

**The Port Authority of New York and New Jersey  
Committee on Capital Planning, Execution & Asset Management Transcript  
October 22, 2014**

[Chair S. Rechler] Capital Planning, Execution and Asset Management, which again is, being held in public session and also available on the Internet. We have one item on the agenda that Tom Bosco is going to speak to which is the air traffic control tower rehabilitation at the JFK Airport. Madame Secretary, any recusals related to this matter, relating to committee members?

[K. Eastman] Yes, the committee today is composed of yourself, as chair, Chairman Degnan as the vice-chair, and Commissioner Moerdler and Pocino. With regard to this item, we do not have any members having a recusal, but non-member recusal includes Oliver.

[Chair S. Rechler] Thank you. Tom, please. Thank you.

[T. Bosco] Good morning, Commissioners, members of the public, and colleagues. Today, I respectfully seek your authorization for \$49.4 million project to rehabilitate exterior portions of the air traffic control tower at John F. Kennedy International Airport. Next. Built by the Port Authority and opened in 1991, the air traffic control tower is located on JFK's aeronautical area adjacent to Terminal 4. The tower houses FAA's air traffic control function, which directs the flow of aircraft both in the air and on the ground. It also houses the operations control centers for both Delta Airlines and JFK IAT, the operator of Terminal 4. The tower features eleven roof sections and six cantilevered floors with glass curtain walls, elements of which are nearing the end of their useful lives. At this point, we spend just over a half a million dollars each year on emergency repairs just to ensure the continued safe operation of the tower, and by extension, the airport. Nevertheless, a significant rehabilitation and/or replacement of the elements I mentioned are necessary in order to return the infrastructure to a state of good repair. Next. The scope: four major elements, roof replacement, the rehab and/or replacement of the glass curtain walls, same for the heating, ventilation, and air conditioning equipment on the roofs, as well as temporary relocation of communication, navigation, and security-related equipment and antennas in order to accommodate construction. Next. Here you have the economic benefits of the job. [-300 job-years, -\$22 million in wages] [\$79 million in economic activity] Next. Included in our request for project authorization is delegated authority for the executive director to award a \$2.6 million design services contract and a \$29.5 million construction contract, each of which will be bid via publicly advertised RFP process. Now, funds are only partially included initially in the 2014 budget. Early design efforts revealed that more extensive work was needed on the glass curtain walls necessitating an offset to cover the additional scope. Fortunately, this year we received FAA approval to employ alternate measures to satisfy runway safety area requirements on runway 13 left, 31 right, which precluded us from having to spend upwards of \$35 million dollars on an engineered materials arresting system for that runway. The total cost of the project is recoverable through the flight's fees at JFK, and the work should be completed

within five and a half years. So Commissioners, subject to your questions, I ask that you advance this item to the full board for approval.

[Board Chair J. Degnan] I just want to be sure that I understand the numbers. The project authorization for \$49.4, the total of the construction project and the professional design was only \$31 and change. Is the project coming in for less than authorization?

[T. Bosco] Well, there's 40% of that is soft costs. There's also extensive investigative work that has to take place and all that contributes to the total project cost.

[Chair S. Rechler] Just to be clear then, the hard costs and design costs, and then on top of that are soft costs from engineering and Port Authority overhead and financing costs?

[T. Bosco] Exactly correct.

[Board Chair J. Degnan] You expect that the project will be within that authorized amount?

[T. Bosco] Yes, and in fact we think it's going to come in well under because the glass curtain walls, the glass itself does not have to be replaced unless it's damaged during the replacement of the gaskets and the structural elements. So we think we'll actually going to come well under that.

[Chair S. Rechler] Yes.

[E. McCarthy] Yeah, that goes to the point that a piece of that soft cost is also contingency, which Tom just addressed.

[Chair S. Rechler] Okay, got you. Just in the future for all these presentations, let's make sure if there are contingencies and other soft costs, let's note them so we can make sure we understand what's in the total area to fund that we're being requested to authorize versus the elements that are missing.

[T. Bosco] So noted.

[Board Chair J. Degnan] This is your project?

[T. Bosco] yes, the reason is, Mr. Chairman, is it involved the use of cranes, of scaffolding and rigging and the like around the cab of the air traffic control tower. So we have to do all this work while maintaining the operation of the tower. So it restricts us to hours of work, and that is the main driver behind the five and a half years.

[Chair S. Rechler] Are you phasing in operations at different parts of the tower?

[T. Bosco] Correct. Got to keep their line of sight and we can only block it for short periods of time.

[Board Chair J. Degnan] This was cheaper than building a new tower?

(Public CPEAM Meeting Transcripts 10/22/14)

[T. Bosco] Yeah, it sure is; we'd probably see a \$200 million price tag for a new tower.

[Board Chair J. Degnan] Thank you.

[Chair S. Rechler] Any other questions?

[Board Chair J. Degnan] I need a motion to—

[Comm. J. Moerdler] Just one— are there system upgrades in terms of approving the capabilities of the tower and operation that can be done at the same time while we have construction work? Have you looked at what the plans are next-gen and things like that in terms of things that can be more effectively done simultaneously while we have this big a project underway?

[T. Bosco] That's a good question Commissioner. The FAA, of course, is responsible for air traffic control equipment and upgrades of that kind. The current tower that we have has sufficient space for any kind of new equipment that the FAA would want to install to accommodate next-gen and new technologies.

[Comm. J. Moerdler] I just suggest that you might have an update conversation with them to make sure as we're entering this project. If they've got a wish list, to do it simultaneously is probably going to be easier than coming back and doing another project later.

[T. Bosco] Will do.

[Comm. J. Moerdler] Just to look at it to see.

[Chair S. Rechler] Thank you. Begin roll call please.

[K. Eastman] Chairman Degnan?

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice Chairman Rechler?

[Chair S. Rechler] Yes.

[K. Eastman] Commissioner Laufenberg. Commissioner Lynford.

Thank you. Commissioner Lynford?

[Chair S. Rechler] Yes.

[K. Eastman] Commissioner Moerdler?

[Comm. J. Moerdler] Yes.

[K. Eastman] Commissioner Pocino?

(Public CPEAM Meeting Transcripts 10/22/14)

[Comm. R. Pocino] Yes.

[K. Eastman] Rosado? Commissioner Schuber?

[Comm. P. Schuber] Yes.

[K. Eastman] Thank you.

[Chair S. Rechler] That concludes the Committee on Capital Planning, Execution and Asset Management. Tom, thank you for the report. Back to you Chairman.

[Board Chair J. Degnan] That concludes the open meetings of the various committees. It was my hope that we could immediately go into the public board meeting so as not to inconvenience members of the public and press who are here. Unfortunately we've announced that 12:00 is the start date for the public meeting and we expect other people to be arriving for that. So we're going to take a break between now, which is about 11:10 and 12:00. For the commissioners, I propose we use that time for the executive session we would have had after the close of the public session this afternoon, and if we need additional time, we'll take it afterwards, but let's use the time. Thank you, so we're in adjournment until noon time.

[The Port Authority of New York & New Jersey]