



Francis G. Slay
Mayor



NEWS

FOR IMMEDIATE RELEASE
March 22, 2017

Contact: Maggie Crane
314.622.4072

City of St. Louis City Applies for Federal Aviation Administration Pilot Program *FAA Approval Would Allow Private Investment in St. Louis Lambert International Airport*

ST. LOUIS -- Mayor Francis G. Slay announced today that the City of St. Louis has submitted a preliminary application requesting that the FAA reserve a slot for St. Louis Lambert International Airport in its [Airport Privatization Pilot Program](#) (APPP), pending submission of a final application.

As the Federal Aviation Administration (FAA) explains, the APPP is designed to allow select U.S. airports to generate access to sources of private capital for airport improvement and development. The results aim to improve operational efficiencies, allow for private sector innovation, and free up airport revenue for other municipal purposes, while retaining full ownership of the airport.

"If the FAA accepts our pre-application, we will have an opportunity to explore whether this is the right option for St. Louis," Mayor Slay said. "We will begin examining how this pilot program might benefit the airport, our City, and our region. We owe it to taxpayers and the airport's users to reap the maximum benefits of the airport, and we believe this pilot program has the potential to do just that by improving airport revenue through private partner innovation, diversification, and improved use of land assets.

"We will analyze this initiative to determine whether this program could generate upfront payments, payments over time, or both, that can be used for non-airport City purposes, including important transportation and public safety projects. Furthermore, City taxpayers will not be on the hook for any costs associated with this application process. I have asked Grow Missouri, Inc. to cover all costs, and it has agreed to do so."

"Grow Missouri, Inc. is proud to support this airport pilot program in hopes of creating game changing economic growth," Travis H. Brown, President of Grow Missouri, Inc., said.

The pilot program, established in 1996, was extended to add on more airports in 2012. Commercial service airports, such as St. Louis Lambert, can only be leased, not sold. Under the APPP, the City would retain full ownership of the airport and its underlying land, while day-to-day operations would be turned over to a private sector operator that would lease the facility.

Private investment at St. Louis Lambert International Airport would help the St. Louis Airport Commission achieve the top three goals from its long-range strategic plan. Those strategic goals are as follows:

- **Improve operating revenues through private partner innovation, diversification, and improved use of land assets.**

The FAA Program mandates that any selected private operator would maintain, improve and modernize the airport through capital investment. A private operator will be in a better position than City government to undertake enhancements of non-aeronautical revenues as well as cargo opportunities.

- **Generate upfront and/or periodic payments that can be used for non-airport City purposes.**

Revenue that the City receives from the Airport has remained flat for several years at about \$6 million annually, and it is not expected to change under the current operating structure. However, under a public-private partnership, the City would receive an immediate capital infusion for non-airport uses or the City also may choose to receive substantially increased annual payments.

- **Expand regional economic development relationships.**

A public-private partnership would enable the pursuit of economic strategies that reflect a comprehensive and innovative approach to addressing regional transportation needs and revenue opportunities to benefit the City and the region.

If the FAA approves this preliminary application slot sometime this spring, the process will then begin over the next year to explore the region's options. The preliminary application is the first step in a lengthy, competitive selection process. If the City would choose to move forward, the final transaction would require approval by the FAA, airlines operating out of St. Louis Lambert, as well as necessary local approvals.

###