

SUMMARY MINUTES
STRATEGIC DEVELOPMENT COMMITTEE
MEETING OF APRIL 18, 2018

Mr. Sudow chaired the April 18, 2018 Strategic Development Committee Meeting, calling it to order at 11:00 a.m. A quorum was present during the Meeting: Mr. Adams, Mr. Griffin, Ms. Hanley, Ms. Lang, Mr. Lazaro, Mr. Mims, Mr. Pozen, Mr. Speck, Mr. Tejada, Mr. Uncapher, Ms. Wells, Mr. Williams, and Mr. Session (ex officio).

Ronald Reagan Washington National Airport Project Journey (Project Journey). Roger Natsuhara, Vice President for Engineering, was joined by Richard Golinowski, Project Journey Integration Manager. Mr. Natsuhara provided an update on the Secure National Hall project, stated that prior month expenditures were approximately \$4.6 million and total expenditures to date were \$27 million. He also provided an overview of the schedule of activities on the project. Mr. Natsuhara reported that the relocation of the North and South Metro Bridges, the establishment of the work areas, and the installation of partitions were complete. Additionally, the lane widening on the arrivals level is underway and should be completed in May. Mr. Natsuhara reported that the relocation of the communication rooms on ticket levels for vestibule numbers two and five is also underway and those entrances will be closed through February 2019. He stated that work continued on the test pile program, and it should be completed by early May. Mr. Natsuhara advised that once the test results were received, the installation of the auger piles would begin in June. He shared several slides of the progress thus far on the Secure National Hall project, which is on track for its scheduled completion.

Mr. Natsuhara then turned to the New Concourse project and advised that prior month expenditures for the enabling projects totaled approximately \$358,000. With regard to the north area Airport security fence/gate modifications, Mr. Natsuhara reported that the construction procurement is in progress. He advised that the contract award would soon be made and that the construction would be completed in October. Mr. Natsuhara stated that he learned earlier that week that the construction procurement for the manholes at Lot H would be delayed by a couple of months due to pricing issues. Since the small project is not on the critical path, Mr. Natsuhara advised that there are no concerns with the delay. He reported that the central utility plant modification electrical rough-in and conduit for the motor control centers would be

completed within a couple weeks. The installation of the variable frequency drive valves and the demolition of the existing electrical system would be completed in May. Mr. Natsuhara reported that the initial testing of the system would start within the next two months.

Mr. Natsuhara reported that New Concourse prior month expenditures totaled \$4.4 million and the total expenditures to date were \$45.7 million. He advised that the Airports Authority had established a surcharge on the area where the dirt is piled, and the six-month surcharge period for Phase 1 began that day. Mr. Natsuhara reported that the blast wall installation, which should be completed in May, is underway. Additionally, the installation of underground utilities would begin in May. With regard to the New Concourse, the utilities and ground surveys are underway and should also be completed in May. Mr. Natsuhara reported that the pavement and demolition grading is underway. He further reported that the test pilot program would start in June. Mr. Natsuhara shared several slides of the progress thus far on the New Concourse project, which is on track for its scheduled completion.

Mr. Golinowski reported that he would provide a Project Journey update from a customer's perspective. He shared slides and provided information on the auger test piles; the relocation of Uber, Lyft, and limousine parking off Airport; the continuation of the construction walls on the pedestrian bridges with graphics; and the closure of vestibules number two and five on the ticketing level. Mr. Golinowski advised that Turner Construction (Turner) closed the outer lanes of the lower roadway from midnight to 9 a.m. daily to complete the required work for the auger test piles. He stated that there was minimal impact to traffic. Turner would soon prepare for the installation of the steel and the remaining piles. With regard to the April 16 relocation of Uber, Lyft, and limousine parking (located south of the Holiday Inn off of Jefferson Davis Highway), Mr. Golinowski reported that the new staging area is working well and there were no complaints from drivers about finding the lot and getting onto Ronald Reagan Washington National Airport (Reagan National). He stated that the Airports Authority is working extensively with Arlington County to ensure that the lot is managed effectively. Mr. Golinowski advised that the lot is open from 5:30 a.m. until 1:00 a.m. and that the Airports Authority's Police Department surveys the lot daily to ensure that no drivers are present once it closes and to determine if the Airports Authority needs to address any maintenance issues the following day. He reported that the five-year lease for the lot is timed to coincide with

the completion of the construction project, at which time Airports Authority staff will reevaluate the Airport's staging area for Uber and Lyft [and limousine parking]. Mr. Golinowski noted that Uber and Lyft drivers have two route options to access the Airport. He advised that while each driver would determine the best route, the Airports Authority recommended that they access Reagan National using Glebe Road, which is south of the staging lot, as it provides a cleaner route onto the Airport. Mr. Golinowski further advised that Uber and Lyft drivers would likely encounter congestion if they used the option located north of the staging lot. With regard to construction walls on the pedestrian bridges, Mr. Golinowski reported that they were being papered with way finding signage for the customers. As new walls are erected, graphics displaying Project Journey information would be added within the next several weeks so that customers can envision the outcome of all of the construction. Mr. Golinowski reported that vestibule numbers two and five closed on schedule within the last month. He stated that signage was added to direct passengers to the appropriate door they should use to gain entry [to areas they would normally access through the closed vestibules]. Mr. Golinowski advised that the vestibule closures have been working very well and that customer impact is minimal.

Mr. Golinowski explained that there are three key tasks that customers will notice about the upcoming changes -- earthwork on the hill adjacent to the Metro tracks, north end roadway widening, and south end roadway widening. He shared a slide depicting the area where customers would soon see the erection of a building, which will likely prompt interest and result in more questions.

Mr. Golinowski advised that in his previous update on the north end roadway widening he reported on an area that was not in the roadway and had no impact to traffic. He stated that a utility crossing was recently identified which needed to be addressed. Mr. Golinowski referenced a slide that illustrated a purple zone for the utility crossing and a red zone that required the road to be completely closed beginning April 22 for approximately one week. He stated that Turner anticipated completing the assignment sooner than a week but that the Airports Authority is making plans in the event the closure lasts the entire week. Mr. Golinowski advised that a significant impact for exiting the Airport is expected to occur during the course of the work. To prepare for the impact, staff established three detour areas at the north end [of the Airport]. Mr. Golinowski referenced slides and explained the detour that the trucks traveling to the loading dock would use, as well as the one

that the Airports Authority anticipated that taxi, Uber, Lyft, and limousine drivers would use to exit the inner lanes. He stated that the three detour areas would try to compensate for this major closure that will cause a significant impact. Mr. Golinowski advised that a substantial amount of direction and communication would be required for the drivers to ensure that they are aware of the revised traffic pattern. He reported that there have been numerous challenges with curb assignments and curb management on the lower level roadway. Although the traffic flow had generally worked well, Mr. Golinowski stated that the area becomes congested during peak times and that Traffic Control Officers and the Police Department provide assistance. He advised that signs, orange safety cones and ground markings are used to aid taxi drivers. Additionally, meetings are held regularly with taxi operators. Mr. Golinowski advised that a meeting would be held the following day to attempt to address the taxi drivers' concerns and ensure that their needs were met. He observed that adjustments to the major detour would likely occur throughout the construction project.

Mr. Golinowski reported that Turner had begun its work to add an extra lane at the south end [of the Airport] as customers traveled to the arrivals level approaching from Terminal A on the outer lanes. He shared several slides of the lane widening efforts underway and advised that the extra lane would help to alleviate congestion throughout the entire construction project. Mr. Golinowski reviewed the adjustments that would be made to traffic patterns at different stages of construction. He stated that the primary focus is customer safety. To address a significant problem with pedestrians trying to cross the road outside of the crosswalk, Mr. Golinowski advised that numerous orange safety cones and signs were added as an attempt to direct customers to the appropriate crosswalk. He observed that while the extra efforts seem to be helping to effectively address the problem, people still like to cross the roadway to get to their cars.

As previously reported, Mr. Golinowski stated that the 60-minute grace period in the parking garages at Reagan National has been very well received by customers. He reported that an increase of more than 15 percent in the number of customers who used the parking garage for less than one hour occurred during the recent spring break travel period, which likely also had a positive impact on traffic flow around the Airport.

Mr. Golinowski reported that the Airports Authority had reached out to its airline partners. He recalled that Mr. Mims had requested that United

Airlines advise its customers of potential traffic delays as a result of construction at Reagan National, similar to the process that Mr. Speck had shared about JetBlue Airways. Mr. Golinowski reported that staff had verified with all of the major airline carriers at Reagan National, including SouthWest Airlines and Air Canada, that they do notify their customers -- on websites, tickets, or boarding passes.

Mr. Sudow acknowledged the challenges facing Airports Authority staff as a result of the construction and extended expressions of appreciation to Mr. Natsuhara and Mr. Golinowski. He inquired about the potential conflicts that may occur at drop-off destinations for shuttle buses and privately-owned vehicles (POVs). Mr. Golinowski stated that there have been several conflicts. He further stated that two areas had been designated exclusively for shuttle bus drop-offs, which the Police Department monitored to ensure that cars, POVs, and off-Airport shuttles were not incorrectly using. Mr. Golinowski advised that other specific areas had also been designated for off-Airport shuttle bus drop-offs. Additionally, signs are displayed along the entire curbside on the upper level. Mr. Golinowski stated that the process for drop-offs is working well. Mr. Sudow stated that he had learned of a recent incident where a number of non-Airport buses arrived at Reagan National simultaneously, which resulted in automobile drop-offs not being handled diplomatically. Mr. Golinowski acknowledged Mr. Sudow's statement. He stated that staff coordinates the schedules for expected buses with the Police Department. Mr. Sudow stated that he would have an off-line discussion with staff to seek further clarification.

Mr. Sudow observed that the total cost numbers for the Secure National Hall and New Concourse projects differ in the reports presented by Airports Authority staff and Turner. Mr. Natsuhara stated that the Airports Authority's presentation includes the entire program, including design costs, construction management costs, and salaries of some Airports Authority staff, while Turner's presentation includes only its construction contract. He further stated that staff would check/verify the numbers included in Turner's presentation.

Mr. Speck stated that he has been advising people about the construction underway at Reagan National and to allow for extra time when departing from that Airport. He further stated that the positive feedback from those travelers is always consistent once they returned from their trips. Mr. Speck reported that he believes that the customer impact has been better managed than originally anticipated because of

the Airports Authority's efforts to communicate about the construction underway and to manage traffic on the Airport. Mr. Golinowski agreed. As Jack Potter, President and Chief Executive Officer, had previously stated the prior month, the construction is going well, but challenges exist and staff is working diligently to address the challenges before they impact customers.

Based on his own experiences and those of other travelers, Mr. Speck stated that Reagan National [traffic] is a little different than what passengers are accustomed to, but the construction is going very smoothly. He encouraged staff to continue its efforts.

Mr. Tejada stated that he observed that the additional signage at Reagan National by the baggage claim area directing customers to ground transportation referenced only Lyft and Uber. While the existing taxi sign was still displayed, it was different from the new sign for Uber and Lyft. Mr. Golinowski stated that approximately two weeks ago Airports Authority staff had changed many of the displayed signs to include taxis. He advised that the new yellow signs now provide directions to locate taxis and app-based ride services. Mr. Tejada acknowledged Mr. Golinowski's statement. He stated that he was glad that staff is meeting with the taxi drivers on a regular basis and that the Airports Authority is responsive to them since Lyft and Uber are not the only ground transportation options available at the Airport. Mr. Golinowski acknowledged Mr. Tejada's observation and stated that the ground transportation options represent a balance.

With regard to the pedestrian issue with customers crossing the road outside of the designated area, Mr. Tejada inquired whether staff has considered painting the area or using arrows to identify the area where customers should walk. He stated that he had visited several airports recently and had noticed the different alternatives used to guide travelers. Mr. Golinowski stated that staff has considered using those options but that the problem is that curb lengths would change during construction so staff did not want to mark the pavement or sidewalks since the markings would need to be removed monthly; therefore, staff is attempting to direct customers to use the designated area by using signage, cones or barriers along the sidewalk.

Margaret McKeough, Executive Vice President and Chief Operating Officer, stated that numerous yellow warning barriers are placed throughout the closed area to block passengers' ability to cross the

roadway. Mr. Potter observed that the issue is that passengers walk alongside the closed lane, which is an open roadway filled with traffic.

Quarterly Update – Ronald Reagan Washington National Airport Project Journey. Kevin Sharkey and Carolyn Ellison of Turner were present to provide the update. Mr. Sharkey shared slides of the five packages that comprised Turner's contract for Project Journey and reviewed each package. He reported that Package 1 is the repositioning of parking lot K for American Airline's operations and the conversion of a grass infield to a paved area. Package 2A is the demolition of the Corporate Office Building and Hangars 11 and 12. Mr. Sharkey advised that Package 2B will continue throughout the entire project and it addresses work that mostly involves a utility relocation and airside paving. He stated that Packages 1 and 2 served as enabling projects that will lead to the completion of a connector and the 14-gate North Concourse [Package 3]. The Secure National Hall package would involve the security relocation to encapsulate the National Hall on a secure side.

From a status standpoint, Mr. Sharkey reported that preconstruction, which began in 2016 for 18 months, is now complete. He advised that firm fixed prices were accepted for all five packages. Mr. Sharkey reported that construction was complete for Packages 1 and 2A. As previously reported, Package 2B would continue until May 2021. Mr. Sharkey stated that work underway on the New Concourse included processing construction submittals, pre-forming condition surveys and locating onsite utilities. He advised that the New Concourse and Secure National Hall projects are scheduled to be completed in July and February 2021, respectively.

From a safety standpoint, Mr. Sharkey stated that Turner had completed approximately 160,000 hours with no recordable incidents and no lost time incidents. He advised that Turner had provided safety orientation to approximately 680 tradesmen.

Ms. Ellison reminded everyone that the work of Turner's Community Benefits Plan is under the direction and partnership with the Office of Supplier Diversity, specifically Julia Hodge, Vice President for Supply Chain Management, and Wande Leintu, Deputy Vice President for Supplier Diversity. She stated that she spends a great deal of time coordinating and ensuring that Turner's efforts are engaging and inclusive of the community. Ms. Ellison reviewed the eight point program. She stated that the first program element is the Training and

Apprenticeship Program. Ms. Ellison advised that Turner engages in a significant amount of pre-apprenticeship training activity focused on high school students. She noted that Turner has an ongoing relationship with Phelps High School in D.C., and it has recently extended its efforts [with high schools] in Virginia. Additionally, Turner has a partnership with Junior Achievement, and it had recently completed a shadow program with 20 students from the Chantilly Academy. Ms. Ellison reported that Turner is looking to extend its efforts in Maryland. She advised that Turner is partnering with other companies from its Baltimore, Maryland office for assistance with Maryland schools.

Mr. Mims requested that Turner also include schools located in Prince George's County [for its pre-apprenticeship training activity]. Ms. Ellison agreed to include Prince George's County in its efforts.

Ms. Ellis stated that Turner expected that most of its job apprenticeship activity would derive from union firms, and shared a slide that listed such firms. She noted that most of the packages would occur in the later months of the program activity, and a significant amount of the dollars and the hours would be tied specifically to mechanical and plumbing services. Ms. Ellison shared a slide that listed the apprentice activity [for the first quarter of 2018], which indicated that six to eight percent of apprentice hours were associated with the smaller package awards. She noted that that percentage is expected to rise to 10 percent with increased activity.

Ms. Ellison reported that the second program element is the Veterans Program. She advised that Turner has an ongoing company priority to recruit and hire veterans internally. Ms. Ellison stated that she had previously reported that Turner had hired four safety engineers since the start of the Veterans Program 18 months ago. She reported that two additional veterans were since hired as field engineers.

Ms. Hanley observed that Winterhaven Homeless Veteran Stand Down sounds like it might be located in Florida. Ms. Ellison stated that it is a local effort that has been in existence where homeless veterans come together on an annual basis. Ms. Hanley inquired about the number of veterans employed to work on the Airports Authority's project. Ms. Ellison acknowledged the request and agreed to provide the requested information. She explained that Turner's Veterans Program initiative includes long-term employees who are veterans and focuses on how Turner is continuing to reach out to the community to ensure that

ongoing hiring efforts include new veterans. Ms. Hanley expressed interest in how the ongoing hiring efforts resulted in employing additional veterans on the Airports Authority project. Ms. Ellison advised that one of the new safety engineers recently hired had worked on the Airports Authority's project and stated that she would provide information regarding the number of existing veteran employees who have worked on the project. Mr. Sharkey stated that there would likely be approximately 70 Turner employees on the Airports Authority project. He clarified that the Veterans Program is an outreach effort that Turner conducts nationally in areas where numerous veterans reside. Ms. Ellison stated that Turner is very proud of its Veterans Program that it conducts locally and nationally.

Mr. Speck inquired as to why Turner is reporting about its recruiting efforts in Gulf Port, Mississippi. With respect to specific recruitment efforts, Ms. Ellison stated that Turner is able to recruit veterans who have construction-related experience from Gulf Port. She explained that Turner is not seeking to recruit residents from Gulf Port, noting that military recruitment fairs are held in Mississippi and California.

Ms. Ellison stated that the third program element is Turner's LDBE Subcontracting Program, which had concluded. She reported that 18 events were held [since August 2016] and almost 1,700 persons attended those events. Ms. Ellison stated that all of the firms were invited to bid on contracts. She noted that no additional outreach activities would be held since the contracting opportunities for the project had concluded.

Mr. Sudow asked if all the subcontracts had been awarded, to which Ms. Ellison responded affirmatively. She stated that a total of 211 packages had been awarded, 125 of which (or 60 percent) had been awarded to Local Disadvantaged Business Enterprises (LDBEs). Ms. Ellison shared a slide that provided an overview about the task orders [for the packages].

Mr. Adams inquired whether Turner tracked the number of LDBEs that are Disadvantaged Business Enterprises (DBEs) or Women-owned Business Enterprises (WBEs). Ms. Ellison stated that Turner uses an internal process to monitor the certifications for companies that pre-qualify [for contract awards] but that staff only tracks the number of LDBEs. Mr. Adams asked if Turner had the number of DBEs and WBEs available internally. Ms. Ellison stated that the DBE and WBE

information is available, but noted that the firms' qualifications are individually verified for each project for which they have been awarded.

Mr. Pozen inquired about the total of LDBE contracts that had been awarded. Mr. Ellison stated that 60 percent of the contracts that had been awarded were awarded to LDBEs.

Ms. Ellison reported that the Airports Authority's contract requires Turner to have a 25 percent LDBE award. She stated that Turner had achieved 28 percent to date. Ms. Ellison advised that LDBE contract awards will total \$137,472,119.

In response to the request to provide information on the ethnicity and geographic dispersion of the labor, Ms. Ellison reported that the total labor hours expended on the project thus far is approximately 88,000. She noted that information on the ethnicity of the workforce was included on the referenced slide. Ms. Ellison shared a slide that provided information on labor by state (for Virginia, Maryland, Washington, DC, and other). She noted that the other category included employees who reside outside of the metropolitan area and predominantly provide labor for specific trades. Turner will attempt to provide additional details at its next quarterly update.

Ms. Ellison reported that another ongoing recruitment program to ensure the continued development of the subcontractor force is the Turner School of Construction Management, which has been in place since 1969. She advised that Turner previously offered two free classes annually. However, three classes are now being offered, and the next class would begin on April 26. Ms. Ellison stated that 75 firms had registered -- 60 percent of the firms represented Washington DC and 40 percent were from Maryland and Virginia.

Ms. Ellison also reported that another key component of the Benefits Plan is a Mentor/Protégé program. She stated that Turner is required to maintain two relationships [one with a general contractor and one with an additional subcontracting firm]. Ms. Ellison advised that Turner has a relationship with three LDBE firms. Turner is working with Gotta Go Now to help the firm focus on building financial competency. She reported that Dynamic Contracting is providing services for several packages associated with Secure National Hall, and the New Concourse. Turner is helping the firm to focus on building general contractor capabilities. Ms. Ellison reported that Cap 8 Doors & Hardware, which

is a DC-based LDBE and Turner School of Construction Management firm, provides doors and hardware products. It is providing products associated with Secure National Hall and the New Concourse. Ms. Ellison shared that the firm grosses approximately \$250,000 annually and the next vendor that provides similar products grosses approximately \$30 million annually so enormous growth potential exists for Cap 8 Doors & Hardware. She reported that one of Turner's general managers meets with the firm monthly to focus on its growth strategy and manage the firm's growth.

Ms. Ellison also reported that the Airports Authority's project requires Turner to have two college interns per year. She stated that Turner had confirmed the prior day that five interns would be assigned to the Airports Authority's project this summer. She noted that one of the interns expected is a Phelps High School graduate, currently enrolled at North Carolina A&T, who served as an intern two summers ago on the Airports Authority's project. Ms. Ellison advised that Turner's summer youth program is a high school program that it administers in conjunction with the District. She stated that there were five interns in 2016, four in 2017, and four are anticipated this summer. Ms. Ellison reported that Turner is working with the Office of Supplier Diversity to determine the interns' projects for this summer. She also reported that Turner has year-round programming with Phelps High School that involves a great deal of pre-apprenticeship activity. Ms. Ellison advised that the Ace Mentor Program would be held within the next several weeks, at which time an award would be made to a scholar. She stated that Mr. Sharkey serves on the ACE Board.

Ms. Ellison also reported that Turner has a project website and community hotline, which serve as core communication points for subcontractors. She stated that project updates are provided to ensure a continuous point of communication on the status of the project. Ms. Ellison reported that other information about ongoing initiatives for the community is also posted on the website. She advised that Founders Day, formally called "Paint the Town Blue" would soon be held, where employees are given the opportunity to take a day off to perform community service. She stated that there are two teams representing the Airports Authority, one of which would focus on veterans and has offered to undertake a painting job at Fort Belvoir and the USO offices. There is a total of 16 projects. Ms. Ellison referenced the associated slide and advised that the projects are listed by the audiences that they target,

such as veterans, youth, and other specific information regarding their interests and awareness of careers in construction.

Mr. Session observed that Ms. Ellison had reported that Turner had reached LDBE achievement of 28 percent to date and inquired whether additional opportunities are anticipated as the project continues. Ms. Ellison stated that all of the awards associated with the project had been made. Mr. Sharkey clarified that LDBE achievement is calculated based on the amount of revenue so if that amount changed, the LDBE achievement percentage could change. As previously reported, Turner had achieved 28 percent.

The meeting was thereupon adjourned at 11:49 a.m.