

Minutes of Airport Advisory Working Group Meeting August 7, 2018

Meeting Time: 10:00 a.m.

Location: Lindbergh Conference Room at St. Louis Lambert Airport

Members Present:

Paul Payne, Ald. Marlene, Davis, Jim Garavaglia, Michael Garvin, Rhonda Hamm-Niebruegge, Gerard Hollins, Linda Martinez

Also Present:

LeJuan Strickland (M S Solutions), John Schmidt (Mayer Brown LLP), Marc Ellinger (Ellinger & Associates), Alethia Nancoo (Squire Patton Boggs, LLP), Andrew McKenna (McKenna & Associates, LLC), Glenn Muscosky (Moelis & Co), Michael Fleming (The Wicks Group), Mitch Holzrichter (Mayer Brown, LLP), Travis Brown (Grow Missouri), Rebecca Perry-Glickstein (PFM), Mary Francoeur (PFM), Gary Hall (Siebert Cisneros Shank & Co, LLC), David Stinfil (Siebert Cisneros Shank & Co, LLC), Peter Czajkowski (Stifel), Koran Addo, Tyson Pruitt, members of the public

Mr. Payne called the meeting to order and circulated a sign-in sheet. He stated that this meeting is considered as the “kick-off” meeting with the airport advisor groups. The minutes from the July 2, 2018 meeting were approved.

The meeting was then turned over to the lead presenter, Travis Brown, President of Grow Missouri Incorporated, to present to the Airport Working Group Committee the goals and process directives. In addition to Mr. Brown, presenters were Glen Muscosky, Michael Fleming, Andrew McKenna, Mitch Holzrichter, LeJuan Strickland, John Schmidt, Alethia Nancoo, and Mark Ellinger.

Mr. Brown discussed the formation of the 314 Fly Coalition (advisory team) and introduced the members to present and discuss the process. He discussed the diversity and depth of the advisory team to date. The team was formed based on the directive and goals of the City.

Glen Muscosky, Moelis, began the presentation with the Working Group’s Goals and Process Directives. He addressed the original objectives identified in the preliminary application to the FAA. Those objectives included delivering the best options for the City, which shall be determined and decided by the City; generating meaningful proceeds for the City, which is defined as upfront and periodic payments than can be used for non-airport purposes (over time, revenue sharing, etc.); enhancing and improving STL Airport for all stakeholders

(airlines, customers, employees, etc); and expanding regional economic development relationships. Glen also presented preliminary questions to be explored through the process which all members of the Advisory committee will evaluate. This will help determine the best options for the City.

Michael Fleming of The Wicks Group, an aviation law and consulting firm, discussed federal limitations and opportunities. The Wicks Group along with Mayer Brown will address the elements relating to the FAA, airline discussions, and leasing operating standards.

Andrew McKenna of McKenna and Associates discussed team organization of the City Working Group. The work streams are broken down into six key components. It is the responsibility of the Airport Working Group to assign the representation and the qualities needed to represent each of the six components.

Mitch Holzrichter of Mayer Brown LLP discussed the diligence process, including the six month overview and initial steps. Mr. Holzrichter recommended setting up a data room where, as a team, information can be deposited and reviewed by both the advisors and the current Airport team led by Ms. Hamm-Niebruegge. Advisors have reached out to two national data room teams for proposals which can be presented for selection at next meeting. In the meantime City would need to approve a temporary data room for receiving data. The City will still own the data and a portion of it will be shared with potential bidders should the City choose to move forward and engage with the market. Mr. Ellinger requested the City's ok with this approach. Mr. Payne inquired of Ms. Hamm-Niebruegge and Mr. Garvin neither of who had objections and with no objections from any other members, this request was approved.

LeJuan Strickland of M S Solutions addressed community outreach and communications. During his presentation he provided a six month overview as well as proposed timeline for the first sixty days. This timeline included proposed dates for City focus group meetings and neighborhood outreach meetings, with the purpose of public engagement. Travis Brown cited the use of the City's website at www.314fly.com and the intent to engage the public on the use of proceeds.

Michael Fleming presented on new airline use agreements, lease, FAA. This part of the presentation included the six month overview which included preparing lease agreements and operating standards and achieving necessary buy-in by airlines. Mr. Fleming discussed the City approving the operation standards and lease agreement drafts. The FAA wanted an update and that happened at a meeting in Washington, D.C. on July 27, 2018. Further updates will be provided to the FAA in a timely manner.

John Schmidt of Mayer Brown discussed existing agreements at the airport. Mr. Schmidt stated that current airline use agreements expire in 2021. Some may expire during the time of this process. The team must look at the agreements and their expiration dates to determine the best way to keep the airport operating effectively and avoid limiting the flexibility of a private operator of the airport may want to do something different.

Glenn Muscosky presented on the market of interested investors for a project like this. Support of the stakeholders needed to go through with the process has already been given. Next is to get the support of the airlines before the process is launched. City decision points include reviewing and approving Request for Proposals (RFP) and Request for Qualifications (RFQ). Mr. Muscosky presented the summary of phases for preparations, the qualification and bidding process, and final selection and other approvals; all within the 18 month process. Communication with the City will continue throughout the process. Mr. Hall advised of the importance of consistence of communications as investors and bidders are always listening. Ms. Francoeur advised of need for process of weighing value of keeping as is versus going for the private operator option.

Alethia Nancoo, of Squire Patton Boggs LLP, presented the City's existing debt and finance. Six month objectives include analyzing bonds and defeasance and or tax remediation. The City will make a decision on those options. There was discussion as to whether or not the debt had to be settled in its entirety to move forward. Ms. Nancoo noted this could be determined by further analysis of the economics. It was noted that though it is not required (e.g. IRS). Ms. Perry-Glickstein advised that disclosures up to this point had presented that all debt would be fully defeased. Ms. Hamm-Niebrege inquired as to potential impact on plans for portion of debt refunding in current fiscal year. Ms. Nancoo advised that any existing plans could continue with the importance being on the disclosure. Ms. Martinez discussed potential opportunities to be freed up with unused capacity of Airport land.

Mark Ellinger, of Ellinger and Associates, presented on the topic of legal compliance. Key six month objectives include engaging third party subcontractors in accordance with WBE/MBE guidelines. The working group must ensure compliance with Missouri Open Records Act (Sunshine Law). The goal is to exceed those requirements. There was extensive discussion on managing requests for information and correctly responding to them all. Mr. Ellinger also noted need for non-disclosure agreements for protecting privileged information. Dr. Hollins inquired as to any impact of county laws governing airport property. Mr. Ellinger reported that although not in City, most airport activity is governed by City ordinance and thus the lease process would not be directly affected by the county although certain subleases as well as taxes may be impacted. In relation to sunshine law discussion, Mr. Muscosky offered that he would recommend that City authorize Moelis to tell the marketplace to direct inquiries to them as opposed to city or the airport. After Ald. Davis expressed reservations at this suggestion, Mr. Muscosky elaborated that any potential bidders will be trying to get the edge on information and that by limiting access this will help provide a level playing field.

Travis Brown summarized the meeting with the project overview that included deadlines and team responsibilities. He then opened the meeting up to questions.

Mr. Payne summarized the understanding of data room and inquired as to protocols. He also inquired as to status of reconciling the proposal to update the Airport Master Plan with the current lease evaluation effort. Ms. Hamm-Niebruegge discussed some of the planned

projects that were pending for such a plan. Mr. Fleming advised that the plan was not a regulatory requirement nor required for a record of decision from the FAA but can submit requests for funding projects as long as consistent with the Airport Layout Plan (ALP) which is a component of the overall plan. He added there will be need for more discussion between national and regional FAA to determine how involved a study would have to be given the situation. Mr. Payne also inquired as to whether group would be able to see polling questions in advance. Mr. Brown advised that it would. Ms. Hamm-Niebruegge advised of importance of communications among Airport employees acknowledging a certain amount of current angst. Ald. Davis advised of the importance of communications and for it to be done right. Mr. Garavaglia advised of the need for a meeting of working group to discuss material presented at today's meeting.

As a final item, Mr. Muscosky discussed need for working group to approve a communication to potential bidders about process and where to address inquiries. He stated he would circulate and send out a draft prior to next meeting.

Prior to adjournment, there was discussion of the necessity of meeting every two weeks for the first six months and possibly meeting at 1520 Market. The Working Group scheduled a meeting for Tuesday, August 14, 2018 to discuss items related to the August 7th meeting. The Working Group and Advisory team will meet on August 28, 2018 at 10:00 a.m.

Meeting adjourned at 11:54 a.m.