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Team Selected for La Guardia Redevelopment

Port Authority chooses consortium to replace New York City airport's aging main terminal



Passengers queue at La Guardia's Terminal B in March. *PHOTO: KEVIN HAGEN FOR THE WALL STREET JOURNAL*

By **ANDREW TANGEL**

May 28, 2015 3:32 p.m. ET

La Guardia Airport's operator selected a development team on Thursday to replace an aging terminal building, a major step as officials said they would consider increasing the cost of the delayed project by hundreds of millions of dollars to pay for a grand entryway.

The cost of the project, initially estimated at \$3.6 billion, could rise by up to \$400 million to construct a new “central entry portal” for La Guardia’s Central Terminal Building, known to travelers as Terminal B, officials said on Thursday. That means the total price tag could grow by about 10%.

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The entryway was recommended by an outside

panel appointed by New York Gov. Andrew Cuomo and tasked with broadly reimagining the entire airport. If eventually approved, the entryway would link Terminals B and C, offer retail space and potentially accommodate a rail link, a people-mover, hotel and meeting center.

But first, the Port Authority of New York and New Jersey, the airport’s operator, is expected to kick off months of negotiations to reach a final agreement with the winning consortium, La Guardia Gateway Partners. This possible new entryway would be subject to those talks.

“We look forward to dealing with that,” said John Degnan, the authority’s chairman, referring to the entryway, “but today we are taking a major step toward the renovation of La Guardia Airport and conforming it to 21st-century needs.”

La Guardia, one of the nation’s busiest airports, is a hub for Delta and gets significant traffic from American Airlines and other carriers. The aviation facility handled about 30 million passengers over the past year, up from about 18 million in 1980.

Construction of the new Terminal B is expected to start in the first quarter of 2016. Port Authority officials cast Thursday’s move as the first step in a long-term, dramatic transformation for La Guardia and the region’s other airports.

They noted, too, that the new entry might help La Guardia generate additional revenue which, along with tolls from the authority’s bridges and tunnels, would finance the authority’s transportation projects.

“It’s the front door to our region, and when people come here they should say, ‘This is what New York stands for,’ ” said Scott Rechler, a New York commissioner who is the authority’s vice chairman.

The winning consortium includes Vantage Airport Group, development firm Skanska USA Inc., architecture and engineering company HOK as well as financial giants such as Morgan Stanley and Citigroup Inc.

Stewart Steeves, the winning consortium’s president and chief executive, said in a statement that the team is “ready to deliver an exceptional experience for the airport community and the travelers who will pass through the new terminal.”

The Port Authority was expected to select a winning team last fall to construct and finance a replacement for Terminal B. But the decision was delayed after New York Gov. Andrew Cuomo in October launched a competition to redesign La Guardia and other New York airports. He was joined at an event by Vice President Joe Biden, who had ridiculed the airport as out of the “Third World.”

While business and transportation groups cheered the Port Authority’s move on Thursday, questions lingered over how the authority would reconcile the design panel’s recommendations with the terminal project. The Port Authority, which said the entry would “create a unifying architectural experience,” released no renderings of what it might look like.

Mitchell Moss, director of the Rudin Center for Transportation Policy & Management at New York University, questioned whether the potential \$400 million for the entry could be better spent on access to the airport.

La Guardia, located in Queens, isn’t connected by train to the city’s transit system. Mr. Cuomo has proposed such a link.

“We need to improve access to the airport, not the aesthetics of the entryway,” Mr. Moss said.

Rich Barone, director of transportation programs at the Regional Plan Association, a civic group, said the entry plans initially seemed vague and were a potential “recipe for overruns.” But he said he was nonetheless relieved the terminal project is moving forward.

“We all agree that La Guardia needs a significant face-lift,” he said.

Mr. Cuomo said on Thursday that the Port Authority’s earlier plan for La Guardia was “shortsighted” and insufficient. “My directive was not to rebuild what was, but imagine

and build what should be,” he said.

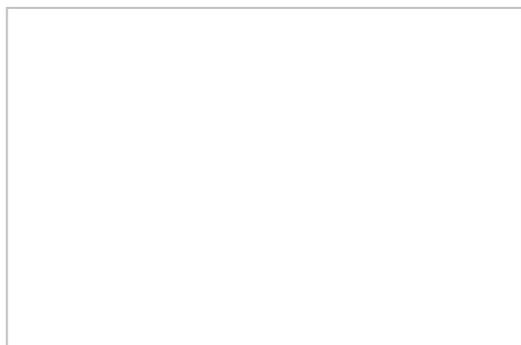
Mr. Degnan, who was appointed by New Jersey Gov. Chris Christie, said Mr. Cuomo’s airport competition had challenged the authority to rethink the airports it operates. This year, the authority is expected to reconsider the priorities of major construction projects, including replacing its aging Port Authority Bus Terminal in Midtown Manhattan.

After La Guardia’s terminal project gets under way, Mr. Degnan said, Terminal A at Newark Liberty International Airport would become “the next most compelling need for total renovation” at the region’s aviation facilities.

La Guardia’s Central Terminal Building dates to 1964 and houses about half of the airport’s gates. Officials had expected the renovation to conclude by the third quarter of 2021, but on Thursday said negotiations could change the timeline. The project is considered the country’s largest so-called public-private partnership.

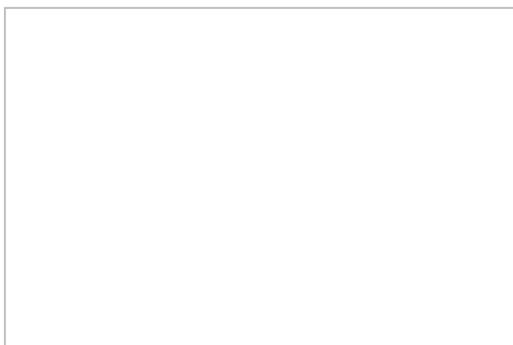
Other major changes may also be in the offing for La Guardia. The Port Authority is considering lifting a decades-old restriction on flights longer than 1,500 miles from the airport, including to California and other West Coast destinations. A decision on lifting the so-called perimeter rule isn’t expected until later this year.

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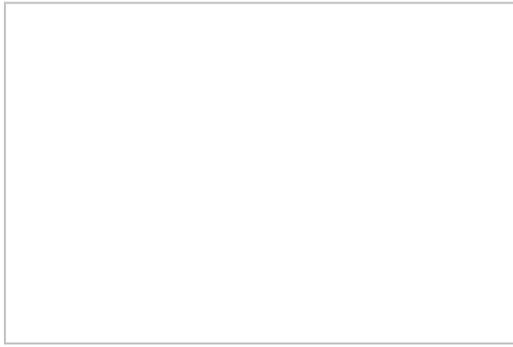
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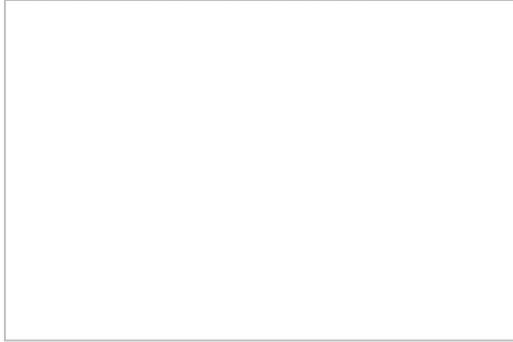
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