

PORT AUTHORITY BUS TERMINAL REPLACEMENT

At the March 19, 2015 meeting of the Board of Commissioners, Chairman John Degnan announced the formation of a working group of the Board to focus on advancing the planning process for replacement of the 65-year-old Port Authority Bus Terminal ("PABT"), composed of Chairman Degnan, Vice Chairman Scott Rechler, and Commissioners Kenneth Lipper and William "Pat" Schuber (the "Working Group"). The mandate of the Working Group was to examine a broad range of approaches for the replacement of the PABT and to identify the most promising alternative for the consideration by the full Board prior to year-end 2015.

The recommendations of the Working Group were presented to the full Board at its September 24, 2015 meeting, together with a proposed resolution endorsing those recommendations. The Working Group reported as follows, with Chairman Degnan and Commissioners Lipper and Schuber in support, and Vice Chairman Rechler dissenting:

Assisted by the Executive Director and Port Authority staff, and with the input of outside experts on a variety of issues, the Working Group has considered a number of concepts, ranging from the demolition and rebuilding of the PABT in its present location to re-siting major bus terminal operations in New Jersey. Key priorities considered in this analysis included: (1) meeting the present and future capacity needs of the commuting public, (2) providing continued access by bus commuters to mass transit in Manhattan, (3) minimizing construction-related disruption to commuters and adjacent neighborhoods, and (4) reducing the net cost of the project by utilizing modern construction techniques and project delivery methods (such as public-private partnerships), and by monetizing real estate assets and/or development rights not required for a new Port Authority bus terminal.

Based on the information and preliminary analysis performed to date, the Working Group has concluded that the most promising approach to replacing the PABT would involve: (1) constructing a new bus terminal on available Port Authority-owned property one block west of the current structure, between Ninth and Eleventh Avenues; (2) constructing facilities, that may include people-moving technology, to connect the new terminal with subway and other mass transit connections; (3) preserving the option of an additional "bus staging facility" appurtenant to the new terminal as future needs dictate; (4) operating the existing PABT continuously until the new terminal is completed, thereby minimizing disruption for commuters; and (5) exploring innovative financing strategies (consistent with the Authority's obligations to its bondholders) to help finance the construction of the new terminal, including the disposition of real estate owned by the Port Authority at or adjacent to the existing PABT site.

The Working Group further recommends that the Port Authority initiate three parallel processes to advance this project:

- *A "design competition" inviting private design firms and other interested organizations to submit concepts for the design and construction of a new Port Authority bus terminal in the Ninth Avenue location, including its connections with nearby mass transit.*

- *A request for proposals (“RFP”) for an outside consultant to advise the Port Authority on strategies for meeting and managing the anticipated increases in trans-Hudson commuter demand over the next 30 years, taking into account other modes of increased trans-Hudson capacity including rail and ferry capacity, as well as improvements to, and expansion of, existing infrastructure, expansion of commuting alternatives, promotion of workplace flexibility, and utilization of new technologies to improve throughput and efficiency of existing facilities.*
- *At an appropriate stage of the project, a detailed review by an outside consultant of potential construction costs, and projected operating costs, as well as methods to deliver the project in the most cost-effective and efficient manner, and operate the terminal on a sustainable basis moving forward.*

The Working Group also recommends that the Port Authority continue to engage the firm of Cushman & Wakefield to advise it on the valuation of the Authority’s property fronting on Eighth Avenue at the site of the current PABT.

Finally, the Working Group recommends that the Board and staff solicit substantial public and stakeholder input as they consider the concepts produced by the recommended bus terminal design competition and parallel study of commuting capacity strategies.

The Working Group has continued to consider these issues in light of comments and suggestions from the Board, and further recommends that:

- participants in the proposed design competition be encouraged to suggest alternative sites for a new Port Authority bus terminal should their analysis determine that the proposed site west of Ninth Avenue is not optimal; and
- the proposed RFP for a study of anticipated commuting capacity needs be expanded to include analyses of: (i) existing and anticipated patterns and preferences of bus commuter travel after arrival in Manhattan, (ii) strategies to reduce bus congestion in neighborhood streets adjacent to the proposed new bus terminal and in the Lincoln Tunnel and its approaches, and (iii) the costs and benefits of alternative strategies for meeting and managing anticipated commuter demand, including the construction of a new bus terminal.

With these amendments, Vice Chairman Rechler joins in the recommendations of the Working Group.

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The Board of Commissioners, having considered the Working Group’s recommendations, together with input received from Port Authority staff, adopted the following resolution, with Commissioners Bagger, Cohen, Degnan, Fascitelli, James, Laufenberg, Lipper, Lynford, Pocino, Rechler, Schuber and Steiner voting in favor. Assistant General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Board endorses the recommendations of the Bus Terminal Working Group, as amended above; and it is further

RESOLVED, that the Executive Director (or the Chief Executive Officer when appointed) is directed to conduct an international design competition (the “Bus Terminal Design Competition” or “Design Competition”) soliciting conceptual designs for a new bus terminal on the site recommended by the Working Group, one block west of the current structure, between Ninth and Eleventh Avenues; such designs to allow for (i) sequential construction of key elements (including terminal facilities and bus-staging facilities) as estimates of future capacity needs are refined, (ii) scalability of the terminal complex to meet developing capacity requirements, and (iii) appropriate pedestrian connections to mass transit in the vicinity of the new terminal; and it is further

RESOLVED, that participants in the Bus Terminal Design Competition be instructed to suggest alternative sites for a new Port Authority bus terminal should their analysis determine that the proposed site west of Ninth Avenue is not optimal; and it is further

RESOLVED, that Executive Director (or the Chief Executive Officer when appointed) is directed to issue a request for proposals for an outside consultant (or consortium of consultants) to perform a study (the “Trans-Hudson Commuting Capacity Study” or “Capacity Study”) of available strategies for meeting and managing the anticipated increases in trans-Hudson commuter demand over the next 30 years, taking into account:

- other modes of increased trans-Hudson capacity including rail and ferry capacity that may affect capacity demand at a new Port Authority bus terminal,
- potential improvements to, and expansion of, existing infrastructure,
- expansion of commuting alternatives, promotion of workplace flexibility, utilization of new technologies to improve throughput and efficiency of existing facilities,
- existing and anticipated patterns and preferences of bus commuter travel after arrival in Manhattan,
- strategies to reduce bus congestion in neighborhood streets adjacent to the proposed new bus terminal and in the Lincoln Tunnel and its approaches, and
- the costs and benefits of alternative strategies for meeting and managing anticipated commuter demand, including the construction of a new bus terminal; and it is further

RESOLVED, that the Bus Terminal Design Competition and Trans-Hudson Commuting Capacity Study be scheduled and administered to enable the Board, informed by the findings of the Capacity Study, to select a preferred design concept for a new Port Authority bus terminal no later than its September 2016 meeting; and it is further

RESOLVED, that the Board strongly endorses the recommendation of the Working Group that the Board and staff solicit substantial public and stakeholder input in this ongoing process; and it is further

RESOLVED, that allocation of Port Authority funds for the construction of a new Port Authority bus terminal shall be subject to future Board authorizations and be consistent with the Port Authority's Capital Planning process; and it is further

RESOLVED that the Bus Terminal Working Group shall remain in operation to oversee and support the Port Authority staff in this effort, and report to the full Board as developments warrant.