

**The Port Authority of New York and New Jersey  
Committee on Capital Planning, Execution & Asset Management Transcript  
February 15, 2018**

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

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

[K. Eastman] Thanks. The Committee is composed of yourself as Chairman, Chairman O'Toole as Vice-Chair, and Commissioners LaBarbera, Pocino and Rosado as members. All Committee members are present at today's meeting. There are no recusals on either of the two matters to be discussed.

[Chair J.H. Lynford] Thank you, Madam Secretary. Our first order of business is a presentation by our Director of Aviation, Huntley Lawrence, on a project to develop a new Federal Inspection Service facility at Stewart International Airport. Huntley?

[H. Lawrence] Commissioners, today I am also here to seek project authorization for an expansion of the Stewart International Airport Terminal at a total estimated cost of \$30 million,

[Stewart International Airport] consisting of the construction

[Terminal Expansion & Rebranding] of a dedicated Federal Inspection facility for US Customs processing. This item also authorizes the Executive Director to take actions necessary to change the airport's name. Our goal is to include reference to New York prominently in the name to clearly associate it with in the minds of the traveling public within New York region. This expansion and rebranding of the airport is spurred by the recent successful expansion of service to the airport by international low-cost carriers. These two approvals will help position Stewart as a gateway to the New York/New Jersey Metropolitan region and as a viable regional airport in Mid-Hudson Valley.

[Stewart Airport - Poised for Growth] Stewart Airport is emerging as an economical convenient access point to the New York/New Jersey metropolitan area. With the proliferation of low-cost carriers offering transatlantic service, Stewart is experiencing a dramatic growth spurt. In July of 2017, Norwegian Airlines made history with their first schedule transatlantic service to and from Stewart and five locations in Europe. Edinburgh, Dublin, Bergen, Shannon, and Belfast, 2017 passenger numbers grew by roughly 60%. In 2018, the airport is forecasting 600,000 passengers, which would be a 50% increase over 2017. While these percentage increases are on a low base, they signal rapid growth for the future. As you can see, our current passenger forecast

for the next five years shows increased domestic travel and traffic as well and growth in the international sector. And we believe this growth is likely to continue beyond that. The airport complements the big three, JFK, LaGuardia, and EWR, serving as the ultra low-cost convenient alternative for domestic and international travel to and from New York and New Jersey region.

[Destinations Served] Stewart is serving a growing list of international domestic destinations as seen here. Most recently, Norwegian requested an additional daily flight to Dublin which would double the number of Stewart-Dublin flights from 7 to 14 per week.

[Building on Momentum] Recognizing the opportunity for growth, the FIS project reauthorization will Stewart the investment it needs to expand passenger capacity and ensure a permanent presence by customs and border protection for international arriving processing. In addition to making this capital investment, we have the opportunity to raise the airport's profile as a key player in our aviation system, branding it as a viable low-cost alternative for passengers seeking trans-Atlantic flights or service to major US destinations. Beyond the new FIS facility, the other aspects of our growth initiatives include a proposed name change to clearly brand the airport by including a prominent promotion of New York and its name and a new solar power initiative.

[New Customs Hall - Innovative & Efficient Design] We propose to build a state of the art, nearly 20,000 square-foot facility, the product of an extensive and thoughtful process, planning process initiated to address issues at the existing terminals and accommodate forecasted growth. By a way of background, in its current configuration, the passenger terminal at Stewart Airport has only limited ability to accommodate international traffic, and cannot handle international and domestic arrivals simultaneously. In 2010, the airport received approval for the United States Customs and Border Protection to utilize the portion of the arrivals area as an interim Federal Inspection Service facility to process the then lower volume of international arrivals. This interim operation was contingent on the airport eventually opening a dedicated FIS that would conform to CBP standards.

[Improved Passenger Experience] The facility will feature a full range of customs processing options including self-service, Global Entry kiosk, and automated passport control kiosk, clear and plentiful wayfinding signage, new baggage belts, and other equipment to process passengers efficiently through four booths. Taking together, these additions will result in a vastly improved passenger experience.

[Rebranded Bus Service] The expanded terminal would also be supported by a Curbside Express bus service direct to New York City. As convenient access to the downstate region is crucial to the airport's success, the Stewart Airport Express makes the trip to and from the Port Authority Bus Terminal in New York City in 80 minutes each way. The airport is also accessible via Metro-North Railroad at the Beacon Station.

[Name Change] In changing the airport's name, we will follow global best practices of identifying airports with a regional identifier, also preserving the airport's local or historic ties.

This effort will help travelers associate the airport as a viable low-cost alternative when planning a trip to and from the New York/New Jersey region.

[New Solar Carport Initiative] In addition to the sustainable design principles that would guide the new facility, energy efficiency, and natural daylight, we will create 450 car capacity solar carport within the main parking lot along with electrical vehicle charging stations. The port authority will be issuing a request for proposals to conduct the competitive process to retain a private entity to design, install, maintain, and operate this solar carport. The development of this facility is not expected to require an investment of Port Authority funds.

[Requested Funding Authorization] Funding for this project was not included into 2017 to 2026 Capital Plan, necessary offsets have been identified in the Capital Plan as well as \$1.5 million funding from New York State Department of Transportation grant. Award of a construction contract is anticipated for later this year with a targeted completion in 2020. This project is expected to result in the following regional economic benefits, 140 direct job years both onsite and offsite, and direct payroll wages of \$10.6 million including indirect affects like both workers and suppliers to the project, the total economic activity amounts to 230 total job years, \$17.5 million in wages and \$45 million in economic activity over the life of the project. As this is the case in most economic impact assessments, the capital spending will serve to create new jobs as well as to support existing jobs. Construction will not adversely impact the existing terminal operation, minimizing any potential disruptions to customers.

[Chair J.H. Lynford] Thank you, Huntley. I speak for myself or, I think, for my fellow Commissioners, this is a really exciting new development for Orange County and the region. And the affordable fares are really exciting, and my family members have been talking about it, so it's really great. Thank you. May I please have a motion from a Committee member who is not recused on this matter?

[Commissioner] So moved, Mr. Chairman.

[Chair J.H. Lynford] Thank you. May I have a second?

[Commissioner] Second.

[Chair J.H. Lynford] Hearing none, the motion is passed. Thank you. Our next order of business is a presentation by our Director of Tunnels, Bridges, and Terminals, Diannae Ehler, on a project of two repairs, latent salt damage and storm mitigation measures at the Holland Tunnel. Diannae?

[D. Ehler] Thank you. Good afternoon, Commissioners. Today, I'm requesting authorization of a program for the repair and restoration to systems and structures at the Holland Tunnel impacted by latent salt

[Holland Tunnel - Latent Salt Damage] caused by Superstorm Sandy

[Repairs and Mitigation Program] and to provide for the mitigation measures to protect the Holland Tunnel from flooding and future storm damages. The Holland Tunnel Sandy Program has an estimated total project cost of \$364.2 million.

[Background/Overview] Superstorm Sandy made landfall in New York and New Jersey on October 29th, 2012 with impacts to Port Authority facilities with heavy rain, strong winds, and record storm surges. Thirty million gallons of brackish water entered the tunnel through the New Jersey roadway portals and through the exhaust air duct system through the tunnel ceiling and ventilation buildings into the north and south tubes. The north tube was flooded up to 9 feet above the roadway and the south tube was flooded with water up to 3 feet above the roadway. Damages in the north and south tubes included mechanical, electrical, and plumbing systems as well as civil, architectural, and structural elements. The Holland Tunnel was out of service for 5 days with normal operations resuming 10 days later.

[Initial Measures] To address the media concerns, the Port Authority took several steps at the Holland Tunnel in 2013. The work was performed under a contract that included the purchase and installation of removable flood-proof barriers at each of the Holland Tunnel ventilation buildings. Installation of concrete barriers at the North Tunnel exit portal and the New Jersey Administration Building, and the purchase of emergency generators, pumps, and deployable fillable barriers.

[Today's Authorization] Under the proposed project, the scope of work for the mechanical, electrical, and plumbing systems includes repairs to or replacement of low and medium voltage cables, fire detection system, voice communication systems, lighting, pump room equipment, and controls, fire suppression system, and elevator components. In addition, the scope will include the evaluation of lighting system improvement alternatives in the tunnel. The scope of work for the architectural and structural elements includes repairs to the concrete in the blower and exhaust ducts, drum rings, curbs, ceiling panel hangers, damaged and missing wall tiles, granite blocks at the New Jersey Portal, and the washing and removal of salt residue from various tunnel components. Holland Tunnel latent damage repairs and mitigation work will be packaged as two contracts in order to provide an efficient and effective construction efforts and coordination of the work.

[Work Plan: Off Peak (Overnight) Closures] Like other similar Superstorm Sandy latent salt damage work performed across the region, the nature of the work will require tunnel closures to enable the work to be completed with the least impact over the shortest period of time. Construction duration is based on full tube overnight closures, one tube at a time. During the projected project, one tube will be closed overnight, off peak hours, from approximately 11:00 p.m. to 05:00 a.m. during the week and 11:00 p.m. to 09:00 a.m. on weekends for construction of up to six nights per week for a period of four years. The New York bound South Tube overnight closures are expected the first quarter of 2020 to the first quarter of 2022, and the New Jersey bound North Tube overnight closures are expected the first quarter 2022 to first quarter of 2024. Approximately, 81% of the Holland Tunnel traffic or approximately 1,800 vehicles in the New Jersey bound direction during the weekday overnight peak hour and 1,500 vehicles in the New York bound weekend mornings 07:00 a.m. to 08:00 a.m. peak hour will be diverted to Lincoln

Tunnel. Our traffic analysis shows that the Lincoln Tunnel can accommodate the additional capacity without significant traffic delays during the overnight hours.

[Economic Impacts] The total regional economic impact over the life of the project is currently estimated to be 4,000 job years, \$260.3 million in wages, \$640.8 million in economic activity over the life of the program. This results in 1,560 direct job years, both onsite and offsite, and a direct payroll of wages of \$150.8 million.

[Project Cost/Schedule] The estimated total project cost is \$364.2 million with total construction cost of about \$248.5 million. Funds for this project are included in the 2018 Capital Budget and in the 2017 to 2026 Capital Plan. Staff estimate the total recoveries from Federal funds will be approximately \$307 million or 84% of the estimated total project costs. Construction is expected to begin in second quarter of 2019 and completion is targeted for fourth quarter 2024. Commissioners, I request that you advance this item to the full Board for approval today.

[Chair J.H. Lynford] Thank you, Diannae. May I please have a motion from our Committee member?

[Commissioners] So moved.

[Chair J.H. Lynford] Can I have a second?

[Commissioner] Second.

[Chair J.H. Lynford] Any objections? Hearing none, the motions are passed. This concludes today's meeting of the Committee on Capital Planning, Execution and Asset Management. Thank you.