

## NEW YORK TRANSPORTATION DEVELOPMENT CORPORATION

### NOTICE OF PUBLIC HEARING

PLEASE TAKE NOTICE that the New York Transportation Development Corporation (the "Corporation") intends to issue its special facility revenue refunding bonds in the maximum aggregate amount not to exceed \$1,100,000,000.00 (the "Bonds") in order to provide proceeds to be used (i) together with other available funds, to refund the approximately \$1,032,990,000 aggregate outstanding amount of two series of tax-exempt obligations (the "Prior Bonds") which were issued to finance a portion of the cost of demolishing existing facilities and constructing and equipping a new air passenger terminal and related land and facilities (collectively, "Terminal 8"), which is located at the John F. Kennedy International Airport in Queens, New York (the "Airport") and (ii) to pay the costs of issuing the Bonds.

The Airport is leased by The City of New York to The Port Authority of New York and New Jersey (the "Port Authority"), and Terminal 8 is leased by the Port Authority to American Airlines, Inc. ("American"). Terminal 8 is a 35 gate, approximately 1.5 million square foot building containing a main terminal building and a remote concourse, which are linked by a 320-foot underground tunnel with moving walkways. Terminal 8 was substantially completed in September 2008. Terminal 8 is used by American, affiliated regional air carriers and other air carriers by agreement with American, for the processing of passengers and supporting airline operational requirements. Space in Terminal 8 also contains public concession space, consisting of retail, duty free, newsstand and food and beverage facilities and financial and passenger services facilities, including currency exchanges and a Federal Inspection Service (customs and immigration) facility capable of accommodating more than 1,600 persons an hour. Terminal 8 is accessed by a two-level roadway, one for arrivals and the other for departures.

The financial assistance proposed to be conferred by the Corporation will consist of the financing provided by the Bonds.

The proceeds of the Bonds will be loaned by the Corporation to American pursuant to the terms of a loan agreement (the "Loan Agreement") between the Corporation and American, which loan will be evidenced by a note (the "Note") from American, for the purpose of refunding the Prior Bonds and paying the costs of issuance of the Bonds. The Loan Agreement and Note will be pledged as security for the payment of the Bonds. Payment of the Bonds will be guaranteed by American and by American's parent corporation, American Airlines Group Inc. ("AAG"). As security for American's and AAG's obligations under their guaranties, American will grant to the Bond trustee a leasehold mortgage in American's interest in its lease of Terminal 8 from the Port Authority. The Bonds will be a special obligation of the Corporation payable solely from loan payments made by American to the Corporation pursuant to the Loan Agreement. The Bonds shall not be a debt of the State of New York or any political subdivision or instrumentality thereof, and neither the State of New York nor any political subdivision or instrumentality thereof, shall be liable thereon.

PLEASE TAKE FURTHER NOTICE, that pursuant to 26 U.S.C. Section 147(f), a public hearing open to all persons will be held by the Corporation with respect to the proposed issuance of the Bonds to refund the Prior Bonds that financed a portion of the cost of Terminal 8, at the office of Empire State Development, 633 Third Avenue, New York, New York in the 37<sup>th</sup> floor conference room, on May 17, 2016 from 2 p.m. until 3 p.m. The Corporation will present additional information at the hearing on the proposed issuance of the Bonds to refund the Prior Bonds that financed a portion of the cost of Terminal 8. In addition, the Corporation will provide at the hearing an opportunity for the public to review written materials regarding the Bonds and the refunding of the Prior Bonds that financed a portion of the cost of Terminal 8. For those members of the public desiring to review the materials prior to the hearing, copies thereof will be made available beginning May 12, 2016 from noon until 5:00 p.m. Persons desiring to obtain copies in advance should call (212) 803-2464 to arrange for pickup. Persons desiring to make a brief statement regarding the proposed transaction are requested to give prior notice to the Corporation at the address shown below or by calling Genevieve Carr (212) 803-2464 by the close of business, May 16, 2016. Comments may be presented in writing to the Corporation c/o Empire State Development at 633 Third Avenue, New York, New York 10017 (Attention: Genevieve Carr) on or before May 17, 2016. Comments received after the close of the hearing on May 17, 2016 will not be considered.

DATED: May 2, 2016  
New York, New York  
New York Transportation Development Corporation

By: Rose-Marie Mahase, Assistant Secretary