

THE PORT AUTHORITY OF NY & NJ

REQUEST FOR INFORMATION

**RELATED TO ALTERNATIVES
TO DESIGN, CONSTRUCT, OPERATE, MAINTAIN AND FINANCE ELEMENTS OF
THE LAGUARDIA AIRPORT CENTRAL TERMINAL BUILDING
REDEVELOPMENT PROJECT**

RFI # 27466

DATE: December 19, 2011

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1 INTRODUCTION

1.1 PURPOSE OF THIS REQUEST FOR INFORMATION

The Port Authority of New York and New Jersey (the “Authority”) hereby invites interested parties to respond to this Request for Information (“RFI”) regarding the potential for Qualifying Organizations to partner with the Authority in its replacement of the Central Terminal Building (“CTB”) and certain support facilities at LaGuardia Airport (LGA) (the “Project”).

The Authority is seeking the industry’s perspective and feedback as to where it may add value to the Project through partnership with the Authority in the:

- Design and construction of the Project or its elements, including methods to increase the project’s speed to market, shorten the overall project timetable, and extend usable life;
- Lower the project costs (including soft costs) while minimizing life cycle operation and maintenance costs;
- Operation and maintenance elements of the Project;
- Funding/financing of elements of the Project, including the use of alternative financing mechanisms.

The Authority welcomes responses from entities that would partner with the Authority to provide cost effective and high value services in the funding/financing, delivery of design, and construction and/or operation and maintenance services to the Project.

The Authority’s preliminary financial plan anticipates the issuance of tax-exempt Special Project Bonds as well as the use of Passenger Facility Charges (“PFCs”) for certain eligible components of the Project. Special Project Bonds are special limited obligations of the Authority, secured solely by a mortgage by the Authority, in favor of the holders of such bonds, of facility rental as set forth in a lease with respect to a project to be financed with the proceeds of such bonds, by a mortgage by the lessee of its leasehold interest under the lease and by a security interest granted by the lessee to the Authority and mortgaged by the Authority in certain items of the lessee’s personal property to be located at the project, and such other security in addition to the foregoing as may be required by the Authority from time to time, as appropriate to the particular project. Neither the full faith and credit of the Authority, nor the General Reserve Fund, nor the Consolidated Bond Reserve Fund are pledged to the payment of principal and interest on the Special Project Bonds. The Authority wishes to minimize the use of its Consolidated Bond capacity, and does not anticipate that significant amounts of federal grants will be available for the Project. The Authority is looking to those responding to the RFI to suggest alternative financing mechanisms

This RFI is an inquiry only. No contract or agreement will be entered into as a result of this RFI. There are no guarantees made or implied by the Authority that the Project will result in a public procurement process for performance of any of the services contemplated herein or hereby, nor that any subsequent procurement will follow the approach described herein.

1.2 SUBMISSION REQUIREMENTS

The Authority encourages entities that meet one or more of the following eligibility criteria (“Qualifying Organizations”) to respond to this RFI:

-
- A. Industry leaders with a record of accomplishment in the construction and/or the operation and maintenance of public airport transportation terminals of similar size, complexity, and scale, including but not limited to, responsibility for operations, maintenance, concessions management or development, gate assignment, and ramp management.
- B. Investors with a substantial development and investment record of accomplishment in public transportation facility projects exceeding \$250 million in project cost individually. Qualifying Organizations must demonstrate having provided an equity investment of at least \$100 million.
- C. Developers of projects that have optimized non-airline revenue opportunities and have provided superior levels of customer service at similar airport projects.

Organizations such as underwriters of airport bonds; providers of design, engineering, surveying, and architectural services; legal or financial advisors; and/or other providers of professional services do not meet the specific eligibility criteria for responding to this RFI. Such firms may participate in an RFI submission as part of a team that includes a Qualifying Organization.

Organizations that do not respond to this RFI will not be precluded from participating in a future procurement, if any, for the Project. Such participation in this RFI may require responders to demonstrate, to the satisfaction of the Authority, compliance with criteria stipulated therein.

Qualifying Organizations are required to comply with the page limits stipulated in Appendix A (Questionnaire) and to restrict their submittals to a short cover letter together with the information specifically requested on the questionnaire. Such organizations may be invited to participate in industry input meetings with the Authority's project team.

1.2.1 AGREEMENT ON TERMS OF DISCUSSION

Respondents shall submit a copy of the "Agreement on Terms of Discussion," signed by an authorized representative of the respondent. The Agreement is included as Appendix B and must be submitted without any alterations or deviations. If the respondent is a joint venture, an authorized representative of each party must sign said Agreement, or a copy thereof.

1.2.2 SUBMITTALS, QUESTIONS, AND COMMENTS

Respondents shall submit one (1) hard copy and eight (8) electronic copies of the requested information on CD-Rom in a format that does not prevent the Authority from cutting and pasting content. Submissions shall be delivered in sufficient time so that the Authority receives them no later than 2:00 P.M. on January 31, 2012. Address submissions as follows:

RFI CUSTODIAN

The Port Authority of New York and New Jersey
Procurement Department
2 Montgomery Street, 3rd Floor
Jersey City, NJ 07302

"Your Firm Name" and the **RFI Number "27466"** must be clearly indicated on the outside of the sealed package, and on the cover of your submission. Late submittals may not be considered.

Additional information regarding the Project or any questions concerning this RFI should be directed to Ms. Tracy Tiernan at ttiernan@panynj.gov. Neither Ms. Tiernan nor any employee of the Authority is authorized to interpret the RFI or give additional information as to its

requirements. Such interpretation or additional information will only be given by written addendum to this RFI by the undersigned.

1.3 PROJECT SUMMARY

The Authority's goal is to replace LGA's CTB, supporting facilities and infrastructure as part of its efforts to improve airport and regional mobility.

Encompassing 680 acres in the New York City Borough of Queens, LGA is a major domestic airport located just minutes from Manhattan, the nation's financial center, and serves a metropolitan area of approximately 19 million people. The 47-year-old CTB contains half of LGA's 72 aircraft gates. It is an integral part of this region's economic activity by serving a key role in the transportation of people and goods.

The CTB opened to the public in 1964 with a design capacity of 8 million annual air passengers (enplaned and deplaned). At the CTB's peak historical traffic in 2006, it served almost 13 million annual air passengers. The Authority forecasts that LGA's passenger traffic will reach 34 million passengers by 2030, with 17.5 million passengers in the CTB.

The Project includes the following new construction:

- CTB Replacement – Approximately 1.3 million square foot terminal with an approximate 35 building gates expandable to 38 gates and associated aircraft apron, conforming substantially to the Parallel Piers Concept discussed in Section 4, below;
- Public Parking Garage(s) – with a capacity of approximately 4,000 parked vehicles, attached to the CTB via a pedestrian bridge;
- Frontage Roads – including linkages to Terminals C and D;
- Utilities – Telecommunications, Water, Sewer, Storm and Electric Infrastructure, Central Heating & Refrigeration Plant (“CHRP”), and East End Substation (“EES”), as a replacement for and upgrade from the current Central Electrical Substation (“CES”);
- Airfield Modifications – Taxiway and other modifications as required to support the CTB.
- The Authority's overarching objective is to deliver the Project efficiently and economically through an approach that: Integrates design, construction, and operational aspects as required to minimize construction timelines and life cycle costs, while extending usable life;
- Delivers the Project within budget and schedule by optimizing construction timelines, controlling soft costs, increase the project's speed to market; and
- Optimizes risk allocation among the parties involved in the Project.

2 THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

2.1 ORIGINS AND MANDATE

The Authority is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States.

The compact created the Port District, which comprises an area of about 1,500 square miles in both States, centering around New York Harbor, and includes the Cities of New York and

Yonkers in New York State, and the Cities of Newark, Jersey City, Bayonne, Hoboken, and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of 17 counties, in the two states. The Authority is mandated to provide transportation, terminal, and other facilities of commerce within the Port District, and, for such purposes, the States have from time to time authorized specific transportation and terminal facilities and facilities of commerce and economic development. The Compact has been amended and supplemented periodically by legislation adopted by the two States.

2.2 AUTHORITY GOVERNANCE

The Authority is governed by a Board of Commissioners comprised of 12 members, six from each state, appointed by the respective Governor thereof with the advice and consent of the respective State Senate. The actions the Commissioners take at Port Authority Board meetings are subject to gubernatorial review for a period of 10 business days and may be vetoed by the Governor of their respective State during such period.

2.3 AUTHORITY ORGANIZATION AND BUSINESS LINES

The Authority is organized around five lines of business: Aviation, PATH (Rail), Port Commerce, Tunnels-Bridges-Terminals, and the World Trade Center. Multi-modal transportation and economic development are at the core of these business areas.

These lines of business have their own dedicated staff and control approximately 30 Port Authority facilities that handle millions of customers annually as well as millions of tons of cargo via air, marine, rail, or truck. The Authority's focus is on maintaining and improving service levels so that the overall regional transportation network can operate as effectively as possible. The network moves passengers and goods within the region, and in and out of the region.

The five lines of business and the Executive Offices are supported by support staff functions including but not limited to: Engineering, Financial, Legal, Procurement, Public Safety, Real Estate and Development, and Technology.

2.4 AUTHORITY FINANCIAL OVERVIEW

The Authority raises the necessary funds for the improvement, construction, or acquisition of its facilities generally upon the basis of its own credit. The Authority has no power to levy taxes or assessments. Its bonds, notes, and other obligation(s) are not obligations of the two States or of either of them.

The revenues of the Authority are derived principally from the tolls, fares, landing and dockage fees, rentals, and other charges for the use of, and privileges at, certain of the Authority facilities. Some facilities operate at a deficit, do not generate surplus revenue, or are non-revenue producing to the Authority. The Authority reports its financial results on a consolidated basis. Full statements and appended notes for the year ended December 31, 2010 can be found at:

<http://www.panynj.gov/corporate-information/pdf/financial-statement-2010.pdf>.

The Authority's primary financing instrument is the Consolidated Bond, which was established by the Consolidated Bond Resolution adopted by the Board of Commissioners on October 9, 1952. The purposes for which the Authority's various funds, including revenues, can be applied are set forth in various statutes and in the agreements with the holders of its obligations. Such

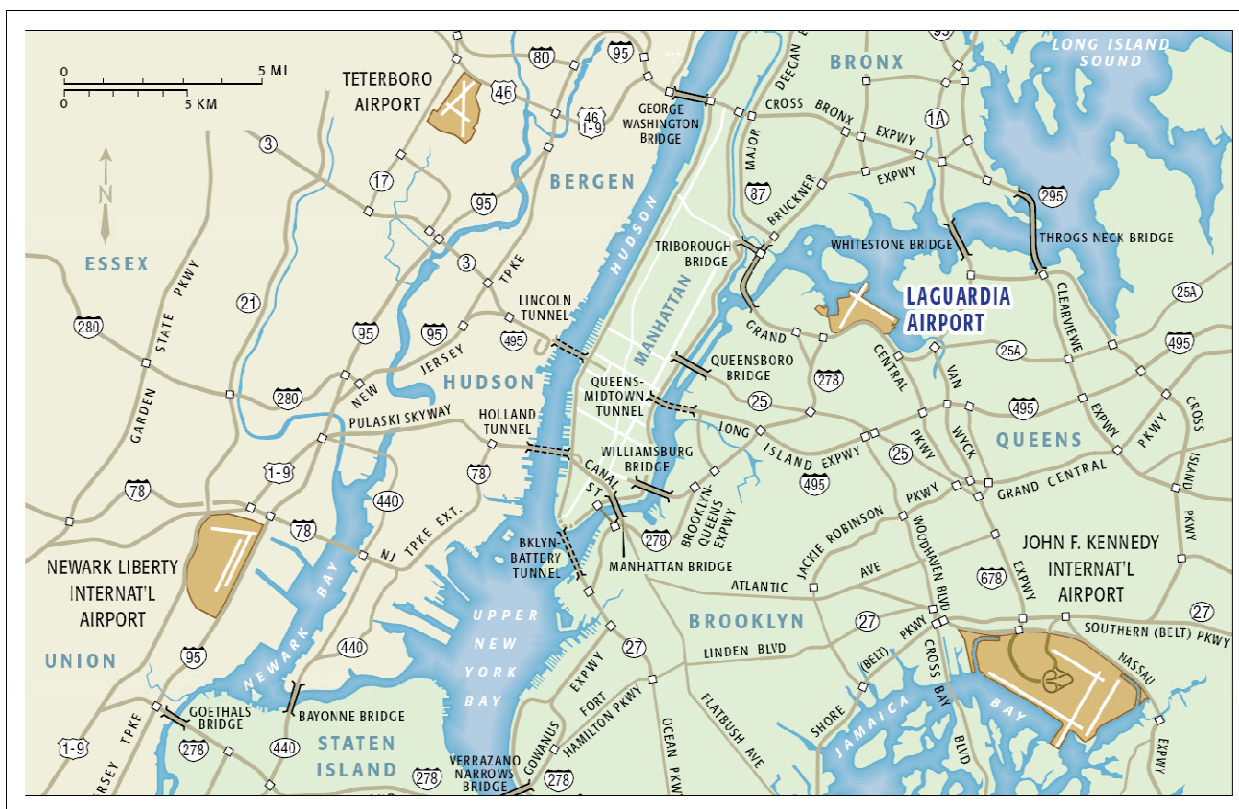
statutes and agreements can be found in Section V of the Authority's Official Statement, issued in connection with its offerings of Consolidated Bonds. More information about the Consolidated Bond Resolution and the Authority's other financing instruments can be found in the most recent Official Statement, which can be obtained by request to John Regan via email at jregan@panynj.gov

3 BACKGROUND

3.1 AUTHORITY AIRPORTS AND REGIONAL NETWORK

The Authority's Aviation Department is responsible for operating five airports within the Metropolitan NY/NJ region, including John F. Kennedy International Airport, Newark Liberty International Airport, LGA, Stewart International Airport, and Teterboro Airport.

These five airports are nationally significant to mobility and commerce, linking the goods and people of the Metropolitan NY/NJ region with the nation and world.



3.2 LGA

The site of LGA was established as a 105-acre private flying field in 1929. On December 2, 1939, New York Municipal Airport-LaGuardia Field opened to commercial traffic. It soon became known simply as LaGuardia Airport.

LGA was leased by the City of New York ("City") to The Authority in 1947, which instituted a variety of innovations and improvements. In 2004, the Authority and the City concluded an agreement that ensured the Authority's continued operation of LGA through 2050.

In 2010, LGA accommodated 24 million passengers on 360,000 flights. LGA is extremely important to the regional economy, employing 7,000 people on-airport, supporting 95,000 jobs indirectly associated with airport businesses, and generating over \$11 billion dollars in annual economic activity.

LGA operates 24 hours per day, 7 days per week. LGA is slot constrained and under existing federal regulations scheduled aircraft movements are limited to 75 air carrier and three general aviation aircraft movements per hour between the hours of 6:00am and 9:59pm Monday through Friday and Noon to 9:59pm on Sunday. With the implementation of the Next Generation Air Transportation System (NextGen), the number of air carrier operations can be expected to increase to 78 per hour. LGA also operates under a perimeter rule, restricting the length of nonstop flights to and from the airport to 1,500 miles, with limited exceptions.

3.3 CTB

At the CTB's peak in 2006, it served almost 13 million annual air passengers, well above its original design capacity, resulting in undesirable levels of service. This, coupled with other shortcomings, routinely placed LGA at or near the bottom of passenger satisfaction surveys for comparable U.S. airports.

The CTB is 1,300 feet long and 180 feet wide, with approximately 750,000 square feet of floor space. Expanded and modernized for \$340 million in the 1990s, the six-block long terminal consists of a four-story central section, two three-story wings, and four concourses that can accommodate up to 36 aircraft gate positions. A number of improvements to the CTB were completed in 2009.



Today, the CTB is deficient in many functional categories of passenger and industry standards, and those deficiencies will only get worse as demand increases. The deficiencies include

inadequacies of the existing infrastructure (parking, roads, and utilities) that acts as the airport's lifeline and serves the CTB and adjacent Terminals C and D.

Some of the utilities infrastructure dates back to LGA's original 1939 Work Projects Administration construction. These systems are at the end of their useful lives and currently require a significant investment to be maintained in a state of good repair. In addition, they are undersized and cannot adequately serve current and future airport demands.

Constructed in 1978, the CTB parking garage does not meet current seismic standards and is approaching the end of its useful life. Further major investment in the garage will merely provide state of good repair and not provide additional parking capacity or address current code shortcomings.

The deficiencies in the CTB extend to the frontage roads and airside ramp. There are inherent capacity constraints and insufficient frontage length in the CTB dual level frontage roads, which fail to meet industry design standards. The CTB's frontages are overly congested during peak periods and often cause inordinate passenger delays.

Deficiencies also exist with the CTB's aircraft ramp, which is constrained by the four concourses and inhibits the maneuverability of aircraft. The CTB's original design aircraft, the DC-9, has been replaced with aircraft that are typically 20% wider and 15% longer. The fixed concourse positions result in deficient depth for taxiways between the concourses and the depth for aircraft parking positions. As a result, aircraft are unable to power into position, requiring slower tow-in operations, and have insufficient space to start up engines independently of adjacent aircraft. All of these airfield ramp constraints also contribute to higher airline operating costs in terms of both labor and fuel.

Beyond airside limitations, the existing CTB itself suffers from severe spatial constraints. Today's airline fleet of larger aircraft deliver passenger loads that are well in excess of the CTB's original design, with deficiencies throughout the concourses in hold room capacity, circulation, concessions, and rest rooms. Furthermore, the existing CTB does not provide the required floor space to meet TSA standards for accommodating security personnel, screening processes, and equipment at both passenger checkpoints and in baggage areas. The current CTB prevents the establishment of a more effective and efficient "common use" mode of operation.

As a result of the deficiencies, the CTB and supporting infrastructure are not equipped to meet LGA's passenger forecast and the security requirements of a modern airline fleet.

The objectives of the CTB portion of the Project include:

- Provide capacity to meet current and projected demand at an acceptable level of service;
- Increase the Authority's revenues and minimize the operating and maintenance costs associated with the elements of the Project;
- Enhance flexibility and efficiency of aircraft operations;
- Maximize gate capacity and flexibility;
- Establish a common use platform.

4 PROJECT SCOPE AND STATUS

4.1 DESIGN CONCEPT AND COMPONENTS

The Authority is currently completing Phase II planning to advance project development, design development, and cost evaluation. Phase II includes significant activities needed to progress the design concept, identify design issues, confirm project scope and budget, continue negotiations with the airlines on space utilization, fees and charges and economic viability, as well as development of a financing plan necessary to fund the project.

In furtherance of these efforts, the Authority has retained a consultant (the “Consultant”) to complete Stage I design (approximately 30% design) of the new CTB and related facilities.

With input from select stakeholders, including airlines, the Consultant was required to prepare a number of development concepts, including strategies aimed at reusing the existing landside and terminal buildings. From these, the Authority has chosen a preferred approach (the Parallel Piers Concept), shown below, which is a new development concept that best achieves the objectives and needs of the Project.



The Parallel Piers Concept is characterized by a terminal head house with attached finger piers or concourses radiating from it. The central concourses are 98'-wide double-loaded (gates on both sides) buildings. The lateral concourses are 60'-wide single-loaded buildings. The new terminal head house is a three-level structure.

The new CTB will be built in phases to minimize adverse impacts on passenger service levels until the new terminal and roadways are ready for a single move from the existing terminal to the new. Progressive demolition of the existing CTB during construction along with coordination of tenant relocations will be considered part of the scope of work.

When compared with the other alternatives, the Parallel Piers Concept demonstrated the following characteristics that led to its selection as the preferred alternative:

- Superior end-state functionality in most aspects of airside, landside, and terminal operations
- Near-term and long-term flexibility
- Less disruption to passengers and to airline operations
- Shorter construction schedule
- Lower cost
- Less risk to cost and schedule
- Balance of airside, landside, and terminal facilities

It should be noted that the design identified on the figure is illustrative and the Authority encourages comment regarding different approaches that align with this basic philosophy, provided that mandatory requirements (as contained herein) are met.

4.2 AIRPORT OVERVIEW

The map below shows an aerial view of LGA, indicating the airport’s buildings, parking facilities and the integrated road network that connects to the CTB.



4.3 STUDY AREA AND PHYSICAL CONSTRAINTS

The Project study area measures approximately 125 acres and extends from the taxiway system to the airport boundary along the Grand Central Parkway. It includes the area of the existing

CTB airside, landside and terminal, as well as the footprints and aprons of Hangars 1, 2, and 4, and Parking Lots 1, 2, 3, and 4.

LGA is surrounded by residential communities to the south and west, Bowery Bay to the north, and Flushing Bay to the east, limiting the available space for construction staging. The Authority is undertaking an Airport Support Zone study that will identify suitable parcels within a 2-mile radius of the Airport to be used for Project support purposes. The Authority welcomes input on how potential partners might assist in this effort and how space constraints can be accommodated.

4.4 ANTICIPATED PROJECT SCHEDULE

The Authority is advancing Phase II Planning and Stage 1 Design, as described above. The anticipated project schedule is currently being developed, but the Authority estimates that construction of the Project will commence in July 2014 and that the Project will be completed in 2021. The Authority is investigating opportunities to shorten the construction period while maintaining adequate facilities to meet operational needs during this period. The current preliminary Project Schedule is:

Phase II Planning Completion	4Q 2011
Stage I Design Completion	1Q 2013
Stage II Design	2Q 2013 – 2Q 2014
Stage III Design	2Q 2014 – 2Q 2018
Construction	1Q 2014 – 4Q 2021

The Authority is interested in feedback from the industry on how the construction schedule could be reduced while maintaining airport operations in order to complete the Project sooner.

5 DESIGN AND TECHNICAL CONSIDERATIONS

5.1 DESIGN PROGRESS AND FLEXIBILITIES

The Authority's current design may be considered "illustrative." Other similar designs may be acceptable, provided they are consistent with the Parallel Piers concept, meet the mandatory requirements as described herein, satisfy Project objectives, meet other stakeholder requirements, permitting requirements, and other agreements necessitated during development of the Project. The Authority may consider Alternative Technical Concepts and would welcome feedback from potential proposers on how such matters have been handled during other procurements to encourage innovation while maintaining transparency and fair competition.

The Authority places a high focus on sustainability and may specify recycling of certain materials/green construction methods or propose specific sustainability guidelines, provided they result in life cycle cost savings.

5.2 MANDATORY REQUIREMENTS

5.2.1 DEMOLITION OF EXISTING CTB, CHRP, AND CES

Demolition of the existing CTB will occur in phases throughout construction of the Project and will be included in the scope of work. Demolition of the existing CHRP will be performed upon completion of the new structures, while the demolition of the CES may be performed prior to the completion of the new structures. The demolition of the CHRP and CES will be included in the scope of work.

5.2.2 MASS TRANSIT ACCESS

While the Project scope does not include rail service, the new CTB shall be designed so as not to preclude future rail access. The design shall incorporate provisions for track alignment and connections compatible with current New York City plans for light and heavy rail, should future funding become available.

5.2.3 MINIMAL GATE AVAILABILITY

As part of Project delivery, the Authority will require a minimum number of gates and related airline facilities to remain operational to accommodate the flight schedule of the CTB airlines throughout the duration of construction of the Project.

5.2.4 COMMON USE

The Authority anticipates that the gates and related airline facilities in the new CTB will be utilized on a common use basis.

5.2.5 PARKING REQUIREMENTS

As part of Project delivery, the Authority seeks to maximize the number of available on-Airport public parking spaces throughout the Project. There are presently approximately 6,500 public spaces at LGA, which includes approximately 2,850 in the existing CTB Garage. The Authority is considering the potential of utilizing a number of parking optimization techniques to help achieve this requirement, and would be interested in feedback from the industry on how this could best be realized while minimizing overall capital costs.

5.3 PRELIMINARY PROJECT COST ESTIMATE

The Authority has developed a preliminary construction cost estimate for the entire Project:

Terminal	\$1,710 million	Roads	\$343 million
Utilities	\$208 million	Parking Garage	\$215 million
Airfield Taxiways	\$383 million		

These amounts include construction costs, contingencies, and escalation at 3% per annum, but do not include planning, engineering, insurance, and financial expense. With these additional items considered, the total cost for the Project is currently estimated to be approximately \$3.6 billion. Additionally, the Authority is interested in minimizing all soft costs associated with this project, and would welcome input from the industry on how this can be achieved.

6 COMMERCIAL AGREEMENTS

6.1 CURRENT AIRLINE LEASES AND AGREEMENTS

By way of background, the Authority has entered into the following major agreements with the airlines at LGA:

- Freedom Agreement – The Freedom Agreement covers the use of the Public Aircraft Facility (PAF) at LGA and establishes the cost recovery formula which determines the Flight Fee.
- CTB Leases - The CTB leases cover basic airport related requirements, exclusive area leaseholds, common area leaseholds, and rentals and various cost recoveries, specific to the existing building.

- US Airways' Leases – These are exclusive area agreements for Terminal C (two buildings) and cover basic airport related requirements and rentals.
- Delta Air Lines Leases – These are exclusive area agreements for Terminal A (also known as the Marine Air Terminal) and Terminal D and cover basic airport related requirements and rentals.

The CTB, US Airways, and Delta Air Lines Leases extend through 2015, but are subject to earlier termination at the option of the Authority.

6.2 RELEVANT NON-AIRLINE AGREEMENTS

Separate third parties currently manage both concessions and advertising at the CTB on behalf of the Authority. The Authority is considering alternatives to the current arrangement and is interested in feedback from the industry on how concessions and advertising could be best managed in the new CTB.

The Authority currently has a contract with Ampco System Parking for the operation and management of the public parking facilities at LGA.

6.3 TERMINAL OPERATIONS AND MAINTENANCE

The existing CTB is currently operated by the Authority, with the tenant airlines assuming operational and maintenance responsibilities for their exclusive area leaseholds including, but not limited to, airline ticket offices, holdrooms, lounges, office areas, loading bridges, and baggage make-up areas.

The Authority expects that the new terminal will have a significantly reduced amount of airline exclusive space and that the passenger and operational areas will be utilized on a common use basis.

7 PROJECT PLAN – PRELIMINARY OVERVIEW

7.1 POTENTIAL PROJECT IMPLEMENTATION – DESIGN AND CONSTRUCTION

Alternative delivery models have been successfully used to deliver major elements of other Authority projects. The Authority expects the Qualified Organization to be responsible for detailed design development, preparation of contract documents, and construction management of the Project, with the Authority in an oversight role to ensure adherence with contract specifications and plans.

7.2 PLANNED TERMINAL OPERATIONS

The Authority is currently considering retaining a terminal management and operation contractor/consortium for the new terminal that would be responsible for various operational and maintenance activities, subject to Authority-established service standards and performance measures. Services that would be provided by the contractor/consortium include:

- Terminal janitorial services
- Equipment and systems maintenance, including baggage systems, loading bridges, HVAC, plumbing, Information Display Systems for flight, baggage, gate and ramp, Public Announcement system, Common Use Terminal Equipment (CUTE) / Common Use Self Service (CUSS) systems, etc.

- Terminal operations including but not limited to passenger service functions, including skycaps/porters, wheelchair services, etc.
- Gate scheduling and ramp control, consistent with Authority policies

7.3 POTENTIAL PROJECT STRUCTURE – AUTHORITY PRELIMINARY “BASE CASE”

To date, the Authority has assumed the following preliminary financing plan:

- PFCs, on a PAYGO and leveraged basis, will fund portions of certain airfield and landside infrastructure elements of the Project as well as certain portions of the new terminal, consistent with federal regulations.
- A portion of the airfield and landside infrastructure projects may be funded from other sources.
- The capital requirement of the new terminal element of the Project has a net requirement of \$1.5 billion to \$2.0 billion (net of available PFCs, grants and other funds). No Authority funds, including Consolidated Bond capacity or Authority reserves, are available to fund the new terminal element of the Project.
- The Authority’s preliminary anticipated funding mechanism for the new terminal element requirement is 30-year, fixed-rate, tax-exempt special facility bonds, including Special Project Bonds that are solely secured by a mortgage of facility rental, among other things, in accordance with the Authority’s Special Project Bond Resolution.
- The replacement parking garage may be funded either with Authority funds or as part of the special project bonds, in which case parking revenues may be available as security for the bonds.
- The Authority’s project financial advisor, Frasca & Associates, L.L.C., anticipates that such special project bonds could achieve an “A” level rating.

The Authority is engaged in preliminary discussions with the airlines at LGA about the Project. While formal business negotiations have not commenced, the Authority currently anticipates that a new lease agreement will be negotiated with the airlines operating from the redeveloped CTB. This lease would generally be based upon a commercial compensatory rental methodology for the recovery of capital, operating, and other costs of the new terminal, and provide the airlines with access to gate facilities utilizing common use provisions.

The Authority is contemplating a uniform terminal lease agreement that would include not only the redeveloped CTB but all the terminals at the airport.

7.4 TERMINAL CONCESSIONS AND PUBLIC PARKING

It is anticipated that the Authority will enter into agreements with concession management or development companies and advertising companies to optimize the terminal concession and advertising programs, consistent with the Authority’s revenue maximization, customer service, Disadvantaged Business Enterprise, and other policy objectives. The Authority is interested in feedback from the industry on the best approach to managing concessions and advertising in the redeveloped CTB.

For the new parking garages and other public parking facilities at LGA, the Authority currently anticipates retaining an operator under a management contract. The Authority is interested in feedback from the industry on the best approach to managing the new parking facilities.

8 CONDITIONS FOR THE SUBMISSION OF INFORMATION

8.1 INQUIRY ONLY – NO CONTRACT

This RFI is an inquiry only and no contract or agreement will be entered into as a result of this process.

Neither the Authority nor any other agency guarantees that the Project will advance to public procurement stage, or that the subsequent procurement, if any, will follow the approach described herein.

8.2 CHANGES TO THIS RFI

At any time, in its sole discretion, the Authority may, by written addenda to this RFI, modify, amend, cancel, and/or reissue this RFI. If an addendum is issued prior to the date Information is due, it will be made available on the following website:

<http://www.panynj.gov/business-opportunities/bid-proposal-advertisements.html>

If an addendum is issued after Information has been received, it may, at the Authority's discretion, be provided only to those proposers whose submittals may be impacted by such change/addendum.

8.3 INFORMATION PREPARATION COSTS

The Authority shall not be liable for any costs incurred by the respondent in the preparation, submittal, presentation, or revision of its Information, or in any other aspect of the respondent's pre-information submittal activity. No respondent is entitled to any compensation except under an agreement for performance of services signed by an authorized representative of the Authority and the respondent.

8.4 DISCLOSURE OF INFORMATION CONTENTS / USE OF IDEAS AND MATERIALS

Information submitted in response to this RFI is not generally considered confidential or proprietary. All information contained in the Information is subject to the "Agreement on Terms of Discussion" attached hereto as Appendix B.

8.5 OWNERSHIP OF SUBMITTED MATERIALS

All materials submitted in response to or in connection with this RFI shall become the property of the Authority.

8.6 REFERENCES

The Authority may consult any reference familiar with the respondent regarding its current or prior operations and projects, financial resources, reputation, performance, or other matters. Submission of Information shall constitute permission by the respondent for the Authority to make such inquiries and authorization to third parties to respond thereto.

8.7 RIGHTS OF THE AUTHORITY

The Authority reserves all its rights at law and equity with respect to this RFI including, but not limited to, the unqualified right, at any time and in its sole discretion, to change or modify this RFI, to reject any and all Information, to waive defects or irregularities in Information received, to seek clarification of Information, to request additional Information, to request any or all respondents to make a presentation, to undertake discussions and modifications with one or more respondents, who, at any time, subsequent to the deadline for submissions to this RFI, may express an interest in the subject matter hereof.

No respondent shall have any rights against the Authority arising from the contents of this RFI, the receipt of Information, or the incorporation in or rejection of Information contained in any response or in any other document. The Authority makes no representations, warranties, or guarantees that the information contained herein, or in any addenda hereto, is accurate, complete, or timely or that such information accurately represents the conditions that would be encountered during the performance of any subsequent contract, if any. The furnishing of such information by the Authority shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each respondent, by submitting its Information, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Authority liable or responsible therefore in any manner whatsoever.

8.8 NO PERSONAL LIABILITY

Neither the Commissioners of the Authority, nor any of them, nor any officer, agent or employee thereof shall be charged personally with any liability by a respondent or another or held liable to a respondent or another under any term or provision of this RFI or any statements made herein or because of the submission or attempted submission of information or other response hereto or otherwise.

* * *

APPENDIX A – QUESTIONNAIRE

Respondents meeting the requirements set forth in this RFI are invited to return the following questionnaire together with a cover letter (not to exceed 2 pages). The page count for each individual section of the questionnaire is listed below. Respondents need not submit information for Sections II, III, or IV if one or two of these sections are not applicable or consistent to their expertise. Detailed corporate or team experience and capability, and/or general marketing material should not be included with your response. Follow the format below.

Section I. Eligibility and Experience: (All respondents) 5 page limit

- A. Provide a concise description of the name and principal business of the organization that would participate in the Project or elements of the Project.
- B. Provide examples of comparable public transportation facility projects in which your firm has played a significant role in enhancing the value of the project. (Refer to the attached form in Appendix C).

Section II. Development and Construction: (If applicable) 5 page limit

Describe if an alternative project delivery approach would be beneficial for the Project. For example, would a “design-build” or “design-build-operate-maintain” (“DBOM”) or some variation thereof enhance the value of the Project or elements of the Project?

Explain:

- A. What financial benefits would be available under an alternative project delivery approach? Quantify potential cost savings and schedule reductions.
- B. What benefit would this approach provide the Authority and the airlines?
- C. How would this approach contribute towards minimizing soft costs?
- D. How would this approach accelerate the projects speed to market and shorten the overall project timeline?
- E. Would this approach result in a shorter construction timeline than the one proposed?
- F. Which Operation & Maintenance (O&M) activities do you believe should be included within a DBOM contract in order for your team to accept responsibility for the condition of the physical asset and to enable the most efficient and effective interfaces with the Authority?
- G. What would you view as the optimal term of a DBOM contract?
- H. The Authority is committed to a solution that would not preclude the implementation of a mass transit element to the CTB (at a later date), and would be interested to hear experiences of how such requirements have been met.
- I. How would you expect to be compensated for your participation in the Project?
 1. From what sources of revenue would you expect this to derive?
 2. Which specific financial risks would your organization assume, and what conditions would be necessary for their assumption?

3. In your experience with previous projects, detail the assumption of financial risk by your organization.
4. Are there any specific financial risks your organization would not assume?

Section III. Operations and Maintenance: (If applicable) 5 page limit

- A. The Authority is interested in feedback on its proposed approach for the operation of the new Terminal. Provide your views on which of the following elements of the management and operations of the building, if any, should be under the control of the terminal contractor/consortium:
 1. Terminal operations and maintenance –Be specific
 2. Gate assignment
 3. Ramp management
 4. Other
- B. Comment on the optimal approach for a terminal operations consortium, with respect to the following:
 1. The structure of the consortium
 2. The procedures used to measure performance, including financial incentives and penalties
 3. The process for establishing annual budgets
 4. How the consortium would interact with the airlines and other terminal tenants and stakeholders
 5. As an operator of the terminal, how would you expect to receive compensation for your participation in the Project? From what sources of revenue would you expect this to derive?

Section IV. Financing: (If applicable) 5 page limit

- A. As discussed in Section 7 of this RFI, the Authority is working to develop a financing plan that includes PFC funding of eligible Project infrastructure components and tax-exempt special facility bond financing of the new terminal component of the Project. The Authority welcomes comments, if any, that you might have on this approach, as well as your recommendations as to any alternative financing approaches
- B. The Authority is seeking information and feedback on alternative sources of financing that may be available for the Project. For purposes of this question, assume the following:
 1. The capital requirement of the new terminal element of the Project has a net requirement of \$1.5 billion to \$2.0 billion (net of available PFCs, grants and other funds).
 2. The Authority may retain responsibility for the net capital requirements of the aeronautical, parking, and other elements of the Project.
 3. No Authority funds, including Consolidated Bond capacity or Authority reserves, are available to fund the new terminal element of the Project.

4. The Authority's assumed funding mechanism for the new terminal element requirement is 30-year, fixed-rate, tax-exempt Special Project Bonds that are solely paid from the net revenues (after operating expenses) of the new terminal, excluding any flight fee, parking, or other LGA revenues.
 5. Frasca & Associates, L.C.C. currently anticipates that such Special Project Bonds could achieve an "A" level rating.
- C. Identify and provide your perspectives on the following:
1. Compared to Special Project Bonds, quantify the benefits the alternative financing structure(s) would provide the Authority. Would the Authority benefit from reduced financial risks under your proposal?
 2. What amount (or range of amounts) of equity investment, if any, would you suggest be beneficial in developing an alternative plan of finance for the new terminal element of the Project? What form(s) would such equity investment take?
 3. Based upon current market conditions, what rate of return (or range of returns) would be necessary for such Equity investment? What term would be required?
 4. Detail any covenants that would be required to support the Equity investment.
 5. Detail any covenants or structural elements that would be necessary to achieve an investment grade rating.
- D. If the Authority were to consider equity investment or other forms of alternative financing in the new parking garage(s), either as a stand-alone element or as part of the new terminal financing element, discuss whether this would encourage additional third party investment. Detail the terms of such investment in the garage element (in similar detail to the prior question (C.)).
- E. What specific financial risks would your organization assume? What conditions would be necessary for such an assumption? In your experience with previous projects, detail the assumption of financial risk by your organization. Are there any specific financial risks your organization would not assume?
- F. The Authority anticipates that any alternative financing will be co-terminus with its lease with the City of New York, which extends through 2050. Indicate if this is acceptable and, if not, specify a suggested length term, and the reason for its necessity.

Section V. Other: (All respondents) 1 page limit

Provide any additional comments, concerns, or suggestions you wish to offer.

* * *

APPENDIX B - AGREEMENT ON TERMS OF DISCUSSION

The Authority's receipt or discussion of any information (including information contained in any proposal, vendor qualification, ideas, models, drawings, or other material communicated or exhibited by us or on our behalf) shall not impose any obligations whatsoever on the Authority or entitle us to any compensation therefore (except to the extent specifically provided in such written agreement, if any, as may be entered into between the Authority and us). Any such information given to the Authority before, with or after this Agreement on Terms of Discussion ("Agreement"), either orally or in writing, is not given in confidence. Such information may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever. Any statement which is inconsistent with this Agreement, whether made as part of or in connection with this Agreement, shall be void and of no effect. This Agreement is not intended, however, to grant to the Authority rights to any matter, which is the subject of valid existing or potential letters patent. The foregoing applies to any information, whether or not given at the invitation of the Authority.

Notwithstanding the above, and without assuming any legal obligation, the Authority will employ reasonable efforts, subject to the provisions of the Authority's Freedom of Information Policy and Procedure adopted by the Authority's Board of Commissioners on November 20, 2008, which may be found on the Authority website at http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi_policy.html, not to disclose to any competitor of the undersigned, information submitted which are trade secrets or is maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause substantial injury to the competitive position of the enterprise, and which information is identified by the respondent as proprietary, which may be disclosed by the undersigned to the Authority as part of or in connection with the submission of information.

(Company)

(Signature)

(Title)

(Date)

**ORIGINAL AND PHOTOCOPIES OF THIS PAGE ONLY.
DO NOT RETYPE.**

APPENDIX C

PROJECT EXPERIENCE FORM - AIRPORT PASSENGER TERMINAL PROJECT TRACK RECORD - DEVELOPMENT & CONSTRUCTION FIRMS							
COMPANY NAME:							
PROJECT NAME & LOCATION (1)	PROJECT DESCRIPTION & SCOPE (2)	PROJECT COST (3),(4)	START DATES & PERCENT OF WORK COMPLETED AS OF JULY 1, 2011	COMPANY'S ROLE & PARTICIPATION (5)	FINANCIAL COMMITMENT & OBLIGATIONS (3),(6)	FINANCIAL RETURN (7)	CONTACT INFORMATION FOR PROJECT'S PUBLIC SPONSOR/OWNER (8)

Guidelines:

The Authority is interested in the following:

- (1) Only list projects involving new capital development of more than US\$250 million closed within the past ten(10) years, in which company participated in the project development/bidding process.
- (2) Attach to this form a maximum one-page narrative description for each project listed in this column.
- (3) In United States Dollars (in thousands), (identify conversion rate from other currencies).
- (4) Project Cost means the total design, planning, permitting, and construction cost of the project, excluding financing costs. Identify the company's contract cost and the percentage this comprised of the total cost.
- (5) Provide Company's role and responsibilities in the development, construction, and/or ongoing management and operation of the terminal facility.
- (6) Provide Company's funding commitments, if any, for the project. Also, identify financial obligations of company to provide completion financing or other funding.
- (7) Identify the funding sources for the company's compensation, fees, and payments. Identify the fees (type and amount) which are fixed and which are variable (e.g., performance based fees) including the basis for determining fees.
- (8) Include name of contact person, address, active phone number, and e-mail address.

PROJECT EXPERIENCE FORM - AIRPORT PASSENGER TERMINAL PROJECT TRACK RECORD - OPERATION & MAINTENANCE FIRMS							
COMPANY NAME:							
PROJECT NAME & LOCATION (1)	PROJECT DESCRIPTION & SCOPE (2)	PROJECT COST (3),(4)	START & END DATES OF CONTRACT	COMPANY'S ROLE & PARTICIPATION (3), (5)	FINANCIAL COMMITMENT & OBLIGATIONS (6)	FINANCIAL RETURN (7)	CONTACT INFORMATION FOR PROJECT'S PUBLIC SECTOR SPONSOR/OWNER (8)

Guidelines:

The Authority is interested in the following:

- (1) Only list projects within the past ten (10 years) in which the company provided full O&M services (i.e., do not include contracts for individual services) for an airport passenger terminal.
- (2) Attach to this form a maximum one-page narrative description for each project listed in this column.
- (3) In United States Dollars (in thousands), (identify conversion rate from other currencies).
- (4) Project cost means the annual O&M budget.
- (5) Detail role of the company in the project development, if any, and in setting the budget, promoting efficiency, reducing life cycle costs, and enhancing customer service.
- (6) Detail the company's financial commitment to meeting financial, service and other performance targets and how these targets are set.
- (7) Specify how the company is compensated, including fixed and variable management and other fees.
- (8) Include name of contact person, address, active phone number, and e-mail address.

PROJECT EXPERIENCE FORM AIRPORT PASSENGER TERMINAL PROJECT TRACK RECORD - FINANCIAL INVESTORS							
COMPANY NAME:							
PROJECT NAME & LOCATION (1)	PROJECT DESCRIPTION & SCOPE (2)	PROJECT COST (3),(4)	START DATES & PERCENT OF WORK COMPLETED AS OF JULY 1, 2011	COMPANY'S ROLE & PARTICIPATION (5)	FINANCIAL COMMITMENT & OBLIGATIONS (3),(6)	FINANCIAL RETURN (7)	CONTACT INFORMATION FOR PROJECT'S PUBLIC SPONSOR/OWNER (8)

Guidelines:

The Authority is interested in the following:

- (1) Only list projects involving both new capital development and private financing of more than US\$250 million closed within the past ten (10) years, in which the company was an original investor (i.e., do not list secondary market transactions) and participated in the project development/bidding process.
- (2) Attach to this form a maximum one-page narrative description for each project listed in this column.
- (3) In United States Dollars (in thousands), (identify conversion rate from other currencies).
- (4) Project cost means the total amount of the project financed; include subtotals listing the amounts funded by private finance and public finance or capital grants.
- (5) Provide company's role and responsibilities in the development, construction, and/or ongoing management and operation of the terminal facility.
- (6) Provide company's equity investment as a shareholder and other funding commitments. The equity investment may take the form of either (A) Shareholder's equity or (B) Shareholder subordinated debt. Also, identify financial obligations of company to provide completion financing or other funding.
- (7) Identify the funding sources, priority of re-payment, and mechanisms for re-payment of the company's financial investments.
- (8) Include name of contact person, address, active phone number, and e-mail address.