

**The Port Authority of New York and New Jersey  
Committee on Capital Planning, Execution & Asset Management Transcript  
October 26, 2017**

[Board Chair K. O'Toole] The next meeting is the Committee on Capital Planning, Execution and Asset Management, which is chaired by my Vice-Chair Commissioner Lynford.

[Chair J.H. Lynford] Thank you, Mr. Chairman. Today's meeting of the Committee on Capital Planning, Execution and Asset Management is being held in public session in its entirety. At this point, I would ask the Board's Secretary to advise those present of the composition of the Committee and any Commissioner recusals on the item before the Committee at today's public session.

[K. Eastman] The Committee is composed of yourself as Chair, as Chairman O'Toole as Vice-Chair, and Committee members are Commissioner LaBarbera, Commissioner Pocino, and Commissioner Rosado. All Committee members are present at today's meetings. There is no request for action on this matter, so there's no recusals required.

[Chair J.H. Lynford] Thank you. Do we have Michael? Yes, Michael, right in front of me. Thank you, Michael.

[M. Massiah] Good day, Commissioners, fellow members of the public, colleagues, I'm here to present our Third Quarter

[3Q YTD Capital Performance] Capital Plan results. I just want to give a little context and provide the public's notion of how we formed our plan. The plan has four objectives. Invest in projects that renew, make safe, and maintain our assets in a State of Good Repair, develop and deliver projects that expand capacity, improve transportation, connectivity, and meet future transportation needs, partner with federal and regional stakeholders to complete storm mitigation initiatives and support the Gateway Development Program and deliver the capital programs that were in construction prior to the last Capital Plan. You provided us with a 2017 budget of \$2.9 billion. And today, I will share how we are advancing those investments that Libby and her team provided us with the capacity that she spoke to. We spent through September approximately \$1.7 billion

[2017 Third Quarter Capital Performance] across 478 active projects, 57% of those projects are in construction or closeout, 38% of spending on those projects were in the category of renew or State of Good Repair. Just a reminder, 60% of our active projects are State of Good Repair projects. Overall, Line Departments achieved 86% of plan. And I'll go through that in a moment in terms of the contributors to that spend, 66% of plan schedule milestones were met. We will improve that rate. Efforts are underway to improve and speed up capital delivery. We have identified root causes and are developing means to address these causes. 31 projects achieved beneficial use, milestones. And I'll talk more about the 13 projects that went into beneficial use this quarter. And we initiated 72 projects over the course of the year that are in the plan and ready for planning and design. The economic impact of this activity is significant. It's estimated that \$3.5 billion in this economic activity was created by this spending which created \$1.4 billion in total wages and 17,000 job years.

[Departments performance remained consistent with prior year at 83% of spending planned]

[through the 3rd Quarter, with Line Departments at 86% of planned spending level] Now on to a review of our capital performance by department and highlight certain achievements within each department. As I indicated, Line Departments achieved 86% of their plan spending and World Trade Center I believe it was 83%... Sorry, 63% of this planned spending. And I'll explain some of those reasons. Aviation, some highlights, Gateway Partners installed the West Garage pre-cast in September, Terminal A at Newark Airport issued three construction awards on early action items regarding terminal bridges that provide access to the new terminal and they are in punch list status for the 4 right, 22 left... Runway Project at JFK. Tunnels, Bridges & Terminals achieved 71% of planned spending affected mainly by deliberate extensive preconstruction planning by the contractor for the suspender rope program along with George Washington Bridge and Tunnel, Bridges & Terminals staff. That planning is important to do early so that when they start operating their contract routine, their construction routines. They are conscious of all the issues that might come up, and so it becomes a factory-type operation at that point. And now that they're mobilized, they've begun installing a temporary safety fence on the south side of the sidewalk, which is important to provide additional safety for those who use that facility. In PATH, we achieved 91% of spending. Performance continues to be led by the signal replacement program where field testing for sections between Journal Square and Grove Street were substantially completed. And Port, they achieved 77%. Again, they ran into a situation where they had protracted deliberations with their construction partner for the intermodal container transfer facility at Greenville Yards. Those deliberations are concluded and now construction spending has begun and is picking up speed each month. At the World Trade Center, as I indicated, they achieved 63%. This was affected by some good news because they completed certain projects at lower cost. And you'll hear more about the kind of capacity that might yield in the future for the agency. And project design modifications, phasing, scheduling with stakeholders caused some other slippage, but again, that coordination has been concluded and they see a clear path at this point for those programs that are affected by the coordination and they continue to award contracts and support the flood resiliency, water intrusion protection systems at the World Trade Center site.

[Deliver (Construction Phase) represents the largest share of spending,]

[consistent with the budget] The next slide is just a depiction of how the dollars were spent over the four objectives that I talked about earlier. As you would imagine, the delivery category is the largest spending area. Those projects are the ones in construction. Many of them or all of them were carried over from previous plans. And so that makes for the largest portion of our spend.

[Projects placed in beneficial use in 3Q] And then finally, I want to talk about projects placed in beneficial use. I want to talk about four. The first one is a safety improvement at Stewart Airport. It's the mitigation of runway intrusion project that improves safety and reliability by creating a perimeter road within the aeronautical area for airport operations and maintenance vehicles, eliminating for the need of crossing the runways. Tunnels, Bridges, and Terminals' Executive Director speaks to ensure that we have community and customer awareness when we do construction. I think this is an example of that charge he has given us. Construction, staging areas in Fort Lee was an encumbrance and an eyesore to the community. Diannae Ehler and her team put together a plan where they screened from public view this construction staging area with aesthetically pleasing feature such as a 10-foot high louvered fence and new sidewalks and ADA ramps. That's going to set up another project that will allow us to plant trees and landscapes to complement the community's continuing beautification efforts. Again, that's a

long-term commitment to construction, and it's important that we shield the public from those activities. PATH completed a very important program called the ADA elevator at Grove Street. Those patrons who have needs to use an elevator to travel now have one at Grove Street. Patrons can enjoy the busy Grove Street area and then travel to 33rd Street, Newark, Journal Square, or the World Trade Center with the convenience of elevator access. The ADA elevator is operational 24/7 and has safety and security features. And finally, port rehabilitated Berth 36, Berth 36 is important because it's at the entrance of the Elizabeth Channel. A collapse at that berth could hamper navigational activities. And then finally, I'm here for any questions or comments.

[Chair J.H. Lynford] Michael, I wanted to commend your group and you. We understand the massive scale upon which your team operates, 478 active projects, a significant portion of those are a State of Good Repair, so I just want to bring to my fellow Commissioners and the public the size and scope of his responsibilities and the team's performance. Any of my fellow Commissioners want to ask any questions?

[Commissioner] No questions.

[M. Massiah] Thank you, Commissioner.

[Chair J.H. Lynford] This concludes today's meeting of the Committee on Capital Planning, Execution and Asset Management.

[Chair J.H. Lynford] Thank you. Over to you, Mr. Chairman.

[Board Chair K. O'Toole] Thank you.