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New York Airport's \$4 Billion Renovation Financing Deal Closes, Begins Lease.

NEW YORK — A \$4 billion project to renovate New York's dilapidated LaGuardia Airport finalized its financing on Wednesday, marking the start of a 34-year lease on one of the most complex public-private partnerships in the United States.

The Port Authority of New York and New Jersey, which operates the critical regional transportation hub, reached financial close on the deal with LaGuardia Gateway Partners (LGP), a consortium of Vantage Airport Group, Skanska and Meridiam.

"We are committed to delivering this project on time and within budget, while keeping communities engaged and informed," said LGP CEO Stewart Steeves in a statement. "We will build and operate a facility that New Yorkers can be proud of."

Vice President Joe Biden derided the airport in 2014 when he compared it to "some third-world country." Last year, he returned there to tout the redevelopment project.

The project is extremely complicated because the airport will remain open and fully operational during the rebuilding of the airport's central terminal.

The Port Authority chose a public-private partnership to rebuild the terminal in part because it could shift construction risk to the private sector.

After construction is complete, the consortium will operate and maintain the facility for the duration of the lease, which ends in 2050.

On Tuesday, the Port Authority said some terminal roadways could be congested and that it will close some parking lots in June and July as part of the project.

New facilities will begin to open in 2018, with plans to have the project substantially completed in 2022, the consortium said.

The plan for the new terminal includes two pedestrian bridges spanning active aircraft taxi lanes, the first such design in the world, the companies said. It also includes food, beverage and retail stores and additional seating.

The consortium got access to low-cost borrowing through the New York Transportation Development Corporation, which two weeks ago issued \$2.5 billion of mostly tax-exempt municipal bonds.

Altogether, two-thirds of the project is to be financed privately.

By REUTERS

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(Reporting by Hilary Russ; Editing by Diane Craft)

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