

The Port Authority of New York and New Jersey
Board Meeting Transcripts
February 25, 2010

Chair A. Coscia: Good afternoon, everyone. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Security, Capital Programs/Agency Planning, Construction, Operations and the World Trade Center Redevelopment Subcommittee met in Public Session; the Audit Committee met in Executive Session; and the Committee on Finance met in both Public and Executive sessions. Their reports will be filed with the official Minutes of today's Board Meeting. The Commissioners also met in Executive Session prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest, and to act on matters related to proposed, pending or current litigation, or judicial or administrative proceedings. I'd first like to take a moment--and those who have been here know that this is something that is, despite the passage of time, very much on our mind-- to observe a moment of silence for the six victims of the first World Trade Center bombing on February 26, 1993. Thank you. Our first presentation concerns a project to implement a new toll collection system at our bridge and tunnel crossings. And to make that presentation, I'd like to ask Victoria Cross Kelly, our Director of Tunnels, Bridges and Terminals.

V. Cross Kelly: Thank you, Chairman, and good afternoon, Chairman and Commissioners. I'm here today to request your authorization for a project to deploy a new toll collection system with the capability for all electronic, or cashless tolling. The Port Authority's toll facilities are comprised of four bridges: The George Washington Bridge, Goethals, Bayonne Bridges, and the Outerbridge Crossing; and two tunnels: the Lincoln and Holland tunnels. The George Washington Bridge has three toll plazas, one on the upper level, one on the lower level, and one serving the Palisades Interstate Parkway. Each of the other facilities has one toll plaza, for a total of eight, throughout the system. These eight toll plazas include a total of 72 toll lanes, some of which accept only E-ZPass and some of which accept E-ZPass and cash. In 2009, 243 million vehicles used the Port Authority's tunnels and bridges, generating \$967 million in revenue. As I noted, our toll collection system collects nearly \$1 billion in revenues each year. It was installed in 1997 and is one of the oldest toll collections systems in the northeastern United States. Many of its elements are obsolete. All other agencies in our region with systems as old as ours, have either upgraded or entirely replaced their systems by now. Our new toll collection system will address this obsolescence while also building for the future. The new system will be deployed in the current toll plazas. When installation of the new system is complete, we could continue to collect cash tolls as-- or we could begin cashless tolling, using E-Z-Pass and video tolling of license plates, either immediately or at some later date. In short, the system will be able to handle cashless tolling when we're ready to turn it on. By phasing the approach to cashless tolling, we have significantly reduced both cost and the risks associated with this project. The scope of effort for this project entails the replacement of all of the system's software and hardware. Among the items being replaced are all equipment in the toll lanes, including the cameras, E-ZPass readers and lane computers; software and the main system computer and back-up computer; and customer information signage and signals. As I noted a moment ago, these elements will provide a system that enables us to continue to collect cash, and will also

enable us to go cashless when we're ready. Included in today's authorization is an agreement with PBS&J for program management and technical services, to assist us in implementing the new toll collection system. The RFP was publicly advertised, and PBS&J's was the highest-rated proposal. The agreement will be effective through the end of 2013, with three one-year extension options, for a total cost of up to \$10.5 million. The new system will offer several benefits to our customers. First of all, with new equipment, we can eliminate lane closures resulting from equipment problems. Secondly, there will be fewer customer billing questions resulting from inaccurate charges that are caused by equipment malfunctions. Third, signs over the toll lanes will be improved, to enable customers to more easily find the appropriate lane-- cash or E-ZPass-- thus reducing weaving and merging. We anticipate contract award to a system integrator in mid-2011, following an RFP process. The new system would be deployed beginning in late 2012, with the final plaza completed in 2014. Commissioners, I request your approval today for a \$175 million program, which includes final design and construction of a new toll collection system with the capability for cashless tolling, and an agreement with PBS&J for program management and technical services for the new toll collection system, at a total cost of \$10.5 million. Thank you. Chair A. Coscia: Thank you, Vicky. Can I have a motion to approve? Comm. A. Sartor: So moved. Chair A. Coscia: Is there a second? Off-Camera Comm: Second. Chair A. Coscia: Okay. Anyone have any questions? Comments? Okay, all those in favor? Commissioners (group): Aye! Chair A. Coscia: Aye, any opposed? Thank you. Next item, our Director of World Trade Center Construction, Steven Plate, will provide a report on construction progress at the Trade Center site; in particular, the Transportation Hub in review of proposed construction contract awards, in furtherance of these efforts. Steve? S. Plate: Thank you, chair. Good afternoon, Commissioners. Progress continues at the World Trade Center site across all Port Authority projects. Today I will update you on the progress that has been made at the World Trade Center Transportation Hub. I will also request your approval of a major contract for the construction of the PATH Hall, in support of the World Trade Center Hub project. As shown in this series of photos above, the World Trade Center Transportation Hub is made up of several projects that span the entire site. Starting in the west, the excavation under Route 9A--or West Street-- will allow pedestrians to walk from the World Financial Center, under West Street, to the World Trade Center Hub in a climate-controlled environment. The Transportation Hub will be the main downtown station for Port Authority's PATH Transit System with access points to 13 subway lines, including the 1, 2, 3, 4, 5, A, C, E, J, M, R, W and Z lines. The above picture illustrates the temporary steel bracing that is currently being utilized for stabilization while excavation continues under West Street. Over 10 thousand cubic yards has been removed to date, all while keeping the north and southbound lanes open to vehicular traffic. As the Port Authority continues work on the east, in zones 1 and 2, Brookfield Properties has begun work on the western portion, in zones 3 through 5. By utilizing the approach of having two contractors building simultaneously from each side, we will be able to provide for improvements to this schedule. Work is also continuing on the Greenwich Street Corridor project, spanning the entire site from north to south, a length of over one thousand feet. The contractor, Tutor Perini, is continuing with their excavation-- concrete and steelwork--in the area. As outlined in the October, 2008 report, the contractor is utilizing a top-down approach, in which concrete slabs will be constructed, starting at the top of the support structure and working down to bedrock. This approach provided for cost and schedule savings. Work is continuing in several areas as the first level of concrete slabs and walls is nearing completion. In addition, excavation for the super-column footings is ongoing. These

footings will support two columns for the major steel elements of the World Trade Center Transportation Hub. Adjacent to the Greenwich Street Corridor project, demolition of the temporary PATH Station structure, along Church Street, is nearing completion. The contractor's currently utilizing blasting to remove the hard rock that exists in Lower Manhattan. To date, over 65 thousand tons of soil and 11 thousand cubic yards of steel and concrete has been removed from this area. Once complete, the cleared area will be the site for the Transit Hall and the Oculus. Another component of the project is the PATH Hall Station. Progress is continuing on the platforms and footings. The installation of steel columns is underway. In 2010, many of the permanent elements in this area will be put into place. All of this work must be coordinated with the Port Authority's PATH division, as trains must be operational throughout the construction process. The station currently handles over 100,000 people each and every day. To support continued progress at the World Trade Center Transportation Hub, I recommend your authorization to award a construction contract for the PATH World Trade Center station to Skanska USA Civil Northeast, Inc., Granite Construction Northeast, Inc., Skanska USA Buildings, Inc., a joint venture of Skanska and Granite, the lowest bidder at an estimated cost of \$542,325,000, excluding extra work. This item also includes additional funding to Downtown Design Partnership for related construction, architectural and engineering services, at a cost of \$27 million. Skanska is an experienced firm that has a long-standing experience in the New York-New Jersey construction market. The cost of this work represents an approximate 5% savings from a engineer's estimate. The award of this contract is consistent with the schedule outlined in the October, 2008 report, and the timely delivery of the World Trade Center Memorial on September 11, 2011. This contract includes a deck-over solution for the construction of the PATH Hall roof that will serve as a platform for the Memorial Plaza, to make it possible to meet scheduled milestones. As you can see from the above renderings of steel for the PATH Hall construction, this area will require close coordination with the other site-wide projects. This staging and coordination will minimize impacts to PATH ridership. The scope of work will include such items as the construction of all four platforms, and installation of HVAC, mechanical, electrical and plumbing systems, and associated life-safety systems such as smoke management and emergency ventilation systems. The award of this contract will keep us on track with the completion of the World Trade Center Transportation Hub project in coordination with the overall redevelopment at the site. Commissioners, before I ask your approval of this item, I would first like to show you a short time-lapsed video that illustrates our progress across all Port Authority managed projects at the World Trade Center site. [music]

Chair A. Coscia: Thank you, Steve. Can I have a motion to approve the item? Comm. S. Grayson: So moved. Chair A. Coscia: Is there a second? Comm. D. Steiner: I second. Chair A. Coscia: All right, any questions or comments on the item? Comm. A. Sartor: Yeah, I'd like to say something. I just want to commend staff for their efforts. We should recognize that the Port Authority got involved in this project in September of '06, and in 3½ years, I think there's been a tremendous progress on the site, and staff should be complemented for that, Mr. Chairman.

Chair A. Coscia: Thank you, thank you. Any other questions? Comments? All those in favor? Commissioners (group): Aye! Chair A. Coscia: Aye. Any opposed? Okay, thank you. There are no members of the public to have signed up to speak today, so I'll take a motion to approve the consent calendar.

[Chairman A. Coscia] Second? Chair A. Coscia: Second? Comm. S. Grayson: Second. Chair A. Coscia: All those in favor? Commissioners (group): Aye! Vice-Chair H. Silverman: Motion to adjourn. Chair A. Coscia: Aye. Okay, motion to adjourn. Thank you very much.