

**Public Notice of Passenger Facility Charge (PFC) Amendments for
Newark Liberty International Airport (EWR), LaGuardia Airport (LGA),
John F. Kennedy International Airport (JFK), and
Stewart International Airport (SWF)
October 8, 2014**

The Port Authority of New York and New Jersey (Port Authority) is requesting an amendment to the Passenger Facility Charge (PFC) applications 05-05-C-07-*** (05-05-C-07-EWR, 05-05-C-07-JFK, and 05-05-C-07-LGA), 09-06-U-02-*** (09-06-U-02-EWR, 09-06-U-02-JFK, 09-06-U-02-LGA), 10-07-C-00-*** (10-07-C-00-EWR, 10-07-C-00-JFK, 10-07-C-00-LGA, 10-07-C-00-SWF) and 12-08-C-00-*** (12-08-C-00-EWR, 12-08-C-00-JFK, 12-08-C-00-LGA, 12-08-C-00-SWF). These amendments will affect projects at Newark Liberty International Airport (EWR), John F. Kennedy International Airport (JFK), and LaGuardia Airport (LGA).

The purpose of this requested amendment is the following:

- Amend the estimated eligible costs of certain projects that are underway;
- Amend the eligible costs of certain projects that are complete; and
- Amend PFC Financing and Interest amounts for certain projects, eliminating amounts not used or transferring amounts to pay-as-you-go (“PAYGO”) approval.

The requested amendments, and the justifications for each, are described in further detail in the attached draft amendment request letter.

Any comments must be submitted in writing and must be received by the Port Authority no later than **November 20, 2014**.

For purposes of official correspondence and notification, please send all correspondence to:

Ms. Patty Clark
Senior Advisor for Aviation Policy
225 Park Avenue South, 9th Floor
New York, NY 10003
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DRAFT PFC AMENDMENT REQUEST LETTER

RE: Passenger Facility Charge (PFC) Amendments for Newark Liberty International Airport (EWR), LaGuardia Airport (LGA), John F. Kennedy International Airport (JFK), and Stewart International Airport (SWF)

The Port Authority of New York and New Jersey (Port Authority) is requesting an amendment to the Passenger Facility Charge (PFC) applications 05-05-C-07-*** (05-05-C-07-EWR, 05-05-C-07-JFK, and 05-05-C-07-LGA), 09-06-U-02-*** (09-06-U-02-EWR, 09-06-U-02-JFK, 09-06-U-02-LGA), 10-07-C-00-*** (10-07-C-00-EWR, 10-07-C-00-JFK, 10-07-C-00-LGA, 10-07-C-00-SWF) and 12-08-C-00-*** (12-08-C-00-EWR, 12-08-C-00-JFK, 12-08-C-00-LGA, 12-08-C-00-SWF). These amendments will affect projects at Newark Liberty International Airport (EWR), John F. Kennedy International Airport (JFK), and LaGuardia Airport (LGA).

The purpose of this requested amendment is the following:

- Amend the estimated eligible costs of certain projects that are underway;
- Amend the eligible costs of certain projects that are complete;
- Amend PFC Financing and Interest amounts for certain projects, eliminating amounts not used or transferring amounts to pay-as-you-go (“PAYGO”) approval; and
- Provide update regarding activities and progress for certain projects.

The amendments and the justifications for each are described in further detail in this letter. The Port Authority requests that the Federal Aviation Administration (FAA) approve these amendments that reflect the costs of PFC-eligible project elements revised from the estimates contained in the original applications. For projects that are complete, the Port Authority would like to notify the FAA that, once the amounts are amended, these projects should be closed.

Total requested amended collection authority and use authority approval amounts are shown on the following page by application number:

Requested Change in Collection Authority by Application

PFC Application	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total Approval Amount Increase/ (Decrease)
05-05-C-07-*** ¹	\$162,700,000	(\$141,849,196)	(\$35,393,919)	(\$14,543,115)
10-07-C-00-***	\$15,000,000	(\$16,605,000)	(\$3,200,000)	(\$4,805,000)
12-08-C-00-***	\$2,000,000	(\$1,900,000)	(\$100,000)	-
Total	\$179,700,000	(\$160,354,196)	(\$38,693,919)	(\$19,348,115)

1) Includes impose only projects from the 05-05 application that have since received use authority under the 09-06-U-02-*** application.

Requested Change in Use Authority by Application

PFC Application	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total Approval Amount Increase/ (Decrease)
05-05-C-07-***	\$117,700,000	(\$100,849,196)	(\$31,393,919)	(\$14,543,115)
09-06-U-02-***	\$45,000,000	(\$41,000,000)	(\$4,000,000)	-
10-07-C-00-***	\$15,000,000	(\$16,605,000)	(\$3,200,000)	(\$4,805,000)
12-08-C-00-***	\$2,000,000	(\$1,900,000)	(\$100,000)	-
Total	\$179,700,000	(\$160,354,196)	(\$38,693,919)	(\$19,348,115)

Based on the \$19,348,115 reduction in total PFC collection authority, the Port Authority estimates the following revised charge expiration dates for collection authority under the most recent applications at each airport:

<u>Application</u>	<u>Revised Charge Expiration Date</u>
12-08-C-00-EWR	March 1, 2017
12-08-C-00-JFK	February 1, 2017
12-08-C-00-LGA	April 1, 2018
12-08-C-00-SWF	November 1, 2018

Newark Liberty International Airport (EWR)

The Port Authority requests the FAA review the following project updates and approve the amendment requests for six approved PFC projects at EWR. These projects require funding modifications due to variations from originally submitted cost estimates that were realized during project implementation. This letter also includes projects that are complete, which means that the Port Authority has collected and expended PFC revenue for the allowable cost (as amended) of each approved project. Four of the six projects for which the Port Authority is requesting an amendment are complete; in addition, at the end of this section, the Port Authority has listed three additional projects at EWR that are complete and should be closed.

Table 1 – Summary Table for PFC Amendment Requests for Newark Liberty International Airport Projects

PFC App #	Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)	Request
		PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval		
05-05-C	Project to Plan for Expanded Terminal A	-	\$19,000,000	\$1,000,000	\$20,000,000	\$20,000,000	-	-	\$20,000,000	-	Transfer Fin./Int., Close
05-05-C	Airfield Expansion Project	\$85,000,000	-	-	\$85,000,000	-	\$84,209,510	\$790,490	\$85,000,000	-	Reallocate Fin./Int., Close
05-05-C	Perimeter Security Project	-	\$25,000,000	\$5,000,000	\$30,000,000	\$30,000,000	-	-	\$30,000,000	-	Transfer Fin./Int., Close
05-05-C	Runway/ Taxiway Pavement Rehabilitation Project	-	\$51,738,000	\$2,000,000	\$53,738,000	-	\$51,918,000	\$1,446,885	\$53,364,885	(\$373,115)	Transfer Fin./Int., Close
05-05-C	Modernization of Terminal B	-	\$147,975,000	\$7,525,000	\$155,500,000	\$155,500,000	-	-	\$155,500,000	-	Transfer Fin./Int.
05-05-C & 09-06-U	Upgrade Navigational Aids R/W 22R & 22L	-	\$9,000,000	\$1,000,000	\$10,000,000	\$10,000,000	-	-	\$10,000,000	-	Transfer Fin./Int.
05-05-C & 09-06-U	Upgrade Navigational Aids R/W 4L	-	\$9,000,000	\$1,000,000	\$10,000,000	\$10,000,000	-	-	\$10,000,000	-	Transfer Fin./Int.
	Subtotal EWR	\$85,000,000	\$261,713,000	\$17,525,000	\$364,238,000	\$225,500,000	\$136,127,510	\$2,237,375	\$363,864,885	(\$373,115)	

1. Project to Plan for Expanded Terminal A (05-05 application)

This project was for the planning and preliminary design for improvements to Terminal A that enhanced passenger processing efficiency, improved security, provided additional gates and space for new entrant airlines, and expanded the number of gates to meet forecasted passenger demand. Project activities were designed to provide greater utilization of the terminal to meet the objectives of the Port Authority in accordance with the recommendation of the approved Airport Competition Plan. The Plan affirms that the additional gates provide an opportunity for competition among the carriers. Expansion was determined to be necessary because the terminal was experiencing significant passenger congestion due to the implementation of security mandates that the terminal was not originally designed to accommodate.

The Planning Study would analyze and design terminal improvement concepts that would alleviate existing passenger congestion and accommodate future growth. Preliminary concepts incorporated in the plan included: modifying existing ticketing areas; adding gates and ticket counters in accordance with the recommendation of the airport’s approved Competition Plan; expanding the existing gate layout to add more gates; relocating existing facilities that interfere with the terminal building expansion; relocating baggage claim facilities; and providing replacement space for displaced areas during ticket counter improvements.

The purpose of the project was to evaluate these potential project components and advance a plan to determine a preferred alternative and develop Stage I designs. These elements were to form the basis for further design development. The cost associated with this initial planning study was approximately between one and two percent of the total project cost that was originally estimated to be between \$1.3 billion and \$1.7 billion.

Request:

- 1) **Transfer Financing & Interest Amount to PAYGO;**
- 2) **Reclassify Bond Capital Amount as PAYGO; and**
- 3) **Close.**

Table 1-1. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Project to Plan for Expanded Terminal A	-	\$19,000,000	\$1,000,000	\$20,000,000	\$20,000,000	-	-	\$20,000,000	-

Justification:

During the planning process, the preliminary alternatives considered included actions that would renovate particular areas of the facility. The Planning Study’s preliminary findings determined

that other alternatives, such as building a new terminal, may be more effective than renovating the existing facility. Therefore, the Port Authority determined it was necessary that the plan evaluate an alternative to build a new terminal. Therefore, alternatives incorporating a new terminal were included in the planning study and preliminary design work. Evaluating and designing alternatives to build a new terminal were not originally contemplated, however when planners determined that it may be more effective solution, the Port Authority determined it was consistent with the stated project purpose and should be incorporated into the plan. The study was finalized with those alternatives as part of the final report.

The Port Authority originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

With the approval of this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

2. Airfield Expansion Project (05-05 application)

This project included the planning, design and construction of airfield enhancements on the north side of EWR. The project improved aprons, taxiway fillets, and taxiway spacing designed to meet Group V aircraft standards. An important aspect of this project was to conduct an extensive re-design and rehabilitation of the power distribution network for the airfield lighting, which included the construction of a new switch house (Switch House #3); a new switch house to replace the existing Switch House #1; rehabilitation of Switch House #2; and reconfiguration of the lighting circuits to more efficiently route power to each of the runways.

Amendment Request:

- 1) **Reallocate PAYGO Approval to Bond Capital and Financing & Interest; and**
- 2) **Close.**

Table 1-2. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Airfield Expansion Project	\$85,000,000	-	-	\$85,000,000	-	\$84,209,510	\$790,490	\$85,000,000	-

Justification:

In July 2011, the project was amended to change all of its approval authority to PAYGO. Subsequently, the Port Authority decided to use commercial paper to finance a small portion of the improvements in order to manage PFC program cashflow. A total of \$790,490 in interest was paid on the outstanding commercial paper used to fund the project prior to it being retired. Therefore, the Port Authority requests \$790,490 in PFC authority to be used to pay eligible financing & interest costs.

With the approval of this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

3. Perimeter Security Project (05-05 application)

The Perimeter Security Project at EWR was first approved for PFC funding in 2006. The original project was designed to enhance perimeter and airport operations area (AOA) security at EWR. The project was to complement overall security measures in coordination with guidelines for airport security and in compliance with the Airport’s approved security plan. The project incorporated the design, purchase and installation of security related equipment and infrastructure. The project incorporated a multi-layered hardening approach consisting of perimeter fencing, barriers, gates and lighting, along with multiple technologies such as, fiber-optic sensing cable, closed-circuit television, and video motion detection.

Request:

- 1) **Transfer Financing & Interest Amount to PAYGO; and**
- 2) **Reclassify Bond Capital Amount as PAYGO.**

Table 1-3. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Perimeter Security Project	-	\$25,000,000	\$5,000,000	\$30,000,000	\$30,000,000	-	-	\$30,000,000	-

Justification:

The Port Authority is seeking the transfer of the financing & interest amount so that it may be applied to the project. The preliminary design used to estimate costs for the project in the 05-05 PFC application was subsequently refined to address operational and regulatory issues that have arisen over the past seven years. The design revisions required by the operational and regulatory changes specific to EWR were not included in the original Perimeter Security Project budget and were addressed after the 05-05 PFC application was approved. These changes are in accordance with the airport security program for each airport and in coordination with the TSA and FAA.

While each of these elements was originally identified in the PFC application, costs have been refined since the project's preliminary design associated with the following:

- **Additional equipment and personnel detection capabilities required (perimeter drainage ditch):** Due to the refinement of the project's preliminary design, additional layers of detection were necessary to adequately detect personnel intrusions. To do so, additional sensors were installed, tested, optimized, and integrated. This combination of security layers of detection and optimization of existing sensors provides a resilient system that will help protect the airport year-round.
- **Additional power and communication infrastructure to support enhanced detection at areas of concern:** The project's preliminary design assumed power and communication were sufficient to support the proposed security equipment. Upon the start of construction, however, the installation of new infrastructure along areas of concern was required because there was not adequate infrastructure in those areas that could support the new sensors required to enhance the system and provide layered security. The specific elements of work included the extension of underground duct banks, conduits, power lines, and communication lines to enable the installation of the proposed system.

The Port Authority originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

With the approval of this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

4. Runway/Taxiway Pavement Rehabilitation Project – Runway 4L/22R, 4R/22L, and Taxiway P (05-05 application)

The project included the planning, design, and construction of pavement rehabilitation for RWs 4L/22R and 4R/22L, and Taxiway (TW) P. Pavement rehabilitation also necessitated improving associated drainage, airfield signage, pavement markings, and lighting. The lighting was designed and implemented to support the Surface Movement Guidance and Control System (SMGCS) Plan, and updated while the pavements were closed for rehabilitation. This project preserved the runway and taxiway pavements, improved low visibility operations, and reduced congestion and delays.

The dimensions of the runways and taxiway impacted by this project are:

- RW 4L/22R – 11,000 by 150 feet
- RW 4R/22L – 9,980 by 150 feet
- TW P – 10,000 by 75 feet

Pavement rehabilitation was required because the wearing course was beginning to exhibit signs of age-related stress cracking for all three surfaces. The pavement rehabilitation replaced the existing wearing course with revitalized asphalt pavement to preserve the structural sections of the pavement, permitting safe and efficient aircraft operations. If the pavement was not rehabilitated, the structural section of the runways and taxiway pavements would have further degraded, precipitating an erosion of the pavement structural sections. That would have eventually required replacing the runways and taxiways, rather than just rehabilitating their wearing course.

Request:

- 1) **Transfer Portion of Unused Financing & Interest Amount to Bond Capital; and**
- 2) **Close.**

Table 1-4. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Runway/ Taxiway Pavement Rehabilitation Project	-	\$51,738,000	\$2,000,000	\$53,738,000	-	\$51,918,000	\$1,446,885	\$53,364,885	(\$373,115)

Justification:

Planning and engineering for this project began in 2002 with a preliminary engineering analysis and pavement evaluation that identified the need for the pavement rehabilitation on the three elements of this project: RW 4L/22R, RW 4R/22L and TW P. In addition to examining rehabilitation alternatives, the engineering analysis also included detailed cost estimates. The cost estimates based on the 2002 data were included in the PFC application approved in January 2006. Construction was completed in 2007.

During construction of the project, cost increases resulted from the need for additional quantities of labor and materials (e.g. fill, asphalt) that arose during the course of the 4-year period of construction. With the approval of this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

5. Modernization of Terminal B (05-05 application)

Project activities associated with the modernization of Terminal B was originally approved for PFC funding in 2006. The project description and PFC funding amount was adjusted as part of a 2009 amendment for the project. This project is on-going.

The modernization of Terminal B project is intended to improve passenger throughput from the check-in areas to the boarding areas of the Terminal B complex. Project activities are designed to provide greater utilization of the terminal to meet the competitive objectives of the Port Authority. The terminal experiences significant passenger congestion due to the implementation of security mandates that the terminal was not originally designed to accommodate. The Port Authority commissioned a comprehensive study to quantify the capability of Terminal B to accommodate future passenger demands. The study was completed in 2004 and highlighted deficiencies of the Terminal B, recommending a series of terminal improvements to accommodate current and anticipated passengers.

The project included the construction of a new baggage claim area; enlargement of an existing lobby; installation of a new ground transportation center; demolition of the existing domestic baggage claim area and construction of new check-in counters in this location; modification to existing departures-level check-in areas; modifications to accommodate in-line baggage screening; and congestion and security improvements.

The 2009 amendment discussed how the project changed since its inception. Project changes resulted in increased construction costs, including escalations in the construction cost index and changes to the scope of work. These changes were identified during construction and implemented to enhance the functionality and capacity of the terminal. Contract bid prices were higher than estimated in the original project cost estimate due to a higher actual construction pricing in the metropolitan area, with rates between 3.5 and 6.5 percent higher than the standard escalation between 2005 and 2007. Estimates also did not provide for escalation over the term of the project and the original program authorization was based on a pro-forma estimate of less than 21 percent for planning and engineering services, which is unrealistically low for this type of complex, airside, building related construction in an active terminal.

In addition, as construction started, design modifications were required due to new TSA requirements for baggage screening, and additional emergency electrical distribution at the Airport caused changes to the designs of the electrical substations, requiring significantly increased feeder service between the generator and substations. Changes such as this required additional engineering and design, which resulted engineering costs greater than originally budgeted.

Request:

- 1) Transfer Financing & Interest Amount to PAYGO; and**
- 2) Reclassify Bond Capital Amount as PAYGO.**

Table 1-5. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Modernization of Terminal B	-	\$147,975,000	\$7,525,000	\$155,500,000	\$155,500,000	-	-	\$155,500,000	-

Amendment Justification: The Port Authority is seeking to transfer the financing and interest to PAYGO due to increased project costs resulting from cost escalation, since the original construction cost estimate was developed in 2004 and the construction phase of the project began in 2005. The original estimates used a standard escalation on construction costs of 3.5 percent per year. However, actual construction pricing in the metropolitan area increased at a much greater rate since then. This amendment request provides additional funding to address cost increases in project elements that were originally estimated in 2004.

The Port Authority originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

With the approval of this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

6. Upgrade Navigational Aids Runways 22R and 22L (05-05 and 09-06 applications)

This project is designed to enhance the navigational aids (NAVAIDS) on RWs 22R and 22L. The runways originally had Category (CAT) I Instrument Landing System (ILS) approaches. This project upgrades the existing, earlier generation localizer and glideslope equipment of RWs 22R and 22L to modern Mark XXa (20a) equipment. These enhancements will also relocate the distance measuring equipment (DME) and patrol road, modify the Air Operations Area (AOA) fence, and adjust the existing blast fence and taxiway. This work will improve the ILS reliability during Instrument Flight Rules (IFR) conditions for both runways. The improvement to RW 22L also includes a far field monitor and the installation of an Approach Lighting System with Sequenced Flashers-2 (ALSF-2). A significant portion of the existing infrastructure for RW 22L was reused for the CAT III upgrade, thereby minimizing construction costs.

This project enhances the ILS system performance while expanding the Instrument Flight Rules (IFR) capacity of the Airport. The project also expands CAT III ILS capability to RW 22L.

Another benefit is realized during snow events at the airport. The improved system allows up to 12 inches of snow to accumulate before removal is required, as opposed to the previous system that only allowed six inches of accumulation. This provides additional time for snow removal crews to respond without the ILS going off-line during these events. All of these benefits improve the capacity of the Airport while adding flexibility during reduced visibility conditions, thus reducing congestion and delays.

Request:

- 1) **Transfer Financing & Interest Amount to PAYGO; and**
- 2) **Reclassify Bond Capital Amount as PAYGO.**

Table 1-6. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Upgrade Navigational Aids R/W 22R, 22L, 4L	-	\$9,000,000	\$1,000,000	\$10,000,000	\$10,000,000	-	-	\$10,000,000	-

Justification:

Planning for this project began in 2003 with a navigational aids study performed in association with the FAA. An engineering analysis and design study was also performed during this time that included detailed cost estimates. This information was included in the PFC application approved in 2006 and Impose Only authorization was granted for the project. From 2006 to 2009, designs for the installation of equipment were completed on the project and required environmental analysis, airspace study and Airport Layout Plan updates were performed. Use Authority was granted by the FAA in April 2010 and final design, engineering and construction was implemented in July 2010.

The Port Authority is seeking a transfer of unused financing and interest so that amount may be applied to cost increases resulting from the need for additional quantities of labor and materials (e.g. fill, asphalt) that arose during the course of construction. The estimate prepared for this project was based on a preliminary design for the navigational aids installation. The preliminary design used to estimate costs for the 2006 PFC application was subsequently refined to address engineering requirements as the design was advanced after the 2006 PFC application was approved and later after Use authority was granted.

The Port Authority originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded

entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

7. Upgrade Navigational Aids Runway 4L (05-05 and 09-06 applications)

This project is designed to enhance the navigational aids (NAVAIDS) on RW 4L. The runway originally had Category (CAT) I Instrument Landing System (ILS) approaches. This project upgrades the existing, earlier generation localizer and glideslope equipment of RW 4L with the installation of modern Mark XX (20) localizer and glideslope equipment, far field monitor, and the installation of an ALSF-2. This included the relocation of a portion of the patrol road, distance measuring equipment (DME), modifications to the Air Operations Area (AOA) fence, and several adjustments to the existing blast fence.

This project enhances the ILS system performance while expanding the Instrument Flight Rules (IFR) capacity of the Airport. The project also expands CAT III ILS capability to RW 4L. Another benefit is realized during snow events at the airport. The improved system allows up to 12 inches of snow to accumulate before removal is required, as opposed to the previous system that only allowed six inches of accumulation. This provides additional time for snow removal crews to respond without the ILS going off-line during these events. All of these benefits improve the capacity of the Airport while adding flexibility during reduced visibility conditions, thus reducing congestion and delays.

Request:

- 1) **Transfer Financing & Interest Amount to PAYGO; and**
- 2) **Reclassify Bond Capital Amount as PAYGO.**

Table 1-6. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Upgrade Navigational Aids R/W 4L	-	\$9,000,000	\$1,000,000	\$10,000,000	\$10,000,000	-	-	\$10,000,000	-

Justification:

Planning for this project began in 2003 with a navigational aids study performed in association with the FAA. An engineering analysis and design study was also performed during this time that included detailed cost estimates. This information was included in the PFC application approved in 2006 and Impose Only authorization was granted for the project. From 2006 to 2009, designs for the installation of equipment were completed on the project and required environmental

analysis, airspace study and Airport Layout Plan updates were performed. Use Authority was granted by the FAA in April 2010 and final design, engineering and construction was implemented in July 2010.

The Port Authority is seeking a transfer of financing and interest so that amount may be applied to cost increases resulting from the need for additional quantities of labor and materials (e.g. fill, asphalt) that arose during the course of construction. The estimate prepared for this project was based on a preliminary design for the navigational aids installation. The preliminary design used to estimate costs for the 2006 PFC application was subsequently refined to address engineering requirements as the design was advanced after the 2006 PFC application was approved and later after Use authority was granted.

The Port Authority originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

Additional EWR Projects to be Closed Out

The following projects are physically and financially complete and the Port Authority has collected and expended PFC revenue for the allowable cost of each approved project.

- **Runway Extension Drainage Infrastructure (05-05 application)**
- **Mandated Security Costs (05-05 application)**
- **Improvements to Runway Safety Areas (05-05 and 09-06 applications)**

For each, the Port Authority will file the appropriate notification of completion in SOAR.

John F. Kennedy International Airport

The Port Authority requests the FAA review the following project updates and approve the amendment requests for seven approved PFC projects at JFK. These projects require funding modifications due to variations from originally submitted cost estimates that were realized during project implementation. This letter also includes projects that are complete, which means that the Port Authority has collected and expended PFC revenue for the allowable cost (as amended) of each approved project. Five of the seven projects for which the Port Authority is requesting an amendment are complete; in addition, at the end of this section, the Port Authority has listed one additional project at JFK that is complete and should be closed.

Table 2 – Summary Table for PFC Amendment Requests for JFK International Airport Projects

PFC App #	Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)	Request
		PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval		
05-05-C	Reconstruction and Strengthening of Taxiways A and B Bridges	-	\$39,700,000	\$300,000	\$40,000,000	-	\$31,844,000	\$300,000	\$32,144,000	(\$7,856,000)	Amend Down and Close
05-05-C	Runway 13L-31R Rehabilitation Project	-	\$27,097,000	\$2,400,000	\$29,497,000	-	\$28,381,000	\$663,000	\$29,044,000	(\$453,000)	Transfer Fin./Int., Amend Down and Close
05-05-C	Relocation and Rehabilitation of Taxiway A and Rehabilitation of Taxiway B	\$90,000,000	-	-	\$90,000,000	-	\$89,926,294	\$73,706	\$90,000,000	-	Reallocate Fin./Int. and Close
05-05-C	JFK -Perimeter Security Project	-	\$35,500,000	\$9,500,000	\$45,000,000	\$45,000,000	-	-	\$45,000,000	-	Transfer Fin./Int.
05-05-C	Infrastructure Study and Preliminary Design to Accommodate a New Terminal	-	\$5,000,000	-	\$5,000,000	\$4,200,000	-	-	\$4,200,000	(\$800,000)	Amend Down and Close
10-07-C	Demolition of Hangar 12 & Building 94	-	\$14,250,000	\$750,000	\$15,000,000	\$15,000,000	-	-	\$15,000,000	-	Transfer Fin./Int.
12-08-C	Rehabilitation Of Taxiway P	-	\$1,900,000	\$100,000	\$2,000,000	\$2,000,000	-	-	\$2,000,000	-	Transfer Fin./Int. and Close
	Subtotal JFK	\$90,000,000	\$123,447,000	\$13,050,000	\$226,497,000	\$66,200,000	\$150,151,294	\$1,036,706	\$217,388,000	(\$9,109,000)	

1. Reconstruction and Strengthening of Taxiways A&B Bridges (05-05 application)

Taxiways A and B are the primary circulation taxiways to the passenger terminals at JFK. The project reconstructed and strengthened the two pairs of bridges that serve these taxiways in the vicinity of the Van Wyck Expressway (J11 and J12) and the JFK Expressway (J13 and J14). The bridge decks and girders were replaced and strengthened to accommodate the then-existing aircraft fleet mix (the bridges were load-restricted for certain aircraft prior to the project) and the A380. The project also included the paving of approximately 200 feet of each taxiway bridge approach to match the cross-slope and profile of the bridges.

Request:

- 1) **Amend Down Bond Capital Amount; and**
- 2) **Close.**

Table 2-1. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Reconstruction and Strengthening of Taxiways A and B Bridges	-	\$39,700,000	\$300,000	\$40,000,000	-	\$31,844,000	\$300,000	\$32,144,000	(\$7,856,000)

Justification:

In October 2007, the project was completed under budget (due to competitive bids) and the Taxiway (TW) A&B bridges are now functioning in accordance with the project description as detailed in the original PFC application. Therefore, the Port Authority is requesting an amendment that will adjust the Impose and Use authority granted in the original application to reflect the actual costs of the project at completion.

With this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

2. Runway 13L/31R Rehabilitation (05-05 application)

Runway (RW) 13L/31R, which is 10,000 feet long and 150 feet wide, was originally constructed in the 1960s and was nearing the end of its useful life in 2005. This runway is a primary use runway, especially during inclement weather, because of its instrument landing system capabilities and length. The northernmost end of RW 4L/22R is part of the displaced threshold,

but is also used extensively by aircraft departing from RW 22R and for aircraft exiting RW 13L/31R.

This project consisted of pavement rehabilitation along the entire length of RW 13L/31R and along the northernmost end of RW 4L/22R for approximately 1,000 feet. The project includes modifications to edge lighting systems, centerline lighting systems, signage, drainage, markings, and pavement shoulders as needed.

Request:

- 1. Transfer Portion of Unused Financing & Interest Amount to Bond Capital;**
- 2. Amend Down Remaining Unused Financing & Interest Amount; and**
- 3. Close.**

Table 2-2. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Runway 13L-31R Rehabilitation Project	-	\$27,097,000	\$2,400,000	\$29,497,000	-	\$28,381,000	\$663,000	\$29,044,000	(\$453,000)

Justification:

The partial transfer of financing & interest approval to bond capital is necessary due to the need for additional quantities of labor and materials (fill and asphalt) that arose during the course of construction. Subsurface pavement conditions in certain areas deteriorated to a greater degree than what had been previously estimated, requiring more extensive, full-depth repaving.

With this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

3. Relocation and Rehabilitation of Taxiway A & Rehabilitation of Taxiway B (05-05 application)

These taxiways, which are critical to providing efficient routing of aircraft from the passenger terminal complex to any location on the airfield, were first constructed in the 1960s and 1970s. At JFK, nearly every air carrier, air cargo, and commuter aircraft use some part of TWs A and B during its operations. Although pavement maintenance and repair are performed on a regular basis, the pavements were nearing the end of their useful lives.

Taxiways A and B are the primary circulation taxiways to the passenger terminals at JFK. This project rehabilitated TWs A and B pavements to provide a 20-year design life and to withstand the regular high usage of the pavements by the current aircraft fleet. The project also strengthened the TWs A and B pavements and widened the taxiway throats to accommodate Group VI aircraft including the Airbus 380 aircraft. Twenty-two cross taxiways connecting the two taxiways and the throats to the aprons were widened to 100 feet in order to accommodate the A380 aircraft. The project scope to accommodate the A380 also included the relocation of the reconstructed TW A centerline outward toward TW B in order to increase the separation distance of TW A from the terminal restricted service road. Improvement to taxiway edge lighting, signage, drainage, and markings were also elements of the project scope.

Request:

1. Reallocate PAYGO Amount to Financing & Interest Amount and Close

Table 2-3. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Relocation and Rehabilitation of Taxiway A and Rehabilitation of Taxiway B	\$90,000,000	-	-	\$90,000,000	-	\$89,926,294	\$73,706	\$90,000,000	-

Justification:

After the project was amended to change all of its approval authority to PAYGO, the Port Authority decided to use commercial paper to finance a small portion of the improvements in order to manage PFC program cashflow. \$73,706 in interest was paid on the outstanding commercial paper used to fund the project prior to it being retired. In addition to the bond capital amount increase, the Port Authority requests \$73,706 in PFC authority to be used to pay eligible financing & interest costs.

With this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

4. Perimeter Security Project (PIDS) (05-05 application)

This project included the design, purchase and installation of security-related equipment and infrastructure with a goal of enhancing perimeter and airport operations area (AOA) security at JFK. This project was also designed to complement the overall security measures at the airport in

coordination with the JFK Federal Security Director (FSD) and Transportation Security Administration (TSA) in compliance with the Airport’s Security Plan. The project scope was comprised of a multi-layered hardening approach consisting of perimeter fencing, physical barriers, access control gates and lighting, along with multiple technologies such as, fiber-optic sensing cable, closed-circuit television, and video motion detection. The project was completed in 2012.

Request:

- 1) **Transfer Financing & Interest Amount to PAYGO; and**
- 2) **Reclassify Bond Capital Amount as PAYGO.**

Table 2-4. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
JFK -Perimeter Security Project	-	\$35,500,000	\$9,500,000	\$45,000,000	\$45,000,000	-	-	\$45,000,000	-

Justification:

The Port Authority is seeking the transfer of the unused financing & interest amount so that it may be applied to the project. The preliminary design used to estimate costs for the project in the 05-05 PFC application was subsequently refined to address operational and regulatory issues that have arisen over the past seven years. The design revisions required by the operational and regulatory changes specific to JFK were not included in the original Perimeter Security Project budget and were addressed after the 05-05 PFC application was approved. These changes are in accordance with the airport security program for each airport and in coordination with the TSA and FAA. While each of these elements was originally identified in the PFC application, costs have been refined since the project’s preliminary design associated with the following:

- **Additional equipment and personnel detection capabilities required (waterfront):** Due to the refinement of the project’s preliminary design, additional layers of detection were necessary to adequately detect personnel intrusions. To do so, additional sensors were installed, tested, optimized, and integrated. This combination of layers of security detection and optimization of existing sensors provides a resilient system that protects the airport year-round.
- **Additional power and communication infrastructure to support enhanced detection at areas of concern:** The project’s preliminary design assumed power and communication were sufficient to support the proposed security equipment. Upon the start of construction, however, the installation of new infrastructure along areas of concern was required because

there was not adequate infrastructure in those areas that could support the new sensors required to enhance the system and provide layered security. The specific elements of work included the extension of underground duct banks, conduits, power lines, and communication lines to enable the installation of the proposed system.

- **Changes Necessary due to Airport Perimeter Modifications:** Since the time the PIDS project was awarded, portions of the AOA perimeter have been modified to accommodate major airport improvements to meet the demands of the traveling public. These changes in the airport perimeters resulted in modifications to the PIDS system to resolve issues including line-of-sight obstructions, conflicts where planned or existing PIDS infrastructure needed to be relocated, and expansion of the PIDS system to provide coverage of newly created perimeter areas resulting from the demolition of vacated buildings.

The Port Authority had originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

5. Infrastructure Study & Preliminary Design to Accommodate New Terminal (05-05 application)

This project involved a study to examine landside access issues related to the development of a new terminal at JFK in the vicinity of Terminals 5 and 6 (now demolished). The study included conceptual design, alternatives analysis and preliminary design for future landside access. The goal of the study was to ensure that there is adequate landside access capacity to accommodate the anticipated passenger and meeter/greeter demand at the site. The study also examined the impact to the airport roadway network, intermodal facilities, and terminal utility systems. In addition, it assessed methods of construction phasing and facility relocation to minimize interruptions of airport operations.

Request:

1. Amend Down; and
2. Close

Table 2-5. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Infrastructure Study and Preliminary Design to Accommodate a New Terminal	-	\$5,000,000	-	\$5,000,000	\$4,200,000	-	-	\$4,200,000	(\$800,000)

Justification:

The study was used to support the eventual design and construction of Terminal 5 at JFK which was completed in 2008. The Port Authority’s expenses for the project were less than the original project estimate of \$5,000,000 due to the consultant that performed the study having completed the required tasks of the study in fewer hours than originally stated in their proposal.

With this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

6. Aircraft Ramp Expansion & Hangar Demolition (10-07 application)

This project consisted of the demolition of Hangar 12 and Building 94, both owned by the Port Authority. This demolition allowed for the expansion of aircraft parking apron into the location of the existing Hangar 12 and Building 94 site. The project included all necessary preparation for major portions of the site to meet FAA requirements for aircraft apron parking.

Request:

1. Transfer Financing & Interest Amount to PAYGO; and
2. Reclassify Bond Capital Amount as PAYGO.

Table 2-6. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Demolition of Hangar 12 & Building 94	-	\$14,250,000	\$750,000	\$15,000,000	\$15,000,000	-	-	\$15,000,000	-

Justification:

After the project construction started, unexpected field conditions required an increase in project costs to complete the work in a safe and code-compliant manner. For example, improvements to the fire hydrant system adjacent to the hangar were needed to ensure that adequate hydrant water volume and pressure was available during demolition. In addition, shortly after demolition was started, it was recognized that due to the design of the Hangar’s cable supported roof system, additional heavy equipment and a revised demolition plan were needed to ensure the safe demolition of the Hangar 12 roof. Therefore, an additional heavy crane was needed in order to deconstruct the hangar roof in balanced segments to prevent an uncontrolled collapse of the

structure. These changes also added several months to the construction schedule. This project was completed in October 2013.

The Port Authority had originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

7. Rehabilitation of Taxiway P - Planning & Engineering (12-08 application)

This project examined alternatives for the rehabilitation of the TW P pavement and widening the taxiway surface and its shoulders to meet standards for use by Design Group VI aircraft. The project provided complete planning documents and preliminary engineering plans and specifications.

Taxiway P is the main feeder route for RW 13R/31L, which handles approximately 30 percent of JFK’s annual departures and approximately 35 percent of JFK’s total annual operations. The taxiway is 11,825 feet by 75 feet and is approximately 14 years old. The current pavement was in fair condition according to the Port Authority’s 2009-2015 Pavement Management Plan. The FAA’s New York Airport District Office Project Manager reviewed the Pavement Management Plan and concurred with its assessment of this pavement.

The planning effort considered the use of asphalt and concrete to rehabilitate the taxiway and asphalt to repave the shoulders. Additionally, the planning effort considered widening of the taxiway from 75 to 82 feet and the associated shoulders from 25 feet to 40 feet as well as reviewed various turning radii on the north side of TW P at the intersections of TWs PC, PA, and MC, which were too narrow to accommodate Design Group VI aircraft. Runway 13R/31L was recently widened to accommodate Design Group VI aircraft such as the A380, which are now using the airport under an approved modification to standards. The studied improvements to TW P would support the use of RW 13R/31L by this category of aircraft.

Request:

1. **Transfer Financing & Interest Amount to PAYGO;**
2. **Reclassify Bond Capital Amount as PAYGO; and**
3. **Close.**

Table 2-7. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Rehabilitation of Taxiway P	-	\$1,900,000	\$100,000	\$2,000,000	\$2,000,000	-	-	\$2,000,000	-

Justification:

During field work associated with planning the rehabilitation, it was determined that additional geotechnical exploration was needed in order to verify the structural cross-sections of select pavement areas. This action resulted in added costs associated with additional geotechnical work.

The Port Authority had originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

The final planning and engineering documents were completed November 2011 and have been sent to and accepted by the FAA. With this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

Additional JFK Project to be Closed Out

The following project is physically and financially complete and the Port Authority has collected and expended PFC revenue for its allowable cost.

- **Mandated Security Costs (05-05 application)**

The Port Authority will file the appropriate notification of completion in SOAR.

LaGuardia Airport

The Port Authority requests the FAA review the following project updates and approve the amendment requests for five approved PFC projects at LGA. These projects require funding modifications due to variations from originally submitted cost estimates that were realized during project implementation. This letter also includes projects that are complete, which means that the Port Authority has collected and expended PFC revenue for the allowable cost (as amended) of each approved project. Three of the five projects for which the Port Authority is requesting an amendment are complete; in addition, at the end of this section, the Port Authority has listed one additional project at LGA that is complete and should be closed.

Table 3 – Summary Table for PFC Amendment Requests for LaGuardia Airport Projects

PFC App #	Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)	Request
		PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval		
05-05-C	Perimeter Security Project (PIDS)	-	\$36,000,000	\$2,000,000	\$38,000,000	\$38,000,000	-	-	\$38,000,000	-	Transfer Fin./Int.
05-05-C	CTB Modernization Feasibility Study	-	\$13,500,000	\$1,500,000	\$15,000,000	-	\$14,998,000	\$2,000	\$15,000,000	-	Transfer Fin./Int. and Close
05-05-C & 09-06-U	CTB Modernization Planning & Engineering	-	\$23,000,000	\$2,000,000	\$25,000,000	\$25,000,000	-	-	\$25,000,000	-	Transfer Fin./Int.
05-05-C	Runway Rehabilitation Project - 13/31 and 4/22	-	\$31,000,000	\$4,000,000	\$35,000,000	-	\$29,384,000	\$555,000	\$29,939,000	(\$5,061,000)	Amend Down and Close
10-07-C	Runway Rehabilitation Project - 4/22	-	\$46,550,000	\$2,450,000	\$49,000,000	-	\$44,195,000	-	\$44,195,000	(\$4,805,000)	Amend Down and Close
	Subtotal LGA	-	\$150,050,000	\$11,950,000	\$162,000,000	\$63,000,000	\$88,557,000	\$577,000	\$152,134,000	(\$9,866,000)	

1. Perimeter Security Project (PIDS) (05-05 application)

This project includes the design, purchase and installation of security related equipment and infrastructure with a goal of enhancing perimeter and airport operations area (AOA) security at LGA. This project was also designed to complement the overall security measures at the airport in coordination with the LGA Federal Security Director (FSD) and Transportation Security Administration (TSA) in compliance with the Airport’s Security Plan. The project is comprised of a multi-layered hardening approach consisting of perimeter fencing, barriers, gates and lighting, along with multiple technologies such as, fiber-optic sensing cable, closed-circuit television, and video motion detection.

In 2012, the Port Authority received approval for an additional \$28,000,000 for this project to cover increased project costs resulting from the introduction of new project elements and cost escalation since the original construction cost estimate was developed in 2003.

Request:

- 1) **Transfer Financing & Interest Amount to PAYGO; and**
- 2) **Reclassify Bond Capital Amount as PAYGO.**

Table 3-1. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Perimeter Security Project (PIDS)	-	\$36,000,000	\$2,000,000	\$38,000,000	\$38,000,000	-	-	\$38,000,000	-

Justification:

The Port Authority is seeking the transfer of the unused financing & interest amount so that it may be applied to the project. The preliminary design used to estimate costs for the project in the 05-05 PFC application was subsequently refined and expanded to address operational and regulatory issues that have arisen over the past seven years in addition to those that were addressed as part of the 2012 amendment. While the following project element was originally identified in the PFC application, its costs have been refined since the project’s preliminary design:

- **Software and hardware to improve system reliability, performance, disaster recovery capabilities, and diagnostics:** The new PIDS software allows all the sensors to work in an integrated fashion and behave as a unified system as intended by the original project description and scope. The new software was substantially improved to account for specific

environmental conditions along the perimeter areas, airfield operational constraints, and technological improvements since the PIDS software was first released. The implementation of this new software required substantial programming, code writing and upgrade of existing hardware. This software and hardware also provides for a more resilient system that will have improved system diagnostics capabilities and faster disaster recovery capabilities.

The Port Authority had originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

2. CTB Modernization Feasibility Study (05-05 application)

This project involved a feasibility analysis of the central terminal building modernization (CTB) at LGA. The study analyzed a range of facility and infrastructure enhancements at LGA. This analysis is being used in the environmental assessment phase of the project. This study included the following components: needs assessment and capacity analysis; conceptual design and alternative analysis; displaced facilities analysis; terminal and airside planning and phasing analysis; frontage and landside planning and phasing analysis; and financial analysis. The study also assessed a reconfiguration of the aircraft parking apron to allow a broader range of aircraft to serve the airport.

The existing CTB was dedicated in 1964 and comprises approximately 750,000 square feet of floor space. The building has a four-story central section, two three-story wings, and four concourses leading to 35 contact aircraft gate positions (based on the current aircraft fleet mix and other physical constraints). The concourses have been little changed since they opened despite the increase in passengers using the airport. As a result, the airlines serving LGA are constrained from upgrading their aircraft fleets to larger, more efficient aircraft. In addition, airlines are unable to expand gate apron areas and holdroom space and concessions and passenger screening areas do not meet current standards.

Request:

- 1) **Transfer Unused Financing & Interest Amount to Bond Capital; and**
- 2) **Close.**

Table 3-2. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
CTB	-	\$13,500,000	\$1,500,000	\$15,000,000	-	\$14,998,000	\$2,000	\$15,000,000	-

Modernization Feasibility Study									
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Justification:

Additional effort was spent to review and evaluate the American Airlines’ proposal that would increase the size of the CTB between concourses C & D. In addition, the Passenger Distribution Forecast and Concept Alternative Analysis elements of the study were modified to address the increase in the LGA passenger forecast (from 30 MAAP to 34 MAAP). Finally, an additional task was added to the study to develop and evaluate options (and associated cost estimates) for the installation of a hydrant fueling system at LGA.

With this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

3. CTB Modernization – Planning and Engineering (05-05 application)

This project involves the development of preliminary designs for the CTB modernization at LGA in a three-phase approach tailored to address critical feasibility and constructability aspects for the implementation of this program.

This phase analyzed potential improvements that required the displacement, expansion, and/or relocation of existing facilities including the CTB concourses; Hangars 1, 2 and 4; cargo and ground service equipment facilities; aircraft remain overnight parking; and the central heating and refrigeration plant. In addition, the project analyzed the installation of a new hydrant fueling system, as well as modification of the baggage facilities to provide in-line baggage screening. Plans were also developed for the improved functionality of passenger screening, and gate and holdroom areas.

This phase is further refining the program evaluated in the CTB Modernization Feasibility Study which was also approved in the 05-05 application. This phase has included the development of design plans and outline specifications, detailed cost estimates, and construction and terminal operations phasing plans to a level adequate to serve as the basis for the preparation of contract documents for project procurement purposes. Environmental analysis and any other required documentation are also being conducted during this phase.

The existing CTB was dedicated in 1964 and comprises approximately 750,000 square feet of floor space. The building has a four-story central section, two three-story wings, and four concourses leading to 35 contact aircraft gate positions (based on the current aircraft fleet mix and other physical constraints). The concourses have been little changed since they opened despite the increase in passengers using the airport. As a result, the airlines using LGA are constrained from upgrading their aircraft fleets to larger, more efficient aircraft. In addition,

airlines are unable to expand gate apron areas and holdroom space and concessions and passenger screening areas do not meet current standards.

Request:

- 1) **Transfer Financing & Interest Amount to PAYGO; and**
- 2) **Reclassify Bond Capital Amount to PAYGO.**

Table 3-3. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
CTB Modernization Planning and Engineering	-	\$23,000,000	\$2,000,000	\$25,000,000	\$25,000,000	-	-	\$25,000,000	-

Justification:

Additional effort was necessary to evaluate and refine the concept alternatives developed in Phase I Planning, as well as new alternative concepts introduced by airline and other stakeholders after their review of the draft planning documents. The study required the development of State-of-Good Repair estimates for Terminal C and D in anticipation of expiration of the leases as part of the capacity/financial feasibility analysis for the new CTB.

The Port Authority originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

4. Runway 13/31 & Runway 4/22 Rehabilitation (05-05 application)

This project rehabilitated the non-deck portion of the asphalt pavement on RW 13/31 and RW 4/22, as well as the taxiways serving the runways. The project also included the replacement of the in-pavement lighting system and the installation of runway guard bar lights, as well as runway safety area and storm drainage improvements. These runways were previously repaved in 1994 and the keel sections overlaid in 1999 and 2000, however, the non-keel sections began to exhibit age and stress-related deterioration. This project not only preserved the surface pavement but also prevented deterioration and subsequent damage to the pavement subgrade. Without this project, the runway pavements would have continued to degrade, eventually requiring full-depth pavement reconstruction.

Request:

- 1) Amend Down Bond Capital Amount;
- 2) Amend Down Financing & Interest Amount; and
- 3) Close.

Table 3-4. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Runway Rehabilitation Project - 13/31 and 4/22	-	\$31,000,000	\$4,000,000	\$35,000,000	-	\$29,384,000	\$555,000	\$29,939,000	(\$5,061,000)

Justification:

RW 13-31 was to be rehabilitated first in 2005, followed by RW 4-22 in 2008. At the conclusion of RW 13-31 Stage I design, the scope of the RW 13-31 Rehabilitation project was expanded. With this additional work, the Port Authority chose to submit for the rehabilitation of RW 4/22 as a separate stand-alone project in the 10-07 PFC application. As such, the total amount approved for this project was greater than what was necessary for the completion of the rehabilitation work on RW 13-31.

With this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

5. Runway 4/22 Rehabilitation (10-07 application)

This project rehabilitated the non-deck portion of the asphalt pavement on RW 4-22 and its associated taxiways. In order to prevent further pavement degradation and subsequent damage to the pavement sub-grade, pavement rehabilitation was needed to extend the life of the pavement, preserve the sub-grade, and to accommodate the loads from aircraft currently serving LGA and from aircraft projected to operate at the Airport in the future. The project also included replacement of the runway in-pavement centerline lights, touchdown zone lights, and edge lights; the installation of in-pavement runway guard lights on all aircraft holding bays; and the installation of taxiway centerline lights up to the hold lines for each exit taxiway. Along with the new fixtures, the lighting improvements included new conduit, cable and regulators; associated improvements to the airfield lighting vault; and an upgraded airfield lighting control panel. The project also updated marking and signage and improvements to the airfield drainage system.

Request:

- 1) Amend Down Bond Capital Amount;
- 2) Amend Down Financing & Interest Amount; and
- 3) Close.

Table 3-5. PFC Amendment Request

Projects	Existing				Requested				Total Approval Amount Increase/ (Decrease)
	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	PFC PAY-GO	PFC Bond Capital	PFC Fin. & Int.	Total PFC Approval	
Runway Rehabilitation Project - 4/22	-	\$46,550,000	\$2,450,000	\$49,000,000	-	\$44,195,000	-	\$44,195,000	(\$4,805,000)

Justification:

The preliminary design used to estimate costs for the 10-07 PFC application was subsequently refined as the design was advanced after the PFC application was approved. The final TPC is lower than the PFC estimate primarily due to competitive bids and unused amounts that were budgeted for the project during the preliminary design phase.

The Port Authority originally planned on funding this project with proceeds from a debt instrument (either long term revenue bonds or short term commercial paper); however, it was ultimately decided by the Port Authority finance department that the project should be funded entirely on a PAYGO basis. As such, the funds are no longer required to be allocated for the payment of PFC financing and interest costs.

With this amendment, the project will be financially complete, and the Port Authority will have collected and expended PFC revenue for the allowable cost of the approved project. The Port Authority will file the appropriate notification of completion in SOAR.

Additional LGA Project to be Closed Out

The following project is physically and financially complete and the Port Authority has collected and expended PFC revenue for its allowable cost.

- **Mandated Security Costs (05-05 application)**

The Port Authority will file the appropriate notification of completion in SOAR.

The Port Authority would like to thank you for your continued assistance and expertise. It has been helpful to consult with you while preparing this amendment request. Please provide any questions or comments you may have regarding this amendment request to Ms. Patty Clark, Senior Advisor for Aviation Policy. Ms. Clark may be reached by phone at (212) 435-3731, and email at pclark@panynj.gov.