

**The Port Authority of New York and New Jersey
Committee on Construction Meeting Transcripts
August 1, 2012**

[Chair R. Pocino] We're running a little late here today, so we will get started with our Committee on Construction. As I say, this meeting of the Committee on Construction is being held in public session in its entirety. In addition, the meeting is being broadcast live on the Port Authority's website for those interested in viewing today's proceedings via the internet, and I might add that this Committee on Construction, this will be its last meeting. Next month we're going to start under the new reorganization of the committees, and Construction is going to be folded into another larger committee based on planning and operations and so forth. We'll probably be meeting in a larger group the next time. With that, we have one item for discussion today in the public session. It's the LaGuardia Airport East End Substation Project Authorization, and Sue Baer is going to give us that.

[S. Baer] Thank you. Good morning, Commissioners. Good morning, Commissioner. I'm here to seek project authorization to take the necessary action to design and construct a new electrical substation at LaGuardia Airport in order to maintain a state of good repair and to continue to provide power at the levels the airport requires. This project will produce 330 job years, \$20 million in wages, and nearly \$139 million in economic activity. LaGuardia currently relies on two substations to deliver electricity. The more heavily used of the two, the Central Electric Sub, is located adjacent to the Central Terminal Building and was built in the 1960s. With an operating capacity of 12 megawatts, it can no longer efficiently handle the electrical loads of the airport. These loads include airfield lighting systems, the control tower, aircraft rescue and firefighting facility, central heating and refrigeration plant, pump houses, lighting, baggage belts, loading bridges, elevators, escalators, 75% of the Central Terminal Building and all of Terminals C and D, the old Delta main and US Airways Terminal and related infrastructure, including the parking garage and two hangars. Recently, peak summer loads exceeded 13 megawatts, heavily taxing the Central Electric Substation and requiring close coordination with ConEd. The replacement of the Central Electric Substation could not be accommodated in its existing footprint due to the size of the equipment, which would significantly impact the surrounding roadway system and underground utilities, therefore, a new site was selected to accommodate its replacement, which we are calling the East End Substation. The proposed project would provide for the construction of a new 3-story Substation with double the capacity, which will provide for the more efficient accommodation of current electrical loads, it also will provide additional capacity for future growth. The new Substation will be constructed above the 100-year flood plain, and will be situated in a secure area within Parking Lot 4 opposite Terminal C, formally known as US Airways Terminal, and adjacent to the 102nd Street Bridge. It would increase the overall electrical capacity of the East End Substation to 24 megawatts and the West End Substation remaining at 12 megawatts. Con Ed will deliver power to the proposed Substation through feeders on the south side of the Grand Central Parkway adjacent to the 102nd Street Bridge at an estimated cost of \$4.2 million. The ConEd feeders will cross under the Grand Central Parkway in new duct banks shown before you as the dotted yellow lines within the red-lined box. In collaboration with New York State DOT, which is presently rehabilitating the Grand Central Parkway, duct bank infrastructure will be installed via coordinated effort with them under an existing Port Authority work order contract. In addition, other necessary work is

being advanced to prepare the site. This area is indicated by a red box. It includes demolition of one of two exit toll plazas in Parking Lot 4, shown in the blue box. This will shorten the overall duration of the foundation and site utilities construction for the new substation and facilitate the project's completion. These ongoing early site preparation and support efforts are part of the total substation project cost and part of other authorized contracts. Staff is also seeking authorization to enter into easements with New York State and City DOT and the New York City Parks Department which are required to build and maintain the electrical infrastructure from Con Ed's point of entry under the Grand Central Parkway and to the new substation. This project will create significant economic benefits for the region. The total economic impact of the project is estimated to include 330 job years, \$30 million (sic \$20 million) in wages and nearly \$139 million in economic activity over the life of the project, including indirect effects such as construction employment and materials purchase. The total project cost is estimated at \$106.9 million, of which \$14.3 million consists of the design and engineering cost. Today we are also asking to increase our design contract with Skidmore, Owings & Merrill and their team of consultants by \$4.3 million to the total of \$34.3 million in order to accelerate completion of the design, which is included in the project cost. SOM was originally retained in February of 2010 in order to complete Phase II planning and Stage I design at the LaGuardia Central Terminal Redevelopment Program. Costs associated with the Substation project are 45% recoverable via flight fees. In addition, staff plans to seek full recovery of project costs from the Federal Aviation Administration via a future application for passenger facility charges. Today we seek authorization for the Executive Director to also enter into two related construction contracts for the foundation and site utilities and the building equipment and feeders at an estimated amount of \$11.6 million and \$64 million, respectively. We anticipate that the foundation's contract will commence in the 4th quarter of this year and that the building equipment feeders will commence in the 2nd quarter of next year. The project is expected to be complete in September of 2015. Commissioners, I request that you advance this item to the full Board for approval. [S. Baer] Thank you.

[Chair R. Pocino] Thank you, Sue. Obviously our mission here is to make sure that we are constantly updating our facilities so that we can carry on the efficient services that we provide here at this Authority. Nice to know that if not all, most or it could be all of the costs are recoverable. [S. Baer] That's our plan.

[Chair R. Pocino] And I'm also impressed, especially in these economic times, of the economic benefits that will be received in this project. [S. Baer] Thank you.

[Chair R. Pocino] Sounds good to me. Commissioners, anybody else have any comments, questions? I have a motion and a second. All in favor?>> [Comm.] Aye. [Chair R. Pocino] Opposed? The ayes have it. [S. Baer] Thank you very much.

[Chair R. Pocino] That's all we have on the agenda for today, so I thank you all for your participation, and again, we'll see you next month in a new setting. [Comm. P. Schuber] A new set up. [S. Baer] Rearrange the chairs.