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There's a Nuclear Meltdown at the Port Authority With No End in Sight



THE PORT AUTHORITY BUS TERMINAL.

BY [TERENCE CULLEN](#)

If you've ever seen the movie *Reservoir Dogs* and remember how it ends (spoiler alert: everybody pointing a gun at everybody else), that's a little what the scene is like at the [Port Authority of New York & New Jersey](#) this week, in the words of one veteran of the agency.

Something as mundane as building a new bus terminal in Midtown to replace a shoddy old one has mushroomed into a guns-blazing battle between representatives of New York and New Jersey. The bi-state agency's highest official has been pulled into an ugly dispute with a member of the United States Congress, with allegations of a quid pro quo being charged. New York's top official at the Authority suddenly quit. In short, chaos reigns.

And while a *Reservoir Dogs* comparison might sound a trifle dramatic, people who have studied and worked at the agency described the last few weeks as some of the worst in its 95-year history.

“There has to be a restart of the process,” said [Scott Rechler](#), the chief executive officer of [RXR Realty](#) who until May served as vice chairman of the agency, referring particularly to the bus terminal debacle. “The restart is going to have to be more sensitive to the community’s needs.”

What the heck is going on with the Port Authority?

The open warfare stems from a series of commitments and announcements surrounding the proposal for a new bus terminal on the West Side that could cost somewhere around \$10 billion.

One half of the existing building—which currently sits on Eighth Avenue between West 40th and West 42nd Streets—was built in 1950 and the second part in 1979. It’s widely considered a decrepit, cramped eyesore that handles an average 230,000 commuters every day. Buses in and out of the building are plagued by delays.

“The need [for a new terminal] is unquestionable,” said [Richard Anderson](#), the president of the [New York Building Congress](#), which represents companies in the construction industry. “The city is growing; the bus terminal is aging. Traffic from west of the Hudson is going up more than any other direction.”

But that’s where the two sides of the Hudson River stop agreeing.

The seeds of this battle were planted innocently enough in October 2015 when the Port Authority commissioners launched a design competition for a new terminal.

Things remained quiet until early this year, when New York commissioners began floating the idea of moving the main facility to New Jersey. The reason for this was that space is tight in Manhattan and buses would likely have difficulty maneuvering into the new terminal.

Garden State officials weren’t having it; putting the main terminal in New Jersey would require a two-seat ride, forcing commuters from their state to switch buses before going under the Lincoln Tunnel and into Midtown. To defend against the idea of a southern terminal, New Jersey representatives used their political leverage in other ways.

In March, Chairman [John Degnan](#) “pushed the board to commit to the construction of a new bus terminal in exchange for the LaGuardia project to move forward,” said Rechler, meaning the multibillion dollar plan to revamp New York’s aging airport.

“The LaGuardia project, which was fully designed with over \$2 billion in private financing, was held up for a bus terminal project that is clearly needed but at this stage is only a concept with no actual design, location or budget behind it,” according to Rechler, who advocated the exploration of different options including reducing congestion in the Lincoln Tunnel.

That was only one aspect of the drama and bad blood. Not long after the New York delegates agreed to keep the terminal in Manhattan, Hell’s Kitchen residents and their local elected officials started railing against the Port Authority proposals.

The agency committed to building a new terminal in close proximity to the existing one, which takes up a huge swath of land: all of West 40th and West 42nd Streets from Eighth to Ninth Avenues. Local residents were terrified that the agency would use eminent domain to clear out homes and businesses in the name of public use. (Degnan has stated he doesn’t want to use the practice.)

But even if the Port Authority were to build the terminal on a parcel of land it owns nearby (to the south and west), critics contend that Hell's Kitchen isn't the same neighborhood it was when the original terminal was built in the early 1950s; construction would basically displace an entire neighborhood.

After the community pushback began over the summer, top Port Authority brass agreed it would include residents and community members in the plans and the redesign. Things seemed to be going well, at first. In September, five design finalists were unveiled. Officials said that the designs would be considered jumping off points for a new facility, not hard-and-fast plans, to facilitate more community input.

But right from the outset, the plans encountered resistance. All five finalists—including big-name bidders such as AECOM, Pelli Clarke Pelli Architects and Perkins Eastman—submitted plans for a terminal west of Ninth Avenue. A report by the panel that selected the finalists conceded that constructing a new terminal would be difficult task and the head juror, Martin Wachs, an urban planner and professor emeritus at the University of California at Berkeley, noted in October that all the bids left out a significant option: Build the new structure where the current one is.

This would be difficult, given that the existing terminal would have to still operate during construction. But it is possible. As Wachs explained, the top floors would be built above the current facility, and then the lower floors would be demolished and replaced.

“That’s very complex,” Wachs said. “Yet, when looking at the complexity of the other choices, it seems at least worthy of consideration.”

Port Authority officials said at the time they were open to basically anything suggested in the report, so long as the terminal was built in Midtown and not New Jersey.

But moving the terminal could become problematic for reasons beyond the disruption it would cause locals. A Port Authority-commissioned traffic study released in September notes many commuters are headed for other areas east and north within Midtown. About 40 percent of those riders take the subway (the A, C and E trains are below the station) with another 50 percent walking to their destination. Moving the terminal even one block west would add an average six to seven minutes to passengers’ commute.

Cost became a big bone of contention, too.

The number floated for the new terminal is somewhere around \$10 billion, but the five proposals that the Port Authority released this fall were wildly divergent, going from as low as \$3 billion to as much as \$15 billion. Reports in recent weeks indicate that Degnan, a New Jersey appointee, has asked for a higher dollar amount dedicated to the bus terminal in the agency’s 10-year, \$28 billion capital budget than what New Yorkers have been seeking.

As a result of the impasse, the Port Authority’s capital plan—covering everything the agency does that’s construction related—has been pushed back to an early 2017 approval.

That’s one of the things that led Vice Chairman [Steven M. Cohen](#) to suddenly quit on Nov. 17, hours after boycotting that day’s open board meeting.

Cohen’s resignation came as an especially big shock, given that he had taken over as New York’s highest-ranking commissioner less than six months ago.

“This is not a good thing for the project, or a good thing for the Port Authority as a whole,” one veteran of the agency said of the recent back-and-forth. “This kind of open warfare is what the Port Authority was created to stop.”



INSIDE THE BUS TERMINAL. PHOTO: CLINE HAEBERLY FOR OBSERVER

The feuding is especially painful, given how important the bus terminal is to both states. But—as the agency vet put it—the lines haven’t been drawn as to whose state this project belongs to.

“Somehow it has now taken on a touchstone of volatility so much that it’s not defined as a New York project or a New Jersey project, which is one of the problems,” the agency veteran said.

A spokesman for Gov. [Andrew Cuomo](#) indicated in a statement that because the new facility is committed to be in Manhattan, it is a New York project.

“New York is unified in its position,” Rich Azzopardi, the spokesman, said in the statement. “Everyone agrees that the bus terminal has to be improved, but it’s a New York project, and we have never had one state dictate what should be built in the other. The intrigue in Jersey is troubling especially in light of the recent past.” (A not-so-subtle jab at the “traffic problems” in Fort Lee, N.J., currently consuming Gov. Chris Christie’s administration.)

Other politicians have gotten involved in the skirmish, too. In mid-November, Congressman Jerrold Nadler (whose district includes Hell’s Kitchen) fired off a letter to Degnan asking that he remove himself from the project. New Jersey State Senator Robert Gordon suggested the angry letter was an attempt by Cuomo to wrest control of the project or steer resources away from it.

Degnan, who declined to comment for this story, said at the agency’s board meeting a few days later that he was blindsided by the scalding dispatch, particularly the allegation Nadler made that Degnan put his “personal priorities above the public interest and good governance.”

What “personal priorities” was Nadler referring to? The New York *Daily News* seemed to offer a suggestion when it reported this week that the March vote to commit the bus terminal to Manhattan [came a week before Degnan’s son](#) was due before the New Jersey State Senate for confirmation as the state’s controller.

“The unanimous March 2016 board vote to proceed with the project came after more than 18 months of work by Port Authority staff committed to the mission of this agency,” Degnan told the *News* in a statement. “It was in no way influenced or motivated by any political objective. I am insulted by any inference to the contrary.”

In a joint statement, Nadler, State Senator Brad Hoylman and Councilman Corey Johnson said the allegations drummed up by the *News* was enough to force Degnan to step aside from the project.

“This possible conflict of interest must be investigated,” the West Side politicians said. “The Port Authority board should immediately commence an inquiry to determine whether the undisclosed conflict of interest was an ethical breach. The public has a right to know if the Port Authority Bus Terminal replacement project is being driven by policy or influenced by Bridgegate-style politics.”

It’s anybody’s guess what happens next, but sources who spoke on the condition of anonymity said construction of the terminal likely has to wait. Cohen will probably not have a last-minute change of heart and decide to stay on in his part-time, unpaid position at the agency.

The next big play will likely happen after New Jersey’s gubernatorial election next year. Gov. Chris Christie is term limited, so a new administration will likely appoint new people to the Port Authority, including a new CEO. (The chairmanship will go to a New York representative, according to Port Authority rules, which will rotate the position between the states every two years once a CEO is named.)

That’s partially why we’re in this Quentin Tarantino-style standoff, only instead of guns and bullets its billions of dollars and massive real estate projects.

Rechler, who is now chairman of the urban studies Regional Plan Association think tank, said there are some silver linings to the bus terminal exploration.

“There are some concepts that were thrown out that are good ideas than can be built upon and thought through, but it’s got to be one that’s done with a more collaborative and inclusive approach,” he said. “The fact of the matter is that if you built the kind of bus terminal that the [Port Authority] has been pushing, commuter time into the city would go up because the Lincoln Tunnel network can’t handle that kind of bus volume that the plan envisions.”

Anderson said the process as it is has become too politicized. Yes, the nuts and bolts of construction on the West Side would be difficult—especially if the Port Authority opted to build on its current footprint. But, he added, it’s doable.

“The challenges can be met if the politics can be overcome,” he said. “And right now it sounds like the politics are holding sway, and that’s unfortunate.”