

# **LaGuardia Airport Redevelopment of Terminal C and D Authorization of Project Contributions**

Committee on Capital Planning, Execution & Asset Management

July 21, 2016

# Project Overview

- LGA's Terminals C&D, originally constructed in 1992 and 1983, will be redeveloped by Delta Air Lines to create a new state-of-the-art terminal connecting to and unified with the recently authorized Terminal B and Central Hall
  - Delta's lease for existing Terminals C&D expires in 2017
  - Responsible for approximately 38% of LGA passenger traffic
- Delta will design and construct a new 37-gate Terminal C&D at a total project cost of approximately \$4.0 billion
- Consistent with Terminal B, Terminal C & D will be located closer to the Grand Central Parkway, creating up to 13 acres, approximately 40% of additional airside space
- Port Authority and Delta anticipate entering into a long-term lease to 2050, co-terminous with the Port Authority's lease with New York City; with terms and conditions generally consistent with existing Port Authority unit terminal leases

## Project Overview (continued)

- Construction anticipated to begin in early 2017, following environmental permitting
- Various elements of the terminal opening in phases over up to eight years, with the main head house expected to open in 2020
- Delta has developed a construction phasing plan that maintains flight operations and does not interfere with other construction work at the airport, including the new Terminal B project
  - Construction coordination agreement in place with LaGuardia Gateway Partners and the Port Authority
- Consistent with prior practice for new terminal developments at Port Authority airports, rent on the existing terminals will be abated upon demolition, with the abatement limited to an amount equal to the present value of expected incremental revenue to the Port Authority generated by expanded concessions and other revenues associated with the new Terminal





**THE PORT AUTHORITY** OF NY & NJ

# Proposed Authorization

- Port Authority to make certain capital expenditures and contribute to certain other capital investments to be made by Delta Air Lines in an aggregate amount not to exceed \$600 million in connection with the new Terminal:
  - \$200 million towards the new Terminal, concourses, and ramp work
  - \$185 million towards a new electrical substation, East Garage expansion and temporary parking
  - \$215 million towards roadways and other infrastructure work necessary to support the new facilities
  
- Staff to finalize lease negotiations with Delta, incorporating the foregoing terms, with the terms of the final agreement subject to future Board approval



**THE PORT AUTHORITY** OF NY & NJ