

# Minutes of Airport Advisory Working Group Meeting August 28, 2018

Meeting Time: 10:00 a.m.

Location: 1520 Market St. 3<sup>rd</sup> Floor Conference Room

Members Present:

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

Also Present: John Schmidt, Michael Fleming, Mark Ellinger, LeJuan Strickland, Andrew McKenna, Stephanie Lewis, Gary Hall, Alethia Nancoo, Omar Karar, Glenn Muscosky, David Stinfield, James Clayborne, Mike Jones, Jean Wilson, Mary Francoeur, Rebecca Perry-Glickstein, Koran Addo, Tyson Pruitt, and members of the public

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Chairman Paul Payne opened the meeting at 10:01 a.m. It was noted that there was video conferencing available and instructions should be sent in advance to provide options for those who aren't able to attend future meetings. The minutes from the August 14, 2018 meeting were approved.

The Airport Due Diligence update was given by John Schmidt of Mayer Brown and Ms. Hamm-Niebruegge. Mr. Schmidt expressed that everything was going well and he was impressed with the knowledge of the airport staff. Four meetings that included Airport personnel, Mayer Brown, Moelis, Wickes, Charbonnet were held. The meetings focused on

1. Airlines and Aviation
2. Environmental
3. Concessions
4. Financial

Mayer Brown Extranet service has been set up protected for airport personnel; and has received thousands of priority requested documents such as financial documents, airline agreements, and environmental agreements. The next step will be requesting real estate documentation. Mayer Brown requested approval of Merrill Corporation as a 3<sup>rd</sup> party provider of a protected data website. The Mayer Brown documents will be transferred and limited access will be given to bidders when the time comes.

Ms. Hamm-Niebruegge asked a question relative to the uploading of documents and the management/restriction of those documents by the company that will manage the data website. Mr. Schmidt and Andrew McKenna clarified that all documents will not be readily available to everyone. The Moelis Team will judge what will be appropriate. As the process

moves forward more access will be given as needed. The group will be able to determine what is confidential and also non-disclosure agreements will be signed.

Approval of Merrill Corporation caveat of additional information on their internal policies was granted.

Ms. Hamm-Niebruegge presented an update on the Master Plan/ALP. Several meetings were held to determine the most critical factors to the airport. There were four items from the Master plan that were taken to the Central Region Division of the FAA to ask for funding of the ALP out of the existing Master Plan account. The items were:

1. Runway and changes that need to be done to the runway system.
2. Passenger forecast
3. Facility assessment
4. Roadway system in front of Terminal 2

A verbal commitment was received.

The airport team is currently finalizing the RFP for advisors to bid on updating the ALP with the four previously mentioned items. Because this is an ALP rather than a full Master Plan and strong need to have very technical people involved, it will be the recommendation of the airport team that the team be very strict with bidders that they aren't currently active with other operating teams. The RFP needs to be finalized and published by October, 2018.

Stephanie Lewis, Vice President of Grow Missouri, introduced the Airport Advisory Team and their various roles. LeJuan Strickland stated that the original community outreach plan was presented on August 10, 2018. Mr. Strickland clarified that the plan is based on the 11 guiding principles and not leading with the use of proceeds. The objective is to talk with the public about anything that is a part of the 11 guiding principles. Mr. Payne asked for details about how the plan will be implemented. Mr. Strickland stated they will begin with a door to door campaign with approximately four member teams. The outreach team will also attend neighborhood and ward meetings. Mr. Garavaglia suggested that outreach should begin in all parts of the City simultaneously rather than only specific parts of the city that is perceived to benefit the most should the privatization occur. Alderman Davis followed up with the suggestion of setting up the outreach/data gathering the same as a census campaign. Ads will run 10 days and 3 days prior to the beginning of the outreach via door to door. Mr. Payne expressed concern with the community outreach plan and mentioning the use of proceeds; and how it could possibly skew opinions. A list of questions and the door knocker draft will be sent to Chairman Payne for approval. The consensus was to remove key objective #3 and change point #6 to start canvassing simultaneously in the north, south, and central corridors; and submit the script and door knockers to approve the outreach plan caveat. Mr. Garavaglia objected to voting approving the plan without seeing it in his hand. Mr. Garvin, legal counsel for the City, stated that it can be voted on pending Mr. Payne's approval. Mr. Payne requested that he receive materials that he could circulate to members of the group. Mr. Garavaglia

agreed and the working group motioned and voted to approve the community outreach plan pending receipt and review of these materials.

Michael Fleming led the discussion on New Use Agreement, Lease, FAA. There has already been outreach to the carriers. The questions are what are the airlines expecting and what will it take, pertaining to changes to their current arrangement, to be on board. When it's time to go to the market there should be a tentative agreement with the airlines in place. Mr. Fleming suggested that rather than using the word "users" the team should use "tenants" to avoid confusion when discussing passengers and airlines.

Mr. Fleming stated that the FAA requested a timetable that indicates when it is likely to be asked to issue its record of decision of approval if the City decides to move forward. The timeframe set for now is late 2019. Approval was granted for the draft message and timeline for the FAA.

Mr. Schmidt led the discussion about using Unison as status quo forecast provider. Unison is recommended because of the working relationship already established with the airport and firms represented in the advisory group. The team approved the advisory team to reach out to Unison as an additional service provider.

Glenn Muscosky provided an update on the initial investor outreach. Moelis sent the initial communication and there has been positive market reception to the investor outreach. Messaging included the City's priorities, and protocols for communications between the City and the market. Any potential investor communication and investor queries will go through Moelis.

Mr. Payne requested clarity of retiring the debt. One of the guiding principles is to retire the debt. Alethia Nancoo referred to the previous meeting and discussing the flexibility of keeping some of the bonds outstanding or to defease. Upon further review of the debt and finance team, Ms. Nancoo recommended to defease all bonds should the City decide to move forward with privatization. Mr. Garavaglia suggested to step back so as not to send a "signal" to the market. *Ms. Martinez initiated discussion of including notice on EMMA.*

Administration items were discussed. Ms. Martinez will submit the Working Group list to Mr. Payne. Omar Karar highlighted the City's action items to be done within the 60 day and 6 month deadline. Discussion was held to request the advisory group to distinguish which items in presentation documents are for open session versus closed session. Mr. Garvin informed the group that in order to go to closed session, there has to be specific reasons to do so and the reasons should be noted. Mr. Ellinger informed the group that there are two firms with specific technical expertise to be considered and those recommendations will be presented at the next meeting.

Meeting adjourned at 11:56 a.m. for closed session.

Meeting re-opened at 12:11 p.m.

Next meeting set for Tuesday, September 11, 2018 at 1:00 p.m. Meeting adjourned at 12:13 p.m.