



LaGuardia Airport Renewal

Queens, New York

LaGuardia airport is a vital feature of New York City's infrastructure—one of only three major commercial airports to serve the region. The airport's central terminal building was constructed in 1964 with a designed capacity of 8 million air passengers per year; however, the Port Authority of New York & New Jersey (PANYNJ) estimates traffic in the terminal will surpass 17 million annual passengers by 2030, more than twice its intended capacity. This insufficiency, combined with aging infrastructure and facilities, encouraged the PANYNJ to undertake an \$8.0 billion airport renewal project, which allocates \$3.6 billion to the construction of a new Central Terminal Building. Having successfully accomplished a number of P3 Projects in the past, the PANYNJ identified public private partnership delivery method as "the best means to achieve its objectives for the Project." Specifically, the Authority elected to employ the DBFOM method, contracting with a private team to design, build, finance, operate, and maintain the new Central Terminal Building with a 35 year concession term. After a highly competitive procurement process, the PANYNJ selected LaGuardia Gateway Partners, a private group comprised of Meridiam Infrastructure North America, Skanska Construction, Vantage Airport Group, Walsh Group, HOK Engineering, and WSP Global, to carry out the project. At financial close, investor equity in the project totaled \$200 Million, divided evenly between Meridiam, Skanska, and Vantage.

The LaGuardia Airport Central Terminal Building Replacement Project is highly complex; the renewal will replace the Central Terminal Building and its surrounding infrastructure, including roads, pedestrian bridges, parking facilities, and central heating and refrigeration systems. Moreover, as LaGuardia is responsible for a large portion of New York City's air travel, the PANYNJ has elected to continue to operate the Central Terminal Building during its replacement, which mandates the construction of temporary facilities during demolition and reconstruction. The Authority cited this complexity as a motivating factor in its decision to partner with the private sector.

GOALS AND OBJECTIVES FOR THE PROJECT

As the PANYNJ maintains ultimate discretion over the project's development throughout its construction, The Authority has articulated specific mandates and goals. The heart of the Project is the demolition of the existing Central Terminal Building (CTB), including its four concourses, parking garage, and frontage roads; however, as the Authority aims to maintain the airport's functionality during construction, it also mandates the construction of temporary facilities to support passenger service as usual during construction. Moreover, The Project also entails the complete design and construction of the new CTB, including contiguous aircraft ramp areas, roads, concourses, central heating and air conditioning facilities, and other necessary infrastructure. More broadly, the Authority seeks to construct a terminal capable of handling its projected increase in traffic, aiming to develop an innovative, highly adaptable design with an eye toward sustainability at a reasonable cost to tenant airlines.

KEY FACTS

- ▶ USD \$3.9 billion project cost
- ▶ Largest public private partnership undertaken in the United States to date
- ▶ Demolish and reconstruct Central Terminal Building & surrounding Roads, Bridges, and Parking Structures
- ▶ 1.3 Million Square Feet Central Terminal Building
- ▶ CTB will house restaurants, lounges, and 35 aircraft gates
- ▶ DBFOM with a 35-year concession term
- ▶ Read Project Briefing [here](#)

Procurement Model Benefits

- The Developer's obligation to design, build, finance, operate, and maintain major building systems
- Private investors will recover investment from project revenues, comprised of airline terminal rentals, ramp fees and chargers, and revenues from retailers and concessions within the terminal
- Governmental, regulatory, sustainability and building official approval requirements
- PANYNJ retains full discretion over sustainable development of the CTB according to internally established Sustainable Building and Infrastructure Guidelines
- Ownership of the land and building throughout the 35-year agreement is not relinquished at any point during the renewal process
- Risks of delivery and operation are transferred to the private sector. This means that full life-cycle costs of the project were predictable when the agreements were reviewed, approved, and signed. The state's costs will not increase if interest rates go up or if a third party tenant moves out.