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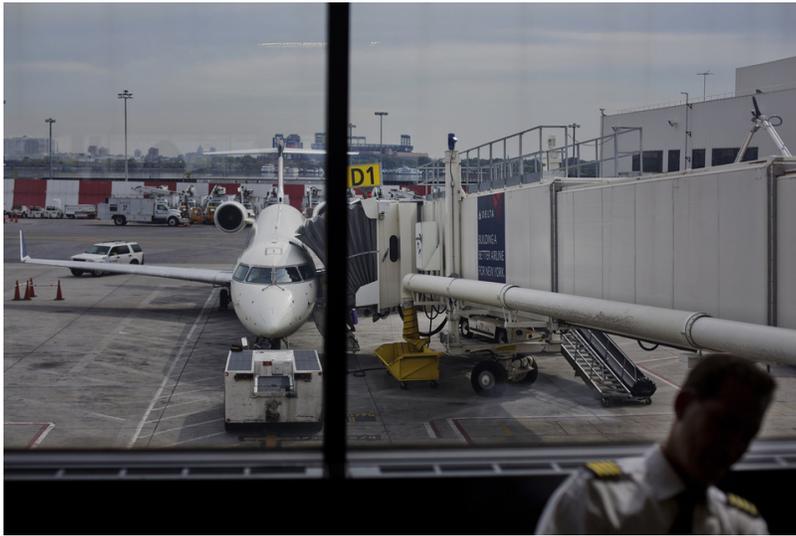
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More Questions on Schedule for La Guardia Airport Work

Operator backs off deadline to pick winning bid for project



A plane at a gate at La Guardia Airport in New York City. PHOTO: BLOOMBERG

By **ANDREW TANGEL**

Feb. 27, 2015 9:34 p.m. ET

The timing for a long-awaited overhaul of a major La Guardia Airport terminal was cast further into doubt as its operator backed off an April deadline to pick a winning bid for the project.

The reversal by the Port Authority of New York and New Jersey is likely to irk business and transportation groups that have bemoaned delays in the authority's \$3.6 billion

replacement of the airport's Central Terminal Building, known to travelers as Terminal B.

"It's always delays, delays and delays and more reasons for delays," said Joseph Sitt, chairman of the Global Gateway Alliance, an advocacy group focused on improving the region's airports. "It's just been frustrating."

The Port Authority said Friday that its chairman, John Degnan, no longer believed a deadline was necessary for picking a team to finance and construct the new terminal.

"Pending developments relevant to that review, the chairman sees no need at the present time to schedule a date on which the matter must be resolved," a spokesman said, adding that the Port Authority was "committed to the modernization of La Guardia."

Mr. Degnan's position marks a reversal from his statements at the authority's board meeting last week.

After noting the authority had asked bidders in the terminal project to participate for another three months until late April, Mr. Degnan portrayed completing the delayed project as imperative for the authority's credibility.

"It is imperative that we wait no longer than those 90 days," Mr. Degnan, an appointee of New Jersey Gov. Chris Christie, said last Thursday.

The uncertainty surrounding the terminal project comes amid questions about a separate contest to broadly redesign New York's airports.

The contest was launched in October by New York Gov. Andrew Cuomo. He was accompanied by Vice President Joe Biden, who earlier last year ridiculed La Guardia as an airport of the "Third World."

A Cuomo administration official said the Central Terminal Building project would move forward "shortly," but that the governor wanted to ensure a comprehensive overhaul of La Guardia so that more than merely half the airport would be addressed.

This official noted the governor's recent ambitious plan to add an air-train link to the airport, which isn't connected by a subway or commuter train line.

Gov. Cuomo's airport design contest has drawn some skepticism because of questions over its scope, timing and how it would work with a new Terminal B, which represents about half of the airport's gates.

“There’s real questions about what’s coming out of this,” said Rich Barone, director of transportation programs at the Regional Plan Association.

Added Mitchell Moss, director of the Rudin Center for Transportation at New York University: “This design exercise is a charade, which we should not take seriously.”

Mr. Degan, speaking at last week’s meeting, had urged a Cuomo-appointed panel tasked with picking contest finalists to finish its work so the Port Authority board could select a team to replace the Central Terminal Building.

On Friday, members of the contest panel met with the terminal project’s remaining bidders, in a conference room across from Air Canada’s Maple Leaf Lounge at La Guardia.

Port Authority officials and others attending the meeting declined to comment as they left.

The authority officially sought proposals from teams to finance and build a new Central Terminal Building in October 2012.

If completed, the project would be the biggest public-private partnership ever in the U.S., as measured by total costs, according to Anne Selting, an analytical manager in the utilities and infrastructure group at Standard & Poor’s.

Firms that are part of consortia in the running include Goldman Sachs Group Inc. and major development firm Skanska USA Inc.

Business groups criticized the Port Authority’s reversal on picking a winning terminal bid.

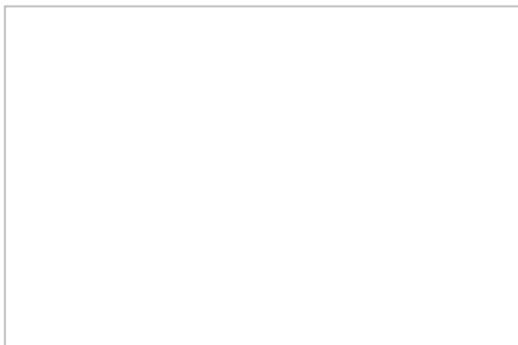
“The design competition to ‘re-envision’ the airport and discussions about changing the perimeter rule should have taken place before the industry was requested to submit proposals for the Central Terminal Building,” said Denise Richardson, executive director of the General Contractors Association of New York.

Amid changes proposed for the airport, the Port Authority said this week it was considering lifting a restriction on La Guardia flights farther than 1,500 miles.

The so-called perimeter rule, formally in place since 1984, exempts flights to Denver and isn’t in effect on Saturdays.

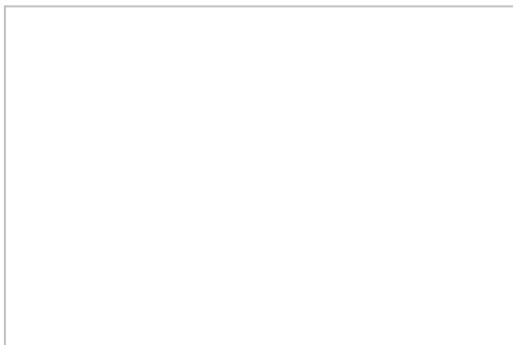
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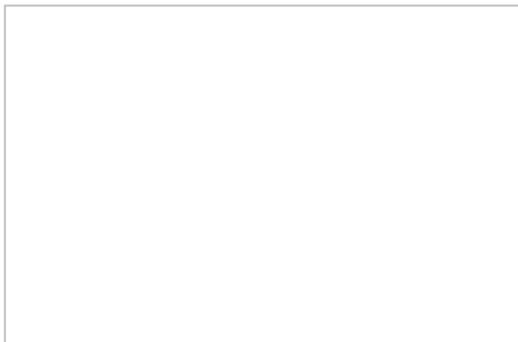
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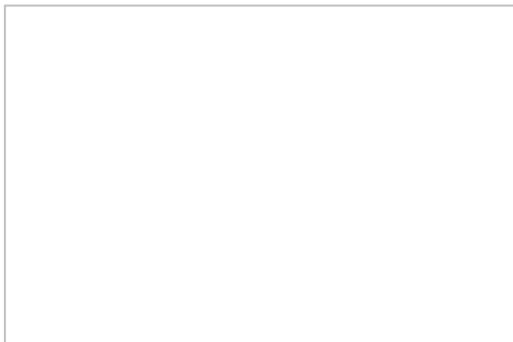
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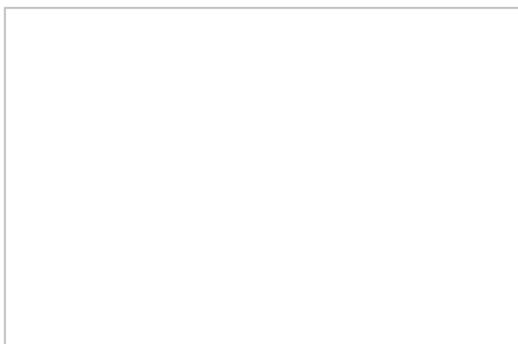
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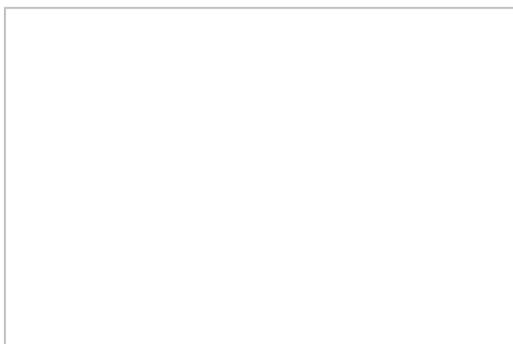
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