

The Port Authority of New York and New Jersey
Committee on Operations Meeting Transcripts
February 25, 2010

Vice-Chair H. Silverman: ... is being held in Public Session in its entirety and is also being broadcast live on the Port Authority's web site for those interested in viewing today's proceedings via the Internet. We only have one agenda item, the Stewart International Airport Agreement with the New York State Police. Susan Baer will walk us through that. S. Baer: Thank you, Commissioners. As you know Police coverage at our airports provides critical support for complying with Federal security regulations and ensuring the safety of our customers. Today I'm seeking your approval for an agreement with the New York State Police to continue to provide law enforcement services at Stewart International Airport and as part of this agreement I'm also seeking project authorization for redevelopment of the New York State Police Regional Crime Lab currently located on the airport. The agreement with the New York State Police would provide Stewart Airport with required Police...since the 1970s. They currently provide these services under a 1990 agreement with the previous airport operator in exchange for occupying several airport buildings for its operations. Over time the New York State Police has relocated many of its functions off of the airport with the exception of the Regional Crime Lab. This agreement is set to expire in March of 2010. Currently the New York State Police Regional Crime Lab is located on Stewart Airport. However, the building has reached the end of its useful life and is no longer adequate for long term use. New York State contemplated closing the Regional Lab and consolidating its analysis services with their crime lab in Albany. This change would eliminate more than 20 high-skilled jobs in the Mid-Hudson Valley region and add cost to the local police, who would have to travel longer distances and possibly wait longer for evidence to be reviewed. In order to ensure continued law enforcement services at the airport, staff has negotiated a new agreement with the New York State Police that would provide Stewart with police services and allow for the redevelopment of the crime lab facilities. The new agreement would provide for a 10-year term, commencing in April of 2010. The New York State Police would continue its law enforcement services, providing adequate staff to respond to all airport and in flight emergencies, security incidents, and conduct investigations and arrests. The staff provided would include a Sergeant and 10 Troopers covering Stewart Airport on a rotational basis 24 hours per day 7 days a week. In the event that additional law enforcement personnel resources are needed during heightened security alerts, the New York State Police will work the Port Authority to provide additional staffing and the Port Authority would cover additional costs. This agreement will allow the Port Authority to benefit from New York State Police's existing experience with Stewart Airport, and ensure the continuity of law enforcement services. For 10 years of law enforcement services the Port Authority will make a capital investment of up to \$10 million to construct a new regional crime lab facility of approximately 18,000 square feet on Stewart Airport property. The New York State Police will occupy the facility rent free over the 10 year term. Under terms of the agreement the Port Authority will continue to provide for maintenance of the facility as well as snow removal and landscaping services. The New York State Police will furnish and equip the crime lab and cover utilities and building security. To conduct its operations, New York State Police will also continue to operate out of office space located in the air passenger terminal. Incidental costs associated with police services such as radios will be covered by the Port Authority. Commissioners, staff recommends retaining the New York State Police for the 24

hour police coverage required for the airport in exchange for the use and occupancy of a new crime lab facility. I'm asking your approval to enter into a 10 year agreement with the New York State Police. In connection with this agreement, I'm also asking for your approval to design and construct a new terminal at a total project cost not to exceed \$10 million for the use and occupancy of the New York State Police Regional Crime Lab over the same 10-year term. With your approval we would expect to bring a recommendation for award of this construction contract for your review in early 2011 and for construction of the building to be completed by the end of 2013. I ask that you recommend this important safety and security agreement and project for approval to the full Board. Vice Chair H. Silverman: Any questions? Comm. D. Steiner: One question. Why is it limited to 10 years? Are there option periods? Don't we want a longer term? S. Baer: They did not want a longer term than 10 years. Not knowing exactly where their budget will be and what will be happening 10 years from now, they are very amenable to continuing this agreement beyond 10 years if it is one that is useful to both of us. The building itself is a useful building on the airport. As you probably know we have many old buildings at Stewart Airport and so to have this new one on the airport will be a good thing for us. We fully expect to be able to negotiate at the end of this time for continuation of this agreement. Comm. D. Steiner: Thank you. S. Baer: You're welcome. Vice-Chair H. Silverman: Have we done a cost/benefit analysis? It's going to cost us \$10 million so maybe it's a use of money calculation and then we're getting 11 cops that we would have had to presumably supply. What's the answer to that question? S. Baer: It's that we could spend up to \$12 million for the building and still come out ahead. That's the short answer to it, but we have done that. This is a good use of the Port Authority's resources. It's also an excellent opportunity for the communities because they were so very concerned. There was a big public outcry when they were closing the lab because of the distance that the local police forces would have to travel to get these services. So it's also very popular among the communities up there. That's an added win to this overall thing. It's financially good for us, but it's also good for us as good neighbors in the community. Vice-Chair H. Silverman: It's a little off point, but Stewart was bought with a set of economic assumptions which obviously turned out to be erroneous. I know it was your predecessor who essentially recommended it. So, can you give us an update as to how far off we are from our original business forecast? S. Baer: I think we should make it probably the subject of a longer discussion, perhaps a presentation at some point of where we are. What happened at Stewart was it was an era where traffic was growing and the economy was still in a very up mode. There was a set of expectations. Clearly those have not been realized because traffic has diminished considerably, although we're getting little inklings of good news up there and we're trying to improve that. We have made a serious effort to cut costs up there so that we weren't incurring additional costs. It was an interesting process for us because originally the idea was we were going to make this "Newark North" or something, all the Port Authority really great customer service enhancements. And while we have, I think, greatly improved customer service we are doing everything very gradually and very economically and positioning this as the economic alternative. So I can't off the top of my head tell you how far off from the original expectations we are, but we are making a very strong concerted effort to keep cost down. Vice-Chair H. Silverman: Order of magnitude. 50% off? 60%? 30%? S. Baer: Passenger traffic--we're at 50% of what we anticipated, so that's probably a useful number. Vice-Chair H. Silverman: That's probably a good proxy for economic activity. Anything else? Do we need a motion on this? K. Eastman: Just to carry it forward to the full Board. Comm. H.S. Holmes: Motion. Vice-

Chair H. Silverman: Second? Comm. D. Steiner: Second. Vice-Chair H. Silverman: All Commissioners in favor of the motion. Vice-Chair H. Silverman: We are adjourned.