

**The Port Authority of New York and New Jersey  
Committee on Capital Planning, Execution & Asset Management Transcript  
November 19, 2015**

[Chair J. Degnan] At this point, I'm going to turn it over to Scott Rechler, the Vice Chairman, to call to order the Committee on Capital Planning, Execution, and Asset Management.

[V-Chair S. Rechler] Thank you, Chairman. So today's meeting, the Committee on Capital Planning, Execution, Asset Management is being held in public session. The Committee also met jointly with the Committee on Operations and the Committee on Finance in executive session earlier today to discuss matters involving ongoing negotiations, reviews of contracts, or proposals. At this point, I'd like to ask the Board Secretary to advise those present of the composition of the committee. And as we don't need any recusals since this is only for information, just that point, please.

[K. Eastman] That's correct. The composition of the committee is yourself as Chairman, Chairman Degnan as Vice Chair, and Commissioners Fascitelli, Pocino, and Steiner. All committee members are present at the meeting.

[v-Chair S. Rechler] Terrific. So I'd like to ask Mike Massiah to come up and give an update on the quarterly capital plan. Thanks, Mike.

[M. Massiah] Thank you, Commissioners. Good afternoon to you and members of the public and my colleagues. I'll be presenting the third quarter capital plan progress and we'll start with a quick reminder that our 2015 capital plan was approved at \$3.62 billion. As an update, I'd like to share with you that our capital plan now consists of 394 active projects including 44 Sandy projects. 64% of these projects are state of good repair, security, mandatory projects. The Asset Category pie chart to your right describes the kinds of projects that are in this plan. They include bridges at 36%, utilities and electrical systems, 14%, runways at 16% and on, and as you can see the other categories, paving, rail systems, et cetera. These are core projects. 66% of these projects are in construction or have come in beneficial use, meaning that they're available for the public. In terms of spending, I'd like to focus our attention on the box to the right, the white shaded box, and note that Line Departments continue to advance their projects. Line Departments spent \$1.2 billion or 88% of their \$1.4 billion plan to date. Aviation spending is on plan primarily due to progress on the runway safety area project on Runway 4 Left 22 Right at JFK Airport and the rehabilitation of runway 1331 and associated taxiways at LaGuardia Airport. PATH spending is at 72%. This is primarily due to required maintenance they had to perform earlier this year. Now this maintenance was due to the realities of an aging system and this affected their schedule or capital projects. The tunnels are limited, the time's limited, and they had to make a priority decision, and they decided to take on required maintenance and try to catch up with capital projects subsequently. PATH has created a new resource-loaded capital delivery plan to improve their ability to better balance operational requirements with capital performance. Regarding Port Commerce, they changed their strategy associated with Greenville Yard, the Greenville Yard site. And this accounts for their spending performance. And regarding tunnel bridges and terminals, if you exclude Lincoln Tunnel access, which is a project being constructed by the New Jersey Department of Transportation, TB&T would be spending at 90% of their plan. Regarding World Trade, achievements include completion of the Oculus

skylight, access to the emergency generator plant, excavation rock that's required to complete the utility tunnel, and accelerated maintenance deal and concrete work at the hub. One World Trade Center spending continues to be affected by their prudent thorough review of billing and settlements and ongoing contract closeout negotiations as well as timing and sequencing of space fit outs. Concerning major projects, I'll focus on two, one at Grove Street. Greg Resca, the assistant director for capital, was pleased to show us when we went on a site visit the progress that is being made at Grove Street associated with the disability access elevators, disable access elevators. Much progress has been done in terms of the shafts in machine rooms that will provide PATH patrons with disabilities access through this more convenient way of accessing the system. At Greenville Yard, things I want to point out there is that the Cross Harbor project is progressing. They have two new fabricated barges in contract—construction contract—now. They have construction contracts out for the rail transfer bridge and the rehabilitation of the 65th Street Fender System program in Brooklyn. Regarding Port Authority Quality of Commute, Diane Ellen informs us that modern restrooms are now on the second floor crossover at the lower level of the south wing. They're complete. And in addition, are construction drawings for the new bus staging lots are complete. Design has commenced for the rehabilitation of escalators and elevators as well as the south wing ceiling repairs. So they are on a track to result in additional quality investments and improvements to that facility. Regarding Vice Chairman's request to me ensured that we are improving on capital delivery efforts. We looked at 27 projects that did not meet cost in schedule, and we had a team of people evaluate those projects to determine what were the causes for that. And several causes concerning scope changes and schedule delays were identified. We now have action plans for better scheduling, which will include insuring that we have guidelines and standards and we use the risk assessments that have been done and that we document delivery agreements among the various teammates both within engineering in the line departments as well as the service departments. Very often service departments like real estate or law and procurement and others are part of the team, but they don't have up-front understanding of the time sequences and commitments. So we're making sure that those various players are communicated with and they're signing off on the schedules that are being created. In terms of the design to contract the work process, the amenities activities, we're looking at ways of streamlining, identifying inefficiencies, and making those more effective. Contract performance, we're looking at building in more effective milestone due dates and the like to ensure contractor performance. And regarding property acquisition and third-party agreements, again, we're making sure we have the full team involved in looking at the full project and all the steps it required including third-party agreements and real estate acquisitions. And finally I'd like to share with you that we have 47 projects that are now in beneficial use since the beginning of the year. Some of the representative completions are noted. I'd like to highlight that we now have three fuel efficient, manufactured in America locomotives that support the Greenville cargo transfer. And then we have— at the Lincoln Tunnel we have new information systems out for the patrons that advised them of estimated travel times and provide alternate routes for guidance that supports the overall effort to make regional transportation more fluid. And in our Journal Square, we now have installed eight escalators, new escalators from the concourse to the Bus Terminal, a level of the Journal Square facility, and that makes for a more reliable use for our public. And then regarding the JFK vehicle service road and bridge, this bridge that's showing— that shows in one of the photos— is being built—or has been built, I'm sorry. That

supports group 6 aircraft and avoids any encroachment with other vehicles. So now the larger aircrafts can maneuver around the airport unobstructed by other traffic. And at the LaGuardia, I'm pleased to report that we have a six-level parking structure that has 1,120 spaces. They include things like five electrical vehicle charging stations. They have elevated electrical substations and other critical systems above the flood plain. So if there's flooding, those are now protected as a result of that facility, and that facility will also give us parking capabilities as we further the redevelopment of that airport. And that concludes my report.

[V-Chair S. Rechler] Just in the future, on the major projects slide where you lay out how much was spent versus what was in budget, it would be helpful for you to have the total budget or percent complete next to it, so we get some sense of how much more we have to go forward.

[M. Massiah] Will do.

[V-Chair S. Rechler] Thank you. Anyone else have questions for Mike on this report? Thank you. [M. Massiah] Thank you.

[V-Chair S. Rechler] I think that completes the Committee on Capital Planning and Asset Management.