

5. Airport Property Description

St. Louis Lambert International Airport is one of the most historic airports in the United States. It is named for Albert Bond Lambert (1875 -1946), a prominent St. Louis aviator and benefactor of aviation. The Airport, once known as Lambert Field, is located in St. Louis County, which is adjacent to the City of St. Louis, approximately 15 miles northwest of the City's central business district, a drive of approximately 20 to 30 minutes on Interstate Highway 70, and approximately ten miles from the center of population of the St. Louis metropolitan area.

The Airport has 4 runways, with 2 parallel runways, 12R/30L and 12L/30R at lengths of 11,019 ft. and 9,003 ft. respectively, runway 11/29 with a length of 9,000 ft., and runway 6/24 with a length of 7,602 ft. The Airport consists of two terminal buildings with 86 total gates at the airport. Terminal 1 contains 1,094,245 usable square feet of building space and is comprised of the Main Terminal and four concourses (Concourses A, B, C, and all but 3 easternmost gates in Concourse D) with 67 aircraft gates in a mixed configuration. Terminal 2 has 331,329 usable square feet of building space with 19 aircraft gates.

The FAA classifies the Airport as a "medium hub" airport, defined as including less than 1% of all domestic enplanements, and it is the busiest airport in this category. The Airport is serviced by 10 scheduled passenger airlines, as well as cargo and charter operations. In 2016, the Airport recorded nearly 7 million passenger enplanements.

The City intends to lease the entirety of the airport property described in Airport Layout Plan on file with the FAA. See Exhibit A for a Depiction of the Airport Property to be Privatized.

History of the Acquisition of the Existing Airport Property

In 1920, Major Lambert and the Missouri Aeronautical Society leased 170 acres of farmland in St. Louis County to serve as an airfield for St. Louis. Major Lambert paid the rent and had the site cleared, graded and drained, and a hangar built at his own expense. He then offered free use of the field to anyone wishing to use it. World War I veterans William and Frank Robertson accepted this offer, and began operation at what became known as St. Louis Flying Field. In 1923, the Missouri National Guard formed the 110th Observation Squadron at the field, commanded by William Robertson. When the lease expired in 1925, Major Lambert bought the airfield property.

St. Louis voters approved a \$2 million bond issue for airport improvements in August, 1928. The City used the proceeds to buy the property from Major Lambert at his cost, and began extensive land acquisition and improvements, including paved runways, taxiways and apron areas, hangars and support facilities. The Curtiss-Robertson Airplane Manufacturing Company was formed with William Robertson as its President to build the Curtiss Robin light airplane at the Airport. Curtiss-Robertson later became the St. Louis Division of the Curtiss-Wright Airplane Company, which produced a wide range of civil and military aircraft at the Airport during the 1930s. The Airport's first passenger terminal was completed in 1933.

In 1939 James S. McDonnell formed the McDonnell Aircraft Company at the Airport. With the outbreak of WWII in Europe, the Curtiss-Wright plant at the Airport underwent a \$10 million expansion for military production. The City of St. Louis appointed a committee headed by famed

pilot Jimmy Doolittle and including Major Lambert, to study needed expansion and improvement of the Airport's facilities. A new 6,000 foot runway was constructed to handle military requirements, and the United States Navy constructed a Naval Air Station at the Airport to train naval aviation cadets, more than 3,000 of whom would graduate by war's end.

Although military activity dominated at the Airport during wartime, in 1942 St. Louis voters passed a new \$4.5 million bond issue for airport expansion to meet anticipated post-war requirements. Major Lambert continued spearheading efforts to gain support for needed improvements until his death in 1946.

The Korean War brought increased activity for McDonnell Aircraft, which built F2H Banshee and F3H Demon jet fighters for the Navy and F-101 Voodoos for the Air Force. McDonnell purchased the factory and land at the Airport from the City of St. Louis, which used the proceeds for further airport improvements, including a new 10,000-foot runway capable of handling the coming generation of military aircraft and jet airliners.

In 1956, Minoru Yamasaki's iconic arched terminal opened, becoming the forerunner of many modern airline terminals. Its modular design provided for later expansion. The Airport became one of the first U.S. airports with jet airline service when Trans World Airlines began operating the groundbreaking Boeing 707 in 1959. As air travel grew rapidly during the 1960s, the Airport added a new parallel runway and expanded the terminal facilities to accommodate the increasing demand.

In November, 1971 the Airport became Lambert-St. Louis International Airport. TWA began wide body service to the Airport with the Boeing 747 and Lockheed 1011 in 1972, and during the 1970s the Airport terminal and runways were further developed to meet the growing needs of airline passengers and aircraft. During this period controversy arose over whether a new airport was needed to replace the Airport. In 1977 the Federal Aviation Administration concluded that the Airport should be expanded and upgraded to meet anticipated future needs.

Terminal expansion continued as the Airport constructed new Concourse D, bringing capacity to 81 gates by 1985. In that year, Southwest Airlines began serving the Airport, and TWA inaugurated non-stop international flights from St. Louis to Paris, London and Frankfurt. TWA acquired Ozark Airlines, which operated coast to coast from the Airport. By 1988, the Airport's annual passenger traffic exceeded 20 million.

In the late 1980s an obvious need arose for further development of the Airport to alleviate delays, especially in bad weather, and to cope with rapidly increasing passenger traffic. A wide range of plans were proposed and considered, and in 1998 the FAA endorsed the W-1W alternative. The resulting Airport Expansion Program included building a new 9,000-foot parallel runway west of the airport, new taxiways and a tunnel for Lindbergh Boulevard under the runway, re-routing a section of Natural Bridge Road, a new airfield fire station, a new school for the Pattonville School District, and a new fire station for the Robertson Fire Protection District.

Also in 1998 the Airport opened a new 220,000 square foot East Terminal (Terminal 2) to serve the growing service provided by Southwest Airlines. McDonnell Douglas merged with the

Boeing Company, which continued to produce F-15s and FA-18s at the Airport for the U.S. Air Force, Navy and Marine Corps, and U.S. allies around the world.

The W-1W Airport Expansion Program took eight years to complete, involving 550 companies at a cost of over \$1 billion. It included the acquisition of 2,000 residential and commercial properties, with airfield construction starting in 2001. New runway 11/29 opened in April, 2006.

In 2007, the Airport undertook the Airport Experience Program project to upgrade and improve Terminal 1. Work was well advanced when the Good Friday Tornado struck the Airport on April 22, 2011, causing extensive damage. The Airport re-opened the next day, and terminal repairs and upgrades were completed in April, 2012.

Attached as Exhibit B are §§ 18.40.020, 18.40.030, and 18.040.050 of the St. Louis Code of Ordinances, detailing the legal ownership, origin, and history of additions to and sales of the airport property.

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II. City and Airport Description

City of St. Louis

The City of St. Louis, Missouri, a constitutional charter city not part of any county, is organized and exists under and pursuant to its Charter and the Constitution and laws of the State of Missouri. The City is located on the Mississippi River, the eastern boundary of the State of Missouri, just below its confluence with the Missouri River. The City occupies approximately 61.4 square miles of land, and its area has remained constant since 1876. The City is popularly known as the “Gateway to the West” due to its central location and historical role in the nation’s westward expansion. Commemorating this role is the 630-foot stainless steel Gateway Arch, the world’s tallest man-made monument, which is the focal point of the 86-acre Jefferson National Expansion Memorial on the downtown riverfront.

St. Louis began as fur trading post in 1764, the site chosen for its location near the confluence of the Mississippi and Missouri Rivers. Construction of a village, named for Louis IX of France, began the following year. St. Louis transferred to the Spanish in 1770, returned to France under a secret treaty with Napoleon and, following the Louisiana Purchase of 1803, became part of the United States. The town gained fame in 1803 as the jumping-off point for the Louisiana Purchase Expedition of Meriwether Lewis and William Clark

St. Louis incorporated as a city in 1823. During the 19th-Century, St. Louis grew into an important center of commerce and trade, attracting thousands of immigrants eager to find a new life on the edge of the frontier. St. Louis's current boundaries were established in 1876, when voters approved separation from St Louis County and establishment of a home rule charter. St. Louis was the nation's first home rule city, but unlike most, it was separated from any county. Although this boundary would in the future prove a severe limitation to the City of St. Louis, at the time there was ample room for the city to grow within its fixed boundaries.

After the Civil War, St. Louis continued its rapid growth, and by 1900 was a major manufacturing center. Industries grew in St. Louis because of the city's dominance in the region, its access to rail and water transportation, and the city's central location in the nation. The 1874 construction of the Eads Bridge made St. Louis an important link in the continuing growth of transcontinental rail travel--but came too late to prevent Chicago from overtaking it as the largest rail hub in the nation. By the 1890s, St. Louis was the nation's fourth largest city.

Today, despite a continued population decline, downtown and neighborhood revitalization efforts continued in the City of St. Louis. Medicine at Barnes-Jewish and St. Louis University Hospitals, brewing at Anheuser-Busch, and banking at Bank of America and Firststar Bank were leading industries in the City; five Fortune 500 corporations were headquartered in the City limits, and many of the older industrial buildings in the City were serving as incubators for small business. Despite the challenges, the City of St. Louis was prepared to grow into its fourth century.

The City’s system of government is provided for by its Charter, which first became effective in 1914 and has subsequently been amended from time to time by City voters.

The Mayor, elected to a four-year term, is the chief executive officer of the City and appoints most



department heads, municipal court judges, and various other members of the City's boards and commissions. The Mayor possesses the executive powers of the City, which are exercised by the boards, commissions, officers, and departments of the City under the Mayor's general supervision and control.

The Comptroller is the City's chief fiscal officer, and is elected at-large to a four-year term. The Comptroller is, by Charter, Chairperson of the Department of Finance for the City and also has broad investigative audit powers over all City departments and agencies. The Comptroller has administrative responsibility for all the City's contracts, financial departments, and accounting procedures.

The legislative body of the City is the Board of Aldermen. The Board of Aldermen is comprised of 28 Aldermen and a President. One Alderman is elected from each of the City's 28 wards to serve a four-year term, and Aldermen are elected for one-half of the wards every two years. The President of the Board of Aldermen is elected at large to serve a four-year term. The President is the presiding officer of the Board of Aldermen. The Board of Aldermen may adopt bills or ordinances which the Mayor may either approve or veto. Ordinances may be enacted by the Board of Aldermen over the Mayor's veto by a two-thirds vote.

The Board of Estimate and Apportionment is primarily responsible for the finances of the City, and is comprised of the Mayor, the Comptroller and the President of the Board of Aldermen.

While most governmental functions of the City are controlled by the Mayor, the Comptroller, the Board of Estimate and Apportionment and the Board of Aldermen, the appointment of certain officials, including the Board of Election Commissioners, is made by the Governor of the State of Missouri. The Sheriff, Treasurer, Collector of Revenue, License Collector, Circuit Clerk, Circuit Attorney, Public Administrator and Recorder of Deeds of the City are elected independently to four-year terms.

St. Louis Lambert International Airport

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Once a major airline hub, the Airport has in the last ten years transitioned to its new role of a primarily Origin and Destination (O&D) market. The Airport's year-end statistics show 13,959,126 passengers traveled through St. Louis in 2016, besting the 2015 total by 1,207,263 passengers. Enplanements (departing traffic) topped out at 6,988,151 passengers, a 9.6 percent increase over 2015 (6,376,034). December 2016 marked the 16th consecutive month of total passenger growth with an 11 percent increase to 1,148,735 million passengers.

St. Louis was in the top 10 of airports in growing seat capacity at 9.1 percent for 2016. Airlines offered 733,000 more seats in 2016 versus 2015 at the Airport. Growth in 2016 also extended to air cargo. The Airport recorded a 12 percent increase in cargo in 2016, handling 70.5 million tons

of cargo.

As St. Louis Lambert International Airport approaches its 100th anniversary in 2020, the quest continues to fulfill the vision of Albert Bond Lambert, its founder and namesake and to meet the ever-changing challenges of air travel and the aviation industry.

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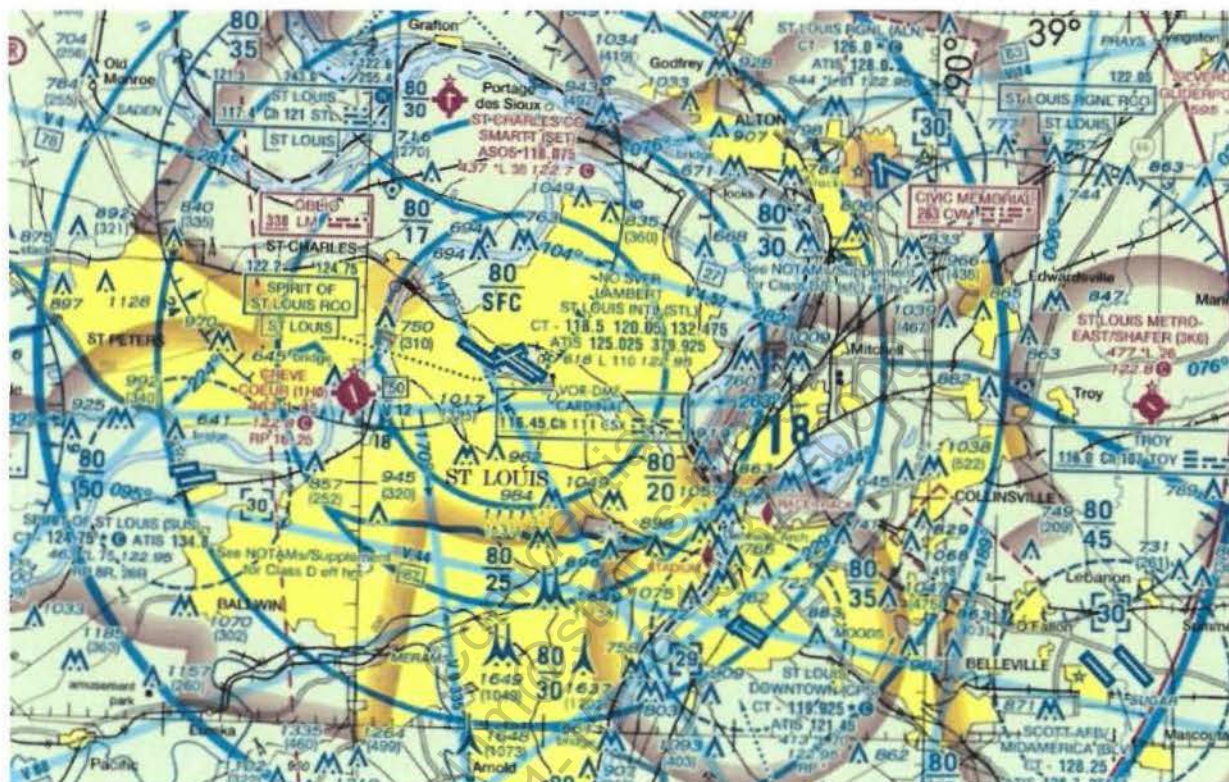
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Other St. Louis-Area Airports

The St. Louis Metropolitan Area is serviced by four other airports. MidAmerica St. Louis America is St. Louis' secondary domestic passenger airport and is co-located on Scott Air Force Base in Bellville, Illinois, and had roughly 32 thousand enplanements in 2015. St. Louis Downtown Airport is located one mile east of the Central Business District in Cahokia, Illinois, and is used

primarily by business aircraft in the area. St. Louis Regional Airport, located near Alton, Illinois is primarily a general aviation airport. Spirit of St. Louis is located 17 miles west of St. Louis' central business district, and is also primarily a general aviation airport.

FIGURE 1 - ST. LOUIS AERONAUTICAL SECTIONAL CHART



Types of Revenue

The primary sources of the Airport's operating revenues are landing fees, terminal area use charges, rents, concession, and parking revenues. These revenues, along with federal grants and PFC revenue, fund the Airport's operating and capital expenses, fund deposits and net debt service requirements. In 2015, the Airport's operating revenue was \$140 million, consistent with the \$139 million and \$141 million achieved in 2013 and 2014 respectively. Below is a graph detailing a breakdown of the Airport's operating revenue from 2013 – 2015.