moved.

[Chair S. Rechler] Second? All in favor?

[Commissioners] Aye.

[Chair S. Rechler] OK. Moves. Thank you. Our next item is Lash Green coming back. It says you're just informational, so I'm thinking we need a voter roll call to talk about annual minority women's small business enterprise reporting.

[L. Green] Commissioners, today I'm pleased to report on the Port Authority's performance in meeting last year's goals and objectives for minority women-owned and small business enterprise participation and construction, procurement of goods and services, and other business activities. With the Board's support, the Port Authority continues to maintain a comprehensive

and effective program that support MWSBE participation as well as activities to strengthen disadvantaged business enterprise participation in federally-funded projects. The agency including our tenants at our airports, the World Trade construction projects aggressively sought to offer business opportunities to MWSBE's which by year end 2014 yielded nearly 436 million in MWSBE spend or over 18.3% of the total spend. In addition, our new partners involved with the Goethals Bridge Modernization program and George Washington Bridge bus station as well as World Trade Center tenants generated another 114.5 million in MWBE and DBE spend. I would now like to share with you the details of our 2014 program. The largest portion of the total MWSBE spend was over 316 million expended for construction work. The spend on goods and services was nearly 93 million due largely to our very successful janitorial maintenance program, and for architectural engineering services was 26 million. The 316 million MWSBE construction total represented around 73% of the MWSBE spend of 436 million. For the three-year period, 2012-2014, the MWSBE spend trended up year over year. The MWSBE spend was 332 million in 2012, rose to 419 million in 2013 and 436 million in 2014. With respect to percentage of MWSBE spend against the total spend each of those three years, it was 14.8% in 2012, 17.3 in 2013, increasing to 18.3 in 2014. The largest portion of the MWSBE spend was from Port Authority prime and sub-contracts, totaling 247 million. 130 million was derived from World Trade Center construction projects, and aviation tenants accounted for another 59 million. I would like to emphasize the importance of MWSBE spend in our region and its contribution to jobs and economic growth. The regional economic impact estimates of 436 million MWSBE spends supported 3572 job-years, generated more than 220 million in wages, and produced approximately 748 million in regional economic activity. Additional MWSBE and DBE activity from World Trade Center tenants, new partners from the Goethals Bridge Modernization Program and George Washington Bridge Bus Station yielded a total of 114.5 million in awards. This additional amount resulted from strong MWSBE and DBE participation language included in the contracts and leases with our partners and tenants as well as effective compliance monitoring. The 114.5 million MWSBE and DBE activity when added to our spend of 436 million totaled 550.5 million. If we were to include that amount in our results it would have bought our participation rate from 18.3% to 23%. The Port Authority continues to manage programs to assist MWSBE's to become successful on Port Authority projects. In 2014, there were 15 participants in our core Mentor-Protégé Program. A total of 66 firms participated in the program since its inception in 2002. 2014 successes included three protégés winning three Port Authority prime contracts totaling approximately 2.1 million. In addition, seven protégés were on thirteen sub-contracts totaling 6.4 million which included work on some of the Port Authority's major capital projects. Through our contract with the Regional Alliance for Small Contractors, we developed and offered over 25 construction management, OSHA safety, technical and business software courses. Nearly 560 MWSBE owners or their staff participated in these courses in 2014. Attendees of the regionalizes courses continued to pose 85% satisfactory or better approval ratings of course evaluation. As part of our effort to ensure a pipeline of skilled workers, we continued to support our construction pre-apprenticeship training programs offered in New York and New Jersey. These were the Edward J. Malloy Initiative for Construction Skills in New York, the Newark Construction Careers Program, and the Civil Construction Worker Training Entrepreneurial Development Center administered by the Urban League of Hudson County in New Jersey. These pre-apprenticeship training programs continued to be among the most successful of their type in the region. Since inception in 2001, over 2330 New York and New Jersey

residents have completed the training curriculum and were placed many into union apprenticeship programs in both states. Throughout 2014, we co-sponsored and/or participated in a wide range of outreach networking events in New York and New Jersey. Together, these events attracted a combined total of approximately 6000 MWSBE's with many pursuant certification and business opportunities with the agency. We collaborated with McGraw-Hill, an industry leader, to present the Building Connections and Created Opportunities Conference focusing on MWSBE attendants. The half-day event had record-breaking attendance. In maintaining the integrity of our MWSBE and DBE programs has always been of utmost importance. Consistent with this objective, our Office of Inspector General has been instrumental in the identification and prosecution of firms that have tried to manipulate or circumvent the integrity of our programs. In addition, our review of certification applications has continued to be diligent despite a large increase in certification requests due to the major capital investments in the region. With continuing Board support, we look forward to moving our MWSBE and DBE programs to the next level with increasing opportunities offered by our partners, growing list of World Trade Center tenants. We also continue to monitor compliance on MWSBE and DBE goals and collaborate with all efforts to maximize opportunities to ensure credibility and viability of our supplier diversity programs. Thank you. [Chair S. Rechler] Thank you. Appreciate that. Any questions for Lash? Thank you very much. I appreciate that report and your efforts.

[L. Green] Thank you.

[Chair S. Rechler] John, back to you.

[V. Chair J. Degnan] That concludes the public session board—