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Skanska reaches financial close on LaGuardia project in New York, USA, worth USD 2.8 billion, about SEK 23 billion

Skanska has, as a member of LaGuardia Gateway Partners, reached financial close and executed a lease agreement with the Port Authority of New York and New Jersey (PANYNJ). The Public Private Partnership (PPP) includes finance, design, construction, operation and maintenance of the LaGuardia Airport Central Terminal B in New York City, USA, with a lease term through 2050. The agreement also includes construction work for supporting infrastructure and a new central entrance hall.

The contract is the biggest ever for Skanska. The value of the design/build contract amounts to a total of USD 4 billion, about SEK 33 billion. Skanska has a 70 percent share of the contract, worth about USD 2.8 billion, about SEK 23 billion. The amount will be equally divided between Skanska USA Building and Skanska USA Civil and included in the order bookings for the second quarter 2016.

The project will be financed using equity, debt, PANYNJ milestone payments, retail- and airline revenues. As a 33.3 percent shareholder of LaGuardia Gateway Partners, Skanska's equity investment will be about USD 70M, about SEK 580M.

"This is Skanska's largest project ever. We are proud to invest in and lead construction of this project that will improve the quality of air travel for millions of people. The LaGuardia Airport Central Terminal B project is a perfect example of how we, through Public Private Partnership, can expedite delivery of critical infrastructure, bringing together Skanska's construction and investment capabilities. We have a strong position in the growing US market for PPP projects," says Johan Karlström, CEO and President of Skanska.

Construction of permanent works will begin immediately, with most of the new terminal opening in 2020 and substantial completion during 2022.

Opened in 1964, Terminal B today serves more than 14 million passengers annually. The new LaGuardia Central Terminal B will be built adjacent to the existing terminal, while flight operations continue without interruption. The new design, expected to achieve LEED Silver Certification (Leadership in Energy and Environmental Design), exemplifies New York through two sweeping concourses that provide views of Manhattan and enable increased airline circulation.

LaGuardia Gateway Partners is comprised of Skanska Infrastructure Development, Vantage Airport Group and Meridiam as project sponsors and co-investors, with Vantage Airport Group managing operations. Skanska and Walsh form the design build joint venture, with HOK and WSP Parsons Brinkerhoff advising on the design.

Skanska Infrastructure Development is a leader in the global Public Private Partnerships (PPP) market. The business unit invests in, develops and operates roads, hospitals, schools, power plants and other social infrastructure in partnership with the public sector.

Skanska USA is one of the leading development and construction companies in the country, consisting of four business units: Skanska USA Building, which specializes in building construction; Skanska USA Civil, specialized in civil infrastructure; Skanska Infrastructure Development, which develops public-private partnerships; and Skanska USA Commercial Development, which develops commercial projects in select U.S. markets. Headquartered in New York, Skanska USA has more than 10,000 employees and its 2015 revenues were USD 7.1 billion or SEK 54.5 billion.

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