



ST. LOUIS LAMBERT
INTERNATIONAL AIRPORT®



ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

Request for Qualifications
St. Louis Lambert International Airport
Public-Private Partnership

October 4, 2019

MOELIS & COMPANY

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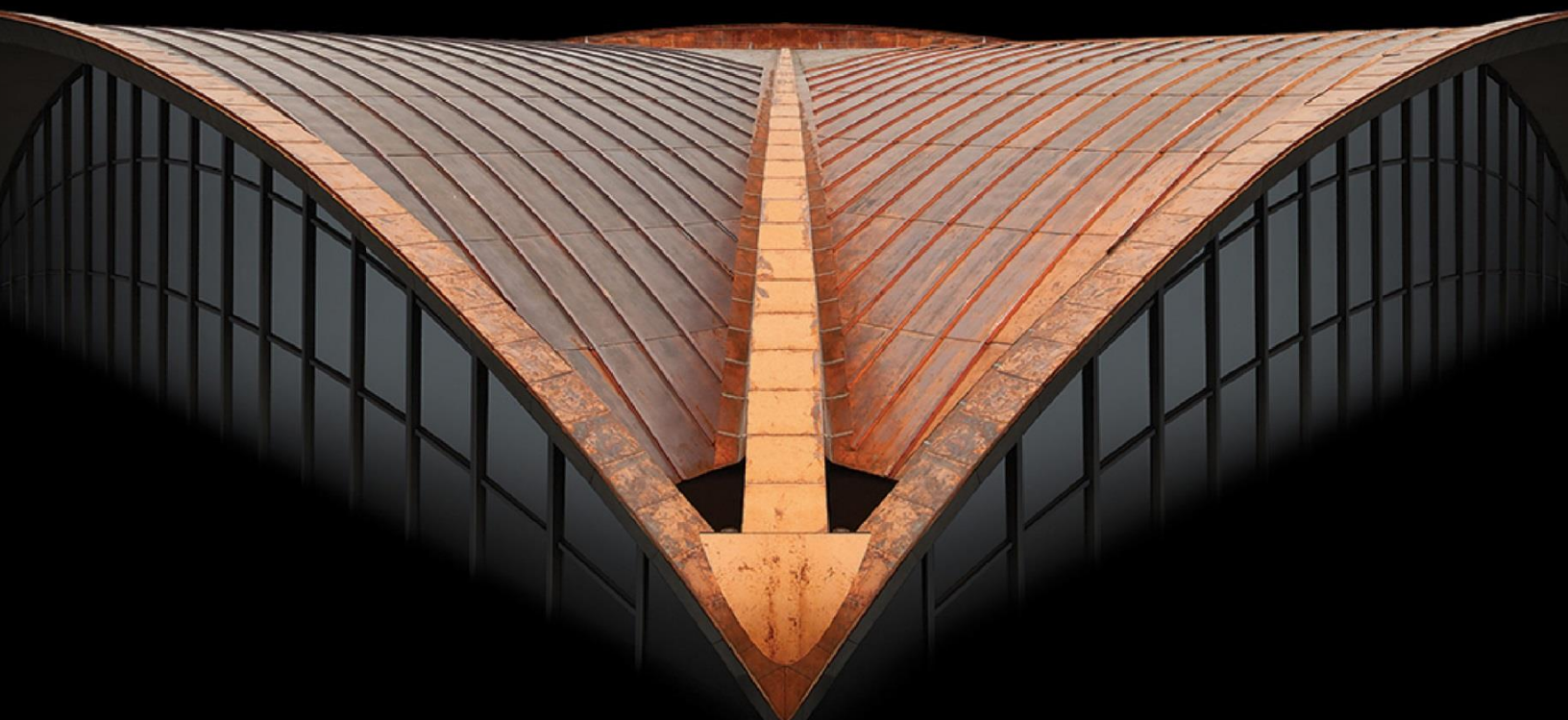


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I. LETTER FROM THE CITY OF ST. LOUIS



Letter from the City of St. Louis



On behalf of the City of St. Louis (the “City” or “St. Louis”), we are pleased to invite interested parties to the Request for Qualifications (the “RFQ”) stage for a potential public-private partnership (the “Airport P3”) involving the St. Louis Lambert International Airport (the “Airport”). The release of this document signals the next phase in a process the City launched in August 2018 with the formal appointment of advisors to assist the City in considering an Airport P3. The Airport P3, if consummated, would represent the most prominent airport P3 under the FAA program in the continental U.S.

The RFQ highlights the attributes of St. Louis, the surrounding region and the Airport and establishes criteria for participation in the process. Together these attributes provide a robust foundation for a potential Airport P3 that can achieve the City’s priorities: improvement of the Airport for all stakeholders; net cash proceeds to the City, upfront and/or over time for non-Airport purposes; and community and economic development for the City and the region.

The City, the Airport Advisory Working Group (the “Working Group”) and our advisors have done considerable work to get to this stage. We appreciate your participation and are enthusiastic about the creativity and experience you can bring in response to the City’s priorities for a potential Airport P3. We look forward to working with you.

Thank you.

The Airport Advisory Working Group

Paul Payne¹, *Budget Director, Chair, Airport Advisory Working Group*

Marlene Davis, *Aldерwoman and Chair, Transportation and Commerce Committee*

Michael Garvin, *Deputy City Counselor*

Rhonda Hamm-Niebruegge, *Airport Director*

Gerard Hollins¹, *Financial Analyst, Board of Aldermen*

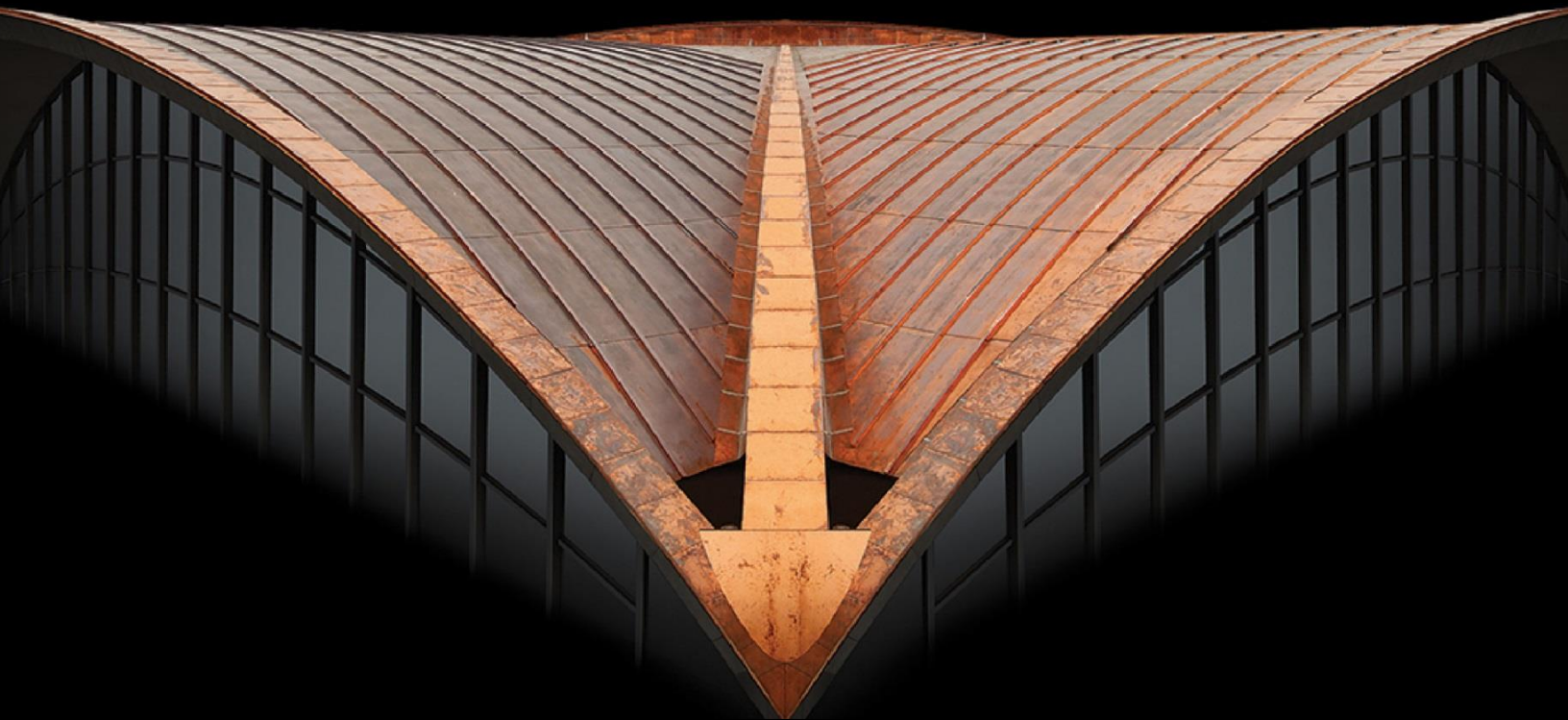
LaTaunia Kenner¹, *Accounting Manager, Office of the Comptroller*

Linda Martinez¹, *Deputy Mayor for Development*

¹ Voting Member of the Working Group



II. EXECUTIVE SUMMARY



Executive Summary



1. SITUATION OVERVIEW

The City invites interested parties to respond to the RFQ regarding the Airport P3 in the form of a long-term lease for the operation of the Airport, which is owned and operated by the City. The City will use the information provided to determine which Respondents are best qualified to participate in a procurement process for the Airport P3. The Airport P3, if consummated, would represent the first transaction of its kind for a major commercial service airport in the continental U.S.. The proposed transaction would be implemented under the Airport Investment Partnership Program (49 U.S.C. 47134) (the “AIPP”) authorized by federal law and administered by the Federal Aviation Administration (the “FAA”).

On March 22, 2017, the City filed a preliminary application with the FAA to include the Airport in the AIPP. The FAA accepted the City’s preliminary application in April 2017. The City’s Board of Estimate and Apportionment (the “Board of Estimate and Appointment”) subsequently engaged advisors including Moelis & Company (“Moelis” or the “Lead Financial Advisor”), McKenna & Associates, LLC, Grow Missouri Inc. (the “Project Coordinators”) and others (collectively, the “City’s Advisors”) to support the City as it pursues the potential Airport P3. The City and the City’s Advisors seek to structure a transaction that meets the City’s primary objectives:

- Improvement of the Airport for all stakeholders, including incremental uses of the Airport’s significant excess capacity.
- Net cash proceeds to the City, upfront and/or over time for non-Airport purposes.
- Community and economic development in the St. Louis region.

Responses should take these objectives into consideration. The City, acting through a City-appointed working group, has approved the release of the RFQ.



Figure 1: Terminal 1



Executive Summary



2. THE OPPORTUNITY

The Airport P3 represents a potentially transformative opportunity for the St. Louis region and for the U.S. infrastructure market. The region represents a strategic location near the population and geographical center of the U.S. and was ranked in the top 40% among the 200 largest metropolitan areas for lowest total cost of doing business in 2019². The region is currently home to the headquarters of ten Fortune 500 companies, including Centene and Emerson Corporation among others. The region's central U.S. location, low cost of doing business, and infrastructure capacity provide a robust business climate to support growth.

The Airport, owned and operated by the City, is the 34th largest airport in the U.S. by enplanements³ and has experienced five consecutive years of traffic growth through CY2018⁴. Existing land, terminal, and gate capacity will continue to play a key role in supporting traffic growth at the Airport and economic growth throughout the region. See below for 2018 statistics on the Airport.

All statistics and Airport figures herein are provided by the Airport and presented for Fiscal Year ("FY") ending June 30th.

AIRPORT IN FIGURES	2018	COMMENTARY
Airport Area	~3,700 acres	✈ Over 1,000 acres of Airport property with commercial development potential
Gates	83	✈ Significant capacity exists
Passenger Airlines	15	✈ Non-stop destinations grew in 2018 by 4.2%
Total Seats Available	19.5 million	✈ Growth in 2018 of 4.0%
Total Passengers	15.2 million	✈ Growth in 2018 of 3.2%
Total Enplanements	7.6 million	✈ Growth in 2018 of 5.6%
Connecting Enplanements	1.8 million	✈ Growth in 2018 of 18.0%
Peak Runway Arrival Utilization	~46.0%	✈ Significant arrival capacity exists based on estimated current capacity availability per hour
Peak Runway Departure Utilization	~41.0%	✈ Significant departure capacity exists based on estimated current capacity availability per hour

Figure 2: Airport in Figures 2018^{5,6}

² Forbes, 2019

³ FAA website data for CY2018

⁴ Airport Management

⁵ Airport Management

⁶ U.S. Department of Transportation, T-100 Summary Report July 24, 2018



Executive Summary



The Airport is located approximately 14 miles northwest of downtown St. Louis and approximately ten miles from the center of population of the St. Louis Metropolitan Statistical Area (the “St. Louis MSA”). Light rail service connects downtown St. Louis and other regional/commercial nodes to an Airport stop at each terminal (“Metrolink”). The Airport serves several municipalities in and around St. Louis and St. Charles Counties in Missouri and St. Clair and Monroe Counties in Illinois as shown below in Figure 3. The St. Louis MSA is the 19th largest MSA by population in the U.S.⁷



Figure 3: St. Louis Metropolitan Statistical Area Map

The Airport, established in 1920, was the fourth largest medium hub airport in the U.S. by total enplanements in CY2018⁸. The Airport has successfully lowered its cost per enplanement for four consecutive years as it seeks to capitalize on a favorable cost structure to attract new route development from its existing and new airline partners.

Southwest Airlines (“Southwest”), which represented approximately 61% of Airport enplanements in FY2019⁹, has in recent years announced numerous route expansions to key markets throughout the U.S.. Figure 4 on the following page shows historical fiscal year enplanements. Southwest has increasingly used the Airport for connections to other cities within its network.

7 Census Bureau 2018
8 U.S. Department of Transportation Bureau of Transportation Statistics; A medium hub airport processes between 0.25% and 1.00% of U.S. revenue passenger boardings annually
9 Airport Management



Executive Summary



New routes from the Airport's airlines and an increase in connecting passengers have been key elements for overall enplanement growth.

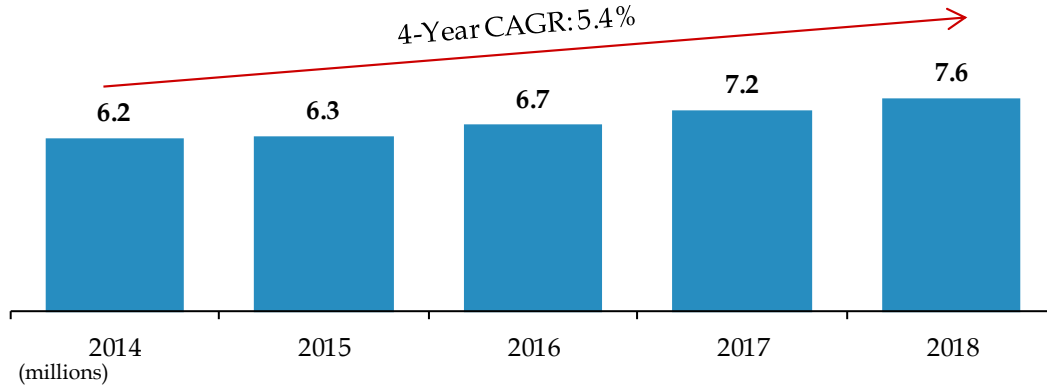


Figure 4: Historical Enplanements¹⁰

Existing airlines servicing the Airport have increased their interest in St. Louis as a destination in recent years. 2018 saw an approximate 6% increase in total deplanements compared to the prior year. The increase in travelers to the St. Louis region, as shown in Figure 5 below, combined with strong enplanement growth supported by connecting passengers, has produced approximately 6% annual growth in total passengers since 2014.

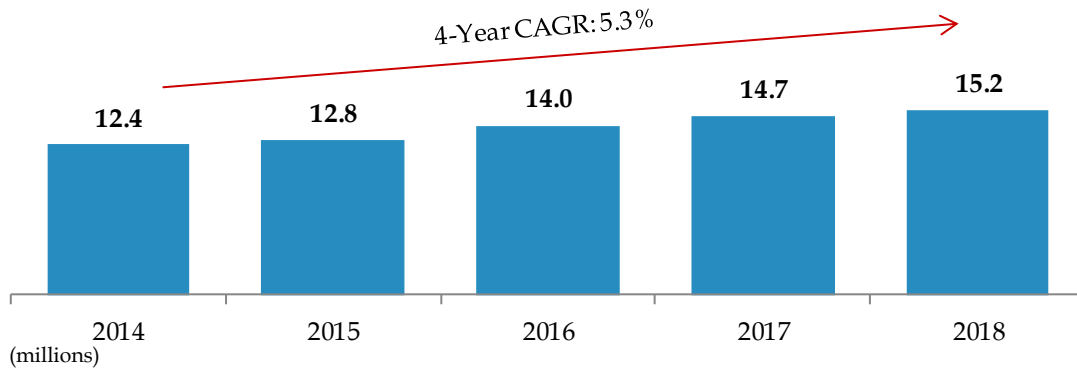


Figure 5: Historical Passengers¹¹

¹⁰ Airport Management
¹¹ Airport Management



Executive Summary



3. INVESTMENT HIGHLIGHTS ¹²

Proven, Growing Airport with Diversified Carrier Mix	✈ A top U.S. medium hub airport with 7.6 million enplanements in 2018 and connecting enplanements up 18% YOY compared to 2017. ✈ 46 consecutive months of passenger growth. ✈ Scheduled passenger service from 15 passenger airlines and four primary cargo carriers. ✈ Potential to further strengthen the Airport's position as a Midwest hub of choice for connecting flights and Origin & Destination ("O&D") traffic.
Central Geographic Location	✈ Positioned near the geographic center of the U.S., offering ideal logistics solutions and connection flight times for cargo and commercial airlines. ✈ Provides non-stop service to 74 destinations, including six international destinations. ✈ The St. Louis MSA houses two Amazon intermediate logistics facilities and a number of aerospace and defense manufacturing facilities.
Expansion Potential	✈ Existing runway and terminal capacity accommodates projected traffic growth and growth initiatives. ✈ Significant undeveloped land offers the opportunity to develop cargo and other non-airline revenue streams. ✈ Availability of FAA and other federal grants and Passenger Facility Charges ("PFC") to fund future capital expenditures.
Solid Regional Fundamentals	✈ St. Louis is an attractive cultural destination with a rich history and beautiful public spaces such as the Gateway Arch National Park. ✈ In 2018, ten Fortune 500 companies and five additional Fortune 1000 companies had corporate headquarters in the greater St. Louis region. ✈ The region benefits from a highly skilled workforce, reflecting the impact of its colleges, universities, and other educational institutions. ✈ In 2018, St. Louis issued construction permits representing approximately \$1 billion in projects; the average growth rate of construction permits issued over the last five years is 12.1%.¹² ✈ The region is a leader in medical care, with Barnes-Jewish Hospital (#11 ranked U.S. hospital in 2018 by U.S. News and World Report) and St. Louis University Medical Center among the nation's best hospitals.
Landmark Airport P3 Opportunity	✈ No other continental U.S. commercial airport is currently fully leased to a private operator. ✈ Transformative opportunity to partner with the City in further developing and optimizing this core infrastructure asset. ✈ Landmark opportunity to establish a highly-visible presence in the U.S. airport sector.

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Based on most recent available data (through April, 2019)
The City of St. Louis, Missouri Revenue Anticipation Notes Series 2019 Official Statement 06/11/2019



Executive Summary



4. QUALIFICATIONS AND REQUIREMENTS

The RFQ seeks to identify prospective parties in the City's evaluation of a potential Airport P3. Parties are asked to demonstrate operational and financial capabilities consistent with the requirements herein. In submitting these qualifications, please follow the submission structure and format outlined at the end of this document.

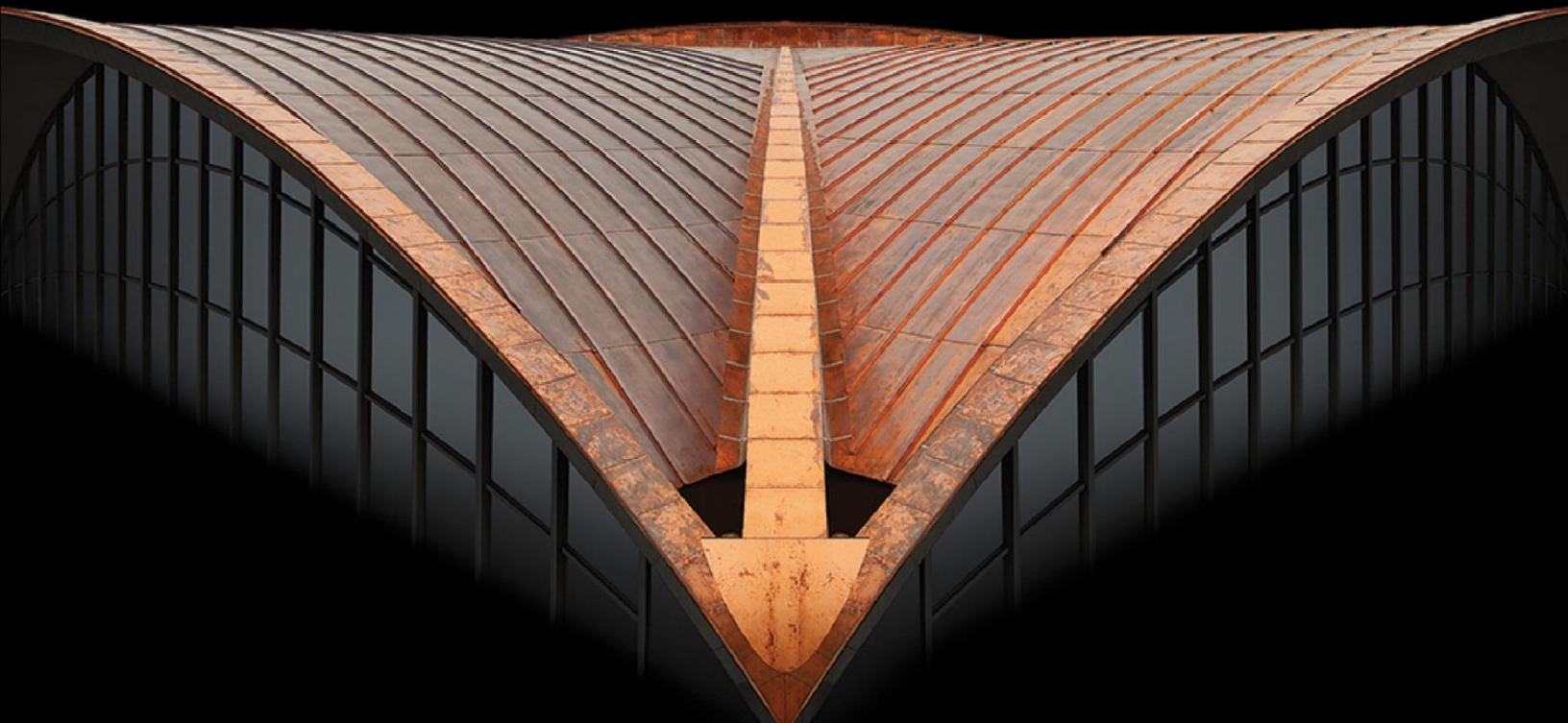
Please direct any questions to the following individuals:

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III. THE ST. LOUIS REGION



The St. Louis Region



1. REGION HIGHLIGHTS

A. Geography

The Airport serves the St. Louis MSA, which comprises the City of St. Louis and six counties in eastern Missouri and eight counties in western Illinois, as shown in Figure 7. The St. Louis MSA is within 500 miles of approximately one-third of the U.S. population and within 1,500 miles of 90% of the population in North America¹⁴.

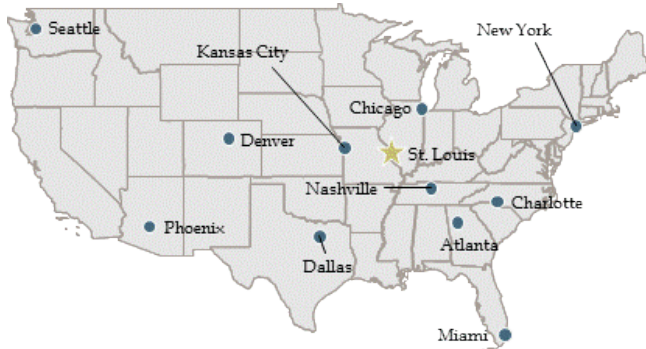


Figure 6: Map of Continental U.S.

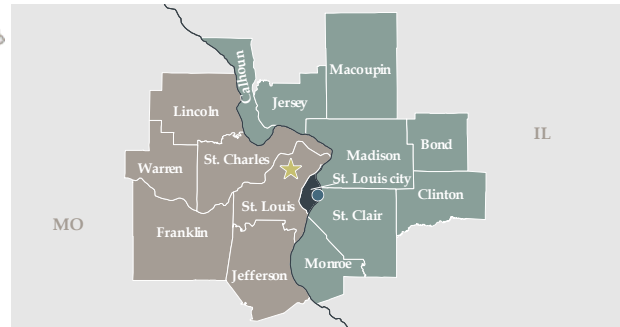


Figure 7: Map of St. Louis MSA

B. Demographics / Local Economy

The demand for air travel is dependent on the demographic and economic characteristics of the geographical area served by the Airport. This dependence is particularly significant for origination and destination (“O&D”) passengers. With a population of 2.8 million, the St. Louis MSA was the 19th largest MSA in the U.S. in 2018¹⁵.

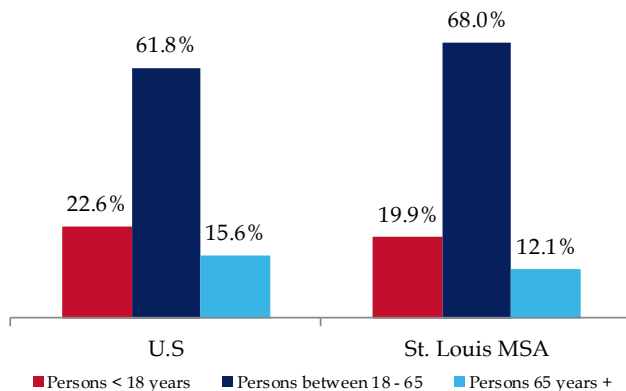


Figure 8: Age Demographics as of 2017¹⁶

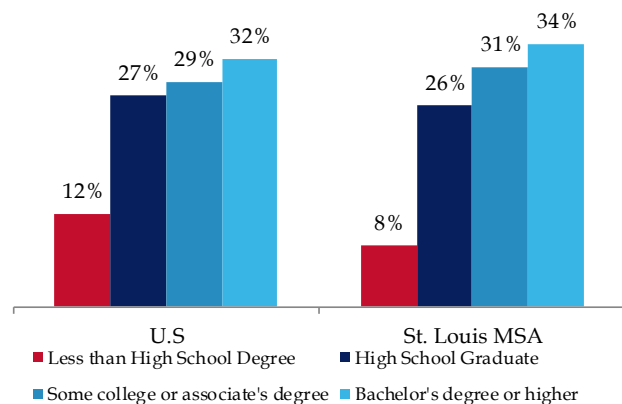


Figure 9: Educational Attainment as of 2017¹⁷

The St. Louis region’s demographic makeup positions it for significant economic growth, as St. Louis has a younger population than the U.S. overall (Figure 8). As the millennial generation continues to capture a larger portion of overall spending power, recent upward trends in travel are expected to persist. In recent years,

¹⁴ St. Louis Regional Chamber, “Business Market Overview”, July 2017

¹⁵ Census Bureau 2018

¹⁶ 2017 American Community Survey (ACS)

¹⁷ 2017 American Community Survey (ACS)



The St. Louis Region



millennials have increased travel as experiences become a form of social currency¹⁸. Other regional demographics support strong economic growth for the future as well. The portion of residents with a higher education degree is greater than the national average (Figure 9). Recent data indicates that the St. Louis region has the second fastest-growing foreign-born population out of the largest U.S metropolitan areas¹⁹.

Between 2008 and 2017, Gross Domestic Product (“GDP”) growth in the St. Louis MSA was 0.3% annually, slightly above Missouri’s annual growth of 0.2% (Figure 10). The St. Louis MSA unemployment rate has fallen below the national U.S. average (Figure 11). This growth in economic activity is expected to support increasing demand for air service at the Airport.

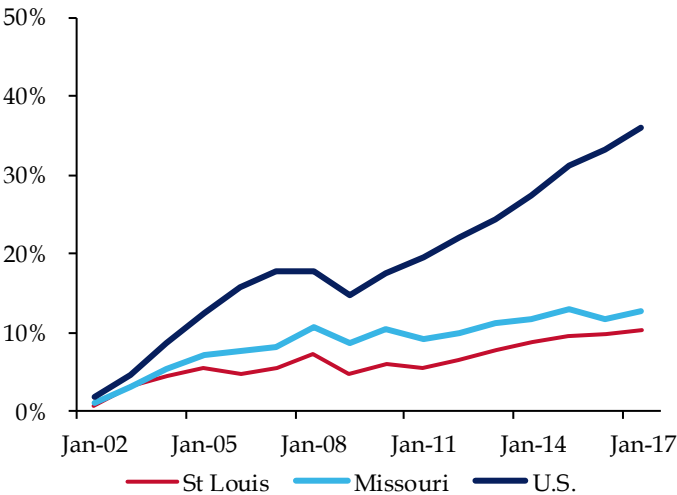


Figure 10: St. Louis, Missouri and U.S. GDP Annual Growth Comparison ²⁰

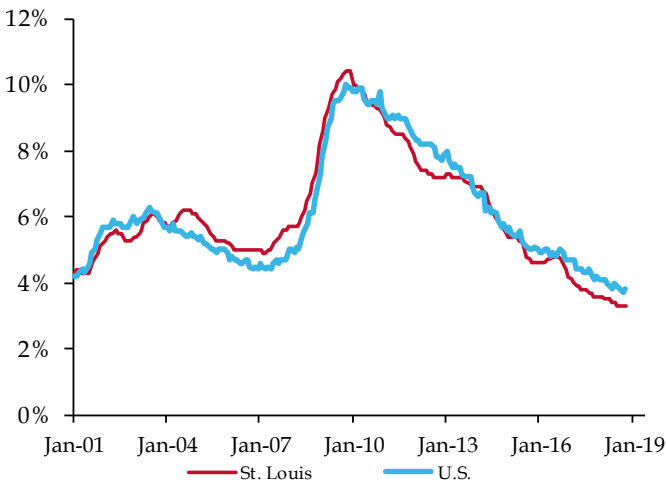


Figure 11: St. Louis MSA Unemployment Rate ²¹

In 2016, the National Geospatial Intelligence Agency (“NGA”) selected a site in St. Louis for its new NGA West campus. The \$1.7 billion facility is the largest federal investment in St. Louis history. The new NGA location will retain 3,100 jobs with an average salary of approximately \$100,000 and will provide 1,300 construction jobs over the life of the project development²². The project is expected to be completed in 2024. This new development project complements overall City construction growth trends. Local government is working to leverage the NGA project to catalyze development around the project’s footprint, with a special emphasis on the geospatial industry.

In April 2017, voters approved Proposition 1, a half-cent sales tax increase to fund a number of different initiatives, including an expansion of the Metrolink. Metrolink currently operates 37 stations over a 46-mile route, serving municipalities between the Airport and Illinois. Funds were additionally dedicated to neighborhood modernization, workforce development and infrastructure. This rail expansion would provide access to affordable transportation to support the growing St. Louis business community.

18 Forbes Magazine “How Millennials Travel and What It Means For Business”, Apr. 17, 2018
19 St. Louis Regional Chamber, “Foreign-Born Population Continues to Grow in St. Louis”, Sep. 21, 2017
20 St. Louis Federal Reserve
21 St. Louis Federal Reserve
22 McCarthy, “McCarthy HITT Details Preliminary Plans for Construction of Next NGA West Project in North St. Louis”, Apr. 9, 2019



The St. Louis Region



C. Business Environment

The business climate in the St. Louis region offers advantages to new, expanding, and relocating companies. These advantages include a central geographical location, infrastructure capacity, favorable cost structure, and competitive competencies in bioscience, financial services, and advanced manufacturing. KPMG's 2016 Competitive Alternatives study found that St. Louis ranked 9th among the 31 largest U.S. metropolitan areas for lowest total business costs. The study assessed a broad range of costs including labor, transportation, facilities, and taxes.

Each year, Fortune magazine ranks the top 500 U.S. public companies in terms of annual revenue. As of 2018, the St. Louis MSA is home to the headquarters of ten of Missouri's 12 Fortune 500 companies (Figure 12), five additional Fortune 1,000 companies, and two of the top 30 Largest Private Companies in America, as ranked by Forbes.

Regional, downtown, and neighborhood economic growth stimulation endeavors are in progress. Medicine at Barnes-Jewish and St. Louis University Hospitals, brewing at AB InBev, and banking at Bank of America and U.S. Bancorp are among the leading businesses in the City. Many of the underutilized industrial buildings in the City serve as incubators for small businesses and manufacturing.

RANK	COMPANY	REVENUES (\$ Billions)
25	Express Scripts Holding	\$101.3
61	Centene	48.6
178	Emerson Electric	16.3
199	Monsanto	14.6
234	Reinsurance Group of America	12.5
376	Jones Financial (Edward Jones)	7.6
426	Graybar Electric	6.6
448	Olin	6.3
453	Ameren	6.2
491	Peabody Energy	5.6

Figure 12: Fortune 500 Companies in St. Louis

RANK	COMPANY	LOCAL EMPLOYEES
1	BJC HealthCare	28,351
2	Wal-Mart Stores Inc.	22,290
3	Washington University in St. Louis	15,818
4	SSM Health Care	14,926
5	Mercy Health	14,195
6	Boeing Defense, Space & Security	14,000
7	Scott Air Force Base	13,000
8	U.S. Postal Service	9,956
9	Schnuck Markets Inc.	9,510
10	Mercy Clinic	9,305

Figure 13: Top St. Louis Regional Employers²³

The St. Louis region is home to a thriving private business community, with two of the nation's top 30 private businesses headquartered there. Enterprise Holdings, a car rental company, ranked number 12 on Forbes' 2018 list of America's largest private companies with \$24.1 billion in revenue. World Wide Technology, a technology solution provider, ranked 27th with \$10.4 billion in revenue. World Wide Technology was founded in 1990 by St. Louis resident David Stewart and has grown to be one of the largest African-American-owned businesses in America. In addition, St. Louis is recognized as one of the nation's leading off-Wall Street financial services centers with companies like Edward Jones, which ranked number 48 on Forbes 2018 list with \$7.6 billion in revenue, headquartered in the region. The largest private sector employers and St. Louis based enterprises in the region represent a wide range of industries, including healthcare, education, retail, and defense (Figure 13).²⁴

²³ St. Louis Regional Chamber, Major Employers St. Louis, MO-IL MSA, July 2018
²⁴ Monsanto merged with Bayer in June 2018



The St. Louis Region



Boeing Defense, Space & Security (“Boeing”) has maintained a strong presence in the region for the past 75 years and continues to be a source of economic and employment growth. 2016 marked the opening of Boeing’s \$300 million production facility to manufacture parts for the 777X commercial airliner. In September 2018, Boeing was awarded a \$9.2 billion U.S Air Force contract to produce a next generation trainer jet²⁵. The new contract will support 1,800 direct and indirect jobs in the St. Louis region²⁶. In June 2019, Boeing was also awarded a modification contract for providing Joint Direct Attack Munition (JDAM) kit services, extending the original contract for an additional five years and increasing the contract ceiling by \$6.5 billion to \$10 billion²⁷. Work will be performed at Boeing’s plant in St. Louis and is scheduled to be completed by February 2025.

St. Louis is traditionally a leader in transportation, distribution, and logistics. The top five industry sectors in the St. Louis MSA, measured by total nonfarm employment, are trade, transportation, and utilities (19.0%), education and health services (18.8%), professional and business services (15.5%), government (11.1%), and leisure and hospitality (10.6%)²⁸ (Figure 14).

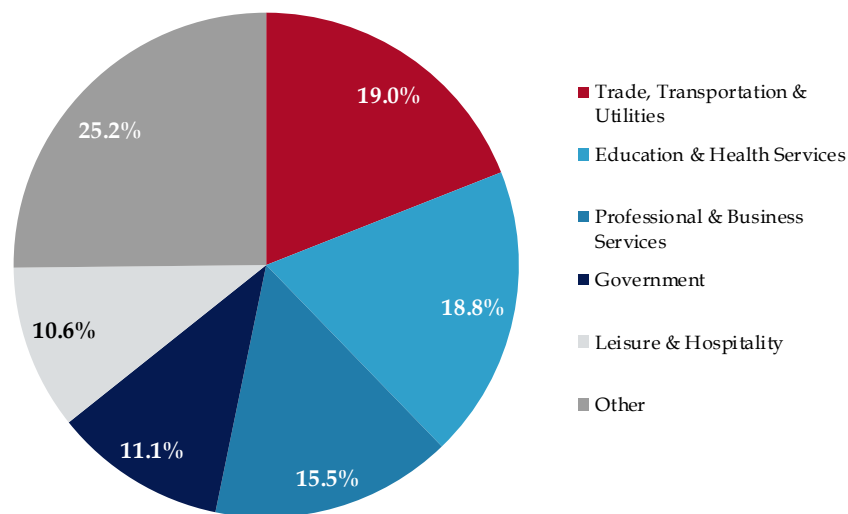


Figure 14: 2018 St. Louis MSA Employment Mix

Professional and business services, education and health services, and leisure and hospitality employment have all increased their share of total employment since 2008. Education and health services have the largest increase in employment share (2.6%), consistent with nationwide trends in the sector.

St. Louis has a growing start-up scene and is ranked by Forbes as a top 10 rising city for start-ups. Forbes notes, “The value of venture capital investments in the past three years in St. Louis is up 90% compared to the prior three years and the cost of doing business is 8% below the national average²⁹.” The City’s largest universities and companies have been investing their resources into creating innovation hubs, including Cortex Innovation Community, Accelerate St. Louis, OPO Startups, T-Rex Business Incubator, Brick City Makes, MADE, STL Venture Works, Diverse Business Incubator, Rung for Women, and Helix Center Biotech Incubator.

St. Louis recently completed a number of development projects. In 2018, the St. Louis Children’s Hospital completed a \$1 billion expansion based at the Barnes-Jewish campus. The new inpatient space, named Parkview Tower, will consolidate labor and delivery facilities in the Women’s & Infant’s Center and enlarge the neonatal intensive care unit. St. Louis’s Ballpark Village is currently undergoing a \$270 million expansion after Phase 1 was

²⁵ Nasdaq, “Boeing (BA) Wins \$6.5B Air Force Contract for JDAM Tail Kits”, June 17, 2019

²⁶ St. Louis Business Journal

²⁷ UPI, “Boeing nabs five-year, \$6.5B extension for JDAM guidance kit services”, June 17, 2019

²⁸ As reported by the U.S. Bureau of Labor Statistics as of 2018

²⁹ Forbes Magazine “Top 10 Rising Cities for Startups”, Oct. 1, 2018



The St. Louis Region



recently completed. Union Station recently completed Phase 1 of a redevelopment project. A \$60 million project to redevelop the hotel, midway and garden rooms; construct 28 hotel rooms; and renovate the Grand Hall is also taking place. Phase 2, currently ongoing, represents a \$117 million investment and contemplates construction of a 26 acre amusement park, creating 350 new full and part-time jobs, and renovation of live entertainment areas and restaurants.

D. Education Highlights / Tourism / Cultural

St. Louis represents one of the largest education markets in the U.S., containing over 30 four-year colleges and universities that together enroll approximately 120,000 students. Higher education options range from community and technical colleges to Saint Louis University and Washington University in St. Louis. Saint Louis University is a private Roman Catholic research university founded in 1818 with a total undergraduate enrollment of 7,411 (64% out of state³⁰) and a 281-acre campus. Washington University in St. Louis is a private research university founded in 1853 with a total undergraduate enrollment of 7,675 (90%+ out of state³¹) and a 169-acre campus. The school is home to top-ranked graduate programs across multiple disciplines including social work, business, law, medicine, and applied science. In 2019, U.S. News and World Report ranked Washington University in St. Louis in their Top 20 National Universities. Overall, these institutions attract students, faculty, and researchers from across the U.S. and around the world.

St. Louis is also home to a range of public universities, including University of Missouri – St. Louis, Harris Stowe State University, and Southern Illinois University Edwardsville. University of Missouri – St. Louis is home of the Whitney Harris Work Ecology Center and is one of the nation’s largest programs in biodiversity conservation. It is also known for its diverse student body. Harris Stowe State University is one of the U.S.’s Historical Black Universities and home to the Anheuser Busch School of Business. Southern Illinois University Edwardsville is a public university recognized nationally as "Best Bang for the Buck in the Midwest", and ranks in the Top 100 for master’s universities in the nation.

Travel and tourism are among the top six industries in St. Louis region. More than 25 million visitors traveled to St. Louis in 2018. Visitors spend \$5.38 billion in St. Louis and generate \$3.17 billion in wages yearly. The tourism industry also supports more than 88,000 local hospitality jobs and has generated more than \$1.0 billion in local, state, and federal tax revenue³².

In October 2018, regional leaders announced a \$175 million plan to expand America’s Center in downtown St. Louis. This project will add 92,000 square feet of exhibit space and a 65,000 square foot ballroom, along with a new pavilion and green space to replace the existing surface parking lot.

Forest Park is a public park in St. Louis that is known as the “Heart of St. Louis.” It opened in 1876 and has hosted several significant events such as the Louisiana Purchase Exposition of 1904 and the 1904 Summer Olympics. Furthermore, it features a variety of attractions such as the Saint Louis Art Museum, the St. Louis Zoo, the Missouri History Museum, and the St. Louis Science Center. Since the early 2000s, Forest Park has been undergoing \$100 million in restorations to improve its facilities and attract more birds and wildlife³³.

St. Louis is also known as the headquarters of American chess. The 6,000-sq-ft Chess Club and Scholastic Center, established in 2008, includes a hall for tournaments, classrooms, a library, and play areas with tournaments broadcasted internationally.

The St. Louis Municipal Opera Theatre, commonly known as the Muny, is America’s oldest and largest outdoor music theater and in 2018, launched its first capital community-wide campaign of \$100 million, with changes

30 Saint Louis University 2019 Profile

31 Washington University in St. Louis University Facts

32 Explore St. Louis Data as of 2018

33 St. Louis-Mo Gov: Forest Park



The St. Louis Region



concentrating on the theatre itself. Looking forward, the Muny will be able to sustain and expand its educational programs, hire top tier talent, and provide an endowment to make this all possible, all while remaining affordable and accessible to all. This capital project was approved by the Board of Alderman.

The St. Louis Gateway Arch, shown in Figure 15, designed by Eero Saarinen, is one of the City's most well-known cultural landmarks and is a symbol of the City's identity as a gateway to the West. According to the National Parks Service, 2.6 million people per year visit the St. Louis Gateway Arch, its museum, and its surrounding park. The recently-completed \$380 million redevelopment plan brings the park into the 21st century and is expected to increase St. Louis Gateway Arch park tourism to 3.25 million people annually³⁴.



Figure 15: St. Louis Gateway Arch

St. Louis is home to the 2019 Stanley Cup Champions of the National Hockey League, the St. Louis Blues. The franchise was founded during the 1967 NHL expansion and currently plays in the 18,900 seat Enterprise Center in downtown St. Louis. It is estimated that the Enterprise Center hosts more than 1.3 million people on an annual basis for ice skating events, basketball games, concerts, and other entertainment programming. These visitors are estimated to generate direct economic contribution of more than \$170 million over the course of the year.

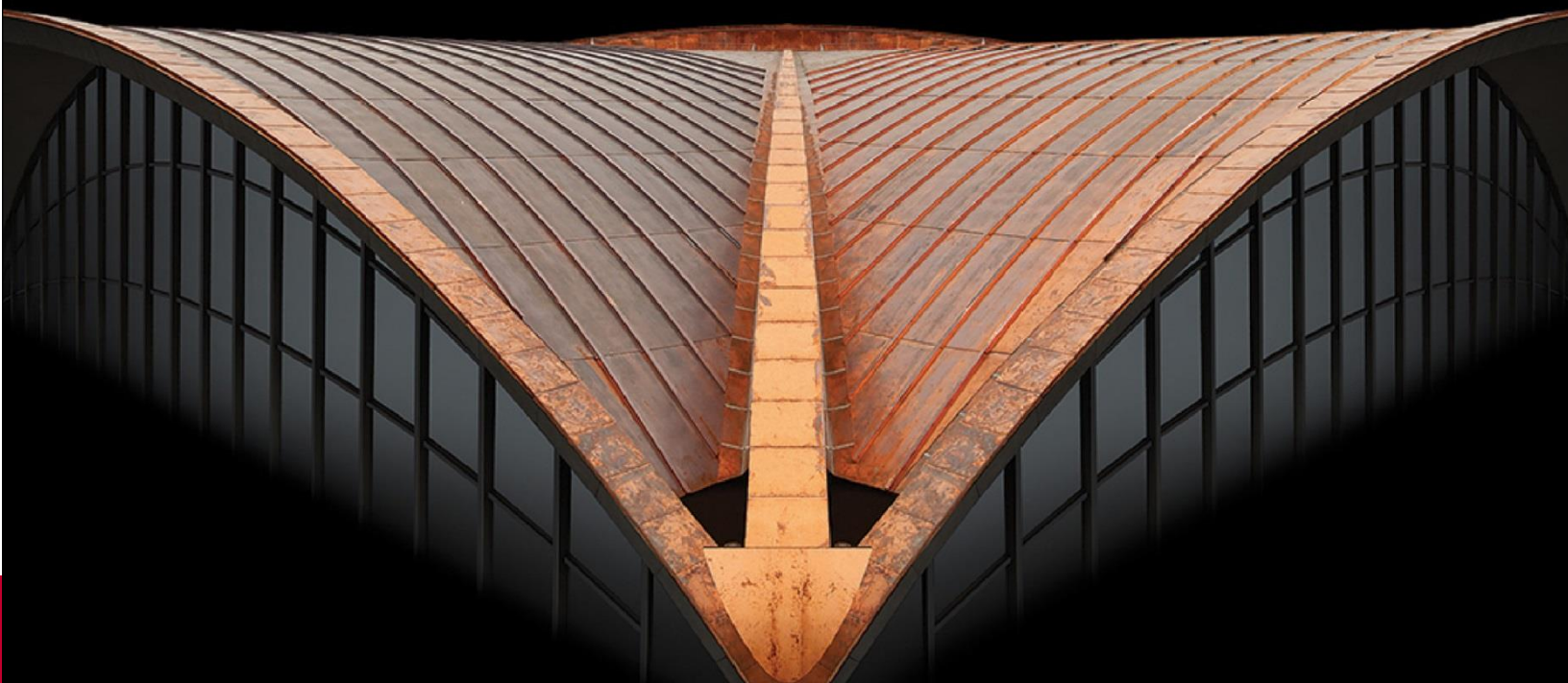
The St. Louis Cardinals ("Cardinals"), a Major League Baseball team, have called St. Louis their home since 1882 and have played in the 45,000 seat Busch Stadium since 2006. The team has won 11 World Series, second to only the New York Yankees. According to Forbes Magazine, the Cardinals were valued at approximately \$2.1 billion in 2019, making it the seventh most valuable franchise in Major League Baseball. It is estimated that the 3.5 million Cardinal fans, 40% of which are out-of-town visitors, generate a regional economic impact of \$300 million and an estimated direct economic contribution of \$160 million over the course of the year³⁵.

In August 2019, it was announced that St. Louis was selected as the host city for a Major League Soccer expansion team to begin playing in the 2022 season.

³⁴ Chicago Tribune, "Gateway Arch Transformed", June 6, 2018
³⁵ Alliance STL



**IV. ST. LOUIS LAMBERT INTERNATIONAL
AIRPORT DESCRIPTION**



St. Louis Lambert International Airport Description



1. OVERVIEW

The Airport principally serves the O&D market and offers non-stop service to 74 destinations, including six international locations. Due to its geographically central location, connecting enplanements have been a key source of growth in recent years. Highlights from FY2018 traffic statistics are below:

TRAFFIC METRICS (<i>in millions</i>)	2017	2018	YOY GROWTH
Total Passengers	14.4	15.2	+5.6%
Enplanements	7.2	7.6	+5.6%
Connecting Enplanements	1.3	1.7	+30.8%
Deplaned Passengers	7.2	7.6	+5.6%
Mail & Freight (lbs)	144.8	145.6	+0.6%

Figure 16: FY2018 Airport Traffic Data³⁶

2. ASSET DESCRIPTION

The Airport is comprised of three main parallel runways, one auxiliary crosswind runway, and two main terminals containing 83 gates. The terminal buildings are currently connected by Concourse D. Maps of the Airport terminal area and grounds are presented below (Figures 17 and 18).

Airfield space is available for cargo and other aeronautical activities. The Airport owns seven different car parking locations for passengers and employees.

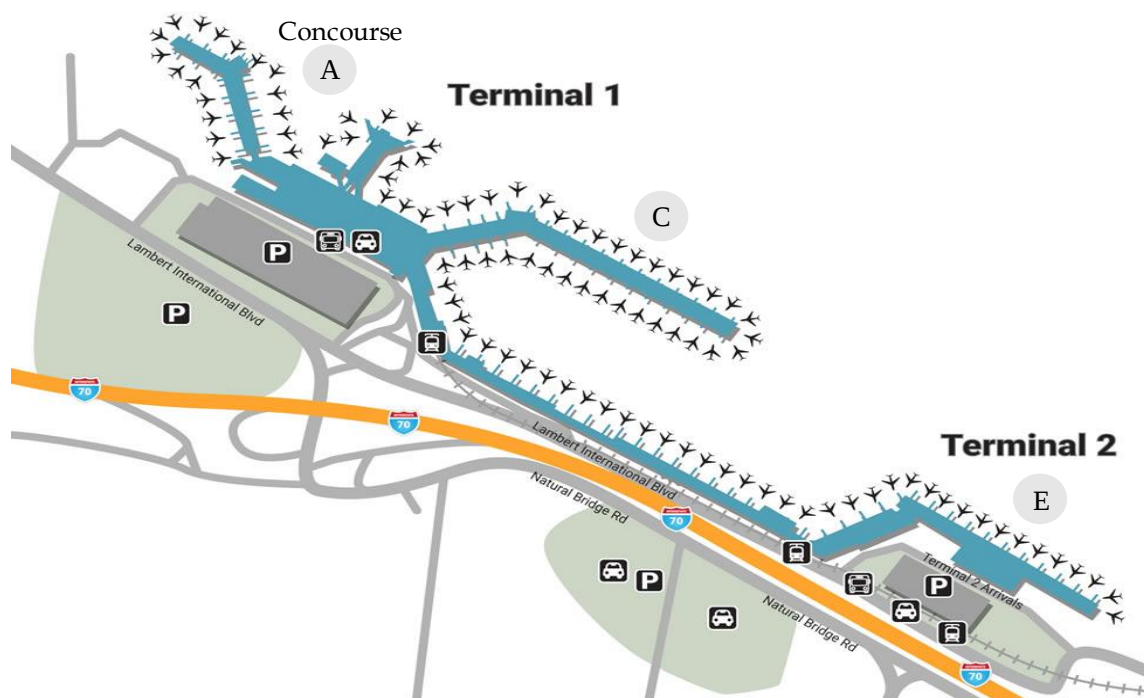


Figure 17: Airport Terminals and Concourse



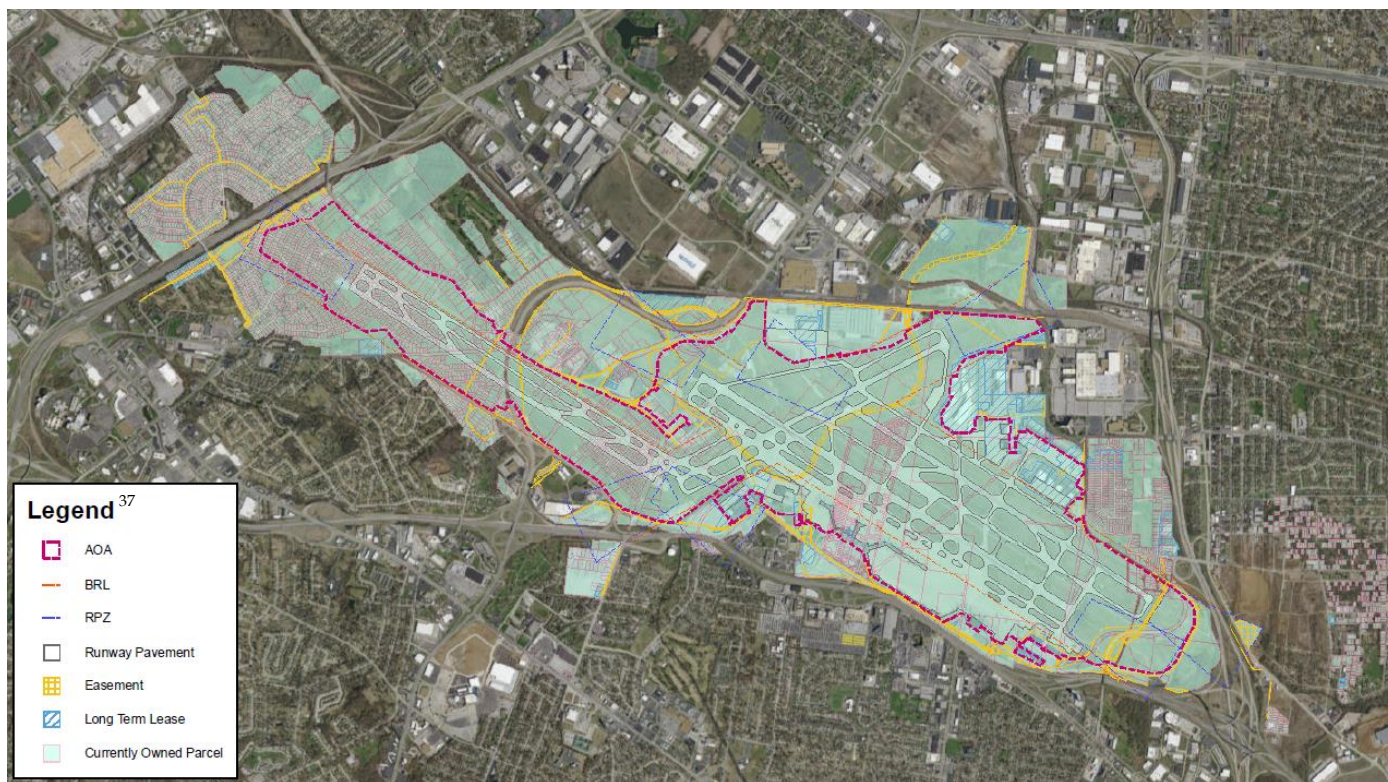


Figure 18: Airport Property Map



St. Louis Lambert International Airport Description



A. Facility Overview

The Airport is conveniently located approximately 14 miles northwest of downtown St. Louis and approximately 10 miles from the center of population of the St. Louis MSA. The Airport is connected to MetroLink and is also accessible through a broad network of buses, taxi services, and shuttles.

Facilities Description

Terminal 1 contains 1.1 million usable square feet of building space and includes the main terminal and four concourses (A, B, C, and all but three easternmost gates in Concourse D) with 65 aircraft gates in a mixed configuration. Airlines operating out of Terminal 1 include Air Canada, American Airlines ("American"), Delta Airlines ("Delta"), Frontier Airlines ("Frontier"), Sun Country, United Airlines ("United"), Volaris and regional carriers.

Terminal 2 contains over 330,000 usable square feet of building space and includes the remaining portion of Concourse D and Concourse E, with 18 aircraft gates. Southwest is the only airline that operates out of Terminal 2. Concourse D has the ability to be reopened and connect Terminal 1 and Terminal 2 as air carrier service expands to utilize the excess capacity available.

In-terminal concessions offer a diverse mix of familiar national brands and local cuisine. Travelers have a choice of 36 restaurants and 23 shops at the Airport. Six of the restaurants are offered landside and 30 on the airside, while three of the shops are offered landside and 20 on the airside. In total, the Airport has 120,555 square feet of space available for in-terminal concessions between Terminal 1 and Terminal 2. The Airport operates seven airport parking lots providing approximately 9,000 spaces. Both Terminal 1 and Terminal 2 have attached garage facilities and surface lots within a short walking distance. Long-term parking lots are approximately 5 - 10 minutes away and offer free shuttle service 24-hours a day. The Airport also operates two cell phone lots, which enables drivers to park in a nearby lot and wait until the party they are picking up has arrived. Off-airport shuttle operations occur on the curb, and there is currently not a per trip access fee charge regime. Pickup and drop-off operations are curbside as well for transportation network companies (*i.e.*, companies that match passengers with vehicles via websites and mobile apps, such as Uber and Lyft).

The Airport has four runways, three of which are parallel and one of which is crosswind. The two main runways are 12L-30R and 12R-30L, with 11-29 serving as a third option for daily operations. The crosswind runway, 6-24, is the shortest and least used of the four. A table depicting aircraft operations by runway is shown below in Figure 19.

RUNWAY	ARRIVALS	DEPARTURES	TOTAL	ARRIVAL %	DEPARTURE %	TOTAL %	NORMALIZED TOTAL %
12L-30R	51,007	34,898	85,905	26.2%	17.9%	44.2%	44.6%
12R-30L	34,286	50,137	84,423	17.6%	25.8%	43.4%	43.8%
11-29	7,881	11,013	18,894	4.1%	5.7%	9.7%	9.8%
6-24	3,129	446	3,575	1.6%	0.2%	1.8%	1.9%
Unallocated	429	1,206	1,635	0.2%	0.6%	0.8%	-
Total	45,725	62,802	108,527	49.8%	50.2%	100.0%	100.0%

Figure 19: 2017 Aircraft Operations by Runway



St. Louis Lambert International Airport Description



B. Land Ownership

The Airport stands to benefit from its ownership of real estate adjacent to current operations that can be employed for aviation and non-aeronautical purposes. Of the 3,700 acres owned, approximately 2,500 acres are currently used by the Airport with the remaining approximately 1,200 acres available for expansion of airport activities or potentially available for non-aeronautical development. The real estate is located at the intersection of major north/south (I-55) and east/west (I-70) interstate highways which, combined with direct on-site rail access, provides access to high-value, critical intermodal infrastructure. Incremental development of the Airport's adjacent real estate has historically been constrained by restrictions in the Airport's existing bond financings.

Aeronautical-related developments would have access to significant runway capacity availability and the ability to handle any size of aircraft. This allows for the Airport or developers to pursue a full spectrum of cargo and other aeronautical-related opportunities. Non-aeronautical activities may include logistics, distribution and other industrial applications as well as retail, office and other commercial applications. Development of airport land for non-aeronautical purposes would generally require customary approvals of any local authorities having jurisdiction over zoning, use and development and may also require FAA approval for non-aeronautical uses.



St. Louis Lambert International Airport Description



C. Airline Mix / Exposure³⁸

Southwest, American, and Delta are the largest carriers operating at the Airport and these three carriers account for 85% and 82% of the enplaned passengers and landed weight, respectively. Southwest has continued to increase regional traffic flow to the Airport. Ultra-low cost carriers (“ULCCs”) such as Frontier and Sun Country Airlines have also increased traffic commitments to the Airport. See Figure 20 and Figure 21 below for more detail on carrier share breakdowns.

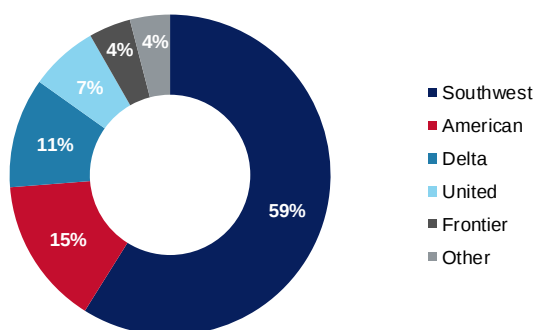


Figure 20: FY2018 Carrier Shares by Enplaned Passengers

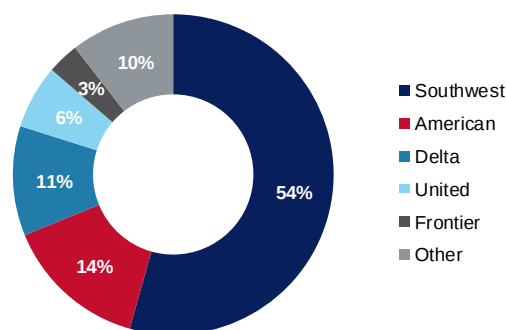


Figure 21: FY2018 Carrier Shares by Landed Weight

3. AIRPORT HISTORICAL TRAFFIC AND FINANCIAL PERFORMANCE

The past five years have seen strong passenger growth from Southwest in particular. Over the past eight years Southwest has back-filled excess capacity and routes at the Airport. Southwest has also dramatically shifted connecting passengers to the Airport from other cities within its network, leading to an increase in Southwest market share at the Airport.

In recent years, ULCCs have also been a key driver of growth in the U.S. domestic aviation industry. In addition to growth driven by Southwest, the Airport has seen a significant traffic uptick from ultra-low cost carrier Frontier Airlines.

Connecting passengers have been a catalyst of growth. From 2016 to 2018, connecting passengers grew 33% annually³⁹. Continued increase in connecting traffic and new route development driving O&D passenger growth points to a positive trend ahead for the Airport. The figures below show historical traffic and financial performance details.

³⁸ Airport Management for fiscal year end June 30th, 2018
³⁹ Airport Management Air Traffic Activity Report



St. Louis Lambert International Airport Description

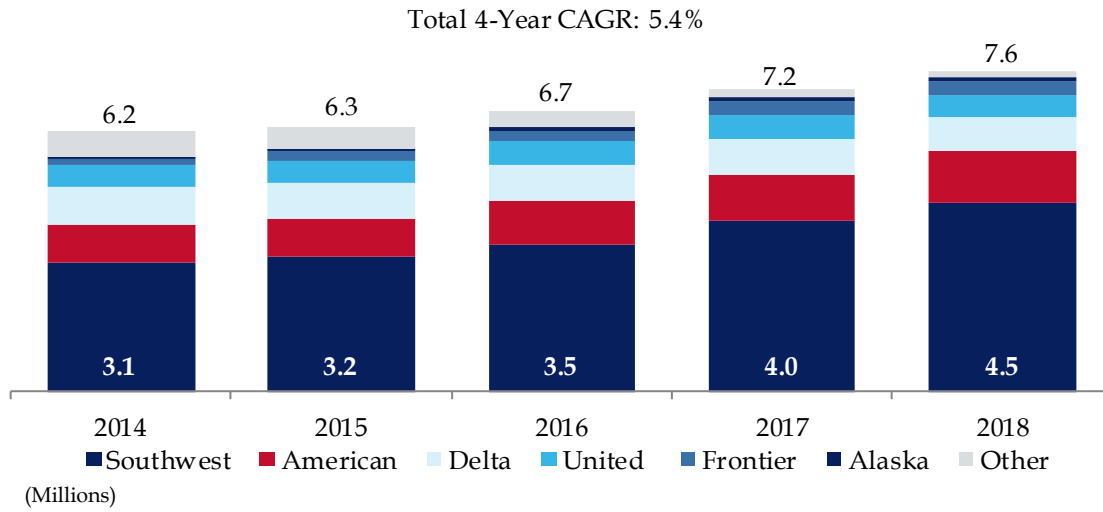


Figure 22: FY Airline Enplanements over Time⁴⁰

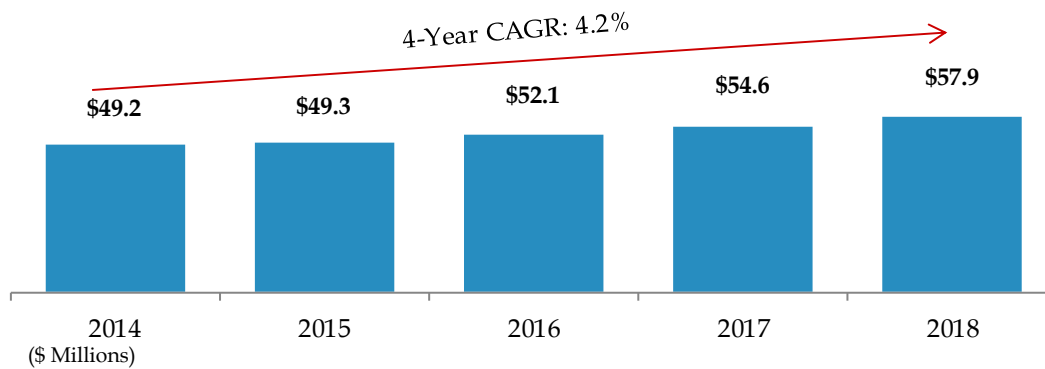


Figure 23: Historical Non-Aero Revenues⁴¹

⁴⁰ Airport Management
⁴¹ Airport Management



St. Louis Lambert International Airport Description



The primary sources of the Airport's operating revenues are PFC revenues, landing fees, terminal area use charges, rents, concessions, and parking revenues. These revenues, along with federal grants, fund the Airport's operating and capital expenses. See below for a breakdown of the revenues and costs.

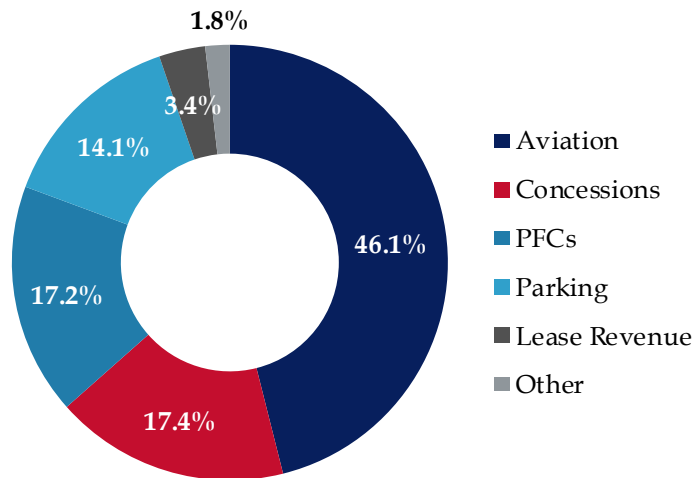


Figure 24: FY2018 Revenue Breakdown⁴²

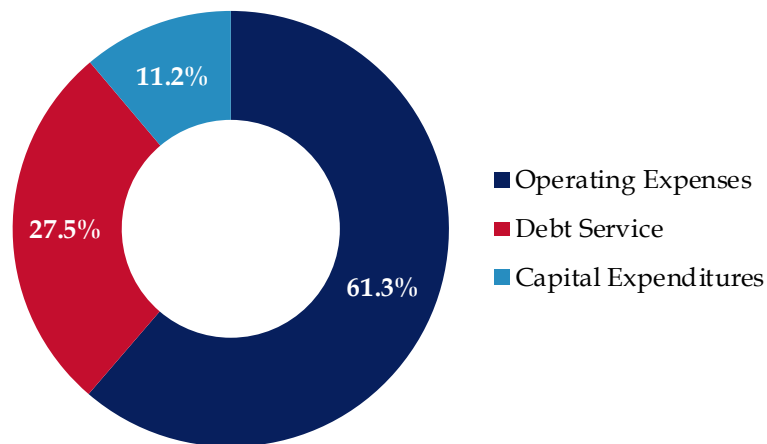
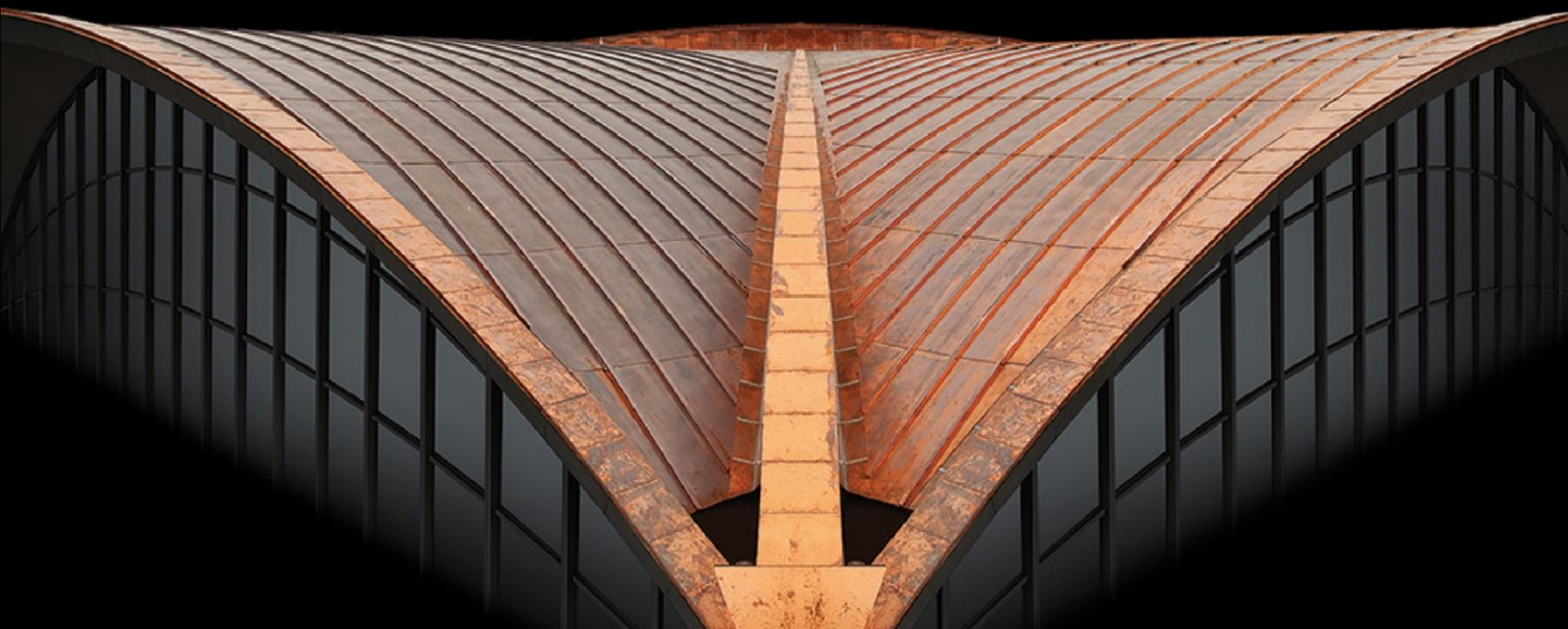


Figure 25: FY2018 Cost Breakdown⁴³

⁴² Airport FY2018 audited financials
⁴³ Airport FY2018 audited financials



**V. ST. LOUIS LAMBERT INTERNATIONAL
AIRPORT RFQ PROCESS**



St. Louis Lambert International Airport RFQ Process



1. PRIORITIES

The City's three primary objectives are:

- Improvement of the Airport for all stakeholders, including incremental uses of the Airport's significant excess capacity.
- Net cash proceeds to the City, upfront and/or over time for non-Airport purposes.
- Community and economic development in St. Louis and across the region.

OBJECTIVE ONE: Improvement of the Airport for all stakeholders, including incremental uses of the Airport's significant excess capacity

Given the historic development of the Airport, and the subsequent de-hubbing by American, the Airport would benefit from transformative approaches that are more readily pursued by private investors than by the public sector. Opportunities include: optimization of existing terminal and airfield space, redevelopment of the Airport's retail and concession offering, development of unused airfield and land with commercial development potential, and enhancement of landside service offerings and related revenues as well as other potential operational enhancements. The City expects that the Airport P3 would include a significant near-term capital improvement program.

The airlines that currently operate at the Airport are an integral part of this process. Any lease entered into under the Airport P3 will be consistent with the airlines' requirements for the Airport, as the AIPP requires approval from 65% of the Airport's existing airlines by landed weight and number. Airlines representing over eighty percent (80%) of the airport's traffic and eighty-five percent (85%) of the airport's weighted cargo have agreed to a preliminary framework that establishes the key financial and operational terms of a future Use Agreement under the Airport P3.

OBJECTIVE TWO: Net cash proceeds to the City, upfront and/or over time for non-Airport purposes

The City currently receives from the Airport an amount pegged to five percent of gross receipts or currently about \$6.7 million⁴⁴ per year in unrestricted revenue that can be used for non-Airport purposes. Without other means to keep operating revenue expanding, these revenues are likely to remain relatively constant with growth limited largely to inflation. Ultimately, the City may choose to structure proceeds or lease payments in different ways, including a combination of payments upfront and/or over time, and/or an option that would pay the City a variable amount based on the Airport's revenues over the life of the potential lease.

Net proceeds may be allocated to essential infrastructure investments or any other purposes that the City may consider appropriate thereby enhancing the municipal government's continued ability to provide essential City services.

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FY 2018. Gross receipts for FY 2019 are expected to be \$6.8 million.



St. Louis Lambert International Airport RFQ Process



OBJECTIVE THREE: Community and economic development in the St. Louis region

An economic development goal from the St. Louis Airport Commission's Strategic Plan (2015-2020) was to align the airport with other multi-modal transport initiatives within the region, as there is currently more than \$1 billion of unmet transportation-related needs pending between the City and St. Louis County alone. An important example of this initiative is demonstrated through the City's success with retaining the NGA. Additional opportunities exist in transforming the airfield into a much larger cargo hub, given that the region is less than 300 miles away from Midwest populations of more than ten million (Chicago). Economic development strategies possible from an Airport P3 would likely be best realized from a comprehensive metropolitan approach going forward. Transferring the Airport's capital program to a private operator should lead the region to more creative approaches to solving regional growth needs.

Similarly, the City views an Airport P3 as an opportunity to complement ongoing community development initiatives. A private sector operator under an Airport P3 can implement community development strategies that reinforce efforts already in progress, in particular (but not only) with respect to job and career development. An Airport P3 should further demonstrate the City's attractiveness to private sector investment and favorably impact the economic potential of the City's residents.

2. PROCESS OVERVIEW

The RFQ has been drafted and reviewed in collaboration with the City Working Group, which has voted to approve its release. The RFQ is intended to identify qualified parties that best meet the following required standards for:

- ✈ Airport technical and professional ability and experience.
- ✈ Financial capacity, stability and reputation.

Selection of the "qualified proposers" will be at the sole discretion of the City.

Responses to the RFQ must be submitted no later than 5:00 pm CT on November 1, 2019. See Figure 26 for an indicative timeline.

For the purposes of the RFQ, "Team" or "Respondent" means an individual, a company, or a consortium of individuals and/or companies formed to undertake the transaction.

ITEM	PRELIMINARY TIMING
City Approval to Release RFQ	October 4, 2019
RFQ Issued	October 4, 2019
RFQ Response Deadline	November 1, 2019

Figure 26: Indicative Timeline





3. POST RFQ SELECTION PROCESS

After the City's review of RFQ submissions and assuming the City decides to proceed, Teams and/or Respondents that are deemed initially qualified by the City ("Qualified Respondent") will sign a Non-Disclosure Agreement and receive a Confidential Information Memorandum providing additional information regarding the Airport, business expectations, and process. As part of responding to the RFQ and Request for Proposals ("RFP") for the transaction, each Respondent must certify in writing that they agree to comply with a Conflict of Interest Policy. This policy applies to the employment of any City Advisor, including any entity and the principal representatives of any entity that has advised the City on a Transaction (as further defined in the Conflicts of Interest Policy) (for the purposes of the Conflicts of Interest Policy, such entities and individuals shall be collectively referred to as the "City Advisors") and certain employees of the City Advisors as specified in the document. Please refer to the attached Appendix A to review the full policy.

At the appropriate time following the qualification of Respondents, Qualified Respondents will have the opportunity to conduct due diligence of the potential Airport P3 through: (i) access to a virtual data room; (ii) Airport tours and additional inspections by Respondent representatives; (iii) management presentations; (iv) review and discussion of the City's proposed lease, including operating standards; and (v) access to appropriate City Advisors, among other items. Until expressly authorized by the City, selected Qualified Respondents may not meet with the FAA, airlines serving the Airport, Airport concessionaires, and fixed base operators.

No Respondent should attempt direct contact with any of the parties listed above. Such attempts / contact may result in disqualification of the Respondent. All requests for information and access to restricted parties must be requested through the Advisor Representatives and any such contact, if permitted, shall be arranged by the Advisor Representatives.



St. Louis Lambert International Airport RFQ Process



4. PROCESS GOVERNANCE

The proposed lease of the Airport involves an FAA application process pursuant to the FAA's published guidance 62 Fed. Reg. 48693 (the "Application Procedures"), in parallel with the City-led process to select, negotiate, and finalize a lease with a private operator. Key elements are identified below.

Governance

- ✈ The City: The Mayor serves on the Board of Estimate and Apportionment which, along with the Comptroller and President of the Board of Aldermen, is the body primarily responsible for the finances of the City. The Comptroller is the City's Chief Fiscal Officer and is elected at-large to a four year term. The Comptroller has administrative responsibility for all the City's contracts, financial departments, and accounting procedures. The President of the Board of Aldermen presides over the City's legislative body consisting of 28 members. Board members are elected from each of City's 28 wards to serve a four-year term with elections held for one-half of all wards every two years. The President of the Board is elected at-large to serve a four-year term. The Board of Aldermen may adopt bills or ordinances which the Mayor may either approve or veto. Ordinances may be enacted by the Board of Aldermen over the Mayor's veto by two-thirds vote.
- ✈ City Working Group: A panel comprised of the director of the City's budget division, director of the Airport, the Chairperson of the Board of Aldermen's Transportation and Commerce Committee, the Deputy City Counselor, and representatives of the three members of the Board of Estimate and Apportionment. The selection of Qualified Respondents to move forward to the RFP will be at the sole discretion of the City Working Group and its voting members.
- ✈ The Airport: St. Louis Lambert International Airport is structured as an enterprise fund owned and operated by the City.
- ✈ The Federal Aviation Administration: The U.S. government body with regulatory responsibility for all aspects of civil aviation safety. Its approval will be required for any proposed Airport P3 in order to finalize the transaction in accordance with the AIPP.

FAA Application Process under the AIPP

- ✈ Completion and Submittal of Final Application to the FAA: After the City enters into a final agreement, it will be required to submit the details of that lease agreement and other supporting data to the FAA for a final approval process that includes a public comment period and a public hearing.
- ✈ Receive Part 139 Approval: The new operator will be required to obtain a Part 139 Operating Certificate to take over the operation of the Airport, to be issued simultaneously with a final FAA approval.
- ✈ Request Final FAA Approval: The FAA will be required to issue a final Record of Decision setting forth its conclusion that the transaction meets all of the requirements of the law.
- ✈ Receive TSA Approval: Transportation Security Administration ("TSA") approval of the new operator as the substitute responsible party under the Airport Security Plan also must be obtained.



St. Louis Lambert International Airport RFQ Process



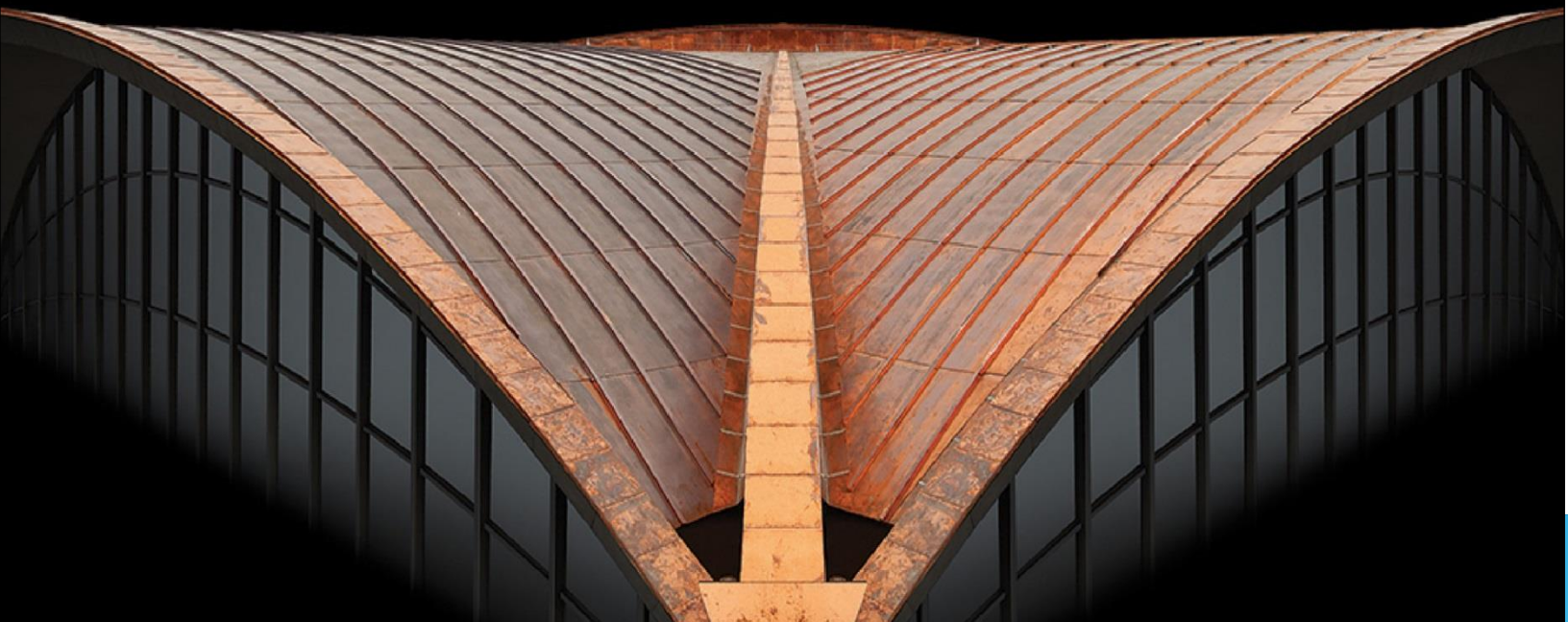
City Approval

- ✈ City Working Group: A majority of the voting members of the City Working Group is required to move a proposed transaction forward; however, the City Working Group does not have independent approval authority.
- ✈ Board of Estimate and Apportionment: A majority of the three members of the Board of Estimate and Apportionment (the Mayor, President of the Board of Aldermen, and the Comptroller) must approve any proposed transaction and send it to the Board of Aldermen.
- ✈ Board of Alderman:⁴⁵ A majority of the Board of Aldermen must approve any proposed transaction. Once this approval is accomplished, there are no further City approvals required.

⁴⁵ Under the City Charter, the Board of Aldermen or the citizens, via initiative petition, may call an election on a proposed transaction, provided such election is formally called before any proposed transaction closes. At this point, no such election has been called.



VI. RFQ SUBMISSION REQUIREMENTS AND PROCEDURE



RFQ Submission Requirements and Procedure



1. RFQ SUBMISSION REQUIREMENTS & INSTRUCTIONS

Prospective Respondents shall indicate as soon as possible by providing contact information via e-mail to the Lead Financial Advisor Representatives listed below. RFQ submissions shall comply with the format provided under “Format and Required Information for RFQ Submission” that follows (p. 36). Additional information not specifically related to the Airport P3 or the RFQ should not be included. All questions or requests for information regarding the RFQ or any other matter relating to the Airport P3 should be in writing and should be directed only to the Lead Financial Advisor Representatives as listed below.

Questions on the RFQ must be submitted in writing a minimum of 20 days prior to the deadline for submissions. Respondent questions and the City’s answers will be circulated via email to all prospective Respondents who provided contact information to the Lead Financial Advisor Representatives.

RFQ submission (including all attachments) must be delivered via electronic mail to each of the email addresses below no later than 5:00 P.M. CT on November 1, 2019. RFQ submissions may not be submitted via facsimile machine and hard copies are not required to be delivered. Deliver RFQ submissions to the following Advisor Representatives:

Mr. Glenn Muscosky
Managing Director
Moelis & Company
Phone: +1 (212) 883-3584
glenn.muscosky@moelis.com

Mr. Matthew Hughes
Managing Director
Moelis & Company
Phone: +1 (212) 883-6325
matthew.hughes@moelis.com

With a copy to:
Mr. Michael Garvin
Deputy City Counselor
City of St. Louis, MO
Phone: +1 (314) 622-4078
garvinm@stlouis-mo.gov

The City may require additional information or clarifications from Respondents at any time.

2. NO LIABILITY FOR COSTS

The City and its Advisors are not responsible for costs or damages incurred by Respondents, Teams, Team members, subcontractors, or other interested parties in connection with the solicitation process, including but not limited to costs associated with preparing responses, qualifications, and proposals in addition to participating in any conferences, oral presentations, or negotiations.

3. TERMINATION / MODIFICATION RIGHTS

The City reserves the right to terminate or modify the RFQ or the Airport P3 at any stage of the process if the City determines such action to be in its best interest. The receipt of proposals or other documents at any stage of either the RFQ or the RFP process will in no way obligate the City to enter into any contract of any kind with any party.



RFQ Submission Requirements and Procedure



4. AUTHORIZATION FOR FURTHER INVESTIGATION

By submitting a response to the RFQ, each Respondent specifically authorizes the City and its Advisors to make any inquiry or investigation to verify the statements, documents, and information submitted in connection with the RFQ and to seek clarification from the Respondent's officers, employers, advisors, accountants, and clients regarding the same.

5. CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

All materials submitted in response to or in connection with the RFQ shall become the property of the City. All responses are subject to the Missouri Open Records Act. Information submitted in response to the RFQ will be exempt from disclosure until the conclusion or termination of the solicitation and bidding process referred to herein. At the conclusion of the process, all information submitted will be made public unless identified in the manner outlined below. The law as set forth in Chapter 610, RSMo, as amended, mandates public access to certain government records. However, proposals submitted in response to the RFQ may contain technical, financial background, or other data that could constitute a trade secret and may be exempt from public disclosure. Proposers who have good faith belief that information submitted in their proposals is protected from disclosure under the Missouri Open Records Act shall:

- 1) Insert the following notice in the front of its proposal:

"NOTICE:

The data on pages of this proposal identified by an asterisk (*) contains technical or financial information constituting trade secrets. The proposer requests that such information be used only for the evaluation of the proposal, but understands that any disclosure will be limited to the extent that the City considers proper under the law. If the City enters into an agreement with this proposer, the City shall have the right to use or disclose such information as provided in the agreement, unless otherwise obligated by law."

- 2) Clearly identify the pages of the proposals containing such information by typing in bold face on the top of each page **"* THE INFORMATION CONTAINED ON THIS PAGE IS TECHNICAL OR FINANCIAL INFORMATION CONSTITUTING TRADE SECRETS AND PROPOSER BELIEVES IT IS PROTECTED FROM DISCLOSURE UNDER MISSOURI'S OPEN RECORDS ACT."**

The City assumes no liability for disclosure of information so identified, provided that the City has made a good faith legal determination that the information is not protected from disclosure under applicable law or where disclosure is required to comply with an order or judgement of a court of competent jurisdiction. The contents of the proposal which is accepted by the City, except portions "Protected from Disclosure," may become part of any contract resulting from the RFQ.



RFQ Submission Requirements and Procedure



6. NO PERSONAL LIABILITY

Neither the members of the City government nor any officer, agent or employee thereof shall be charged personally with any liability by a Respondent or another or held liable to a Respondent or another under any term or provision of the RFQ or any statements made herein or because of the submission or attempted submission of information or other response hereto or otherwise.

7. FORMAT AND REQUIRED INFORMATION FOR RFQ SUBMISSIONS

All RFQ submissions must follow the format outlined below and must be submitted in English. All submissions must be limited to no more than 30 single-sided pages (excluding appendices).

1. Cover page (to include identification of all Team members)
2. Executive summary and strategic rationale (2 pages maximum)
3. Description of Respondent
 - a. Description of Respondent: Provide a description of the Team, including a description of all Team members and the anticipated legal relationship (governance and shareholder structure) among the Team members (e.g., partners, shareholders, client-consultants, etc.) as appropriate. Also provide a description of any upstream relationship to financially responsible entities.
 - b. Controlling Interest / Ultimate Ownership: Identify the individuals or companies who hold an ownership interest of ten percent (10%) or more in each Team member, including any foreign entities and sovereign nation participation.
4. Operational and Management Capability
 - a. Address the following areas with respect to operational and management capability:
 - i. Operations and Maintenance Expertise: Provide evidence demonstrating expertise in managing an airport of this nature. Specifically, the Teams should highlight their experience and qualifications in the following areas:
 1. Substantial experience of Team members in managing and improving other commercial airports.
 2. Substantial experience in managing facility maintenance/repair and procurement of related materials.
 3. Familiarity with FAA regulations and procedures, airport operations, construction and maintenance standards.
 4. Experience with facilitating airport passenger growth via route development and marketing.
 - ii. Capital improvement experience: Provide evidence demonstrating experience in delivering meaningful capital improvement programs on time and within budget, including descriptions of the nature and size of specific projects similar in nature to what will be undertaken at the Airport. Specifically, the Teams should highlight their experience and qualifications with respect to delivering cost savings, if any, on originally budgeted total expense of these capital improvement programs.



RFQ Submission Requirements and Procedure



- iii. Customer Service: Demonstrate commitment to achieving the highest standards of customer service and satisfaction. Specifically, the Teams should highlight their experience and qualifications in the following areas:
 - 1. Maintaining productive ongoing relationships with government entities, similar to the relationship that the winning Respondent will have with the City.
 - 2. Providing excellent customer service to the traveling public.
 - 3. Delivering safe and efficient operating conditions to airlines, particularly those at airports.
 - 4. Maintaining active public relations functions targeted at travelers, taxpayers and airport tenants.
- iv. Safety and Security: Demonstrate ability to address and resolve safety and security issues. Specifically, the Teams should highlight their experience and qualifications in the following areas:
 - 1. Knowledge of airport safety and security management and methodologies, including TSA security plan approval process.
 - 2. Experience in emergency response support.
 - 3. Background in relevant traffic engineering standards, specifications, policies, practices, and processes.
 - 4. Environmental management expertise.
- 5. Financial Capability: Address the following areas
 - a. Ability to Raise Equity and Debt Financing: Provide specific evidence demonstrating proven ability to raise financing for a project of this nature and scope. Responses should include the following descriptions:
 - i. A summary description of how the Respondent intends to finance this transaction, including proposed structuring, sources of funds, lending relationships, etc.
 - ii. A description and identification of equity ownership and arrangements, including upstream relationships to any financially responsible entities.

Specific factors that will be assessed include:

 - 1. Adequacy and availability of liquid equity.
 - 2. Debt, capitalization, and credit worthiness.
 - 3. Demands from other projects / investments.
 - 4. Track record of raising equity and debt for infrastructure projects of this size, including but not limited to, the number and size of past relevant transactions and references to specific experiences on past transactions.
 - 5. Size of project sponsor equity requirement in relation to past financings.
- 6. Contacts and Advisors
 - a. Contact person: Provide a single contact person for all future communication between the City, its Lead Financial Advisors, and the Team. Please identify the contact person's name, title, organization, address, telephone number, mobile number, fax number, and email address.



RFQ Submission Requirements and Procedure



- b. Expected advisors: Identify the companies and individuals who are expected to act as legal, financial, technical, or other advisors for the Team.
7. Disclosure of Conflicts: Each Team member and advisors must disclose any associations, current or prior dealings, relationships, and / or existing contracts with:
 - a. The City, its employees and elected representatives.
 - b. Any airlines operating at the Airport, current lessees or individuals doing business with the Airport, and suppliers of goods or services to the Airport, as it relates to this transaction. Each Team member and their advisors will disclose their potential conflicts and for certification of the Conflict of Interest Document. Please see Appendix A for the full document, to be signed and submitted with the RFQ.
8. Comparable Projects: To the extent not otherwise part of previous sections, please provide a list and detailed description of similar or comparable projects in which Team members have participated. Respondents should specify how these comparable projects relate to the proposed Agreement. This list can be included as an appendix if so desired.
9. Acknowledgments, Confirmation, and Attestation
 - a. Acknowledgment of the City's priorities:
 - i. Improvement of the Airport for all stakeholders, including incremental uses of the Airport's significant excess capacity.
 - ii. Net cash proceeds to the City, upfront and/or over time for non-Airport purposes.
 - iii. Community and economic development in St. Louis and across the region.
 - b. Acknowledgment of Additional Requirements:
 - i. The City emphasizes and City law stipulates minority business enterprise (MBE) and women's business enterprise (WBE) requirements with respect to the City's third party contracting. Further details on MBE/WBE requirements will be provided during the RFP stage.
 - ii. The Lease will set out a comprehensive framework for the future employment of all current Airport employees and requirements to ensure continued compliance with collective bargaining agreements. The private operator will be required to offer employment to all current Airport employees at a compensation level that is at least equal to their current compensation level, plus an annual increase of at least 1.5% above their current annual salary during the first five years following the transaction closing. The private operator will be expected to develop and implement fair employment practices, and as a condition of employment, employees will be expected to perform their duties with adequate competence, attendance, and service to the public.
 - c. Confirmations and Attestations:
 - i. Please confirm that the Team does not and will not have an exclusive relationship with a lender related to this transaction.
 - ii. Attestation to the Certification of Conflict of Interest document to be required on restrictions of team members who have worked for the restricted group. Please see Appendix A for the full document, to be signed and submitted with the RFQ.



RFQ Submission Requirements and Procedure



10. Case number, history and summary description, to include jurisdiction, involved parties and resolution or current status, of any:
 - i. Criminal claims; or
 - ii. Any civil claims or litigation in excess of \$10,000,000; or
 - iii. Any civil claims or litigation having a material impact on the operations of any member of the Team; or
 - iv. Contracts under which a Disclosing Party was obligated to provide goods or services, having a total contract or project value in excess of \$10,000,000, and which, in the last 15 years, were terminated by the counter-party for cause against the Disclosing Party or for convenience. Provide the contract and project name (or other reference information), the parties involved, a history and summary description of the contract and the goods or services to be provided and of the circumstances of termination; or
 - v. Circumstances in the last 15 years in which a Disclosing Party, or a team in which the Disclosing Party was a participant, failed to close on a contract awarded to it, where such failure was not excused or where a bid, proposal, or closing security was surrendered or drawn upon because of such failure. Provide the project name (or other reference information), the parties involved, and a history and summary description of the project, the goods or services to be provided by the Disclosing Party, and of the circumstances of failure to close.

8. EVALUATION

Responses will be evaluated by considering the extent to which the Respondent, or relevant members of the Respondent's team, provide evidence of following key qualifications:

1. Experience in managing airport(s) similar in scope, scale, and complexity to St. Louis within the past seven years, including relevant examples of aeronautical and non-aeronautical improvements.
2. Experience in delivering material capital improvement programs for material maintenance and upkeep programs, terminal expansion, and/or new construction and the size of the capital programs managed.
3. Successful leadership of public infrastructure transactions of greater than \$1 billion.
4. Experience in developing airport or other infrastructure-adjacent real estate for airport and non-airport purposes.
5. Management of public infrastructure in a manner that served the objectives of stakeholders, including local constituents and infrastructure users.
6. Financial information indicating success in raising equity and debt capital to support similar projects of this nature and the ability to do so for a potential St. Louis transaction.
7. Acknowledgements of City priorities for:
 - a. Improvement of the Airport for all stakeholders, including incremental uses of the Airport's significant excess capacity.



RFQ Submission Requirements and Procedure



- b. Net cash proceeds to the City, upfront and/or over time for non-Airport purposes.
 - c. Community and economic development in St. Louis and across the region.
- 8. Acknowledgement of City-Related Commitments regarding:
 - a. MBE / WBE requirements with respect to third party contracting.
 - b. Retention of current Airport Employees.
 - c. Lack of lender exclusivity as it relates to this transaction.
 - d. Conflicts of Interest certification.
 - e. Defeasance of all outstanding Airport debt.

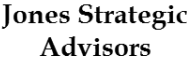


RFQ Submission Requirements and Procedure



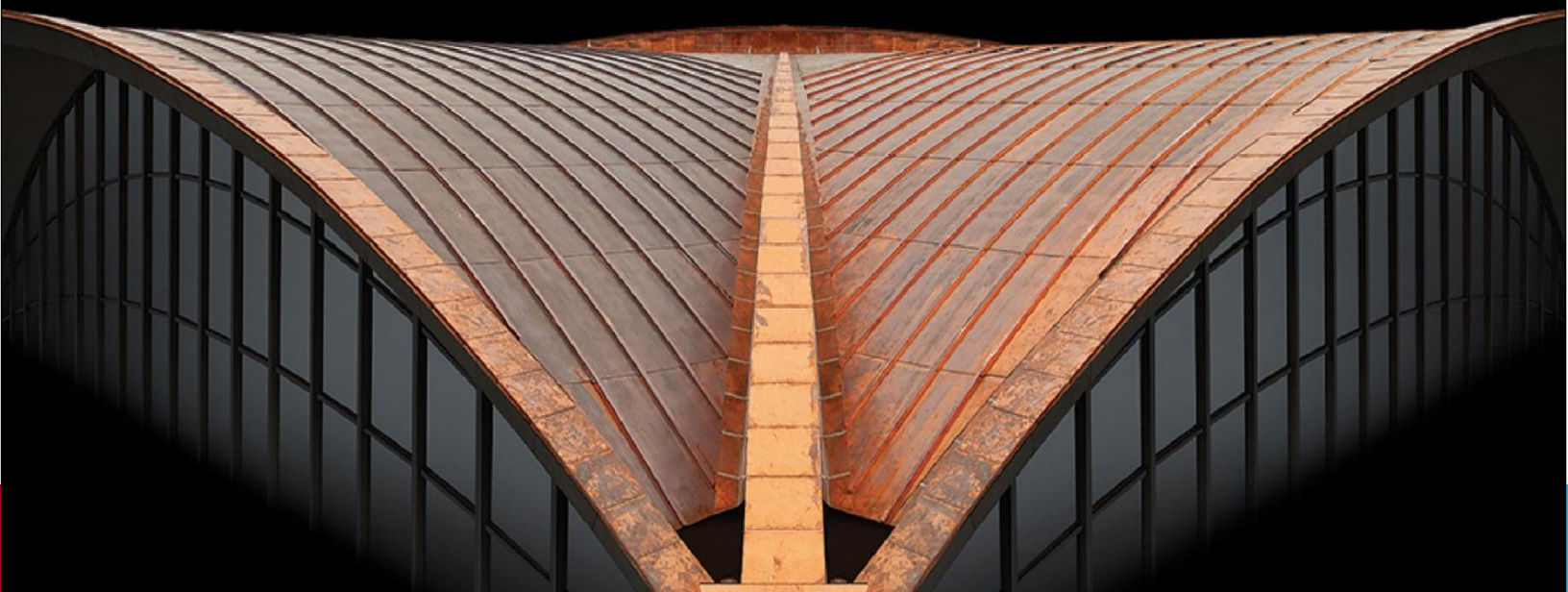
9. RESTRICTED PARTIES

Restricted Parties (as identified below), their respective directors, officers, partners, employees and personal or legal entities related to them are not eligible to participate as members, or advise any Team, directly or indirectly, or participate in any way as an employee, advisor, or consultant or otherwise in connection with any Team. Each Team will ensure that each Team member does not use, consult, include or seek advice from any Restricted Party, with respect to the Airport P3. The following Restricted Parties have been identified since they are currently advising the City.

LEAD ADVISORY TEAM	ROLE
	Project Coordinator
	Project Coordinator
	Lead Financial Advisor
	Regulatory and Aviation Counsel
	Transaction Counsel
	General Counsel and Compliance Counsel
	Public and Project Debt Finance Counsel
	Municipal Finance Advisor
	Municipal Finance Advisor
	Financial Advisor
	Specialty Legal Advisor
	Environmental Counsel and Special Legal Counsel
	Real Estate & DBE Counsel and Community Outreach
	Community and Stakeholder Outreach
	Aviation Consultant
	Quality of Earnings Advisor
	Community and Business Development
	Regional Consultant



VII. Appendix





APPENDIX A: CONFLICT OF INTEREST POLICY

As part of responding to a Request for Qualifications (“RFQ”) and a Request for Proposal (“RFP”) for a Transaction, each Respondent must certify in writing that the Respondent:

- 1) Has not retained after October 2, 2019, nor will it retain at any time during which this prohibition is effective, any City Advisor in connection with a possible Transaction.
- 2) Has not hired or retained after October 2, 2019, nor will it hire or retain at any time during which this prohibition is effective, in connection with a possible Transaction:
 - i. Any of the individuals who have been employed or retained by or through any of the City Advisors;
 - ii. Any member, shareholder, or partner in any of the City Advisors; or
 - iii. Any principal representative of an Organization;

Where such individual was doing such work on or after June 13, 2018, unless:

- a. Such hiring or retention is disclosed to the City; and
- b. The individual that is hired or retained is isolated from the Respondent’s activities by an appropriate screen (i.e., the individual does not work on the Respondent’s activities in connection with, or have access to information concerning, any Transaction).

All of these prohibitions terminate at the earliest of (1) a Respondent not being selected to proceed to the RFP stage; (2) a Respondent not submitting a response to the RFP and terminating its pursuit of a Transaction; (3) the City rejecting Respondent’s RFP response or terminating negotiations with a Respondent; (4) a termination by the City of the pursuit of a Transaction; or (5) the closing of a Transaction.

For purposes of this policy:

- 1) “Transaction” means a Transaction as defined pursuant to Section 1.a.ii. of the Consultant Agreement dated June 13, 2018, between the City of St. Louis, Moelis & Company, LLC, McKenna & Associates, LLC, and Grow Missouri, Inc.
- 2) “Respondent” means any (i) joint venture or entity responding to an RFQ or RFP, (ii) joint venturer, partner, or member of a joint venture or entity described in clause (i), or (iii) advisor, consultant, agent, or representative retained by a joint venture or entity described in clause (i) to perform material or professional work in connection with a possible Transaction.
- 3) “City Advisor” means any entity and the principal representatives of each entity that have advised the City on a Transaction. The initial list of City Advisors and principal representatives is provided in Section VI of the RFQ.
- 4) “Organization” means any entity which has directly or indirectly provided material professional services to the City or a City Advisor in connection with a possible Transaction in the fields of law, accounting, taxation, engineering, architecture, finance, environmental services, or management.



Appendix



Respondents (and potential Respondents) are encouraged to seek written guidance from the City Counselor's Office as to whether specific circumstances could present conflicts of interest, including before submitting any response to an RFQ or RFP. The City, acting through the City Counselor's Office in consultation with and with the approval of the Working Group, reserves the right to make determinations on a case-by-case basis.

Any Respondent who fails to certify or violates the terms of any certification, shall be subject to adverse consequences, including but not limited to a determination that such Respondent's response to a RFQ and/or RFP is nonresponsive or a rejection of such Respondent's responses to a RFQ and/or a RFP.

The City places a high priority on the integrity of any bidding process and avoiding the occurrence or appearance of conflicts of interest. The City expects any Respondent to be compliant with any and all laws pertaining to conflicts of interest particularly as they may relate to current or former officials or employees; this includes but is not limited to Section 105.454 RS Mo. which prohibits acts by certain elected and appointed public officials and employees and particularly paragraph 6 of section 1 of said section which states a prohibition to "Perform any service for any consideration for any person, firm or corporation after termination of his or her office of employment in relation to any case, decision, proceeding or application with respect to which he or she was directly concerned or in which he or she personally participated during the period of his or her service or employment."

ATTESTATION

On behalf of ____[RESPONDENT]_____, I hereby certify and attest that ____[RESPONDENT]_____ has reviewed this Conflict of Interest Policy – Respondent's Side, understands all the terms contained herein and agrees to comply with the terms and conditions herein.

By: _____

Date: _____

Name: _____

Position: _____

