

JFK Redevelopment

Committee on Capital Planning, Execution and Asset Management
October 25, 2018

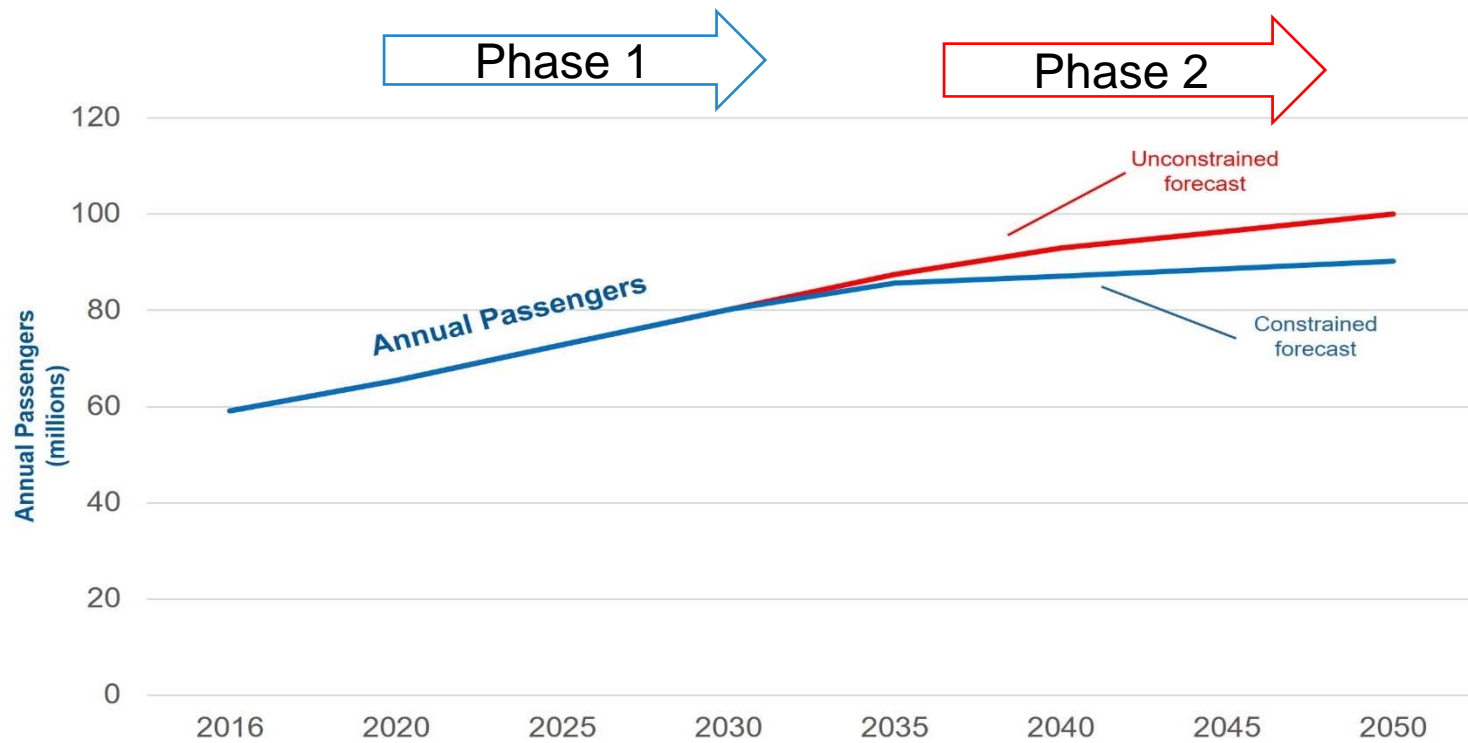
JFK Redevelopment JFK Vision Plan



Accommodate Growing Demand
(from 60 to 100 million passengers by 2050)

**Provide a Consistent,
World Class and Secure
Passenger Experience**

JFK Redevelopment Forecast Demand



Comparative Analysis Process

- Parallel lease negotiations with existing terminal operators
 - All JFK terminal operators invited to submit proposals
 - Constrained and limited development sites
 - Limited PA capital to support
- Comparative Analysis Team of senior PA decision-makers
- Used best practices from formal procurements
- Existing terminal operators identified and independently selected consortium partners – no PA involvement

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Evaluation Considerations (1 of 2)

Area	Consideration	
Provides Unified, World-Class Operation to Accommodate Substantial Passenger Growth	<ul style="list-style-type: none"> Terminal capacity 	<ul style="list-style-type: none"> Phased in, to support growing demand Maximizes use of gates and other assets Balanced – North vs. South, landside vs. airside Includes airside support facilities
	<ul style="list-style-type: none"> Customer experience 	<ul style="list-style-type: none"> Seamless, efficient, and stress reducing customer journey Leverages digital technology Global standards of excellence Best-in-class retail and other passenger amenities Performance metrics, incentives, and penalties
	<ul style="list-style-type: none"> Design excellence 	<ul style="list-style-type: none"> Unifying architectural features to create “One JFK” Air, light, and space Clarity of wayfinding Sense of location in NYC Visual identify as primary US international gateway Sustainability
	<ul style="list-style-type: none"> Security 	<ul style="list-style-type: none"> Leverages state-of-the-art technologies, systems, and protocols
	<ul style="list-style-type: none"> Airport access 	<ul style="list-style-type: none"> Expanded road frontage, drop-off/pick-up zones, parking, and connection to AirTrain

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Evaluation Considerations (2 of 2)

Area	Consideration
Delivers Good Value to Port Authority	<ul style="list-style-type: none">• Optimizes use of \$1 billion in capital plan• Protects long-term revenues in financial plan• Maximizes NPV over life of lease• Considers impact to airlines and passengers through CPE
Delivers on Expedited Schedule	<ul style="list-style-type: none">• Construction start date• Construction completion date
Led by World-Class Team	<ul style="list-style-type: none">• Development and construction• Operations• MWBE goals

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Comparative Analysis Team Recommendations

Asset / Team	Comments	Cost
PA infrastructure	<ul style="list-style-type: none"> Roadways, utilities, electrical substations, airfield improvements, ground transportation center, AirTrain improvements, traffic mitigation, and PA oversight 	<p>\$1 billion – PA Capital Plan</p> <p>\$2 billion – private funding of infrastructure</p>
Terminal One Group (TOGA) Financial partners: Carlyle / JLC / Ullico	<ul style="list-style-type: none"> Terminal 1-3 sites 2.9 million SF terminal 23 wide body gates, 1 narrow body gate Phase 1 – open 2023 Phase 2 – open 2025 	\$7 billion – private investment commitment
JetBlue Financial partners: Vantage / RXR / MWBE partner	<ul style="list-style-type: none"> Terminal 6-7 sites 1.2 million SF terminal 12 wide body gates Phase 1 – open 2023 Phase 2 – open 2025 	\$3 billion – private investment commitment

JFK Redevelopment Environmental and Construction Timeline

Activity	Timing
Environmental analysis starts	October 2018
Final lease agreements (subject to environmental approvals)	Q1/Q2 2019
Environmental approvals / commercial and financial close	Early 2020
Construction starts	Mid 2020
Initial opening	2023
Full opening	2025

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Recommended Board Action

- Authorization to enter into exclusive negotiations for the development of two new international air terminals at John F. Kennedy International Airport (JFK) and associated Port Authority infrastructure
- Negotiations are expected to conclude in 2019 with finalized lease agreements brought back to the Board for approval