

Thomson

July 5, 2017



## ST. LOUIS LAMBERT AIRPORT COMMISSION PRESENTATION

**City of St. Louis**

**\$258,430,000**

**Airport Revenue Refunding Bonds, Series 2017A (Non-AMT)**

**Airport Revenue Refunding Bonds, Series 2017B (AMT)**

**Airport Revenue Bonds, Series 2017C (Non-AMT)**

**Airport Revenue Bonds, Series 2017D (AMT)**



## OVER TWO DECADES OF PRUDENT DEBT MANAGEMENT & PROACTIVE LAMBERT REFUNDINGS



- 13 Lambert International Airport refunding transactions since 1996
- Total refunding par almost \$1.2 billion generating approximately \$80 million in aggregate Net Present Value ("NPV") savings
- 2017 refunding transaction generated the largest portion of the savings with approximately \$35.5 million in NPV savings

Series	Amount	Issue Description	PV Savings
1996	\$37,760,000	Airport Revenue Refunding Bonds	\$4,000,000
1998	69,260,000	Airport Revenue Refunding Bonds	3,600,000
2002C	17,035,000	Airport Revenue Bond Refunding	840,000
2003A	70,340,000	Airport Revenue Refunding Bonds	10,000,000 <sup>(1)</sup>
2003B	29,520,000	Airport Revenue Refunding Bonds (LOI)	900,000
2005	263,695,000	Airport Revenue Refunding Bonds	3,200,000
2007A	231,275,000	Airport Revenue Refunding Bonds (Non-AMT)	combined with series 2007B
2007B	104,735,000	Airport Revenue Refunding Bonds (AMT)	
2011	29,535,000	Airport Revenue Refunding bonds	1,200,000
2012	31,395,000	Airport Revenue Refunding Bonds	957,948
2013	31,460,000	Airport Revenue Refunding Bonds	3,364,583
2015	17,310,000	Airport Revenue Refunding Bonds	3,364,582
2017	258,430,000	Airport Revenue and Refunding Bonds (Series A, B, C, D)	35,494,677
<b>Totals</b>	<b>\$1,191,750,000</b>		<b>\$79,921,790</b>

<sup>(1)</sup> The Airport Development Fund (ADF) received \$10 million from the Bond Contingency Fund (a reserve) due to the restructuring of the original Series 2000 Letter of Intent (LOI) bond issue.

## SUMMARY OF THE SERIES 2017 FINANCING

- A summary of the refunded bonds is presented below

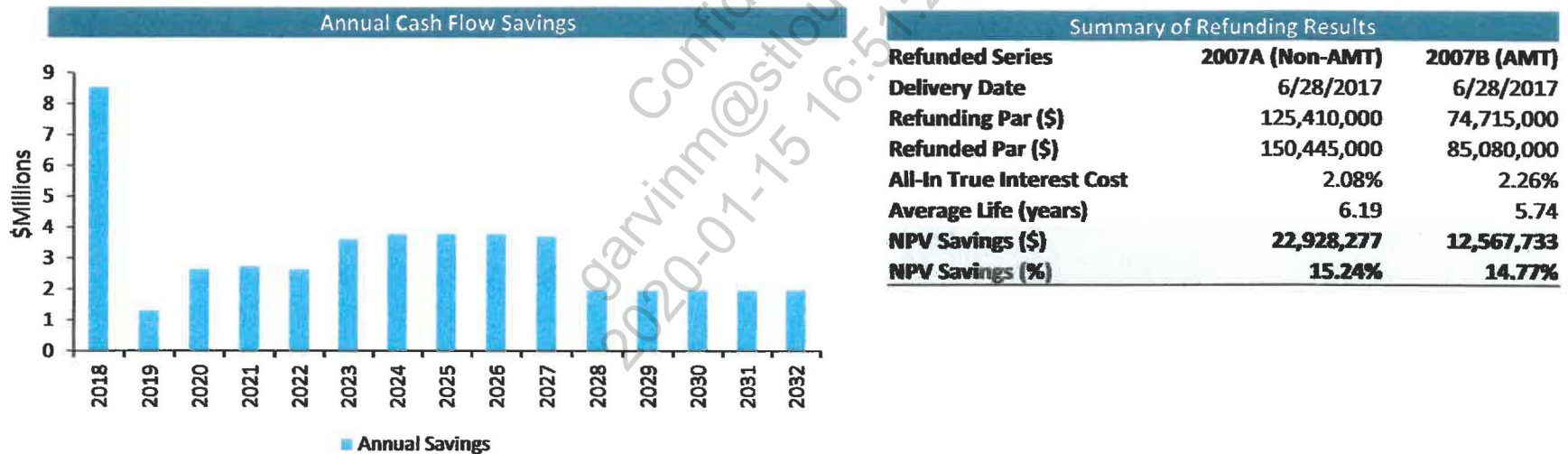
### Summary of Series 2007 Refunded Bonds

Series	Tax Status	Par Refunded	Call Date and Price	Coupons	Maturities
2007A	Non-AMT	\$150,445,000	7/1/2017 @ 100	4.000% - 5.000%	2018 – 2025; 2032 <sup>2</sup>
2007B	AMT	\$91,930,000 <sup>1</sup>	7/1/2017 @ 100	5.000%	2017 – 2027
<b>Total</b>		<b>\$242,375,000</b>			

<sup>1</sup>Includes cash defeasance of \$6.85MM

<sup>2</sup>Term Bond: 2027-2032

- On an annual basis, cash flow savings for the City/Airport total approximately \$4.1 million
- The City/Airport generated approximately \$35.5 million of present value savings, or 15.07% of refunded par by refunding the 2007 A & B Bonds



- The City/Airport also issued \$58 million of bonds to finance certain airfield, terminal, and parking projects



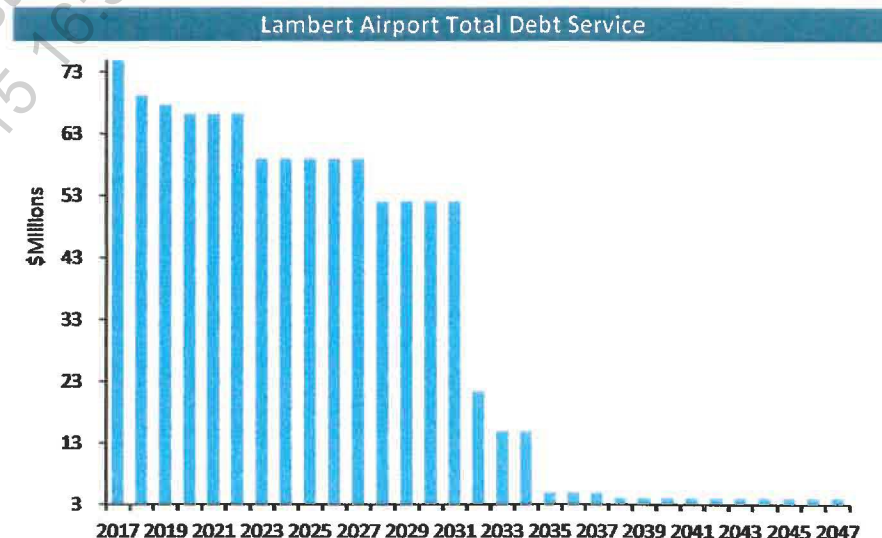


## HISTORIC LAMBERT REFUNDING TRANSACTION

- As noted earlier, the 2017 Refunding transaction produced over \$35.5 million in NPV Savings or over 15% of the refunded par amount representing **the largest savings ever generated from a Lambert Airport refunding transaction**
- Moreover the \$35.5 million in present value savings exceeds the full par amount of the past 5 Lambert Refunding bond transactions.** One would have to go back over a decade to find refunding par amount by itself that exceeded just the savings portion of last week's refunding transaction
- For the first time ever, a Lambert refunding transaction included the deposit of over \$7.7 million to the Airport Development Fund (ADF)** to provide much needed and flexible funds for various Airport uses
- The City/Airport also deposited \$2.1 million to the Debt Service Stabilization Fund (DSSF)** from prior fund balances which the rating agencies view as a key credit component in their evaluation of the Airport relative to its peers
- In fact, **the Airport received improved rating outlooks from both Moody's and Standard and Poor's as they changed the rating outlook from stable to positive** due to several factors including declining debt loads, improved enplanement levels and strong fund balances
- Going forward this sets up Lambert Airport extremely well for additional rating improvements given:

(i) the rapidly decreasing debt service template over time

(ii) and the expected savings from refunding the 2009 Bonds. Using current market interest rates, this refunding transaction is expected to produce present value savings of approximately \$27.7 million in the first half of calendar year 2019



- 200 bond orders totaling over 1.7 billion over subscribed by over 6 times

- col 900k; underwriters discount 829k (3.21 \$/1000)  
bond insurance 943k, surety 629k



Role	Firm
<b>Issuer:</b>	The City of St. Louis and St. Louis Lambert International Airport
<b>City's Co-Municipal Advisors:</b>	Siebert Cisneros Shank and PFM Financial Advisors
<b>Co-Bond Counsel:</b>	Armstrong Teasdale and Hardwick Law Firm
<b>Co-Disclosure Counsel:</b>	Schiff Hardin and White Coleman
<b>Joint Senior Managers:</b>	Wells Fargo and Stern Brothers
<b>Co-Managers:</b>	Backstrom McCarley Berry, Hilltop, Loop, PNC, and Williams
<b>Co-Underwriter's Counsel:</b>	Dentons and Saulsberry & Associates
<b>Trustee:</b>	UMB Bank, N.A.
<b>Feasibility Consultant:</b>	Unison Consulting
<b>Treasurer's Advisor:</b>	Comer Capital Group