



The City of St. Louis (St. Louis Lambert International Airport)



\$133,125,000*
Airport Revenue Refunding Bonds
Series 2017A (Non-AMT)

\$29,930,000*
Airport Revenue Bonds
Series 2017C (Non-AMT)

\$76,730,000*
Airport Revenue Refunding Bonds
Series 2017B (AMT)

\$30,945,000*
Airport Revenue Bonds
Series 2017D (AMT)



Credit Ratings Presentation

May 18, 2017

*Preliminary and subject to change

OVERVIEW

INTRODUCTION TO FINANCING TEAM

- City of St. Louis (“City”)
 - James Garavaglia, Deputy Comptroller
- St. Louis Lambert International Airport (“Airport”)
 - Rhonda Hamm-Niebruegge, Airport Director
 - Antonio Strong, Deputy Director
- Siebert Cisneros Shank & Co., L.L.C. (Co-Municipal Advisor)
 - David Thomson, Managing Director
 - David Stinfil, Vice President
- PFM Financial Advisors LLC (Co-Municipal Advisor)
 - Rebecca Perry-Glickstein, Director
- Unison Consulting Inc. (Feasibility Consultant)
 - Greg Chappell, Principal
 - Sharon Sarmiento, Principal

PLAN OF FINANCE

- Refund outstanding Series 2007A (Non-AMT) and Series 2007B (AMT) City of St. Louis Airport Revenue Refunding Bonds to take advantage of the low interest rate environment and achieve taxpayer savings
- The City also plans to concurrently issue over \$60 million Project Bonds (the “Series 2017 Project Bonds”)

Offering:	\$133,125,000* Airport Revenue Ref. Bonds, Series 2017A (Non-AMT)	\$76,730,000* Airport Revenue Ref. Bonds, Series 2017B (AMT)	\$29,930,000* Airport Revenue Bonds, Series 2017C (Non-AMT)	\$30,945,000* Airport Revenue Bonds, Series 2017D (AMT)
Interest Mode:	Fixed Rate Current Interest Bonds			
Security:	Limited Obligations of the City; issued on parity with the City’s outstanding Airport Revenue Bonds and similarly secured by General Airport Revenues, Pledged PFC Revenues, and any other available monies deposited in the Revenue Fund			
Call Provisions*:	10-year par call			
Use of Proceeds*:	Current refund a portion of the outstanding City of St. Louis Airport Revenue Refunding Bonds, Series 2007A (Non-AMT)	Current refund a portion of the outstanding City of St. Louis Airport Revenue Refunding Bonds, Series 2007B (AMT)	Fund a portion of the costs of construction, extension and improvement of the Airport and to reimburse the City for certain prior Airport capital expenditures	Fund a portion of the costs of construction, extension and improvement of the Airport and to reimburse the City for certain prior Airport capital expenditures
Pricing*:	June 6, 2017			
Closing*:	June 28, 2017			
Joint Senior Managers:	Wells Fargo Securities, Stern Brothers			

*Preliminary, subject to change

AVIATION ACTIVITY

The Strategic Plan has four core objectives. FY2016 marks the second year of the Strategic Plan. Milestones achieved with respect to the four core objectives include the following.

Core Objective	Milestones Achieved in FY2016
Sustain and grow passenger air service	<ul style="list-style-type: none"> ▪ Addition of eight new destinations and a focus on connecting many Midwest markets has boosted traffic and brought modest passenger growth ▪ Expansion to a peak of 70 nonstop destinations
Strengthen financial stability	<ul style="list-style-type: none"> ▪ Completion of a new 5-year Airport Use and Lease agreement ▪ Reduced costs per enplaned passenger by 14.8% ▪ Increased parking revenues and food/beverage revenues by 17.5%
Create positive and lasting impression for the region	<ul style="list-style-type: none"> ▪ The Airport was recognized by Ameren-Missouri for its energy savings projects and its commitment to sustainability and the environment ▪ The Airport continued to make upgrades to provide passengers with updated amenities and wayfinding improvements
Generate economic development	<ul style="list-style-type: none"> ▪ The Airport was involved in lease negotiations of vacant buildings and undeveloped land including the Air Cargo Project ▪ The Air Cargo Project continued to develop and is expected to generate more than \$13.5 million in lease revenue over the initial term of the agreement

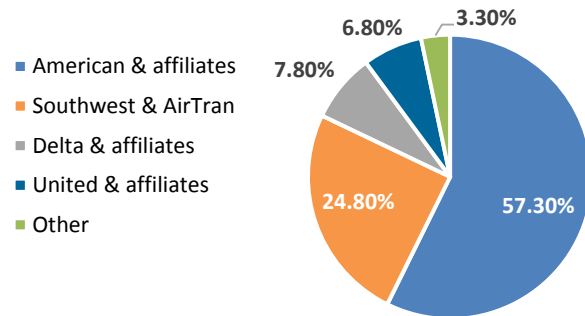
5-YEAR STRATEGIC PLAN – FY 2017



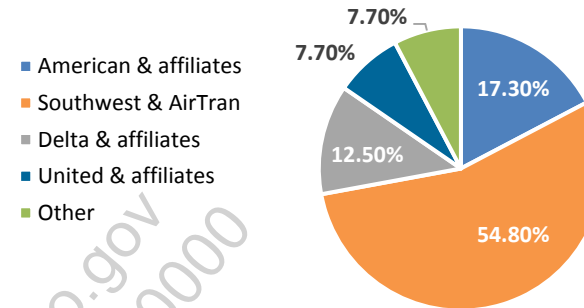
Core Objective	Current Milestones FY 2017
Sustain and grow passenger air service	<ul style="list-style-type: none"> ▪ Frontier launching an additional daily flight to DEN beginning June 5 ▪ Alaska launching new service to SAN beginning December 15 ▪ Southwest expanding to 4 new gates in Terminal 2 in June with service to Charleston, SC and Pensacola, FL; also adding flights to several existing destinations
Strengthen financial stability	<ul style="list-style-type: none"> ▪ Agreement coming with Airport Terminal Services to operate a Common Use Airport Club that will produce a MAG of \$3.4mm, construction commences this summer ▪ Soliciting bids for a 1,468 sq. ft. local concept restaurant in Terminal 2 ▪ Vino Volo expanding the size of its current location and adding a location in Terminal 1 ▪ Pizza Studio, a nationwide franchise known for its customizable, made-to-order premium pizza opened in Terminal 1 in December 2016
Create positive and lasting impression for the region	<ul style="list-style-type: none"> ▪ April 2017 - Airports Council International-North America (ACI-NA) recognized STL as its Medium Hub Inclusion Champion for its commitment to diversity and inclusion ▪ <i>Airport Business</i> magazine recognized Ron Stella, Airport Deputy Director Operations & Maintenance, as one of their Top 40 Under 40 professionals in the aviation industry ▪ September 2016, awarded Governor's Leader in Energy Award
Generate economic development	<ul style="list-style-type: none"> ▪ January 2017 - City entered into a long term lease agreement with Enterprise for 17.86 acres known as the "Springdale Lot"; expected to generate \$120K in annual revenue ▪ Plans to lease 5.5 acres of land to Ameren-Missouri for solar facility installation ▪ STL Fuel Company, LLC is in the design and site investigation phase of developing a replacement fuel farm in the northeast area of the Airport to replace their 88,000 sq. ft. fuel farm

ENPLANEMENTS BY AIRLINE (CALENDAR YEAR)

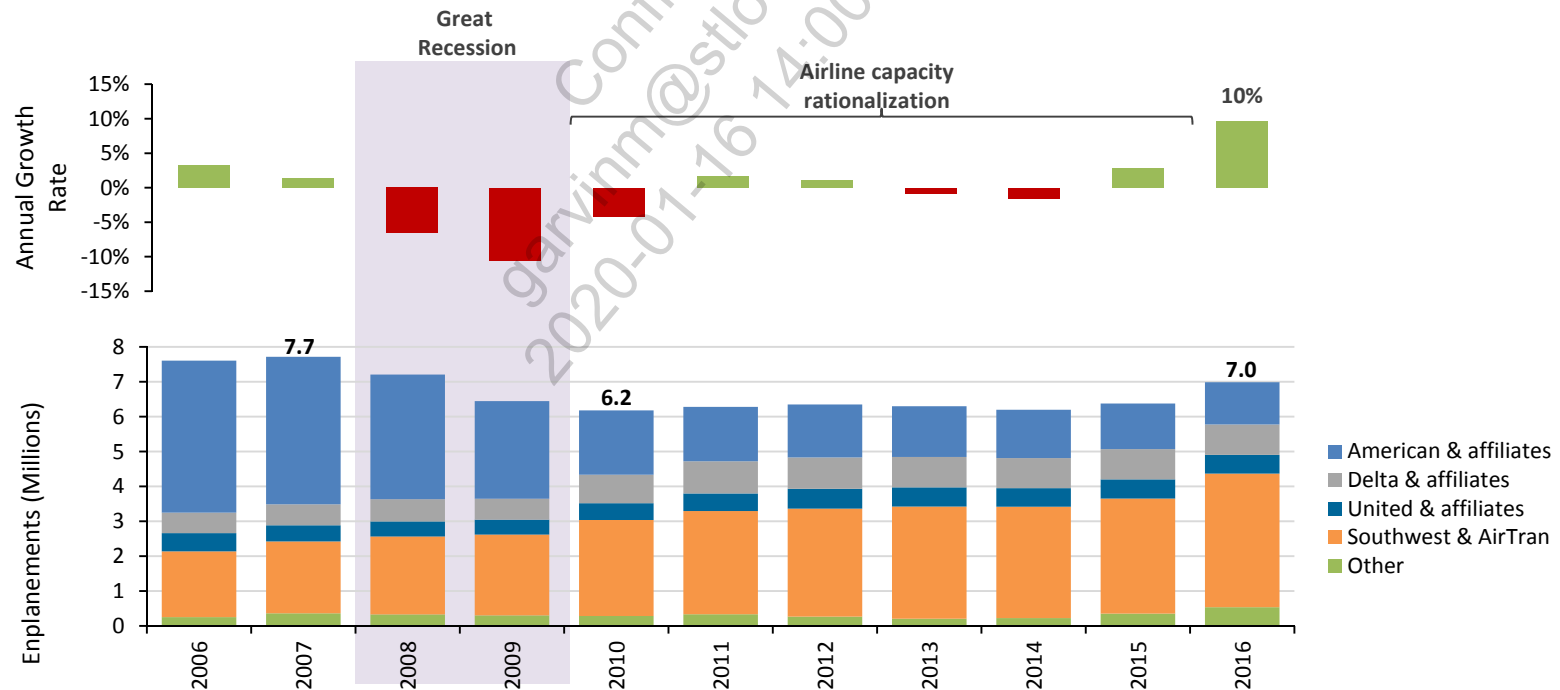
2006 Enplanements (CY)



2016 Enplanements (CY)



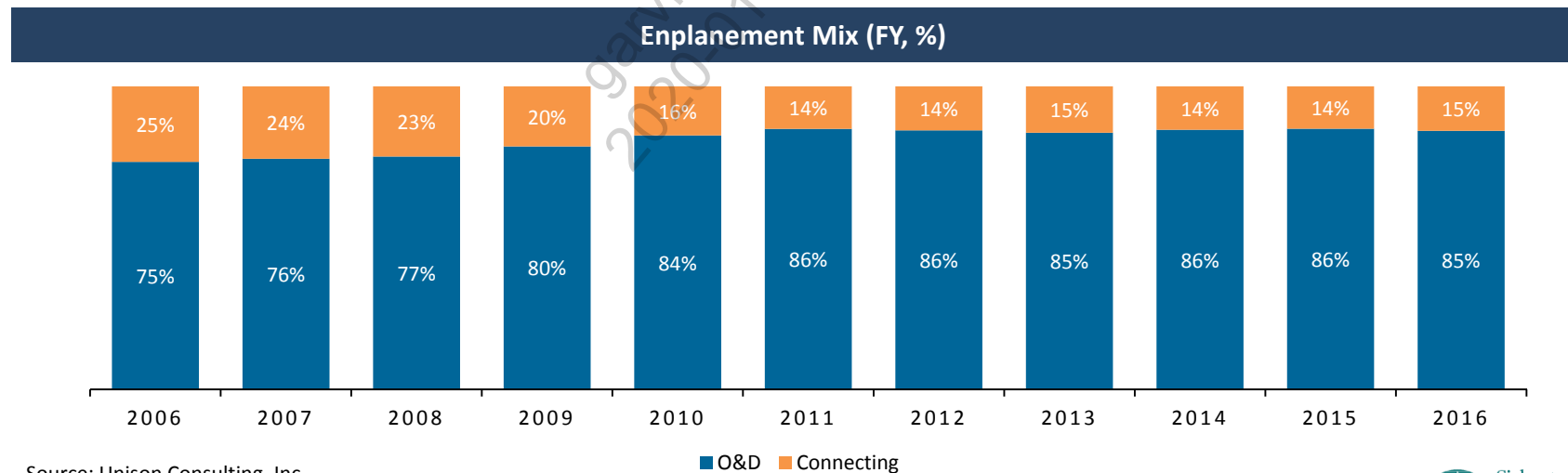
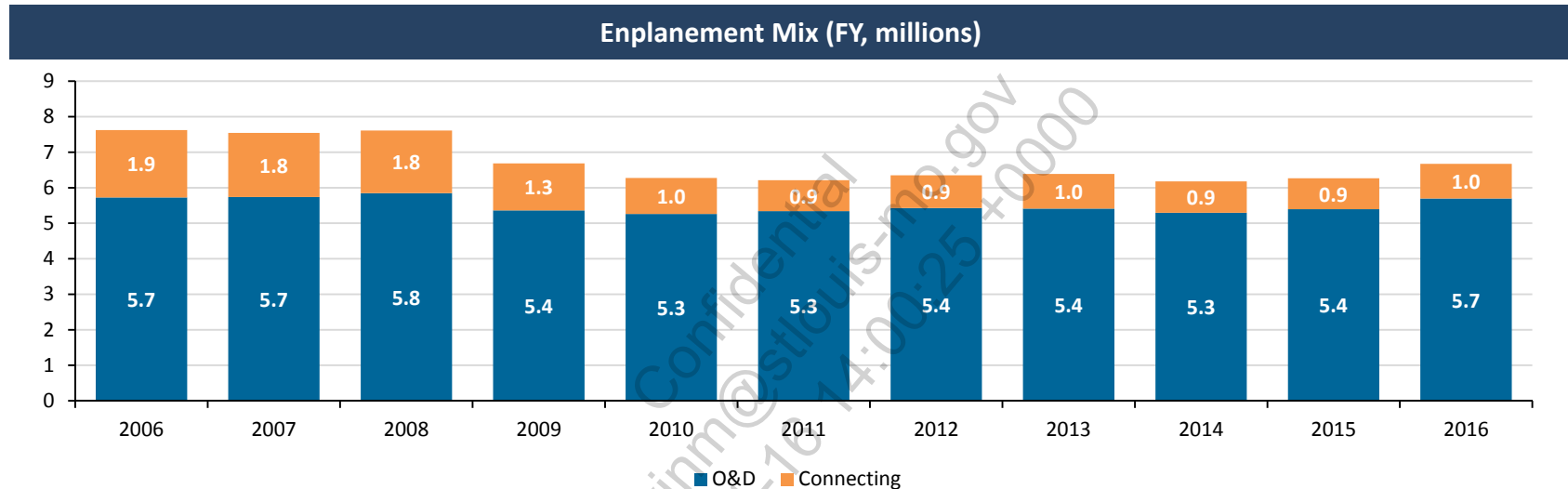
Change in Annual Enplanements (CY)



Source: Unison Consulting, Inc.

ENPLANEMENTS BY DESTINATION (FISCAL YEAR)

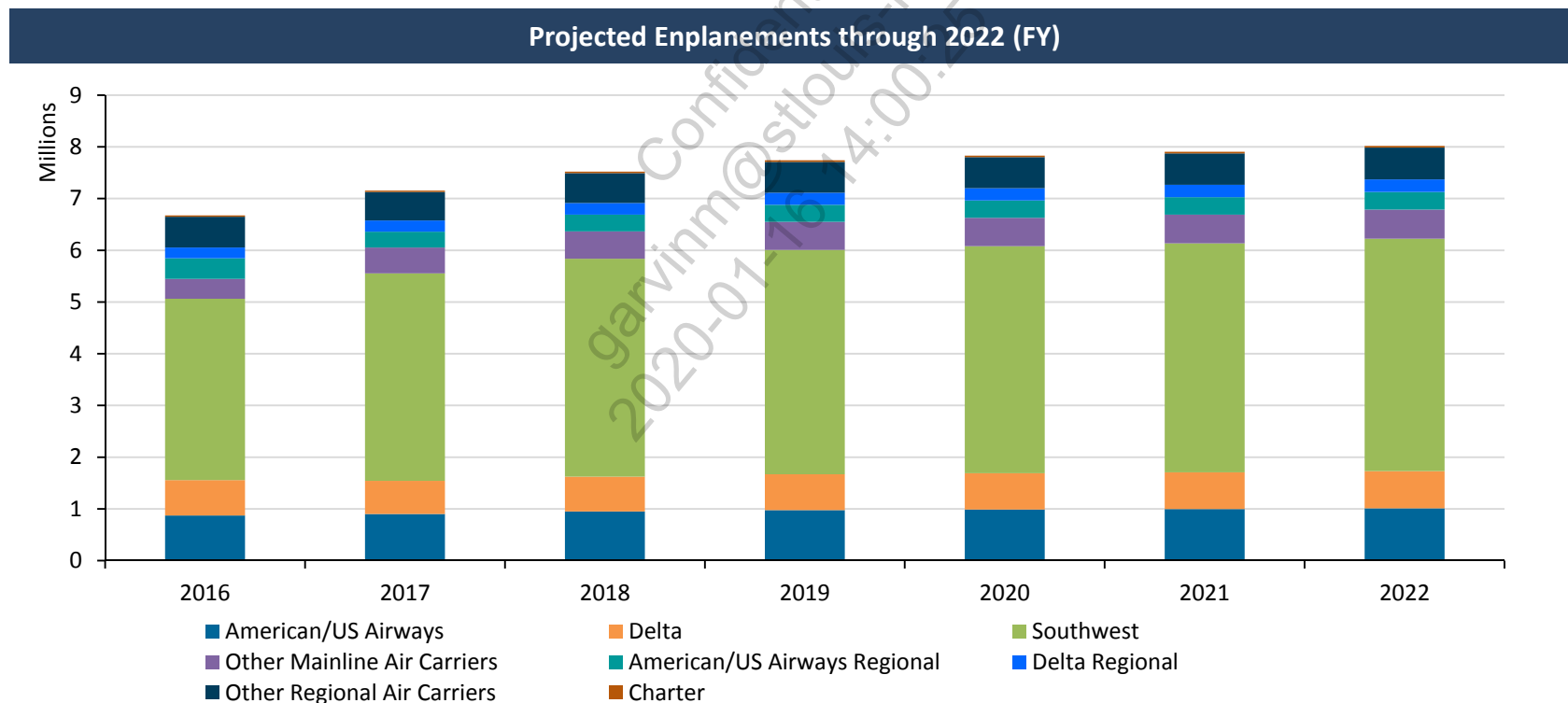
- O&D traffic has continued to grow since 2013, currently, comprising 85% of enplanements
- Connecting traffic increased in 2016 primarily due to Southwest's expansion, which accounted for 97% of connecting traffic in 2016



Source: Unison Consulting, Inc.

PROJECTED ENPLANEMENTS (FISCAL YEAR)

- Enplanements increased 6.5% in FY2016 over the prior fiscal year and by 9.6% over the prior calendar year
- Monthly enplanement traffic from January to March 2017 has seen monthly increases of 5.2%, 4.2% and 10.1%, respectively
- We anticipate enplanement growth in FY2017 will exceed 10% over FY2016
- Enplanements are forecasted to increase from 6.8 million in FY2016 to 8.0 million in FY2022, growing at an average annual rate of 3.1%
- The high growth rates at the start of the projection period reflect continued momentum from recent airline capacity expansion, especially by Southwest, as well as projected acceleration in U.S. economic growth



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OPERATIONAL AND FINANCIAL PERFORMANCE

PROJECTED DEBT SERVICE COVERAGE*

- Debt service coverage is projected to increase over the forecast period
- The Airline Agreements and Debt Service Stabilization Fund help to ensure that debt service coverage remains strong

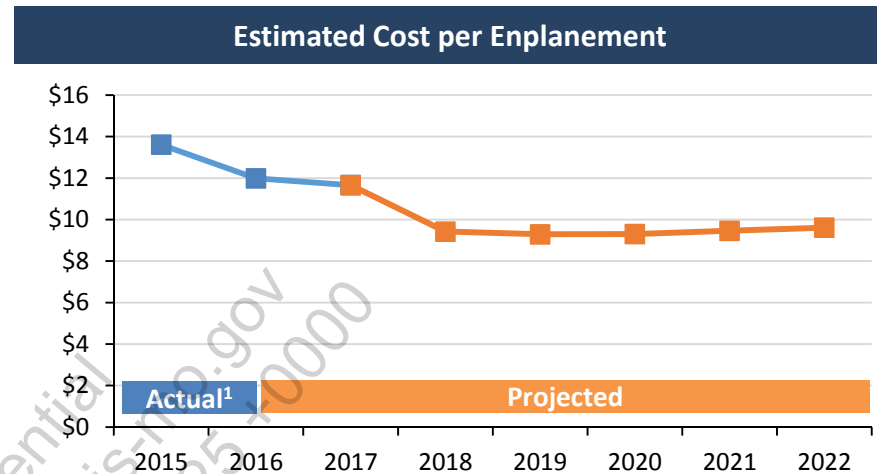
Pro Forma Debt Service Coverage							
	Actual		Projected				
	2016 ¹	2017	2018	2019	2020	2021	2022
Total Revenues (including DSSF Contribution and Additional Requirement)	\$183,082	\$191,635	\$182,812	\$187,692	\$192,832	\$196,265	\$200,492
less: Operation and Maintenance Expenses	79,871	87,378	87,738	90,058	92,440	94,887	97,400
Net Revenues	\$103,210	\$104,257	\$95,075	\$97,634	\$100,392	\$101,378	\$103,092
Debt Service							
Outstanding Bonds	74,946	74,988	63,751	64,220	64,097	64,197	64,090
Future Bonds ²	-	-	-	1,522	3,044	3,775	5,239
	\$74,946	\$74,988	\$63,751	\$65,742	\$67,140	\$67,973	\$69,329
Debt Service Coverage Ratio	1.38	1.39	1.49	1.49	1.50	1.49	1.49

¹ Based on audited financial statements and Airport records.

² The Series 2017 Project Bonds and the future 2020 bond issue both assume 18 months of capitalized interest.

PROJECTED AIRLINE COST PER ENPLANEMENT

- CPE is projected to decrease from \$11.99 in FY2016 to \$9.61 in FY2022
- This is due to lower debt service and higher non-airline revenues as well as consistent efforts by Airport management to control costs



Projected Signatory Rates and Landing Fee Rates								
	Actual		Projected					
	FY2015 ¹	FY2016 ¹	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
INITIAL AIRLINE REQUIREMENTS								
Landing Fees	\$55,388	\$53,442	\$57,284	\$59,042	\$60,669	\$61,597	\$62,634	\$65,218
Terminal 1	8,430	8,555	8,998	8,823	9,004	9,247	9,399	9,615
Terminal 2	3,938	3,704	3,963	3,614	3,726	3,838	3,905	3,984
Passenger Loading Bridges	-	-	-	208	334	439	442	409
	\$67,756	\$65,701	\$70,245	\$71,686	\$73,732	\$75,120	\$76,379	\$79,226
TOTAL SIGNATORY AIRLINE REQUIREMENTS								
Initial Requirement	\$67,756	\$65,701	\$70,245	\$71,686	\$73,732	\$75,120	\$76,379	\$79,226
Additional Airline Requirement	17,260	13,978	12,856	(1,136)	(2,099)	(2,566)	(1,859)	(2,462)
	\$85,017	\$79,679	\$83,101	\$70,550	\$71,633	\$72,555	\$74,520	\$76,765
Signatory airline enplaned passengers	6,245	6,648	7,127	7,492	7,709	7,802	7,874	7,987
Signatory Airline CPE post Mitigation	\$13.61	\$11.99	\$11.66	\$9.42	\$9.29	\$9.30	\$9.46	\$9.61

¹ Based on audited financial statements and Airport records
Note: Fiscal years ending June 30

PROJECTED REVENUES

- Total Airport revenues are projected to increase from \$183mm in FY2016 to \$201mm in FY2022 at a CAGR of 1.5%
- Higher growth in selected categories due to:
 - Public Parking: Increased avg. ticket price due to larger durations and rate increase in FY2020
 - Terminal Concessions: Increased traffic, higher rate consumption per enplanement and new concept starting in FY2017
 - Other: Remain Overnight Parking (RON) revenues, which start in FY2017 and new land lease opportunities in FY2019

Projected Airport Revenues								
	Avg. Annual Growth Rate 2016-2022	For Fiscal Years Ending June 30						
		Actual		Projected				
		2016 ¹	2017	2018	2019	2020	2021	2022
Signatory Airlines								
Airfield Landing Fees	1.3%	\$60,431	\$63,712	\$59,042	\$60,669	\$61,597	\$62,634	\$65,218
Terminal Rents	-8.7%	19,248	19,389	11,300	10,631	10,519	11,444	11,137
Passenger Loading Bridges	n/a	-	-	208	334	439	442	409
<i>Total</i>	-0.6%	\$79,679	\$83,101	\$70,550	\$71,633	\$72,555	\$74,520	\$76,765
Concession Fees								
Terminal Concessions	5.4%	\$11,326	\$12,528	\$13,418	\$14,090	\$14,565	\$15,016	\$15,556
Public Parking	4.3%	22,043	23,302	24,819	25,632	27,959	28,089	28,424
Car Rentals	4.7%	11,713	12,374	13,294	13,981	14,461	14,915	15,462
Other ²	2.1%	1,894	1,934	1,975	2,017	2,060	2,105	2,149
<i>Total</i>	4.6%	\$46,977	\$50,138	\$53,506	\$55,720	\$59,045	\$60,124	\$61,590
Other Operating Revenues								
Airline Revenue Mitigation ³	0.0%	\$13,728	\$13,728	\$13,728	\$13,729	\$13,729	\$13,729	\$13,729
Other ⁴	7.3%	12,297	14,866	15,309	16,856	17,926	18,304	18,784
<i>Total</i>	3.8%	\$26,025	\$28,594	\$29,037	\$30,584	\$31,654	\$32,032	\$32,512
Interest Income ⁵	-7.4%	\$2,080	\$1,477	\$1,396	\$1,432	\$1,260	\$1,284	\$1,315
Total GARB Revenue	1.8%	\$154,761	\$163,310	\$154,490	\$159,372	\$164,515	\$167,961	\$172,184
Pledged PFC Revenue	0.0%	\$28,320	\$28,325	\$28,322	\$28,321	\$28,318	\$28,305	\$28,309
Total Revenues	1.5%	\$183,082	\$191,635	\$182,812	\$187,693	\$192,833	\$196,266	\$200,493

¹ Based on audited financial statements and Airport records.

² Consists of space rental, in-flight catering, and other

³ Reflects amounts scheduled to be transferred from the Debt Service Stabilization Fund per the Airline Use and Lease Agreement.

⁴ Consists of non-signatory landing and terminal fees, tenant improvement and EDS surcharges, cargo, hangars and other buildings, and miscellaneous

⁵ Operating Interest income only

Source: Unison Consulting, Inc.

PROJECTED OPERATING & MAINTENANCE EXPENSES

- Total O&M expenses are projected to increase from \$80mm in FY2016 to \$97mm in FY2022 at CAGR of 3.4%
- Higher growth in selected categories due to:
 - Personnel Services: Extra pay period in FY2017 and CPI increase for the remainder of the forecast period
 - Rental Equipment: Snow removal change due to seasonality; the base period is a low snow removal period but the forecast is based on the contract amount increasing with annual inflation
 - Contractual Services – Other: Anticipated increase in various building repairs beginning in FY2017

Projected Operating & Maintenance Expenses								
	Avg. Annual Growth Rate 2016-2022	For Fiscal Years Ending June 30						
		Actual 2016 ¹	2017	2018	2019	2020	2021	2022
Personnel Services								
Salaries & Wages	3.2%	\$25,284	\$27,426	\$27,208	\$28,025	\$28,865	\$29,731	\$30,623
Fringe Benefits	1.4%	16,507	15,491	15,956	16,434	16,927	17,435	17,958
<i>Total</i>	2.5%	\$41,790	\$42,917	\$43,164	\$44,459	\$45,793	\$47,167	\$48,582
Supplies, Materials & Equipment	1.3%	\$7,974	\$7,677	\$7,853	\$8,034	\$8,219	\$8,408	\$8,601
Contractual Services								
Utilities	2.6%	\$6,703	\$6,965	\$7,125	\$7,289	\$7,456	\$7,628	\$7,803
Rental Equipment	19.5%	807	2,095	2,144	2,192	2,243	2,294	2,347
Cleaning Services	1.8%	2,358	2,342	2,396	2,451	2,507	2,565	2,624
Reimbursement for City Services	4.9%	1,478	1,760	1,800	1,841	1,884	1,927	1,971
Security Service	3.0%	4,851	5,164	5,283	5,404	5,529	5,656	5,786
Other ²	6.0%	13,909	18,459	17,974	18,387	18,809	19,241	19,685
<i>Total</i>	4.9%	\$30,107	\$36,784	\$36,720	\$37,565	\$38,429	\$39,312	\$40,217
Total O&M Expenses³	3.4%	\$79,817	\$87,378	\$87,738	\$90,058	\$92,440	\$94,887	\$97,400

¹ Financial information is based on the FY 2016 audit

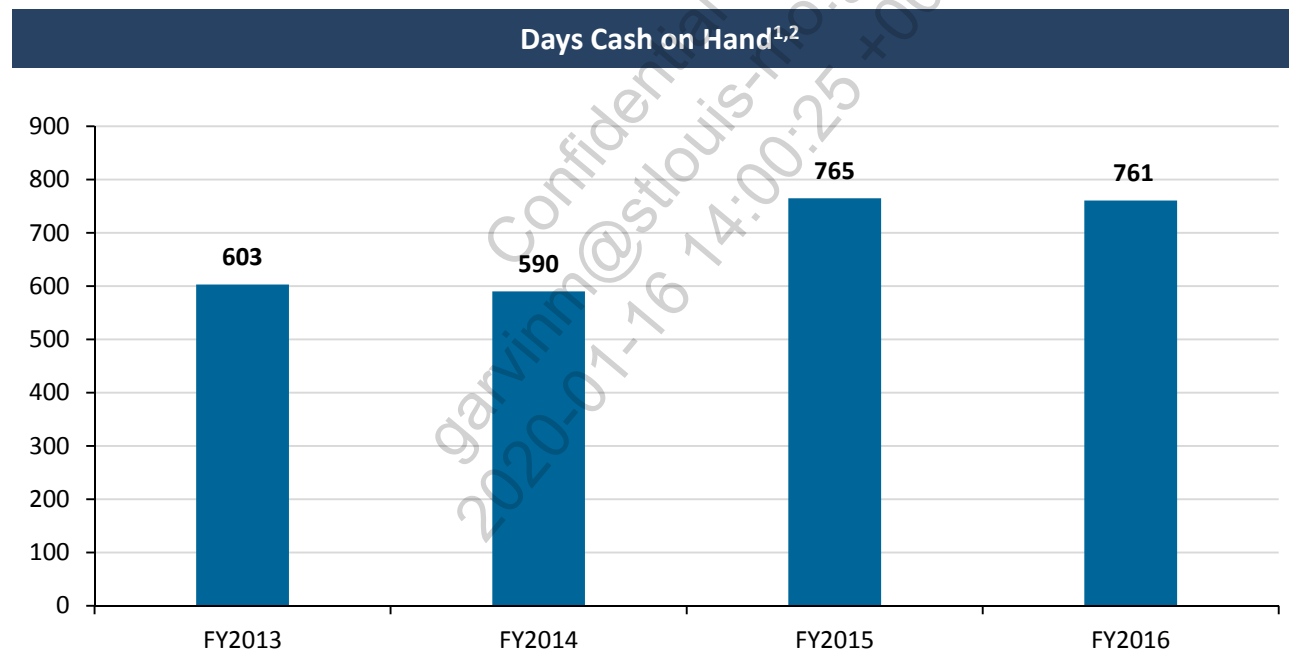
² Consists of insurance, legal, shuttle, acoustical, and miscellaneous

³ Excludes 5% gross receipts tax, which is not included in the calculation of Net Revenues

Source: Unison Consulting, Inc.

LIQUIDITY AND CASH BALANCES

- Per the City's audited financials, days cash on hand¹ increased to 761 in FY2016
- The Airport maintains the Airport Debt Service Stabilization Fund ("DSSF") and the unappropriated Airport Development Fund ("ADF"), which have a balance of \$50 million
- As part of the refunding plan, the Airport will transfer \$9.8 million from the Debt Service Fund and the Debt Service Reserve Fund to the DSSF and ADF²



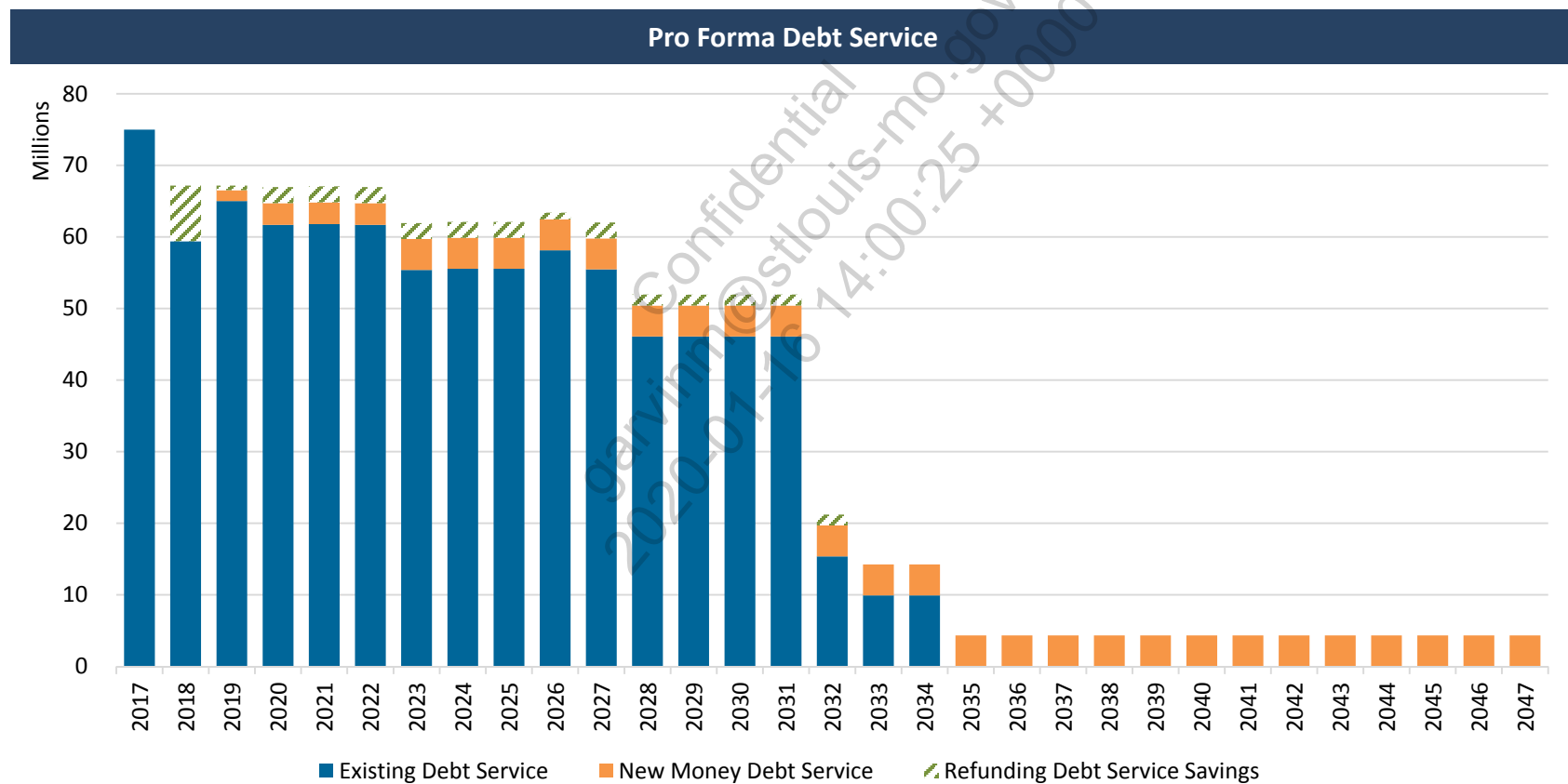
¹Days cash on hand is equal to total cash and investments less restricted cash divided by total operating expenses less depreciation divided by 365 days

²Split between DSSF and ADF, currently being evaluated by tax counsel

Source: Airport records

PROJECTED DEBT SERVICE*

- The 2017 refunding transaction is expected to result in avg. annual savings of approximately \$2.2 million
- Resultant maximum annual pro forma debt service will be approximately \$67 million in 2019
 - Subsequently, annual debt service declines to a maximum of approximately \$63 million



* Preliminary, subject to change

Source: Siebert Cisneros Shank and Wells Fargo Securities

PLAN OF FINANCE

SOURCES AND USES*

- Refund outstanding Series 2007A (Non-AMT) and Series 2007B (AMT) City of St. Louis Airport Revenue Refunding Bonds to take advantage of the low interest rate environment and achieve taxpayer savings
- The City also plans to concurrently issue over \$60 million Project Bonds (the “Series 2017 Project Bonds”)

Sources and Uses	2017A (Non-AMT)	2017B (AMT)	2017C (Non-AMT)	2017D (AMT)	Total
Sources (\$)					
Par Amount	\$133,125,000.00	\$76,730,000.00	\$29,930,000.00	\$30,945,000.00	\$270,730,000.00
Premium	18,949,223.60	9,402,410.15	3,762,500.10	2,866,688.90	35,000,822.75
Termination of D/S Fund FPA	2,000,000.00	-	-	-	2,000,000.00
Debt Service Fund	3,618,425.00	9,148,250.00	-	-	12,766,675.00
Debt Service Reserve Fund	-	7,783,489.93	-	-	7,783,489.93
Total Sources	\$157,692,648.60	\$103,064,150.08	\$33,692,500.10	\$33,831,688.90	\$328,280,987.68
Uses (\$)					
Project Fund	-	-	\$29,000,000.00	\$29,000,000.00	\$58,000,000.00
Cash Deposit	154,063,425.00	94,228,250.00	-	-	248,291,675.00
Stabilization Fund	2,000,000.00	7,783,489.93	-	-	9,783,489.93
Cash Funded DSRF	-	-	2,125,951.87	2,198,048.13	4,324,000.00
Capitalized Interest Fund	-	-	2,257,220.83	2,333,768.75	4,590,989.58
Cost of Issuance	367,399.04	320,673.32	82,600.96	129,326.68	900,000.00
Underwriter's Discount	326,156.25	187,988.50	73,328.50	75,815.25	663,288.50
Bond Insurance	502,143.61	289,498.25	153,914.57	94,920.33	1,040,476.76
Surety Bond - Refunding	433,373.20	249,785.73	-	-	683,158.93
Contingency	151.50	4,464.35	(516.63)	(190.24)	3,908.98
Total Uses	\$157,692,648.60	\$103,064,150.08	\$33,692,500.10	\$33,831,688.90	\$328,280,987.68

FINANCING SCHEDULE

FINANCING SCHEDULE*



Date	Activity
Thursday, May 18	Rating agency conference call
Wednesday, May 24	Receive ratings
Wednesday, May 24	POS posted electronically and distributed to investors
Monday, June 5	Pre-Pricing
Tuesday, June 6	Bond Pricing
Wednesday, June 28	Closing

* Preliminary, subject to change