



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

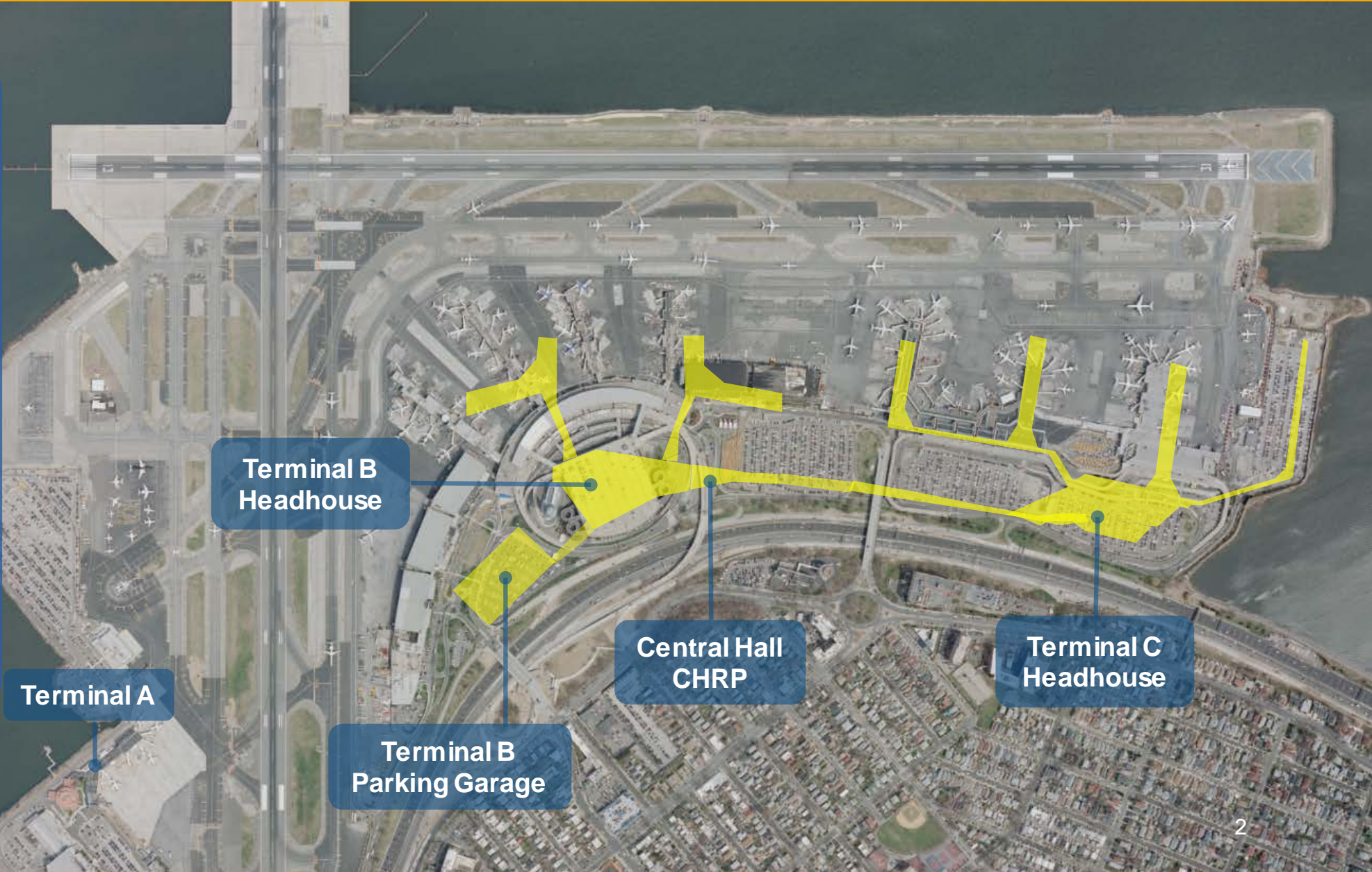
# Overview of LaGuardia Airport

- 680 Acres
- 4 Passenger Terminals (Currently)
- 372,025 Annual Flights (2018)
- 30.1 Million Annual Passengers (2018)
- 6,878 Tons Cargo
- FAA Slot Controlled Airport

## Terminal B Past, Present & Future

1964	8 MAAP
2018	14 MAAP
2030	> 17 MAAP

MAAP: Million Annual Air Passengers



# A Whole New LGA

Replace Terminals B, C, and D with a Unified Terminal



**Phase 1**

- Construct a New Terminal B (Central Terminal) with Central Arrival and Departure Hall
- Supporting Infrastructure New Improvement

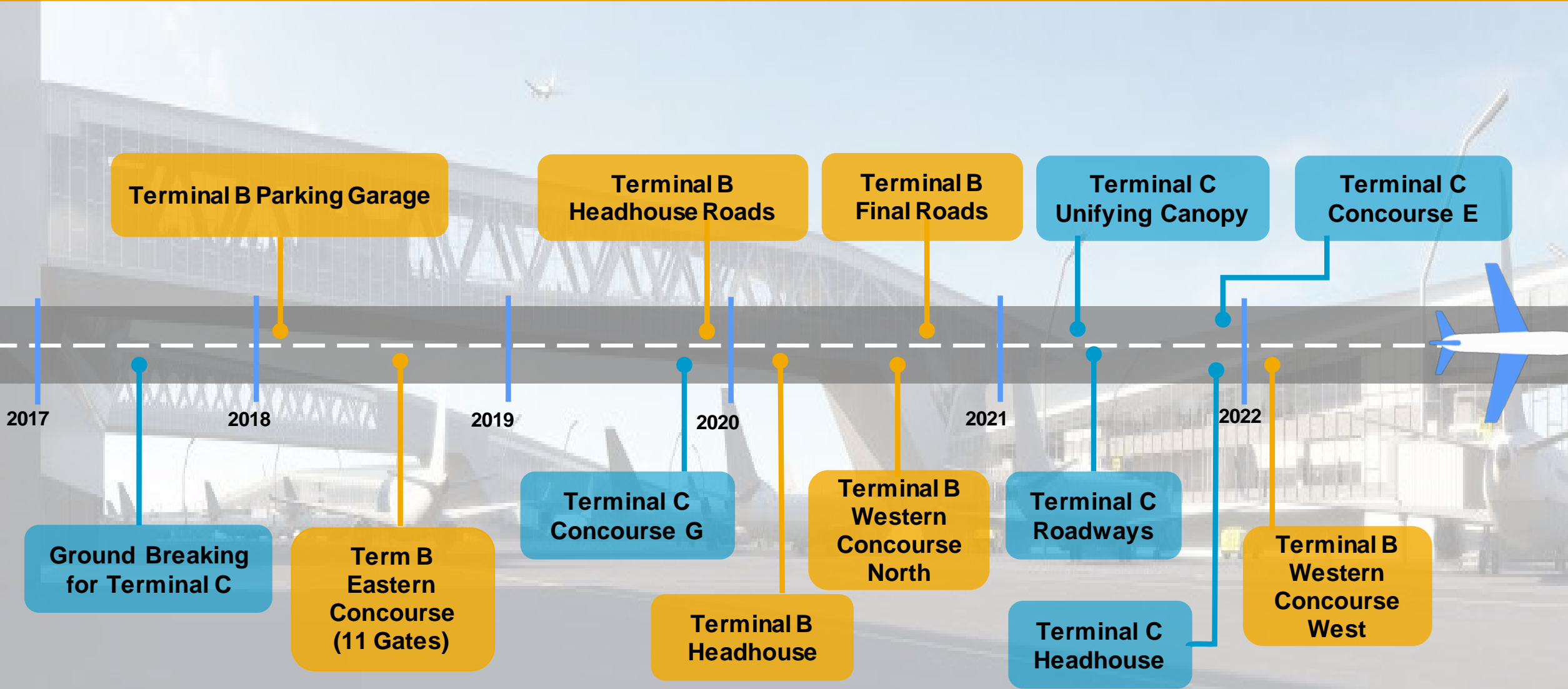
**Phase 2**

- Redevelop Terminals C and D and Connect to Central Arrival and Departure Hall

**Phase 3**

- Potential LaGuardia AirTrain for Improved Transportation Access

# Construction Milestones



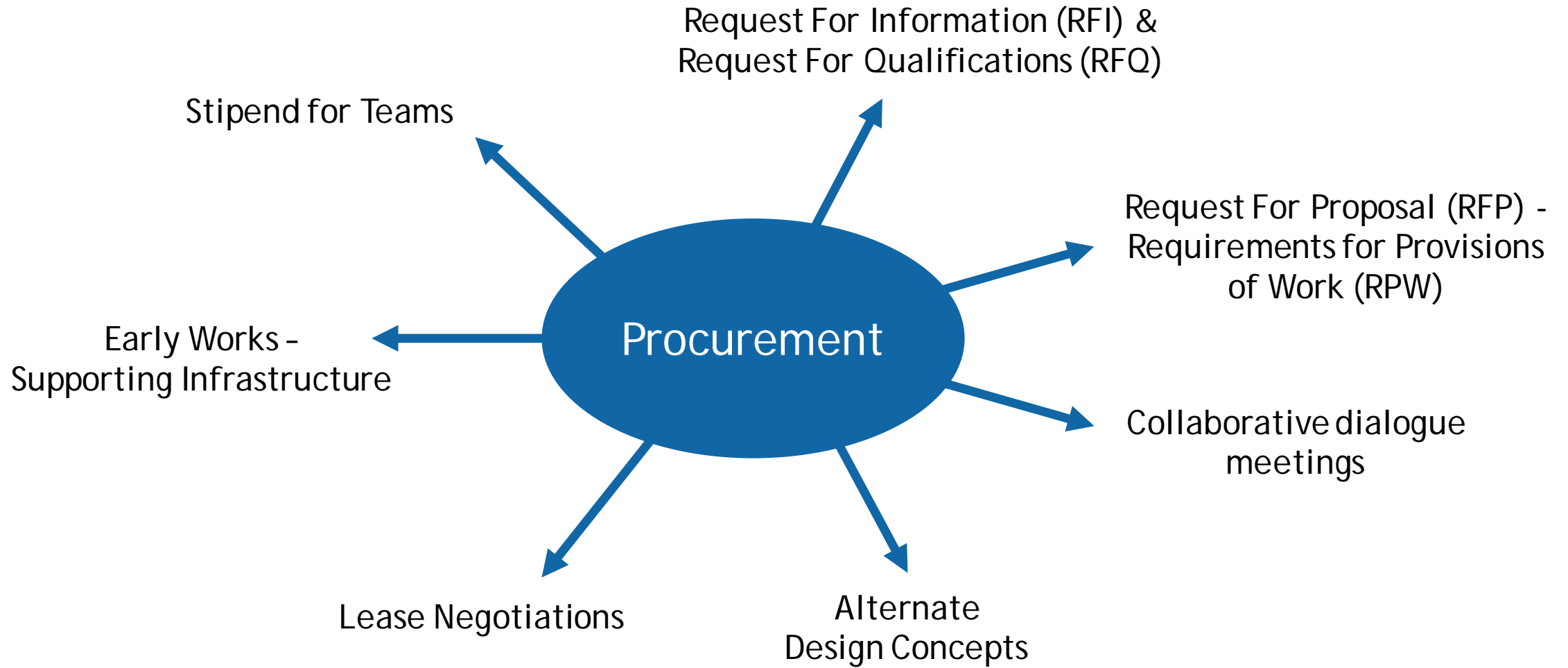
# MASTER PLANNING FRAMEWORK

- **PPP (with Design Build construction)**
- **Robust Community Engagement**
- **World-Class Terminals**
- **World-Class Amenities**
- **21<sup>st</sup> Century Customer Experience**
- **21<sup>st</sup> 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



# 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



A WHOLE  
NEW **LGA**

# Thank You



A WHOLE  
NEW **LGA**

# Appendix

# P3 Procurement Process

## **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 (PNTF-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

# Preferred Proposer: LaGuardia Gateway Partners

- 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



Area of Expertise	Company
Operations	Vantage Airport Group
Equity Investment Debt Finance	Meridiam / Vantage/Skanska ID Citigroup Global Markets / Wells Fargo
Construction	Skanska ID Walsh Construction
Design	Hellmuth, Obata + Kassabaum, PC
Aviation Planning & Engineering	Parsons Brinckerhoff

# Preferred Proposer: LaGuardia Gateway Partners

<b>World-Class Terminal</b>	<ul style="list-style-type: none"> <li>• Award-winning terminal operator with global experience</li> <li>• Fully-integrated team invested in long-term partnership</li> </ul>
<b>Enduring/Innovative Design</b>	<ul style="list-style-type: none"> <li>• Design provides iconic New York experience and can accommodate future airport enhancements</li> <li>• LEED Gold Certification</li> </ul>
<b>Minimize Disruption</b>	<ul style="list-style-type: none"> <li>• One move per airline – least disruptive to passengers</li> </ul>
<b>Best Value/Greatest Certainty</b>	<ul style="list-style-type: none"> <li>• Headhouse and total project complete early</li> <li>• Efficient phasing/staging</li> <li>• Fixed all-in cost of \$3.2B</li> </ul>
<b>Fair Reasonable Airline Cost</b>	<ul style="list-style-type: none"> <li>• Proven and transparent compensatory rate method</li> </ul>
<b>Optimize Risk Sharing</b>	<ul style="list-style-type: none"> <li>• Nearly all cost and delay risk borne by developer</li> <li>• Management fees tied to budgetary performance</li> <li>• Appropriate revenue share given risk allocations</li> </ul>

- **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.



- 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