



Public Private Partnership (PPP) – Case Study

<http://www.icao.int/sustainability/Pages/im-ppp.aspx>

*Infrastructure Management Programme
Economic Development of Air Transport*

Region: North America

State: United States

Airports:

- Boston Logan International Airport Terminal A (ICAO:KBOS, IATA:BOS)
- Chicago Midway International Airport (ICAO:KMDW, IATA:MDW)
- John F. Kennedy International Airport - Terminals 1 & 2 (ICAO:KJFK, IATA:JFK)
- Orlando Sanford International Airport (ICAO:KSFB, IATA:SFB)
- Stewart International Airport (ICAO:KSWF, IATA:SWF)

Airport: Boston Logan International Airport Terminal A (ICAO:KBOS, IATA:BOS)

Massachusetts Port Authority (Massport) is the major owner and operator of **Boston Logan International Airport Terminal A**, along with **Delta Air Lines**. The initial period of the concession is for 5 years (began on March 16, 2005). Extension terms provided for 20 automatic one-year extensions unless Delta was in default.

Delta Air Lines was in charge of redeveloping Terminal A, which was entirely occupied by Delta Air Lines before 2005. However, Delta returned 11 of the 22 gates to Massport due to some financial difficulties.

Airport: Chicago Midway International Airport (ICAO:KMDW, IATA:MDW)

In September 2008, the City of Chicago chose the winner bidder for awarding the long-term concession lease of **Chicago Midway International Airport** which is a consortium comprising by **Midway Investment and Development Company LLC (MIDCo)**, **Citi Infrastructure Investors** and **John Hancock Insurance Company**.

However, in April 2009, the Concession Agreement with the consortium was terminated because of its inability to finance.



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Airport: John F. Kennedy International Airport (ICAO:KJFK, IATA:JFK)

JFK - Terminal 1

The **John F. Kennedy International Airport Terminal 1** was officially opened in 1998 and is operated by **Terminal One Management Inc. (TOMI)**, which was formed by the **Terminal One Group Association (TOGA)**.

TOGA is composed by **Air France, Japan Airlines, Korean Air, and Lufthansa**. At its creation, each airline was equal owner of the USD 435 million Terminal One Project.

The lease was signed in 1994 with financing arranged through the New York City Development Agency.

TOMI is responsible for constructing, financing, managing and operating the Terminal.

JFK - Terminal 4

John F. Kennedy International Airport Terminal 4 (JFK Terminal 4) was the first major terminal to be managed by a foreign airport operator (Schiphol Group) in the United States. It is the only non-airline, privately-operated terminal at JFK.

Delta Air Lines is the airline operating the largest number of departures from this terminal.

In May 1997, the **Port Authority of New York and New Jersey** awarded a concession contract to **JFK International Air Terminal LLC (JFKIAT)**, a subsidiary of the Schiphol Group, to operate, manage and maintain Terminal 4 until 2043. According to the concession, JFKIAT was in charge of expanding the Terminal 4 and upgrading the airport infrastructure, which includes nine new international gates, customs and border security facilities and additional baggage space.

LCOR Inc. (USA) has been involved in the USD 3 billion Terminal 4/Delta expansion, the largest PPP airport project in U.S. history, completed in 2001 and managed together with Schiphol USA LLC and Lehman Brothers, 100% stake in JFKIAT taken over by Schiphol Group after acquiring the Lehman Brothers and LCOR stakes.



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Terminal 4 opened in May 2001 after undergoing a USD 1.4 billion redevelopment, transforming the former International Arrivals Building (IAB) into an air terminal model for the 21st century.

Phase 1 of a two-phase expansion and renovation project was completed on May 24, 2013 and added numerous infrastructure enhancements to the facility to the benefit of the 30 international and domestic airlines and the passengers that use the terminal. The project added nine wide-body gates for Delta Air Lines, a new inline baggage system, a centralized passenger security check point, an expanded Customs and Immigration facility, a new domestic baggage claim and a host of new and exciting food & beverage and shopping options. Phase 2 added 11 regional jet gates for Delta Air Lines that opened in January 2015.

Airport: Orlando Sanford International Airport (ICAO:KSF, IATA:SFB)

TBI Airport Management Inc. is a joint venture, established as a consortium of two major companies: **Sanford Airport Authority** and **Airport Worldwide**, which took the responsibility for developing, operating and maintaining the **Orlando Sanford International Airport**.

For the Orlando Sanford International Airport, the concession has been awarded for a duration of 40 years, which entail new operations, such as cargo services; development of international and domestic terminals and additional air services. The concession was signed in 1997.

Airport: Stewart International Airport (ICAO:KSWF, IATA:SWF)

In November 1999, **United Kingdom National Express Group (NEG)** was awarded a 99-year period long lease, under an agreement by the New York State Department of Transportation, with the tasks of developing and operating **Stewart International Airport**. In 2000, Stewart International Airport became the first major privatized commercial airport in the United States.

However, the privatization effectively ended in 2007. NEG sold its interest of the remaining 91 years lease to the **Port Authority of New York and New Jersey** for USD 78.5 million.

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