

**The Port Authority of New York and New Jersey
Committee on Capital Planning, Execution & Asset Management Transcript
June 25, 2015**

[Board Chair J. Degnan] I ask people standing in the back to either take some seats and would you close the doors that go into the room beyond this? Allow people access, but let's try and keep the noise down. We're going to proceed now with public committee meetings. Before we do that, on behalf of my colleagues, I want to welcome Tony James as a Board member of the Port Authority. And we will value tremendously his expertise, and I think we'll benefit from it, as we already have, in Executive Session this morning and the Finance Committee. So Tony, welcome, and congratulations. Scott, I think you're the first up.

[Chair S. Rechler] So we're going to have the Committee on Capital Planning, Execution, and Asset Management being held in public session. The committee met in Executive Session earlier today to discuss matters involving public safety or law enforcement and matter involving ongoing negotiations or reviews of contracts or proposals. Today's meeting is also being broadcast live in the Port Authority's website for those interested in viewing the proceedings via the Internet. At this point, I'd like to ask the Corporate Secretary to advise those present of the composition of the committee and any commissioner recusals that we might have. Madam Secretary. >>

[K. Eastman] Thank you. The committee is composed of yourself as Chairman, Chairman Degnan as Vice Chairman, and Commissioners Moerdler, Pocino, and Steiner. All commissioners are present for today's meeting. The first item on the agenda is LaGuardia Airport authorization to implement early actions in support of the new LaGuardia Airport redevelopment program, and Commissioners Moerdler, Schuber, and Steiner are recused on this matter.

[Chair S. Rechler] Thank you. So we have Tom Bosco making the presentation on the LaGuardia Airport authorization for early action items. Tom.

[T. Bosco] Today I ask you to authorize \$110.9 million to support the LaGuardia redevelopment program. The items that I am proposing today would not preclude implementation of the recommendations of the New York Governor's Airport Redesign Advisory Committee, and we continue to work closely with that committee as the program advances. Now, of the total request for authorization, \$50 million would go to LaGuardia Gateway Partners, the preferred proposer to build the new Terminal B for early work to help keep the LaGuardia redevelopment program on schedule. \$18.7 million would go to the Port Authority to prepare Hangar 7 South for the relocation of staff and certain airport-wide operations and maintenance functions from the existing Central Terminal Building. Also, \$42.2 million would go to Port Authority Consultant Support Services for program and construction management. I'll go into each of these in subsequent slides. The entire \$110.9 million is recoverable through passenger facility charges and I seek your authorization today to apply to the FAA for the collection and use of those PFCs. Now it's important to note that the instructions to proposers and the requests for proposal documents that were issued in 2013 and 2014 include early action work to be

performed by the preferred proposer after selection and concurrent with lease negotiations. Accordingly, I ask that you authorize the Executive Director to award a contract to LaGuardia Gateway Partners for up to \$50 million to perform design, site, and investigative work to include evaluating the terminal design to ensure that it can accommodate a central entryway portal and that it doesn't preclude a people mover and other recommendations of the New York Governor's Design Committee. The contract also includes design and renovation of the former Aircraft Rescue & Fire Fighting facility on the west side of LaGuardia Airport Building 30 to accommodate the relocation of Port Authority operations and its array of equipment from the existing Central Terminal Building. Now in order to help meet our obligation to keep pace with the early works by the LaGuardia Gateway Partners, I ask that you authorize \$18.7 million for the Port Authority to redevelop Hangar 7 South on the west side of the airport. This work includes the award of two separate contracts worth \$12.2 million, one to rehabilitate the building in order to accept staff relocation from the Central Terminal Building including Port Authority contract personnel and the second to accommodate the relocation of sophisticated equipment for airport-wide operations control, building management, and life safety monitoring systems. Finally, it's worth noting that as part of an agreement that we have with the New York Power Authority, NYPA will provide new energy-efficient rooftop air handling units and replacement windows to the Port Authority for Hangar 7 South at no cost to the Port Authority. A final ask is \$42.2 million in consultant support services, \$20 million for program management, \$10 million for construction management under an existing agreement with the joint venture STB Tishman, and \$12.2 for contract award to CohnReznick and Hill International under the auspices of our own inspector general for integrity monitoring and fraud prevention on an as-needed basis for the duration of the LaGuardia redevelopment program. There you see the economic impact of the greater program. And then finally a recap of the itemized work. And you'll notice that 100% of the cost is recoverable through the passenger facility charge. Commissioners, subject to your questions, I ask that you advance this item to the full Board for approval today.

[Chair S. Rechler] Any questions, Commissioners?

[Chair S. Rechler] Tom, I have a question. So we're now in the negotiation with the LGA Gateway Partners. If those negotiations aren't completed, all those works— stand alones, transferrable, and insurances that it would get done— are taken care of in this discussion? [T. Bosco] Of the \$50 million, \$40 million— approximately 40 million of that 50 million— is work that would have to take place regardless of whether LaGuardia Gateway Partners builds its terminal or another competitor comes in. Ten million, however, is at risk. It involves code compliance work specific to LaGuardia Gateway Partners Terminal. So 10 out of that 50 is at risk.

[Chair S. Rechler] And then the other question I had is that in the integrity monitoring service where authorizing the contract— it sounds like authorizing it through the whole redevelopment of this first phase of LaGuardia Airport, not just this interim period?

[T. Bosco] Correct. It's a seven-year contract.

(Public CPEAM Meeting Transcripts 06/25/15)

[Chair S. Rechler] Is there any reason why we wouldn't just be doing this period now and doing the balance when we authorize everything else?

[T. Bosco] The Inspector General prefers this and insisted on it.

[Chair S. Rechler] Do you know how much of that contract is applicable for this stub period versus the seven-year period?

[T. Bosco] Well, the Inspector General says that of the \$12.2 million, it's spent on an as-needed basis. So doesn't mean that we're going to spend the 12.2. It just means as needed. How much of that for this first phase? I don't know that.

[P. Foye] Vice Chairman, let me just jump in for a second. As we've done on World Trade Center and other large projects, the Inspector General generally prefers one firm because they become familiar with the issues and with possibilities for fraud and abuse. If for some reason the Board were to decide at six months or twelve months to stop the project, the private IG retained in an RFP, their work would stop. So it is going to be roughly proportionate to the amount of construction actually done.

[Chair S. Rechler] Got you. Thank you.

[Comm. H. James] Scott, I have one question. Are the moves of the PA operations to Building 30 and the engineering to Hangar 7 South, are those permanent— their new permanent homes?

[T. Bosco] Yes, sir. Those would be permanent homes.

[Chair S. Rechler] Any questions? OK. There's no other questions. May I have motion from committee members not recused in the matter to move the item forward for the full board? Motion to move, Mr. Chairman.

[Chair S. Rechler] May I have a second? OK. Any objections? Hearing none, the motion has passed. Thanks, Tom. The second item relates to the George Washington Bridge intelligent transportation system, just ask the Corporate Secretary to advise if there's any recusals on this matter.

[K. Eastman] There's no recusals.

[Chair S. Rechler] OK. Can we have Cedric come up? Cedric. Thank you.

[C. Fulton] Good morning, Commissioners. I'm here today seeking project authorization to replace the ITS system at the George Washington Bridge at a total estimated cost of \$65.1 million. The George Washington Bridge is our busiest vehicular crossing and serves as the largest truck facility for freight connections. By the prominence of the George Washington Bridge in serving regional travel needs makes an essential element in the foundation of the region's economy. The proposed system replacement that I will be discussing today will ensure

our ability to manage the GWB transportation safely, reliably, and efficiently. The existing ITS system at George Washington Bridge was installed in 1997. At the time, we were the leaders in the region. The system consists of Variable Message Signs, vehicle detection systems, travel cameras, travel time readers, weather information systems. We collect all this information, and we share it with TRANSCOM which is a regional transportation coordination organization. They're then able to communicate that information to organizations like Google Maps, Waze, SafeTrip 511, and other similar transportation applications. Due to the age of the system, many components don't work. They're obsolete. Replacement parts, you can't find them. This is a high state of good repair priority project. It came in with a rating of 13.95. In November of 2012, planning authorization was secure for us to begin the planning of the George Washington Bridge ITS replacement. As part of that authorization, two early action initiatives were approved to replace 15 non-working Variable Message Signs in order to support traffic operations for the 2014 Super Bowl. The proposed project provides for the following: Improved fixed roadway message signs, replacing technologically obsolete vehicle detection devices, replacing the weather information system, upgrading lane-use control signs, replacing fiber optic cable, electrical wiring, and conduit. We will also install 18 new Variable Message Signs and 12 new Variable Speed Message Signs. These VMS signs will enable us to provide a wide array of information to our traveling public. The slide here just depicts a high-level overview of the components that we will be replacing in the system. It's illustrative. There are lots of pieces to it, 18 Variable Message Signs, 12 Variable Speed Limit Signs, 366 vehicle detection system devices, 28 lane-use control signals, and two roadway weather information stations, one on each side of the river. We plan to award the construction contract in the fourth quarter of 2017. As system elements are complete, they will be introduced. We expect elements to begin being installed by the fourth quarter of 2018 through 2020. This slide just provides a depiction of the prior 15 signs that were installed in advance of the Super Bowl. The sign on the right—it may be difficult to see—is just an example of a pair of VMS signs that include fixed signage shown directly above the VMS. I think the signs that people will appreciate the most are the ones which differentiate between using the upper level and the lower level often. So in summary, from a benefits perspective, VMS signs will provide us better communication and real-time information about travel conditions. The vehicle incident detection devices will help us respond to and clear incidents more quickly, and they also will help us collect lots of good traffic data for planning purposes. The vehicle speed limit signs and lane-use control signals will help us manage traffic flow and enhance traffic safety. Overall through the use of our ITS, our ability to provide travel information and perform incident response during construction, special events, and weather emergencies will be significantly enhanced. The project will result in 430 job years, 29 million in wages, and 105 million in economic activity. Again, the total project cost is 65.1 million. From a schedule perspective, elements will be delivered as they are ready for use beginning in 2018 through 2020. And at this point, Commissioners, I ask you to consider this item. Thank you.

[Chair S. Rechler] Anyone have any comments or questions? So just on the timing of delivery, what is the longest item? It seems like a long time to 2020. Maybe with—what are we going to see earlier in the 2018 period versus 2020?

[C. Fulton] Sure. The lane-use control signs and the weather stations will be the first things that we see during the last quarter of 2018. By the second quarter of 2019, we will then have some

vehicle detection system elements in the roadway, and we will begin the installation or will have completed some of the installation of the VMS signs. And then the last item will be the remaining VMS signs by the first quarter of 2020.

[Chair S. Rechler] Comments or questions? Anybody have motion to move to—

[Comm. D. Steiner] So moved.

[Comm. R. Pocino] Second.

[Chair S. Rechler] OK. You have a question?

[Board Chair J. Degnan] Cedric, you know, I testified earlier this week before the Assembly Transportation Committee in New Jersey, and one of the assemblypersons on that committee complained about the signage as you exit the Lincoln Tunnel coming into Manhattan and the lack of clarity around how one moves to going downtown. My question to you is here we are improving the George Washington Bridge signage from a status now which I think on a relative basis is already better than that of the Lincoln Tunnel. Give me your overview of the relative level of signage at the various crossings. And are we elevating the GW Bridge for some reason over the others in making this commitment? And if so, why?

[C. Fulton] I believe all of them provide for the minimum regulatory requirements. We have the remnants of early installation of ITS systems at both Holland and the Lincoln. We were never really able to advance those two facilities as far as we were able the George Washington Bridge. We have money in the capital plan where we're looking both at the Holland and the Lincoln to improve signage systems there both for purposes of commuting information to travelers but also for us to collect information that we can use for planning purposes. With regard to the Bayonne, that project is going to, through that project, improve signage there as is the case with the Goethals Bridge as well.

[Chair S. Rechler] Commissioner Steiner, go ahead.

[Comm. D. Steiner] I would like to second the comment about the Lincoln Tunnel. When you come through into Manhattan, you really don't know whether you're going to be able to turn left or right. I think that this serves our intention on another matter. It has nothing to do with the bridge. And it's certainly an important thing. And I would also suggest that perhaps we put an incentive in there for early completion. That's such a priority thing that if they're able to deliver sooner, it's worth money to us. Maybe we can serve that in projects like that of priority and not wait until the end and give them bonuses for getting the portions done. It would be money well spent instead of waiting for a couple of years. If they have the cash incentive, they're going to get done. So I'd like you to take that into account in the bid.

[C. Fulton] Oftentimes we're paying these projects, they're fit within the funding of the capital plan as well.

[Comm. R. Pocino] Mr. Chairman— without pinpointing any specific location, I think it's very important that we update all of our—enhance all of our messaging that we can in terms of all the technology that's available to us today, these Variable Message Boards that are very convenient. They add to the safety of the road but also the direction of our traveling public. And I think that we should look at all of our roadways and bridges and tunnels and make sure that we're doing updating as we go along all the time.

[C. Fulton] Yes, sir. Agree.

[Chair S. Rechler] OK. Any other comments or questions?

[Comm. H. James] Just one quick one. You know there's some new apps— Wazes most particularly— which gets a lot of real-time data. We should use that as a feed actually instead of having to reinvent the wheel ourselves.

[C. Fulton] You know, Commissioner, it's interesting. We actually provide a lot of the data to businesses like Waze. And what this is about is the region and the regional agencies are all making investments. The investments are benefiting the region and then are consolidated thru institutions like Waze.

[Chair S. Rechler] OK. So with that, do I have a motion to move this to full board?

[Comm. R. Pocino] So moved.

[Chair S. Rechler] Second?

[Board Chair J. Degnan] Second.

[Chair S. Rechler] OK. There are no objections, so this motion is passed.