



ST. LOUIS LAMBERT
INTERNATIONAL AIRPORT.™



Presentation to the City Working Group

Recommendation Regarding the Selection of a Real Estate Advisor

November 2019

PRELIMINARY DRAFT

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Real Estate Advisor *Recommendation Summary*

PROPOSAL RECOMMENDATION REVIEW

- The Airport owns 3,700 acres, of which approximately 2,500 acres are currently used by the Airport with the remaining 1,200 acres available for expansion of Airport activities and/or non-aeronautical development
- The potentially developable real estate is located at the intersection of major north/south (I-55) and east/west (I-70) interstate highways
 - Development of land available for expansion has historically been constrained by the Airport's bond financings
 - Future development of both aeronautical and non-aeronautical opportunities would likely be available in a P3 structure
- Aeronautical-related developments would have access to significant runway capacity availability and the ability to handle any size of aircraft
 - The Airport or third party developers could potentially pursue a full spectrum of cargo and other aeronautical-related opportunities
- Non-aeronautical related activities could include logistics, distribution and other industrial applications as well as retail, office and other commercial applications
- A third party real estate advisor can help the City Working Group and its advisors frame the opportunity by providing services as summarized on page two

Real Estate Advisor Recommendation

Cushman & Wakefield



Proposal

<p>Scope of Work Comments</p>	<ul style="list-style-type: none"> ▪ Cushman & Wakefield agreed to perform duties that cover the entire scope of work that Moelis had discussed with them as part of this engagement: <ul style="list-style-type: none"> — Phase I: (45 days) – Highest and Best Use Analysis <ul style="list-style-type: none"> • Focus on the +/- 1,200 acres “outside the fence” with a priority on the two larger parcels. • Consideration of impacts of 49- and 99-year lease structures. • Benchmark valuation scenarios for a possible range of uses considering macro and micro level market environment and regulatory overlays. • Develop corresponding cash flows to test and support analysis. • Provide market comparables supporting various input assumptions i.e. land pricing, rental rates, operating expense levels, and vertical construction costs. Infrastructure costs to be provided by Client or third party. — Phase II: Ad-Hoc Advisory Services <ul style="list-style-type: none"> • Provide up-to-date macro and micro level data and forecasts concerning to support the overall P3 opportunity. • Assist in the preparation of materials and market data and attend bidder meetings as needed. • Advise on the structure and economics of the ground lease or other vehicle of transfer related to the real estate • Advise and assist Client on an as needed basis providing economic analysis, financial analysis, benchmarking, and valuations in support of said negotiations
<p>Exclusivity</p>	<ul style="list-style-type: none"> ▪ Accept the exclusivity language in the Agreement for Professional Services
<p>Relevant Experience / STL Presence</p>	<ul style="list-style-type: none"> ▪ Experience with STL Airport ▪ Cushman & Wakefield has performed services in the past related to the real estate opportunity at the Airport ▪ Engagement will be managed by staff in St. Louis with local expertise and relevant experience
<p>Financial Proposal Summary</p>	<ul style="list-style-type: none"> ▪ A retainer of \$30,000 is required for this assignment in order to commence work ▪ Phase 1 Highest and Best Use Analysis - \$60,000 ▪ Phase 2 Ad Hoc Advisory Services - Advisory Services work will be billed at hourly rates corresponding the level of employee included in work¹ ▪ Proposal does not include travel expenses or other out-of-pocket costs incurred (the expenses and costs incurred are reimbursable in full)
<p>Diversity</p>	<ul style="list-style-type: none"> ▪ Cushman & Wakefield was the first major real estate firm to have a unique strategic alliance with a certified MBE/WBE real estate Services firm ▪ In 2003 the Cushman & Wakefield/JRT alliance was forged successfully to address supplier diversity initiatives
<p>Other Considerations</p>	<ul style="list-style-type: none"> ▪ Term of advisory services agreement will be a minimum of 3 months. Thereafter it is at the discretion of Moelis to request additional services ▪ Any subconsultants hired by Cushman & Wakefield to perform supplemental works (to be authorized by Client) would be charged through the Client (will potentially need a subconsultant to provide infrastructure costs)

1. Ad Hoc Services charged at the following hourly rates: Executive Director (\$375), Senior Director (\$350), Director (\$325), Associate Director (\$250), Associate (\$200)