

Minutes of Airport Advisory Working Group Meeting September 11, 2018

Meeting Time: 10:00 a.m.

Location: 1520 Market St. 3rd Floor Conference Room

Members Present:

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

Also Present: John Schmidt, LeJuan Strickland, Andrew McKenna, Mark Ellinger, Ramon Ortega, David Stinfil, Rebecca Perry-Glickstein, Mary Francoeur, Jean Wilson, Melissa Lopez Rogers, Stephanie Lewis, Michael Fleming, Steve Sisneros, Jay Dowling, Bob Montgomery, Ron Sides, Mike Jones, Joe Wilson, Omar Karar, Joletta Golili, Koran Addo, Tyson Pruitt, and members of the public. Quinn Hatoff, Marina O'Brien, Alethia Nancoo, Gina Martin, Katie Knapp, Larry Stendebach, Stephanie Bell, Alaa Hachem, Joe Deane, David Boesch, Trina Smith, Glenn Muscosky joined via Webex.

Chairman Paul Payne opened the meeting at 1:00 p.m. with the question of approving the minutes from the August 28, 2018 meeting. Ms. Martinez noted the minutes didn't mention a discussion of an Emma notice. With the addition, the minutes were approved.

Mr. Schmidt reported the airport due diligence was continuing to move forward. In the last meeting, the group approved the Merrill Corporation as a 3rd party provider of a protected data website. Mr. Schmidt reported that Merrill Corporation hasn't been secured due to concerns in their proposal; which is later addressed in closed session.

Mr. Karar spoke about getting a functioning financial model to understand how airport operations would look under current management versus how it would look with various lease operations. Ms. Golili, of Charbonnet and Associates, reported on due diligence for environmental site assessments and liability. She has received 5000 files for review. Scheduling for site visits for assessments has begun. Introductory letters have been sent to tenants requesting permission for site visits. Ms. Martinez requested a timeline for the analysis. Ms. Golili stated that the production of the report should take several months. Mr. Schmidt then stated that the basic due diligence should be complete by the end of 2018.

A request to approve Unison to provide long term forecasts, aero and non-aero revenue, and airline by airline projections. Unison has a long standing working relationship with the airport. Unison presented a proposal and with a few adjustments, Mr. Karar and Mr. Schmidt submitted to the City for its approval. Once the forecast document is complete, it will be presented to the working group for review. Ms. Martinez raised a question regarding the conflict of interest with

Unison and the ALP/RFP. Ms. Hamm-Niebruegge clarified that Unison isn't a potential bidder therefore there's no conflict of interest. Approval was granted.

LeJuan Strickland presented an update on community outreach. The team began canvassing discovered that most people they've encountered weren't aware the City was exploring the option of privatization. At the time of the meeting, approximately 6000 homes were reached. Ald. Davis suggested that the working group join the canvassing team within the next week or two. Ms. Martinez mentioned the corporate and flying community and their curiosity. Mr. Payne informed the team that a draft was received referring corporations and others interested in the process to Moelis.

Mr. Karar and Mr. Muscosky, who joined by phone, spoke regarding investor communications. Communications went out to potential bidders advising them to reach out to Moelis with any questions and not to contact anyone with the working group directly. The communication also informed the potential bidders of an estimated timeline of the possibility of going to market. Some in the investment community as expressed interest in meeting with the group. In response to the question as to when information will be posted, Mr. Muscosky stated that it won't be until an RFQ has been issued and the City determines the potential investors are qualified based on the working group's recommendations. Until then, potential investors will not be privy to confidential information. Ald. Davis expressed concern of rushing timelines. She would like for the group to agree to wait until at least the 2nd quarter of 2019. Mr. Muscosky advised of market risk i.e. recession.

Mr. Payne introduced Greenberg/Traurig. Greenberg/Traurig is under specific direction by the office of President of the Board of Aldermen. The firm was brought in with the advisory group as an independent transaction counsel.

Mr. McKenna made a proposal that any firm presenting to the team should have someone physically present and others should take advantage of technology and join in via video or phone conference in an effort to minimize costs. He also assured the team no previously approved other contractual advisors will be added until absolutely necessary. Mr. Payne requested that all contracts are given to the team ahead of time.

Open session adjourned to closed at 1:44 p.m.

Open session opened at 3:51 p.m. closed at 3:51 p.m.