

Lambert St. Louis International Airport P3 Exploration

Airport Commission Update
December 4, 2019



1 Enhance and improve the STL Airport

**Improve operating revenues [metrics and overall customer experience]*

2 Generate **meaningful proceeds for the City**

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

3 *Expand **regional economic development relationships**

Business Case

Why Market and Investor Interest?

- **The market has capital that needs to be invested**
- **Invest capital and generate a return by increasing utilization of Airport for more connecting traffic**
- **Invest capital to increase non-aeronautical revenue in a more entrepreneurial way**
- **Use the infrastructure of a Large Hub that already exists**
- **Ability to make capital investments with more flexibility and more cost-effectively than can be done by a governmentally-run Airport**
- **Increased access to Airport vendors and buying power by operating multiple Airports**

Business Case

Why Would Airlines be Interested in P3?

- **Cap on fees**
- **Cost certainty**
- **Opportunity to increase air traffic at a lower cost per enplanement**
- **Limits on financial risk for non-governmentally mandated capital expenditures**
- **More efficient/cost-effective implementation of capital expenditures**
- **Certainty of operations from application of written “Operating Standards”**
- **Operate out of an upgraded and better maintained airport**

Work Streams

- 1 Airport Diligence
- 2 Community Outreach & Communications
- 3 New Use Agreements, Lease, FAA
- 4 Market
- 5 Existing Debt & Finance
- 6 Legal/Compliance

City Working Group
Representation

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Market
Summary of Phases

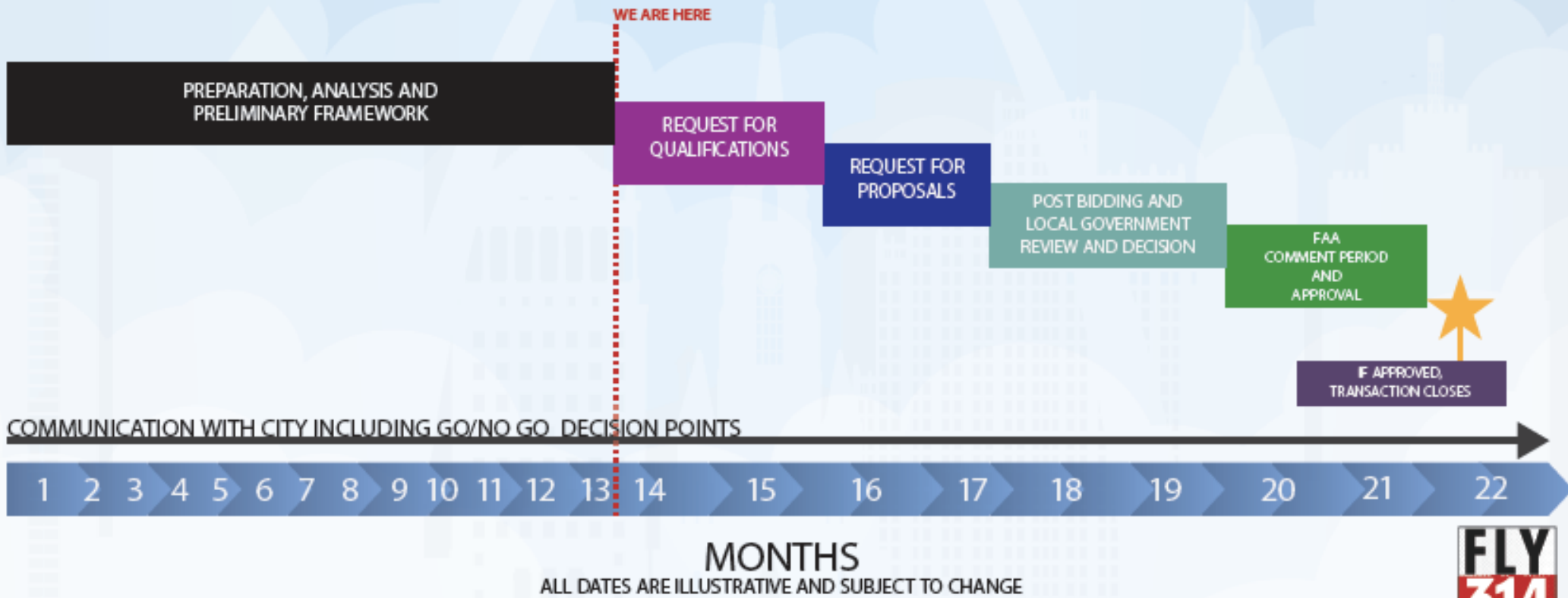
Phase

Expected Timing

1	Preparation	2018 Q3 – 2019Q3
2	Qualification & Bidding Process (RFP, RFQ)	2019 Q4 – 2020Q1
3	Final Selection & Other Approvals	2020 Q2 – 2020 Q3/4

OVERVIEW OF NEXT STEPS

ESTIMATED TIMELINE FOR ST. LOUIS LAMBERT INTERNATIONAL AIRPORT



RFQ Respondents

18 Respondents interested in participating in the process

Aena Internacional

AENA (Spain) is the world's largest airport operator (by passenger count) with operations principally in Spain and the Canary Islands

- Operates 69 airports, 46 of which are in Spain
- 335.9 million passengers total, largest airport operator in the world (by number of passengers)
- Ownership: range of minority and majority

AMP Capital

AMP (Australia) has over \$16bn in infrastructure AUM and has ownership interests in Melbourne and Lancelton airports in Australia

- Investments in six airports: three in the U.K. (New Castle, London Luton and Leeds Bradford) and three in Australia (Melbourne, Port Hedland and Launceston)
- 67.7 million passengers total
- ~50% ownership in all airport investments with the exception of Leeds at 100%

Atlantia Spa

Owner and operator of transport infrastructure with particular focus on toll-roads and European airports

- Operates two commercial Airports in Rome (Fiumicino and Ciampino), a controlling stake in Aeroports de la Cote d'Azur (Nice, Cannes and Saint Tropez Airports) and a minority stake in Aeroporti de Bologna
- 48 million passengers total
- Ownership stakes include, 99.4% of Aeroporti di Roma, 40.0% of Aeroports de la Côte d'Azur and 24.9% in Bologna

RFQ Respondents

18 Respondents interested in participating in the process

Lambert Gateway Partners (Blackstone, ADP, Others)

Blackstone Infrastructure manages over \$14bn of investor capital under a long-term strategy to invest in infrastructure

Groupe ADP (France) manages the Charles de Gaulle, Orly and Le Bourget airports around Paris and operates numerous airports internationally

Operates 26 airports

280 million passengers (ADP) total

CAAP

Corporacion America Airports (CAAP), headquartered in Luxembourg, is the largest private sector airport concession operator in the world based on the number of airports under management and the tenth largest based on passenger traffic.

Operates 52 airports

81 million passengers total

daa PLC

daa, owned by the Irish State but a standalone business with a fully commercial mandate, operates Dublin and Cork airports, has a 20% stake in Düsseldorf Airport, and an 11% stake in Hermes, which operates Larnaca and Paphos airports in Cyprus. daa also operates the global travel retail business Aer Rianta International (ARI)

Operates four airports

Almost 84 million passengers

Owns Dublin and Cork Airports, terminal operations at King Khalid International Airport in Saudi Arabia and has investments in Dusseldorf (20% stake), Larnaca and Paphos airports (11% stake)

RFQ Respondents

18 Respondents interested in participating in the process

Momentum Aviation Partners (Partners Group, ASUR)

Partners Group (Switzerland) manages over \$10bn in infrastructure investments globally

ASUR (Mexico) operates a number of airports in Mexico along with the San Juan airport

Operates 16 airports total. nine in Mexico, one in Puerto Rico and six in Colombia

52.3 million passengers

GIP

GIP is closing a \$20bn strategy to invest in infrastructure globally; GIP has an ownership interest in Paine Field (Washington state) and has held interests in the Edinburgh, Gatwick and London City airports in the UK

Current Investments in 3 airports (Paine Field, Edinburgh and Gatwick). Exited London City investment

64.6 million passengers

GRID Realty, LLC

GRID Realty, LLC develops, consults and brokers and owns real estate opportunities in the St. Louis region. GRID is owned by Michael Goellner who has over 20 years of relevant experience

N/A airport operations and management experience

RFQ Respondents

18 Respondents interested in participating in the process

H.R.L. Morrison & Co.

Manages over \$3bn in privately held airports with a combined value of USD11.5bn, plus other investments in listed airports; investments are focused in Australia and New Zealand, as well as Europe and Asia

Investment in 8 Airports total, 7 in Australia (Perth, Melbourne, Launceston, Gold Coast, Townsville, Mt. Isa and Longreach) and 1 in New Zealand (Wellington). Additionally, is invested in listed airport companies throughout Europe and Asia

Investments in 8 airports in Australia and New Zealand with majority ownership; others in Europe & Asia with minority stakes
60 million passengers

IFM/MAG

IFM (Australia) manages more than \$40bn of infrastructure investments globally and has ownership interests in the Adelaide, Brisbane, Melbourne and Perth airports in Australia, the Vienna airport

The Manchester Airports Group (MAG) owns the London Stansted, East Midlands and Manchester airports in the UK.

IFM manages 16 airports globally (including 3 investments in MAG) handling 160 million passengers

MAG operates three airports in the U.K. serving 62 million passengers (35.5% IFM ownership in each); IFM has stated ownership stakes in 3 Australian airports: Melbourne (25%), Brisbane (20%) and Darwin (77%), as well as a 40% ownership stake in Vienna Airport, Austria

Odinsa

Odinsa is a Colombian infrastructure company that is a subsidiary of Grupo Argos. The company develops and operates transportation infrastructure throughout Latin America, including two airport concessions in Colombia and Ecuador. Through these two airports, Odinsa operates and manages 40 million passengers and over one million tons of cargo

Operates two airport concessionaires: El Dorado Bogota International Airport and Mariscal Sucre Quito International Airport with 40 million passengers and 1 million tons of air cargo

Owns 65% of El Dorado Bogota International Airport; owns 46.5% of El Quito International Airport

RFQ Respondents

18 Respondents interested in participating in the process

STL Aviation Group (Oaktree, Vinci, JLC, Ullico)

Oaktree Infrastructure manages over \$1bn of investor capital for deployment into North American transport infrastructure

JLC Infrastructure is a joint venture of MJE Enterprises and Loop Capital and is a long-term investor in infrastructure

Ullico is a long-term, union focused, investor in infrastructure

Vinci (France) is one of the world's largest infrastructure companies and has operations at 45 airports internationally

Consortium has experience with full airport management at 45 airports globally (current and historical)

~130 million passengers total

Ownership: mixture of full airport ownership and various concessions from full airport operations to terminal leases

OMERS / Fraport

OMERS (Ontario Municipal Employees Retirement System) Infrastructure manages over \$17bn in infrastructure assets and is an owner of London City Airport

Fraport (Germany) is the legacy operator of the Frankfurt, Germany Airport and has operations at 30 airports worldwide including Baltimore, Cleveland and Pittsburgh in the US

Consortium owns and operates more than 31 airports globally

~270 million passengers total

Mixture of ownership, long term concessions and operational leases

Gateway Airport Partners (OTPP / Ontario Airports Investments)

Ontario Teachers' Pension Plan is a long-term investor in infrastructure and has ownership interests in Birmingham, Bristol and London City airports in the UK and the Brussels and Copenhagen airports

Investments in 5 airports (Copenhagen, Brussels, Birmingham, Bristol and London City)

~80 million passengers total

Ownership stakes include: Copenhagen (30%), Brussels (39%), Birmingham (26.5%), Bristol (55%), London City (25%)

RFQ Respondents

18 Respondents interested in participating in the process

PSP Investments / AviAlliance

PSP (Public Sector Pension, Canada) manages over \$16bn (C\$) in infrastructure investments globally and owns AviAlliance, which has ownership interests in Athens, Budapest, Dusseldorf, Hamburg and San Juan airports

Manages 5 airports (Athens, Budapest, Dusseldorf, Hamburg, San Juan)

Nearly 90 million passengers total. Ownership: Athens (55%), Budapest (55%), Dusseldorf (30%), Hamburg (49%), San Juan (40%)

Royal Schiphol Group N.V.

Schiphol (Netherlands) is the owner operator of Amsterdam Schiphol, Rotterdam The Hague and Lelystad airports and holds a majority interest in Eindhoven Airport.

Investments in or services provided to 15 airports globally

- Manages seven Airports Globally: four in Netherlands (Amsterdam, Eindhoven, Rotterdam, Lelystad), Seoul Korea, Brisbane Australia, Hobart Australia.
- Additionally, investments in six Airports globally as well as providing technical support to 2 more

Over 130 million passengers

100% ownership stake in Amsterdam Schiphol, Rotterdam The Hague and Lelystad airports and holds a majority interest (55%) in Eindhoven Airport. Brisbane (19.61%), Hobart (35%) and Seoul is a strategic partnership

Vantage Airport Group

Vantage has operations at 10 airports internationally and is the current operator of LaGuardia Airport Terminal B

Over 25-year experience managing, investing and developing 31 airports internationally

58 million passengers

Current operations 10 airports globally. Lessee/Operator at 4 airports globally in Canada (John C. Munro International, Kamloops, Greater Moncton Romeo LeBlanc International, North Prease Regional).

Lease Agreement

Overview of Key Documents – Public release of summaries

Lease Agreement: The primary transaction document, which defines the relationship between the City and the lessee (the Operator) for the term of the agreement.

Operating Standards: The standards and processes with which the Operator must comply at all times, which will be part of the Lease Agreement and the Airport Use Agreement and enforceable by both the City and the Airlines.

Airport Use Agreement: The new use agreement negotiated by the City with the Signatory Airlines and entered between the Operator and the Signatory Airlines.

This presentation is a summary of the key terms that we anticipate would be included in a Lease Agreement for St. Louis Lambert International Airport. These terms are subject to further discussion with the City's Working Group.

How do we ensure standards remain the same at the airport?

- Creation of Airport Operating Standards
- Terms of legally enforceable Lease
- Airline enforcement
- City enforcement

Any final agreement that allows a private entity to manage and operate the airport would require approval from:

- The Board of Estimate and Apportionment
- Board of Aldermen
- Federal Aviation Administration (FAA)
- A super-majority of operating airlines at St. Louis Lambert International Airport