The New LaGuardia Airport: Project Overview
ACRP – Public-Private Partnerships Panel
July 10, 2019
Overview of LaGuardia Airport

- 680 Acres
- 4 Passenger Terminals (Currently)
- 30.1 Million Annual Passengers (2018)
- 6,878 Tons Cargo
- FAA Slot Controlled Airport

Terminal B
Past, Present & Future

<table>
<thead>
<tr>
<th>Year</th>
<th>MAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>8 MAAP</td>
</tr>
<tr>
<td>2018</td>
<td>14 MAAP</td>
</tr>
<tr>
<td>2030</td>
<td>&gt; 17 MAAP</td>
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MAAP: Million Annual Air Passengers
Phase 1
• Construct a New Terminal B (Central Terminal) with Central Arrival and Departure Hall
• Supporting Infrastructure New Improvement
Phase 2
• Redevelop Terminals C and D and Connect to Central Arrival and Departure Hall
Phase 3
• Potential LaGuardia AirTrain for Improved Transportation Access
Construction Milestones

- Terminal B Parking Garage
- Terminal B Headhouse Roads
- Terminal B Final Roads
- Terminal C Unifying Canopy
- Terminal C Concourse E
- Ground Breaking for Terminal C
- Term B Eastern Concourse (11 Gates)
- Terminal C Concourse G
- Terminal B Western Concourse North
- Terminal C Roadways
- Terminal C Headhouse
- Terminal B Headhouse
- Terminal C Concourse West
MASTER PLANNING FRAMEWORK

- PPP (with Design Build construction)
- Robust Community Engagement
- World-Class Terminals
- World-Class Amenities
- 21st Century Customer Experience
- 21st Century Technology
- State-Of-The-Art Security
- Simplified Roadways
- Easy Access to Ground Transportation
- Improved Airport Access
- Civic Architecture and Art
Terminal B Project Characteristics

✓ **Sheds Risk**: Retains the risk elements we are in position to manage, and transfers risk appropriately

✓ **Frees up funds in the PA’s 10-Year Capital Plan**

✓ **Financially Mutually Beneficial**: Strategic lease deal that positions Port Authority for future revenue sharing
P3 Procurement Process

- Request For Information (RFI) & Request For Qualifications (RFQ)
- Request For Proposal (RFP) - Requirements for Provisions of Work (RPW)
- Collaborative dialogue meetings
- Alternate Design Concepts
- Lease Negotiations
- Early Works - Supporting Infrastructure
- Stipend for Teams
Terminal B P3 – Would We Do It Again?

Yes

- $1.8B upfront investment for enabling projects
- Carefully planned procurement process worked. **Consortium is well-qualified** for design, construction and terminal operation
- Complex phased D&C has multiple impacts to the terminal operation. **Private sector is nimble** and can work deals with airlines quickly to maintain schedule
- Lessons Learned: **Better define platforms for collaboration** with enhanced key performance measures and reservation of governance rights
Thank You
Appendix
Advance Terminal B Replacement P3 Procurement

- P3 RFQ to select qualified teams
- Develop Project Briefing Book
- P3 RFP
- P3 Collaborative Dialogue Meetings Throughout RFP Process

Proposal Components (Technical, O&M, Financial & Management)

- Fixed D&C Price Proposal
- Assumed Airline Rates and Charges Methodology
- Projected Revenues, O&M and Traffic Levels
- Financing Plan
- Minimum $200M Equity / $20M Bid Security

Selection of Preferred Proposer & Authorization to enter into an Interim Agreement (PNTP-To Begin D&C Post Selection – Pre-award; During Negotiations and Time to Achieve/Commercial and Financial Close)
P3 Program Responsibilities

Port Authority

- Airport Operator
- PFC Funding (with FAA Approval)
- Airport Infrastructure Funding
- Obtain Environmental Approvals
- Approve Design / Construction Submissions
- Relocate Airport-wide Functions out of Existing Terminal B

Developer

- Complete Construction at Fixed Price & On Schedule
- Provide Additional Funding Including Equity
- Operate and Maintain Project for 35 Years
- Pay Annual Rent + Revenue Share
- Manage All Airline-Driven Charges
- Negotiate All New Terminal B Subleases
- Perform Lifecycle Improvements and Return Terminal at End of Lease in Required Condition
• Five-time Skytrax World Airport Award Winner
• 20 Years in Global Airport Experience
• Manage 9 Airports Around the World
• Transitioned 19 Airports from Public to Private

Preferred Proposer: LaGuardia Gateway Partners

<table>
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<th>Area of Expertise</th>
<th>Company</th>
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<tbody>
<tr>
<td>Operations</td>
<td>Vantage Airport Group</td>
</tr>
<tr>
<td>Equity Investment</td>
<td>Meridiam / Vantage/Skanska ID</td>
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<tr>
<td>Debt Finance</td>
<td>Citigroup Global Markets / Wells Fargo</td>
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<tr>
<td>Construction</td>
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<td>Design</td>
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<td>Aviation Planning &amp; Engineering</td>
<td>Parsons Brinckerhoff</td>
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<td>Details</td>
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| World-Class Terminal             | • Award-winning terminal operator with global experience  
• Fully-integrated team invested in long-term partnership                                                                                       |
| Enduring/Innovative Design       | • Design provides iconic New York experience and can accommodate future airport enhancements  
• LEED Gold Certification                                                                                                                     |
| Minimize Disruption              | • One move per airline – least disruptive to passengers                                                                                     |
| Best Value/Greatest Certainty    | • Headhouse and total project complete early  
• Efficient phasing/staging  
• Fixed all-in cost of $3.2B                                                                                                                     |
| Fair Reasonable Airline Cost     | • Proven and transparent compensatory rate method                                                                                              |
| Optimize Risk Sharing            | • Nearly all cost and delay risk borne by developer  
• Management fees tied to budgetary performance  
• Appropriate revenue share given risk allocations                                                                                              |
P3 – Lessons Learned

• Communication
  • More outreach required to clarify PA-P3 roles (Airport Operator/Terminal Operator)
  • More internal staff outreach -- reluctance to let go was very difficult.
  • Support from local elected and local community is critical

• Governance Structure
  • Stewardship is never completely transferred, but shared.
  • Private sector = bottom line. RPW & Lease is the Bible. Balance between prescribe and describe is always challenging. Where there’s room for interpretation, the P3 will find it.
  • PA control over D&C. TAA process modified appropriately to support D-B and expedite work.
  • Complex phased D&C has multiple impacts to the terminal operation. Private sector is nimble and can work deals with airlines quickly to maintain schedule.
P3 - Program Challenges

• Maintaining Safe and Smooth Operations
• Minimizing Customer Inconvenience
• Landside Operations Challenges
• Meeting Obligations to the Airlines
• Multiple Concurrent Construction Activities
• Difficult Site Logistics and Limited Staging Area