

# **Bond Case Briefs**

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## **JFK Airport Project to Tap Muni Market for Over \$6 Billion.**

- **Multiple muni sales will be used to refinance bank loan**
- **First phase of JFK project is expected to open in 2026**

The finance team behind the new terminal at New York's John F. Kennedy International Airport expects to sell more than \$6 billion of municipal bonds in the coming years to help pay for the project.

The group plans to issue taxable or tax-exempt debt in the \$4 trillion muni market to refinance a \$6.6 billion bank loan originally secured to fund the project, according to the project's acting CFO Marc McGrady. That loan, led by Mitsubishi UFJ Financial Group Inc., closed on June 10 and will fund the first phase of the project, called New Terminal One.

Construction of the \$9.5 billion project is expected to move forward this summer, New York Governor Kathy Hochul said in a statement earlier this month.

"NTO's plan is to refinance \$6.3 billion of senior bank debt through 2026 with multiple issuances of fixed-rate tax-exempt or taxable bonds," McGrady said in a statement. "These issuances are expected to commence in mid-2024 but could occur earlier based on market conditions."

McGrady said NTO will monitor market conditions to ensure that the project's capital structure is optimized.

The 2.4 million-square-foot terminal will be the airport's largest, nearly the same size as the two new terminals at LaGuardia Airport combined, the state said. Construction will take place in phases with the first one, including a new arrivals and departures hall plus a first set of new gates, expected to open in 2026.

The project is the result of a public-private-partnership between the state, the Port Authority of New York and New Jersey plus infrastructure and financing firms.

Ferrovial SA, the operator of London's Heathrow Airport, reached a deal with the Carlyle Group Inc. to buy a stake in the entity developing the terminal. The Spanish infrastructure firm will acquire 96% of the company through which the Carlyle Global Infrastructure Fund holds a 51% stake in the concessionaire appointed to design, build and operate the terminal until 2060.

### **Bloomberg Markets**

By Skylar Woodhouse

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— *With assistance by Danielle Moran*

