



Photo courtesy of Los Angeles World Airports

The next frontier of public infrastructure:

An interview with Deborah Flint, CEO of
Los Angeles World Airports

Los Angeles International Airport has undertaken one of the largest public works projects in California's history. A focus on public-private partnerships has helped keep things on track.



Deborah Flint

CEO
Los Angeles World Airports

As the fourth-busiest airport in the world and the second-busiest in the United States, Los Angeles International Airport (LAX) has long had a reputation for traffic congestion. However, in 2019 Los Angeles World Airports (LAWA) broke ground on the Landside Access Modernization Program. This massive \$5.5 billion renovation encompasses multiple projects to deliver an electric train system (the Automated People Mover, or APM), a consolidated rental car facility, roadway and utilities improvements, and improved digital integration. Construction of all elements is currently underway—with completion expected in 2023.

In this interview, Deborah Flint, CEO of LAWA, explains the challenges she has faced taking on several concurrent major projects, how her team has approached key public–private partnerships, and how she envisions the future of airports.

McKinsey: *To begin, what effects will the LAX Landside Access Modernization Program (LAMP) have on people’s daily lives?*

Deborah Flint: It’s a little tongue in cheek, of course, but we believe our work here will save relationships. Today, when someone asks you to pick them up at LAX, it’s a real test of how much you care about that person. Getting in and around the central terminal area by car can take anywhere from 15 to 50 minutes.

The LAMP, and the APM specifically, will create seamless transportation access to the airport when completed in 2023. People will be able to take the train to the central terminal area from new parking facilities and a rent-a-car facility, as well as finally be able to connect to the regional light rail system, depending on their needs. The longest of these journeys will take just 10 minutes. This will significantly decrease vehicle congestion and free up important curbside boarding areas.

McKinsey: *What sort of problems have you run into, and what have you done to solve them?*

Flint: I learned early in my leadership that we operated in silos across the airport. Each department was essentially establishing its own objectives, but there was no common vision. An outcomes-based process for allocating capital helped us knock down those silos. We no longer just look at what projects the airport wants to do and then validate that they’re needed. Now we work together to identify objectives and deploy capital in a way that will achieve those objectives, delineate the expected performance, and focus our investments. Security, community, sustainability—all of these must be integrated into the outcome and performance expected from capital investments.

McKinsey: *Is there advice you would share with other leaders taking on major modernization initiatives and capital improvement projects?*

Flint: I would advise others to focus on performance metrics and data analytics early in the planning stage of a project or a program, or in a budget cycle, to help drive major investment decisions.

It is not easy. This is certainly a journey. For many public agencies, obtaining baseline data is a challenge. Even for those of us that have project management systems, getting that data and making it meaningful and consistent is still a fundamental challenge. Last year, we began a data center of excellence to understand the data we have to make better decisions. We now collect data around our facility, looking at things such as aircraft timing and operations in the terminals. Our facilities team has been able to better deploy staff resources, and our quality of service has increased.

McKinsey: *The LAMP comprises several major projects, which are generally very complex to execute on time. What are you doing to keep the program on track?*

Flint: We know the stats for delivering even a single major project—they don’t bode well. At the end of the day, keeping projects on schedule is a shared responsibility of the owner and developer. There’s

an availability payment, so the developer has a strong incentive to open the project on time. But we also want them to do this successfully.

To facilitate the permitting process, for example, we invest in partnerships with city agencies so that the requisite permits are received in a timely manner. Even when there are gray areas of responsibility, LAWA has taken a vested interest in resolving any permitting hiccups between the developer or the agencies, rather than stepping back.

McKinsey: *How did you think about public-private partnerships (PPPs) in developing the LAMP—and how do you see your partnerships evolving in the coming years?*

Flint: There's room for PPPs to be successful if proper analysis is done at the earliest stages of a project, and if the owner is clear about what's important. During selection, we listened very carefully to what the industry said was tenable and realistic. Owners and developers are going to have to share risk and responsibility for PPPs to flourish in the US.

We began the LAMP by evaluating whether PPPs were the right approach for us. As a result, we spent a lot of time assessing delivery options early on, and then considering why a particular PPP model—design, build, finance, operate, and maintain—made the most sense for the APM and the Consolidated Rent-A-Car (ConRAC) Facility, for example. I think the future of public infrastructure relies on life cycle asset management approaches, and that's essentially what we entered into. It's not a concessions model. It's a model where we have aligned interests with the developers for the next 30 or so years.

For the ConRAC we decided that future-proofing was our most important element. We're incorporating over 16,000 parking spaces in

an era when mobility is changing rapidly. We recognized that we're taking some risk there and asked the private sector to help us mitigate that risk—and they did. The team we selected designed the facility not only to allow future flexibility but also to reduce the footprint and return almost 20 percent of the site back to us for future uses.

McKinsey: *How do you see technology and tech-enabled mobility changing the future of airports?*

Flint: The passenger of today expects a digitally connected journey, whether it's prebooking, ordering food and beverages, or the delivery of retail goods. Biometrics are a game-changer. For example, this past year we offered the option of a fully tokenless international journey, where passengers can use their face as their boarding pass for a faster, easier airport experience. We're thinking about digital every step of the way to ensure that the experience is seamlessly connected—you're not switching from one app to another.

Mobility is changing so quickly, whether it's autonomous, congestion pricing, or micromobility. I do believe we now need an established team of mobility experts who think exclusively about how we can increase efficiency getting to and around the airport. That is a big part of the future for airports. ■

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