

(Public Committee on WTC Redevelopment 3/24/16)

**The Port Authority of New York and New Jersey  
Committee on WTC Redevelopment Transcripts  
March 24, 2016**

[Board Chair J. Degnan] Now I'm going to call upon the Vice Chairman to convene the World Trade Center Redevelopment Subcommittee, which he will follow with the Committee on Capital Planning, Execution, and Asset Management. Scott?

[Chair S. Rechler] Thanks, John. Today's meeting of the World Trade Center Redevelopment Subcommittee is being held in public session in its entirety. At this point, I'd like to ask the Board Secretary to note to the members of the Committee if there's any recusals on the first item.

[K. Eastman] Thanks. The World Trade Center Redevelopment Subcommittee is a Committee of the whole, and all members are here except for Commissioner Pocino. With regard to the first matter, the World Trade Center site authorization of additional contract actions in connection with ongoing post-Hurricane Sandy work, Commissioners Rechler and Steiner are recused on this matter.

[Chair S. Rechler] I think I'll ask John if you wouldn't mind handling that matter for me.

[Board Chair J. Degnan] Sure. Thanks, Scott. The first topic on the agenda concerns authorization of additional contract actions and expenditures to support ongoing work at the World Trade Center site. It'll be presented by our Director of World Trade Center Construction Alan Reiss.

[A. Reiss] Thank you, Mr. Chairman, and good morning, Commissioners. So this item talks about the reallocation of funds. But first, I want to make it clear that you charged Steven Plate and the World Trade Center Team to deliver within the \$14.8 to \$15.8 billion range downtown, and we are going to deliver this downtown restoration project at the lower end of the \$14.8 billion range, as we've previously discussed with you.

[Board Chair J. Degnan] Steve is letting you make that announcement, Alan? I'm surprised. But go ahead.

[A. Reiss] So the first portion of this is the reallocation of \$133.74 million in Hurricane Sandy-related funds for certain contract actions related to both construction and consultant. And there's equivalent offsets. So we're not asking for any more money. What we did is back at the end of 2015 we took a look at where we are with the actual costs. When we last came to the Board, it was in 2014, and that was our best estimate of the work required to deal with the impacts of Hurricane Sandy. Today we need to reallocate the money among various contractors and consultants to deal with the final impacts based on the actual costs. The second part of this is the close-out of One World Trade Center, which, as you know, opened in November of 2014. So we're asking to move \$3 million in contract funds from one contractor to another to close out and finish up all the contract work on One World Trade Center. And this deals with, for

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example, additional testing that we did on the first responder public safety system as we moved Conde in. And then the third part of this item is to reallocate and authorize \$22.45 million from the Common Infrastructure Project Authorization to contractors working on the World Trade Center VSC, the Vehicle Security Center Project, and the Roadway Network for Common Infrastructure, like a common traffic management system for the three projects and an integrated fire alarm system for the three projects, so they all communicate together. Are there any questions?

[Board Chair J. Degnan] Any questions or comments from the Commissioners?

[Chair S. Rechler] Just, good job.

[A. Reiss] Then I request that you recommend this to the full Board, please, for approval.

[Board Chair J. Degnan] Thanks, Alan. Can I have a motion from a Subcommittee member not recused to move the matter forward to the full Board? So moved. Second? Any objection? Did I hear a second? Second. So with no objection, we'll move the item forward to the full Board this afternoon. I'm going to turn the meeting back to Scott.

[K. Eastman] I think Alan has one other thing that he's going to mention-- I'm sorry, Alan. Go ahead. --in conjunction with this. And Commissioner Rechler is recused on this matter as well. So this is on the additional contract actions? Yes.

[A. Reiss] I covered it already so just-- Yeah. OK. It was covered in there. We covered the two, so I want to go to--

[K. Eastman] So I just note the recusals then. Commissioner-- >>Flood resilience >>Yes.

[Board Chair J. Degnan] So Alan's off the hook? Everything's covered? Yes. Yes. And you're correcting your request, right?

[K. Eastman] I am, sir. Thank you. Thank you.

[Board Chair J. Degnan] Scott, it's yours. OK.

[Chair S. Rechler] So now, Alan, you're going to talk about the site flood resiliency?

[A. Reiss] That's correct. Thank you, Mr. Vice Chair. So I come to you today to request authorization for the third Bollard Protection System at the World Trade Center. But let me give you a little history of where we are. Obviously we just discussed Hurricane Sandy. In the fall of 2013, we developed a comprehensive flood hazard mitigation plan, and it consists of various rings of protection. This is the first ring of protection that you see on your monitors. We call it the Bollard Protection System. It's flood logs that bolt on to the existing bollard that's around the site. So in April you authorized, in 2014, a pilot project that was done around One World Trade Center. You can see that picture up there on the left-hand side of the slide. That was awarded to Olivera. And it was substantially completed in summer of 2015. Then in July of

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2015, you authorized a perimeter Bollard Protection System for the Vehicle Screening Center, and that's under construction right now. So today I come to you and request the next piece of the puzzle, which is to protect the Memorial and the surrounding streets, because wherever the water gets in and it flows down to the basement, it ends up in the Hub and damages everything on the site. This is an award to Paul Scariano. It's \$3.6 million, including extra work and logistics, to fabricate and install a Bollard Protection System along the perimeter of the 9/11 Memorial Plaza. This was publicly advertised. Scariano was the lowest-priced technically qualified bidder out of eight bidders. And there's also some removable flood barriers that go at the intersections of streets. Like West Street and Liberty Street, and Liberty and Greenwich. And this system has proven effective. It's been tested, and I request that you move it to the full Board for approval.

[Chair S. Rechler] Thanks, Alan. Any questions or comments for Alan? I just have a-- sorry.

[Comm. W.P. Schuber] Just if I might ask a question, Alan, what's the extent of-- since Sandy-- of any potential damage inside the internal structures of One World Trade Center complex area that might be showing up at the present time, if at all?

[A. Reiss] Well, we're doing the direct repairs and we've done a latent damage inspection using corrosion experts, and that's still a matter that's being discussed with the insurers right now by our CFO and Steven Plate. There are settlement discussions that we're going to have in April, but what we've seen since Sandy till today is we see this white rust that's appearing on, say, conduits. That's the zinc plating that's beginning to passivate and corrode. We've seen that some of the blast plates that are installed for security purposes downstairs continue to rust because there's chlorides behind them. And we believe that in some of the construction joints in the concrete, that it's gotten into the Rebar behind it. So the insurers are actually coming next week again to inspect the site with their own experts, and then there'll be discussions on settling that piece of the claim.

[Comm. W.P. Schuber] So this is a continuing issue that you're keeping an eye on with regard to-- I mean, after several years now from Sandy, we're still starting to still see a residue there? Or a reaction?

[A. Reiss] We're seeing the impacts of latent damage. Yeah. No different than the MTA has or Amtrak or the others.

[Comm. W.P. Schuber] Right.

[A. Reiss] Like in the Gateway tunnels, we're seeing it also. We're deeply involved in giving inspection tours. We've had consultants in here, and we're trying to settle this matter out.

[Comm. W.P. Schuber] And I'm assuming you keep an eye on this as this is ongoing?

[A. Reiss] Yes, sir. Thank you.

[Chair S. Rechler] All right. Thank you, Alan. Any other questions? Now may I have a motion

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to-- So moved. second? Second. We'll move this to the full Board?

[K. Eastman] Yes.

[Chair S. Rechler] Thank you. Thank you. OK. Now, well, that ends the World Trade Center Subcommittee meeting.