

# St. Louis Lambert International Airport Gateway Airport Partners

26 November 2019



STRICTLY CONFIDENTIAL

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# 01

## Introduction

# I. Introduction

## Today's attendees

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**Dan Rossetti**  
Director, OTPP

- Over 10 years of experience at OTPP after joining in 2009, with a focus on transportation infrastructure
- Led OTPP's acquisition of the Chicago Skyway
- Sits on the boards of GCT Global Container Terminals and Sydney Desalination Plant
- Held asset management responsibility between 2009-2012 for OTPP's investment into Bristol Airport



**Ashley Munroe**  
Principal, OTPP

- Joined OTPP in 2015 and has over seven years of global infrastructure investing and asset management experience
- Worked on OTPP's acquisition of London City Airport in 2016
- Asset management responsibility for GCT Global Container Terminals.



**David Stanton**  
Managing Director, OAIL

- Over 25 years of global experience in aviation strategy, finance and operations. Board Director for Birmingham Airport, London City Airport and Copenhagen Airport. Deputy Chairman at Copenhagen Airport, as well as Chairman of the Audit and Risk Committee
- Chairman of the Health & Safety Committee at London City Airport. Previously a Board Member of Bristol and Brussels Airports as well as High Speed 1



**Michael Johansson**  
Snr Operations Manager, CAI

- 35 years experience in the airline and airport industry
- Broad experience across strategic airport projects, including:
  - Capacity assessments and planning
  - Terminal operation and development
  - Terminal operational requirements
  - Project management
- Recent projects include: ASUR Masterplan, CUN T4 Project Management, MDE expansion planning



**Will MacDonald**  
Senior Vice President, Macquarie Capital

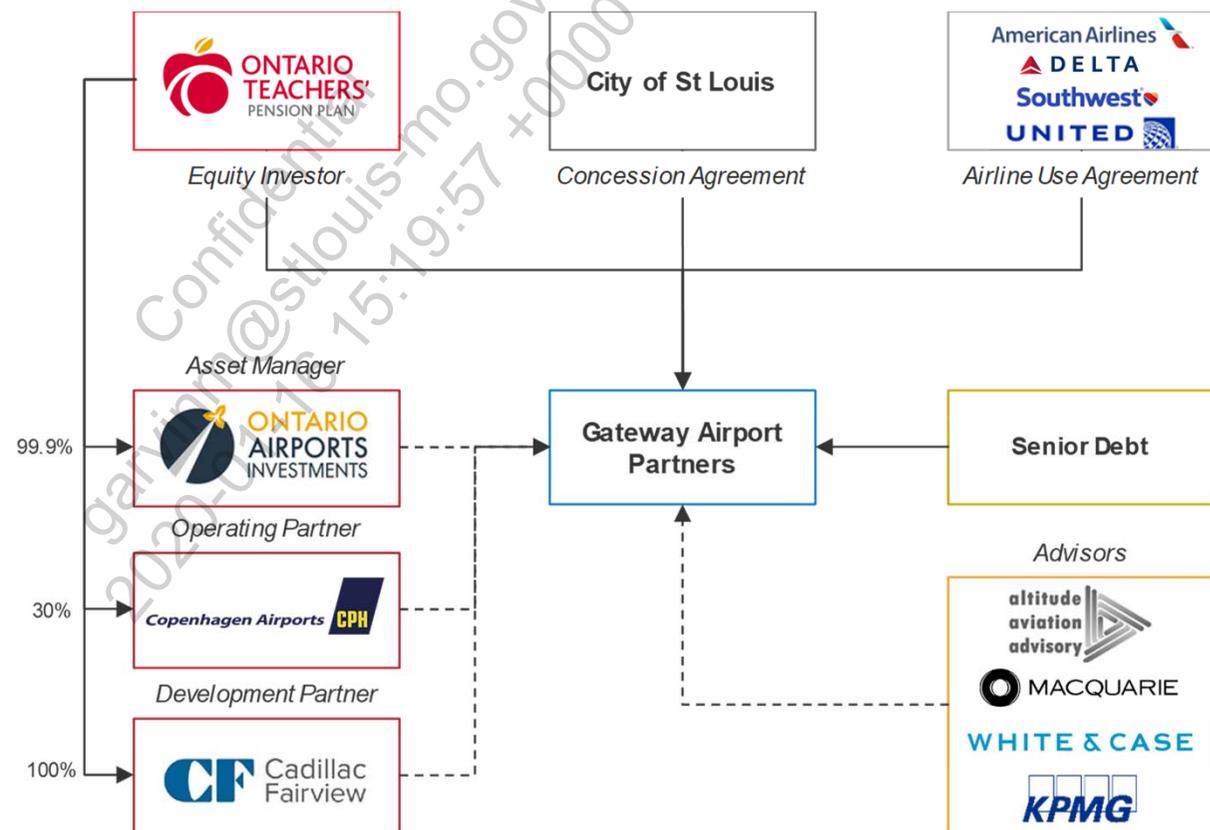
- Over 10 years experience at Macquarie after joining in 2008, with a focus on transport and infrastructure.
- Advised Sydney Airport (SYD:ASX) in relation to numerous M&A and financing transactions.
- Further airport financial advisory experience in relation to: BRU, CPH, MEL, PER, ATH, OOL, DUS, HAM.
- Recent infrastructure financial advisory experience in relation to the Long Beach Container Terminal and 407 ETR Toll Road

# I. Introduction

## Gateway Airport Partners

Gateway Airport Partners is a highly integrated team comprising a best-in-class airport investor, investment manager, operator and developer with unrivalled global experience

- OTPP** have invested in airports since 2001 and understand
  - Airport operations and risks
  - Long term view is required through aviation industry cycles
- OAIL** has significant expertise
  - Successfully managing airports
  - Working closely with local and national governments, management teams, partners and other stakeholders.
  - Actively ensuring achievable strategies are pursued across OTPP's airport portfolio
- CAI** has consultancy expertise
  - Adding value to airports globally
  - Can draw on CPH - one of the most respected airports in the world in terms of efficiency, route development and retail
- We have all had experience working together across multiple airports (CPH, BRS, BRU, BRX, LCY) and will bring this experience to improve STL**



# I. Introduction

## Ontario Teachers' Pension Plan (OTPP)

OTPP is one of the world's largest pension plan managers with net assets in excess of C\$201.4 billion (~\$150 billion) invested across a mix of equities, bonds, commodities, real estate, infrastructure and absolute return strategies

### Investment Strategy

<b>Target Size</b>	<ul style="list-style-type: none"> <li>Typically up to C\$1 billion, with the ability to go larger for the right opportunity</li> <li>Willing to partner or purchase up to 100% equity ownership</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Governance and oversight to protect value</li> <li>Engagement with local communities and other stakeholders</li> </ul>
<b>Patient Capital</b>	<ul style="list-style-type: none"> <li>Long-term to permanent</li> <li>Immediate cash yield not required</li> </ul>
<b>Partnership Philosophy</b>	<ul style="list-style-type: none"> <li>Seek partners that are aligned</li> <li>Local partners can be important in new geographies</li> </ul>

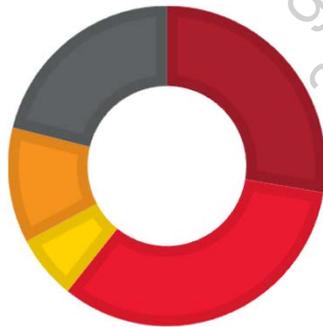
### OTPP Asset Classes

#### REAL ASSETS (\$50B)

Real estate and Infrastructure investments provide a hedge against paying inflation-adjusted pensions

#### INFLATION SENSITIVE (\$27B)

Contributes to both diversification and protection against unexpectedly high inflation



#### CREDIT (\$15B)

Corporate and emerging market debt investments to capture a set of risk premiums

#### EQUITY (\$65B)

Public and private equities aim to deliver long-term investment growth and value-added performance

#### FIXED INCOME (\$78B)

Provides security and steady income, hedges against interest rate risks inherent in the plan's liabilities and stabilizes total returns

### Who we ARE

- ✓ Proven stewards of infrastructure critical to communities in which we operate
- ✓ Very experienced infrastructure investor with a long history
  - We have managed through market peaks and troughs
  - We have learned from these experiences
- ✓ We have supported assets with equity when required to maximize long term value
- ✓ Our money comes from the teachers of Ontario
  - Long term investment horizon consistent with our teachers' long-term retirement obligations
- ✓ Diversity and Inclusion are core to our values
  - Member of the 30% Club Canada

### Who we ARE NOT

- ✗ We are not a short term closed end fund
  - We will partner with you for the long term
  - We don't have a 7-10 year investment horizon
  - We don't have maximum hold periods
- ✗ There is no uncertainty as to where our money comes from
  - No politically sensitive LPs
  - No headline risk

# I. Introduction

## Ontario Airports Investments Limited (OAIL)

Ontario Airports Investments Limited is OTPP's dedicated airport asset management company

### Overview

- In 2011 OTPP acquired OAIL as part of its acquisition of Brussels and Copenhagen Airports. OAIL is managed by highly experienced airport executives, with over 50 years combined aviation experience
  - OAIL is a wholly controlled subsidiary of OTPP
  - Extensive experience working with management of international airports – active on Boards / sub committees and regular contact with management
  - Active participants / leaders on all strategic, financing, risk management and talent management activities
  - Actively facilitate best practices sharing and benchmarking across portfolio companies, where sensible
- OTPP has significant and long-standing experience of investing in the Airport Sector since 2001
- Since the initial airport investment, OTPP has owned directly a number of airports across the globe, including Birmingham, Bristol, Brussels, Copenhagen, Rome (via MAG), and Sydney Airports
- Currently OTPP holds joint controlling or co-controlling stakes at five airports: Birmingham, Bristol, London City, Brussels, and Copenhagen airports

### OAIL Management Approach



# I. Introduction

## Copenhagen Airports International (CAI)

Copenhagen Airports International provides world class expertise in airport development and operation

### Overview

- CAI is an accomplished airport operator with industry-leading management level operating experience and expertise
- CAI is a wholly owned subsidiary of Copenhagen Airports A/S (CPH)
  - OTPP retains a 30% equity stake in Copenhagen Airports A/S
- Copenhagen Airport is the direct owner and operator of Copenhagen Airport and Roskilde Airport in Denmark
  - Extensive experience operating and managing facility maintenance and repair
  - Service delivery via excellent airline and stakeholder co-operation
  - Award-winning expertise in facilitating airport passenger growth via route development and marketing, increased facility utilization and best-in-class passenger travel experience
- Global Operational and Advisory Assignments
  - Focused on long term engagements to assist airport owners in the development and implementation of strategic plans since 1996
  - Demonstrated track record of entering into operating contracts with airports globally to deliver upon business strategies designed to improve airport operations
  - 25+ operational and advisory assignments completed over the last five years
  - Core team of professionals with worldwide airport management and advisory experience (supported by world class specialists within Copenhagen Airports A/S)

### Select Projects

Project	Description
<b>ASUR, Mexico</b> 	<ul style="list-style-type: none"> <li>– ASUR is a Mexican airport group operating 9 airports in Mexico, 6 Airports in Colombia, and San Juan Airport in Puerto Rico. CAI had an Equity stake in ASUR from 1999 – 2010</li> <li>– Since 2010, CAI has provided ongoing management and operational advisory services to ASUR</li> </ul>
<b>New Istanbul Airport, Turkey</b> 	<ul style="list-style-type: none"> <li>– Since 2015, CAI has been the operating partner to IGA, the consortium responsible for the construction and operation of the New Istanbul Airport ("IGA")</li> <li>– IGA commenced full operations in April 2019. CAI continues to provide operational and management support</li> </ul>

### CAI Select Awards

	<ul style="list-style-type: none"> <li>– Cancun, multiple winner of Best airport, Caribbean and Latin America, 2009 – 2012, ASQ</li> </ul>
	<ul style="list-style-type: none"> <li>– Newcastle International Airport, Best regional airport, UK 2010, 2011, 2012</li> </ul>
	<ul style="list-style-type: none"> <li>– Hainan Meilan Airport, PRC -First prize in "Passenger Evaluation Campaign" for airports with 4-10 million passengers 2002, 2003, 2004,</li> </ul>

Source: Company Information

# I. Introduction

## Cadillac Fairview (CF)

Cadillac Fairview is a strategic real estate advisor that is wholly owned by OTPP

### Overview

- **Cadillac Fairview (“CF”)** is one of North America’s largest real estate owners, operators, and developers with expertise in shopping centers, hotels and logistics
  - Also owns real estate assets in Brazil, Colombia and Mexico
- CF provides extensive real estate development expertise to generate creative solutions
- CF is a wholly owned subsidiary of OTPP
  - OTPP and CF have a track record of working closely together
- Valued at around \$31 billion, CF’s Canadian portfolio includes over 37 million sq ft of leasable space at 68 properties in Canada
  - Landmark developments include Toronto-Dominion Centre, CF Toronto Eaton Centre, CF Pacific Centre, CF Chinook Centre, Tour Deloitte and CF Carrefour Laval

### Select US Experience:

- **June 2019:** CF formed a strategic partnership with Lincoln Property Company, the second largest multifamily manager in the US with over 191,000 units under management
  - Strategic rationale is to focus on the continued growth of multifamily property management operations and investment activities across the US

### Development Capability

- CF’s development activity is primarily focused on redeveloping existing assets and new development projects
- Diversity across different types of development assets yields predictable and stable returns for its shareholder (OTPP)
- Core development markets include Vancouver, Calgary, Toronto and Montreal in Canada
- Select development properties include:



### Investment Capability

- CF evaluates investment opportunities in real estate globally on behalf of its shareholder (OTPP)
- The process involves sourcing, underwriting and executing an extensive range of opportunities across the risk spectrum
- Core investment markets include Canada, the US and Latin America
- CF leverages its strategic relationships to actively seek investment opportunities. Select international partners include:



Source: Company Information

# I. Introduction

## Macquarie Capital

Macquarie Capital will act as financial advisor of Gateway Airport Partners, bringing its global expertise in several major global airport transactions, including key North American private airport processes

### Airport Advisory Experience

 Advised on virtually every major airport transaction around the world	 Intimate knowledge of North American airport market through participation in MDW, SJU, LGA and YTZ
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### Landmark Transactions Include:

London City Airport	Acquisition	2016
Bristol Airport	Divestment	2014
AIX	Acquisition of airport portfolio	2013
MApp Airports	Asset swap with OTPP	2011
Ferrovial	Take-over of BAA plc	2006
Copenhagen Airport	Acquisition	2005
Brussels Airport	Acquisition	2004
Sydney Airport	Acquisition	2002
MApp Airports	ASX listing	2002

<b>50+</b> Airport mandates in 19 countries	<b>\$100b+</b> of estimated airport transaction value
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### Extensive North American Private Airport Experience

Chicago Midway Int'l Airport (MDW)	Luis Munoz Marin Int'l Airport (SJU)	LaGuardia Central Terminal (LGA)	Billy Bishop Toronto City Airport (YTZ)
Advisor to a bidder in relation to the proposed concession (both processes)	Advisor to a bidder in relation to initial concession and advised a bidder in the recent sell-down transaction	Advisor to a bidder in relation to the PPP style terminal development	Advisor to a bidder in relation to the Billy Bishop Toronto City Airport concession

### General Infrastructure Transport Experience

Pre-eminent advisor in North American transport infrastructure, including recent landmark transactions such as **A25** (2018), **407 ETR** (2019) and **Long Beach Container Terminal** (2019)

Advised on 71 infrastructure-related transactions worth more than

**\$US 58 billion**  
globally in FY18



**No. 1 Global Financial Advisor for Infrastructure (InfraMation) – 2016, 2017 and 2018**



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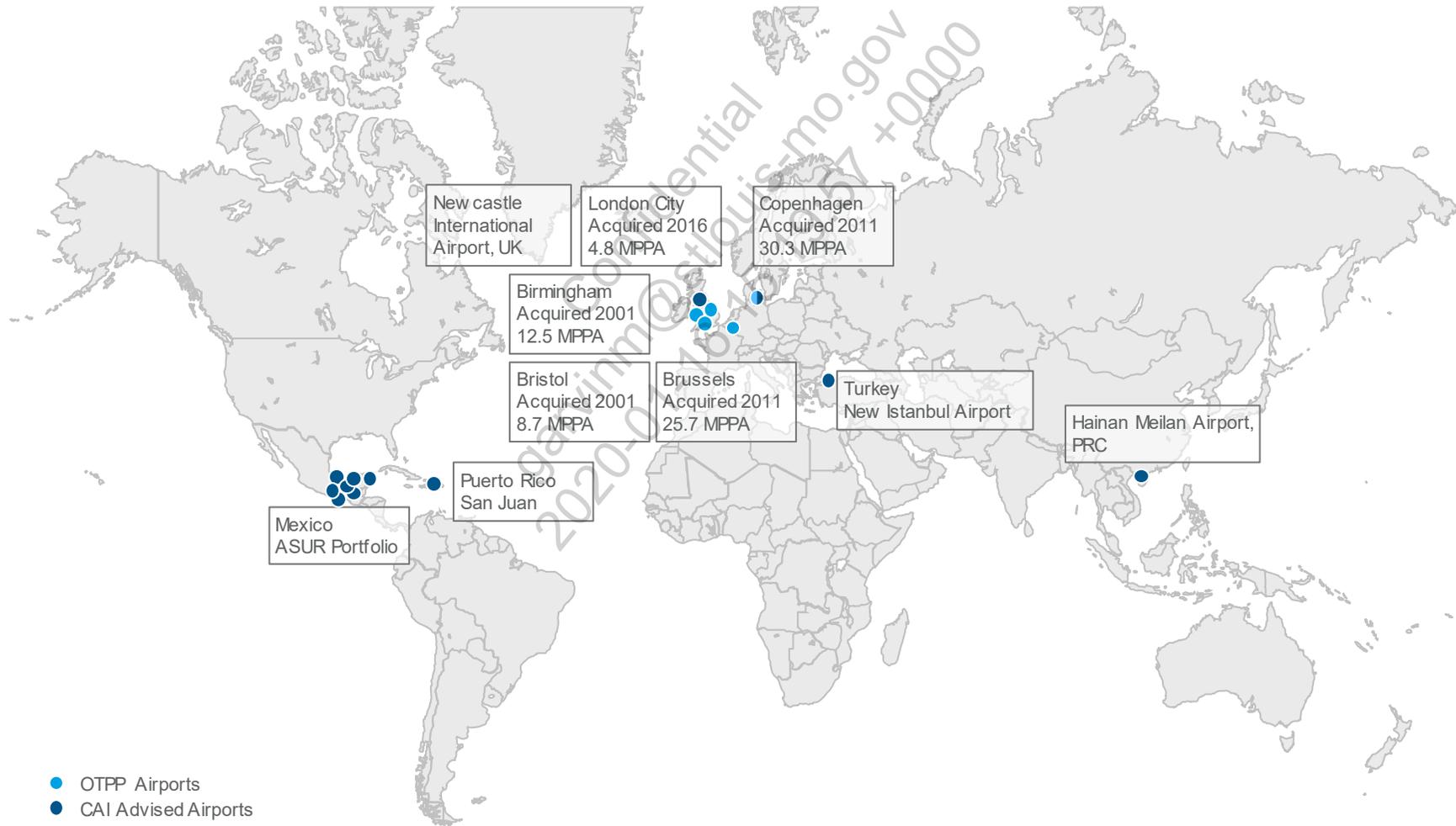
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## Airport Management Experience

# II. Airport Management Experience

## Global Overview

Gateway Airport Partners has extensive global experience in acquiring and managing airports across a range of different jurisdictions



## II. Airport Management Experience

### Current Airport Holdings

An overview of OTPP's current airport holdings is outlined below, highlighting our extensive experience in the sector

#### Overview

					
<b>Country</b>	UK	UK	Belgium	Denmark	UK
<b>Ownership</b>	27%	55%	39%	30%	25%
<b>Passengers</b>	12.5 m	8.6 m	25.7 m	30. m	4.8 m
<b>Description</b>	3rd largest UK airport outside London and 7th largest in the UK	9th largest UK airport and 5th largest regional airport	Hub airport with catchment of Belgium, Northern France and Southern Netherlands	Hub airport serving Copenhagen, Denmark and the largest serving the Nordic region	UK's leading business airport, with excellent links to London's financial district
<b>Acquisition Year</b>	2001	2001	2011	2011	2016
<b>Partners</b>	Consortium of seven West Midlands District Councils	N/A	Belgian Government, Macquarie	Danish Government	AIMCo, OMERS, Wren House
<b>Runways</b>	1	1	3	3	1
<b>Terminals</b>	1 (2 piers)	1	1 (2 piers)	2 (6 piers)	1
<b>Key Carriers</b>	Low Cost / Full Service	Low Cost	Full Service / Hub	Full Service / Hub	Full Service / Hub
<b>Employees</b>	700 (directly) 6,700 (indirectly)	350 (directly) 3,500 (indirectly)	850 (directly) 24,000 (indirectly)	2,600 (directly) 22,800 (indirectly)	550 (directly) 2,000 (indirectly)
<b>Car Parking Spaces</b>	13,000	15,000	17,000	12,000	1000

## II. Airport Management Experience

### Case Studies

The below outlines the Team's deep experience in managing capital investment effectively with over \$2.4 billion of investment since 2013

#### London City Terminal and Airfield Expansion Program

**Overview:** Addition of 7 aircraft parking stands, parallel taxiway, extended terminal building, new passenger pier, and associated works. Complexity of the program is significant as all surface areas must be constructed by constructing a platform over the King George V Dock supported on submerged piles down to the dock bed. The work also includes installing the UK's first digital Air Traffic Control Tower to allow remote ATC handling of aircraft arrivals and departures.



**Size:** Transformational capex program to substantially increase capacity at LCY

#### Copenhagen Airport Terminal 2 Airside Lounge Expansion

**Overview:** 4,000m<sup>2</sup> new constructed areas – of these 2,015m<sup>2</sup> serve as flow area. Addition of 24 new shops and eateries in a mix of international and national brands including local beer hero "Mikkeller". A further 1,080m<sup>2</sup> additional floorspace for storage and other facilities as well as a new kids' playground



**Size:** Similar size, scale and nature as potential projects at STL

**Timescale:** Construction to completion timelines from 2017 to 2019

**Status:** Completed on time and within scope and budget

#### Brussels Airport Connector Building

**Overview:** 35,000m<sup>2</sup> connector building linking the terminal processor to Pier A, central security screening and border control, new baggage reclaim hall, offices, and world class retail and food and beverage outlets. Major operational benefit to improve passenger flows and best in class minimum connection times between flights of 35 minutes minimum



**Size:** Similar size, scale and nature as potential projects at STL

**Timescale:** Construction commenced April 2013 and opened March 2015

**Status:** Completed on time and within scope and budget

#### Bristol Airport Multi Storey Car Park

**Overview:** New 1,100 multi-story car park on three levels adjacent to the terminal building. The steel modular construction features enhanced car parking bay technology, helping drivers to easily locate unoccupied spaces, improved internal road design, landscaping and signage.



**Size:** Similar size, scale and nature as potential projects at STL

**Timescale:** Rapid construction timescale; commenced November 2018

**Status:** Completed ahead of schedule and within scope and budget

# II. Airport Management Experience

## Awards

All of the Team's owned and managed airports have won awards and gained global recognition consistently



- **Europe's most efficient airport:** ATRS (Air Transport Research Society) ranked CPH as Europe's most efficient airport 13 of the last 15 years
- This is the result of continuous effort to improve operations, facility design, new technology and understand how facilities and infrastructure are used by airlines, ground handlers, concessionaires, airport, authorities etc.



- **Passenger service quality:** Optimizing processes, use and design of facilities translate into financial benefit for airport and airlines, and best in class service quality to passengers
- SkyTrax continuously ranks CPH among the best airports in the world



- **Commercial excellence:** Efficient facilities and a great commercial offer help to create an excellent travel experience
- Commercial activities are an integral part of the operational concept with CPH recognized as a world leader in airport commercial activities and concession management



- **Superior service delivery:** Passenger service is delivered by a number of parties i.e. airlines, handlers, authorities, airport, etc. CPH encourages all partners to focus on service delivery
- For example, CPH is responsible for passenger security screening with average waiting time in 2018 of 3.6 minutes and no passenger waiting longer than 20 minutes



- **Airline Marketing and Route Development:** CPH recognizes that airports must compete for airline capacity
- An increasing focus on the airport's role in promoting the city, region and country by securing excellent air services led to creation of a dedicated Airline Marketing team recognized by airlines as one of the worlds' best



- **Airline marketing and route development:** At the 2018 World Routes event in Guangzhou China, won the overall World Routes 2018 Marketing Award, as well as the World Routes Award in the category of 20 to 50 million passengers
- Previously won this award in both 2012 and 2014, the first time that an airport has won the award on three separate occasions



- **Europe's best airport:** In 2016, won the best European airport in the 10-25 million passenger category following investment in the Connector including the world's first remote screening of cabin baggage on a large scale, which improved the passenger experience (e.g. reduced walking distances, waiting times etc.)
- Brussels Airport was also highly commended in 2015



- **UK's best airport:** In 2018, won the best airport handling more than 10 million passengers a year recognizing excellence and achievement across a whole range of areas, including retail, security, operations, facilities, community relations, environmental awareness, and customer service



- **Europe's best airport:** In 2018, won best European airport in the 5-10 million passenger category
- Selected for continued investments in infrastructure, staff training and public transport links as well as the new Security Search Facility which improved passenger experience, resulting in its highest ASQ score for all security indicators. Bristol Airport was also highly commended in 2017 and 2016



- **Europe's best airport:** In 2015, London City Airport won the best European airport in the below 5 million passenger category
- The airport has consistently been recognized by ACI as one of Europe's leading airports and was also highly commended in 2016 and 2019



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# 03

## Specific Topics

# IV. Specific Topics

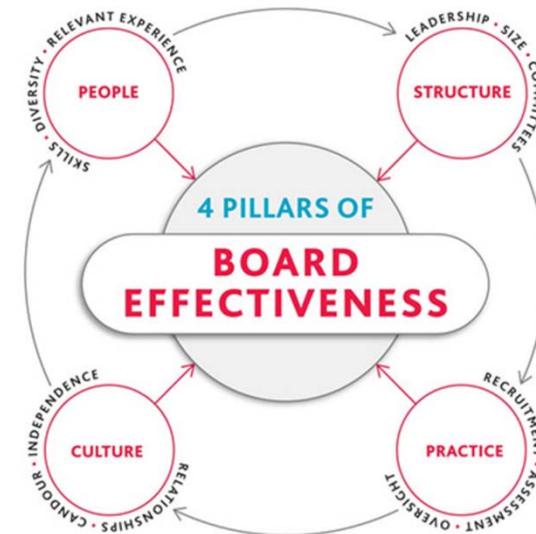
## Leveraging capabilities into execution, delivery and active management (1/3)

OTPP believes that direct governance and oversight drives significant value in its infrastructure investments

### Key OTPP Principles

- OTPP actively works closely with management and other stakeholders across all owned asset
- We ensure partnerships are collaborative and transparent relationships with regular contact. Key principles include:
  - Active asset management team
  - Regular discussions with management both formally in Boards / Committees but also informally in between meetings
  - Board of Directors which is usually comprised of a combination of OTPP senior investments staff and independent directors
  - Specific asset management platforms such as OAIL
  - Strategic advisors to assist with specific tasks such as CAI
- Key governance principles include:
  - Alignment of interest with partners at the outset is key
  - Believe in purposeful governance - People, Structure, Culture and Practice are essential components to effective corporate governance
- Asset management is focused on value-add initiatives at our portfolio companies including:

— Board Governance	— Stakeholder relationships
— Strategic objectives	— Refinancings
— Regulation	— Contract negotiations
— Capex projects	— Management incentives



# IV. Specific Topics

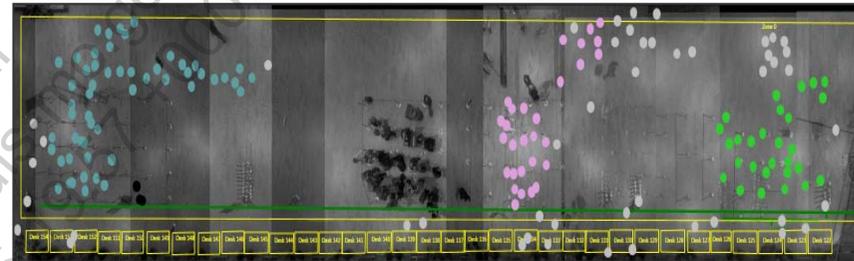
## Leveraging capabilities into execution, delivery and active management (2/3)

CPH has grown the number of passengers by almost 50% without any major infrastructure expansions and at the same time improved the level of service

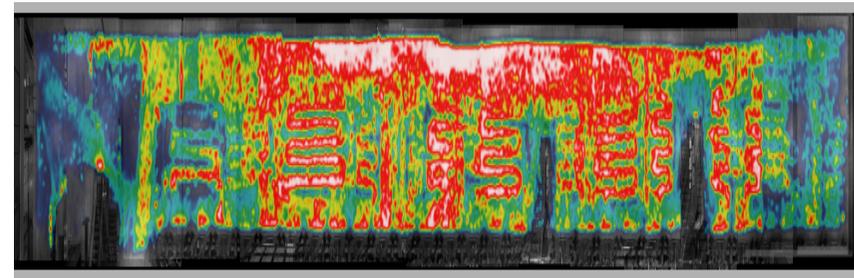
### Overview

- CPH is known as being one of the most efficient airports in the world – maybe the most efficient.
- CPH is constantly focusing on improving the processes and the service levels on all the major flows:
  - Passengers
  - Aircrafts
  - Baggage
- CPH has the highest rate of passengers using CUPP/CUSS globally
  - Including self service bag drops, almost 90%
- CPH is very efficient due to the use of technology for planning/forecasting the usage and allocation of the resources
  - Camera detection technology to analyze passenger flow
  - Information received allows us to have fruitful and data driven discussions and cooperation with our stakeholders
- The next step is to use AI/Machine learning in order to better predict the passenger flows in the future
  - A pilot project around baggage allocation is currently on-going
- **The approach to constantly improve the efficiency and the service levels will be the strategy for our operation at STL**

### Dynamic queue detection



### Heatmap from busy day in T2, CPH – 5 hours



# IV. Specific Topics

## Leveraging capabilities into execution, delivery and active management (3/3)

OTPP has a successful track record executing transition plans for public infrastructure to private management. Sydney Desalination Plant is one particular example, outlined below

SDP / Australia	
<b>Fair and transparent process which attracted experienced investors</b>	<ul style="list-style-type: none"> <li>● The NSW Government ran a clearly laid out auction process with set criteria for success, and set up a Steering Committee with oversight over the process</li> <li>● As a result, this process attracted marquee infrastructure investor consortiums, including:                             <ul style="list-style-type: none"> <li>— OTPP &amp; Hastings</li> <li>— IFM</li> <li>— QIC &amp; RREEF</li> <li>— Spark Infrastructure &amp; OMERS</li> </ul> </li> </ul>
<b>A competitive process yielding outperformance of pricing expectations</b>	<ul style="list-style-type: none"> <li>● OTPP and Hastings paid A\$2.3 billion for SDP, allowing the NSW Government to repay existing debt on the asset and generate in excess of A\$400 million of net proceeds to reinvest back into new local infrastructure projects</li> <li>● Acquisition raised A\$1.6 billion of senior debt which has been refinanced successfully several times since close</li> </ul>
<b>Transition complete and consortium continues to deliver quality service and engage with stakeholders</b>	<ul style="list-style-type: none"> <li>● Transitioned asset from government ownership to stand-alone private entity; worked closely with government to understand what services needed to be transitioned, developed a Transition Services Agreement to provide a blueprint for managing and filling any gaps</li> <li>● Plant did not have its own management team; built a highly capable team from scratch (CEO, CFO, COO) supported by a highly-effective Board of Directors (investor representatives, independent chair, and other independents with expertise across regulatory, operations, and government relations)</li> <li>● SDP management has developed stakeholder relations plan to engage with the community and continue to demonstrate the benefits of the plant</li> <li>● Currently actively engaged with the government on a potential expansion of the facility, which would double its size, in response to Australia's current drought</li> </ul>
<b>High quality, critical public infrastructure</b>	<ul style="list-style-type: none"> <li>● Provides a 'drought insurance policy' to existing Sydney water system which solely relies on rainfall</li> <li>● High quality asset designed to turn on when desalinated water is required, and 'mothballed' when dam levels are high</li> </ul>

# IV. Specific Topics

## Comparison with Skyway Investment

A number of parallels can be drawn from OTPP's acquisition of the Chicago Skyway toll road in 2016

### Project Description



- In 2016 OTPP acquired 33% of Chicago Skyway alongside CPPIB and OMERS
- Skyway is a 7.8 mile (12.5 kilometre) toll road that forms a critical link between downtown Chicago and its south-eastern suburbs
- As an essential part of the Chicago road network, it delivers reliability and time savings for its users in one of the busiest corridors in the U.S
- Skyway was privatized by the City of Chicago in 2005 under a 99-year concession agreement
- Skyway offers excellent time value for money in peak congestion periods, delivering a time savings of ~20-25 minutes on a 45-50 minute trip



### Parallels with STL

- ✓ **Significant transaction size**
  - Acquired in 2016, OTPP co-led this successful public infrastructure transaction greater than **\$1 billion**
- ✓ **Essential infrastructure asset with high public importance**
  - As part of the Chicago road network, the asset provides road connectivity for residents of Chicago and local constituents
- ✓ **Collaborative relationship with public body**
  - The City of Chicago approved the transaction and were very supportive
  - They have recently held a ribbon-cutting event due to completion of the canopy rehabilitation project indicating their ongoing support of the management of the road
- ✓ **Capital put to work to improve facilities / user experience**
  - Delivered a major canopy rehabilitation project in 2018, which was completed on time and on budget
  - The rehabilitated canopy improved the overall appearance of the road and also improved signage and functionality allowing for better flow traffic through the plaza
- ✓ **Long term concession based business**
  - The asset runs under a concession agreement until 2104
  - OTPP are comfortable in owning and operating within long term frameworks / agreements

# IV. Specific Topics

## Familiarity with PFC programs

Gateway Airport Partners have a detailed working knowledge of the PFC charging regime and other key US airport elements

### Overview

- OTPP has experience in various aeronautical and non-aeronautical charging structures globally
- This global experience is supported by specific US experience within Gateway Airport Partners as follows
  - San Juan Airport Tender: CAI and MacCap supported bidders in this process
  - Midway Airport Tender: CAI and MacCap supported bidders in this process
  - A specialist FAA / Regulatory law firm will be engaged for the RFP period
- Further details around the specific PFC/CFC/AIP programs at SJU and MDW and the involvement of Gateway Airport Partners is provided below
- As described in the RFQ Gateway Airport Partners experience encompasses a detailed working knowledge of FAA requirements and standards (including 14 CFR Parts 139, 150 and 161, Order 5190.6B)

### San Juan Airport (SJU)

<b>Capital Improvement Program (CIP)</b>	\$150m CIP delivering operational improvements, amenities, retail, food and beverage options
<b>PFC Program</b>	Significant portion of CIP was approved for PFC reimbursement (i.e. >\$90m)
<b>AIP Program</b>	Portion of CIP was FAA grant approved (i.e. >\$10m)
<b>Gateway Airport Partners Involvement</b>	<ul style="list-style-type: none"> <li>● MacCap – financial advisor to underbidder</li> <li>● CAI – operational advisor to underbidder</li> </ul>

### Midway Airport (MDW) Process – Discontinued

<b>PFC Program</b>	Significant PFC program >\$35m per annum at time of transaction (2013)
<b>CFC Program</b>	>\$5m per annum at time of transaction (2013)
<b>AIP Program</b>	Entitlement grants of approximately \$3m per annum at time of transaction (2013)
<b>Gateway Airport Partners Involvement</b>	<ul style="list-style-type: none"> <li>● MacCap – financial advisor bidder</li> <li>● CAI – operational advisor to bidder</li> </ul>



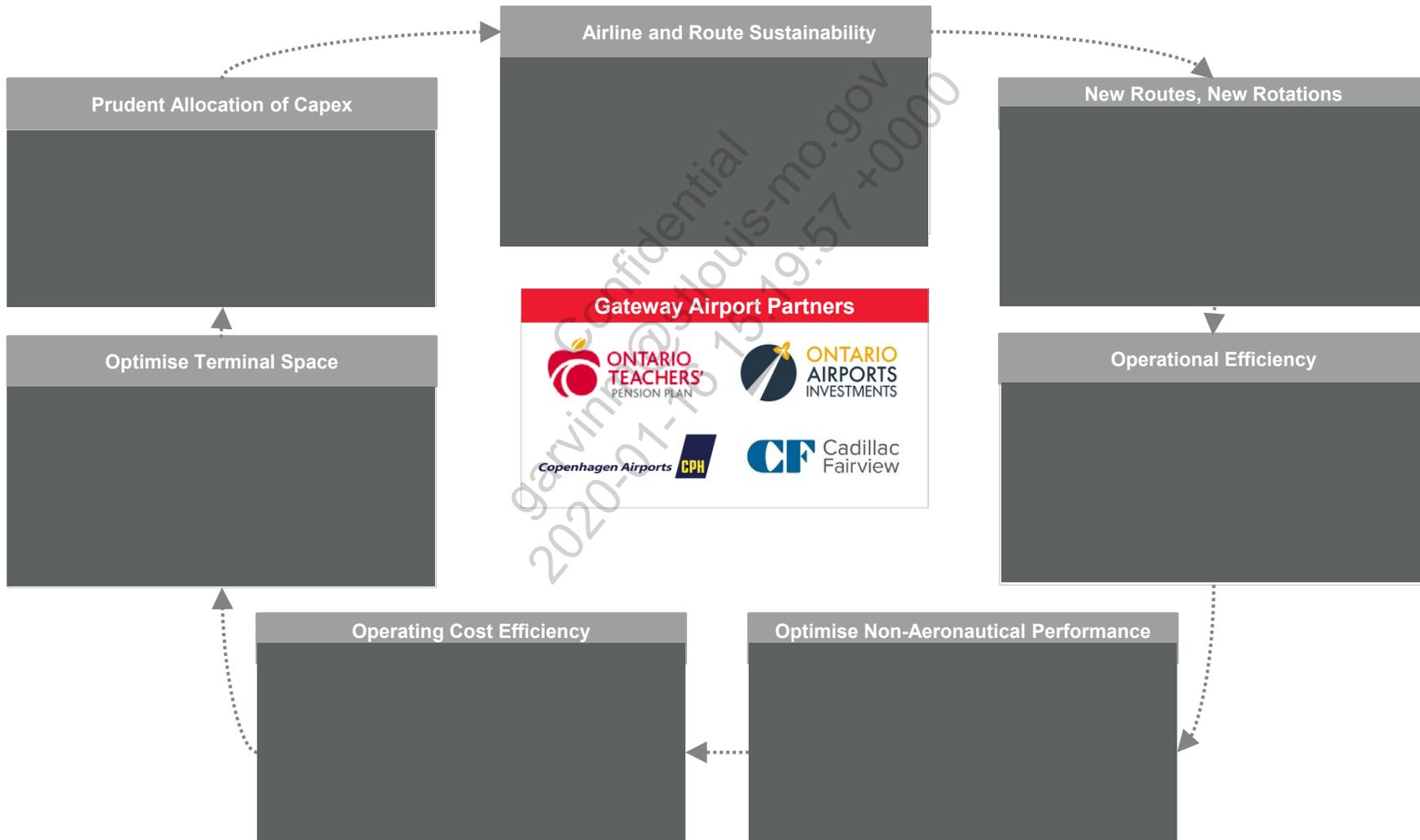
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04

Driving Value at STL

# V. Driving Value at STL

## Operations Overview



# V. Driving Value at STL

## Real Estate Considerations

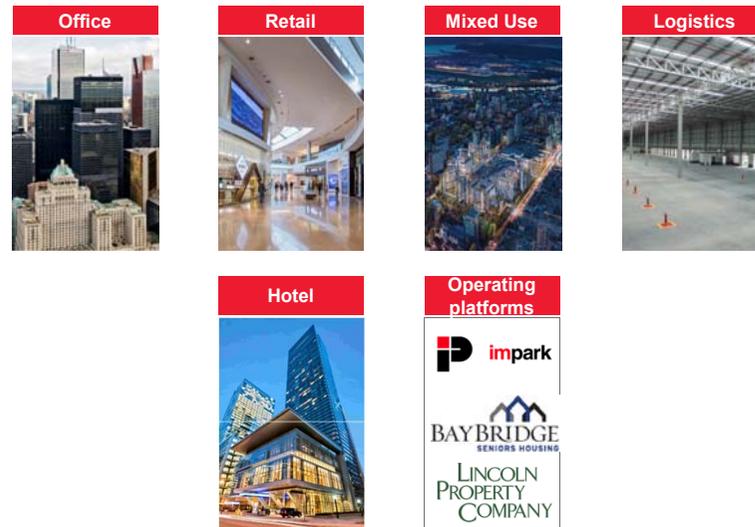
There are a number of options that are viable expansion opportunities from a real estate perspective. The Team is excellently placed to draw on past experience to realise these

### Overview

- We view an “Airport City” concept as an excellent opportunity to expand and increase the offerings of the airport
- The concept revolves around an airport centred commercial core and outlying corridors and clusters of aviation linked and non-aviation linked business and associated development
- This ultimately transforms from primarily air transport infrastructure to multimodal, multi-functional enterprises generating commercial development opportunities
  - Airports as corporate headquarter due to excellent surface connectivity, with extensive flight networks
  - Professional, medical (life sciences) and information and communication businesses
  - Hotels, leisure, recreation and entertainment complexes, brand showrooms, exhibition and convention centres
- Brussels Airport has developed this concept through OTPP ownership
  - Property development zones including economic centre development with multi modal hub, HQ offices, etc.
  - Deloitte HQ for 2,000 staff as first major tenant
  - Cargo and ancillary development plans for c. 4.5m ft<sup>2</sup>

### The opportunity for STL

- St Louis Airport already has a number of big companies located close to the airport, particularly Boeing
- A number of airport and non-airport development sites have been identified for future development, clustering indicated demand for real estate close to the airport
- Through our development partner, Cadillac Fairview, we have a best in class firm to consult and guide us on the future developments which would be viable at St Louis Airport
- Cadillac Fairview operates across many asset classes as outlined



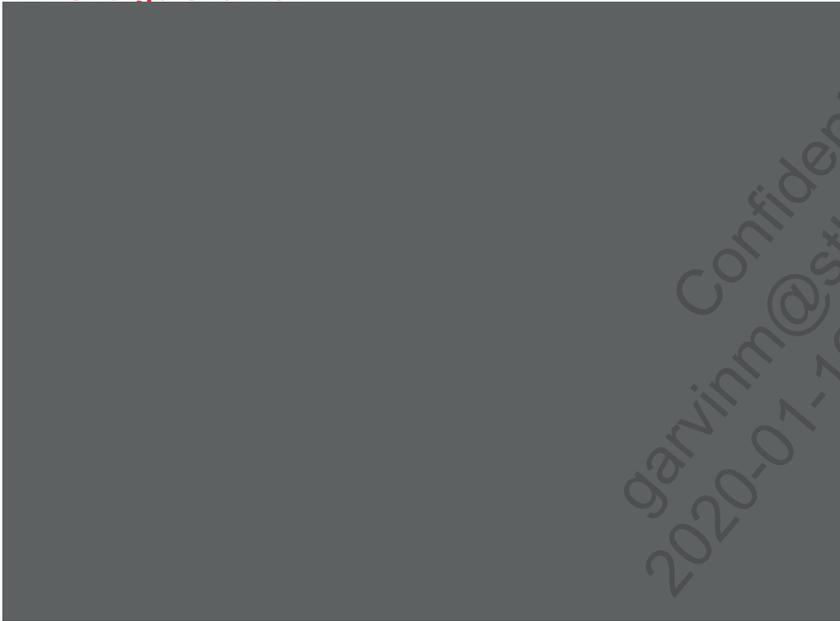
# V. Driving Value at STL

## Cargo Considerations

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Gateway Airport Partners has experience growing airport cargo operations that is directly relevant to STL

### BRUCargo Overview



### CPH Cargo Overview



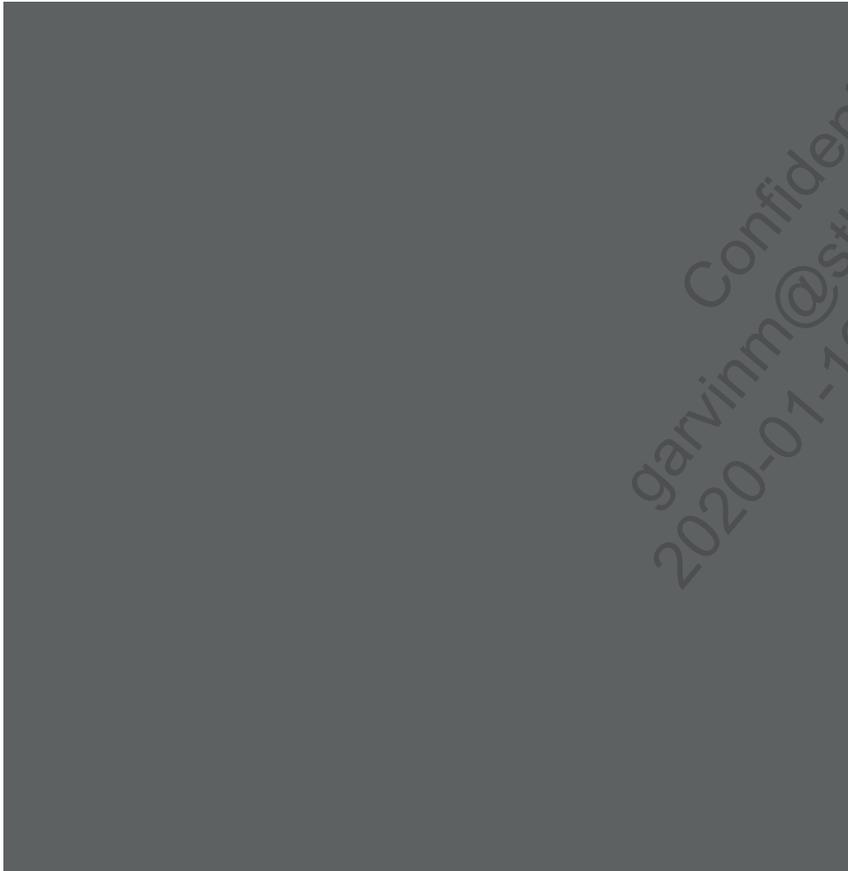
# V. Driving Value at STL

## Economic and Community Development

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The Team has excellent and recent experience in engaging with local communities and view this as an extremely important aspect when considering the overall airport strategy

### Commitment to the Local Community



### Employee and Public Engagement



### Environmental Initiatives





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## Financial Capability

# III. Financial Capability

## Equity Overview

OTPP has significant capital for infrastructure development and is in active deployment mode

### OTPP Overview

- OTPP is one of the world's largest pension plan managers with net assets of over \$150 billion
  - \$13 billion infrastructure investment portfolio across airports, toll roads, water, gas and electricity utilities, renewable power generation, container terminals and a desalination plant
- OTPP administers and invests the pensions of 327,000 retired and unionized working teachers in the Province of Ontario
- Since 2001, OTPP has actively invested in airport assets and currently owns and manages its investments in five airports through its airport investment platform OAIL
  - Includes Copenhagen, Brussels, Birmingham, Bristol and London City airports
  - In 2018, the OTPP airport portfolio generated \$1.8 billion revenue and \$973 million EBITDA
- 18-year history of committing equity in excess of \$1 billion for large-scale infrastructure transactions
- Offices in Toronto, London and Hong Kong
- Back-to-back winner of Infrastructure Investor's "Institutional Investor of the Year" (2017 & 2018)

### Recent Relevant Transactions

- **Chicago Skyway Toll Road**
  - \$2.8 billion EV
  - OTPP 33% ownership
- **Sydney Desalination Plant**
  - A\$2.3 billion EV
  - OTPP 50% ownership
- **High Speed One Rail**
  - £2.1 billion
  - OTPP 50% ownership

### Other Transactions > \$1bn EV

- London City Airport
- Brussels Airport
- Copenhagen Airport
- Birmingham Airport
- GCT Global Container Terminals
- Bristol Airport

			
<b>Credit Rating</b>	Aa1	AA+	AAA

# III. Financial Capability

## Debt Overview

Gateway Airport Partners, through OTPP and financial advisor MacCap, has experience in executing large, complex transactions and successfully structuring 'bankable' deals

### Process Considerations

- Gateway Airport Partners will canvass both commercial banks and the capital markets
- Ultimate execution plan based on investor feedback, desired credit profile and optimal financing structure
- All debt financing required will be committed at binding bid, to provide the City of St. Louis with certainty in its ability to close
- Parallel dual track process to ensure maximum competitive tension between and drive best pricing and terms
  - **Commercial Banks:** Banks' due diligence, credit approval and documentation process are expected to take **3 – 4 months**
  - **Capital Markets:** The process to obtain commitments from investors for a private placement issuance will be primarily driven by discussions with rating agencies
- Lenders, investors and rating agencies will be focused on understanding the transaction structure, the asset risk profile and business plan development
- Due diligence will be centered on the terms and conditions of the Lease Agreement and the Airline Use Agreement (AUA)
  - Good visibility, as soon as feasible, on the key terms of the transaction documents to be signed with the authority and the airlines will be crucial

### Approach:

- 1 Develop commercial structures**
- 2 Rigorous diligence and testing**
- 3 Competitive multi-track process**
- 4 Finalize and execute with certainty**

### Experience – OTPP

#### Select Financing Packages >\$1bn EV

- Chicago Skyway Toll Road (Bank and Bond)
- London City Airport (Bank)
- Sydney Desalination Plant (Bank)
- Indiana Toll Road (Bank)
- Port of Botany (Bank)
- Sydney Desalination Plant (Bank)
- High Speed Rail 1 (Bank)
- GCT Global Container Terminals (Bank)

### Experience – MacCap

#### Select Financing Packages >\$1bn EV

- Long Beach Container Terminal (Bank)
- Indiana Toll Road (Bond)
- London City Airport (Bank)
- Sydney Airport (Bank and Bond)
- Elizabeth River Crossing (Tax Exempt Bond and TIFIA)



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## Engaging in the STL Process

# VI. Engagement in the STL Process

## Key Considerations

Gateway Airport Partners are mobilized and ready to pursue the transaction, however a carefully considered process design is key to ensuring the City's objectives are achieved

### Key Considerations

<b>Competitive dynamic</b>	<ul style="list-style-type: none"><li>• We understand the desire to maximize competitive tension for the bid – however it is unlikely that bidders will incur significant diligence costs until the group is reduced (well below 10-12 bidders)</li><li>• Reducing the field early provides time for remaining bidders to develop value maximizing proposals</li></ul>
<b>Timing / process</b>	<ul style="list-style-type: none"><li>• Need to ensure satisfactory period (12-14 weeks) after reducing bidders to conduct diligence, obtain credit rating and raise financing and obtain final investment committee approvals</li><li>• Q&amp;A process is important – expect high question volume (response period / quality impacts value)</li></ul>
<b>Financing</b>	<ul style="list-style-type: none"><li>• Realistically commercial banks have a limit on the number of trees they can run to support bidders</li><li>• A large number of bidders developing binding financing solutions will impact the ability of bidders to achieve the most competitive terms which in turn reduces the value provided to the City</li></ul>
<b>Access</b>	<ul style="list-style-type: none"><li>• There are a large number of stakeholders given the size and publicity of the transaction</li><li>• Access to all key stakeholders is important to ensure alignment of strategy and approach to provide bidders with a high degree of certainty around business plan implementation</li></ul>
<b>Due Diligence</b>	<ul style="list-style-type: none"><li>• Sufficient due diligence will need to be carried out, with access to management and advisors to ensure the business plan workstream (amongst others) is as streamlined as possible</li><li>• Typical VDR and Q&amp;A is expected, with access to advisers and other key stakeholders also important</li></ul>



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# 07

## Our Offering

# VII. Our Offering

We recognize the importance of STL to the City of St Louis and the surrounding community and we bring key attributes to ensure a successful outcome

1	<b>You can have confidence in who we are</b>	<ul style="list-style-type: none"><li>• We are long term investors</li><li>• We are well capitalized with “deep pockets”</li><li>• We are looking to generate sustainable value for the teachers who entrust us with their retirement</li></ul>
2	<b>You can trust us as stewards of your airport</b>	<ul style="list-style-type: none"><li>• We have a long and successful history of delivering best-in-class service at our airports</li><li>• We have a track record of creating significant value for all airport stakeholders</li></ul>
3	<b>You can rely on us as a partner</b>	<ul style="list-style-type: none"><li>• We work hand-in-glove with government entities at all levels at our airports</li><li>• We proactively work with airlines to understand their business, operations, route performance and enhance the customer experience</li></ul>
4	<b>You can expect a seamless transition to private management</b>	<ul style="list-style-type: none"><li>• We know what is required for effective transition at airports</li><li>• We know how to execute so that nothing falls through the cracks</li></ul>
5	<b>You can count on us to engage our communities and our stakeholders</b>	<ul style="list-style-type: none"><li>• Whether at OTPP or the airports we have invested in, we live our values and give back to our community</li></ul>



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## Questions and Answers

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