St. Louis Lambert Airport Privatization RFQ Frequently Asked Questions

- What is a Request for Qualifications (RFQ)? What does it mean?
  - The City invites interested parties to respond to a Request for Qualifications (RFQ) regarding the Airport P3 lease in the form of a long-term lease for the operation of the Airport, which is owned and operated by the City. An RFQ is only a request for interested parties to demonstrate their qualifications and expertise. The City will use the information provided to determine which respondents are best qualified to participate in a procurement process for the Airport P3.
- What is the difference between an RFQ and a Request for Proposal (RFP) process?
  - o RFQ
    - Screening process used to narrow down potential operators
    - Allows operators to show their credentials and past performance
    - RFQ precedes RFP
    - Does not include how the work will be performed
    - Does not include project cost or value offered to the City
  - o RFP
    - Explains project in details and the work needed
    - Comes after RFQ
    - Operator responses will include value offered to the City
    - Explains how the work will be completed
    - Will include details such as minority participation and local preferences
- What are the reasons the City would entertain an airport P3 lease?
  O The City seeks to structure a transaction that meets the City's primary objectives:
  - The transaction should improve the Airport for all stakeholders. The Airport would be managed by a world-class operator with significant Airport experience, who would be encouraged to better use the Airport's significant excess capacity.
  - Second, the transaction should generate significant cash proceeds, upfront and/or over time, to the City. In FY19, the City received \$6.8 million from the Airport for non-Airport purposes and because of federal law, annual growth in this amount is limited. Under this transaction, though, the City could earn significantly more and use those proceeds for other priorities.
  - Third, the transaction should facilitate community and economic development in the St. Louis region, including through new development projects, greater use of the airport, and additional commercial activity.

- Who or what entity approves the RFQ process?
  - The City, acting through a City-appointed working group, has approved the release of this RFQ inviting teams to submit their qualifications and interest in leasing the Airport.
- What makes Lambert Airport attractive to a potential private operator?
  - Existing runway and terminal capacity make it attractive for traffic growth and other growth incentives
  - Significant undeveloped real estate acreage offers opportunity to develop cargo and other non-aeronautical revenue streams
  - Potential to further strengthen the airport's operations and position as a Midwest hub
- What would the City look for in the qualifications of a potential operator for the RFQ?
  - Parties are asked to demonstrate:
    - Airport operations expertise, including technical and professional ability and experience; and
    - Financial capacity, stability and reputation.
  - Selection of the "qualified proposers" will be determined by the City.
- What is the approval process after issuance of the RFQ?
  - City Working Group A majority of the voting members of the City Working Group can continue to move forward with the procurement process
  - 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
  - Board of Alderman A majority of the Board of Aldermen must approve any proposed transaction.
  - Airlines A majority of the airlines (65%) must approve any proposed transaction.
  - FAA The FAA must approve any proposed transaction.
- How will the RFQ process be communicated to the public?
  - The community will be addressed through the following ways:
    - Mass media such as radio, TV, newsprint, and online publications.

- There will be community, business and airport meetings to inform the public on the process.
- What should the City expect to see from an Operator's response to the RFQ?
  - Executive summary and strategic rationale
  - Description of Operator
  - Operational and Management Capability
  - Financial Capability
  - Contacts and Advisors
  - Disclosure of Conflicts
  - Comparable Projects
  - Acknowledgment of the City's Priorities
  - History of any relevant claims and litigation
- What is the timeline of the RFQ process?
  - It will take approximately 3 months for interested operators to submit their qualifications and for the City to review those qualifications and select operators to participate in the RFP phase of the process.
- What are the steps and timeline for the RFP and beyond?
  - RFP bidding phase takes about six months, after which time there is a post bidding process
  - Post-bidding regulatory approvals and closing process takes approximately three to six months
  - The City will continue to assist the operator for approximately 24 months after the closing, to successfully implement transition of management responsibility and ensure the airport operates without interruption.
- Will the responses to the RFQ be public?
  - The responses, which contain competitive information pursuant to Section 610.021.RSMo, will be made public when a transaction is completed or the process is terminated.
- Will the residents of the city have an opportunity to vote if the RFQ process should move forward?
  - $\circ$   $\;$  The decision will be determined by the City of St. Louis' elected officials.
- Are there companies that have been identified as potential operators this point?
  - There are companies who have submitted proposals on similar P3 projects. They, as well as other interested parties, are expected to respond to an RFQ.

- Are there other US airports going through an RFQ process right now?
  - The Hendry County, Florida Airglades Airport submitted a final application on August 8, 2019 to the FAA and the final Public Comment period closed on September 18, 2019.
- Will the City make the shortlist of potential operators public?
  - o Yes
- What are the limitations on lobbying by former City employees?
  - See attached opinion of the City Counselor



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LYDA KREWSON MAYOR

May 13, 2019

Linda Martinez Deputy Mayor of Development City of St. Louis

Re: Lobbying by Former City Employees

Dear Linda:

You have asked regarding the restrictions placed on lobbying by former City employees who had been assigned to the Mayor's office. You correctly identify two statutory provisions that apply--section 105.454(5) RSMo and section 105.454(6) RSMo-- and I am unaware of no other statute that is implicated. Nor is there a Charter provision that regulates lobbying. There is an ordinance that might be thought to apply--Ordinance No. 70622-- but it only applies to employees, not former employees, and in any event merely directs employees to comply with section 105.454 RSMo so it adds nothing to the statutory restrictions.

Section 105.454(5) RSMo is a "time-out" provision that applies for only one year after termination of employment. During this time-out period former employees of the City cannot (for compensation) perform any service by which the employee attempts to influence a decision of the City, unless in an adversary proceeding or in the preparation and filing of a public document. The City makes decisions by various means, most obviously by ordinance. So during the time-out period former employees cannot attempt to persuade alderman to adopt or not adopt an ordinance, nor attempt to persuade the Mayor to approve or disapprove an ordinance. And, as you known, there are various ordinances that must be recommended by other officials such as the Board of Estimate and Apportionment, the Civil Service Commission, and the Board of Public Service. The former employees cannot seek to persuade those boards and commissions to recommend or not recommend an ordinance. Of course, ordinances are not the only means by which the City makes decisions. Various boards make rules and regulations, various officials decide whether to issue permits and licenses, approve or disapprove of various contracts, transfer or not transfer appropriations, and make decisions in a myriad of other ways. The former employees are barred from attempting to influence any of these decisions during the time out period.

JULIAN L. BUSH CITY COUNSELOR Section 105.454(6), by contrast, is not a time out provision but a permanent disqualification that prohibits former a City employee from performing any service (for consideration) in relation to "any case, decision, proceeding or application" if the employee was "directly concerned...or participated" while employed by the City. The terms "case," "proceeding," and "application" are fairly concrete, but the term "decision" can be thought to be very broad as can the terms "concerned" and "participated." Since section 105.454(6) is obviously remedial, and remedial statutes are to be construed broadly, great care should be exercised in allowing a former employee to involve himself or herself in anything that the former employee may have been involved in while a City employee. But each occasion will have to be scrutinized as it arises.

I hope that this has been helpful.

Very truly yours,

Julian L. Bush City Counselor