

**The Port Authority of New York and New Jersey
Committee on Construction Meeting Transcripts
October 20, 2011**

[Chair R. Pocino] Good morning, everyone, and welcome to the Committee on Construction. The first part of this committee meeting is in Public Session-- on construction is being held in Public Session, after which the Committee will meet in Executive Session to discuss matters involving ongoing negotiations or reviews of contracts or proposals. In addition, the public portion of this meeting is being broadcast live on the Port Authority's website for those interested in viewing today's proceedings via the Internet. First discussion item is the Greenville Yard-Port Authority Marine Terminal-- Intermodal Container Transfer Facility--ExpressRail Port Jersey-- Phase I Project Authorization--Early-Action Pre-Construction Work. And Richard Larrabee will give us the lowdown on that.

[R. Larrabee] Good morning, Mr. Chairman.

[Chair R. Pocino] Good morning.

[R. Larrabee] Commissioners. It's a pretty catchy title.

[Chair R. Pocino] I thought it was never going to end.

[R. Larrabee] I think most of you are aware of the fact that rails are a very important element of our overall strategy for growing our business in the Port. In 2010, rail volumes rebounded at the port, and we handled about 377,000 containers through our ExpressRail system. This is about a 22% increase over the previous year, and I'm pleased to report that rail volumes this year are up about 12.5% through August, and the numbers in August and September were the highest 2 rail months that we've had in the history of the system. So, rail continues to be a high demand part of our business. Today your authorization is requested for the first phase of a project that will provide for certain early-action pre-construction work associated with the future development of our Intermodal Container Transfer Facility in Jersey City at the Greenville Yards. The estimated cost of this work, which includes surcharging of the site, is \$13.8 million. Authorization of Phase II of the project, which would cover the development of the ICTF, would be subject to further Board authorization. The future implementation of this project is expected to generate about 400 jobs, \$23 million in wages, and \$116 million in economic activity over the life of the project. As background--and I know as you recall from our previous discussions-- the Port Intermodal Rail Development Program consists of the design and construction of various elements of the ExpressRail system, providing on-dock and near-dock intermodal rail facilities in all of our terminals in both New York and New Jersey. Rail improvements constructed to date have resulted in one of the most modern on-dock intermodal rail facilities in the Country. The ExpressRail currently consists of ExpressRail Elizabeth, including ExpressRail lead tracks, the interim ExpressRail facility at Port Newark, ExpressRail Staten Island, including the Chemical Coast Connector, and the Phase 1A and 1B of ExpressRail Corbin Street Intermodal Rail Support Facility. These improvements have resulted in record growth of the regional intermodal rail movements, which facilitated the increased container volumes through our marine terminals. Construction of the full build-out of ExpressRail Port Newark is currently underway and targeted for completion in the 1st quarter of 2015. Lastly, the planned construction of a new intermodal facility at Greenville Yards, which will be known as ExpressRail Port Jersey, would

serve the Global Container Terminal in Port Jersey. In April of 2009, the Board authorized the acquisition of the 100 acre Global Container Terminal, and the Port Authority entered into a 37-year lease with Global for the site and the adjacent 70 acres of property at Port Jersey for the development of a new expanded container terminal. So, as you recall, this was the privately held facility here, 100 acres. Our 70 acres, which was an automobile facility, we've taken title to this property. Global Terminal's now has the ability to build out the entire peninsula, and this will ultimately be 170 acres of a continuous modern container facility. Port Jersey does not have direct access to rail today. The containers leaving that facility must be trucked to the regional rail facilities, adding to a roadway congestion and air pollution problem, as well as the cost. In that regard, it was determined that the ideal location in the area to create an intermodal container transfer facility is at Greenville Yards, this area right here, which we own. Pursuant to the lease agreement with Global, the Port Authority is obligated to design and construct an operational intermodal container transfer facility at Greenville with a minimum capacity of 125,000 lifts by July 1st of 2014, and the full build-out of this facility of 250,000 lifts 2 years later. Commissioners, in order to ready the site for construction of the proposed ICTF, your authorization is requested to allow for certain early-action pre-construction work to proceed at this time at a total estimated cost of \$13.8 million. Under the proposed Phase I Project, the planned working track and gantry crane area will be surcharged in order to achieve acceptable sub-service soil conditions. Work would include the demolition of asphalt pavement, the removal of underground utilities, the placement of approximately 210,000 cubic yards of sand to consolidate the soil, the installation of dewatering devices and settlement detection instrumentation and sediment and erosion controls. Included in the proposed Phase I Project is \$25,500 for the consulting services of Langan Engineering and Environmental Services, previously retained for the project from an existing call-in list developed from a publicly advertised request for proposals. Of this amount, approximately \$18,000 has been expended to date. It is currently anticipated that the project authorization for the final design and construction of ExpressRail Port Jersey will be requested in the 1st quarter of next year. Providing rail services to Global, which is a critical element of the overall development of that facility, would enhance the competitiveness of the marine terminal facilities. The future implementation of this project is also expected to generate 400 jobs, \$23 million in wages, and \$116 million in economic activity. Commissioners, I request you advance this item to the full Board for approval today. Thank you.

[Chair R. Pocino] Thank you, Richard. They say so goes rail, so goes the economy, so maybe this is a good indicator in terms of things to come. Commissioners, can I have a motion to approve this to move onto the Board? I have a motion and a--

[Comm. A. Sartor] Second.

[Chair R. Pocino] Second. Now, any comments or questions?

[Comm. H. Silverman] I'm just curious. How are you going to get the containers from the Global Container Terminal to the area of the ExpressRail?

[R. Larrabee] There will be a gate designed right here, Commissioner, and they'll be drayed over and put here in a storage area and then lifted on. The rail facility itself uses rail-mounted gantries, so they'll reach across, pick up a box, and then bring it over. And they'll straddle 8 tracks, so they can put it on any one of 8 cars. These are near-dock facilities. The idea that you could take a container off of a ship and immediately put it on a rail car really doesn't exist any place that I'm aware of. There's a small dray

associated with all of our boxes.

[Chair H. Silverman] I see. Okay, thank you.

[Chair R. Pocino] Okay, next item. Tony, did you have anything?

[Comm. A. Sartor] No, no comment.

[Chair R. Pocino] The next item is the PATH Newark Tailtrack Air Compressor System Project Authorization, and Michael DePallo will do that. Michael?

[M. DePallo] Thank you. Good morning, Commissioners.

[Chair R. Pocino] Good morning.

[M. DePallo] I'm here today to recommend that the Board authorize a project for PATH's Newark Tailtrack Air Compressor System at an estimated total project cost of \$3.7 million. The project is expected to generate 13 jobs, \$800,000 in wages, and \$5 million in economic activity. Currently, Amtrak provides a compressed air system required to operate PATH signal train stops and switches. Periodically, Amtrak's compressed air system has failed, thereby creating service interruptions for PATH customers. In an effort to eliminate the need to rely on Amtrak's aged equipment, the proposed project would provide a compressed air system that includes 2 40-horsepower air compressors and necessary ancillary equipment to enable PATH to provide its own compressed air for PATH operations. This project will provide PATH with an air compressor system to serve PATH track and signaling operations between the Dock Bridge and the South Street Yard Track Termination in Newark, New Jersey. The photograph above shows the overall location of that new air compressor system. As seen in these photographs, the proposed location of the air compressor building will be at PATH's Flyover Tracks, which is above Amtrak's tracks at the McCarter Highway--that's Route 21--and Green Street. Work includes installing electrical conduits and utility cabinets to Amtrak's structure and routing the electrical conduits and the proposed compressor location above Amtrak's columns support. The air compressor system will be housed in a new prefab metal building located at the flyover at Green Street and McCarter Highway at PATH's South Street Yard. The total project cost of \$3.7 million includes construction, planning and engineering and administration of financial expenses and a project contingency to account for Amtrak's review fees and Amtrak flag men when the work is near their tracks. Included in the proposed project are costs associated with consultant services from Lizardos Engineering Associates for electrical design at an estimated amount of \$82,000 and Dewberry-Goodkind for structural design and Studio 5 Partnership for architectural design at an estimated amount of approximately \$100,000 to support the project. Firms were selected from an existing call-in list that was developed from a publicly advertised Request for Proposals. Approximately \$143,000 has been expended in connection with these services to date. Pending the execution of the Right of Entry Agreement with Amtrak, the anticipated award date is the 2nd quarter of 2012 with a construction duration of approximately 1 year. Commissioners, I request that you advance this item to the full Board today.

[Chair R. Pocino] Thank you, Mike. I have a motion. And a second?

[Comm. A. Sartor] Second.

[Chair R. Pocino] Second. All in favor?

[Comm. W.P. Schuber] Can I ask--

[Chair R. Pocino] We have time for-- we will do that now, Pat.

[Comm. W.P. Schuber] Okay. I wanted to ask you-- this is just a technical question for me. The other matters on here, I understand what they do and how they operate. Please forgive my ignorance on this, but if you could explain to me, what's the connection between air compression and the operation of the rail service?

[M. DePallo] Okay. Well, our switches and our train stops, they're electro-pneumatic, and so it uses-- an electrical signal goes to the air compressor, and it uses compressed air to force over the switches in alignment. And also to operate the train stops. The train stops are essentially arms that are in the field. When there is a green signal, it's down. When there is a red signal, it comes up, and there is a corresponding device on the train so that it will strike that train stop. If it's red, it will strike it, and it will cause the train to go into braking.

[Comm. W. P. Schuber] To stop.

[M. DePallo] To stop. And that's the connection.

[Comm. W.P. Schuber] Therefore, one of the purposes for this is obviously to allow us to not have to be dependent upon the Amtrak air compression system.

[M. DePallo] That's right. Which as I understand from the memo and some of the discussions I've had on this has been somewhat defective over the course of time.

[M. DePallo] That's correct, yes.

[Comm. W.P. Schuber] Okay.

[M. DePallo] This will make us independent, and we'll have our own destiny.

[Comm. W.P. Schuber] And I'm assuming Amtrak is not doing anything with their own system?

[M. DePallo] They don't do much with it.

[Comm. W.P. Schuber] Okay.

[Chair R. Pocino] Okay, thanks. Anyone else? All right. Thanks Mike. The next item is the Harrison Station Replacement Demolition of Existing Building Project Authorization. Mike, you're going to do that as well.

[M. DePallo] Thank you. I'm here today to recommend that the Board authorize a project for the

demolition of buildings required to accommodate long-term plans for the redevelopment of the PATH Harrison Station at an estimated total project cost of \$4.8 million. The project is expected to generate 20 jobs, \$1 million in wages, and \$6.5 million in economic activity. The existing Harrison Station was built in 1936. The existing platforms and canopies have reached the end of their useful life. The property is approximately 2.12 acres. It includes 3 connected single story industrial buildings encompassing approximately 60,000 square feet on block 137, lot 1 in the town of Harrison, New Jersey. A companion item is advancing to the Board this month to acquire the property, which is necessary for the future redevelopment of the Harrison Station. The proposed new eastbound station house will occupy approximately 0.6 acres of the site. The remaining 1.6 acres will be utilized for construction staging for the new station. Alternatively, all of the portions or portion of the 1.6 acre remainder may be sold as access land or exchanged with adjoining owners for additional property interest needed for the proposed station. As previously mentioned, the property has 3 connected single story industrial buildings. The center building is a high bay building with an overhead crane for lifting equipment. The environmental assessment of the building was completed. Abatement work, which will be done concurrently with the demolition, will include asbestos, tar, lead, and universal waste removals and a paint shop cleanup. The total project cost of \$4.8 million includes construction, planning and engineering, administration and financial expenses, and a project contingency to account for unexpected delays in abatement, demolition, and disposal work. Included in the proposed project is \$42,000 for consulting services required of ATC Associates Inc. to perform an environmental survey and assessment to support the project. ATC was selected from an existing call-in list that was developed via a publicly advertised Request for Proposals. The contract is anticipated to be awarded in the 2nd quarter of 2012, and construction abatement and demolition is expected to last approximately 6 to 9 months. Commissioners, I request you advance this item to the full Board today. Thank you.

[Chair R. Pocino] Commissioners, you have a request for advancement to the Board. Do I have a motion?

[Comm. A. Sartor] Second.

[Chair R. Pocino] All in favor?

[Comm.'s A. Sartor & H. Silverman] Aye.

[Chair R. Pocino] Oppose? Anyone have any comments/questions in this regard? Okay, this concludes the public portion of today's meeting. The Committee will now adjourn to Executive Session to discuss matters involving ongoing negotiations or reviews of contracts or proposals.