

# Steve Thody, CEO JFK Millennium Partners (JMP)

BY JEFF YAPALATER

Steve Thody is CEO of JFK Millennium Partners (JMP) which is a consortium of Vantage Group, RXR Realty, American Triple I and JetBlue. Under construction is the new T6 that will be a new building and expand into the footprint of T7, currently in use, and which will be demolished in 2026. The existing JetBlue terminal will co-exist and will be connected to the new T6 via a seamless corridor. This \$4.2 billion project is currently in construction with a phase 1 opening in 2026 and completion of the terminal by 2028.

**Q: What are you offering to airlines and customers in your new terminal? How are you selling them T6?**

A: We're offering them a boutique, high-end, terminal experience. We also have a lot of natural light in T6, as well as lounge options available for our customers. Walking distances from the TSA checkpoint to any of our gates will be five minutes, on average. If you were to ask any of the current T7 carriers or the ones that have been around for a while, they know they could go to other terminals that have higher ceilings or more windows. But what they love about T7 is how quickly you can go from check-in to security to your plane. On average it's less than 30 minutes. If you needed to escort someone, you could get them to the gate in less than 10 minutes -- which is much faster than the larger JFK terminals. So maintaining that level of ease and "boutiqueness" was important to us and it's important for our airline partners. So our offer at T6 will be attractive to airlines that want a premium service, and those that want a brand new infrastructure with all the latest technologies and amenities. They want a terminal that is built around today's travel needs but also how we see the future unfolding, with upgraded TSA & CBP technologies. All of this, with short walking distances, is proving to be attractive to many airlines we are in discussions with.

**Q: Do you have any idea when the first flight is planned. Have you gotten to that granular level yet?**

A: Like New Terminal One, (NTO), we plan to open our first gates in 2026. According to the schedule, ours will be in early 2026. We still don't know all of the airlines yet or which airline will have the first flight. We are in discussions

with many airlines. You've seen the ones we've announced so far: Lufthansa Group, Aer Lingus and JetBlue; JetBlue is also a minority partner in JMP. We have a couple more on the horizon that will be announced shortly, but we're not quite there yet. With the transition largely being an overnight change from T7 to T6, the first part of the day is going to depend on the schedule that the airlines operate on that first day. So: to be continued

**Q: I understand there is a unique and well-appreciated advantage of the physical integration between JetBlue's existing terminal and its connection to T6.**

A: Yes, the linkage with JetBlue is a big attraction. We will be connected airside and landside with JetBlue, allowing international carriers that have a codeshare agreement with JetBlue to have a much smoother and quicker transfer proposition. The biggest win is if you are arriving in New York on JetBlue and transfer internationally, you can literally walk down the airside corridor from JetBlue straight into T6 and board your flight; there's no need to exit the terminal and re-enter security. We will be using the same technologically advanced baggage system recently installed at the new LaGuardia Terminal B.

Being in T6 from an airline perspective significantly cuts down the minimum connecting time, so they can now sell more JetBlue flights that can connect to their flight, which increases the amount of revenue an airline can drive. This enhanced guest experience and revenue gain for the airline to be in T6 -- which they cannot get from any other terminal at JFK -- is another selling point.

**Q: Are you going to stick with the T6 as the terminal name?**

A: It all falls under the purview of the Port Authority and the requirements that we've got within our lease, even the other terminals will have the same thing and they must conform to the latest Port Authority standard on signage. For passenger-facing website applications, the Port Authority has started a process to create a seamless experience, which I am completely behind from a traveling public perspective. Creating one website that gives travelers a single source of information, whichever terminal it may be, will improve the guest experience overall.



**Q: But then you also have how many gates now? What do we have when it's finished?**

A: When T6 is finished, we will have 10 new gates. One will be utilized by JetBlue and connected to Terminal 5 and the remainder will serve new T6 airlines.

**Q: What makes the new terminal deal financially profitable?**

A: It's the long-term lease, so the deal is considered and reviewed with that whole period in mind.

**Q: Why build a building with the same number of gates?**

A: The T7 building is 50+ years old. Aviation has moved on significantly over the last 40 years with larger planes, more passengers, and customers who want more from the seats in the gate hold rooms, like power plugs, experiences, dwell space, etc. When thinking about T6 compared to T7, while it will offer the same number of gates, it's more than twice the space -- with just over 1.2 million square feet.

**Q: Are there any major challenges that you that you didn't expect? Anything that you didn't expect coming into this that you can talk about?**

A: The biggest challenge we have probably faced, but I won't say it was an unknown challenge, is as we build T6 we have to take more away from T7 to make room for the construction. We have also found more and more airlines want to be part of T7, however we know the construction creates

constraints, including some gate reductions later in 2024. We are transparent with airlines on the challenges, and in some cases the airline can work with us on the relocation, and for others, the timing doesn't work right now. We constantly look to partner with airlines to meet their needs within the available space at T7. So that's probably our biggest challenge and it's a nice issue to have when airlines want to join JMP, because it means we're building a good reputation at JFK for the way the company runs the facility.

**Q: What industry or sustainability standards are you seeking as you build this new space?**

A: The minimum aim is LEED Silver status, but we're targeting LEED Gold or better, plus other recognitions in our quest for an outstanding new terminal. And then our vision is looking at how we contribute back to improving the quality of life of the surrounding communities. We will have to ensure that whatever we build at T6 does not negatively impact the water, air quality or noise pollution. Building brand new, from the ground up, provides an opportunity to positively impact the community, generating economic opportunities and more jobs. So that's the vision.

**Q: What other sustainability features will the new terminal have?**

A: Sustainability has been integrated into the design of the building. For example, we've chosen a special film on the glass that will keep UV rays out in the summer, but will help insulate the building in

the winter. Together with two huge oculus skylights and floor to ceiling windows, we're also letting in more daylight during the day. We'll have 6000 solar panels on the roof of the building and rainwater collection and reuse. Those are good things in and of themselves. Then there's a big focus on concessions. We're partnering with Royal Waste Services on recycling composting to get everyone in the sustainability mindset.

**Q: Steve, what did you do when you first began working at British Airways? You had spent 19 years at BA before becoming CEO of JMP.**

A: My career started in the UK, where I spent the first two years in the finance organization before transferring to the New York office. Around 2008, I assumed the role of director of finance for Terminal 7 (T7) at British Airways (BA), starting my career at JFK. I was based at T7 for a short period of time, then BA completed a large reorganization and I was promoted again with oversight of the financial performance for all of the airports and customer service operations around the US, retaining JFK as part of that role and working from BA's headquarters. The shift away from finance came in 2017. I moved back to JFK as part of leading a new terminal management team, designed to run the terminal as a separate enterprise. BA as the airline was actually a key customer, so we would collaborate on delivering the best overall performance for BA for the terminal, and the operation.

**Q: During your time in finance, was part of the team getting the financing together for the new terminal?**

A: There's a large team that completed the financing leading up to financial close for the T6 project. I was part of the team involved in some of the modeling that goes into the financing led by Vantage Group along with our partners RXR and ATI.

**Q: How is T7 now managed? Are there differentiated services for different traveler needs?**

A: JMP runs the terminal as the landlord. We consider the airlines as our customers, and the passengers of the airlines as our guests. Our aim is to ensure that we provide the best guest experience and that we partner with our airline customers to ensure that we're meeting their needs. As you can

imagine, each airline has their own bespoke way of how they want their operation, and their customers, to be treated. We have both low cost carriers as well as full service carriers in the building, and they all want different levels of service for their guests. So we really try to make sure that we are understanding all of their needs and providing the right mix. That said, we will still provide a high-end, bespoke terminal experience. We offer our airlines two main things: choice and options. Not every airline will want to do the same thing, but we provide all of the space and technology infrastructure so the airlines can then decide for themselves what level of service they want to provide for their customers.

Travelers walking into T7 typically have a persona that identifies what they may be looking for as a traveler that day. While there are several persona types, an individual may have multiple they connect with based on their type of travel that day. I consider myself as having two main persona types: I have myself as a business traveler persona, with my hand baggage only. I want to check in on my phone, fast track through security, get on the plane, complete my business trip, and come back again. I want to be as efficient as possible. Then I have my family persona. When I travel with my wife and two little kids, I get to the airport way ahead of time. I want to check my bags, I may interact with airline agents and check we are seated together, etc. I will dwell near concessions and have to make sure I find a restaurant that has chicken nuggets and fries or something that the kids are going to eat. My journey on a given day depends on what persona I am -- and that means as a terminal, we need to be ready to offer options to meet different travelers' needs, including the latest self-service technologies but also employing the right people to support travelers who need it. It's not just families or business travelers, either. There are also personas related to travelers with special needs, i.e. visually impaired individuals or travelers with reduced mobility. It's how we think about catering our offer to everybody.

**Q: How do you plan to do these things?**

A: We're providing the infrastructure, the technology and the options to make it available for airlines and guests. Some technology requires interaction with the airline to be fully available. So when

it comes to checking a certain capability, whether it's self-check in, self bag-drop, or biometrics -- we first speak to our airline partners about it. Some options are terminal operator led, such as ADA-focused restrooms, or special TSA lanes for families. JMP works with airline and government agencies to provide these options as part of the infrastructure.

**Q: But they've (NTO) also got a secondary phase and you've got a secondary phase, right?.**

A: We're moving ahead in two phases, because T7 is still an active terminal with active airlines that wouldn't have a home if T7 was currently closed. We have to first open T6, then there's going to be a bit of a reshuffling of airlines based on who's coming to T6 and who isn't. Terminal 7 will close and be demolished in 2026 to make way for the second phase of Terminal 6 construction, with terminal completion by 2028.

**Q: There are a lot of changes in the concessions program from the Port Authority down to terminals. How is your concessions program going to differ and appeal to travelers?**

A: We are close to announcing the first part of our concessions program. We have reimaged how we believe concessions will be working. Airport concessions as a whole is forever evolving. If you follow the likes of Changi Airport in Singapore, for example, you'll see that there's a lot more focus on how people experience concessions. So it's less about shelf space anymore, and more about how do people interact with the shopping experience? How do you change and morph how customers move through the space, or what they are doing other than just seeing signage and shelves of liquor. How do you create tasting areas or pop-ups, or experience the latest chocolates that are on offer. So we're leaning a lot more towards experiential elements that people can flow and navigate through, that change over time and create a place guests want to spend time (and money) in.

**Q: Did you model any other airport concessions program per se?**

A: No, we actually challenged all of our duty free and retail vendors to look at what they consider to be the best in class around the world. And then to think about how they bring those best in class elements into a unique experience within our T6 concessions program. We received some really great, New York inspired concepts.

Our terminal is built with a true sense of place as you go through the building -- including not just the look and feel or architectural design elements, but some very iconic New York elements in it. We will also have over 20 pieces of public artwork throughout the terminal. So we challenged our vendors: How do you bring concessions to life in this space? How do you make customers want to spend time and dwell and enjoy the space?

**Q: Is there any one particular new concession concept that you can talk about?**

A: It's going to be something that's really unique and best in its class. I don't think we can talk about the concept itself right now, but what I will say is, as part of the concessions program, which we have made public, we have made a very deliberate effort to break the program into three distinct elements. The first one is our main food court, which is 100% ACDBE or local businesses (Airport Concessions Disadvantaged Business Enterprise -- a DOT program that promotes disadvantaged business enterprises that include minorities, and includes Federal programs as well). So that's not available to the big operators. It's only available to local and ACDBE operators. Then we have our main units for retail duty free and larger food and beverage restaurants that need larger capital investment, creating flagship experiences. These are larger operators that require at least 30 to 35% ACDBE participation levels, as well.

So we'll have our ACDBEs in the first phase and the main food court. We've got at least 30-35% ownership structure of ACDBE's in our main program, which we're really proud of. And then the third part of the program launches this summer. JMP will build out five unique units where we fund the capital -- which is usually the biggest hurdle for newcomers to the airport. We've agreed to fund the capital for three inline units and two kiosks, to allow people that want to enter into an airport space to be able to come in and just bring their merchandise, signage and point of sale system, and then they will get an opportunity to experience working in the airport. And if they're successful, they can create future opportunities. It gives them good grounds to bid on other work in other terminals or even other airports. So it's a platform for people that are new to the airport to come in without needing to take out loans. We wanted to make sure that this was part of what we offer to the community. And these are 100% local business units.

**Q: Some of this is part of the community benefit from the T6 development?**

A: Yes, it's local businesses that will be given the opportunity on those five units to come in and start to grow a business in the airport space with having a minimal capital entry. Units will be made available to local business enterprises, or the Port's Institute of Concessions program (IOC) graduates -- anyone that qualifies as a local business or IOC graduate will be eligible to apply for one of these opportunities. We will shortlist the concepts that we think are the right fit for the program and we look forward to bringing Queens to T6.

**Q: How are you looking at employee satisfaction?**

A: We recently surveyed our current T7 workforce and asked them what they liked/disliked at T7 and how they would rate the passenger experience. We're now taking that feedback onboard as we make decisions on T6. At T7, one of the things we looked at recently was our employees' use of multi-faith prayer rooms -- to try to get a sense of whether what they currently had was sufficient. At the moment, there are airports that may put multi-faith prayer rooms in place for passengers, only to find that 50-80% of the people using it were employees. And then there's no room for the passengers when they want to use it, because it's busy. So the question actually becomes: How do we create a space where employees can have their own prayer room, or an element of that.

**Q: So you are trying to create a new culture in a way?**

A: Yes, it's a culture shift. Not just for JMP, but it's everybody that partners with JMP. We don't call people "suppliers" because we truly think it's a partnership. We deliver a world class operation as a partnership, as a group of partners working in collaboration inside the terminal. Whether that is our building maintenance team, our janitorial team, the concessions team, the airlines, the ground handlers, passenger handlers, and the JMP team -- it's about how can we work together to deliver the best operation possible? One advantage of running T7 while building T6 is we get to use it as a starting point to start shifting people's minds about how we want to run T6. We are looking to test some of the self-service bag drop machines that we can bring in, for example, or looking at how we can create more back of the house spaces that can free up more passenger seating in the food court.



T6 Glass Headhouse

**Q: So is there AI functionality at work? Is that type of technology the next step?**

A: Technology wise, we are in the middle of a procurement to look at a brand new system which will be customized and will enable everybody working at T6 to be connected, to enable seamless interactions, the latest information exchanges and quicker resolution of issues. This will significantly enhance the customer proposition. AI is definitely part of the discussion. The key is how do we use this kind of technology to truly leverage AI and machine learning to improve insights. AI can help us do things in a better way for tangible business results.

**Q: So, as part of your career path, did you plan to be CEO at some point in your life? Is that something you said back when you were an accountant and said, You know, I want to be CEO of something or what happened as you went up the ladder?**

A: So what people may not know is I'm a certified accountant. I have a finance background. When I finished university, I applied for a few roles and FedEx was one of them. I had no idea what I was falling into. I was given a project to basically look after the finances for the brand new FedEx facility at Stansted Airport. I got my airport ID and started spending time on the airfield. I looked at both BA and Virgin and BA had some openings that were a perfect fit. And then what I thought would be, you know, a few years turned into 18 years of a fantastic career with British Airways. And then at that point, I would argue, I got jet fuel in my veins and could not leave aviation. My career was all in finance until I took on the general manager of T7 position. When I was asked to take that on, and take on the challenge of running a business at T7 -- that was my first deviation towards a CEO path and I've never looked back. Finance is an absolutely fantastic fundamental to be working from. And I learned so much moving around the airline business through the lens of finance. But for me as an

individual, the opportunity to lead a team, to help grow a team and to deliver a brand new terminal in the U.S.'s largest international gateway is a once in a lifetime opportunity. Yeah, it's amazing.

**Q: How do you interact with the Port Authority leadership at JFK Airport?**

A: Teresa Rizzuto, the GM of JFK Airport, is an amazing leader and is very successful in her role. We have an excellent working relationship and she's got a great team behind her.

**Q: Tell me about diversity in your organization which was initiated by Governor Cuomo back in the 2016 timeframe and carried forth by Governor Hochul for airport workforce constitution.**

A: At JMP, 62% of our employees are minorities and 35% are women, and that's through all levels of the organization. From a construction standpoint, we report our supplier diversity figures monthly to the Port Authority, and then publicly at every JFK Redevelopment Community Advisory Council meeting. We are on track to meet or exceed the 30% supplier diversity targets set by the Port Authority for our T6 project.

**Q: At one of the Advisory Council meetings T6 was criticized that your diversity numbers were bad. What was that about?**

A: Previously we were reporting our diversity numbers into two different systems, with one system's verification lagging behind the other. So there were lower numbers reported at the CAC meeting that caught some people off guard. It was an administrative problem which we have since resolved. We now report our numbers into one system only. At the most recent CAC meeting in April, we were applauded by the local elected officials for the efforts that JMP made to get our numbers where they needed to be. But we still have work to do. We're in a great part of our program now where we're doing a lot of exterior

fit out of the building and this provides many more opportunities for local and minority businesses to get involved.

**Q: How do you work with the diversity of businesses and help them participate in contract awards?**

A: Through our regular interaction with local businesses at the JFK Redevelopment office, we've learned that there are gaps in skill sets for people that want to be part of the program, but don't know how to document their financing, or market themselves, or how to fully complete an RFP. So, our Supplier Diversity team launched a JMP "Gateway to Growth" program this year, which is a monthly Webinar series on relevant topics to help local businesses improve their skill set. And this isn't just about how do you do it for T6 --this is about how do you improve and make yourself more available to all of the programs at JFK and even outside of JFK. In a way we are helping the community to grow alongside this major redevelopment and thereby maximize their chances to be successful when applying for those opportunities.

**Q: How do they find out about these opportunities?**

A: We have a dedicated mailing list of local firms, and our Supplier Diversity coordinator, Brianna Allen, also documents everyone who comes in the door at our JFK Redevelopment Office. Every month we send out our next Gateway to Growth event information, and it also goes on the Port's website, Anewjfk.com, where we also have a dedicated event registration page. We're also working with local elected officials to help get the word out, as well. Overall, we want to work more with our local community and have diverse partners onboard as we continue to build our iconic new terminal at JFK Airport.

**Q: Steve, thank you for your time and good luck on a very promising new terminal at JFK International Airport.**