

In the opinion of Dentons US LLP and Saulsberry & Associates, LLC, Co-Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and the accuracy of certain representations and certifications, (1) interest on the Series 2024 Bonds (as defined herein) is excluded from gross income for federal income tax purposes, and (2) interest on the Series 2024 Bonds is exempt from income taxation by the State of Missouri under Chapter 143 of the Revised Statutes of Missouri, as amended. In the opinion of Co-Bond Counsel, interest on the Series 2024A Bonds (as defined here) is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax on individuals, trusts and estates that may be imposed under the Code, and interest on the Series 2024B Bonds (as defined herein) is treated as an item of tax preference for purposes of calculating the federal alternative minimum tax on individuals, trusts and estates that may be imposed under the Code. Interest on the Series 2024 Bonds is included in the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. No opinion is expressed as to the status of interest on any Series 2024B Bond held by a “substantial user” of the facilities financed or refinanced by the Series 2024B Bonds or by a “related person” within the meaning of Section 147(a) of the Code. See “TAX MATTERS” in this Official Statement.



\$287,360,000

THE CITY OF ST. LOUIS, MISSOURI

\$279,595,000

AIRPORT REVENUE BONDS
SERIES 2024A (NON-AMT)

(St. Louis Lambert International Airport)

\$7,765,000

AIRPORT REVENUE BONDS
SERIES 2024B (AMT)

(St. Louis Lambert International Airport)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The City of St. Louis, Missouri (the “City”) expects to issue its Airport Revenue Bonds, Series 2024A (NON-AMT) (St. Louis Lambert International Airport) (the “Series 2024A Bonds”) and its Airport Revenue Bonds, Series 2024B (AMT) (St. Louis Lambert International Airport) (the “Series 2024B Bonds,” and together with the Series 2024A Bonds, the “Series 2024 Bonds”) under and pursuant to the Amended and Restated Indenture of Trust, dated as of July 1, 2009, by and between the City and UMB Bank, N.A., as Trustee (the “Restated Indenture”) as amended and supplemented, including by the Twenty-Seventh Supplemental Indenture of Trust dated as of June 1, 2024 (the “Twenty-Seventh Supplemental Indenture” and, together with the Restated Indenture, the “Indenture”), by and between the City and UMB Bank, N.A., as trustee (the “Trustee”).

The Series 2024 Bonds are limited obligations of the City, payable solely from Revenues, as defined herein, to be derived by the City from the operation of St. Louis Lambert International Airport and certain other funds pledged under the Indenture. **The Series 2024 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the taxing power of the City is not pledged to the payment of the Series 2024 Bonds, either as to principal, premium (if any) or interest.** The Series 2024 Bonds will be secured on a parity basis with the Outstanding Bonds, as defined herein, and any Additional Bonds (as defined in APPENDIX C - “Summary of Certain Provisions of the Indenture”) issued under the Indenture as more fully described herein.

The proceeds of the Series 2024 Bonds will be used to: (i) finance a portion of the costs of the 2024 Projects (as defined herein), (ii) purchase a debt service reserve insurance policy to fund the Series 2024 Debt Service Reserve Sub-Account, (iii) finance capitalized interest on the Series 2024 Bonds, and (iv) pay certain of the costs of issuing the Series 2024 Bonds. See “AIRPORT CAPITAL IMPROVEMENT PROGRAMS” and APPENDIX A - “Financial Feasibility Report of the Airport Consultant – Introduction – Airport Governance – Funding Plan for the 2024 Projects” herein.

Interest on the Series 2024 Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2025, until maturity. The Series 2024 Bonds are initially issuable only to Cede & Co., the nominee of The Depository Trust Company (“DTC”), New York, New York, pursuant to the book-entry-only system described herein. Beneficial ownership may be acquired in denominations of \$5,000 or any integral multiples thereof. No physical delivery of the Series 2024 Bonds will be made to the purchasers. See “THE SERIES 2024 BONDS - Book-Entry - Only System.”

The Series 2024 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein.

See the inside cover page for maturities, principal amounts, interest rates, prices, yields and CUSIP numbers.

The scheduled payment of principal of and interest on the Series 2024 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2024 Bonds by Assured Guaranty Municipal Corp.



The Series 2024 Bonds are offered when, as and if issued by the City and received by the Underwriters (as defined herein) and subject to prior sale, withdrawal or modification of the offer without notice and the approval of legality of the Series 2024 Bonds by Dentons US LLP, St. Louis, Missouri, and Saulsberry & Associates, LLC, St. Louis, Missouri, Co-Bond Counsel, and certain other conditions. Greenberg Traurig, LLP, Orlando, Florida, serves as Special Counsel to the City. Certain legal matters will be passed upon for the City by the office of the City Counselor, and for the Underwriters by Rouse Frets White Goss Gentile Rhodes, P.C., Kansas City, Missouri, and White Coleman & Associates, LLC, St. Louis, Missouri, Co-Underwriters’ Counsel. Certain legal matters will be passed upon for the City by its Disclosure Counsel, Hardwick Law Firm, LLC, St. Louis, Missouri. It is expected that the Series 2024 Bonds in book-entry-only form will be available for delivery through the facilities of DTC on or about June 11, 2024.

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision, including, but not limited to, matters described in “CERTAIN INVESTMENT CONSIDERATIONS.”

Goldman Sachs & Co. LLC

Loop Capital Markets

Stern Brothers

Blaylock Van, LLC

Huntington Capital Markets



**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND
CUSIP NUMBERS**

\$279,595,000

**The City of St. Louis, Missouri
Airport Revenue Bonds, Series 2024A (NON-AMT)
(St. Louis Lambert International Airport)**

Base CUSIP: 791638

Maturity Date July 1	Principal	Interest Rate	Yield	Price	CUSIP[†]
2032	\$6,890,000	5.000%	3.380%	111.339	R50
2033	7,235,000	5.000	3.400	112.379	R68
2034	7,595,000	5.000	3.430	113.255	R76
2035	7,975,000	5.000	3.440	113.164 ^c	R84
2036	8,375,000	5.000	3.480	112.801 ^c	R92
2037	8,795,000	5.000	3.570	111.990 ^c	S26
2038	9,235,000	5.000	3.610	111.632 ^c	S34
2039	9,695,000	5.000	3.670	111.097 ^c	S42
2040	10,180,000	5.000	3.790	110.036 ^c	S59
2041	10,690,000	5.000	3.900	109.075 ^c	S67
2042	11,220,000	5.000	3.970	108.468 ^c	S75
2043	11,785,000	5.000	4.020	108.038 ^c	S83
2044	12,375,000	5.000	4.070	107.609 ^c	S91

\$72,140,000 5.25% Term Bond Due July 1, 2049 Price 107.686^c to Yield 4.300% CUSIP: T25

\$85,410,000 5.25% Term Bond Due July 1, 2054 Price 107.012^c to Yield 4.380% CUSIP: T33

\$7,765,000

**The City of St. Louis, Missouri
Airport Revenue Bonds, Series 2024B (AMT)
(St. Louis Lambert International Airport)**

Base CUSIP: 791638

\$7,765,000 5.25% Term Bond Due July 1, 2054 Price 104.609^c to Yield 4.670% CUSIP: T41

^c Priced to first optional call date of July 1, 2034.

[†] Copyright, American Bankers Association (the "ABA"). CUSIP data used herein is provided by CUSIP Global Services ("CGS"), operated on behalf of the ABA by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of sale of the Series 2024 Bonds and neither the City nor the Underwriters makes any representation with respect to such numbers and do not undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the sale of the Series 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2024 Bonds.

THE CITY OF ST. LOUIS
ELECTED OFFICIALS

Tishaura O. Jones, Mayor
Darlene Green, Comptroller
Megan E. Green, President of the Board of Aldermen
Adam L. Layne, Treasurer

BOARD OF ALDERMEN

Anne Schweitzer	Ward 1
Tom Oldenburg	Ward 2
Shane Cohn	Ward 3
Bret Narayan	Ward 4
Joseph Vollmer	Ward 5
Daniela Velazquez	Ward 6
Alisha Sonnier	Ward 7
Cara Spencer	Ward 8
Michael Browning	Ward 9
Shameem Clark Hubbard	Ward 10
Laura Keys	Ward 11
Sharon Tyus	Ward 12
Pamela Boyd	Ward 13
Rasheen Aldridge	Ward 14

OTHER CITY OFFICIALS

Jason M. Fletcher, Deputy Comptroller
Antonio Strong, Deputy Director – Finance and Administration
Leonard Bell, Second Assistant Comptroller
Larry S. Rhodes, Fiscal Officer II
Sheena Hamilton, City Counselor
Michael Garvin, Airport Counsel

CITY AIRPORT COMMISSIONERS

	Rhonda Hamm-Niebruegge, Director and Chairperson	
John Bales	John Bowman	Kevin Cantwell
Shane Cohn	Sean Fitzgerald	June Fowler
Darlene Green	Frank Jacobs	Lee Kling
Don G. Lents	Richard Nemanick, Jr.	Kathleen Osborn
Megan E. Green	Debra Moore	Hon. Anne-Marie Clarke
		Justin King

BOARD OF ESTIMATE AND APPORTIONMENT

Tishaura O. Jones, Mayor
Darlene Green, Comptroller
Megan E. Green, President of the Board of Aldermen

CO-MUNICIPAL ADVISORS

Siebert Williams Shank & Co., LLC St. Louis, Missouri	PFM Financial Advisors LLC Philadelphia, Pennsylvania
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CO-BOND COUNSEL

Dentons US LLP St. Louis, Missouri	Saulsbury & Associates, LLC St. Louis, Missouri
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DISCLOSURE COUNSEL

Hardwick Law Firm, LLC
St. Louis, Missouri

AIRPORT CONSULTANT

Unison Consulting, Inc.
Chicago, Illinois

SPECIAL COUNSEL

Greenberg Traurig LLP
Orlando, Florida

This Official Statement is provided in connection with the initial offering and sale of the Series 2024 Bonds referred to herein, and may not be reproduced or used, in whole or in part, for any other purpose. The information contained in this Official Statement has been derived from information provided by the City, the Airport (each as hereinafter defined) and other sources which are believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. *The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.*

No dealer, broker, salesman or other person has been authorized by the City, the Airport or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds, by any person in any state or jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein speak as of their date unless otherwise noted and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or the Airport since the date hereof (or since the date of any information included herein that is dated other than the date hereof).

The Series 2024 Bonds have not been registered with the United States Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended (the “Securities Act”), in reliance upon the exemption contained in Section 3(a)(2) of such act. The Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained in such act. The registration or qualification of the Series 2024 Bonds in accordance with applicable provisions of securities laws of any states in which the Series 2024 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2024 Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Cautionary Statements Regarding Forward-Looking Statements in this Official Statement

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, as amended, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act and reflect the City’s current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Included in such risks and uncertainties are (i) those relating to the possible invalidity of the underlying assumptions and estimates, (ii) possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances, and (iii) conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately. For these reasons, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Undue reliance should not be placed on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City or the Airport on the date hereof, and the City and the Airport assume no obligation to update any such forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur or fail to occur, other than as indicated under the caption “CONTINUING DISCLOSURE” and APPENDIX G – “Form of Continuing Disclosure Agreement.”

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in Rule 15c2-12 promulgated by the SEC.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Series 2024 Bonds or the advisability of investing in the Series 2024 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under “BOND INSURANCE,” “APPENDIX I - Specimen Municipal Bond Insurance Policy” and “APPENDIX J – Specimen Debt Service Reserve Insurance Policy.”

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OFFICIAL STATEMENT
Relating to
\$287,360,000
THE CITY OF ST. LOUIS, MISSOURI

\$279,595,000
AIRPORT REVENUE BONDS
SERIES 2024A (NON-AMT)
(St. Louis Lambert International Airport)

\$7,765,000
AIRPORT REVENUE BONDS
SERIES 2024B (AMT)
(St. Louis Lambert International Airport)

INTRODUCTION

*This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices (collectively, the “**Official Statement**”) and the documents summarized or described herein. Unless otherwise defined herein, certain capitalized words and terms used in this Official Statement have the meanings given to them in **APPENDIX C - “Summary of Certain Provisions of the Indenture.”** Investors must read the entire Official Statement, including the cover page, inside cover page and appendices, to obtain information essential to making an informed investment decision.*

This Official Statement is furnished in connection with the offering by The City of St. Louis, Missouri (the “**City**”) of its \$279,595,000 Airport Revenue Bonds, Series 2024A (NON-AMT) (St. Louis Lambert International Airport) (the “**Series 2024A Bonds**”) and its \$7,765,000 Airport Revenue Bonds, Series 2024B (AMT) (St. Louis Lambert International Airport) (the “**Series 2024B Bonds**,” and together with the Series 2024A Bonds, the “**Series 2024 Bonds**”).

Authority for Issuance

The Series 2024 Bonds are issued under the authority of the constitution and laws of the State of Missouri (the “**State**”), including Article VI, Section 27(a) and Section 28 of the Missouri Constitution, as amended, and Sections 108.140 and 108.170 of the Revised Statutes of Missouri, as amended, and Ordinance No. 71590, adopted by the Board of Aldermen of the City (the “**Board of Aldermen**”) on December 13, 2022, and signed by the Mayor of the City on December 16, 2022 (which approved the issuance of the Series 2024 Bonds).

The Series 2024 Bonds are issued pursuant to an Indenture of Trust dated as of October 15, 1984 (the “**Original Indenture**”) providing for the issuance from time to time of a series of airport revenue bonds of the City, which Original Indenture, as previously amended, supplemented and restated, was amended, restated and superseded by that certain Amended and Restated Indenture of Trust dated as of July 1, 2009 (the “**Restated Indenture**”), as amended and supplemented, including by the Twenty-Seventh Supplemental Indenture of Trust dated as of June 1, 2024 (the “**Twenty-Seventh Supplemental Indenture**” and, together with the Restated Indenture, the “**Indenture**”), by and between the City and UMB Bank, N.A., as trustee (the “**Trustee**”).

The Indenture authorizes the issuance of bonds subject to the requirements specified in the Indenture and summarized under the section captioned “**THE SERIES 2024 BONDS — Outstanding Bonds, Additional Bonds and Refunding Bonds.**” For a summary of the Indenture, see **APPENDIX C - “Summary of Certain Provisions of the Indenture.”**

Pursuant to voter authorization on November 5, 1991 and April 8, 2003 (together, the “*Voter Approval*”), the City has obtained authorization to issue up to \$3.5 billion of Bonds to finance capital projects at the Airport (defined herein). To date, approximately \$1.89 billion of Bonds have been issued pursuant to the Voter Approval, which leaves approximately \$1.61 billion of authorized, but unissued Bonds approved for Airport purposes. Under state law and the City Charter, Refunding Bonds do not require voter approval. See APPENDIX C — “**Summary of Certain Provisions of the Indenture – Additional Bonds**” and “**Summary of Certain Provisions of the Indenture – Refunding Bonds.**”

Parity Obligations

The Series 2024 Bonds will be issued on a parity with the Bonds, which are outstanding, as of May 15, 2024, in the aggregate principal amount of \$489,805,000 (the “*Outstanding Bonds*”) and any Additional Bonds or Refunding Bonds issued on a parity therewith pursuant to Article III of the Indenture. The Series 2024 Bonds are payable solely from Revenues derived from the operations of the Airport and certain other funds pledged under the Indenture. See “**THE SERIES 2024 BONDS - Outstanding Bonds, Additional Bonds and Refunding Bonds.**”

The City and the Airport

The City is a constitutional charter city and political subdivision of the State. St. Louis Lambert International Airport (formerly Lambert-St. Louis International Airport) (the “*Airport*”) is owned by the City and operated by the St. Louis Airport Authority (the “*Airport Authority*”). The Airport Authority was created by ordinance of the Board of Aldermen and consists of the St. Louis Airport Commission (the “*Airport Commission*”), the Airport’s Chief Executive Officer (the “*Airport Director*”) and other managers and personnel required to operate the Airport. The Airport Commission is responsible for the planning, development, management and operation of the Airport. See “**AIRPORT MANAGEMENT - Introduction**” herein.

Use of Proceeds

The proceeds of the Series 2024 Bonds will be used to: (i) finance a portion of the costs of the 2024 Projects (as defined herein), (ii) purchase a debt service reserve insurance policy to fund the Series 2024 Debt Service Reserve Sub-Account, (iii) finance capitalized interest on the Series 2024 Bonds, and (iv) pay certain of the costs of issuing the Series 2024 Bonds. See “**PLAN OF FINANCE,**” “**ESTIMATED SOURCES AND USES OF FUNDS,**” “**AIRPORT CAPITAL IMPROVEMENT PROGRAMS**” and APPENDIX A - “**Financial Feasibility Report of the Airport Consultant – Introduction – Airport Governance – Funding Plan for the 2024 Projects**” herein.

Security and Sources of Payment

The Series 2024 Bonds are limited obligations of the City payable on a parity with the Outstanding Bonds from the Revenues derived solely from the operation of the Airport and certain other funds pledged under the Indenture, subject to the application thereof in accordance with the Indenture, including the Debt Service Stabilization Fund and the Debt Service Reserve Account, all as more fully described in “**THE SERIES 2024 BONDS - Security and Sources of Payment.**” The principal sources of Revenues are the rates and charges generated under agreements between the City and the airlines serving the Airport and payments under concession contracts at the Airport. See “**CERTAIN AGREEMENTS FOR USE OF THE AIRPORT’S FACILITIES**” herein.

The Series 2024 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation or provision, and the taxing power of the City is not pledged to the payment of the Series 2024 Bonds, either as to principal or interest.

The Series 2024 Bonds will be issued on parity with the Outstanding Bonds.

Additional Bonds and Refunding Bonds

Pursuant to the Indenture, subject to certain terms and conditions, the City may issue:

- (1) Additional Bonds from time to time to finance capital improvements at the Airport; and
- (2) Refunding Bonds for the purpose of refunding principal and/or interest components of any Outstanding Bonds, any Subordinated Indebtedness or Special Facilities Indebtedness.

Additional Bonds and Refunding Bonds will be equally and ratably secured on a parity with the Series 2024 Bonds and other Outstanding Bonds.

The City may issue Additional Bonds if (i) sufficient bonding authority remains pursuant to the Voter Approval and (ii) the requirements for the issuance of Additional Bonds under the Indenture (the “**Additional Bonds Test**”) are met. The City may issue Refunding Bonds if (i) the Aggregate Debt Service in each Airport Fiscal Year prior to the final maturity date of then Outstanding Bonds after the refunding is no greater than the Aggregate Debt Service in each Airport Fiscal Year prior to the refunding or (ii) such Refunding Bonds satisfy certain portions of the Additional Bonds Test. See “**THE SERIES 2024 BONDS - Outstanding Bonds, Additional Bonds and Refunding Bonds**” and **APPENDIX C - “Summary of Certain Provisions of the Indenture.”**

The Series 2024 Bonds are being issued as Additional Bonds.

In addition, the City may issue from time to time subordinated debt. As of the date of this Official Statement, there is no subordinated debt outstanding. The City may issue subordinated commercial paper notes or other subordinated debt permitted under the Indenture in the future. See “**THE SERIES 2024 BONDS - Subordinated Indebtedness and Special Facilities Indebtedness.**”

Certain Investment Considerations

The Series 2024 Bonds may not be suitable for all investors. Prospective purchasers of the Series 2024 Bonds should give careful consideration to the information set forth in this Official Statement, including, but not limited to, the matters discussed or referred to under “**CERTAIN INVESTMENT CONSIDERATIONS.**” These considerations include, among others, the following: (1) changes in the level of airline activity at the Airport; (2) events adversely affecting the air transportation system and the Airport; (3) the possible effect of an airline bankruptcy on the Airport Use and Lease Agreements (“AULAs”); and (4) the financial health of the airline industry and certain airlines serving the Airport. See also “**FACTORS AFFECTING THE AIRPORT AND THE AIR CARRIER INDUSTRY**” and **APPENDIX A - “Financial Feasibility Report of the Airport Consultant – Forecast Risk and Uncertainty**” for a more comprehensive discussion of certain investment considerations.

Continuing Disclosure

The City and UMB Bank, N.A., as dissemination agent (the “**Dissemination Agent**”), will enter into a Continuing Disclosure Agreement dated as of June 1, 2024 (the “**Continuing Disclosure Agreement**”), substantially in the form attached as **APPENDIX G – “Form of Continuing Disclosure Agreement,”** pursuant to which the City will covenant for the benefit of holders and beneficial owners of the Series 2024 Bonds to provide audited financial statements of the Airport, certain statistical and operating data relating to the City and the Airport and notices of the occurrence of certain enumerated events. The audited financial statements, statistical and operating data and notices of events will be filed

by or on behalf of the City in compliance with Rule 15c2-12 (the “*Rule*”) promulgated by the Securities and Exchange Commission (the “*SEC*”). See the section herein captioned “**CONTINUING DISCLOSURE**” and **APPENDIX G – “Form of Continuing Disclosure Agreement.”**

Impact of COVID-19 Pandemic

The COVID-19 pandemic disrupted day-to-day life and economic activities across the globe. The economic effects of the COVID-19 pandemic in the United States and the Airport service area manifest in the trends of key economic indicators. The effects of COVID-19 and actions taken at the state and national levels to halt its spread have had, and may continue to have, a significant adverse effect on the Revenues, financial condition and operations of the Airport. COVID-19 developments, and associated governmental and regulatory responses, cannot be predicted with any assurance. See “**IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT**” and **APPENDIX A - “Financial Feasibility Report of the Airport Consultant —Macro Economic Indicators – The COVID-19 Pandemic”** herein.

Miscellaneous

This Official Statement contains brief descriptions of, among other things, the Indenture, the Series 2024 Bonds, the City, the Airport, the AULAs, the Operating Agreements, the Continuing Disclosure Agreement, the audited financial statements of the Airport, certain unaudited financial information of the Airport, the Airport’s capital improvement programs and the Airport Development Program. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to any documents are qualified in their entirety by reference to such documents, and references to the Series 2024 Bonds are qualified in their entirety by reference to the form of the Series 2024 Bonds included in the Twenty-Seventh Supplemental Indenture. Upon the issuance of the Series 2024 Bonds, the Indenture and the Continuing Disclosure Agreement will be available for inspection at the offices of the Trustee. All other documents referenced above are attached as appendices or available for inspection at the offices of the Airport.

The Financial Feasibility Report of the Airport Consultant (defined herein) is included as **APPENDIX A**. Audited financial statements of the Airport for the Fiscal Year Ended June 30, 2023 are included as **APPENDIX B**. Definitions and a summary of certain provisions of the Indenture are included as **APPENDIX C**, and all capitalized terms used in this Official Statement and not otherwise defined in this Official Statement shall have the meanings set forth in **APPENDIX C** or, with respect to terms defined in the AULAs and the Operating Agreements, in **APPENDIX D**. A summary of certain provisions of the AULAs and the Operating Agreements is included as **APPENDIX D**. A description of the book-entry-only system maintained by DTC is set forth in **APPENDIX E**. The substantially final text of the opinion to be delivered by Co-Bond Counsel, Dentons US LLP, St. Louis, Missouri, and Saulsberry & Associates, LLC, St. Louis, Missouri, is included as **APPENDIX F**. A form of the Continuing Disclosure Agreement is attached as **APPENDIX G**. A description of the PFC Program, as defined herein, is included as **APPENDIX H**. The Specimen Municipal Bond Insurance Policy is included as **APPENDIX I**. The Specimen Debt Service Reserve Insurance Policy is included as **APPENDIX J**.

The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto shall under any circumstances, create an implication that there has been no change in the affairs of the City or the Airport since the date hereof. This Official Statement is not to be construed as a contract or agreement between the City or the Underwriters and purchasers or owners of any of the Series 2024 Bonds.

THE SERIES 2024 BONDS

The Series 2024 Bonds are being issued under the Indenture. Reference is hereby made to the Indenture in its entirety for the detailed provisions pertaining to the Series 2024 Bonds. See **APPENDIX C - “Summary of Certain Provisions of the Indenture.”**

General

The Series 2024 Bonds will be dated their date of delivery and will mature and bear interest as set forth on the inside cover page of this Official Statement. The Series 2024 Bonds are issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. The principal of and redemption premium, if any, on the Series 2024 Bonds will be payable at maturity to the persons in whose name such Series 2024 Bonds are registered upon presentation and surrender of such Series 2024 Bonds at the principal corporate trust office of the Trustee in St. Louis, Missouri. Interest on the Series 2024 Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2025. Principal of the Series 2024 Bonds shall be paid on the maturity dates listed on the inside cover of this Official Statement. Registered Owners of Series 2024 Bonds of a principal amount of at least \$1,000,000 may receive payments of interest by electronic transfer upon written request from the registered Owner to the Trustee providing relevant instructions not later than five days prior to the Record Date for such interest payment date.

Book-Entry-Only System

The Depository Trust Company (“**DTC**”), New York, New York, will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully registered Bond certificate will be issued for each maturity of the Series 2024 Bonds in the aggregate principal amount of such maturity and will be deposited with DTC. For additional information regarding DTC and DTC’s book-entry-only system, see **APPENDIX E - “DTC Information.”**

*In reading this Official Statement, it should be understood that while the Series 2024 Bonds are in book-entry-only form, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Series 2024 Bonds, but (i) all rights of ownership must be exercised through DTC and its book-entry only system, and (ii) except as described in **APPENDIX E – “DTC Information,”** notices that are to be given to registered owners under the Indenture shall be given only to DTC.*

Redemption Provisions

The Series 2024 Bonds are subject to optional and mandatory sinking fund redemption as described below.

Optional Redemption of Series 2024A Bonds. The Series 2024A Bonds maturing on and after July 1, 2035 are subject to redemption prior to maturity in the sole discretion of the City from any source, in whole or in part at any time, as determined by the City (and within any maturity as selected by the Trustee in such equitable manner as it shall determine), on and after July 1, 2034, at the Redemption Price of 100% of the principal amount of the Series 2024A Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.

Optional Redemption of Series 2024B Bonds. The Series 2024B Bonds maturing on July 1, 2024, are subject to redemption prior to maturity in the sole discretion of the City from any source, in whole or in part at any time, as determined by the City (and within any maturity as selected by the Trustee in such equitable manner as it shall determine), on and after July 1, 2024, at the Redemption Price of 100% of the principal amount of the Series 2024B Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.

Mandatory Sinking Fund Redemption of Series 2024A Bonds. The Series 2024A Bonds maturing July 1, 2049, are subject to mandatory redemption prior to maturity, upon notice as provided in the Indenture, in part, as selected by lot by the Trustee in such manner as it shall deem fair and appropriate, at par, plus accrued interest to the date of redemption on July 1 of each of the years set forth below, in the principal amounts set forth below:

July 1	Principal Amount
2045	\$12,990,000
2046	13,675,000
2047	14,390,000
2048	15,145,000
2049**	15,940,000

**Final Maturity

The Series 2024A Bonds maturing July 1, 2054, are subject to mandatory redemption prior to maturity, upon notice as provided in the Indenture, in part, as selected by lot by the Trustee in such manner as it shall deem fair and appropriate, at par, plus accrued interest to the date of redemption on July 1 of each of the years set forth below, in the principal amounts set forth below:

July 1	Principal Amount
2050	\$15,380,000
2051	16,190,000
2052	17,035,000
2053	17,930,000
2054**	18,875,000

**Final Maturity

Mandatory Sinking Fund Redemption of Series 2024B Bonds. The Series 2024B Bonds maturing July 1, 2054, are subject to mandatory redemption prior to maturity, upon notice as provided in the Indenture, in part, as selected by lot by the Trustee in such manner as it shall deem fair and appropriate, at par, plus accrued interest to the date of redemption on July 1 of each of the years set forth below, in the principal amounts set forth below:

July 1	Principal Amount
2050	\$1,400,000
2051	1,470,000
2052	1,550,000
2053	1,630,000
2054**	1,715,000

**Final Maturity

Method of Selecting Series 2024 Bonds for Redemption. If less than all of the Series 2024 Bonds of like maturity shall be called for prior redemption, the particular Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Series 2024 Bonds of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof, and that, in selecting portions of such Series 2024 Bonds for redemption the Trustee shall treat each such Series 2024 Bond as representing that number of Series 2024 Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Series 2024 Bond to be redeemed in part by \$5,000.

Notice of Redemption. Notices of redemption will be mailed by the Trustee, postage prepaid, not less than 25 days prior to any redemption date, to the registered Owners of the Series 2024 Bonds that

are to be redeemed. Each such notice will identify the Series 2024 Bonds to be redeemed (and, in the case of Series 2024 Bonds to be redeemed in part only, the principal amounts to be redeemed), will specify the redemption date and the Redemption Price, and will state that the Series 2024 Bonds to be redeemed will be payable at the principal corporate trust office of the Trustee. If, at the time of mailing of the notice of any optional redemption, there has not been deposited with the Trustee moneys sufficient to redeem all the Series 2024 Bonds called for redemption, the notice may state that it is conditional on the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date. Such notice will be of no effect and the Redemption Price for such optional redemption will not be due and payable unless such moneys are so deposited. Upon the sending of notice as provided in the Indenture and the deposit with the Trustee of legally available moneys sufficient to pay the principal of and interest accrued to the redemption date on the Series 2024 Bonds called for redemption, the Series 2024 Bonds or portions thereof thus called for redemption will cease to bear interest from and after the redemption date, will no longer be entitled to the benefits provided by the Indenture and will not be deemed to be Outstanding under the provisions of the Indenture.

Registration, Transfer and Exchange

Bonds, upon surrender thereof at the principal office of the Trustee or any other Bond Registrar with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered Owner or his duly authorized attorney, may, at the option of the Owner thereof, and upon payment by such Owner of any charges which the Trustee may make as provided in the Indenture, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of any other authorized denominations.

Each Bond is transferable only upon the books of the City maintained by the Comptroller, which will be kept for that purpose at the principal office of the Trustee, by the Owner thereof in person or by the Owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or the Owner's duly authorized attorney. Upon the transfer of any such Bond, the City will issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond. The Trustee and any other Bond Registrar will cooperate with each other in maintaining accurate Bond registration books of the City at the principal office of the Trustee in accordance with the Indenture and in maintaining a copy thereof at the principal office of the Trustee and any other Bond Registrar.

The City and each Fiduciary may deem and treat the person in whose name any Bond will be registered upon the Bond registration books of the City as the absolute Owner of such Bond, whether such Bond will be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, and interest on such Bond and for all other purposes, and all such payments so made to any such Owner or upon such Owner's order will be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor any Fiduciary will be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City will execute and the Trustee will authenticate and deliver Bonds in accordance with the provisions of the Indenture. All Bonds surrendered in any such exchanges or transfers will forthwith be canceled by the Trustee and disposed of in accordance with the Charter. For every such exchange or transfer of Bonds, whether temporary or definitive, the City, the Trustee or the Co-Registrar may make a charge sufficient to reimburse it for any tax, governmental fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City, the Trustee nor any other Bond Registrar will be required (a) to register the transfer or exchange of Bonds of any Series for a period of 15 days next preceding any selection of Bonds of such Series to be redeemed or thereafter until after the first mailing of any notice of redemption, or (b) to register the transfer or exchange of any Bonds called for redemption.

Security and Sources of Payment

General. The Series 2024 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation or provision, and the taxing power of the City is not pledged to the payment of the Series 2024 Bonds, either as to principal or interest.

The Series 2024 Bonds are limited obligations of the City, payable solely from and secured, on a parity with the Outstanding Bonds, by a pledge of (i) the Revenues, subject to the application thereof to the purposes and on the conditions permitted by the Indenture, including for the payment of Operation and Maintenance Expenses, and (ii) the Funds established by the Indenture. None of the properties of the Airport have been pledged or mortgaged to secure payment on the Bonds, including the Series 2024 Bonds.

Revenues. Under the Indenture, “**Revenues**” means collectively, GARB Revenues (as defined herein), Pledged PFC Revenues (as defined herein) and any other available moneys deposited in the Revenue Fund. The Indenture defines “**Net Revenues**” as Revenues less Operation and Maintenance Expenses.

GARB Revenues. The Indenture defines “**GARB Revenues**” as all revenues collected by the City relating to, from or with respect to its possession, management, supervision, operation and control of the Airport, including all rates, charges, landing fees, rentals, use charges, concession revenues, revenues from the sale of services, supplies or other commodities, any investment income realized from the investment of amounts in the Revenue Fund, and any other amounts deposited into the Revenue Fund. GARB Revenues shall not include: (a) any revenue or income from any Special Facilities, except ground rentals thereof or any payments made to the City in lieu of such ground rentals and the revenue or income from Special Facilities which are not pledged to the payment of Special Facilities Indebtedness; (b) any moneys received as grants, appropriations or gifts from the United States of America, the State or other sources, the use of which is limited by the grantor or donor to the planning or the construction of capital improvements, including land acquisition, for the Airport, except to the extent any such moneys are received as payment for the use of the Airport; (c) any Bond proceeds and other money (including investment earnings) credited to the Construction Fund for the financing of capital improvements to the Airport; (d) any interest earnings or other gain from investment of moneys or securities in any escrow or similar account pledged to the payment of any obligations therein specified in connection with the issuance of Refunding Bonds or the defeasance of any Series of Bonds in accordance with the Indenture; (e) any consideration received by the City upon transfer of the Airport pursuant to the Indenture; (f) interest income on, and any profit realized from, the investment of moneys in (i) the Construction Fund or any other construction fund funded from proceeds of Bonds or (ii) the Debt Service Account or the Debt Service Reserve Account if and to the extent there is any deficiency therein; (g) any passenger facility charge or similar charge levied by or on behalf of the Airport against passengers or cargo, including any income or earnings thereon; (h) insurance proceeds which are not deemed to be GARB Revenues in accordance with generally accepted accounting principles (other than proceeds that provide for lost revenue to the Airport for business interruption or business loss); (i) the proceeds of any condemnation or eminent domain award; (j) the proceeds of any sale of land, buildings or equipment; (k) any money received by or for the account of the Airport from the levy of taxes upon any property in the City; and (l) amounts payable to the City under an Interest Rate Exchange Agreement, unless and to the extent designated as GARB Revenues by the City in a Supplemental Indenture.

Pledged PFC Revenues. The Indenture defines “**Pledged PFC Revenues**” as the portion of PFC Revenues that have been pledged to the payment of Bonds pursuant to the terms, and subject to the qualification of the Indenture, designated as PFC-Eligible Projects or PFC-Eligible

Debt Service. The Indenture defines “*PFC Revenues*” as the passenger facility charges imposed at the Airport from time to time pursuant to the PFC Act, the regulations thereunder and any record of decision of the Federal Aviation Administration (“*FAA*”) relating to passenger facility charges (the “*PFCs*”) remitted to the City as a result of enplanements at the Airport, including any interest earned thereon.

Pledged PFC Revenues may be decreased or eliminated as a result of the refunding or defeasance of PFC-Eligible Bonds. Pledged PFC Revenues for each PFC Year are an amount equal to 125% of the amount of PFC-Eligible Debt Service designated for any series of Bonds part or all of the proceeds of which are for PFC-Eligible Projects. Such pledged amount constitutes Pledged PFC Revenues and are in addition to any PFC Revenues previously or thereafter pledged to the payment of other Bonds. See **APPENDIX C - “Summary of Certain Provisions of the Indenture – Pledged PFC Revenues”** and “- **Elimination of or Decrease in the Amount of PFC Revenues**” attached hereto. For information regarding the PFC Program see **APPENDIX H - “The PFC Program”** attached hereto.

Amounts in the Revenue Fund are deposited, on a monthly basis, in specified funds and accounts under the Indenture in the order set forth in the Indenture. For a summary of the application of Revenues under the Indenture, see **APPENDIX C - “Summary of Certain Provisions of the Indenture — Application of Revenues.”**

The principal sources of Revenues are the rates and charges generated under agreements between the City and the airlines serving the Airport and payments under concession contracts at the Airport. See “**CERTAIN AGREEMENTS FOR USE OF THE AIRPORT’S FACILITIES -- Airport Use and Lease Agreements, Operating Agreements and Cargo Agreements**” herein.

Rate Covenant. Under the Indenture, the City has covenanted that it will, at all times while any Bonds remain outstanding, establish, fix, prescribe and collect rates, fees, rentals and other charges for the use of the Airport as will be reasonably anticipated to provide in each period ending on June 30 of each year (“**Airport Fiscal Year**” or “**Fiscal Year**”) an amount so that Revenues will be sufficient to (i) pay Aggregate Debt Service for such Airport Fiscal Year, (ii) provide funds necessary to make the required deposits in and maintain the several funds and accounts established under the Indenture, and (iii) pay or discharge all indebtedness, charges and liens payable out of the Revenues under the Indenture. See **APPENDIX C – “Summary of Certain Provisions of the Indenture – Particular Covenants of the City – Rates and Charges.”** For further discussion, see also “**CERTAIN AGREEMENTS FOR USE OF THE AIRPORT’S FACILITIES**” herein.

Debt Service Reserve Account. The Indenture authorizes the establishment of the Series 2024 Debt Service Reserve Sub-Account for the Series 2024 Bonds within the Airport Bond Fund, held by the Trustee. The Series 2024 Debt Service Reserve Sub-Account is to be applied solely for the purposes specified in the Indenture and is pledged to secure the payment of the accrued Aggregate Debt Service on the Series 2024 Bonds. All of the sub-accounts within the Debt Service Reserve Account are held on a parity basis for the equal and ratable benefit of the Holders of all of the Outstanding Bonds. The Indenture requires that the Debt Service Reserve Account be maintained, as of any date of calculation for the then-Outstanding Bonds, unless otherwise provided in a Supplemental Indenture for a particular Series of Bonds, at an amount which equals the least of: (i) 10% of the proceeds of such Series of Bonds; (ii) 125% of the average annual debt service on such Series of Bonds; or (iii) the maximum annual debt service on such Series of Bonds. Deposits into the Debt Service Reserve Account may be satisfied by a deposit of cash or a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution (the “**Reserve Facility**”) pursuant to the requirements of the Indenture.

Moneys in the Debt Service Reserve Account are to be withdrawn and deposited in the Debt Service Account each month to the extent that the amount in the Debt Service Account is less than the Accrued Aggregate Debt Service on such Bonds after all required transfers to the Debt Service Account pursuant to the Indenture and any transfers from the Debt Service Stabilization Fund. If amounts in the Debt Service Reserve Account are less than the Debt Service Reserve Requirement, or if any Reserve Facility is downgraded below the fourth highest rating category (without giving effect to gradations within a rating category) by any of the Rating Agencies, the Indenture requires that the Debt Service Reserve Account be restored to its requirement from amounts held in the Renewal and Replacement Fund, the Contingency Fund or the Development Fund or by the deposit of a new Reserve Facility rated in one of the three highest rating categories (without giving effect to gradations within a rating category). To the extent that such deficiency has not been made up from amounts in the Renewal and Replacement Fund, the Contingency Fund or the Development Fund, or by deposit of a new Reserve Facility, such deficiency shall be replenished from the first available Revenues after required deposits into the Operation and Maintenance Fund and the Debt Service Account pursuant to the Indenture. The Indenture provides that any such deficiency in the Debt Service Reserve Account shall be replenished over various time periods as specified in the Indenture. Moneys in the Debt Service Reserve Account in excess of the requirement may be withdrawn and applied in accordance with the Indenture. See **APPENDIX C - “Summary of Certain Provisions of the Indenture.”**

As of June 30, 2023, the value of all amounts on deposit in the Debt Service Reserve Account, which secures, on a parity basis, all \$520,190,000 Outstanding Bonds issued under the Indenture, is \$87,454,575.57. Such amount is comprised of Reserve Facilities consisting of \$66,197,937.29 of surety bonds provided by qualified financial institutions and the balance is in cash (which has been invested in accordance with the Indenture). Because of periodic recalculations of the Debt Service Reserve Requirements for Outstanding Series of Bonds required by the Indenture, the amount required to be on deposit in certain Debt Service Reserve Sub-accounts may increase or decrease from time-to-time. The City is meeting its obligations with respect to the Debt Service Reserve Requirement. The amount of the deposit may change over time due to the manner in which the Debt Service Reserve Requirement is calculated. See **APPENDIX C — “Summary of Certain Provisions of the Indenture - Debt Service Reserve Requirement.”**

Pursuant to the Twenty-Seventh Supplemental Indenture, the Debt Service Reserve Requirement with respect to the Series 2024 Bonds initially will be \$21,673,037.50, which is to be satisfied by the deposit of the debt service reserve insurance policy purchased with a portion of the proceeds of the Series 2024 Bonds. See **APPENDIX J – “Specimen Debt Service Reserve Insurance Policy.”**

Debt Service Stabilization Fund. After making all required monthly deposits to or for the Operation and Maintenance Fund, the Debt Service Account, the Debt Service Reserve Account, the Arbitrage Rebate Fund, the payment of any Subordinated Indebtedness, the Renewal and Replacement Fund and the City Sub-Account in the Revenue Fund, the City will deposit the remaining Revenues in the Revenue Fund (i) in Fiscal Year 2024 and (ii) in each Fiscal Year thereafter, into the Debt Service Stabilization Fund up to an amount sufficient to cause the amount on deposit therein to equal the Debt Service Stabilization Fund Requirement. The Debt Service Stabilization Fund Requirement is an amount equal to 35% of the maximum annual Debt Service on the Bonds due in the then-current or any future Airport Fiscal Year, subject to change as described below. After such deposits, any remaining GARB Revenues will be deposited in the Development Fund and any remaining unused Pledged PFC Revenues will be deposited in the PFC Account.

Amounts on deposit in the Debt Service Stabilization Fund may be withdrawn and used for (1) monthly transfers to the Trustee for deposit to the Debt Service Account to the extent necessary to replenish any deficiency or deficiencies therein, (2) emergency debt service needs with respect to Outstanding Bonds, Subordinated Indebtedness or other indebtedness issued for Airport purposes and (3) Airport operational emergencies.

Notwithstanding the foregoing, after the Net Revenues for three consecutive Airport Fiscal Years equals at least 1.60 times the Aggregate Adjusted Debt Service for such Airport Fiscal Years, the Comptroller, upon the receipt of a request of the Airport Commission, may determine to reduce or eliminate the Debt Service Stabilization Fund Requirement and/or eliminate the Debt Service Stabilization Fund.

The balance in the Debt Service Stabilization Fund was approximately \$38.2 million as of June 30, 2023, including the amounts described above. For additional information regarding the Debt Service Stabilization Fund, see **APPENDIX C — “Summary of Certain Provisions of the Indenture — Description of Funds Established by the Indenture — Debt Service Stabilization Fund.”**

Under the AULAs (as defined herein), the City is using a portion of the Debt Service Stabilization Fund held under the Indenture in order to mitigate rates on an annual basis during the term of the AULAs. In each Fiscal Year in which the City determines to mitigate rates, the City will withdraw an amount not to exceed \$13.7 million from the Debt Service Stabilization Fund and deposit such amount in the Revenue Fund, with the expectation that such amount will be redeposited in the Debt Service Stabilization Fund during the subsequent Fiscal Year. The amounts so deposited in such years will be included in GARB Revenues and the debt service coverage calculations for such years. For additional information see **APPENDIX A – “Financial Feasibility Report of the Airport Consultant – Financial Analysis”** herein.

Outstanding Bonds, Additional Bonds and Refunding Bonds

Outstanding Bonds. The following series of Bonds constitute the Outstanding Bonds under the Indenture, as of May 15, 2024.

<u>Title</u>	<u>Dated Date</u>	<u>Original Amount of Issue</u>	<u>Amount Outstanding</u>
Airport Revenue Refunding Bonds, Series 2005 (Non-AMT)	July 7, 2005	\$263,695,000	\$145,995,000
Airport Revenue Refunding Bonds, Series 2007A (Non-AMT)	January 23, 2007	231,275,000	34,105,000
Airport Revenue Refunding Bonds, Series 2017A (Non-AMT)	June 28, 2017	125,410,000	45,790,000
Airport Revenue Refunding Bonds, Series 2017B (AMT)	June 28, 2017	74,715,000	31,240,000
Airport Revenue Bonds, Series 2017C (Non-AMT)	June 28, 2017	31,700,000	31,700,000
Airport Revenue Bonds, Series 2017D (AMT)	June 28, 2017	26,605,000	26,605,000
Airport Revenue Bonds, Series 2019A (Non-AMT)	June 27, 2019	13,235,000	13,235,000
Airport Revenue Bonds, Series 2019B (AMT)	June 27, 2019	8,440,000	7,340,000
Airport Revenue Refunding Bonds, Series 2019C (Non-AMT)	June 27, 2019	75,470,000	75,470,000
Airport Revenue Refunding Bonds, Series 2022A (Non-AMT)	May 24, 2022	14,335,000	13,390,000
Airport Revenue Bonds, Series 2023A (Non-AMT)	February 9, 2023	60,080,000	60,080,000
Airport Revenue Bonds, Series 2023B (AMT)	February 9, 2023	<u>4,855,000</u>	<u>4,855,000</u>
Total		<u>\$947,125,000</u>	<u>\$489,805,000</u>

The City maintains an investor information website at <http://buystlbonds.com> containing information on indebtedness of the City. *However, information on this website has not been verified for*

accuracy, timeliness or completeness and is not a part of this Official Statement and no such information is incorporated herein by this reference.

Additional Bonds. Additional Bonds, equally and ratably secured under the Indenture on a parity with Outstanding Bonds, including the Series 2024 Bonds, may be authorized and issued by the City upon satisfaction of certain conditions for the purpose of providing funds for costs of construction of Additional Projects, consisting of the extension, improvement, acquisition, construction and enlargement of the Airport. The City may issue Additional Bonds for an Additional Project only if (i) sufficient bonding authority remains pursuant to the Voter Approval and (ii) the Additional Bonds Test under the Indenture is met, including receipt by the Trustee of certain certificates, reports and information, including, but not limited to, the following:

1. An Accountant's Certificate setting forth (a) the Net Revenues of the Airport for any period of 12 consecutive calendar months out of the 18 months next preceding the authentication and delivery of such Additional Bonds, and (b) the Aggregate Adjusted Debt Service for such 12-month period, and demonstrating that for such 12-month period that Net Revenues equaled at least 1.25 times the Aggregate Adjusted Debt Service; and

2. A certificate of an authorized officer of the City demonstrating that, among other things, the estimated Net Revenues of the Airport for each of the three Fiscal Years following the Fiscal Year in which the Additional Project will be completed is at least equal to 1.25 times Aggregate Adjusted Debt Service for each of such three Fiscal Years.

The Indenture contains a covenant (applicable so long as certain Bonds authorized thereby are Outstanding) which provides that the amount of Pledged PFC Revenues that may be counted for the purpose of meeting the Additional Bonds Test for any Fiscal Year may not exceed 125% of the sum of the outstanding and proposed PFC-eligible debt service for such Fiscal Year.

The Series 2024 Bonds are being issued as Additional Bonds.

See APPENDIX C – “Summary of Certain Provisions of the Indenture – Additional Bonds.”

Refunding Bonds. Refunding Bonds, equally and ratably secured under the Indenture on a parity with Outstanding Bonds, including the Series 2024 Bonds, may be authorized and issued by the City upon satisfaction of certain conditions, for the purpose of refunding all or a portion of the principal and/or interest components of Outstanding Bonds, Subordinated Indebtedness (described below) or Special Facilities Indebtedness (described below).

Refunding Bonds may be issued only upon receipt by the Trustee of certain certificates, reports and information, including, but not limited to, either of the following: (1) a certificate of an Authorized Officer of the City setting forth (a) the Aggregate Debt Service and the Aggregate Adjusted Debt Service for the then current and each future Fiscal Year to and including the Fiscal Year next preceding the date of the latest maturity of any Bonds of any Series then Outstanding (i) with respect to the Bonds of all Series Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds and (ii) with respect to the Bonds of all Series to be Outstanding immediately thereafter, and (b) that the Aggregate Debt Service and the Aggregate Adjusted Debt Service set forth for each Airport Fiscal Year pursuant to (ii) above are not greater than the corresponding amounts set forth for such Airport Fiscal Year pursuant to (i) above; or (2) the certificates required by the Indenture evidencing that the Additional Bonds Test has been met, considering, for all purposes of such test, that such Refunding Bonds are Additional Bonds, subject to certain exceptions.

See APPENDIX C – “Summary of Certain Provisions of the Indenture.”

Subordinated Indebtedness and Special Facilities Indebtedness

The Indenture permits the City to issue or refund bonds, notes, commercial paper, certificates, warrants or other evidence of indebtedness payable as to principal and interest from the Revenue Fund and the Revenues, subject and subordinate to the deposits and credits required to be made therefrom to the Debt Service Account and the Debt Service Reserve Account, and to secure such bonds, notes, commercial paper, certificates, warrants or other evidences of indebtedness and the payment thereof by a lien and pledge on the Revenues junior and inferior to the lien and pledge on the Revenues created under the Indenture for the payment of and security on the Bonds (the “***Subordinated Indebtedness***”). As of the date of this Official Statement, there is no subordinated debt outstanding.

At any time after authorization, but prior to the issuance of Subordinated Indebtedness, the City must furnish to the Trustee a certificate of the City with respect to the specific principal amount of Subordinated Indebtedness proposed to be issued (the “***Certified Amount***”) that provides as follows: annual estimated Net Revenues available, after payment of Debt Service of the Outstanding Bonds, for each of the three Airport Fiscal Years following the Airport Fiscal Year in which it is estimated that the Airport has beneficial occupancy of the Airport project to be financed or refinanced (in whole or in part) from the proceeds of such Certified Amount, will be at least equal to 1.10 times the sum of (1) estimated debt service on the Certified Amount proposed to be issued, (2) debt service on all outstanding Subordinated Indebtedness, and (3) estimated debt service on any other previously Certified Amounts to the extent that such Certified Amounts are not outstanding but are still authorized and available to be issued.

The Indenture permits the issuance of obligations other than Bonds by the City or otherwise (“***Special Facilities Indebtedness***”) for the purpose of financing capital improvements or facilities to be located on Airport property, provided that such Special Facilities Indebtedness is not payable from Revenues. Special Facilities Indebtedness must be payable solely from rentals and other charges derived from a lease, sale or other agreement with the person, firm or corporation utilizing such Special Facilities. Prior to the issuance of the Special Facilities Indebtedness, there must be filed with the Trustee a certificate of the Airport Consultant certifying that (i) the estimated rentals, payments and other charges (including interest earnings on any reserves) to be paid with respect to such Special Facilities will be at least sufficient to pay the principal of and interest on such Special Facilities Indebtedness, together with all costs of operating and maintaining the Special Facilities and all required sinking fund, reserve and other payments; and (ii) the construction and operation of the Special Facilities to be financed will not decrease the Revenues presently projected to be derived from the Airport. The City is required to charge a fair and reasonable rental for the land upon which any Special Facilities are to be constructed, and such ground rent will be deemed Revenues of the Airport. There currently is no Special Facility Indebtedness outstanding, and the City has no current plans to incur any such Indebtedness. See **APPENDIX C – “Summary of Certain Provisions of the Indenture.”**

The City is currently contemplating the creation of an interim borrowing program which would require authorization from the Board of Aldermen. If authorized, the interim borrowing program would permit the City to incur Subordinated Indebtedness from time to time to provide interim funds to, among other things, finance and refinance the acquisition, construction, renovation and equipping of Airport facilities. Such Subordinated Indebtedness may be retired from time to time with permanent financing through the issuance of Bonds under the Indenture. The City contemplates that the aggregate principal amount of Subordinated Indebtedness issued under the interim borrowing program will not exceed \$650 million at any one time.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2024 Bonds, Assured Guaranty Municipal Corp. (“**AGM**”) will issue its Municipal Bond Insurance Policy for the Series 2024 Bonds (the “**Policy**”). The Policy guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“**AGL**”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “**AGO**”. AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “**AA**” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“**S&P**”), “**AA+**” (stable outlook) by Kroll Bond Rating Agency, Inc. (“**KBRA**”) and “**A1**” (stable outlook) by Moody’s Investors Service, Inc. (“**Moody’s**”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On May 28, 2024, S&P announced it had affirmed AGM’s financial strength rating of “**AA**” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On April 30, 2024, Moody’s announced it had affirmed AGM’s insurance financial strength rating of “**A1**” (stable outlook). AGM can give no assurance as to any further ratings action that Moody’s may take.

On October 20, 2023, KBRA announced it had affirmed AGM’s insurance financial strength rating of “**AA+**” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AGM

At March 31, 2024:

- The policyholders’ surplus of AGM was approximately \$2,665 million.
- The contingency reserve of AGM was approximately \$892 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,036 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM’s wholly owned subsidiary Assured Guaranty UK Limited (“**AGUK**”) and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA (“**AGE**”).

The policyholders’ surplus of AGM and the contingency reserves, net unearned premium reserves and net deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (filed by AGL with the SEC on February 28, 2024); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2024 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption “BOND INSURANCE – Assured Guaranty Municipal Corp.” or included in a document incorporated by reference herein (collectively, the “**AGM Information**”) shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Series 2024 Bonds or the advisability of investing in the Series 2024 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE”.

PLAN OF FINANCE

General

The proceeds of the Series 2024 Bonds will be used to: (i) finance a portion of the costs of the 2024 Projects (as defined herein), (ii) purchase a debt service reserve insurance policy to fund the Series 2024 Debt Service Reserve Sub-Account, (iii) finance capitalized interest on the Series 2024 Bonds, and (iv) pay certain of the costs of issuing the Series 2024 Bonds. See “**INTRODUCTION – Use of Proceeds**” and “**ESTIMATED SOURCES AND USES OF FUNDS**” herein.

The 2024 Projects

The 2024 Projects consist of the purchase and construction of various capital improvements under the Airport’s Five-Year Capital Improvement Program, which are described in more detail in Appendix A attached hereto (the “**2024 Projects**”). See “**ESTIMATED SOURCES AND USES OF FUNDS,**” “**AIRPORT CAPITAL IMPROVEMENT PROGRAMS**” and **APPENDIX A - “Financial Feasibility Report of the Airport Consultant – Introduction – 5-Year Capital Improvement Program”** and “**- Funding Plan for the 2024 Projects**” herein.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds of the Series 2024 Bonds and other available funds:

	<u>Series 2024A</u>	<u>Series 2024B</u>	<u>Total</u>
Sources:			
Par Amount	\$279,595,000.00	\$7,765,000.00	\$287,360,000.00
Original Issue Premium	<u>24,374,511.15</u>	<u>357,888.85</u>	<u>24,732,400.00</u>
Total	\$303,969,511.15	\$8,122,888.85	\$312,092,400.00
Uses:			
Deposit to Construction Fund	\$249,836,000.00	\$7,000,000.00	\$256,836,000.00
Capitalized Interest	50,186,797.22	1,007,832.30	51,194,629.52
Costs of Issuance ¹	<u>3,946,713.93</u>	<u>115,056.55</u>	<u>4,061,770.48</u>
Total	\$303,969,511.15	\$8,122,888.85	\$312,092,400.00

¹ Includes Underwriters' discount and legal, accounting, administrative, miscellaneous fees and expenses, and premiums for the Bond Insurance Policy and the Debt Service Reserve Insurance Policy.

DEBT SERVICE REQUIREMENTS

The following table summarizes the debt service payments to be made by the City for all Outstanding Bonds, including the Series 2024 Bonds, based on when payments are required to be sent to the Trustee.

Period Ending <u>July 1</u>	Outstanding Bonds <u>Debt Service</u>	Series 2024A Bonds		Series 2024B Bonds		Total Net <u>Debt Service</u>
		<u>Principal</u>	<u>Interest¹</u>	<u>Principal</u>	<u>Interest¹</u>	
2024	\$56,372,744 ²	-	-	-	-	\$56,372,744
2025	74,066,913	-	-	-	-	74,066,913
2026	62,950,638	-	\$244,056	-	-	63,194,694
2027	62,954,900	-	2,874,977	-	\$237,803	66,067,680
2028	56,045,676	-	4,987,204	-	407,663	61,440,543
2029	56,036,251	-	14,373,625	-	407,663	70,817,539
2030	56,043,401	-	14,373,625	-	407,663	70,824,689
2031	56,045,200	-	14,373,625	-	407,663	70,826,488
2032	25,295,501	\$6,890,000	14,373,625	-	407,663	46,966,789
2033	19,162,000	7,235,000	14,029,125	-	407,663	40,833,788
2034	19,158,750	7,595,000	13,667,375	-	407,663	40,828,788
2035	9,252,250	7,975,000	13,287,625	-	407,663	30,922,538
2036	9,251,000	8,375,000	12,888,875	-	407,663	30,922,538
2037	9,252,750	8,795,000	12,470,125	-	407,663	30,925,538
2038	8,321,750	9,235,000	12,030,375	-	407,663	29,994,788
2039	8,324,000	9,695,000	11,568,625	-	407,663	29,995,288
2040	8,329,500	10,180,000	11,083,875	-	407,663	30,001,038
2041	8,332,500	10,690,000	10,574,875	-	407,663	30,005,038
2042	8,327,500	11,220,000	10,040,375	-	407,663	29,995,538
2043	8,319,250	11,785,000	9,479,375	-	407,663	29,991,288
2044	8,327,250	12,375,000	8,890,125	-	407,663	30,000,038
2045	8,325,000	12,990,000	8,271,375	-	407,663	29,994,038
2046	8,322,250	13,675,000	7,589,400	-	407,663	29,994,313
2047	8,323,250	14,390,000	6,871,463	-	407,663	29,992,375
2048	4,222,000	15,145,000	6,115,988	-	407,663	25,890,650
2049	4,222,750	15,940,000	5,320,875	-	407,663	25,891,288
2050	2,789,750	15,380,000	4,484,025	\$1,400,000	407,663	24,461,438
2051	2,789,250	16,190,000	3,676,575	1,470,000	334,163	24,459,988
2052	<u>2,787,750</u>	17,035,000	2,826,600	1,550,000	256,988	24,456,338
2053		17,930,000	1,932,263	1,630,000	175,613	21,667,875
2054		<u>18,875,000</u>	<u>990,938</u>	<u>1,715,000</u>	<u>90,038</u>	<u>21,670,975</u>
Total	\$671,951,724	\$279,595,000	\$253,690,988	\$7,765,000	\$10,470,841	\$1,223,473,552

¹ Net of capitalized interest

² Excludes interest paid on January 1, 2024

THE CITY OF ST. LOUIS, MISSOURI

General

The City of St. Louis, Missouri, a constitutional charter city not a part of any county, is organized and exists under and pursuant to its Charter and the Constitution and laws of the State. The Airport is owned by the City and operated by the Airport Authority, under the supervision of the Airport Commission. The Airport Authority was created by ordinance of the Board of Aldermen.

The City is located on the Mississippi River, the eastern boundary of the State, 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.

Government

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 the City’s voters.

The Mayor, elected to a four-year term, is the chief executive officer of the City. The Mayor appoints most department heads, municipal court judges and various 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. See “**AIRPORT MANAGEMENT**” herein.

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 has broad investigative audit powers over all City departments and agencies. The Comptroller has administrative responsibility for all of the City’s contracts, financial departments and accounting procedures.

The legislative body of the City is the Board of Aldermen. Historically, the Board of Aldermen was comprised of 28 Aldermen and a President. One Alderman was elected from each of the City’s 28 wards to serve a four-year term, and Aldermen were elected for one-half of the wards every two years. Terms were staggered, with elections held bi-annually. The President of the Board of Aldermen was elected at large to serve a four-year term. Pursuant to an amendment to the City Charter, approved by the voters of the City in 2012, the number of wards was reduced to 14 beginning in 2022 after the completion of the 2020 Census. On December 14, 2021, the Board of Aldermen passed legislation that divided the City into 14 wards, as required by the 2012 amendment to the City Charter. Further, pursuant to the amendment, Aldermen from odd-numbered wards elected in 2021 would serve two-year terms. At the municipal election held on April 4, 2023, a President and 14 Aldermen were elected with Aldermen elected from odd-numbered wards serving a term of two years and Aldermen elected from even-numbered wards serving a term of four years. In April 2025, Aldermen elected from odd-numbered wards will return to 4-year terms.

The Board of Estimate and Apportionment is primarily responsible for the finances of the City. The Board of Estimate and Apportionment 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. 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.

See APPENDIX A – “Financial Feasibility Report of the Airport Consultant – ECONOMIC BACKGROUND - Demographic Attributes” for additional information on the air service area, including its population, age distribution, foreign-born population, educational attainment, and income characteristics, affect the state of the local economy and local air service demand at the Airport. Positive trends in these attributes help increase local economic activity and demand for air service at the Airport.

THE AIRPORT

The Airport is located in St. Louis County, Missouri, near the center of the St. Louis Missouri-Illinois metropolitan area and approximately 15 miles northwest of the City’s central business district. The Airport is currently classified by the FAA as a “Medium Hub” airport meaning it enplaned at least 0.25% but less than 1% of the total passenger enplanements in the United States in calendar year 2021.

The Airport was originally established by Major Albert Bond Lambert and other aviation pioneers on a 160-acre site. It was acquired by the City in 1929 and subsequently expanded to approximately 3,675 acres. In 2017, the Airport’s name officially changed to St. Louis Lambert International Airport.

According to the ACI’s most recently released traffic report results, the Airport ranked as the 34th largest airport nationwide in terms of total passengers in calendar year 2022. According to Airport records, total enplanements at the Airport for calendar year 2023 were approximately 7.4 million, representing an increase of 8.9% from the prior calendar year, but a 6.4% decrease from calendar year 2019. Of the total calendar year 2023 enplanements, approximately 78.6% were originating and destination passengers and approximately 21.4% were connecting passengers.¹

Impact of COVID-19 on Operations at the Airport

The Airport marked its fifth straight year of passenger growth in calendar year 2019 serving nearly 15.9 million passengers, an increase of approximately 1.6% over the prior year. During the COVID-19 outbreak, however, the Airport, similar to other airports around the nation, experienced declines in many financial and operating metrics. The economic impact of COVID-19 on air travel at the Airport became evident in April 2020, when the Airport experienced enplanement declines of approximately 95.8% when compared to April 2019. Gradual increases in enplanements and landed weight have since brought these metrics back to near 2019 levels.

The following discussion provides information on the gradual recovery underway at the Airport along with forecasts of Fiscal Year outcomes and budgets and how they may be impacted as the recovery continues.

¹ Please note that other enplanement statistics contained in this Official Statement are based on the Airport’s Fiscal Years and will vary slightly from the amounts cited herein.

Impact of COVID-19 on Enplanements and Operational Data

The following table provides a comparison of selected operational information which includes actual results for Fiscal Year 2019 through Fiscal Year 2023 and forecasted results for Fiscal Year 2024.

Enplanements and Operational Comparisons

	Fiscal Year 2019 <u>Actual</u>	Fiscal Year 2020 <u>Actual</u>	Fiscal Year 2021 <u>Actual</u>	Fiscal Year 2022 <u>Actual</u>	Fiscal Year 2023 <u>Actual</u>	Fiscal Year 2024 <u>Forecasted</u>
<u>Enplanements*</u>						
(In Thousands)						
Origination and Destination	6,080	4,463	2,808	5,092	5,686	6,078
Connecting	<u>1,836</u>	<u>1,307</u>	<u>697</u>	<u>1,205</u>	<u>1,496</u>	<u>1,606</u>
Enplanements	7,915	5,771	3,505	6,297	7,183	7,684
Landed Weights (Million pounds) ¹	9,164	7,933	5,760	7,903	8,721	9,462
Departures (Thousands) ¹	87.5	73.5	52.8	67.2	70.1	72.9

*Totals may vary due to rounding.

¹ Excludes general aviation activity.

Source: Airport records.

As of the date hereof, the Airport is assuming Fiscal Year 2024 enplaned passengers will achieve 97.1% of the Fiscal Year 2019 enplaned passenger level.

Through calendar year 2023, Southwest Airlines (“*Southwest*” or “*Southwest Airlines*”) operated an average of 107 departures per day; American Airlines (“*American*” or “*American Airlines*”) operated an average of 27 departures per day; Delta Air Lines (“*Delta*” or “*Delta Air Lines*”) operated an average of 20 departures per day; United Airlines (“*United*” or “*United Airlines*”) operated an average of 19 departures per day; and all other carriers combined operated an average of 21 departures per day. See APPENDIX A – “Financial Feasibility Report of the Airport Consultant Historical Aviation Activity - Financial Feasibility Report — Scheduled Passenger Airline Service” and “ – Forecast Commercial Aviation Activity.”

Unlike passenger traffic, air cargo traffic did not suffer a decline in Fiscal Year 2020 during the COVID-19 pandemic. Total air cargo growth accelerated due to a surge in demand for the shipment of medical supplies, a surge in e-commerce and bottlenecks in other transportation modes. See APPENDIX A – “Financial Feasibility Report of the Airport Consultant —Air Cargo.”

The COVID-19 pandemic caused landings to fall significantly, a reduction of 16% to 73.5 million in Fiscal Year 2020 compared to Fiscal Year 2019, and a further reduction of 28% to 52.8 million in Fiscal Year 2021. The decrease in scheduled flights during the COVID-19 pandemic, however, was proportionately less than the decrease in passenger traffic. In Fiscal Year 2022, landings began to recover, increasing approximately 27% from Fiscal Year 2021 to 67.2 million in Fiscal Year 2022 and increasing approximately 4.3% to 70.1 million in Fiscal Year 2023. See APPENDIX A – “Financial Feasibility Report of the Airport Consultant — Commercial Aircraft Landings and Landed Weight.”

Impact of the COVID-19 Pandemic on Enplanements at the Airport

By 2019, Airport enplanements had reached or exceeded their pre-recession peak level of Fiscal Year 2007. At the beginning of the COVID-19 pandemic, the Airport enplanements faced a slightly harsher decline than nationwide figures, decreasing 27.1% in Fiscal Year 2021 versus the national total decrease of 25.8% during the same time period. See **APPENDIX A – “Financial Feasibility Report of the Airport Consultant — Historical Enplanement Trends at STL”** for additional information on factors affecting enplanements at the Airport.

Information in the table below shows the monthly enplanements, in thousands, at the Airport month by month for Fiscal Year 2019 through Fiscal Year 2023 and for the first six months of Fiscal Year 2024.

<u>Month</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>First 6 months of 2024</u>
July	724	739	262	579	659	720
August	681	684	254	503	618	631
September	631	652	217	486	610	624
October	697	703	238	539	645	689
November	664	623	221	511	586	618
December	630	659	247	492	525	612
January	547	565	198	374	479	
February	531	548	196	389	473	
March	674	303	339	583	616	
April	663	28	358	554	592	
May	734	76	442	642	679	
June	<u>739</u>	<u>190</u>	<u>533</u>	<u>647</u>	<u>701</u>	
Total*	7,915	5,771	3,505	6,299	7,183	

*Totals may vary due to rounding.

Source: Airport records.

Federal Relief from CARES, CRRSA and ARPA

The following table summarizes Federal Relief Proceeds awarded. The Airport has used or expects to use Federal Relief Proceeds to offset operating expenses, debt service and provide concession relief. As noted in the following table, the Airport had approximately \$66.80 million of Federal Relief Proceeds (including from The Coronavirus Aid, Relief, and Economic Security Act (“***CARES Act***”), the Corona Virus Response and Relief Supplemental Appropriations Act (“***CRRSAA***”) and the American Rescue Plan Act (“***ARPA***”) available at the end of Fiscal Year 2023 to further offset operating expenses, debt service and provide concession relief at the Airport.

	Federal Relief Proceeds Expended ¹					Funds Available for Future Use²
	<u>Funds Awarded</u>	Actual 2020	Actual 2021	Actual 2022	Actual 2023	
<i>Federal Relief Available:</i>						
CARES Act	\$ 60.0	\$13.6	\$29.6	\$11.37	\$5.15	\$ 0.29
CRRSA	\$ 15.2	-	-	\$1.59	\$1.17	\$12.44
ARPA	\$ 56.3	-	-	\$1.25	\$0.99	\$54.06
Total Federal Relief ³ Proceeds	\$131.5	\$13.56	\$29.63	\$14.21	\$7.30	\$66.80

¹ The Airport used the actual Federal Relief Proceeds received to cover debt service and operating expenses.

² The Airport can use the remaining Federal Relief Proceeds to provide concession relief and pay for future debt service and/or operating expenses through Fiscal Year 2026.

³ Excludes approximately \$.03 million in FEMA funding.

Source: Airport records.

Cash and Liquidity

As of July 1, 2023, the Airport maintained approximately 623 days cash on hand for operations. The Airport expects to end Fiscal Year 2024 with 615 days cash on hand.

Service Area

The Airport’s primary service area consists of the St. Louis, MO-IL, Metropolitan Statistical Area (the “***St. Louis MSA***”). The St. Louis MSA has an aggregated population of more than 2.8 million people and includes the City; Franklin, Jefferson, Lincoln, St. Charles, St. Louis, and Warren counties in Missouri; and Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe, and St. Clair counties in Illinois. Because of its distant location from other comparable commercial service airports, the nearest one being a 3.5-hour drive away, the Airport has a wider passenger catchment area with more than 6 million residents.

The Airport is the larger of two commercial service airports in the St. Louis MSA. The other airport, MidAmerica Airport (“***MidAmerica***”), is located on the grounds of Scott Air Force Base (“***Scott AFB***”) in St. Clair County, Illinois. MidAmerica has access rights to Scott AFB runways for joint military and civilian use. In exchange for those rights, MidAmerica is responsible for maintenance of the east runway. MidAmerica can accommodate large jet aircraft, and has a four-gate passenger terminal and is served by one passenger airline.

The FAA identifies six general aviation reliever airports for the Airport: Spirit of St. Louis Airport in west St. Louis County, Missouri; St. Louis Downtown Parks Airport in Cahokia, Illinois; St. Louis Regional Airport in Bethalto, Illinois; St. Charles County/Smart Airport in St. Charles County, Missouri; Creve Coeur Airport in St. Louis County, Missouri, and Mid-America St. Louis Airport in Mascoutah, Illinois.

Airfield Facilities and Enplanements

The airfield at the Airport provides four all-weather runways and each runway end is served with an instrument landing system. Landings can be performed in all weather conditions, including the most inclement and adverse situations. See **APPENDIX A – “Financial Feasibility Report of the Airport Consultant – The Airport”** herein.

Terminal Facilities

The Airport’s terminal facilities include Terminal 1 and Terminal 2. Terminal 1 contains approximately 1.01 million usable square feet of building space and is comprised of the Terminal 1 domes and four concourses (Concourses A, B, C and D) with 57 aircraft gates in a mixed configuration. Terminal 2 has approximately 340,000 square feet of building space with 18 aircraft gates (including the four easternmost gates of Concourse D).

Terminal 1 has two active concourses, A and most of C. Concourse A has 15 gates: six are leased by Delta Air Lines, five by United Airlines, one by Air Canada, two City Gates are available for lease or per-turn use and one gate is not currently in use. Concourse C has 29 gates: one is leased by Southern Airways Express, one by Alaska Airlines, seven by American Airlines, two by Frontier Airlines and one by Spirit. Four are available for lease or per-turn use, and 13 gates in Concourse C are not currently in use. Concourse B is available for rental on an occasional basis as a public event space and is not currently in use for airline purposes, but is available as a hold room space for passenger airlines. Concourse D has 13 gates available that are inactive at this time.

Terminal 2 consists of one concourse with 18 gates. Southwest Airlines leases 17 gates in Terminal 2. One City Gate is available for lease or per-turn use. Lufthansa, which began non-stop service to Germany in June 2022, currently uses the City Gate on a per turn basis. Three of the Terminal 2 (one City Gate and two Southwest leased gates) are available for arriving flights requiring United States Customs and Border Protection services. There are no unused gates in Terminal 2.

Metro-Link, the metropolitan area’s light rail system, currently serves the Airport with two stations, one at Terminal 1 and the other at Terminal 2, which provides another mode of transportation to and from the Airport.

Public Parking

The Airport currently has 9,048 public parking spaces. The Terminal 1 and Terminal 2 parking garages have a total of 3,079 garage spaces and surface parking lot spaces total 5,969. In addition to the public parking spaces, the Airport operates two free cell phone parking lots that are open to the public, one is west of Terminal 1, and one is east of Terminal 2. The Airport has set aside 26 parking spaces in the Terminal 2 parking garage for the reserved parking as an added enhancement. The reserved parking program participants pay a premium rate for each reserved space. See also **“CERTAIN AGREEMENTS FOR USE OF THE AIRPORT’S FACILITIES – Concession Agreements”** herein.

Other Facilities

The other Airport facilities owned by the City at the Airport include two off-site office buildings, five warehouse-type buildings designed for the handling and processing of air cargo and other related uses totaling 134,673 square feet located southeast of and connected to the airfield in “Cargo City” and leased to various tenants, eleven shops and service buildings, and hangars leased by American Airlines, Trans States Holdings, Signature Flight Support, and MHS Travel & Charter. In 2016, one of the office buildings was leased on a long-term basis to the Missouri Air National Guard (**“MOANG”**) and one of the buildings in Cargo City was leased on a long-term basis to Southwest Airlines. In 2018, the City took

possession of the former MOANG base site which had been leased by the federal government for decades, and will be demolished using a portion of the proceeds from the Series 2024 Bonds.

The City-owned cargo handling facility has active leases with Federal Express (“FedEx”), United Parcel Service (“UPS”), and Primeflight (the cargo handler for Amazon.com, Inc.). The buildings have 139,340 square feet of cargo space, 338,740 square feet of vehicle parking space and 566,209 square feet of aircraft apron space. The lease agreements for FedEx and UPS, which run concurrently with the AULA, will expire June 30, 2025. The lease agreement with Primeflight will expire August 31, 2025. The facility is fully leased.

Spire Corporation leases a parcel of land from the City for the purpose of operating a compressed natural gas fueling station owned by the City. Under the terms of its lease, Spire Inc. pays the City a set ground rental plus a royalty percentage.

In January 2017, the City entered into a long-term lease agreement with Enterprise Leasing Company of St. Louis, LLC for a formerly vacant parking lot known as the “Springdale Lot,” consisting of 17.86 acres of paved land with a small building. The Springdale Lot is used for vehicle storage.

The airline fuel consortium STL Fuel Company, LLC currently leases approximately 88,000 square feet of fuel farm space and in March 2021 completed the development of a replacement fuel farm. The new fuel farm occupies approximately 4,300 square feet and holds nearly three million gallons of above-grade jet fuel. This facility provides approximately twice the fuel storage capacity of the previous fuel farm.

In August 2023, the Airport Commission approved a proposal allowing the Boeing Company (“Boeing”) to lease approximately 185 acres of land for its defense aircraft assembly and testing operations. The proposed facility that will be constructed on the site is expected to be approximately 1.5 million square feet and is scheduled to be completed between 2026 and 2027. The lease also allows Boeing to undertake further expansion after 2027 and involves leasing two additional parcels to the northeast of the airfield consisting of Brownleigh property and the eastern portion of the Northern Tract site.

Other structures at the Airport that are owned by Boeing are subject to ground leases from the City.

Air Carrier Service

Listed below are scheduled air carriers currently serving the Airport (as of May 15, 2024).

Major Air Carriers	Regional Air Carriers	Air Cargo Carriers
Air Canada ¹	Air Wisconsin ² (United)	ABX Air Inc.
Alaska Airlines ¹	Champlain Enterprises, LLC d/b/a CommutAir ²	Air Transport International
American Airlines, Inc. ¹	Envoy ² (American)	Atlas Air
Delta Air Lines, Inc. ¹	GoJet (United) ²	DHL
Frontier Airlines Inc. ¹	Jazz Air	Federal Express ¹
Spirit Airlines ¹	Mesa ² (American, United)	United Parcel Services Co. ¹
Southwest Airlines Co. ¹	Sun Country Inc. ² , d/b/a Sun Country Airlines ^{3 4}	
United Airlines, Inc. ¹	Piedmont Airlines, Inc. (American) ²	
Deutsche-Lufthansa ¹	Pinnacle (Delta) (known as Endeavor Air) ²	
	PSA ² (American)	
	Republic ² (American, United)	
	SkyWest ² (Alaska, Delta, United)	
	Southern Airways Express ¹	
	Swift Air ⁴	
	Viva Aerobus ⁴	
	Horizon Air Industries	

¹ Signatory Airline (holds current AULA).

² Non-Signatory Airline (holds current Operating Agreement and Terminal Building Space Permit) that has been named a Designated Affiliate of a Signatory Airline.

³ Non-Signatory Airline that has not been named a Designated Affiliate of a Signatory Airline.

⁴ Currently serves charter flights only.

Source: Airport records.

Air Canada and Jazz Air ceased operations at the Airport in April 2020 due to international travel restrictions related to the COVID-19 pandemic but returned to the Airport in May 2022. Spirit Airlines and Boutique Air began service at the Airport in May and June 2021, respectively, replacing some service lost during the COVID-19 pandemic. Southern Airways Express, Viva Aerobus and Lufthansa began service at the Airport in calendar year 2022. Avelo Airlines is expected to begin service at the Airport in June 2024.

Airline Market Shares

Based on Fiscal Year 2023 enplanements, Southwest Airlines is currently the dominant carrier at the Airport, accounting for 61.4% of the enplanements, followed by American Airlines and its affiliates, which accounted for 15.2% of the enplanements, Delta Air Lines which accounted for 10.0% of the enplanements and United Airlines, which accounted for 5.5% of the enplanements.

For the last five Fiscal Years, the number (in thousands) of enplanements and corresponding shares of the four largest carriers (including affiliate airlines) were as set forth below for Fiscal Years 2019 through 2023:

Enplanements*	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Southwest	4,801	3,489	2,161	3,636	4,410
American	1,195	921	564	1,078	1,089
Delta	845	608	313	638	716
United	<u>520</u>	<u>378</u>	<u>206</u>	<u>387</u>	<u>394</u>
Total	7,361	5,396	3,244	5,739	6,609
All Others	<u>554</u>	<u>375</u>	<u>261</u>	<u>558</u>	<u>573</u>
Total Enplanements	7,915	5,771	3,505	6,297	7,183

Market Share	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Southwest	60.7%	60.5%	61.7%	57.7%	61.4%
American	15.1%	16.0%	16.1%	17.1%	15.2%
Delta	10.7%	10.5%	8.9%	10.1%	10.0%
United	<u>6.6%</u>	<u>6.5%</u>	<u>5.9%</u>	<u>6.2%</u>	<u>5.5%</u>
Total	93.0%	93.5%	92.6%	91.1%	92.0%
All Others	7.0%	6.5%	7.4%	8.9%	8.0%

Note: American, Delta and United enplanements include their regional affiliates.

*Totals may vary due to rounding.

Source: Airport records.

See **APPENDIX A – “Financial Feasibility Report of the Airport Consultant — Commercial Aviation Activity – Airline Market Shares”** herein.

Passenger Enplanements

Passenger enplanements at the Airport are categorized as either origination and destination (“*O&D*”) activity or connecting activity. The following table shows the O&D activity and connecting activity for the period from Fiscal Year 2019 through Fiscal Year 2023. O&D activity is influenced by local market factors and trends which track economic and demographic trends. Connecting activity is determined primarily by airlines’ network strategies.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT O&D AND CONNECTING ENPLANEMENTS Fiscal Years 2019 – 2023 (In thousands)

Fiscal Year	O&D		Connecting		Total Enplanements*
	<u>Actual</u>	<u>Share</u>	<u>Actual</u>	<u>Share</u>	
2019	6,080	76.8%	1,836	23.2%	7,915
2020	4,463	77.3%	1,307	22.7%	5,771
2021	2,808	80.1%	697	19.9%	3,505
2022	5,092	80.9%	1,205	19.1%	6,297
2023	5,686	79.2%	1,496	20.8%	7,183

*Totals may vary due to rounding.

Source: Airport records.

See **APPENDIX A “Financial Feasibility Report of the Airport Consultant — Commercial Aviation Activity – Origin & Destination and Connecting Traffic”** herein.

Recent Air Service Trends

Air travel at the Airport increased in Fiscal Year 2023 when compared to Fiscal Year 2022 with enplaned passengers increasing by 14.1% to 7.2 million and aircraft landings increasing by 4.3% from Fiscal Year 2022. See **“THE AIRPORT – Impact of COVID-19 on Operations at the Airport – Impact of the COVID-19 Pandemic on Enplanements at the Airport” and APPENDIX A - “Financial Feasibility Report of the Airport Consultant.”**

Air Cargo Project

The City also owns former aircraft production facilities and grounds of approximately 61 acres on the north side of the Airport’s airfield for which it had entered into a long-term lease agreement with Bi-National Gateway Terminal, LLC (**“Bi-National”**) for the development, construction, and operation of an air cargo Dual Customs facility (for the processing of customs with the United Mexican States). The lease agreement granted Bi-National the right to redevelop the leased premises to accommodate, handle, and support air cargo operations and distribution facilities on the leased premises. On May 28, 2019, the City notified Bi-National in writing that it was exercising its right under the lease agreement to terminate the lease agreement and to revoke Bi-National’s leasehold rights to the leased premises as of May 28, 2019. The Bi National Gateway lease is no longer in force and effect. The Airport is in litigation with the former tenant.

CERTAIN AGREEMENTS FOR USE OF THE AIRPORT’S FACILITIES

Airport Use and Lease Agreements, Operating Agreements and Cargo Agreements

On July 1, 2016, the City entered into substantially identical Airport Use and Lease Agreements (individually with respect to each air carrier, an **“AULA”** and, collectively with respect to all applicable air carriers, the **“AULAs”**) or Airline Operating Agreements (individually with respect to each air carrier, an **“Operating Agreement”** and, collectively with respect to all applicable air carriers, the **“Operating Agreements”**) and, in some instances, Cargo Addenda (individually with respect to each air carrier, a **“Cargo Addendum”** and, collectively with respect to all applicable air carriers, the **“Cargo Addenda”**) with all major and regional air carriers serving the Airport, the last of which was scheduled to expire June 30, 2021. However, the Airlines and Airport management mutually agreed to extend the terms of the AULAs through June 30, 2025, and it is expected that the AULAs will be extended for an additional two years through June 30, 2027. The extended AULAs will preserve the underlying rate methodology and rate-making procedures of the expired AULAs. The AULAs set forth the procedures for calculating landing fees and terminal building space rentals, as well as certain other fees and charges as further discussed below.

Airport Use and Lease Agreement (AULAs)

All air carriers operating at the Airport pursuant to an AULA constitute **“Signatory Airlines.”** The AULAs grant the Signatory Airlines the right to use, as applicable, the airfield and the terminal building, including the concourses and related facilities, for the business of air transportation with respect to persons, property, cargo and mail and provide for the payment of rentals, fees and charges by the Signatory Airlines.

In general, the AULAs use a hybrid compensatory rate methodology whereby the Signatory Airlines agree to pay their portion of the costs of operating the airfield and terminals, to the extent such costs are not covered by the Signatory Airline revenues, non-airline revenues and other available funds. In addition, when applicable, the Airport may require the Signatory Airlines to pay additional costs associated with the operation of the Airport, including debt service, in order to meet all Airport costs in any given Fiscal Year. See **APPENDIX A - “Financial Feasibility Report of the Airport Consultant**

– **Airline Operating and Lease Agreements - Additional Airline Requirement.**” As such, the hybrid compensatory methodology places the risk of any unrecovered cost with the Signatory Airlines. Landing fees and terminal building space rentals are computed based on formulas provided in the AULAs. See **APPENDIX D - “Summary of Certain Provisions of the AULAs and the Operating Agreements.”**

Rentals, fees and charges are assessed to the Signatory Airlines to support the primary activities of the Airport — the airfield and the terminal complex (including Terminal 1 and Terminal 2), pursuant to formulas set forth in the AULAs. The minimum landing fee commitment is \$1,800,000 for Signatory Airlines over the term of the Use Agreement. The AULAs permit the City to adjust rentals, fees and charges for each rate period to reflect overpayments and underpayments that occurred during the preceding rate period, and, to the extent necessary, replenish reasonable reserves for uncollected revenues.

Before undertaking any capital improvement not listed in the pre-approved Five-Year Capital Improvement Program, the City must notify the Signatory Airlines and request MII approval for each such capital improvement. Notwithstanding the previous sentence, no MII approval is required for capital improvements undertaken: (i) to comply with federal, State, or local law, or regulation; federal policy; grant agreement; airport certification requirements; or mandated by executive order or by an executive agency (State or federal) having jurisdiction over the activities at the Airport; (ii) to comply with a requirement of the Indenture; (iii) as an emergency repair, replacement, or improvement to maintain the Airport’s functional capability; (iv) to settle claims, satisfy judgments, or comply with judicial orders rendered by a court of competent jurisdiction against the City and pertaining to the Airport; (v) to repair casualty damage at the Airport not covered by insurance proceeds; (vi) to acquire land or rights to land to mitigate aircraft noise, or provide for sound insulation as part of a noise compatibility program approved by the federal government in accordance with the provisions of 14 C.F.R. Part 150; (vii) to conduct an environmental investigation and remediation at the Airport as required by applicable environmental laws and environmental permits and/or attributed to hazardous materials left on City property in excess of applicable remediation standards derived by applicable governmental agency or agencies as appropriate for commercial property; provided, however, that the City will use its best efforts to recover such costs from the party at fault, if such party is identified; (viii) to acquire, construct, renovate, or remodel a special facility for which a Signatory Airline or a financially-responsible third party has contractually committed to lease from the City under terms that include sufficient rentals to permit such special facility to be acquired, constructed, renovated, remodeled, administered, operated, maintained and repaired without affecting rents, fees, and charges throughout the Term; (ix) to be fully funded from PFCs; (x) with funds in excess of 6% of Development Fund Deposits made after July 1, 2016. All of the 2024 Projects received MII approval. **“PLAN OF FINANCE,” “ESTIMATED SOURCES AND USES OF FUNDS,” “AIRPORT CAPITAL IMPROVEMENT PROGRAMS” and APPENDIX A - “Financial Feasibility Report of the Airport Consultant – Introduction – Airport Governance – Funding Plan for the 2024 Projects”.**

Operating Agreements

The Operating Agreements are month-to-month operating permits that may be terminated by either party by providing 30-day written notice to the other party. Air carriers electing to operate at the Airport under an Operating Agreement are considered to be “Non-Signatory” Airlines. The Operating Agreements are short-term permits intended to provide flexibility for charter airlines, new entrants that may wish to test the market, and regional airlines that operate at the Airport under a contract with other air carriers. Non-Signatory Airlines are subject to a landing fee rate equal to 125% of the landing fee rate paid by Signatory Airlines (unless the Non-Signatory Airline is designated as an affiliate of a Signatory Airline). A Non-Signatory Airline that requests space in one of the terminal buildings pays a space use fee equal to the terminal rental rate paid by Signatory Airlines.

Cargo Addenda

Cargo air carriers may elect to operate under either a Use Agreement or an Operating Agreement, but must execute the applicable Cargo Addendum which prohibits cargo air carriers from operating from the Airport's passenger terminal buildings. Among other things, the Cargo Addenda require cargo air carriers to arrange for operating space at the Airport separately either with the City or a third-party Airport tenant whose rights include providing such space.

Airport Maintenance

Under the terms of both the AULAs and the Operating Agreements, the City is required to maintain and keep in good repair all of the public areas and facilities of the Airport, including the structures associated with the terminal buildings, the utility systems within the Airport and all other common use systems owned and operated by the City. The Signatory Airlines and the Non-Signatory Airlines are each required to repair, maintain and keep in good condition the premises leased or assigned to each of them, including that portion of the utility systems serving each of their exclusive use facilities.

Rate Mitigation Program

The AULAs establish a rate mitigation program which is structured to provide a continuing incentive for growth in air service at the Airport (the "Rate Mitigation Program"). Subject to the availability of funds and annual appropriations, the City will withdraw from the Debt Service Stabilization Fund in an amount not to exceed \$13.7 million each Fiscal Year for the purpose of mitigating the amount of the then current Rents, Fees, and Charges; provided, however, that the Debt Service Stabilization Fund is required to be replenished annually by an amount equal to the amount appropriated for use in the Rate Mitigation Program during such Fiscal Year. Rate Mitigation Program credits will be allocated among each of the Airline Cost Centers based on the Allocation of Amortization and Debt Service.

Concession Agreements

The City has entered into concession agreements to lease space at the Airport to certain concessionaires who provide food and beverages, news and gifts, and other retail items and/or services to users of the Airport. Concession fees include terminal concessions (food and beverage, news and gifts, and coin devices), public parking, car rentals, space rental, in-flight catering, utility reimbursements and advertising. Below is a more detailed discussion of the changes during the historical and forecast period.

During the Fiscal Year 2019-2023 period, total concession fees increased approximately \$5.4 million at an average annual rate of 2.5%. Concession fees declined between Fiscal Year 2019 and Fiscal Year 2021 by approximately \$20.4 million or 39.2%. Reduced public parking and car rental revenues in Fiscal Year 2020 and Fiscal Year 2021 were the result of a decline in originating passengers and transactions caused by the COVID-19 pandemic. Concession fees in Fiscal Year 2022 increased approximately \$18.8 million or 59.3% over Fiscal Year 2021. The increase was primarily due to an increase in passenger enplanements and a change in parking behavior resulting from the effects of the COVID-19 pandemic. Concession fees continued to increase in Fiscal Year 2023 by approximately \$7.1 million or 14.1% over Fiscal Year 2022 primarily due to increased parking and car rental revenues as a result of increasing passenger traffic.

There are eight car rental companies that currently operate at the Airport: Avis, Budget, Payless, Enterprise, Thrifty, Alamo, National, and Missouri Rental & Leasing (dba Dollar Rent-A-Car). Hertz operates off-site from the Airport. New rental car concession agreements began April 1, 2024 starting a 5-year term. Under such agreements, the Airport receives the greater of the Minimum Annual Guarantee or 10% of the gross receipts from each concessionaire.

See APPENDIX A - “Financial Feasibility Report of the Airport Consultant – Financial Analysis – Concession Fees” hereto.

Federal Policy on Air Carrier Rates and Charges

The Federal Aviation Administration Authorization Act of 1994, as amended, requires airport fees to be “reasonable” and provides a mechanism by which the Secretary of Transportation can review rates and charges complaints brought by air carriers. The provisions of such Act do not apply to fees imposed pursuant to a written agreement with air carriers using airport facilities. There is currently no dispute between the City and any of the air carriers operating at the Airport over any existing or proposed rates and charges. There is no assurance, however, that such disputes will not arise in the future.

AIRPORT MANAGEMENT

Introduction

The Airport is owned by the City and operated by the Airport Authority. The Airport Authority was created by the City’s Board of Aldermen by an ordinance adopted in 1968 and consists of the Airport Commission, the Airport Authority’s Chief Executive Officer and other managers and personnel required to operate the Airport. The Chief Executive Officer of the Airport Authority is the Airport Director who is appointed by the Mayor for a term that runs concurrently with the Mayor’s term of office or until his or her successor is appointed.

The Airport Commission is responsible for the planning, development, management and operation of the Airport. The Airport Commission currently consists of the Airport Director, who serves as Chair of the Airport Commission, the Comptroller of the City, the President of the Board of Aldermen, the Chair of the Transportation and Commerce Committee of the Board of Aldermen, six members appointed by the Mayor, five members appointed by the County Executive of St. Louis County, Missouri, one member appointed by St. Charles County, Missouri, and one member appointed by St. Clair County, Illinois. The present members of the Airport Commission are set forth in the front portion of this Official Statement.

Airport Staff

The Airport Commission and the Airport Director have an Airport staff to aid them in carrying out their responsibilities. Key members of the Airport staff include the following:

Rhonda Hamm-Niebruegge, Director of Airports, has served in this capacity since January 2010. Ms. Hamm-Niebruegge has more than two decades of aviation management experience with key leadership positions with Ozark Airlines, Trans World Airlines and American Airlines. She previously served as American Airlines Managing Director, St. Louis Operations. In her role as Director of Airports, she manages over 500 employees and is also Chairperson of the Commission. In addition, she serves as Chairperson of the Airport Oversight Committee for the past two years and currently serves as a board member, while also serving as Chairperson for the Christian Hospital Board and a board member for BJC Healthcare.

Jerry Beckmann, P.E., Airport Deputy Director of Planning and Development, has served in this capacity since October of 2013. Mr. Beckmann was previously the Assistant Director of Engineering, a position he held for four years. Mr. Beckmann is responsible for the planning, contracting and executing of all construction projects at the Airport, and coordinating the long-range Master Plan goals for all airfield and Airport properties. In addition, he is responsible for the Airport’s environmental compliance and employee safety initiatives.

David Kulinsky has served as Airport Deputy Director of Operations and Maintenance since September 2023 and is responsible for Airfield and Building Operations, Security Operations, Emergency

Planning and manages compliance with all FAA airport operational regulations and standards. He is also responsible for multiple operating departments, including Airfield and Grounds Maintenance, the Airport Operations Center, Airport Building Maintenance, Airport and Airfield Electrical Maintenance, Housekeeping, and Airport Police Department. Mr. Kulinsky joined the Airport in September 2015 as the Assistant Director of Operations.

Antonio Strong, C.P.A., was named Deputy Director of Finance and Administration in July of 2015. He was formerly the Airport Assistant Director of Finance and Administration. Mr. Strong leads all Airport finance and business units including Finance and Accounting, the Properties Department and the Business Diversity Development Office. Mr. Strong brings 20 years of experience in accounting and management to the Airport.

Airport Employees

For Fiscal Year 2024, the Airport has 457 budgeted full-time employee positions and an additional 62 City firefighter personnel assigned to the Airport. Airport employees are not entitled to strike under Missouri law, because the Airport, as a department of the City, is not subject to collective bargaining. Airport employees are covered by the City's pension plan. See **APPENDIX B - "Audited Financial Statements of the Airport for the Fiscal Year Ended June 30, 2023"** for additional information on the pension plan.

Risk Management

The Airport participates in the Settlement Fund, an internal service fund of the City. The purpose of the Settlement Fund is to account for risks in which the City is self-funded, primarily workers' compensation, certain general liability, and various other claims and legal actions. All self-funded claims liabilities and payments are recorded in the Settlement Fund. The Airport reimburses the Settlement Fund for workers' compensation claims on a cost-reimbursement basis.

The Airport purchases commercial insurance for risks that are significant and which are not covered by the City's self-funded program. Such coverages include commercial general liability, with enhancements to the war risk limit to \$350 million (covers war, hostilities, terrorism, strikes, riot, civil commotion, labor disturbances, malicious acts, acts of sabotage, confiscation/restraint/seizure by civil authority, hijacking and other unlawful seizure of aircraft or crew), property damage which includes business interruption and coverage for the fine arts, public entity officials' liability which includes employment practices liability, employee dishonesty, business automobile, inland marine for large equipment, crime, and cyber liability.

The Airport has a commercial liability policy with a limit of \$350 million. The Airport's property insurance has a limit of \$750 million. The Airport also has an automobile policy with total coverage of \$40 million, large equipment coverage of \$28 million, public entities and employment practices coverage of \$7 million, governmental entities crime coverage of \$1 million and cyber liability coverage of \$3 million. All policies expire October 1, 2024, with the exception of the governmental entities crime coverage and the cyber liability coverage which expire March 15, 2025.

AIRPORT CAPITAL IMPROVEMENT PROGRAMS

Responsibility for asset management and improvements to the Airport facilities and operations is covered by the Airport's Five-Year Capital Improvement Program (the "**CIP**"). The CIP is a near-term, five-year agenda that identifies capital projects and equipment purchases, provides an implementation schedule, and specifies options for financing individual projects. Essentially, the program provides linkage between the FY2015-2020 Strategic Plan and the Master Plan with the annual budget of the Airport. See "**THE AIRPORT - Planning**" herein.

The City's ability to finance Airport improvements is subject to numerous factors. Among the most prominent is the amount of Revenues generated by the Airport. This determines the ability of the Airport to include appropriate amounts of capital expenditures in the rates and charges of airlines using the Airport.

Equally prominent is the availability of funds under federal and state grant programs, and the ability of the City to issue Additional Bonds or other indebtedness for Airport purposes. This would include the City's ability to meet the test for the issuance of Additional Bonds under the Indenture and to comply with legal requirements relating to the incurrence of indebtedness. See "**THE SERIES 2024 BONDS - Outstanding Bonds, Additional Bonds and Refunding Bonds**" herein.

Majority-In-Interest

The Use Agreement contains provisions for inclusion of Airline(s) input to the CIP. The Signatory Airlines that participate with a Use Agreement subject each capital project to review and MII approval. If a proposed capital project is approved by Airline MII, the City may proceed with implementation in accordance with the proposed funding and schedule.

2023 STL Annual Report

As a follow up to the previous FY2015-2020 Strategic Plan highlights and the 2022 STL Annual Report, in March 2024 Airport management produced a report entitled 2023 STL Annual Report. For a more complete summary of the 2023 STL Annual Report, see **APPENDIX A - "Financial Feasibility Report of the Airport Consultant – 2023 State STL Annual Report"** herein. Key accomplishments discussed in the report include the following:

- Master Plan Approval – The Airport received approval from the FAA for its Master Plan. The Master Plan calls for, among other projects, the consolidation of all commercial passenger activities into a single new terminal defined as the consolidated terminal program. Airport management and the Signatory Airlines and their representatives continue to discuss the merits of moving forward with the Master Plan.
- Boeing Expansion at STL – In August 2023 the Airport Commission approved a proposal allowing Boeing to lease approximately 185 acres of land for its defense aircraft assembly and testing operations. The lease results in a commitment of approximately \$2.6 million annually from Boeing with potential increases after the seventh year based on consumer price indexing.
- Financial Overview – The financial overview identified key on-going objectives to be managed by the Airport's Finance and Administration Division. Several key factors included retaining a stable or improved bond rating from major rating agencies, continuing improvement in enplanement growth in Fiscal Year 2023, achieving a stronger increase in O&D enplanement by 24 percent; Airport management continues to experience double digit increases in operating revenues primarily attributed to (1) increase in travelers at STL, (2) concession growth, and (3) more demand for parking.
- STL Air Service STL enplanement activity is trending toward reaching the 2019 level by late Fiscal Year 2024 based on the enplanement trends in Fiscal Year 2023. Airport management is anticipating a stronger Fiscal Year 2024 based on a debut from Lufthansa Airlines marked by the first non-stop flights from the Airport to continental Europe in over 20 years and the introduction of Avelo Airlines in June 2024. Additional service offerings from Frontier, Southwest Airlines, Air Canada and Delta Airlines also contributed to the increase passenger traffic in Fiscal Year 2023 and Fiscal Year 2024.

- STL Engineering Projects received the approval from the FAA of the revised Master Plan totaling \$2.8 billion in May 2023, representing a major milestone that signifies a strategic advance in addressing and accommodating the escalating demand for air travel.
- STL Properties accomplished a major initiative in 2023 by rebuilding stronger concessions post-pandemic, including finalizing an extensive renovation plan in 2024 for Terminal 2. Concessionaires also made significant reinvestment to update offerings and provide an improved passenger experience.

See **APPENDIX A - “Financial Feasibility Report of the Airport Consultant – INTRODUCTION - 2023 State STL Report Highlights.”**

Five-Year CIP

The Airport is currently operating under a two-year extension of the AULA, which is scheduled to expire June 30, 2025, but is expected to be extended for an additional two years through June 30, 2027. See **“CERTAIN AGREEMENTS FOR USE OF THE AIRPORT’S FACILITIES – Airport Use, Operating and Cargo Agreements”** herein. Therefore, due to a shorter AULA, the Airport did not receive the customary pre-approval for the 5-Year Capital Improvement Program for Fiscal Years 2024-2028 (FY2024-2028 CIP). The FY2024-2028 CIP totaling \$567.5 million contains various projects within key Airport cost centers including: Airfield (\$313.6 million); and Terminal 1 and 2 shared projects (\$227.8 million). The remainder of the projects are within the parking, roads and cargo/other cost centers. See **APPENDIX A - “Financial Feasibility Report of the Airport Consultant – The Airport”** for a list of projects and the potential funding sources for the Fiscal Year 2024 to Fiscal Year 2028 period.

The Airport and the City are discussing moving forward with the replacement of the Airport’s two existing terminals. The Airport, the City, FAA personnel, representatives of both the passenger and cargo Airlines serving the Airport, economic development agencies, St. Louis County and the public have been involved in the planning process. Several steps must be taken before any plan is finalized including Signatory Airlines authorization of a Third Amendment to the AULA to extend the agreement an additional two years to June 2027, engineering studies, an environmental analysis, airline negotiations, financing and architectural design. Funding sources for the proposed terminal would include, but not be limited to, Additional Bonds, parking fees, federal funds, concession revenues and rents. As this project has not been approved by the Signatory Airlines, neither the costs nor financial impact has been included in the financial projections included **APPENDIX A - “Financial Feasibility Report of the Airport Consultant”**.

Voluntary Airport Low Emission Program

In accordance with the City’s Sustainability Plan, Fiscal Year 2017 marked the City’s entry into the federal Voluntary Airport Low Emission Program (the **“VALE Program”**). The VALE Program is an FAA venture that is designed to improve air quality by reducing sources of airport ground emissions created when fossil fuels are burned.

The program encourages eligible airports to invest in clean technology projects. Like the AIP, the VALE Program offers financial incentives through grants that provide 75% financing for qualified equipment, alternative fuel vehicles, and electric vehicles. The Airport’s 25% matching funds for such projects are subject to Airline Majority-In-Interest approval.

The VALE Program agenda at the Airport is a three-year rolling program extending to Fiscal Year 2025, which will be reviewed and updated annually. The current program identifies \$7.6 million in eligible projects. When implemented many of these energy efficiency projects will also be eligible for rebates from the Airport’s electrical utility provider.

AIRPORT FINANCIAL INFORMATION

Revenues and Expenses

The financial statements of the Airport for Fiscal Year 2023 are included in **APPENDIX B – “Audited Financial Statements of the Airport for the Fiscal Year Ended June 30, 2023”** to this Official Statement and have been audited by KPMG LLP, independent auditors. KPMG LLP, the Airport’s independent auditor, has not been engaged to perform and has not performed, since the date of its report for Fiscal Year 2023 included herein any procedures on the financial statements addressed in the Financial Feasibility Report of the Airport Consultant attached hereto as **Appendix A**. KPMG LLP also has not performed any procedures relating to this Official Statement.

The following table sets forth the historical revenues and expenses and certain Bond-related data of the Airport for Fiscal Years 2019 through 2023. Such Fiscal Year information is based primarily upon the audited financial statements of the Airport for such Fiscal Years.

AIRPORT REVENUES AND EXPENSES AND CERTAIN BOND-RELATED DATA St. Louis Lambert International Airport For Fiscal Years Ending June 30 (\$ 000's)

	Historical ¹				
	2019	2020	2021	2022	2023
Revenues					
Air Carrier Fees ²	\$73,566	\$61,374	\$47,608	\$48,769	\$55,986
Concession Fees	\$52,152	\$42,536	\$31,707	\$50,518	\$57,635
Cargo/Other Revenues	\$14,715	\$16,516	\$14,346	\$16,176	\$16,720
Airline Revenue Mitigation	\$13,728	\$13,728	\$13,728	\$13,728	\$13,728
Interest Income	\$2,738	\$3,504	\$2,365	\$2,247	\$1,979
Total GARB Revenues	\$156,899	\$137,658	\$109,754	\$131,437	\$146,049
Federal Relief Proceeds ³	\$0	\$13,562	\$29,920	\$14,208	\$7,300
PFC Pledged Revenue	\$26,276	\$25,932	\$26,540	\$26,540	\$26,940
Total Revenues	\$183,175	\$177,153	\$166,214	\$172,186	\$180,289
Total Operating Expenses	\$85,740	\$87,033	\$77,595	\$81,413	\$92,469
Net Revenues	\$97,435	\$90,120	\$88,618	\$90,773	\$87,819
Aggregate Annual Debt Service					
On Outstanding GARB Bonds	\$66,410	\$60,310	\$61,708	\$60,029	\$55,317
Debt Service Coverage	1.47	1.49	1.44	1.51	1.59

¹ Financial figures for all years except FY2020 are based on audited financial reports and Airport records. FY2020 figures are based on FY2020 Rates & Charges Settlement.

² Air Carrier Fees include signatory airline fees, non-signatory airline fees, and tenant improvement surcharges.

³ Represents the application of federal stimulus funds the Airport was granted for reimbursement of eligible operating expenses to stabilize airline rates impacted by the COVID-19 pandemic.

The following table sets forth the historical revenues of the Airport for Fiscal Years 2019 through 2023.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
SUMMARY OF HISTORICAL REVENUES
(Fiscal Years Ended June 30)
(In Thousands)

AIRPORT REVENUES	Avg. Annual Growth Rate FY '19-'23	For Fiscal Years Ending June 30					Unaudited First Six Months of Fiscal Year	
		2019	2020	Historical ¹		2023	2024	
				2021	2022	2023	2023	2024
Signatory Airlines								
Airfield Landing Fees	-1.9%	\$56,052	\$48,832	\$37,144	\$44,174	\$51,810	\$23,773	\$27,305
Terminal Rents	-40.3%	14,963	10,044	7,529	1,601	1,905	6,850	6,586
Total	-6.7%	\$71,015	\$58,876	\$44,673	\$45,775	\$53,716	\$30,623	\$33,891
Concession Fees								
Terminal Concessions	0.1%	\$13,511	\$12,724	\$11,592	\$11,888	\$13,589	\$9,727	\$9,418
Public Parking	4.2%	23,737	16,943	10,442	25,272	28,034	15,663	17,128
Car Rentals	3.4%	12,482	11,228	8,436	11,837	14,254	7,635	7,859
Space Rental	-21.5%	1,423	965	929	690	539	18	13
In-Flight Catering	4.1%	309	255	81	232	363	176	194
Other	5.5%	690	421	227	599	855	232	193
Total	2.5%	\$52,152	\$42,536	\$31,707	\$50,518	\$57,635	\$33,451	\$34,805
Other								
Non-Signatory Airlines - Landing Fees	3.4%	\$1,627	\$2,108	\$2,555	\$2,611	\$1,860	\$1,166	\$632
Non-Signatory Airlines-Terminal	-48.4%	553	19	9	12	39	36	15
Total	-3.4%	\$2,180	\$2,127	\$2,563	\$2,623	\$1,899	\$1,202	\$647
Airline Revenue Mitigation ²								
Cargo	44.8%	13,728	13,728	13,728	13,728	13,728	\$6,864	\$6,864
Hangars and Other Buildings	0.1%	619	2,522	2,760	2,628	2,724	1,344	1,370
Tenant Improvement Surcharge	0.0%	829	810	828	888	833	623	670
Terminal EDS Surcharges	4.3%	371	371	371	371	371	185	185
Other Miscellaneous	-1.2%	2,241	2,383	2,480	2,473	2,654	2,209	2,457
Total Other-Operating	1.4%	\$30,995	\$32,742	\$31,009	\$32,898	\$32,719	\$12,427	\$12,193
Total Operating Revenue		\$154,162	\$134,155	\$107,389	\$129,190	\$144,069	\$76,501	\$80,889
Interest Income	-7.8%	2,738	3,504	2,365	2,247	1,979	909	2,936
Total GARB Revenues	-1.8%	\$156,899	\$137,659	\$109,753	\$131,437	\$146,049	\$77,410	\$83,825
Federal Relief Funds ³								
CARES ACT funds			\$13,562	\$29,630	\$11,366	\$5,148		
FEMA funds				291	0	0		
CRRSA funds					1,593	1,165		
ARPA funds					1,250	987		
Pledged PFC Revenue	0.6%	\$26,276	\$25,932	\$26,540	\$26,540	\$26,940	\$13,470	\$15,621
Total Revenues	-0.4%	\$183,175	\$177,153	\$166,214	\$172,186	\$180,289	\$90,880	\$99,446

¹ Financial figures for all years except FY2020 are based on audited financial reports and Airport records. FY2020 figures are based on FY2020 Rates & Charges Settlement.

² Reflects amounts scheduled to be transferred from the Debt Service Stabilization Fund per the AULA.

³ Represents the application of federal stimulus funds the Airport was granted for reimbursement of eligible operating expenses to stabilize airline rates impacted by the COVID-19 pandemic.

Due to the Airport's Fiscal Year ending June 30, 2020, only four months of Fiscal Year 2020 was impacted by the COVID-19 pandemic in contrast to Fiscal Year 2021 having the first full year impact. During this period, total Revenues decreased approximately \$11.0 million, or 6.2%, which was comprised of declines in total Signatory Airline fees of \$14.2 million and total concession fees of approximately \$10.8 million, which will be discussed in more detail below. These declines were offset by a net increase due to a portion of the federal stimulus funds that the Airport was awarded through the CARES Act totaling \$29.6 million. These funds, which were based on eligible operating expenses, were intended to replace lost revenues due to the COVID-19 pandemic, which will be discussed in more detail later in this section. The remaining Revenue accounts had no material changes during the period.

Discussion of Financial Information

The following is a summary of certain financial information provided herein and in **APPENDIX A - "Financial Feasibility Report of the Airport Consultant"** attached hereto.

All dollar amounts in this section are in thousands unless otherwise indicated.

GARB Revenues. GARB Revenues for Fiscal Year 2023 were \$146,049, which represents an increase of \$14,611, or 11.1%, compared to Fiscal Year 2022. The increase is primarily attributed to increases in airline landing fee revenues, which increased by approximately \$7,636 and concession revenues which increased by approximately \$7,117. Total Signatory Airline revenues and concession fees comprised 36.8% and 39.5%, respectively, of GARB Revenues in Fiscal Year 2023. See **APPENDIX A - "Financial Feasibility Report of the Airport Consultant"** attached hereto.

PFC Revenues, Including Pledged PFC Revenues. The Airport collected \$26.9 million in PFC Revenues (including interest) in Fiscal Year 2023, compared to \$23.6 million in PFC Revenues (including interest earnings) in Fiscal Year 2022. The Pledged PFC Revenues for Fiscal Year 2022 were approximately \$26.5 million and are included in total Revenues. The current PFC rate is \$4.50 per passenger. The Airport has received FAA approval to collect and use approximately \$1.1 billion in PFC Revenues through November 2026. Only a portion of the PFC Revenues is pledged under the Indenture. The portion of PFC Revenues that constitutes Pledged PFC Revenues is an amount equal to 125% of the debt service on Bonds allocable to projects approved for PFC funding. See **"REPORT OF THE AIRPORT CONSULTANT"** herein and **APPENDIX C - "Summary of Certain Provisions of the Indenture – Pledged PFC Revenues"** and **" - Elimination of or Decrease in the Amount of PFC Revenues"** and **APPENDIX H - "The PFC Program"** attached hereto.

Total Revenues. The total amount of Revenues pledged pursuant to the Indenture for Fiscal Year 2023 was approximately \$180,289, consisting of approximately \$146,049 in GARB Revenues, approximately \$7,300 in Federal Relief Proceeds and approximately \$26,940 in Pledged PFC Revenues. See **APPENDIX A – "Financial Feasibility Report of the Airport Consultant"** herein.

Operation and Maintenance Expenses. Operation and Maintenance expenses for Fiscal Year 2023 were \$92,469 which represents an increase of \$11,057, or approximately 13.6% compared to Fiscal Year 2022. The increase is primarily due to an increase for fringe benefits and other contractual services. See **"REPORT OF THE AIRPORT CONSULTANT"** and **APPENDIX A – "Financial Feasibility Report of the Airport Consultant"** herein.

Net Revenues. The Airport's Net Revenues for Fiscal Year 2023 were \$87,819, which represents a decrease of \$2,954, or approximately -3.3% compared to Fiscal Year 2022. See **"REPORT OF THE AIRPORT CONSULTANT"** herein.

FINANCIAL FEASIBILITY REPORT OF THE AIRPORT CONSULTANT

The City has retained Unison Consulting, Inc. to serve as the airport consultant (the “*Airport Consultant*”) in connection with the issuance of the Series 2024 Bonds. The Airport Consultant has (i) analyzed the ability of the City to meet its financial obligations related to the Series 2024 Bonds through Fiscal Year 2031 and (ii) prepared a Financial Feasibility Report regarding the Airport’s operating revenues, expenses and air traffic activity (the “*Financial Feasibility Report*”), which is attached hereto as **APPENDIX A – “Financial Feasibility Report of the Airport Consultant.”** The Financial Feasibility Report, including certain information regarding the analyses and conclusions contained therein, is included in this Official Statement in reliance upon the expertise of the Airport Consultant. See “**CERTAIN INVESTMENT CONSIDERATIONS - Forward-Looking Statements**” and “**Assumptions in the Report of the Airport Consultant; Actual Results May Differ from Forecasts and Assumptions**” herein.

Projected Revenues

The tables below present the Airport Consultant’s estimates and projections for Fiscal Years 2023 through 2031 of (i) Revenues, (ii) Signatory Airline revenues, cost per enplaned passenger and rates and charges (iii) debt service coverage calculations on outstanding GARBs.

Total Revenues are projected to increase by \$99.6 million from \$180.3 million in Fiscal Year 2023 to \$280.2 million in Fiscal Year 2031 or at an average annual growth rate of 5.7%. Revenues are projected to be sufficient to pay Operation and Maintenance Expenses and meet all of the other funding requirements of the Indenture in each year of the budget and projection period, Fiscal Year 2024 through Fiscal Year 2031.

The average Signatory Airline cost per enplaned passenger is projected to fluctuate from \$7.50 in Fiscal Year 2023 to \$11.63 in Fiscal Year 2031. The Signatory Airline landing fee rate is projected to fluctuate from \$6.08 in Fiscal Year 2023 to \$6.88 in Fiscal Year 2031.

In addition, based on its knowledge of comparable airports and its experience in providing financial consulting services to a variety of airports, the Airport Consultant believes the projected airline costs per enplaned passenger at the Airport are reasonable in comparison with other medium hub airports that have completed or are currently implementing major capital improvement programs.

The financial projections presented in the Financial Feasibility Report are based on information and assumptions that have been provided by Airport management, or developed by the Airport Consultant and confirmed by Airport management. Based upon its review, the Airport Consultant believes that the information is accurate and that the assumptions provide a reasonable basis for the forecasts. However, some variations from the forecasts are inevitable due to unforeseen events and circumstances, and such variations may be material. The Financial Feasibility Report should be considered in its entirety for an understanding of the forecasts and the underlying assumptions. See **APPENDIX A – “Financial Feasibility Report of the Airport Consultant”** herein.

The following table presents projected Revenues at the Airport for the Fiscal Years indicated:

PROJECTED REVENUES
ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
FISCAL YEARS ENDING JUNE 30
(IN THOUSANDS)

AIRPORT REVENUES	Avg. Annual Growth Rate FY '23-'31	Projected								
		Actual 2023 ¹	Budget 2024	2025	2026	2027	2028	2029	2030	2031
Signatory Airlines										
Airfield Landing Fees	4.8%	\$51,810	\$57,995	\$65,265	\$71,721	\$75,184	\$77,362	\$78,693	\$80,042	\$75,626
Terminal Rents ²	42.2%	1,905	5,438	9,379	14,295	13,713	17,125	25,517	24,958	31,911
Total	9.1%	\$53,716	\$63,433	\$74,644	\$86,016	\$88,897	\$94,487	\$104,210	\$105,000	\$107,537
Concession Fees										
Terminal Concessions	6.2%	\$13,589	\$14,617	\$16,912	\$17,820	\$18,778	\$19,797	\$20,838	\$21,885	\$21,955
Public Parking	7.9%	28,034	38,717	40,065	46,335	47,432	48,585	49,664	50,624	51,527
Car Rentals	5.2%	14,254	13,588	16,705	17,446	18,219	19,036	19,853	20,656	21,463
Space Rental	2.1%	539	718	564	575	587	598	610	623	635
In-Flight Catering	2.0%	363	242	379	387	395	403	411	419	427
Other	2.1%	855	633	894	912	930	949	968	987	1,007
Total	6.7%	\$57,635	\$68,514	\$75,519	\$83,476	\$86,341	\$89,368	\$92,344	\$95,193	\$97,014
Other										
Non-Signatory Landing Fees	-4.1%	\$1,860	\$1,991	\$1,144	\$1,223	\$1,271	\$1,308	\$1,336	\$1,365	\$1,335
Non-Signatory Airlines-Terminal	0.0%	39	74	39	39	39	39	39	39	39
Total	-4.0%	\$1,899	\$2,065	\$1,183	\$1,262	\$1,310	\$1,347	\$1,375	\$1,404	\$1,374
Airline Revenue										
Mitigation ³	0.0%	13,728	13,728	13,728	13,728	13,728	13,728	13,728	13,728	13,728
Cargo	2.0%	2,724	2,724	2,834	2,890	2,948	3,007	3,067	3,128	3,191
Hangars and Other Buildings	0.8%	833	913	846	852	858	865	872	879	886
Tenant Improvement Surcharge	0.0%	371	371	371	371	371	371	371	371	371
Terminal EDS Surcharges	4.5%	2,654	2,839	3,357	3,424	3,492	3,562	3,633	3,706	3,780
Other Miscellaneous	8.6%	10,509	12,245	16,198	16,529	17,874	19,234	19,598	19,959	20,324
Total Other-Operating	3.7%	\$32,719	\$34,885	\$38,517	\$39,057	\$40,582	\$42,115	\$42,645	\$43,176	\$43,655
Total Operating Revenue	7.0%	\$144,069	\$166,832	\$188,680	\$208,549	\$215,821	\$225,970	\$239,199	\$243,369	\$248,205
Interest Income ⁴	5.8%	1,979	2,247	2,882	2,754	2,520	2,814	3,105	3,164	3,117
Total GARB Revenues	7.0%	\$146,049	\$169,079	\$191,562	\$211,303	\$218,341	\$228,783	\$242,305	\$246,533	\$251,322
Federal Relief Proceeds ⁵										
CARES Act funds	n/a	\$5,148	\$290							
FEMA funds	n/a	0	0							
CRRSA funds	n/a	1,165	1,940	10,500						
ARPA funds	n/a	987	33,770	15,000	5,290					
Pledged PFC Revenue	0.9%	\$26,940	31,242	32,441	29,820	24,354	28,889	28,884	28,879	28,879
Total Revenues	5.7%	\$180,289	\$236,321	\$249,503	\$246,414	\$242,695	\$257,672	\$271,189	\$275,412	\$280,201

¹ Financial information is based on FY2023 audited financials and airport records.

² The increase in Terminal Rental Rates starting in FY2026 is a result of final receipts of Federal Relief Proceeds in FY2026 and increases in terminal operating costs from rising O&M expenses.

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

⁴ Operating Interest income only.

⁵ Represents the application of federal stimulus funds the Airport was granted for reimbursement of eligible operating expenses to stabilize airline rates impacted by the COVID-19 pandemic..

The following table presents Signatory Airline revenues, cost per enplaned passenger and Airlines rates and charges for the Fiscal Years indicated:

**SUMMARY OF SIGNATORY AIRLINE REVENUES,
COST PER ENPLANED PASSENGER,
AND AIRLINE RATES & CHARGES**

	<i>For Fiscal Years Ending June 30</i>								
	Actual	Budget	Projected ³						
	2023 ^{1,3}	2024 ^{2,3}	2025	2026	2027	2028	2029	2030	2031
INITIAL AIRLINE REQUIREMENTS									
Landing Fees	\$51,810	\$57,995	\$65,265	\$71,721	\$75,184	\$77,362	\$78,693	\$80,042	\$75,626
Terminal 1 rents	8,409	9,820	12,453	13,756	14,531	14,939	15,210	15,355	15,617
Terminal 2 rents	4,632	5,295	5,647	6,160	6,246	5,660	5,796	5,878	5,993
	\$64,852	\$73,110	\$83,365	\$91,636	\$95,960	\$97,961	\$99,699	\$101,276	\$97,236
TOTAL SIGNATORY AIRLINE REQUIREMENTS									
Initial Requirement	\$64,852	\$73,110	\$83,365	\$91,636	\$95,960	\$97,961	\$99,699	\$101,276	\$97,236
Additional Airline Requirement	(11,136)	(9,678)	(8,721)	(5,620)	(7,063)	(3,475)	4,511	3,724	10,301
	\$53,716	\$63,433	\$74,644	\$86,016	\$88,897	\$94,487	\$104,210	\$105,000	\$107,537
Signatory airline enplaned passengers	7,163	7,979	8,057	8,257	8,462	8,676	8,880	9,066	9,245
Signatory Airline CPE post Mitigation	\$7.50	\$7.95	\$9.26	\$10.42	\$10.51	\$10.89	\$11.74	\$11.58	\$11.63
SIGNATORY AIRLINE RATES (including Additional Requirement)									
Landing Fee Rate (per 1,000 pounds)	\$6.08	\$5.78	\$6.64	\$7.17	\$7.36	\$7.42	\$7.40	\$7.40	\$6.88
Airlines' Terminal Building Rental Rates									
Terminal 1	\$2.69	\$13.17	\$26.14	\$40.33	\$39.38	\$51.29	\$75.18	\$73.53	\$93.36
Terminal 2	\$11.73	\$21.37	\$28.14	\$41.80	\$38.50	\$43.23	\$67.28	\$65.81	\$85.64

¹ Financial information is based on the FY 2023 audited financials and airport records.

² FY 2024 Budget includes CARES Act, Coronavirus Response & Relief Appropriations (CRRSA), and American Rescue Plan (ARPA) fund contributions in the amounts of \$0.3 million, \$1.9 million and \$33.8 million, respectively.

³ The FY 2023 Actual, FY 2024 Budget and financial projections for FYs 2025 through 2031 assume the basic provisions of the expired Airline Use and Lease Agreement will continue to be followed.

The following table shows the actual Net Revenues and debt service coverage ratio for Fiscal Year 2023 and the calculation of projected debt service coverage for Fiscal Years 2024 through 2031, respectively.

BASE FORECAST PROJECTED COVERAGE CALCULATIONS

St. Louis Lambert International Airport

in thousands except for ratios

For Fiscal Years Ending June 30

	Actual 2023 ¹	Budget 2024	2025	2026	2027	Projected ²			
						2028	2029	2030	2031
Total Revenues (including DSSF contribution and Additional Requirement)	\$180,289	\$236,321	\$249,503	\$246,414	\$242,695	\$257,672	\$271,189	\$275,412	\$280,201
less: Operation and Maintenance Expenses	92,469	131,664	137,462	140,828	144,281	147,824	151,459	155,189	159,017
Net Revenues	\$87,819	\$104,657	\$112,042	\$105,586	\$98,414	\$109,849	\$119,730	\$120,222	\$121,184
Debt Service									
Outstanding Bonds ³	\$55,317	\$69,026	\$74,068	\$62,950	\$53,684	\$56,046	\$56,037	\$56,038	\$56,650
Series 2024 Bonds ⁴	0	0	0	244	3,112	5,395	14,781	14,781	14,781
Future Bonds ⁵	0	0	0	4,032	4,032	8,971	8,971	8,971	8,971
	\$55,317	\$69,026	\$74,068	\$67,227	\$60,828	\$70,412	\$79,789	\$79,791	\$80,402
Debt service coverage ratio	1.59	1.52	1.51	1.57	1.62	1.56	1.50	1.51	1.51

¹ Financial information is based on the FY 2023 audited financials and Airport records.

² The FY 2023 Actual, FY 2024 Budget and financial projections for FYs 2025 through 2031 assume the basic provisions of the expired Airline Use and Lease Agreement will continue to be followed.

³ Outstanding bond debt service includes debt service for the Series 2022A Refunding Bonds, including the use of the debt service reserve of approximately \$9.3 million for the final debt service payment for the Series 2017B Bonds in 2027.

⁴ Series 2024 Bonds issued with a 30-year maturity at a 4.61% All-In True Interest Cost per Siebert Williams Shank & Co. LLC's final pricing numbers dated May 29, 2024.

⁵ Assumes 30-year Bonds, issued in fiscal year 2025 and fiscal year 2027 at a 6% interest rate with 1-year capitalized interest.

ENVIRONMENTAL AND GOVERNANCE EFFORTS

Environmental and Sustainability Factors

The City and the Airport have a longstanding strategic focus to advance sustainability at the Airport. They are committed to integrating environmental, social and governance (“ESG”) factors into new projects and existing operations to continually achieve a more sustainable operation and management strategy. The Airport adopted a sustainability policy to ensure the integrity of its economic viability, operation efficiency, natural resource conservation and social responsibility. The Airport has made great strides to move beyond compliance with numerous federal, state and local laws and regulations, toward enhanced environmental performance through economic, operational, and social initiatives related to the following areas: pollution prevention, air quality, water quality and usage efficiency, recycling programs, energy management, wildlife management and noise management.

ESG Initiatives

A description of certain ongoing projects as well as projects currently underway or completed at the Airport in furtherance of the Airport's commitment to ESG goals include, but are not limited to, the following.

Voluntary Airport Low Emission (VALE) Program. The Airport has identified \$7.6M in eligible clean technology projects designed to improve air quality by reducing sources of airport ground emissions created when fossil fuels are burned. Included in this initiative, is the Airport's commitment to decreasing the amount of carbon emission from diesel-powered buses at the Airport by developing its fleet of electric shuttle buses to shuttle passengers from terminal to terminal and from parking lots to terminals and back. A portion of the proceeds of the Series 2024 Bonds will be used to purchase two additional electric shuttle buses. See **"AIRPORT CAPITAL IMPROVEMENT PROGRAMS - Voluntary Airport Low Emission Program," "ESTIMATED SOURCES AND USES OF FUNDS," "AIRPORT CAPITAL IMPROVEMENT PROGRAMS – Five-Year CIP" and APPENDIX A - "Financial Feasibility Report of the Airport Consultant – Introduction – The Airport's 5-Year Capital Improvement Program"** herein.

Jet Fuel Storage. In March 2021, a new jet fuel storage facility was completed at the Airport. The new facility provides double the fuel capacity of the previous fuel farm and is capable of continuing to provide fuel to the Airport during all weather conditions. The former site has been decommissioned, remediated, and the land returned to the Airport for future redevelopment. **APPENDIX A - "Financial Feasibility Report of the Airport Consultant – Introduction – The Airport"** herein.

Noise Compatibility Program. The mission of the Airport's ongoing Noise Compatibility Program is to address ways to reduce current and future noise levels on the communities surrounding the Airport. The program focuses on three areas: noise abatement, land use planning and program management. Noise abatement measures include approved departure routes of aircraft and time restrictions on various aircraft operations. Land use planning includes efforts to work with local jurisdictions to ensure that development occurs that is compatible with Airport and aircraft operations. Program management measures include the Airport's aircraft monitoring system and outreach programs. See **"THE AIRPORT – Planning"** herein.

Various Airfield Vehicle Projects. Various airfield vehicle projects, certain of which will be funded with a portion of the proceeds of the Series 2024 Bonds, focus on the replacement of various airfield vehicles that have exceeded their useful life and to meet FAA requirements for snow and aircraft emergency response. See **"ESTIMATED SOURCES AND USES OF FUNDS," "AIRPORT CAPITAL IMPROVEMENT PROGRAMS – Five-Year CIP" and APPENDIX A - "Financial Feasibility Report of the Airport Consultant – Introduction – The Airport 5-Year Capital Program"** herein.

Various Terminal Projects. Various terminal projects, certain of which will be funded with a portion of the proceeds of the Series 2024 Bonds, include replacing electrical equipment to ensure optimal efficiency and safety and building improvements within the terminals including emergency operations center construction, energy efficient electrical equipment installation, and miscellaneous lighting and trash compactor replacements. See **"ESTIMATED SOURCES AND USES OF FUNDS," "AIRPORT CAPITAL IMPROVEMENT PROGRAMS – Five-Year CIP" and APPENDIX A - "Financial Feasibility Report of the Airport Consultant – Introduction – The Airport's 5-Year Capital Improvement Program"** herein.

Recycling. The Airport has a comprehensive terminal and concourse recycling program including public containers in major pathways of terminals and concourses as well as parking garages. In addition, the Airport provides extensive employee and tenant training to improve awareness about recycling and

sustainability initiatives. The Airport also initiated a policy requiring construction contractors to recycle construction materials.

Cybersecurity. The Airport employs various measures to combat cyber-risk ranging from external service providers monitoring traffic and mitigating threatening traffic to internal monitoring and mitigation systems used by its internal Airport Information Technology (“AIT”) security members. In addition, the Airport maintains a Cybersecurity Insurance policy which would supply monetary and mitigation support in the event of a cyber breach. See also “**AIRPORT MANAGEMENT – Risk Management**” and “**CERTAIN INVESTMENT CONSIDERATIONS – Cybersecurity**” herein.

FACTORS AFFECTING THE AIRPORT AND THE AIR CARRIER INDUSTRY

General

The City’s ability to collect Revenues may be affected by the ability of the airlines operating at the Airport to meet their respective obligations under the AULAs, the Operating Agreements and other arrangements. In addition, the level of aviation activity at the Airport can have a material impact on the amount of Revenues and PFC Revenues of the Airport. The amount of the PFC Revenues is based upon the number of enplanements at the Airport, thus, any decrease in enplanement levels, whether due to a general decrease in aviation activity nationwide or a decrease in aviation activity at the Airport specifically, will cause a decrease in the amount of the PFC Revenues received by the Airport during the Fiscal Year. The amount of moneys to be deposited into the Revenue Fund in any given month is also dependent upon the level of concession and non-air carrier revenues, which is dependent upon activity at the Airport. Amounts available for deposit in the Revenue Fund could be adversely affected by delays or defaults in the payment of rates and charges by the air carriers at the Airport.

The generation of Revenues from the operation of the Airport depends on various factors, many of which are not subject to the control of the Airport, including, as noted above, the ability of the airlines serving the Airport to meet their respective obligations under the AULAs, the Operating Agreements and other arrangements. The revenues and financial condition of the airlines serving the Airport may be materially affected by many factors, including without limitation, the following: declining air travel demand; service and cost competition; mergers and acquisitions; the availability and cost of fuel and other necessary supplies; high fixed costs; high capital requirements; the cost and availability of financing; technological changes; national and international disasters and hostilities; the cost and availability of employees; strikes and other employee disruptions; the maintenance and replacement requirements of aircraft; the availability of routes and slots at various airports; litigation liability; regulation by the federal government; environmental risks and regulations; noise abatement concerns and regulation; deregulation; federal and state bankruptcy and insolvency laws; acts of war, terrorism and other risks.

There can be no assurance that any such airline will continue to operate at the Airport or at its current level of operation; nor can there be any assurance that any airline operating at the Airport is not incurring or will not incur financial difficulties affecting its level of operations at the Airport or its ability to continue to operate as a viable airline.

Aviation Security Requirements

The FAA has instituted several security and safety measures for all U.S. airports, including enhancing the search and security checks and prohibiting non-ticketed persons beyond security checkpoints. The Aviation and Transportation Security Act, as amended (the “*Aviation Security Act*”) created the Department of Homeland Security and the Transportation Security Administration (“*TSA*”), and provided for the federalization of airport security. The Aviation Security Act permits the deployment of air marshals

on all flights and requires deployment of air marshals on all “high risk” flights. The Aviation Security Act also requires that sufficient explosives detection systems be deployed at airports in the United States to screen all checked baggage. Such security enhancements have resulted in additional costs to the Airport, caused delays to travelers and have discouraged air travel by some members of the public. The airlines and the federal government are largely responsible for the cost of implementing the new security measures.

Revenues from Air Carriers

Historically, the airline industry’s results have corresponded to the performance of the economy. Air carrier fares have an important effect on passenger demand, particularly for relatively short trips where the automobile or other travel modes are alternatives and for price-sensitive “discretionary” travel, such as vacation travel. Airfares are influenced by air carrier operating costs and debt burden, passenger demand, capacity and yield management, market presence and competition.

Air Carrier Service and Routes

While passenger demand at an airport depends on the population and the economy of the region served, air carrier service and the number of passengers enplaned also depend on the route networks of the air carriers serving an airport. Domestic air carriers are free to enter or leave individual air traffic markets, and to increase or decrease service at will, and there can be no assurance that any air carrier will maintain its current level of service at the Airport. Most major air carriers have developed “hub-and-spoke” route networks as a means of increasing their service frequencies, passenger volumes and profitability. Changes in air carrier activity at the Airport can significantly impact Revenues.

Aviation Fuel Costs

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainty. The price of aviation fuel rose to an all-time high of approximately \$4.03 per gallon in June 2022. According to the U.S. Bureau of Transportation statistics, the cost per gallon of fuel in February 2024 (\$2.83) was up 13 cents (4.8%) from January 2024 (\$2.70) and up \$0.85 (42.9%) from February 2019. Significant fluctuations and prolonged periods of increases in costs of aviation fuel have had material adverse effects on airline profitability, causing airlines to reduce capacity, fleet and personnel, as well as increase fares and institute additional fees, all of which may decrease demand for air travel. See “**CERTAIN INVESTMENT CONSIDERATIONS – Cost of Aviation Fuel and – Geopolitical Tension.**”

Geopolitical Tension

On October 7, 2023, the Hamas organization which controls the Gaza Strip staged a series of coordinated attacks in southern Israel, resulting in hundreds of deaths, thousands of injuries, and the taking of numerous Israeli and other hostages. Israel has since declared a state of war against Hamas, staged numerous counterattacks, imposed a siege of the territory and undertaken a ground invasion within the Gaza Strip, with thousands of reported resulting casualties. Current events show that these tensions are escalating. The conflict has resulted in disruptions of travel in the region, the duration of which cannot be foreseen at this time. The impact of the ongoing conflict on world markets, including without limitation oil markets, and international travel, is uncertain, particularly in the event the conflict were to expand.

The Russian invasion of Ukraine and the related imposition of economic sanctions on Russia, the political turmoil in the Middle East and concern about potential disruption in oil shipments from the Persian Gulf, as well as high demand for oil and other geopolitical factors, have caused oil prices to fluctuate unpredictably. These factors have had, and may continue to have, significant adverse effects on the cost of

air travel, on airline industry profitability and service patterns, and on the cost of operating and maintaining the Airport. Russia's invasion of Ukraine has impacted the world economy. These economic impacts include, but are not limited to: (1) increases in energy prices as Russia accounts for roughly 10 percent of global oil output, (2) increases in food and commodity prices, (3) recessions in both Russia and Ukraine, and (4) intensification of existing bottlenecks in global supply chains for intermediate goods. The country-level economic impacts are likely to slow global economic growth. In the United States, the immediate impact of the Russia-Ukraine conflict has been an increase in oil and gasoline prices, pushing inflation higher. Russia's invasion of Ukraine has impacted the world economy. These economic impacts include, but are not limited to: (1) increases in energy prices as Russia accounts for roughly 10 percent of global oil output, (2) increases in food and commodity prices, (3) recessions in both Russia and Ukraine, and (4) intensification of existing bottlenecks in global supply chains for intermediate goods. The country-level economic impacts are likely to slow global economic growth. In the United States, the immediate impact of the Russia-Ukraine conflict has been an increase in oil and gasoline prices, pushing inflation higher. The United States, Canada, and the European Union have closed off their airspace to Russian aircraft. The ban on Russian aircraft entering U.S. airspace took effect on March 2, 2022, affecting primarily Russia's flag carrier, Aeroflot. The Russian regime could reciprocate by also prohibiting U.S. aircraft from entering Russian airspace, which would increase flight times between the United States and certain countries.

See **APPENDIX A – “Financial Feasibility Report of the Airport Consultant”** herein.

FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORT

General

The Airport derives its operating revenues primarily from landing and facility rental fees. The financial strength and stability of the airlines serving the Airport, among other factors, including the decisions of individual airlines regarding levels of service at the Airport, affect the level of aviation activity at the Airport and Revenues.

The economic condition of the airline industry has historically been volatile, and the aviation industry has undergone significant changes, including mergers, acquisitions, bankruptcies, and closures in recent years. Further, the aviation industry is sensitive to a variety of factors, including the cost and availability of labor, fuel, aircraft, supplies and insurance; general economic conditions; international trade; currency values; competitive considerations, including the effects of airline ticket pricing; traffic and airport capacity constraints; governmental regulation, including security regulations and taxes imposed on airlines and passengers, and maintenance and environmental requirements; passenger demand for air travel; strikes and other union activities; availability of financing; and disruptions caused by airline accidents, criminal incidents and acts of war or terrorism. As a result, airline financial performance can fluctuate dramatically from one reporting period to the next. The City makes no representation with respect to the continued viability of any of the carriers serving the Airport, airline service patterns, or the impact of any airline failures on Revenues.

Due to the discretionary nature of business and personal travel spending, airline passenger traffic and revenues are influenced by the state of the national economy, other regional and world economies, business profitability, security concerns and other factors. Significant structural changes to the airline industry have occurred in recent years, including reducing or eliminating service on unprofitable routes and hubs, grounding less fuel-efficient aircraft, achieving high load factors, reducing airline work forces, implementing pay cuts, streamlining operations and merging with other airlines. Airfares have become easier to compare, which has made pricing and marketing among airlines more competitive. The price of fuel has been a significant cost factor for the airline industry and affects airline earnings. Fuel prices are

particularly sensitive to worldwide political instability, economic uncertainties and increased demand from developing economies, production disruption, regulations and weather. Material and prolonged changes in the costs of aviation fuel may have an adverse impact on air transportation industry profitability.

Airline Information

Certain of the airlines or their parent corporations, including Southwest, American Airlines and Delta are subject to the information reporting requirements of the Exchange Act, and as such are required to file periodic reports, including financial and operational data, with the SEC. All such reports and statements may be inspected in the Public Reference Room of the SEC which can be located by calling the SEC at 1-800-SEC-0330. The SEC maintains a website at <http://www.sec.gov> containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation (“DOT”). These reports may be inspected at the following location: Department of Transportation, Research and Special Programs Administration, Office of Airlines Statistics at Room 4125, 400 7th Street, SW, Washington, DC 20590, and copies of the reports may be obtained from the DOT at prescribed rates.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depository Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments, or foreign corporations operating airlines, file limited information only with the DOT.

Neither the City nor the Underwriters undertake any responsibility for or make any representation as to the accuracy or completeness of (i) any reports and statements filed with the SEC or the DOT or (ii) any material contained on the SEC’s website as described in the preceding paragraph, including, but not limited to, updates of information on the SEC’s website or links to other internet sites accessed through the SEC’s website. Any material contained on the SEC’s website is provided for informational purposes only. Such information is not incorporated by reference herein and should not be relied upon by investors. The City is not obligated to provide any such financial information for any airline serving the Airport in its Annual Report under the Continuing Disclosure Agreement.

NONE OF THE CITY, THE AIRPORT OR THE UNDERWRITERS MAKE ANY REPRESENTATION WHATSOEVER WITH RESPECT TO THE FINANCIAL CONDITION OR CONTINUED VIABILITY OF ANY OF THE AIRLINES.

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the Series 2024 Bonds involve investment risk and may not be suitable for all investors. Prospective investors are urged to read this Official Statement, including the cover page, inside cover page and appendices to the Official Statement, in its entirety. The factors set forth in this Official Statement, among others, may affect the security for and/or trading value of the Series 2024 Bonds. The information in this Official Statement does not purport to be a comprehensive or exhaustive discussion of all risks or other considerations that may be relevant to an investment in the Series 2024 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such considerations. Additional risk factors relating to the purchase of the Series 2024 Bonds are described throughout this Official Statement, whether or not specifically designated as risk factors. Additional risks and uncertainties not presently known, or currently believed to be immaterial, may also materially and adversely affect, among other things, Revenues. In addition, although the various risks discussed in this Official Statement are generally described separately, prospective investors of the Series 2024 Bonds should

consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. There can be no assurance that other risks or considerations not discussed in this Official Statement are or will not become material in the future.

Effect of COVID-19 Pandemic and Related Matters

The COVID-19 pandemic and resulting restrictions on human activities have severely disrupted, the economies of the United States and other countries. There can be no assurances that any resurgence of COVID-19 will not have a material adverse effect on the demand for passenger air travel, both nationally and internationally, although air travel volumes have substantially recovered since mid-2020. See **“Demand for Air Travel and Airline Activity at the Airport”** herein.

In addition, the COVID-19 pandemic resulted in operational difficulties for certain airlines as they increase capacity to meet demand. In some cases, this has resulted in higher flight cancellation rates and reductions in previously planned additions of scheduled capacity. These difficulties have resulted from a variety of factors, including, but not limited to, delays in re-hiring or hiring sufficient personnel as a result of generally prevailing labor shortages, increased customer service demands due to ongoing changes in ticketing rules and information technology disruptions.

A pandemic, and its dynamic nature, leads to uncertainties, including those related to the severity of the disease; the duration of the pandemic, actions that may be taken by governmental authorities to contain the outbreak or to treat its impact; any travel restrictions on the demand for air travel serving airports and concessions, or on the airline or travel industry generally. Due to the evolving nature of a pandemic or other worldwide health-related events, and the response of governments, businesses and individuals to a pandemic or other worldwide health event, the City cannot predict the outcome of many factors that can materially adversely affect its finances or operations, including but not limited to: (a) the duration or extent of a pandemic or worldwide health event or force majeure event; (b) restrictions or warnings related to air travel, gatherings or any other activities; (c) what effect a pandemic or another outbreak- or pandemic-related restrictions or warning may have on air travel, including to and from the Airport, the retail and services provided by the Airport concessionaires, Airport costs or Revenues; (d) whether and to what extent a pandemic or another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact the Airport’s CIP or other Airport operations; (e) the extent to which a pandemic or another outbreak or pandemic, or the resultant disruption to the local, State, national or global economies, may result in changes in demand for air travel, including long-term changes in consumer behavior (such as a permanent reduction in business travel brought about by the accelerated adoption of technology for virtual meetings and conferences) and the operations of other businesses, or may have an impact on the airlines or concessionaires serving the Airport or the airline and travel industry, generally; (f) whether or to what extent the Airport may provide additional deferrals, forbearances, adjustments or other changes to the Airport’s arrangements with airline tenants and Airport concessionaires; or (g) whether any of the foregoing may have a material adverse effect on the finances and operations of the Airport. Prospective investors should assume that certain restrictions and limitations related to a pandemic may be reinstated and that full recovery of air travel may be prolonged or delayed, causing an adverse impact on Revenues. Future outbreaks, pandemics or events outside the Airport's control may further reduce demand for air travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Revenues. See **APPENDIX A — “Financial Feasibility Report of the Airport Consultant - Forecast Risk and Uncertainty — Disease Outbreaks”** and **“THE AIRPORT – Impact of COVID-19 on Operations at the Airport”** herein.

Demand for Air Travel and Airline Activity at the Airport

The Revenues of the Airport are affected substantially by the economic health of the air transportation industry and the airlines serving the Airport. Air travel demand has historically correlated to the national economy, generally, and consumer income and business profits in particular. The long-term implications of recent economic and political conditions are unclear. A lack of sustainable economic growth could negatively affect, among other things, financial markets, commercial activity and consumer spending. There can be no assurance that economic and political turmoil or lack of sustainable economic growth will not adversely affect demand for travel.

The level of aviation activity and enplaned passenger traffic at the Airport depend on a number of factors, including those discussed above and other economic and political conditions; international hostilities; world health concerns; aviation security concerns, including incidents of terrorism; federal government mandated security measures that result in additional taxes and fees and longer passenger processing and wait times; accidents involving commercial passenger aircraft; airline service and routes; airline fares and competition; airline industry economics, including labor relations, fuel prices and aging aircraft fleets; aviation workforce shortages, capacity of the national air traffic control and airport systems; competition from other airports; reliability of air service; business travel substitutes, including teleconferencing, videoconferencing and web-casting; consumer price sensitivity; and the capacity, availability and convenience of service at the Airport, among others. The occurrence of pandemics such as COVID-19 or an outbreak of a disease or similar public health threat that affects travel demand or travel behavior, or travel restrictions or reduction in the demand for air travel caused by an outbreak of a disease or similar public health threat in the future, could have a material adverse impact on the airline industry and result in substantial reductions in and/or cancellations of, bookings and flights.

The Airport derives a substantial portion of its operating revenues from landing and facility rental fees. The financial strength and stability of the airlines using the Airport, and the number and the percentage of enplaned passengers carried by any one airline, together with numerous other factors, influence the level of aviation activity at the Airport. In addition, individual airline decisions regarding levels of service, particularly numbers of flights and hubbing activity at the Airport, can substantially affect total enplanements. See also **“THE AIRPORT - Recent Air Service Trends.”**

Southwest is the largest carrier at the Airport, accounting for approximately 21.8% of the Airport’s total operating revenues and 59.4% of total revenues from participating air carriers for the Fiscal Year ended June 30, 2023, and approximately 61% of total enplanements at the Airport in Fiscal Year 2023. No assurances can be given that Southwest will continue to operate at its current level or that, if it reduces or discontinues its operations, its current level of activity will be replaced by other carriers.

American Airlines (including its affiliates) is the second largest carrier operating at the Airport, accounting for approximately 5.2% of the Airport’s total operating revenues and 14.1% of total revenues from participating air carriers for the Fiscal Year ended June 30, 2023, and approximately 15% of total enplanements at the Airport in Fiscal Year 2023. No assurances can be given that American will continue its operations at the Airport or that, if it discontinues or further reduces such operations, its activity will be replaced by other carriers.

For information regarding the financial condition of Southwest, American Airlines, and other airlines, see **“THE AIRPORT”** and **“FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORT.”**

Airline Consolidations

The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible that the airlines serving the Airport could further consolidate operations through

acquisition, merger, alliances, and code share sales strategies. Airline mergers affect service and traffic at airports, when they consolidate facilities, optimize route networks, and route connecting traffic through other hubs. The impact on the affected airports can be significant or trivial, depending upon whether the merging airlines have a large market share at an airport and whether they carry significant connecting traffic through the Airport. Mergers include Delta and Northwest in 2008, United and Continental in 2010, Southwest and AirTran in 2011, American and US Airways in 2013, and Alaska and Virgin America in 2016. In July 2020, American Airlines and JetBlue Airways Corp. (“JetBlue”) announced a strategic partnership which provides new and expanded routes. Additionally, JetBlue and American Airlines have integrated their networks to provide customers with improved flight schedules and more competitive fares. In recent years, antitrust immunity has been granted to a number of joint ventures within the global alliances, allowing airlines to more closely coordinate operations, including pricing, and increase cost savings in certain markets. Recent activity regarding airline mergers includes JetBlue’s attempted takeover of Spirit Airlines and Alaska Airline’s acquisition of Hawaiian Airlines. JetBlue and Spirit Airlines’ merger was blocked by the United States Department of Justice (“*DOJ*”) in January 2024, and JetBlue officially announced the termination of the merger agreement on March 4, 2024. Contrasting this, Alaska and Hawaiian’s merger, announced in December 2023, signed an agreement with the DOJ on March 27, 2024 to gain approval for their merger, provided they do not proceed with the merger until 90 days after approval. See **APPENDIX A – “Financial Feasibility Report of the Airport Consultant – Forecast Risk and Uncertainty – Airline Mergers.”**

It is not clear what impact the economic downturn from the COVID-19 pandemic may have on trends towards further airline consolidation. It is possible that some airline bankruptcies may result in further mergers and acquisitions within the industry.

The Airport cannot predict what impact, if any, such consolidations will have on airline traffic at the Airport.

Industry Workforce Shortages

General labor shortages, including pilots and mechanics, have been impacting, and may continue to impact, the airline industry and the Airport. Several major airlines have announced reduced schedules and have cancelled flights as a result of reported labor shortages and staffing challenges. Labor shortages have been attributed to thousands of workers in the airline industry opting for buyouts, early retirement packages or otherwise terminated their employment during the COVID-19 pandemic.

Pilot shortages in particular have been an industry-wide issue, especially for smaller regional airlines. There are several causes for the pilot shortage affecting all airlines. Congress changed duty time rules in 2010 to mitigate pilot fatigue, which required airlines to increase pilot staff. Beginning in 2013, first officer pilots flying for commercial airlines are required to have at least 1,500 hours of flight time, instead of the 250 hours previously required. Other factors include an aging pilot workforce and fewer new pilots coming out of the military. Further, as passenger demand increases and air traffic demand returns, the major air carriers are anticipated to need additional pilots, and are generally able to hire pilots away from regional airlines. An additional concern regarding the pilot workforce came to light due to the COVID-19 pandemic. Pilots were self-reporting increased errors to NASA's Aviation Safety Reporting System and attributed their errors to the reduction in flights due to the pandemic, which meant less time for pilots in the cockpit. Such reports raise the possible need for retraining opportunities as the airline industry recovers.

In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines' fleet of planes. This potential shortage is a result of an aging pool of mechanics, a large portion of which are expected to retire during the next decade, and a lack of younger

people joining the ranks of the mechanics. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

Cost of Aviation Fuel

Airline earnings are significantly affected by changes in the price of aviation fuel. According to Airlines for America, fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. Although there has been no shortage of aviation fuel since the "fuel crisis" of 1974, any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, including the war between Ukraine and Russia and, historically, in the oil-producing nations in the Middle East and North Africa, Organization of Petroleum Exporting Countries policy, the growth of economies around the world, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather. The price of aviation fuel rose to an all-time high of approximately \$4.03 per gallon in June 2022 in the United States. According to the U.S. Bureau of Transportation statistics, the cost per gallon of fuel in February 2024 (\$2.83) was up 13 cents (4.8%) from January 2024 (\$2.70) and up \$0.85 (42.9%) from February 2019. Significant and prolonged increases in the cost of aviation fuel are likely to have an adverse impact on air transportation industry profitability and hamper the recovery plans and cost-cutting efforts of certain airlines.

Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions may influence, and in some instances have influenced, passenger travel behavior and air travel demand, particularly in light of fatal crashes of aircraft, existing international hostilities, potential terrorist attacks and world health concerns, including epidemics and pandemics.

As a result of terrorist activities, certain international hostilities and risk of violent crime, the Airport has implemented enhanced security measures mandated by the FAA, the TSA, and the Department of Homeland Security. Current and future security measures may create significantly increased inconvenience, costs and delays at the Airport which may give rise to the avoidance of air travel generally and the switching from air to ground travel modes and may adversely affect the Airport's operations, expenditures and Revenues.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the airline industry. Air travel industry participants, including airlines, the FAA, the TSA, the Airport, rental car companies, concessionaires and others collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to air travel industry operations. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in the efficiency of the air travel industry, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, operations and the services provided, and cause a loss of confidence in the air travel industry, which could ultimately adversely affect Revenues. The Airport Authority employs various measures to combat these threats ranging from external service providers monitoring traffic and mitigating threatening traffic to internal monitoring and mitigation systems used by the internal AIT security members.

All data interfaces with the tenants of the Airport are through secured firewalled systems interfaces. The AIT department provides and promotes security awareness training as well as testing of the users to assist in preventing users from allowing a data breach. Finally, the Airport Authority has a Cybersecurity Insurance policy in the event of a breach which would supply monetary and mitigation support. However, no assurances can be given that the Airport's security measures will prevent cyber-attacks, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Airport.

Aviation Security Requirements and Related Costs

The airlines and the federal government were primarily responsible for, and bore most of the capital costs associated with, implementing the new security measures. The Airport is currently in compliance with all federally mandated security requirements.

The Airport cannot predict the effect of any future government-required security measures on passenger activity at the Airport, nor can the Airport predict how the government will staff security.

FAA Reauthorization and Federal Funding

On October 3, 2018, Congress passed a five-year reauthorization bill for the FAA, the FAA Reauthorization Act of 2018, which was signed into law on October 5, 2018. The FAA Reauthorization Act of 2018, among other things, authorizes the FAA's programs for five federal fiscal years, and increases funding for the AIP through September 30, 2024. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system). There can be no assurance that Congress will enact and the President will sign future FAA reauthorization acts or provide for additional extensions before the current authorization expires. Failure to adopt such legislation may have a material, adverse impact on the AIP grant program and the Airport.

Considerations Regarding Passenger Facility Charges

The FAA has the power to terminate the authority to impose PFCs if the City's PFC Revenues are not used for approved projects, if project implementation does not commence within the time periods specified in the FAA's regulations or if the City otherwise violates FAA regulations. The City's plan of funding for the CIP is premised on certain assumptions with respect to the timing and amounts of the City's PFC applications, and the availability of PFCs to fund PFC-eligible portions of certain of those projects. If amounts collected through PFCs are lower than expected, the City may elect to delay certain projects or to seek alternative sources of funding, including the issuance of Additional Bonds.

Climate Change and Natural Disasters

The St. Louis MSA is at risk for a broad range of natural, weather-related disasters, including without limitation, drought, tornadoes and flooding. With rising global temperatures, climate change may significantly increase the occurrence of natural hazards and extreme weather events in the St. Louis MSA and throughout the United States. No assurance can be provided that such events will not occur, and, if any such events were to occur, no prediction can be provided as to the actual impact or severity of the impact on the City's operations and financial condition or on the Airport's operations and financial condition, as applicable.

Other Key Factors

Capacity limitations of the national air traffic control system, the Airport and at competing airports could be factors that might affect future activity at the Airport. In the past, demands on the air traffic control system have caused operational restrictions that have affected airline schedules and passenger traffic and caused significant delays. The FAA has made certain improvements to the computer, radar and communications equipment of the air traffic control system in recent years, but no assurances can be given that future increases in airline and passenger activity would not again adversely affect airline operations. The FAA Modernization and Reform Act of 2012 contains numerous provisions aimed at accelerating the implementation of Next Generation Air Transport System (“*NextGen*”). NextGen is designed to modernize the National Airspace System from a ground-based system of air traffic control to a satellite-based system of air traffic management in order to enhance the use of airspace and runways.

For more details on these and other key factors that could impact results of Airport operations, see APPENDIX A – “Financial Feasibility Report of the Airport Consultant – Forecast Risk and Uncertainty.”

Effect of Airline Bankruptcies

Several airlines (including some that served the Airport) ceased operations and/or filed for bankruptcy protection in the past and may do so in the future. No assurances can be given that the airlines now serving the Airport will continue operations or maintain their current levels of activity at the Airport. If one or more airlines were to discontinue operations at the Airport, there is no assurance that the activity accounted for by such airlines would be replaced by other carriers.

In the event of bankruptcy proceedings involving one or more of the Signatory Airlines, the debtor airline or its bankruptcy trustee must determine within a time period determined by the court whether to assume or reject the applicable Use Agreement. However, bankruptcy courts are courts of equity and can grant exceptions to these statutory limitations. In the event of assumption, the debtor airline would be required to cure any prior defaults and to provide adequate assurance of future performance under the relevant document. Rejection of a Use Agreement by any bankrupt Signatory Airline would give rise to an unsecured claim of the City for damages, the amount of which may be limited by the Bankruptcy Code. In general, under the AULAs, the City is not permitted to allocate to other Signatory Airlines the rents, fees and charges for facilities surrendered by Signatory Airlines pursuant to a rejection in bankruptcy.

If the bankruptcy of one or more Signatory Airlines were to occur, there can be no assurance that the remaining Signatory Airlines would be able, individually or collectively, to meet their obligations under the AULAs. Whether or not a Use Agreement is assumed or rejected in a bankruptcy proceeding, it is not possible to predict the subsequent level of utilization of the gates leased under such agreement. Decreased utilization of gates could have a material adverse effect on Airport operations, as well as on Revenues and ultimately on the cost to the airlines of operating at the Airport. See **APPENDIX D - “Summary of Certain Provisions of the AULAs and the Operating Agreements”** and **APPENDIX H - “THE PFC PROGRAM – Treatment of PFCs in Air Carrier Bankruptcies.”**

Effect of Other Tenant or Concessionaire Bankruptcies

A bankruptcy of a non-airline tenant or concessionaire would raise challenges similar to those described above in connection with airline bankruptcies. Certain major rental car companies operating at the Airport filed for bankruptcy in recent years, and it is possible that rental car companies or other non-airline tenants or concessionaires will file for bankruptcy in the future.

Limitations on Bondholders' Remedies

The occurrence of an Event of Default under the Indenture, including a failure to make a payment of principal of or interest on the Series 2024 Bonds, may not result in an acceleration of payment of the Series 2024 Bonds. As a result, the Airport may be able to continue indefinitely collecting Revenues and applying them to the operation of the Airport, even if an Event of Default has occurred and no payments are being made on the Series 2024 Bonds. See “**Matters Relating to Enforceability**” below.

Matters Relating to Enforceability

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Indenture. These remedies, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Indenture may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Indenture. The security interest in the Revenues granted pursuant to the Indenture may be subordinated to the interest and claims of others in several instances. Examples of cases of subordination of prior claims are described under “**THE SERIES 2024 BONDS — Security and Sources of Payment**” herein.

The application of federal bankruptcy laws may have an adverse effect on the ability of the Trustee and the Bondholders to enforce their claim to the Revenues. Federal bankruptcy law permits adoption of a reorganization plan, even if such plan has not been accepted by the Holders of a majority in aggregate principal amount of the Bonds, if the Bondholders are provided with the benefit of their original lien or the “indubitable equivalent.” In addition, if a bankruptcy court concludes that the Bondholders have “adequate protection,” it may under certain circumstances (a) substitute other security for the security provided by the Indenture for the benefit of the Bondholders and (b) subordinate the lien of the security interest of the Trustee to (1) claims by persons supplying goods and services to the bankrupt after the bankruptcy and (2) the administrative expenses of the bankruptcy proceeding. In the event of the bankruptcy of the City or any of the Signatory Airlines, the amount realized by the Bondholders might depend, among other factors, on the bankruptcy court’s interpretation of various legal doctrines under the then-existing circumstances.

All legal opinions with respect to the enforceability of the Indenture and the Series 2024 Bonds will be expressly subject to the qualification that enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors’ rights generally and by applicable principles of equity.

Matters Relating to Security for the Series 2024 Bonds

The amount of Revenues to be received by the City is subject to a number of factors, including: (a) statutory liens; (b) rights arising in favor of the United States or any agency thereof; (c) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (d) federal bankruptcy laws that may affect the enforceability of such security interest or certain federal statutes, regulations and judicial decisions that have cast doubt upon the right of the Trustee, in the event of the City’s default, to collect and retain accounts receivable from the Revenues and other governmental programs; (e) rights of third parties in certain types of Revenues, such as instruments and cash not in the possession of the Trustee; and (f) requirements for filing Uniform Commercial Code continuation statements.

Costs of Capital Improvement Programs and Schedule

The estimated costs of, and the projected schedule for, the projects included in the CIP, the Noise Compatibility Program and the VALE Program depend on various sources of funding, including Additional Bonds, PFCs and federal grants, and are subject to a number of uncertainties. The ability of the City to complete the projects may be adversely affected by various factors including: (i) estimating errors; (ii) design and engineering errors; (iii) changes to the scope of the projects; (iv) delays in contract awards; (v) material and/or labor shortages; (vi) unforeseen site conditions; (vii) adverse weather conditions; (viii) contractor defaults; (ix) labor disputes; (x) unanticipated levels of inflation; and (xi) environmental issues, including environmental approvals that the City has not obtained at this time. A delay in the completion of certain projects could delay the collection of Revenues in respect of such projects, increase costs for such projects, and may cause the rescheduling of other projects. Any schedule delays or cost increases could result in the need to issue Additional Bonds and may result in increased costs per enplaned passenger to the airlines serving the Airport that may place the Airport at a competitive disadvantage to other airports. See “**AIRPORT CAPITAL IMPROVEMENT PROGRAMS**” herein.

Forward Looking Statements

This Official Statement, and particularly the information contained under the captions “**THE AIRPORT – Airport Facilities**,” “**PLAN OF FINANCE**,” “**FINANCIAL FEASIBILITY REPORT**” and in **APPENDIX A – “Financial Feasibility Report of the Airport Consultant**” to this Official Statement contains statements relating to future results that are “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995, as amended. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Among the factors that may cause forecast revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, construction delays, increases in construction costs, general economic downturns, factors affecting the airline industry in general, federal legislation and/or regulations, and regulatory and other restrictions, including, but not limited to, those that may affect the ability to undertake the timing or the costs of certain projects. Any forecast is subject to such uncertainties. Therefore, there will be differences between forecast and actual results, and those differences may be material and adverse.

Assumptions in the Financial Feasibility Report; Actual Results May Differ from Forecasts and Assumptions

The Financial Feasibility Report included as **APPENDIX A** incorporates numerous assumptions regarding the utilization of the Airport and other matters and states that the forecast in the Report of the Airport Consultant is subject to uncertainties. The Report of the Airport Consultant is an integral part of this Official Statement and should be read in its entirety for an understanding of all of the assumptions used to prepare the forecasts made therein. No assurances can be given that the forecasts and expectations discussed in the Report of the Airport Consultant will be achieved or that the assumptions upon which the forecasts are based will be realized. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances will occur. Therefore, actual results achieved during the forecast period will vary from those set forth in **APPENDIX A** and the variations may be material and adverse. Further, the Report of the Airport Consultant does not cover the entire period through maturity of the Series 2024 Bonds. See “**Forward-Looking Statements**,” “**REPORT OF THE AIRPORT CONSULTANT**” and **APPENDIX A – “Financial Feasibility Report of the Airport Consultant**” herein.

Future Legislation

Congress may from time to time consider legislative proposals which, if enacted, would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds.

Investors in the Series 2024 Bonds should be aware that any such future legislative actions may retroactively change the treatment of all or a portion of the interest on the Series 2024 Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2024 Bonds may be adversely affected and the ability of holders to sell their Series 2024 Bonds in the secondary market may be reduced. The Series 2024 Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2024 Bonds are not subject to adjustment in the event of any such change.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Series 2024 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Co-Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2024 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2024 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. This summary does not address the tax treatment of persons who purchase the Series 2024 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2024 Bonds.

Co-Bond Counsel's opinions are based upon the accuracy, truthfulness and reasonableness of certain expectations, representations and certifications of the City as described herein and in the Tax Compliance Agreement relating to the Series 2024 Bonds, and are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements, or if certain representations, certifications or expectations contained in the Tax Compliance Agreement relating to the Series 2024 Bonds are inaccurate, unreasonable or incorrect, the interest on the Series 2024 Bonds may be included in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Series 2024 Bonds. Co-Bond Counsel expresses no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2024 Bonds, but has reviewed the discussion under this heading "TAX MATTERS."

Opinion of Co-Bond Counsel

In the opinion of Dentons US LLP and Saulsberry & Associates, LLC, Co-Bond Counsel to the City, under the law existing as of the issue date of the Series 2024 Bonds:

Federal Tax Exemption

The interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes. However, no opinion is expressed as to the status of interest on any Series 2024B Bond for any period during which such Series 2024B Bond is held by a “substantial user” of the facilities financed or refinanced by the Series 2024B Bonds or a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

Alternative Minimum Tax

The interest on the Series 2024A Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax on individuals, trusts and estates imposed under the Code. The interest on the Series 2024B Bonds is an item of tax preference for purposes of computing the federal alternative minimum tax on individuals, trusts and estates imposed under the Code. The Inflation Reduction Act of 2022 imposes a corporate alternative minimum tax equal to 15% of the “adjusted financial statement income” of any corporation (other than an S corporation, a regulated investment company and a real estate investment trust) having an average “adjusted financial statement income” exceeding \$1,000,000,000 over such corporation’s three preceding taxable years. Interest on tax-exempt bonds, such as interest on the Series 2024 Bonds, is included in the calculation of a corporation’s “adjusted financial statement income.”

State of Missouri Tax Exemption

In the opinion of Co-Bond Counsel, the interest on the Bonds is exempt from income taxation by the State of Missouri under Chapter 143 of the Revised Statutes of Missouri, as amended.

Original Issue Premium

For federal income tax purposes, premium is the excess of the issue price of a Series 2024 Bond over its stated redemption price at maturity. The issue price of a Series 2024 Bond is generally the first price at which a substantial amount of the Series 2024 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2024 Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2024 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2024 Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Series 2024 Bonds

Upon the sale, exchange or retirement (including any applicable redemption) of a Series 2024 Bond, an owner of the Series 2024 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2024 Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Series 2024 Bond. To the extent a Series 2024 Bond is held as a capital asset, such

gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2024 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements

In general, information reporting requirements will apply to certain payments of the principal of, interest and premium, if any, on the Series 2024 Bonds, and to the proceeds paid on the sale of the Series 2024 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences

Prospective purchasers of the Series 2024 Bonds should be aware that ownership of the Series 2024 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2024 Bonds. Co-Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of the Series 2024 Bonds should consult their own tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2024 Bonds, including the possible application of state, local, foreign and other tax laws.

Market Discount

If a Series 2024 Bond is purchased at any time for a price that is less than the Series 2024 Bond's adjusted issue price, the purchaser may be treated as having purchased a Series 2024 Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2024 Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2024 Bond. Purchasers should consult their own tax advisors regarding the potential implications of the market discount rules with respect to the Series 2024 Bonds.

Bond Audits

The Internal Revenue Service (the "IRS") has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. Owners of the Series 2024 Bonds are advised that, if an audit of the Series 2024 Bonds were commenced, the IRS, in accordance with its current published procedures, is likely to treat the City as the taxpayer, and the owners of the Series 2024 Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2024 Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

General

The opinion of Co-Bond Counsel is rendered as of its date and Co-Bond Counsel assumes no obligation to update or supplement opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

Federal, state or local legislation, administrative pronouncements, or court decisions may affect the tax-exempt status of interest on the Series 2024 Bonds, gain from the sale or other disposition of the Series 2024 Bonds, the market value of the Series 2024 Bonds, or the marketability of the Series 2024 Bonds, or otherwise prevent the owners of the Series 2024 Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon for federal income tax purposes or the exemption from income taxes for State of Missouri purposes. For example, federal legislative proposals have been made recently and in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Series 2024 Bonds for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Series 2024 Bonds or the market price for, or marketability of, the Series 2024 Bonds. No assurance can be given with respect to the impact of future legislation on the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors regarding such matters.

The discussion above does not purport to address all aspects of federal, state, or local taxation that may be relevant to a particular owner of a Series 2024 Bond. Prospective owners of the Series 2024 Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Series 2024 Bonds.

LITIGATION

There is no litigation pending or, to the best knowledge of the City, threatened that would restrain or enjoin the issuance or delivery of the Series 2024 Bonds, that questions the validity of the Series 2024 Bonds or the Indenture, concerns any proceedings of the City taken in connection therewith or the pledge or application of any Revenues provided for their payment, or that contests the power of the City with respect to the foregoing.

The City and the Airport are subject to a variety of suits and proceedings arising out of its ordinary course of operations, some of which may be adjudicated adversely. In the opinion of the City Counselor, there is no litigation pending against the City or the Airport not sufficiently covered by insurance which, if determined adversely, would have a material adverse effect on Airport operations, Revenues or Net Revenues.

UNDERWRITING

Goldman Sachs & Co. LLC, as the representative of itself and the underwriters listed on the cover page of this Official Statement (collectively, the “*Underwriters*”), have agreed to purchase the Series 2024 Bonds from the City at an aggregate purchase price equal to \$310,785,326.20 (which amount constitutes the aggregate principal amount of the Series 2024 Bonds of \$287,360,000, plus original issue premium of \$24,732,400.00, less the Underwriters’ discount of \$1,307,073.80).

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the City and

to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The bond purchase agreement between the Underwriters and the City (the “**Bond Purchase Agreement**”) provides that the Underwriters will purchase all of the Series 2024 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The initial public offering prices of the Series 2024 Bonds may be changed from time to time by the Underwriters.

Stern Brothers & Co., an Underwriter of the Series 2024 Bonds, has entered into agreements (the “**Stern Brothers Agreement**”) each with InspereX LLC (“**InspereX**”) and Wedbush Securities Inc. (“**Wedbush**”) for the distribution of certain municipal securities offerings at the original issue price. Pursuant to each Stern Brothers Agreement, Stern Brothers & Co. may sell the Series 2024 Bonds to each of InspereX and Wedbush and will share a portion of its selling concession compensation with each, if applicable.

Huntington Capital Markets is a trade name under which securities and investment banking products and services of Huntington Bancshares Incorporated and its subsidiaries, including Huntington Securities, Inc. (“**HSI**”), are marketed. Municipal sales, trading and underwriting services are provided through HSI, which is a broker-dealer registered with the SEC.

INDEPENDENT PUBLIC ACCOUNTANTS

Included as **APPENDIX B** are the audited financial statements of the Airport as of June 30, 2023, for the Fiscal Year then ended, together with the report thereon of KPMG LLP, independent public accountants. KPMG LLP, the Airport’s independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein any procedures on the financial statements addressed in the Financial Feasibility Report. KPMG LLP also has not performed any procedures relating to this Official Statement.

CO-MUNICIPAL ADVISORS

Siebert Williams Shank & Co., LLC and PFM Financial Advisors LLC served as co-municipal advisors (the “**Co-Municipal Advisors**”) to the City with respect to the sale of the Series 2024 Bonds. The Co-Municipal Advisors assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2024 Bonds and provided other advice. The Co-Municipal Advisors have not independently verified the factual information contained in this Official Statement, but have relied upon information supplied by the Airport and the City and other sources who have certified that such information contains no material misstatement or omission.

AIRPORT CONSULTANT

Unison Consulting, Inc., Chicago, Illinois, has served as the Airport Consultant to the City with respect to the issuance of the Series 2024 Bonds.

LEGAL MATTERS

All legal matters incident to the authorization, issuance and sale of the Series 2024 Bonds are subject to the approval of Dentons US LLP, St. Louis, Missouri, and Saulsberry & Associates, LLC, St. Louis, Missouri, Co-Bond Counsel, and certain other conditions. The form of the Co-Bond Counsel opinion is set forth in **APPENDIX F** attached hereto. Greenberg Traurig LLP, Orlando, Florida, serves as Special Counsel. Certain legal matters will be passed upon for the City by the office of the City Counselor, and for the Underwriters by Rouse Frets White Goss Gentile Rhodes, P.C., Kansas City, Missouri, and White Coleman & Associates, LLC, St. Louis, Missouri, Co-Underwriters' Counsel. Certain legal matters will be passed upon for the City by Hardwick Law Firm, LLC, St. Louis, Missouri, Disclosure Counsel.

Co-Bond Counsel has not assisted in the preparation of this Official Statement except those portions of this Official Statement under the captions “**THE SERIES 2024 BONDS**” (excluding information concerning the Outstanding Bonds amounts, DTC and its book-entry-only system), “**TAX MATTERS**,” and **APPENDICES C and F** to this Official Statement and, therefore, express no opinion as to the sufficiency or accuracy of any other material or information, including, but not limited to financial and statistical information, included herein.

CERTAIN RELATIONSHIPS

Siebert Williams Shank & Co., LLC and PFM Financial Advisors LLC are serving as Co-Municipal Advisors to the City with respect to the sale of the Series 2024 Bonds.

Rouse Frets White Goss Gentile Rhodes, P.C. and White Coleman & Associates, LLC, are serving as Co-Underwriters' Counsel with respect to the issuance of the Series 2024 Bonds and each also represents certain of the Underwriters and the City from time to time on other transactions or matters.

Dentons US LLP and Saulsberry & Associates, LLC are serving as Co-Bond Counsel with respect to the issuance of the Series 2024 Bonds, and each also represents the City and certain of the Underwriters from time to time on other transactions or matters.

Hardwick Law Firm, LLC is serving as Disclosure Counsel to the City with respect to the issuance of the Series 2024 Bonds, and also represents the City and certain of the Underwriters from time to time on other transactions or matters.

CONTINUING DISCLOSURE

*The form of the Continuing Disclosure Agreement entered into by and between the City and the Dissemination Agent is included as **APPENDIX G**. All references herein to the Continuing Disclosure Agreement are qualified in their entirety by reference to such document. The Continuing Disclosure Agreement is available for inspection at the offices of the City.*

Continuing Disclosure Agreement

In order to assist the Underwriters in complying with their obligations under the Rule, the City will enter into the Continuing Disclosure Agreement substantially in the form attached as **APPENDIX G – “Form of Continuing Disclosure Agreement,”** pursuant to which the City will agree to file or cause to be

filed on an annual basis on the Electronic Municipal Market Access (“*EMMA*”) system established by the Municipal Securities Rulemaking Board: (i) certain annual information, including certain statistical and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Series 2024 Bonds, and (iii) timely notice of a failure by the City to provide the required annual information on or before the date specified in the Continuing Disclosure Agreement. The Underwriters’ obligation to purchase the Series 2024 Bonds is conditioned upon their receiving, at or prior to the delivery of the Series 2024 Bonds, an executed copy of the Continuing Disclosure Agreement.

Compliance by the City with Prior Continuing Disclosure Obligations

The following disclosure is being provided by the City for the purpose of assisting the Underwriters in complying with the Rule:

The City has previously entered into continuing disclosure undertakings as an “obligated person” under the Rule (the “*Undertakings*”). In the previous five years, in certain instances, the City failed to comply with certain provisions of such Undertakings, including: (i) untimely filing of certain developer and special district annual and semi-annual financial information; (ii) untimely filing of the City’s and the Airport’s annual financial information, including certain statistical and operating data; (iii) incomplete cross references by CUSIP numbers to the City’s annual financial information, including certain statistical and operating data; (iv) the failure to file certain statistical and operating data in the proper format and/or filing it in a format that could be considered incomplete; and (v) the failure to file, or timely file, or link to all relevant CUSIPS, certain notices relating to rating changes to the City’s outstanding bonds, a surety provider or to a bond insurer insuring obligations previously issued by the City.

Certain of the City’s Undertakings require the filing of calendar year information and information related to the City’s retirement systems that is not available at the time audited financial statements and other operating and statistical data are required to be filed. As such, the City is unable to file such information until after its due date. The City, however, routinely files such information on EMMA as soon as it becomes available. Additionally, certain information related to certain top taxpayers, while in substantial compliance with the Undertakings, no longer identifies the individual companies by name but classifies such taxpayers by industry.

Other than as stated herein, the City is in compliance in all material respects with its Undertakings for the prior five-year period through the date of this Official Statement. The City has adopted policies and procedures to assist the City in complying with its obligations under the Undertakings.

Airline Reporting Requirements

See “**FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORT – Airline Information**” for information on certain Signatory Airlines and their reporting requirements under the Exchange Act.

RATINGS

Moody’s Investors Service, Inc. (“*Moody’s*”) is expected to assign a rating of “A1” (stable) on the Series 2024 Bonds with the understanding that upon delivery of the Series 2024 Bonds, the Policy insuring the payment due of principal of and interest on the Series 2024 Bonds will be issued by AGM. Moody’s has assigned an underlying rating of “A2” (stable) to the Series 2024 Bonds. Fitch Ratings, Inc. (“*Fitch*”) has assigned a rating of “A” (stable) to the Series 2024 Bonds.

No application has been made to any other rating agency in order to obtain additional ratings on the Series 2024 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and Fitch at 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2024 Bonds.

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MISCELLANEOUS

This Official Statement has been duly approved, executed and delivered by the City.

The references in the Official Statement to the Indenture and other documents are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and for full and complete statements of the provisions thereof, reference is made to the Indenture and such other documents. Copies of such documents are on file at the offices of the City and following the delivery of the Series 2024 Bonds will be on file at the office of the Trustee. All estimates and other statements in this Official Statement involving matters of opinion, whether or not expressly stated, are intended as such and not as representations of fact.

The attached appendices are integral parts of this Official Statement and must be read together with all of the foregoing statement.

THE CITY OF ST. LOUIS, MISSOURI

By: /s/ Tishaura O. Jones
Tishaura O. Jones, Mayor

By: /s/ Darlene Green
Darlene Green, Comptroller

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APPENDIX A

Financial Feasibility Report of the Airport Consultant

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City of St. Louis, Missouri
Airport Revenue Bonds, Series 2024
(St. Louis-Lambert International Airport)

FINANCIAL FEASIBILITY REPORT

May 29, 2024



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SECTION 1 | INTRODUCTION

This Financial Feasibility Report (the Report) evaluates the financial impact of the proposed issuance by the City of St. Louis, Missouri (the City) of Airport Revenue Bonds, Series 2024A (NON-AMT) (St. Louis Lambert International Airport) and Series 2024B (AMT) (St. Louis Lambert International Airport) (collectively the Series 2024 Bonds). The Series 2024 Bonds are issued pursuant to the Restated Indenture of Trust dated as of July 1, 2009 (the Restated Indenture), as amended and supplemented, including the Twenty-Seventh Supplemental Indenture of Trust dated as of June 1, 2024 (the Twenty-Seventh Supplemental Indenture), and, together with the Restated Indenture (the Indenture), by and between the City and UMB Bank, N.A., as Trustee (the Trustee). The issuance of the Series 2024 Bonds will enable the City to fund a portion of the project costs for the Series 2024A Projects and the Series 2024B Projects (collectively and as further described below, the 2024 Projects).

This Report addresses the use of bond proceeds to be derived from the issuance of the Series 2024 Bonds and the use of other available funds to finance the cost of a portion of the 2024 Projects, which form a part of the construction, extension and improvement of the St. Louis Lambert International Airport (STL or Airport) and to reimburse the Airport for certain prior capital expenditures. In addition, the proceeds will also be used (1) to pay the premium for a debt service reserve insurance policy, (2) to pay capitalized interest on the Series 2024 Bonds and (3) to pay for certain costs of issuance related to the issuance of the Series 2024 Bonds.

This Report comprises the following sections:

- Section 1 provides introductory information on the Airport and the use of the proceeds from the Series 2024 Bonds for funding a portion of the 2024 Projects.
- Section 2 defines the Airport's air service area and discusses relevant demographic and economic trends at both regional and macro levels.
- Section 3 analyzes the historical trends and presents forecasts of commercial aviation activity at the Airport.
- Section 4 describes the Airport Use and Lease Agreement (AULA), which has been extended through fiscal year (FY) 2025 (ending June 30, 2025). The financial projections presented in Section 5 assume the provisions of the extended AULA will be consistent throughout the forecast period.
- Section 5 reviews the framework for the financial operations of the Airport. It also reviews the recent historical financial performance of the Airport and evaluates the ability of the Airport to generate sufficient Net Revenues during the forecast period to meet the annual debt service requirement as stated in the Indenture. For this Report the financial projections extend through FY2030.

1.1 | The Airport

The Airport is located in St. Louis County, Missouri near the center of the St. Louis, MO-IL metropolitan statistical area (St. Louis MSA) and approximately 15 miles northwest of the City's business district. The Airport encompasses approximately 3,600 acres of land.

The Federal Aviation Administration (FAA) classifies the Airport as a medium hub because it enplanes between 0.25 and 1.0 percent of the total passengers in the United States in a calendar year (CY). In CY2022, the Airport enplaned approximately 6.7 million passengers, which accounted for approximately 0.73 percent of total U.S. enplanements. According to the FAA's most current ranking of U.S. commercial service airports for CY2022, the Airport was the 34th largest in terms of total passenger enplanements.

The Airport has four active runways and an extensive taxiway system. The largest commercial aircraft can use the primary runways (12R-30L, 12L-30R, and 11-29) without restrictions. The current runway configuration allows simultaneous take-offs and landings on Runway 12L-30R during instrument flight rule (IFR) conditions. All runways, including crosswind Runway 6-24, have sufficient length to handle most aircraft that currently serve the Airport. The airfield has over 15 miles of 75-foot-wide concrete taxiways and four concrete holding pads. Approximately 49 acres of concrete apron provide space for aircraft parking, servicing, and refueling by scheduled commercial air carriers. Another approximately 17 acres are leased to two fixed-base operators that support general aviation aircraft.

Terminal facilities consist of Terminals 1 and 2. Terminal 1 contains approximately 1.01 million usable square feet of building space that includes the main terminal and four concourses (Concourses A, B, C and D) with 57 aircraft gates in a mixed configuration:

- Concourse A has 15 gates: Six are leased by Delta Air Lines, five by United Airlines, and one by Air Canada. Two are City Gates available for lease or per-turn use, and one gate is not currently in use.
- Concourse C has 29 gates: One is leased by Southern Airways Express, one by Alaska Airlines, seven by American Airlines, two by Frontier, and one by Spirit. Four are available for lease or per-turn use, and 13 gates are not currently in use.
- Concourse B is available for rental as a public event space on an occasional basis. It is not currently in use for airline purposes but is available as hold room space for passenger airlines.
- Concourse D has 13 gates available, all inactive currently.

Terminal 2 has approximately 340,000 square feet of usable building space and consists of one concourse with 18 aircraft gates. Currently, Southwest Airlines leases 17 gates with the remaining City Gate available for lease or per-turn use. On June 1, 2022, Lufthansa began operations from Terminal 2 and currently uses the City Gate on a per turn basis. Three of the gates (one City Gate and two Southwest leased gates) are available for arriving flights requiring U.S. Customs and Border Protection services. MetroLink, the metropolitan area's light rail system, currently serves

the Airport with two stations—one at Terminal 1 and the other at Terminal 2, providing public transportation to and from the Airport.

Currently, the Airport has 9,048 public parking spaces available, consisting of 3,079 garage spaces for short-term parking (Terminal 1 and 2 garages) and 5,969 surface parking spaces. The Airport has set aside 26 parking spaces in the Terminal 2 garage for reserved parking as an added enhancement. In addition, the Airport has two free cell phone parking lots—one is located west of Terminal 1, and the other is located east of Terminal 2. Both are open to the public.

The other Airport facilities owned by the City include two off-site office buildings; five warehouse-type buildings in Cargo City; 11 shops and service buildings; and hangars leased by American Airlines, GoJet Airlines, Signature Flight Support, and MHS Travel & Charter. In 2016, one of the office buildings was on a long-term lease to the Missouri Air National Guard (MoANG), and one of the buildings in Cargo City was on a long-term lease to Southwest Airlines. In 2018, the City took possession of the former MoANG base site, which had been leased by the federal government for decades, and will be demolished using a portion of the proceeds from the Series 2024 bonds.

The Airport-owned cargo handling facility on the north-side of the airfield has active leases with three companies: Federal Express (FedEx), United Parcel Service (UPS), and Primeflight, (the cargo handler for Amazon). The buildings have 139,340 square feet of cargo space, 338,740 square feet of vehicle parking space and 566,209 square feet of aircraft apron space. The lease agreements for FedEx and UPS, which run concurrently with the AULA will expire June 30, 2025. The lease agreement with Primeflight will expire August 31, 2025. The entire facility is fully leased.

The Spire Corporation leases a parcel of land for the purpose of operating a compressed natural gas fueling station owned by the City. Under the terms of the lease, Spire Corporation pays the City a set ground rental plus a royalty percentage.

In January 2017, the City entered into a long-term lease agreement with Enterprise Leasing Company of St. Louis, LLC, for a formerly vacant parking lot known as the “Springdale Lot,” consisting of 17.86 acres of paved land with a small building. The Springdale Lot is used for vehicle storage.

The airline fuel consortium, STL Fuel Company, LLC, currently leases approximately 88,000 square feet and successfully completed a new fuel farm facility in March 2021. The new fuel farm occupies 4,300 square feet and holds three million gallons of above-grade jet fuel. This facility provides double the fuel storage capacity of the previous fuel farm and can continue providing fuel to the Airport during all weather conditions. The former site has been decommissioned, remediated, and returned to the Airport for future redevelopment.

In August 2023, the Airport Commission approved a proposal allowing the Boeing Company (Boeing) to lease approximately 185 acres of and for its defense aircraft assembly and testing operations. The proposed facility that will be constructed on the site is expected to be approximately 1.5 million square feet and is scheduled to be completed between 2026 and 2027. This lease also allows Boeing to undertake further expansion after 2027 and involves leasing two additional parcels to the northeast of the airfield consisting of Brownleigh property and the eastern portion of the Northern Tract site.

Additionally, there are other structures at the Airport that are owned by Boeing, but are located on grounds that are leased from the City.

1.2 | Airport Governance

The Airport is owned by the City and operated by the City of St. Louis Airport Authority (the Authority). The City is governed by a charter under the Constitution and the laws of the State of Missouri. The Mayor serves as Chief Executive Officer, and the Comptroller serves as the Chief Fiscal Officer of the City. Both are elected to four-year terms.¹ The Board of Aldermen consists of 14 Aldermen who are elected by each of their respective 14 wards and the President of the Board of Aldermen who is elected by a city-wide vote. All serve four-year terms and represent the legislative body of the City. The Mayor, the Comptroller and the President of the Board of Alderpersons constitute the Board of Estimate and Apportionment, which is primarily responsible for the City's finances.

The Authority was created to manage the Airport by an ordinance enacted by the City's Board of Aldermen in 1968. The Director of Airports serves as the Chief Executive Officer of the Authority. The Airport Commission (the Commission) is the governing board of the Authority and is responsible for overseeing the planning, development, management, and operation of the Airport. The Commission has 17 members: The Director of Airports (acting as Chair), the Comptroller of the City, the President of the Board of Aldermen, the Chair of the Transportation and Commerce Committee of the Board of Aldermen, six members appointed by the Mayor, five members appointed by the County Executive of St. Louis, Missouri, one member appointed by the County Executive of St. Charles, Missouri, and one member appointed by the Chair of the County Board of St. Clair County, Illinois. The Director of Airports is supported by three Deputy Directors as further described below.

With the approval of the Commission and the Board of Estimate and Apportionment of the City, the Director of Airports has the power to enter into contracts, leases, and agreements for the use of Airport's property and facilities. Any contracts, leases, and agreements with a term of more than three years must be authorized by the Board of Aldermen and, if such contract, lease, or agreement relates to the construction of public works, by the City's Board of Public Service. The Director of Airports, with the approval of the Commission, has the power to prepare schedules to establish all other fees and charges.

The key officials of the Airport's management team are as follows:

- **Rhonda Hamm-Niebruegge, Director of Airports**, has served in this capacity since January 2010. Ms. Hamm-Niebruegge has more than two decades of aviation management experience with key leadership positions with Ozark Airlines, Trans World Airlines and American Airlines. She previously served as American Airlines Managing Director, St. Louis Operations. In her role as Director of Airports, she manages over 500 employees and is also Chairperson of the Commission. In addition, she has served as Chairperson of the Airport

¹ On April 7, 2021, the City elected Tishaura O. Jones as Mayor and reelected Darlene Green as Comptroller.

Oversight Committee for the past two years and currently serves as a board member, while also serving as Chairperson for the Christian Hospital Board and a board member for BJC Healthcare.

- **Jerry Beckmann, P.E., Airport Deputy Director of Planning and Development** has served in this capacity since October 2013, is responsible for the planning, contracting and executing all construction projects at the Airport, while also coordinating long-range master plan goals for all airfield and Airport properties. In addition, he is responsible for the Airport's environmental compliance and employee safety initiatives.
- **David Kulinsky, Airport Deputy Director of Operations and Maintenance**, has served in this capacity since September 2023 and is responsible for Airfield and Building Operations, Security Operations, Emergency Planning and manages compliance with all FAA airport operations regulations and standards. He is also responsible for multiple operating departments, including Airfield and Grounds Maintenance, the Airport Operations Center, Airport Building Maintenance, Airport and Airfield Electrical Maintenance, Housekeeping, and Airport Police Department. Mr. Kulinsky joined the Airport in September 2015 as the Assistant Director of Operations.
- **Antonio Strong, C.P.A. Airport Deputy Director of Finance and Administration** has served in this capacity since July 2015, leads all Airport finance and business units including Finance and Accounting, the Properties Department and the Business Diversity Development Office. Mr. Strong has a strong background in accounting and management with over 20 years of experience.

1.3 | 2023 STL Annual Report Highlights

As a follow up to the previous FY2015-2020 Strategic Plan highlights and the 2022 STL Annual Report, in March 2024 Airport management produced a report entitled 2023 STL Annual Report. The following is a summary of some of the key highlights from that report:

- **Master Plan Approval** – A major accomplishment for the Airport was receiving approval from the FAA for its Master Plan. The Master Plan calls for, among other projects, the consolidation of all commercial passenger activities into a single terminal defined as the consolidated terminal program (CTP). Airport management and the Signatory Airlines and their representatives continue to discuss the merits of moving forward with the Master Plan.
- **Boeing Expansion at STL** – In August 2023 the Airport Commission approved a proposal allowing the Boeing company to lease approximately 185 acres of land for its defense aircraft assembly and testing operations. The lease results in a commitment of approximately \$2.6 million annually from the Boeing Company with potential increases after the seventh year based on consumer price indexing. This arrangement also provides the opportunity for further development of underutilized Airport property.
- **Financial Overview** – The financial overview identified the key on-going objectives to be managed by the Finance and Administration Division. Several key factors included retaining

a stable or improving bond rating from major rating agencies; continuing improvement in enplanement growth in FY2023; and achieving a stronger increase in O&D enplanements by 24 percent. Airport management continues to see double digit increases in operating revenues primarily attributed to: (1) increase in travelers at STL, (2) concession growth, and (3) more demand for parking.

- STL Air Service STL – enplanement activity is trending toward reaching the FY2019 level by late FY2024 based on the enplanement trends in FY2023. Airport management is anticipating an even stronger FY2024 based on a debut from Lufthansa Airlines marked by the first non-stop flights from St. Louis to continental Europe in over 20 years and introduction of another new entrant Avelo. In addition, additional service offerings from Frontier, Southwest, Airlines, Air Canada and Delta Airlines contributed to the increase passenger traffic in FY2023 and anticipated in FY2024.
- STL Engineering Projects – Receiving the approval from the FAA of the revised Airport Master Plan totaling \$2.8 billion in May 2023 was a major accomplishment, which represents reaching a major milestone signifies a strategic leap forward in addressing and accommodating the escalating demand for air travel.
- STL Operations – David Kulinsky was appointed Deputy Director for the Operations Division in September 2023. This division manages some key initiatives such as; STL’s first of its kind Airport Operations Center/Emergency Operations Center, implement a Runway Incursion System, and construction of a new Central Utility Plant (CUP) that is one of the key projects being funded with a portion of the proceeds from the Series 2024 Bonds.
- STL Properties Accomplishments – Major initiative from 2023 was to rebuild concessions to be stronger post-pandemic. This included finalizing an extensive renovation plan in 2024 for Terminal 2. This initiative, in concert with HMS Host International and CHM Concession Group led to several culinary changes in Terminal 2. Replacement of California Pizza Kitchen and Burger King with the new concepts such as: Shake Shack, Pei Wei and expansion of Starbucks, which serves two purposes in changing and expanding culinary offerings and creating operational efficiencies. Additionally, other new concepts being introduced include Midtown Café Specialty Coffee introducing passengers to a local taste along with renovation and makeover of existing properties. As for Terminal 1, the concepts introduced in 2023 in partnership with Paradies Lagadere continue to do well. Under construction replacing the Chili’s concept on Concourse C is a new NASCAR themed restaurant.

1.4 | 5-Year Capital Improvement Program

The Airport is currently operating under a two-year extension of the AULA, which is scheduled to expire June 30, 2025. Therefore, due to a shorter AULA the Airport did not receive the customary pre-approval for the 5-Year Capital Improvement Program for FY2024-2028 (FY2024-2028 CIP). However, the Airport did prepare an MII ballot for a portion of the FY2024-2028 CIP and submitted it to the Airlines for approval. The MII Ballot was approved in September 2023 totaling \$331.6 million, including a portion expected to be funded by a portion of the proceeds of the Series 2024

Bonds. Table 1 summarizes The FY2024-2028 CIP totaling \$567.5 million and contains various projects within key Airport cost centers: Airfield (\$313.9 million); and Terminal 1 and 2 shared projects (\$227.8 million). The remainder of the projects are within the Parking, Roads and Cargo/Other cost centers.

Beyond the Airport's FY2024-2028 CIP, the Airport and the Airlines are discussing moving forward with replacement of the Airport's two existing terminals with a CTP. Although the discussions between the Airport and Airlines have been progressing, and a tentative agreement to proceed with the authorization of the Third Amendment, Airport management is awaiting majority approval by the Signatory Airlines to extend the AULA in order to undertake the architectural design, environmental analysis, and other expenditures required during the extension period. Funding sources for the CTP's construction could include bonds, rental fees, federal funds and other non-airline revenues. As the CTP has not been approved by the Signatory Airlines at the time of this Report neither the cost or the financial impact has been included in the FY2024-2028 CIP or the financial projections discussed in Section 5.

Below is a brief discussion of each project element within a specific cost center included in the FY2024-2028 CIP.

Airfield Projects

This category consists of various projects focused on the improvement of airfield operations, such as: airfield pavement reconstruction, airfield safety improvements, airfield maintenance projects, and general planning studies. The remaining projects focus on the replacement of various airfield vehicles that have exceeded their useful life and to meet FAA Part 139 requirements for snow and aircraft emergency response. This category totals approximately \$313.9 million, of which approximately \$74.8 million is expected to be funded by a portion of the proceeds of the Series 2024 Bonds. The airfield projects expected to be funded by a portion of the proceeds of the Series 2024 Bond include West Airfield Project-West Deicing Pad and Taxiway Realignment (\$15.5 million), West Airfield Project-Relocate/Demolish Airfield Maintenance Complex (\$54.3 million) and Demolish MOANG (\$5.0 million).

Terminal 1 and 2 Shared Projects

This category consists of various shared projects between Terminals 1 and 2 for safety and building improvements within the terminals such as: emergency operations center implementation, electrical systems and equipment replacements, structural repairs, program management, and miscellaneous lighting, plumbing, and elevator/escalator replacements. The category totals approximately \$227.8 million, of which \$182.0 million are anticipated to be funded by a portion of the proceeds of the Series 2024 Bonds. The shared projects expected to be funded by a portion of Series 2024 Bond proceeds include Central Heating & Refrigeration Plan (CHRP) and Electrical Substation (\$175.0 million), and Program and Construction Management (\$7.0 million).

Parking Projects

This category is comprised of parking facility improvement projects to enhance safety and extend the useful life of the parking facilities. The projects will consist of upgrades to electrical equipment, drainage systems and asphalt resurfacing lots as deemed needed. The total project cost for this category is approximately \$13.8 million, with approximately \$12.6 million anticipated to be funded by a portion of future General Airport Revenue Bond (GARB) proceeds, and approximately \$1.2 million expected to be funded by prior uncommitted bond proceeds. The specific projects in this category include Terminal 1 Garage Improvements (\$11.0 million), Terminal 2 Garage Improvements (\$1.6 million), and Lot C – Mill and Overlay (\$1.2 million).

Roads Projects

Projects in this category are estimated to cost \$9.5 million and consist of the purchase of five electric shuttle buses and projects that will restore and rehabilitate Airport owned roads and bridges. Approximately \$7.0 million is anticipated to be funded by a portion of future GARB proceeds. The remaining costs anticipate PFC Pay-As-You-Go (PAYGO) and airport local funding. The specific projects in this category include VALE-5 Electric Shuttles (\$1.8 million),² Roadways and Bridges (\$7.0 million), and Ground Transportation Center – Refurbish Bus Port (\$0.7 million).

Cargo and Other Projects

This final category consists of one air cargo facility improvement project, with a total cost of approximately \$2.6 million. The specific project in this category is STL Air Cargo - Landside Pavement (\$2.6 million) and is expected to be funded by prior uncommitted bond proceeds.

² The company the buses were ordered from is no longer in business resulting in the Airport seeking an alternative to meet the timeframe.

Table 1 | FY2024–2028 Five-Year Capital Improvement Plan¹

Project Name	Estimated	2024	2025	2026	2027	2028
	Project Cost (FY2024 - FY2028)					
Airfield Projects:						
Airfield Maintenance Projects	\$2,060,474	\$2,000,000	\$19,845	\$20,183	\$20,446	\$0
Planning Projects	500,000	500,000	0	0	0	0
Runway and Apron Reconstruction Projects						
Rebuild RW 12R-30L, from TW Romeo to Golf	44,060,325	44,060,325	0	0	0	0
West Airfield Projects	140,144,000	85,844,000	54,300,000	0	0	0
Reconstruction of Runway 6/24	48,600,000	0	0	0	48,600,000	0
Reconstruct TW C, D5 to G	31,100,000	31,100,000	0	0	0	0
Other Runway and Apron Projects	30,081,007	5,000,000	10,400,000	0	2,163,532	12,517,475
<i>Sub-Total Runway and Apron Reconstruction Projects</i>	\$293,985,332	\$166,004,325	\$64,700,000	\$0	\$50,763,532	\$12,517,475
Airfield Vehicles						
Replacement Snow Removal/Deicer Vehicles	\$13,882,500	\$3,382,500	\$3,500,000	\$3,500,000	\$3,500,000	\$0
Other Airfield Vehicles	3,450,000	2,200,000	1,250,000	0	0	0
<i>Sub-Total Airfield Vehicles</i>	\$17,332,500	\$5,582,500	\$4,750,000	\$3,500,000	\$3,500,000	\$0
Airfield Total	\$313,878,306	\$174,086,825	\$69,469,845	\$3,520,183	\$54,283,978	\$12,517,475
Terminal 1 and 2 Shared Projects:						
Program Management and Construction Mngmnt	\$7,000,000	\$7,000,000	\$0	\$0	\$0	\$0
Central Heating&Refrigeration Plant (CHRP) and Electrical Substation	175,000,000	175,000,000	0	0	0	0
Emergency Operations Center - Implementation	4,667,000	4,667,000	0	0	0	0
Baggage Handling Improvements	4,952,013	0	1,625,045	1,652,709	1,674,259	0
Security Systems	6,822,130	0	2,238,740	2,276,851	2,306,539	0
Other T1/T2 Shared Projects	29,313,246	2,980,694	10,123,517	7,753,294	8,455,741	0
Terminal 1 and 2 Shared Total	\$227,754,389	\$189,647,694	\$13,987,302	\$11,682,854	\$12,436,539	\$0
Parking Projects:						
Terminal 1 Garage Improvements	\$10,966,350	\$0	\$3,598,701	\$3,659,963	\$3,707,686	\$0
Lot C - Mill and Overlay, Drainage	1,200,000	1,200,000	0	0	0	0
Terminal 2 Garage Improvements	1,646,633	0	540,357	549,555	556,721	0
Parking Total	\$13,812,983	\$1,200,000	\$4,139,058	\$4,209,518	\$4,264,407	\$0
Roads Projects:						
Roadways and Bridges	\$7,014,818	\$0	\$2,301,972	\$2,341,160	\$2,371,686	\$0
VALE- Electric Shuttle Buses	1,760,000	1,760,000	0	0	0	0
Other Roadway Projects	700,000	700,000	0	0	0	0
Roads Total	\$9,474,818	\$2,460,000	\$2,301,972	\$2,341,160	\$2,371,686	\$0
Cargo/Other Buildings Projects:						
STL Air Cargo - Landside Pavement	\$2,550,000	\$2,550,000	\$0	\$0	\$0	\$0
Cargo/Other Buildings Total	\$2,550,000	\$2,550,000	\$0	\$0	\$0	\$0
Grand Total 5 Year CIP FY 2024 - 2028	\$567,470,496	\$369,944,519	\$89,898,177	\$21,753,715	\$73,356,610	\$12,517,475

¹ Excludes all projects costs related to the CTP

1.5 | Funding Plan for the FY2024-2028 CIP

The funding plan on Table 2 anticipates using the following funding sources:

- Airport Development Fund (ADF)
- Passenger Facility Charges (PFCs)
- General Airport Revenue Bonds (GARBs)
- Airport Improvement Program – Entitlement and Discretionary (AIP)
- Bipartisan Infrastructure Law (BIL) Grants
- Other

Airport Development Fund

The ADF represents funds that are generated from the Airport’s excess operating revenues each year. The excess operating revenues represent money on hand after payment of O&M expenses, aggregate debt service on outstanding bonds, and the replenishment of certain reserves. This money is then available to be appropriated by the City’s Board of Aldermen for capital projects or for any other Airport purpose. As of December 31, 2023, the Airport had an audited balance of approximately \$12.6 million in the unappropriated ADF account. It is projected that the Airport will continue to generate excess operating revenues that will flow into the ADF as discussed in more detail in Section 4 of this Report. The current funding plan for the FY2024-2028 CIP anticipates using approximately \$11.8 million in ADF.

Passenger Facility Charges

In 1990, Congress authorized public airport operators to impose PFCs up to \$3.00 per eligible enplaned passenger and use the proceeds of such charges to fund airport capital improvements—primarily projects that improve airport capacity, mitigate noise, or enhance airline competition. The PFC rate has subsequently been increased to provide for the collection of up to \$4.50 per eligible enplaned passenger.

The projections of PFC revenues included in this Report assume a constant \$4.50 collection rate. To maintain the \$4.50 collection rate without interruption, the Airport recently submitted a draft amendment to the FAA for PFC Applications #11 and #12 to increase the collection rate for these applications from \$3.00 to \$4.50. Under the FAA Reauthorization Act of 2018, Public Law 115-524, as amended, Congress relaxed the standards for approval of the \$4.50 collection rate for all airports. Based on the relaxed standards, the Airport anticipates that the amendments to its applications will be approved without delay.

The PFCs collected and the interest income earned thereon (collectively referred to as “PFC Revenues”) may be used in two ways: (1) to pay direct costs of FAA-approved projects (referred to as “pay-as-you-go” funding), and (2) to pay debt service on bonds issued for approved PFC projects (referred to as “leveraging” the PFC revenue stream).

The FY2024-2028 CIP anticipates the use of approximately \$10.4 million of PFC revenues on a Pay-As-You-Go (PAYGO) basis. The Airport recently submitted a draft of a new PFC Application #16 to the FAA requesting approval to collect and use approximately \$33.9 million of PFC PAYGO revenues to fund both FY2023 PFC-eligible projects and a portion of the PFC-eligible projects included in the FY2024-2028 CIP. The Airport will apply for any necessary future approvals to use PFC revenues to fund the remaining \$6.3 million of PFC-eligible projects included in the FY2024-2028 CIP.³

General Airport Revenue Bonds (GARBs)

GARBs (which include the Series 2024 Bonds) represent bonds issued or anticipated to be issued by the City that are payable solely from the Revenues of the Airport as further defined in the Indenture. The FY2024-2028 CIP includes GARB proceeds to fund a portion of the project costs totaling approximately \$358.8 million, comprised of \$256.8 million from the proceeds of the Series 2024 Bonds and \$102.0 million from the proceeds of future bonds. The Signatory Airlines were presented Majority-In-Interest (MII) ballots for the 2024 Projects, which they approved during September 2023. The City can issue additional GARBs for additional projects under the Indenture as long as the proposed GARBs can meet the Additional Bonds provision and the aggregate number of GARBs and other applicable obligations, if any, does not exceed the City's current authorization limit of \$3.5 billion. As further provided in the Indenture, the Additional Bonds provision requires, among other things:

1. Accountant's Certificate setting forth (a) the Net Revenues of the Airport for any 12-consecutive calendar months out of the 18 months preceding the authentication and delivery of such Additional Bonds, (b) the Aggregate Adjusted Debt Service for such 12-month period, and demonstrating that for such 12-month period Net Revenues equaled at least 1.25 times the Aggregate Adjusted Debt Service;
2. Certificate of an authorized officer of the City demonstrating that, among other things, the estimated Net Revenues of the Airport for each of the three Fiscal Years following the Fiscal Year in which the Additional Project will be completed is projected to be at least equal to 1.25 times the Aggregate Adjusted Debt Service for each of such three Fiscal Years; and
3. A certificate of the Consulting Engineers setting forth (a) the estimated date of completion for the Additional Project for which such Series of Additional Bonds is being issued and (b) an estimate of the Cost of Construction of such Additional Project.

The total par value of the Series 2024 Bonds planned to be issued is approximately \$287.4 million. The projects anticipated to be funded by the Series 2024 Bonds are scheduled to be completed by the end of FY2027.

³ The City and Unison express no opinion on whether the Airport's future applications will be approved. In the event that the anticipated future applications are not approved in full, the Airport will attempt to fund any PFC-ineligible project amounts with other revenue. The City and Unison express no opinion on the availability of other revenues to offset any requested PFC PAYGO project amounts not approved in future applications.

Airport Improvement Program Grants

The Airport is anticipating receiving AIP grants to provide funding for a portion of the FY2024-2028 CIP.

The AIP was established by the Airport and Airway Improvement Act of 1982, as amended. This Act authorizes funding for the AIP from the Airport and Airway Trust Fund for airport development, planning, and noise compatibility planning programs. The AIP grant is awarded to airports in two ways: (1) entitlement grants, which are awarded annually based on a formula applied to estimated enplanements reduced by 50 percent if the Airport collects a \$3.00 PFC or 75 percent if the Airport collects a \$4.50 PFC; and (2) discretionary grants, which are awarded for capital projects that enhance safety, security and noise compatibility. While doing so, the Airport must preserve the existing infrastructure, meet critical expansion needs, and attain compatibility with neighboring communities. During FY2023, the Airport was awarded approximately \$62.8 million in AIP grants, which consisted of approximately \$3.4 million in entitlements, \$38.6 million in discretionary, and the balance from COVID-19 related grants. The total amount of grants estimated to be available to finance a portion of the FY2024–2028 CIP is approximately \$91.9 million, primarily funding Airfield projects.

Bipartisan Infrastructure Law

On November 15, 2021, the Infrastructure Investment and Jobs Act, Pub. L. 117-58 (also referred to as the Bipartisan Infrastructure Law, or BIL) was signed into law. The BIL includes two new grant programs for airports: (1) the Airport Infrastructure Grant program (AIG); and (2) the Airport Terminal Program (ATP). The AIG is a formula driven program based on an airport’s enplaned passenger count. The ATP is a competitive or discretionary program. AIG funds can be used for any capital development that is eligible to receive AIP grants. ATP eligibility is limited to passenger terminal development as defined in the AIP statute plus certain rail access projects eligible for passenger facility charge funding. Each program has a local matching requirement, i.e., the Airport must use its own funds to pay a portion of project costs. The total amount of BIL grants estimated to be available to finance a portion of the FY2024-2028 CIP is approximately \$64.0 million. The Airport is in the process of requesting additional BIL grants to finance a larger portion of the 2024 Projects.

Other Funding

The remainder of the funding requirement for the FY2024-2028 CIP will be covered by other funds such as Missouri Department of Transportation funds, Missouri Department of Agriculture funds, and prior uncommitted bond proceeds. The Airport anticipates applying approximately \$25.7 million of uncommitted bond proceeds from Series 2017C and 2019A bonds. Total other funding of approximately \$30.6 million is estimated to be available to finance a portion of the FY2024-2028 CIP.

The City may also issue, when needed, subordinated debt, including subordinated commercial paper notes. As of the date of this Official Statement, there is no subordinated debt outstanding or contemplated for the 2024 Projects. The City may issue subordinated commercial paper notes or any other subordinated debt permitted under the Indenture in the future.

Table 2 | FY2024-2028 Capital Improvement Plan by Funding Source

Project Name	Estimated Project Funding	AIP Grants		PFC PAYGO	ADF	GARB	BIL Grant	OTHER ¹
		Entitlement	Discretionary					
Airfield Projects:								
Airfield Maintenance Projects	\$2,060,474	\$0	\$0	\$2,000,000	\$60,474	\$0	\$0	\$0
Planning Projects	500,000	0	0	0	0	0	0	500,000
Runway and Apron Reconstruction Projects								
Rebuild RW 12R-30L, from TW Romeo to Golf	44,060,325	0	33,045,244	2,254,362	7,282,778	0	0	1,477,941
West Airfield Projects	140,144,000	0	6,308,000	0	0	69,836,000	64,000,000	0
Reconstruction of Runway 6/24	48,600,000	4,000,000	20,300,000	0	0	24,300,000	0	0
Reconstruct TW C, D5 to G	31,100,000	0	13,325,000	0	0	0	0	17,775,000
Other Runway and Apron Projects	30,081,007	2,080,000	10,108,106	0	0	17,892,901	0	0
<i>Sub-Total Runway and Apron Reconstruction</i>	\$293,985,332	\$6,080,000	\$83,086,350	\$2,254,362	\$7,282,778	\$112,028,901	\$64,000,000	\$19,252,941
Airfield Vehicles								
Replacement Snow Removal/Deicer Vehicles	\$13,882,500	\$0	\$0	\$2,585,625	\$0	\$10,500,000	\$0	\$796,875
Other Airfield Vehicles	3,450,000	0	0	312,500	200,000	937,500	0	2,000,000
<i>Sub-Total Airfield Vehicles</i>	17,332,500	0	0	2,898,125	200,000	11,437,500	0	2,796,875
Airfield Total	\$313,878,306	\$6,080,000	\$83,086,350	\$7,152,487	\$7,543,252	\$123,466,401	\$64,000,000	\$22,549,816

¹ Represents Missouri Department of Transportation (MDOT), Missouri Department of Agriculture (MDOA), or prior uncommitted bond proceeds.

Table 2 (Continued) | FY2024-2028 Capital Improvement Plan by Funding Source

Project Name	Estimated Project Funding	AIP Grants			ADF	GARB	BIL Grant	OTHER ¹
		Entitlement	Discretionary	PFC PAYGO				
Terminal 1 and 2 Shared Projects:								
Program Management and Construction Mngmnt	\$7,000,000	\$0	\$0	\$0	\$0	\$7,000,000	\$0	\$0
Central Heating&Regfrigeration Plant (CHRP) and Electrical Substation	175,000,000	0	0	0	0	175,000,000	0	0
Emergency Operations Center - Implementation	4,667,000	2,750,000	0	0	217,000	0	0	1,700,000
Baggage Handling Improvements	4,952,013	0	0	0	0	4,952,013	0	0
Security Systems	6,822,130	0	0	0	0	6,822,130	0	0
Other T1/T2 Shared Projects	29,313,246	\$0	\$0	\$2,750,000	\$3,581,377	\$21,881,869	\$0	\$1,100,000
Terminal 1 and 2 Shared Total	\$227,754,389	\$2,750,000	\$0	\$2,750,000	\$3,798,377	\$215,656,012	\$0	\$2,800,000
Parking Projects:								
Terminal 1 Garage Improvements	\$10,966,350	\$0	\$0	\$0	\$0	\$10,966,350	\$0	\$0
Lot C - Mill and Overlay, Drainage	1,200,000	0	0	0	0	0	0	1,200,000
Terminal 2 Garage Improvements	1,646,633	0	0	0	0	1,646,633	0	0
Parking Total	\$13,812,983	\$0	\$0	\$0	\$0	\$12,612,983	\$0	\$1,200,000
Roads Projects:								
Roadways and Bridges	\$7,014,818	\$0	\$0	\$0	\$0	\$7,014,818	\$0	\$0
VALE- Electric Shuttle Buses	\$1,760,000	\$0	\$0	\$0	\$440,000	\$0	\$0	\$1,320,000
Other Roadway Projects	\$700,000	\$0	\$0	\$525,000	\$0	\$0	\$0	\$175,000
Roads Total	\$9,474,818	\$0	\$0	\$525,000	\$440,000	\$7,014,818	\$0	\$1,495,000
Cargo/Other Buildings Projects:								
STL Air Cargo - Landside Pavement	\$2,550,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,550,000
Cargo/Other Buildings Total	\$2,550,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,550,000
Grand Total 5 Year CIP FY 2024 - 2028	\$567,470,496	\$8,830,000	\$83,086,350	\$10,427,487	\$11,781,629	\$358,750,214	\$64,000,000	\$30,594,816

¹ Represents Missouri Department of Transportation (MDOT), Missouri Department of Agriculture (MDOA), or prior uncommitted bond proceeds.

Table 3 shows the calculation and anticipated use of projected PFC Revenues during FYs 2024-2031. The projection of PFC revenues assumes that approximately 89 percent of PFCs estimated to be collected will be available for use net of the administrative fee, which is supported by recent PFC data provided by the Airport. The projections shown use the base enplanement forecast discussed in Section 3 of this Report and a \$4.50 PFC rate. Beginning in FY2024, annual net PFC collections are projected to generate approximately \$30.0 million after accounting for the administrative charge. The projected annual net PFC collections based on the passenger enplanement forecasts are projected to increase to approximately \$36.1 million by the end of FY2031. This assumes no change in the current PFC rate of \$4.50 and the anticipated approval of amendments for PFC applications 11 and 12 to increase the collection rate to \$4.50 for both applications.

Table 3 | Passenger Facility Charge Sources & Uses

	2024	2025	2026	Projected				
	2024	2025	2026	2027	2028	2029	2030	2031
Projected PFC collections								
Total enplaned passengers ¹	7,684	8,064	8,264	8,469	8,683	8,887	9,074	9,252
Assumed percentage of enplaned passengers eligible	89%	89%	89%	89%	89%	89%	89%	89%
PFC-eligible enplaned passengers	6,839	7,177	7,355	7,537	7,728	7,910	8,076	8,234
Amount of PFC charge	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Less airline retention	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Net PFC charge	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39
Computed Net PFC collections to Airport	\$30,022	\$31,507	\$32,288	\$33,089	\$33,925	\$34,723	\$35,452	\$36,149
Available PFC Revenues								
Previous year's unused balance	\$21,582	\$10,814	\$1,057	\$2,004	\$5,648	\$16,574	\$28,430	\$41,142
Current year collections	30,022	31,507	32,288	33,089	33,925	34,723	35,452	36,149
plus: interest earned	162	59	15	38	111	240	363	494
Cumulative unliquidated PFC revenues - Beginning Balance	\$51,766	\$42,380	\$33,361	\$35,131	\$39,685	\$51,537	\$64,245	\$77,785
Application of Available PFC Revenues (=PFC Expenditures)								
Approved PFC Pay-As-You-Go projects	\$6,500	\$6,500	\$0	\$0	\$0	\$0	\$0	\$0
Future PFC Pay-As-You-Go	9,457	8,870	7,500	10,000	\$0	\$0	\$0	\$0
PFC #4 (debt service on PFC-enhanced Airport Rev Bonds) :								
Series 2001 Debt Service	\$20,805	\$20,804	\$20,804	\$20,802	\$20,801	\$20,801	\$20,801	\$20,804
less: Series 2005 refunding	(4,697)	(4,697)	(4,697)	(20,802)	(20,801)	(20,801)	(20,801)	(20,804)
less: Series 2007A refunding	(16,108)	(16,108)	(16,107)	0	0	0	0	0
less: Series 2015 refunding	0	0	0	0	0	0	0	0
Subtotal - Series 2001 PFC debt service	0	0	0	0	(0)	0	0	0
Series 2005								
PFC debt service	4,697	4,697	4,697	17,177	20,801	20,800	20,800	20,800
Series 2007A								
PFC debt service	16,104	16,107	16,103	0	0	0	0	0
less: Series 2017A refunding	(11,374)	(6,756)	(484)	(2,193)	(2,192)	(2,192)	(2,192)	(2,192)
Subtotal - Series 2007A PFC debt service	4,731	9,351	15,619	(2,193)	(2,192)	(2,192)	(2,192)	(2,192)
Series 2015								
PFC debt service	0	0	0	0	0	0	0	0
Series 2017A								
PFC debt service	10,461	5,842	324	1,278	1,279	1,279	1,279	1,279

¹ Source: Unison's January 2024 traffic forecast update.

Table 3 (Continued) | Passenger Facility Charge Sources & Uses

	2024	2025	2026	Projected				
	2024	2025	2026	2027	2028	2029	2030	2031
PFC #9 (debt service on PFC enhanced Airport Rev Bonds) :								
Series 2009A-1								
PFC debt service	1,863	1,866	1,863	1,867	1,866	1,861	1,861	1,862
less: Series 2019C refunding	(1,863)	(1,866)	(1,863)	(1,867)	(1,866)	(1,861)	(1,861)	(1,862)
Subtotal - Series 2009A-1 PFC debt service	0	0	0	0	0	0	0	0
Series 2019C								
PFC debt service	706	1,660	1,863	1,868	1,868	1,864	1,863	1,868
PFC #14 (debt service on PFC enhanced Airport Rev Bonds) :								
Series 2019A								
PFC debt service	660	660	659	658	659	660	659	657
PFC #15 (debt service on PFC enhanced Airport Rev Bonds) :								
Series 2023A								
PFC debt service	3,740	3,744	695	695	696	695	695	698
Total Outstanding PFC debt service--	\$24,994	\$25,953	\$23,857	\$19,483	\$23,111	\$23,107	\$23,103	\$23,110
Future PFC (debt service on PFC enhanced Airport Rev Bonds) :								
Future Bonds								
PFC debt service	0	0	0	0	0	0	0	0
Total Proposed Future PFC debt service --	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total PFC DEBT SERVICE--	\$24,994	\$25,953	\$23,857	\$19,483	\$23,111	\$23,107	\$23,103	\$23,110
Add: 25% Coverage Requirement	6,249	6,488	5,964	4,871	5,778	5,777	5,776	5,778
TOTAL PLEDGED PFC's--	\$31,243	\$32,441	\$29,821	\$24,354	\$28,889	\$28,884	\$28,879	\$28,888
Less: return of coverage to PFC account	(\$6,249)	(\$6,488)	(\$5,964)	(\$4,871)	(\$5,778)	(\$5,777)	(\$5,776)	(\$5,778)
Cumulative unliquidated PFC revenues - Ending Balance	\$10,814	\$1,057	\$2,004	\$5,648	\$16,574	\$28,430	\$41,142	\$54,675

1.6 | Funding Plan for 2024 Projects

Table 4 shows the funding plan for the 2024 Projects, with total costs of approximately \$327.1 million, of which \$256.8 million will be funded from proceeds of the Series 2024 Bonds. The balance of the 2024 Projects will be funded using AIP and BIL grants.

The Series 2024 Bond proceeds are anticipated to fund a portion of the 2024 Projects described in more detail below.

Airfield Projects – Funding from Series 2024 Bonds totaling \$74.8 million:

The West Airfield Project – The project consists of two elements, the first of which is the construction of a replacement Airfield Maintenance Facility (APM) to the northeast of its current location. This will also include demolition of the existing facility and be funded from a portion of the Series 2024 Bond proceeds totaling \$54.3 million. The second element of the West Airfield project is the construction of the West Airfield Deicing Pad on the previous location of the APM. This new deicing pad will result in increased efficiencies in the deicing operation. This project is being funded from a portion of the Series 2024 Bond proceeds totaling \$15.5 million.

Demolition of the MoANG facility - The demolition of this unused complex consisting of fifteen buildings and structures will make way for other capital improvements. The cost of this demolition is \$5.0 million and is being funded from a portion of the proceeds of the Series 2024 Bonds.

Terminal Projects – Funding from Series 2024 Bonds totaling \$182.0 million:

Design and Construction of the Central Utility Plant (CUP) – This project consists of the design and construction of a replacement CUP and the relocation of the West Substation. The CUP is a much-needed replacement for existing facility that has been in place since the construction of Terminal 1. The new CUP will provide more reliable and efficient electrical distribution from the Airport’s utility provider. The cost of the design and construction is \$175 million and are anticipated to be funded by a portion of the proceeds of the Series 2024 Bonds.

Program Management Services – This represents the initial funding for projects recommended by the Airport’s Master Plan. This represents funding for two years covering FYs 2025 and 2026 totaling \$7 million funded from a portion of the proceeds of the Series 2024 Bonds.

Table 5 summarizes the anticipated sources and uses of the proceeds of the Series 2024 Bonds.

Table 4 | 2024 Projects

	Total Project Cost ¹	Other Funding			Series 2024 Bonds	
		PFC PAYGO	ADF	AIP ²		
AIRFIELD PROJECTS:						
<u>Airfield Runway and Apron Projects</u>						
West Airfield Project - West Deicing Pad and Taxiway Realignment	\$62,144,000			\$6,308,000	\$40,300,000	\$15,536,000
West Airfield Project - Relocate/Demolish Airfield Maint. Complex	78,000,000				23,700,000	54,300,000
Demolish MOANG	5,000,000					5,000,000
Total Airfield	\$145,144,000	\$0	\$0	\$6,308,000	\$64,000,000	\$74,836,000
TERMINAL PROJECTS:						
<u>Terminal 1 and 2 Shared Projects</u>						
Program Management and Construction Mngmnt	\$7,000,000					\$7,000,000
Central Heating&Regfrigeration Plant (CHRP) and Electrical Substation	\$175,000,000					175,000,000
Total T1 and T2 Shared	\$182,000,000	\$0	\$0	\$0	\$0	\$182,000,000
Total Series 2024 Bond Projects	\$327,144,000	\$0	\$0	\$6,308,000	\$64,000,000	\$256,836,000

¹ Excludes \$4,500,000 for executive program management services that will be funded through the operating budget.

² AIP funding consists of discretionary grants.

Table 5 | Series 2024 Bonds Financing Sources and Uses

Sources:	Series 2024A (Non-AMT)	Series 2024B (AMT)	Total
<u>Bond Proceeds</u>			
Par Amount	\$279,595,000.00	\$7,765,000.00	\$287,360,000.00
Premium	24,374,511.15	357,888.85	24,732,400.00
Total Sources	\$303,969,511.15	\$8,122,888.85	\$312,092,400.00
Uses:			
<u>Project Fund Deposits</u>			
Project Fund	\$249,836,000.00	\$7,000,000.00	\$256,836,000.00
<u>Other Fund Deposits</u>			
Capitalized Interest Fund	50,186,797.22	1,007,832.30	51,194,629.52
<u>Delivery Date Expenses</u>			
Cost of Issuance	1,587,394.38	44,085.62	1,631,480.00
Underwriter's Discount	1,271,607.52	35,466.28	1,307,073.80
Insurance	612,646.41	20,205.86	632,852.27
DSRF Surety	369,029.36	10,248.80	379,278.16
S&P Bond Insurance Fee	94,939.32	2,636.68	97,576.00
	\$3,935,616.99	\$112,643.24	\$4,048,260.23
<u>Other Uses of Funds</u>			
Additional Proceeds	11,096.94	2,413.31	13,510.25
Total Uses	\$303,969,511.15	\$8,122,888.85	\$312,092,400.00

SECTION 2 | ECONOMIC BACKGROUND

Demographic and economic conditions at the national and regional levels influence aviation activity, particularly at airports like STL, that have a significant origin and destination (O&D) traffic base—passengers that either begin or end their flight itineraries at the airport. National trends drive U.S. aggregate demand for air travel and help shape state and regional economies. Likewise, regional trends help determine local demand for outbound travel, as well as the attractiveness of the region as a visitor destination. This section discusses the demographic and economic trends in the St. Louis MSA, as well as in the Airport’s home state of Missouri and the United States as a whole. It also provides an assessment of the outlook of both the regional and national economies.

On March 11, 2020, the World Health Organization (WHO) declared the Coronavirus Disease 2019 (COVID-19) a global pandemic. From 2020 to 2022, the COVID-19 pandemic caused unprecedented disruptions to daily life and global economic activities. Stay-at-home orders, travel restrictions, and social distancing played a crucial role in curbing the spread of the virus but also exacerbated the negative economic repercussions. The profound negative impacts are evident in the economic data presented in this section and the aviation activity data presented in Section 3, but the data also demonstrates remarkable resilience in the economy and aviation activity. The WHO declared an end to the COVID-19 global public health emergency on May 5, 2023, marking the end of the pandemic period.

2.1 | Air Service Area

The Airport’s primary air service area, the St. Louis MSA, comprises 15 adjacent counties in the states of Missouri and Illinois, as well as Sullivan City in Crawford County, Missouri (Table 6 and Figure 1).⁴ The principal cities of the St. Louis MSA are the City,⁵ and St. Charles, MO. Other urbanized areas include Chesterfield, Clayton, Wildwood, and Wentzville in Missouri, and Belleville, East St. Louis, and Alton in Illinois (Figure 1).

⁴ Only the Sullivan City portion of Crawford County is included in the St. Louis MSA.

⁵ The City is a consolidated city-county unified jurisdiction.

Table 6 | Components of the St. Louis MSA

Missouri	Illinois
Franklin County	Bond County
<i>Jefferson County</i>	Calhoun County
Lincoln County	Clinton County
<i>St. Charles County</i>	Jersey County
<i>St. Louis City</i>	Macoupin County
<i>St. Louis County</i>	<i>Madison County</i>
Warren County	<i>Monroe County</i>
Sullivan City (Crawford County)	<i>St. Clair County</i>

Sources: U.S. Office of Management and Budget,⁶ U.S. Census Bureau,⁷ and Unison Consulting, Inc. In *italics* are central counties: counties with “a substantial portion of the core urban area.” Only the Sullivan City portion of Crawford County, MO, is in the St. Louis MSA.

STL is the larger of the two commercial service airports serving the St. Louis MSA. In 2022, STL was the 34th largest airport in the United States based on annual enplanements.⁸ The FAA classifies STL as a primary medium hub, a category of airports that individually account for 0.25 to 1.0 percent of the annual U.S. commercial enplanements. The other commercial service airport in the St. Louis MSA is MidAmerica St. Louis Airport (BLV) in Belleville, Illinois. The FAA classifies BLV as a primary nonhub airport with more than 10,000 annual enplanements but less than a 0.05 percent share of annual U.S. commercial enplanements.⁹ BLV has significant general aviation activity and limited

⁶ U.S. Office of Management and Budget, “Revised Delineations of Metropolitan Statistical Areas, Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas,” <https://www.whitehouse.gov/wp-content/uploads/2023/07/OMB-Bulletin-23-01.pdf>, July 21, 2023.

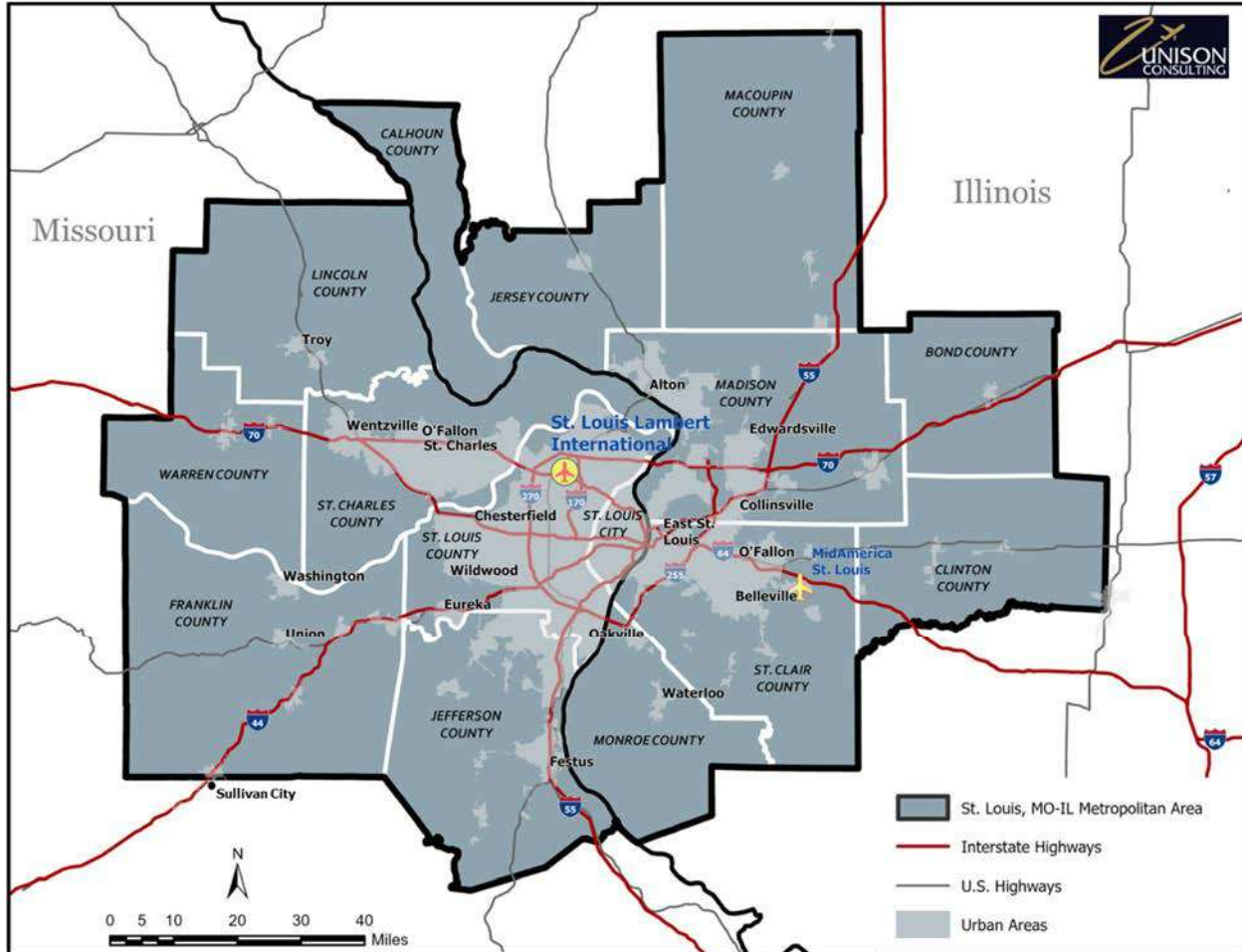
⁷ U.S. Census Bureau, “Metropolitan Areas,” <https://www2.census.gov/geo/pdfs/reference/GARM/Ch13GARM.pdf>

⁸ Federal Aviation Administration, “CY 2022 Enplanements at All Commercial Service Airports,” https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/cy22_commercial_service_enplanements.

⁹ The FAA categorizes airports by type of activities—commercial service, primary, cargo service, reliever, and general aviation airports—and by number of enplanements and share of annual U.S. total enplanements. Commercial service airports are publicly owned airports with at least 2,500 annual enplanements and scheduled air carrier service; they are further classified between primary and nonprimary. Primary commercial service airports have more than 10,000 annual enplanements. They are further classified based on the share of annual U.S. total enplanements: Nonhubs have more than 10,000 enplanements but less than 0.05 percent of the annual U.S. total enplanements; small hubs have a 0.05-0.25 percent share; medium hubs, a 0.25-1.0 percent share; and large hubs, more than 1 percent share. See: Federal Aviation Administration, “Airport Categories,” https://www.faa.gov/airports/planning_capacity/categories.

commercial passenger service from one airline, Allegiant Airlines. Over 93 percent of Allegiant’s 2023 seat capacity at BLV served destinations in Florida.¹⁰

Figure 1 | St. Louis MSA



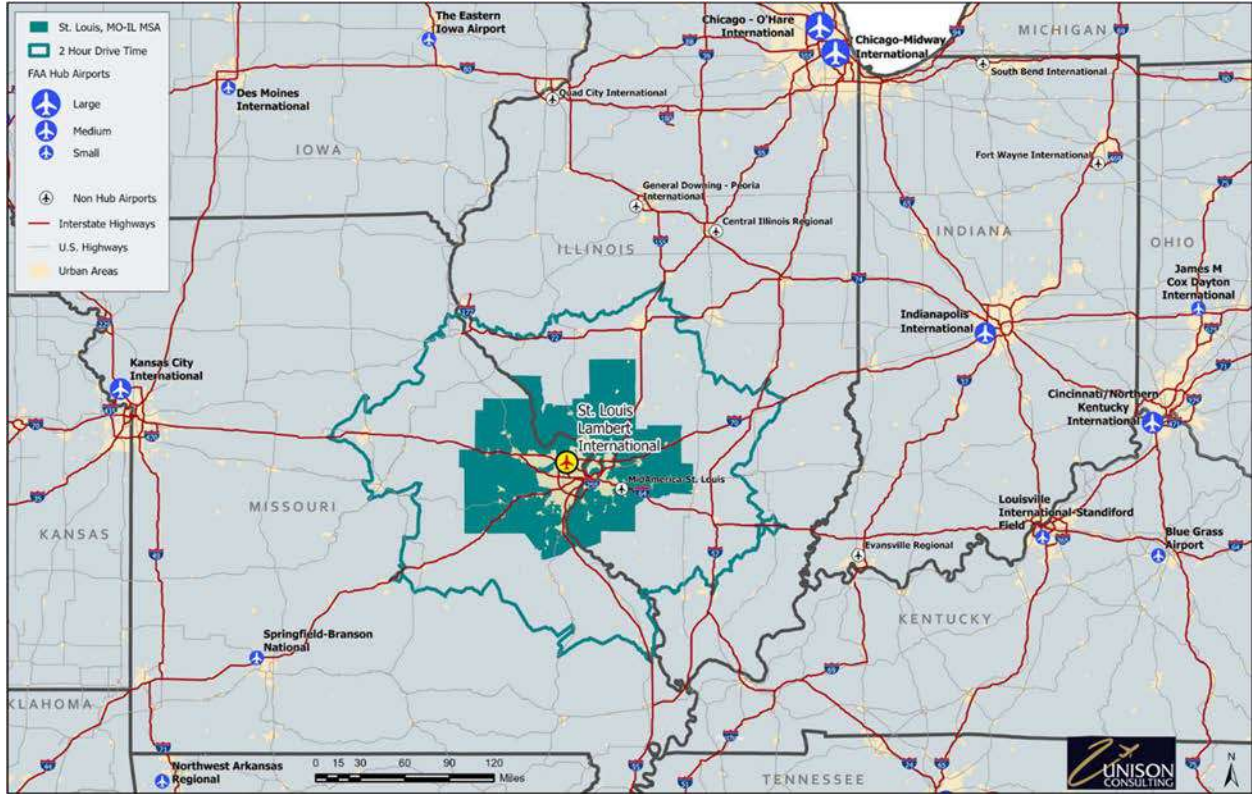
Sources: ESRI, Federal Aviation Administration, and Unison Consulting, Inc.

STL operates in relative market isolation. Figure 2 shows the St. Louis MSA, the two-hour drive boundary to STL, and the commercial service airports closest to STL. Besides BLV, no other commercial service airports are within a two-hour drive (Table 7). The three nearest commercial service airports—Evansville Regional (EVV), Peoria International (PIA), and Central Illinois Regional (BMI)—are all primary non-hubs located more than 2.5 driving hours from STL. The closest small hub, Springfield-Branson National (SGF), is more than 3.25 driving hours away, and the closest medium hub, Indianapolis International (IND), is approximately 3.5 driving hours away. The closest large hubs, Chicago-O’Hare (ORD) and Chicago-Midway (MDW), are each more than 4.5

¹⁰ OAG Schedules Analyzer, accessed on November 30, 2023.

driving hours from St. Louis. IND, ORD, and MDW offer comparable or better air service but are too far away to draw significant passenger traffic from STL.

Figure 2 | Commercial Service Airports in the St. Louis MSA and Surrounding Regions



Sources: Esri, Federal Aviation Administration, and Unison Consulting, Inc.

Table 7 | Selected Commercial Service Airports within Five Driving Hours of STL

Name	Airport		2022 Class	Distance from STL	
	State	Code		Hub	Miles
MidAmerica St. Louis	IL	BLV	Non-hub	37	36 min
Evansville Regional	IN	EVV	Non-hub	178	2 hours 39 min
Central Illinois Regional	IL	BMI	Non-hub	175	2 hours 42 min
General Downing - Peoria International	IL	PIA	Non-hub	182	2 hours 42 min
Springfield-Branson National	MO	SGF	Small	225	3 hours 20 min
Indianapolis International	IN	IND	Medium	240	3 hours 33 min
Kansas City International	MO	MCI	Medium	254	3 hours 44 min
Quad City International	IL	MLI	Non-hub	267	3 hours 54 min
Louisville International - Standiford Field	KY	SDF	Small	279	4 hours 5 min
The Eastern Iowa Airport	IA	CID	Small	266	4 hours 7 min
Chicago-Midway International	IL	MDW	Large	299	4 hours 33 min
Chicago-O'Hare International	IL	ORD	Large	307	4 hours 37 min

Sources: Federal Aviation Administration, Google Maps, and Unison Consulting, Inc.

The airports are listed by drive time from STL. Drive times and distances depend upon selected route, time of day, and other factors.

FAA airport hub classification:

Nonhubs serve less than 0.05 percent of the annual U.S. total and more than 10,000 enplanements.

Small hubs serve 0.05-0.25 percent of U.S. enplanements.

Medium hubs serve 0.25-1.0 percent of U.S. enplanements.

Large hubs serve more than 1 percent of U.S. enplanements.

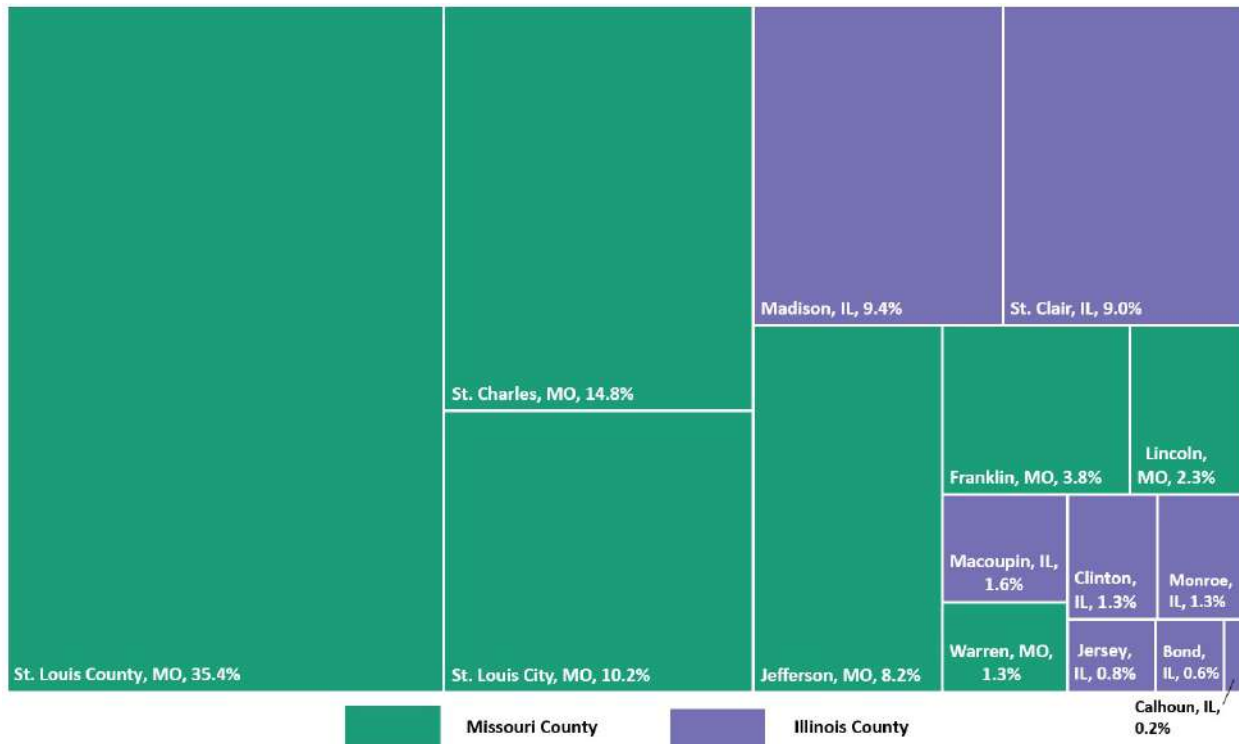
2.2 | Demographic Attributes

Demographics shape and drive regional economies in fundamental ways. Population size, growth trends, age distribution, foreign-born population, and educational attainment determine the labor force's size, quality, and productivity. Along with income characteristics, demographic attributes determine consumption patterns and demand levels for goods and services, including air transportation. Hence, demographic trends can affect economic growth through effects on both the supply side (the labor force) and the demand side (consumer spending).

2.2.1 | Population

The St. Louis MSA is the 23rd largest metropolitan statistical area (out of 387) in the United States. In 2023, the resident population of the St. Louis MSA was 2.8 million, similar in size to the Charlotte, NC and San Antonio, TX MSAs. Approximately 76 percent of residents in the St. Louis MSA live in Missouri, while the remaining 24 percent reside across the Mississippi River in Illinois. About 87 percent of the population of the St. Louis MSA resides in six counties: St. Louis County, St. Louis City, St. Charles County, and Jefferson County in Missouri, and Madison and St. Clair Counties in Illinois (Figure 3).

Figure 3 | Distribution of the St. Louis MSA Population by County, 2022



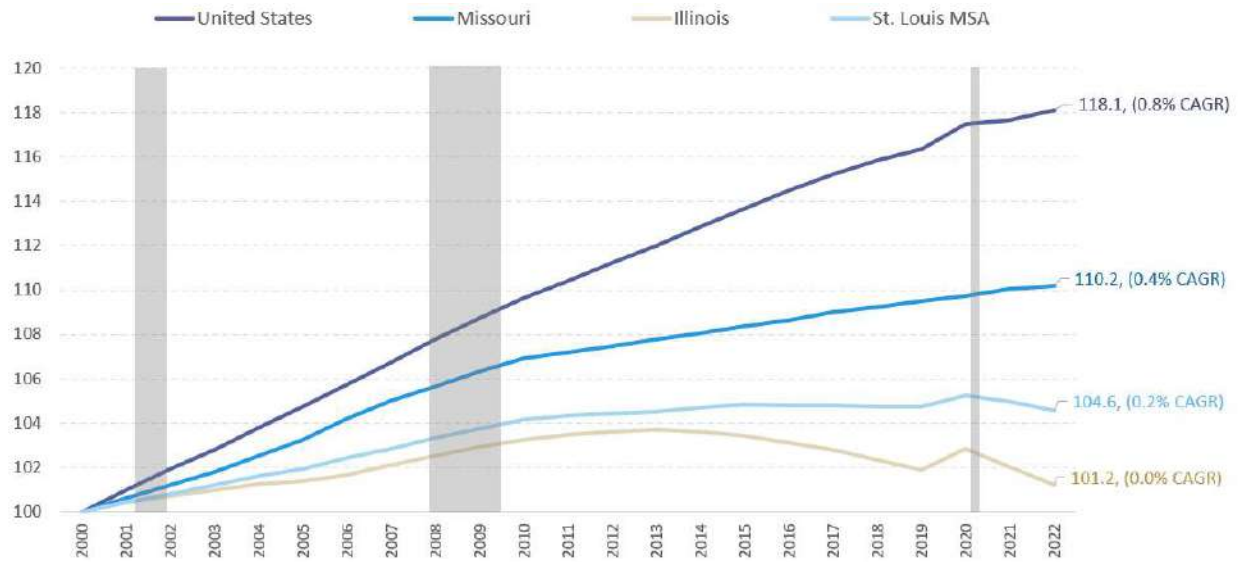
Sources: U.S. Census Bureau and Unison Consulting, Inc.
Values may not add up to 100 percent due to rounding.

Figure 4 shows that, between 2000 and 2022, the population of the St. Louis MSA grew by about 5 percent, or a compound annual growth rate (CAGR) of 0.2 percent. By comparison, the Missouri state population grew 10 percent (0.4 percent CAGR), the Illinois state population by 1.2 percent (0.05 percent CAGR), and the U.S. population by about 18 percent (0.8 percent CAGR). Population growth in the St. Louis MSA slowed over the past two decades mainly due to outmigration.¹¹ Between 2020 and 2022, the St. Louis MSA lost almost 18,000 residents. This pattern is consistent with the national migration trend away from some city centers in the wake of the COVID-19 pandemic. The recent decrease in the St. Louis MSA’s population was due to outmigration, which was larger than anticipated, according to a Saint Louis University demographer.¹²

¹¹ Federal Reserve Bank of St. Louis, “Why is the St. Louis Metro Area Population Growing So Slowly,” 2019, <https://research.stlouisfed.org/publications/economic-synopses/2019/05/31/why-is-the-st-louis-metro-area-population-growing-so-slowly>.

¹² M. Simpson, “Population decline speeds up in St. Louis region, U.S. Census estimates say,” St. Louis Business Journal, May 1, 2023.

Figure 4 | Population Index (2000=100), 2000-2022



Source: U.S. Census Bureau and Unison Consulting, Inc.

Table 8 shows the projected population change between 2022 and 2028 in the 15 counties making up the St. Louis MSA. According to Esri’s projections, six counties will see population gains, with the largest in Lincoln (7.2 percent), Warren (6.9 percent), and St. Charles Counties (4.2 percent) in Missouri. However, nine counties—seven in Illinois and two in Missouri—will experience population declines, leaving the total population of St. Louis MSA unchanged through 2028. Without growth in population, other attributes such as a growing foreign-born population, above-average educational attainment, income growth, connecting traffic, and overall economic growth are expected to drive growth in passenger traffic at the Airport.

Table 8 | Population, Recent Growth Rates, and Projected Growth Rates by County in the St. Louis MSA

Region	Population July 1, 2022	CAGR 2010-2022	Percent Change	
			Historical 2019-2022	Projected 2022-2028
<i>Missouri Counties</i>				
Franklin, MO	105,879	0.4%	1.9%	1.4%
Jefferson, MO	229,336	0.4%	1.7%	1.3%
Lincoln, MO	63,155	1.5%	7.0%	7.2%
St. Charles, MO	413,803	1.1%	3.0%	4.2%
St. Louis, MO	990,414	-0.1%	-0.5%	-1.0%
St. Louis City, MO	286,578	-0.9%	-4.8%	-2.6%
Warren, MO	37,260	1.1%	4.3%	6.9%
<i>Illinois Counties</i>				
Bond, IL	16,566	-0.6%	0.7%	-3.2%
Calhoun, IL	4,360	-1.3%	-8.0%	-7.0%
Clinton, IL	36,909	-0.2%	-1.4%	-0.6%
Jersey, IL	21,246	-0.7%	-1.9%	-1.8%
Macoupin, IL	44,245	-0.6%	-1.9%	-2.6%
Madison, IL	263,864	-0.2%	0.1%	-0.8%
Monroe, IL	35,033	0.5%	0.8%	1.4%
St. Clair, IL	252,671	-0.6%	-2.8%	-2.2%
St. Louis MSA	2,801,319	0.0%	-0.2%	0.0%
Missouri	6,177,957	0.2%	0.6%	0.9%
Illinois	12,582,032	-0.2%	-0.7%	-1.1%
United States	333,287,557	0.6%	1.5%	2.3%

Sources: U.S. Census Bureau: 2022 population, 2010-2022 CAGR, and 2019-2022 percent change; ESRI: 2022-2028 population change projections; and Unison Consulting, Inc.

2.2.2 | Population Age Structure

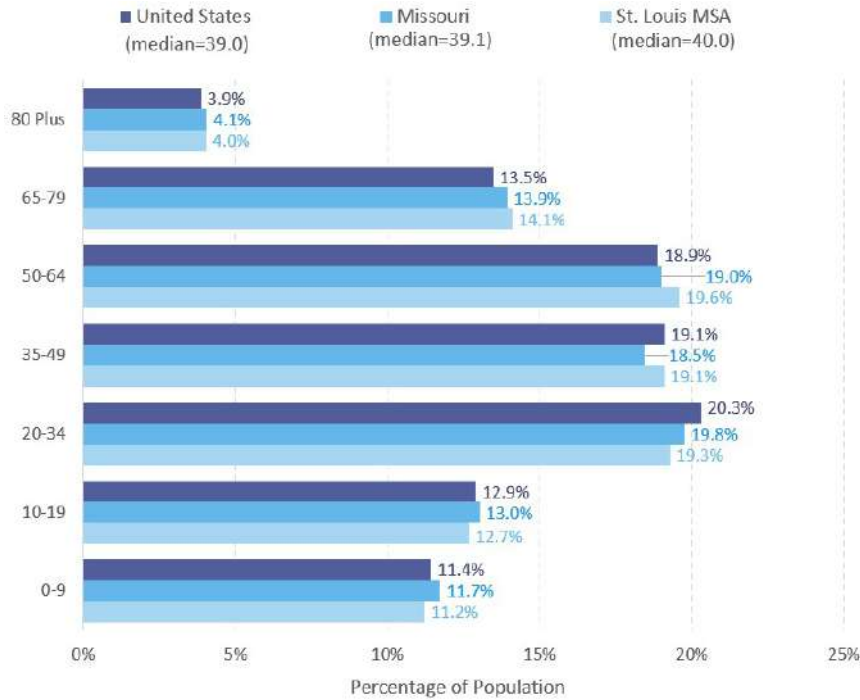
The St. Louis MSA largely mirrors the United States and Missouri in terms of the population distribution by age (Figure 5). In 2022, approximately 58 percent of the St. Louis MSA’s population was in the primary working age cohort of 20 to 64 years, the same as the U.S. share and slightly higher than Missouri’s 57 percent. The median age in the St. Louis MSA (40.0) is just slightly above that of the United States (39.0) and Missouri (39.1). Since 2012, the median age has risen by 1.4 years in the St. Louis MSA and by 1.6 years nationally.¹³

The working-age population provides the labor force that supports the economy. In recent decades, however, the working-age population has been shrinking gradually with the aging of the population, the retirement of baby boomers, and the decrease in birth rates. Nationwide, the population aged 20 to 64 decreased from 60 percent in 2012 to the current share of 58 percent. The decrease in the St. Louis MSA has been nearly identical. Without growth in the working-age

¹³ U.S. Census Bureau 2022 and 2012 American Community Survey 1-year Estimates.

population, productivity needs to grow through upskilling of the labor force, improved educational attainment, and technological advancements.

Figure 5 | Population Age Distribution, 2022



Sources: U.S. Census Bureau 2022 American Community Survey 1- Year Estimates and Unison Consulting, Inc.

2.2.3 | Foreign-Born Population

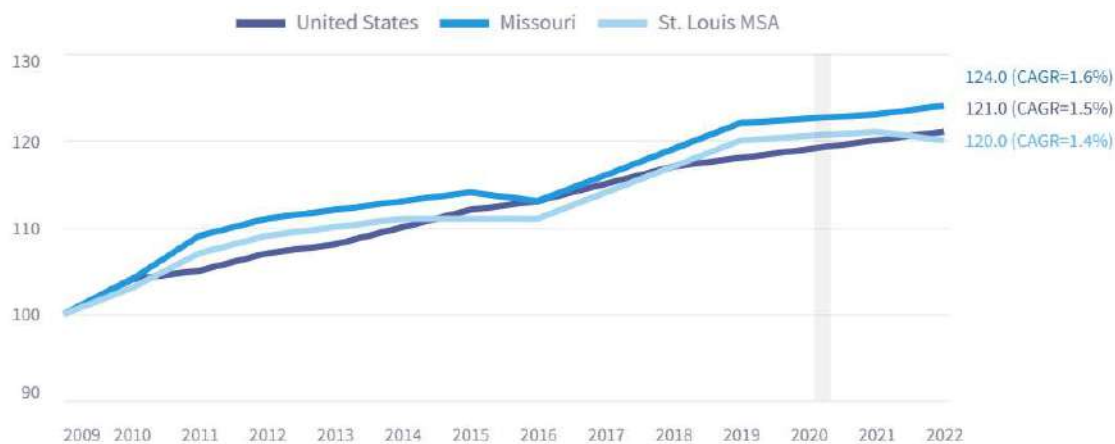
Amid an aging population and declining birth rates, attracting in-migration offers another way to increase the population, expand the labor force, and support economic growth. Between 2020 and 2023, immigrants represented 75 percent of the nation’s population growth. During the same period in Missouri, net international immigrants added more than 22,000 residents to the state, more than offsetting the net loss of nearly 13,000 due to vital events.¹⁴

¹⁴ Source: U.S. Census. Between 2020 and 2023, net domestic migration boosted Missouri’s population by about 31,000 individuals while net international immigration increased Missouri’s population by over 22,000. Population change due to vital events (births and deaths) was approximately -13,000.

Immigrants add to the labor supply, increase productivity, and expand the regional market for goods and services.^{15, 16} Immigrants also generate demand for air service when they visit their region of origin and when their family and friends visit.

The St. Louis MSA has a small but growing foreign-born population. In 2022, 4.8 percent of St. Louis MSA residents were born outside of the United States, much lower than the national share of 13.6 percent but slightly higher than Missouri’s (4.2 percent). Since 2009, the foreign-born population of the St. Louis MSA has increased by 20 percent, a similar rate to that of Missouri (21 percent), but slightly slower than the nation (24 percent, (Figure 6). Among the foreign-born population in the St. Louis MSA, the largest group came from Asia (47 percent), followed by Europe (22 percent) and Latin America (20 percent). This distribution by region of origin, while similar to that of Missouri, is more heavily weighted towards Asia and Europe than the national distribution (Figure 7).

Figure 6 | Foreign-Born Population Index, 2009-2022

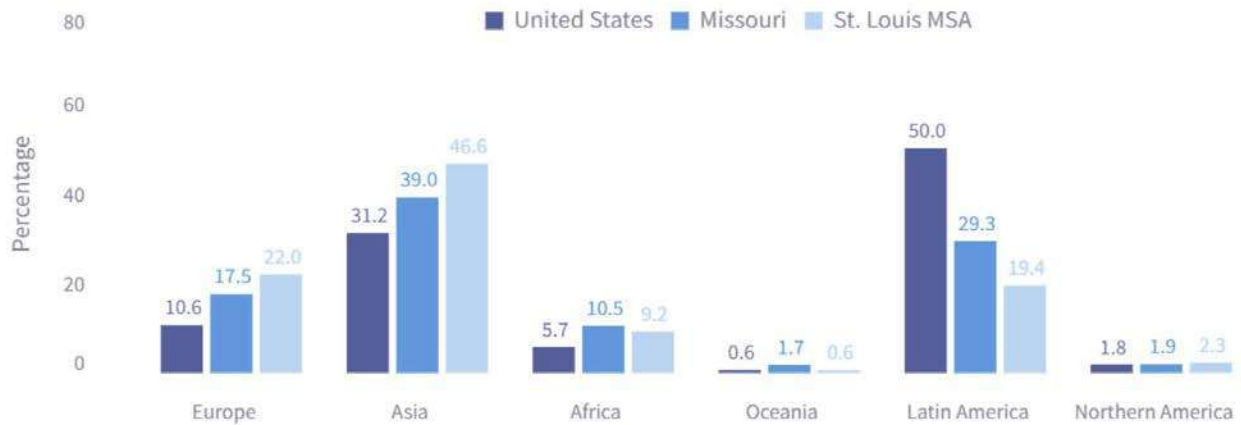


Sources: U.S. Census Bureau American Community Survey 5-Year Estimates and Unison Consulting, Inc.

¹⁵ G.J. Borjas, “Immigration and Economic Growth,” National Bureau of Economic Research *Working Paper Series*, Working Paper 25836, May 2019, https://www.nber.org/system/files/working_papers/w25836/w25836.pdf.

¹⁶ P. Orrenius and C. Smith, “Without Immigration, U.S. Economy Will Struggle to Grow,” *Dallas Fed Economics*, Federal Reserve Bank of Dallas, April 9, 2020, <https://www.dallasfed.org/research/economics/2020/0409>.

Figure 7 | Foreign-Born Population by Region of Origin, 2022



Sources: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates and Unison Consulting, Inc.

2.2.4 | Educational Attainment

Education promotes economic growth in several ways. First, education increases the value of human capital and labor productivity. Second, it promotes innovation and the adoption of new technologies. Third, it provides flexibility to adapt to changing work environments and skill requirements.^{17, 18}

Advancements in information and communication technologies have amplified the role of workers' skills in generating economic growth.¹⁹ Cities and regions that have been able to attract and retain educated and skilled workers have thrived, while cities failing to do so have lagged.²⁰ The value of education is evident in the disparities in average wages and unemployment rates by educational attainment. In 2022, workers who have not completed high school earned only 33 percent of the weekly wages earned by college graduates. They also have unemployment rates that are more than 3 times higher.^{21, 22}

¹⁷ E. Hanushek and L. Woessman, "Education and Economic Growth," *International Encyclopedia of Education* (Oxford: Elsevier, 2010), Vol. 2, pp. 245-252.

¹⁸ D. Claude and L. Charlotte, "Human Capital and Economic Growth," *Encyclopedia of International Higher Education Systems and Institutions* (Dordrecht: Springer, 2019).

¹⁹ Enrico Moretti, *The New Geography of Jobs* (Boston: Houghton Mifflin Harcourt, 2012).

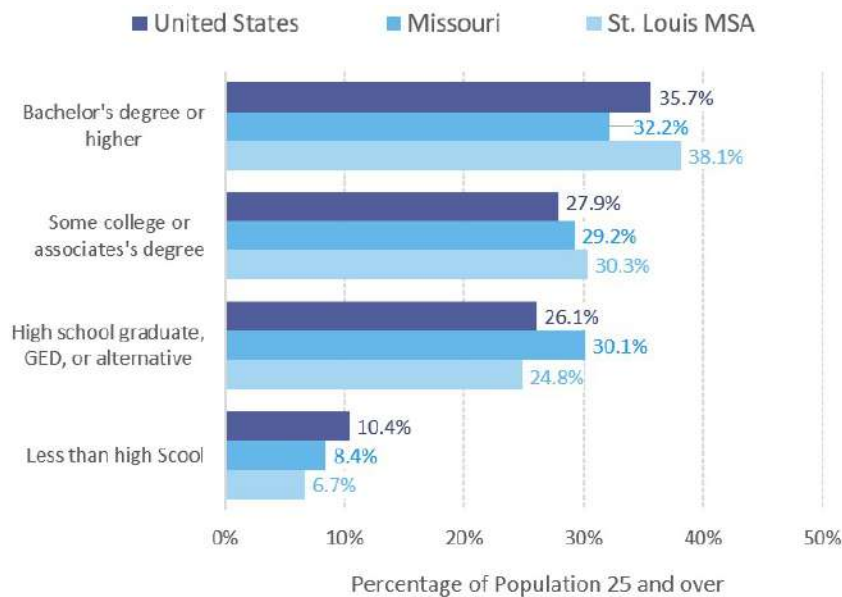
²⁰ Edward Glaeser, *Triumph of the City* (New York: Penguin Books, 2012).

²¹ U.S. Bureau of Labor Statistics, "Education Pays," <https://www.bls.gov/emp/tables/unemployment-earnings-education.htm>.

²² U.S. Bureau of Labor Statistics, "Unemployment rates for persons 25 years and older by educational attainment," <https://www.bls.gov/charts/employment-situation/unemployment-rates-for-persons-25-years-and-older-by-educational-attainment.htm>.

Educational attainment levels in the St. Louis MSA are higher than state and national levels (Figure 8). More than 38 percent of the population aged 25 and over in the St. Louis MSA have at least a bachelor’s degree, compared with just 32.2 percent in Missouri and 35.7 percent nationally. The percentage of the population 25 years and over in the St. Louis MSA with less than a high school education is just 6.7 percent, which is substantially lower than the 10.4 percent of national residents and 8.4 percent of state residents aged 25 and over who have failed to earn a high school degree or equivalent. Since 2012, the percentage of the population 25 years and over with at least a bachelor’s degree has risen by more than 7 percentage points, faster than the rate in the state and nation. Given the aging of the population, continued improvements in educational attainment and the upskilling of the local workforce in the St. Louis MSA are critical for maintaining and enhancing regional economic competitiveness to enhance the demand for travel in the St. Louis MSA.

Figure 8 | Educational Attainment, 2022



Sources: U.S. Census Bureau 2022 American Community Survey 1-Year Estimates and Unison Consulting, Inc.

2.2.5 | Income

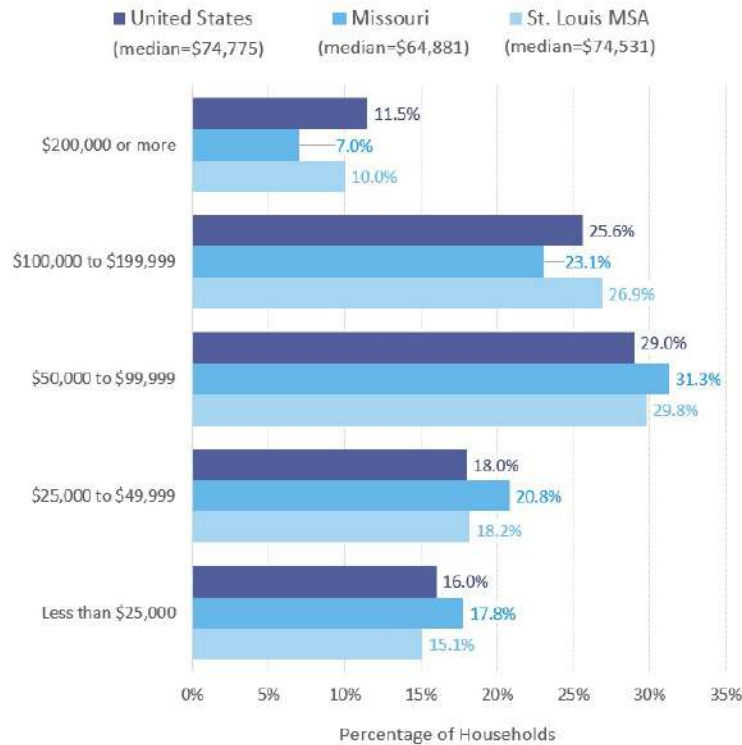
Demand for air travel increases with income. Studies suggest that air travel demand income elasticities are often greater than one. This means that air travel increases by more than a corresponding increase in income, holding all other things equal.²³

Household incomes in the St. Louis MSA are higher than in the rest of Missouri and comparable to the nation (Figure 9). In 2022, the median household income in the St. Louis MSA was \$74,531,

²³ For example, a 10 percent increase in income will generate more than a 10 percent increase in air travel demand. See C. A. Gallet and H. Doucouliagos, “The income elasticity of air travel: A meta-analysis,” *Annals of Tourism Research* 49 (2014), 141-155.

which is about 15 percent higher than the state median (\$64,881) and 0.3 percent below the national median (\$74,775). The St. Louis MSA has a higher percentage of households earning at least \$100,000 and a lower percentage of households earning very low incomes (below \$25,000) compared with the state of Missouri.

Figure 9 | Household Income Distribution and Median Household Income, 2022



Sources: U.S. Census Bureau 2022 American Community Survey 1-Year Estimates and Unison Consulting, Inc. Income is reported in inflation-adjusted 2022 dollars.

The St. Louis MSA has enjoyed steady real per capita personal income growth since 2001, experiencing only a slight dip during the Great Recession (Figure 10). Per capita personal income in the St. Louis MSA increased at a CAGR of 1.6 percent over the past two decades—slightly faster than in the nation (1.4 percent) and Missouri (1.3 percent).

Since 2001, real per capita personal income has been consistently higher in the St. Louis MSA than in the nation and the state. In 2022, real per capita personal income in the St. Louis MSA (\$60,063) was \$3,644 higher than the national average (\$65,470) and more than \$10,000 higher than the Missouri state average (\$49,825). The gap in real per capita personal income between the St. Louis MSA and the state has widened over time—in 2022, real per capita personal income in the St. Louis MSA was 21 percent higher than in Missouri, compared with a difference of 14 percent in 2001.

Figure 10 | Real Per Capita Personal Income Index, 2001-2022

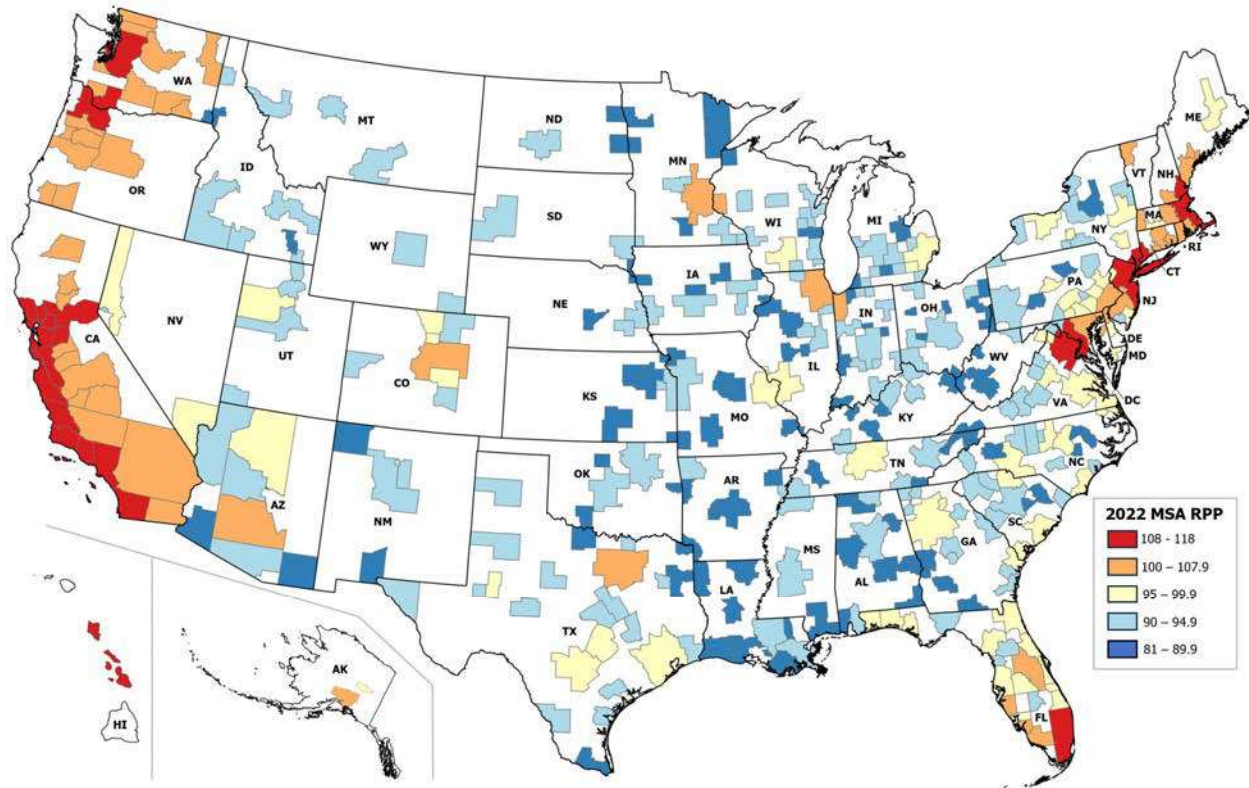


Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

2.2.6 | Cost of Living

The cost of living in the St. Louis MSA is below the national average (Figure 11), giving residents even greater purchasing power with their above-U.S. average incomes. Based on the regional price parity index by MSA for 2022, prices in the St. Louis MSA are about 3.3 percent below the U.S. average and are significantly lower than prices in other major metropolitan areas such as Chicago, Los Angeles, and San Francisco. In comparison with more similar “peer cities,” the St. Louis MSA has a lower cost of living than the Baltimore, MD MSA, but has higher prices than the Cincinnati, Detroit, Milwaukee, Pittsburgh, and Cleveland MSAs. All things equal, lower average prices give consumers more discretionary income to spend on travel.

Figure 11 | MSA Regional Price Parity Index (U.S. Average=100), 2022



Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

2.3 | Economic Attributes

Demand for air transport services is a function of the economic vitality of a region, which can be gleaned from trends in gross domestic product (GDP), the labor market, the mix of industries that make up the regional economy, and tourism. Regional, national, and even global economic conditions influence the demand for air transportation services at a particular airport.

2.3.1 | Gross Domestic Product

The most comprehensive measure of economic output is GDP—the dollar value of all goods and services produced in a geographic region.²⁴ Sustained growth in inflation-adjusted real GDP underpins economic expansions, while decreases in real GDP over two or more consecutive quarters often signal a recession.²⁵ Generally, during an economic expansion, employment grows, incomes rise, and the demand for air travel also rises. Conversely, during an economic recession, employment decreases, incomes fall, and the demand for air travel also falls. Nationally, real GDP is

²⁴ In this report, GDP is used to refer to economic output measured at both national and sub-national levels.

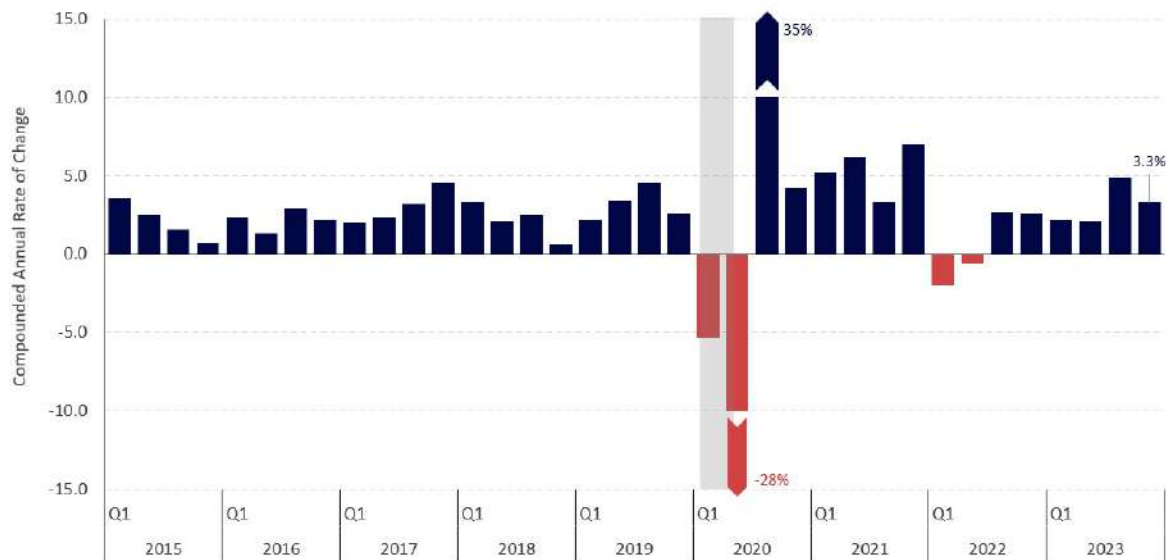
²⁵ Recessions are officially determined by the National Bureau of Economic Research (NBER) Business Cycle Dating Committee.

an important correlation of commercial enplanements. Over the last two decades, the correlation between U.S. enplanements and real GDP is about 0.7.²⁶

When the COVID-19 pandemic initially struck the United States in the first quarter of 2020, widespread lockdowns, stay-at-home orders, and voluntary social distancing depressed consumer spending, causing the economy to fall into a deep recession. In 2020, U.S. real GDP decreased 5.3 percent (annual rate) in the first quarter and another 28 percent in the second quarter (Figure 12). The magnitude of the overall contraction in U.S. real GDP was unprecedented. The second-quarter contraction alone was about three times the GDP contraction during the 2008-2009 Great Recession.

The 2020 recession was different from previous U.S. economic recessions. The typical causes of recessions are market-related and economic in nature—for example, asset market crashes, oversupply, loss of consumer and business confidence or tight monetary and fiscal policy. The 2020 recession resulted from shocks to both supply and demand induced by the pandemic and deliberate measures to contain COVID-19. Therefore, when counties and states began to reopen in the second half of 2020 and social distancing began to ease, the U.S. real GDP rebounded quickly, increasing 35 percent in the third quarter and 4.2 percent in the fourth quarter. Vaccination helped restore consumer and business confidence, accelerate business re-openings, and sustain the economic recovery in 2021. That year U.S. real GDP grew 5.8 percent, the highest annual increase since 1978.

Figure 12 | U.S. Real GDP, Quarterly Annualized Percent Change, Q1 2015-Q4 2023



Sources: U.S. Bureau of Economic Analysis, The Wall Street Journal October 2023 Economic Forecasting Survey, and Unison Consulting, Inc.

Gray areas indicate economic recession periods.

²⁶ The correlation coefficient measures the degree to which data series move in tandem with one another. A zero (0) correlation means no association, while a correlation of one (1) indicates a perfect association.

Trends changed in 2022. U.S. real GDP declined during the first two quarters— by 2.0 percent during the first quarter and 0.6 percent during the second quarter. The decreases in GDP during the first half of the year were attributed to supply constraints due to (1) the fifth and highest wave of COVID-19 infections from the Omicron variant; (2) supply-chain bottlenecks and inventory pressures; and (3) fundamental tightness in the labor market due to demand far exceeding labor supply. On the demand side, the output decreases have also been attributed to (1) the disappearing stimulus from household income transfers, (2) reduced government spending, (3) rising interest rates due to monetary tightening to contain inflation, and (4) the decrease in exports due to the appreciation of the U.S. dollar. GDP decline in two consecutive quarters typically would have signaled a recession; however, nonfarm employment, real consumer spending, industrial production, and real personal income continued to increase. GDP growth rebounded at 2.7 percent in the third quarter and 3.6 percent in the fourth quarter of 2022. Annually, GDP grew at a modest rate of 1.9 percent in 2022.

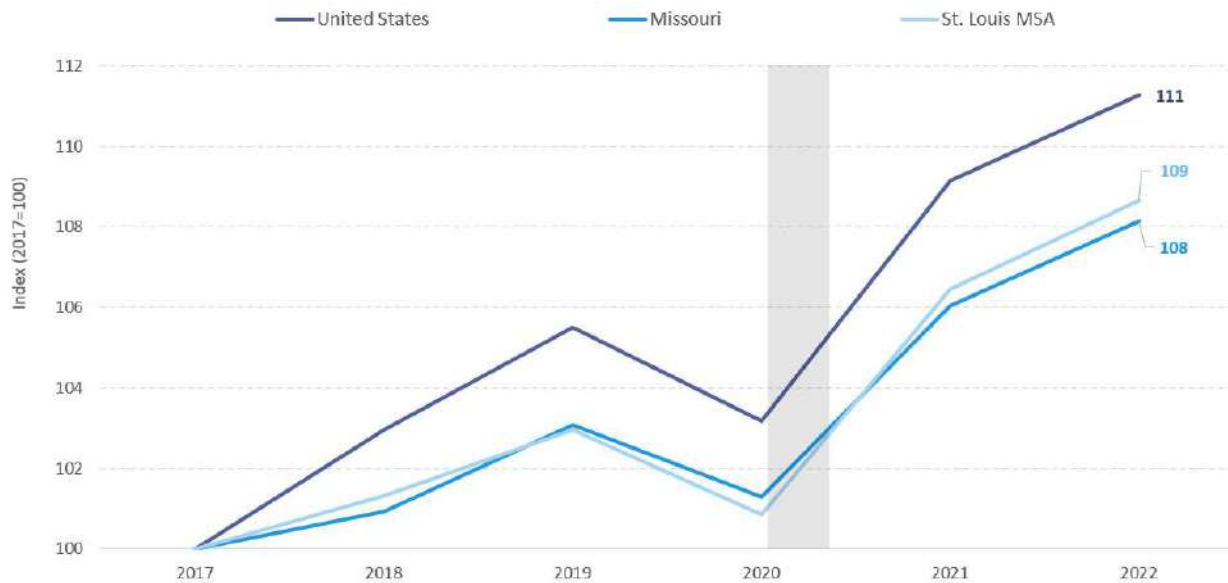
In 2023, real GDP growth slowed to 2.2 percent in the first quarter and 2.1 percent in the second quarter, impacted by rising interest rates and concerns over the banking sector.²⁷ However, bolstered by strong consumer spending, real GDP increased by 4.9 percent and 3.3 percent (advance estimate) in the third and fourth quarters, respectively. Most forecasts predict that GDP growth will slow in the coming year. For example, *The Wall Street Journal's* January 2024 Economic Forecasting Survey projects quarterly growth to slow to 1.0 percent, 0.85 percent, 1.2 percent, and 1.5 percent in the four quarters ending in Q4 2024.

Figure 13 shows that, since 2017, real GDP growth in the Missouri and St. Louis MSA has generally followed national patterns reflecting business cycles and the impacts of COVID-19. However, both the state and St. Louis MSA have grown more slowly overall. Nationally, between 2017 and 2022, real GDP grew by approximately 11 percent compared with 8 percent in Missouri and 9 percent in the St. Louis MSA. While state and MSA GDP data are currently only available since 2017, previous analyses of longer-term data suggest that between 2001 and 2021, GDP in the St. Louis MSA grew by less than 50 percent of the national rate.²⁸ Combined, these short- and long-term trends reveal slower growth locally. When juxtaposed with national trends, the persistent slower growth in Missouri and the St. Louis MSA underscores a critical need for region-specific economic strategies to revitalize and align their trajectories more closely with broader economic successes.

²⁷ Bhattacharai, A., "U.S. Economy Grew at 1.1% in early 2024, Points to 'Significant Slowing'," *The Washington Post*, April 27, 2023.

²⁸ In 2023 the U.S. Bureau of Economic Analysis began a significant revision of state and MSA GDP data. As of December 2023, only data from 2017-2022 is available. Earlier years will become available in the future. See Unison Consulting's "St. Louis Lambert International Airport Series 2023 Bonds" Feasibility Study for longer term GDP trends using now deprecated data.

Figure 13 | Real GDP Index (2017=100), 2017-2022



Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

2.3.2 | Labor Market

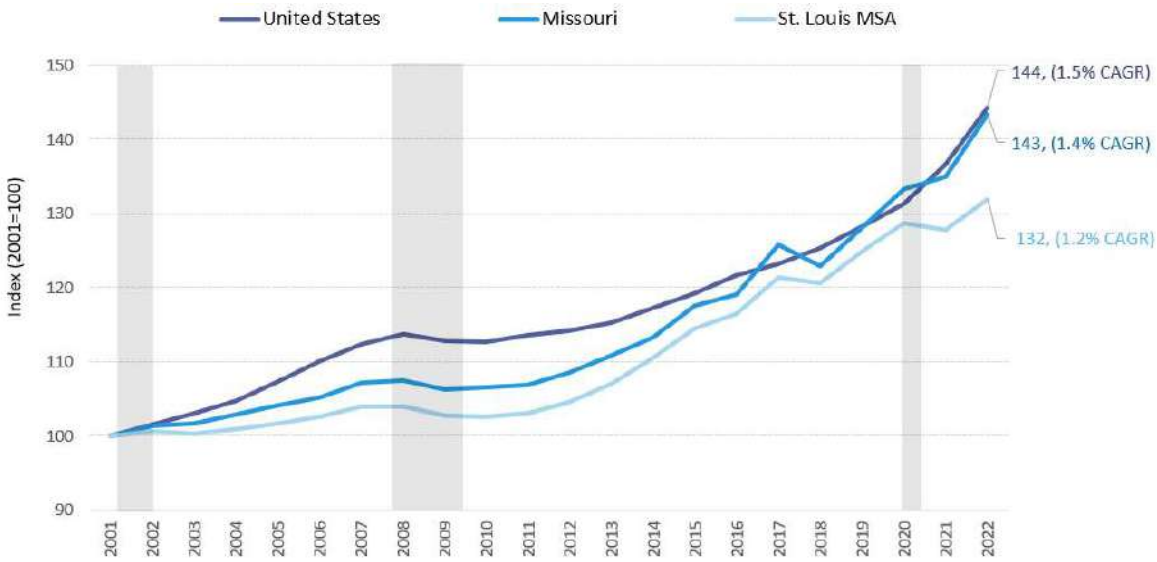
Labor market trends evolve with business cycles and reflect the state of the economy. They are positively correlated with trends in income and travel. Strong business and employment growth and low unemployment stimulate demand for leisure and business travel.

Business Establishments

A growing number of business establishments indicate a healthy business climate, a high level of entrepreneurship, and a favorable environment for start-ups. New business formation creates jobs and promotes overall economic growth.

Between 2001 and 2022, the number of business establishments in the United States grew by 44 percent (1.5 percent CAGR, Figure 14). Missouri experienced a 43 percent increase overall (1.4 percent CAGR); however, the St. Louis MSA grew by only 32 percent (1.2 percent CAGR). All regions experienced decreases in business establishments in 2009 in the wake of the Great Recession, but growth resumed quickly and accelerated after 2012. The St. Louis Economic Development Partnership and Greater St. Louis Inc. are among the organizations that promote business formation and location in the St. Louis MSA.

Figure 14 | Business Establishments Index (2001=100), 2001-2022



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

Nonfarm Employment

Between 2000 and 2023, nonfarm employment in the St. Louis MSA and Missouri each increased by only 5 percent, respectively, much slower than the national employment growth of 18 percent (Figure 15). Employment decreased sharply throughout the United States during the Great Recession of 2008-2009 and recovered gradually during the subsequent economic expansion through 2019. However, between 2010 and 2019, employment in the St. Louis MSA and Missouri again grew slower (8 percent) than the national rate (13 percent). Employment levels fell sharply in 2020 when the U.S. economy entered another recession induced by the COVID-19 pandemic. Annually, employment decreased by about 6 percent nationally, 6 percent in the St. Louis MSA, and 4 percent in Missouri.

By the end of 2023, however, the United States and Missouri had recovered to about 102 percent of pre-pandemic employment and the St. Louis MSA to 100 percent. Strong employment recovery in the St. Louis MSA and the state of Missouri indicates economic resilience that bodes well for long-term economic health.

Figure 15 | Nonfarm Employment Index (2000=100), 2000-2023



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

Nonfarm Employment by Industry

A diversified economy is essential for robust economic growth and resilience to shocks. On the other hand, heavy specialization in a few industries—especially those that are pro-cyclical, such as construction, mining, and manufacturing—increases the exposure of the local economy to business cycle fluctuations and downturns in particular industries. Regions tend to specialize in certain industries owing to natural resources, geographic attributes, labor supply, business climate, and other factors.

Figure 16 shows the percentage distribution of nonfarm employment by industry sector in 2023 in the St. Louis MSA compared with the United States. It also shows the location quotient (LQ) for the St. Louis MSA. The LQ indicates the extent to which a geographic region “specializes” in an industry sector. It measures the degree to which a particular industry sector has proportionately more employees in that region relative to its share of total U.S. nonfarm employment. A LQ higher than one indicates that an industry has a greater share of employment in the region compared to its share at the national level. It, therefore, indicates the region’s specialization in that industry. An LQ lower than one indicates that an industry has a smaller share of employment in the region and is therefore less important in the region than at the national level.

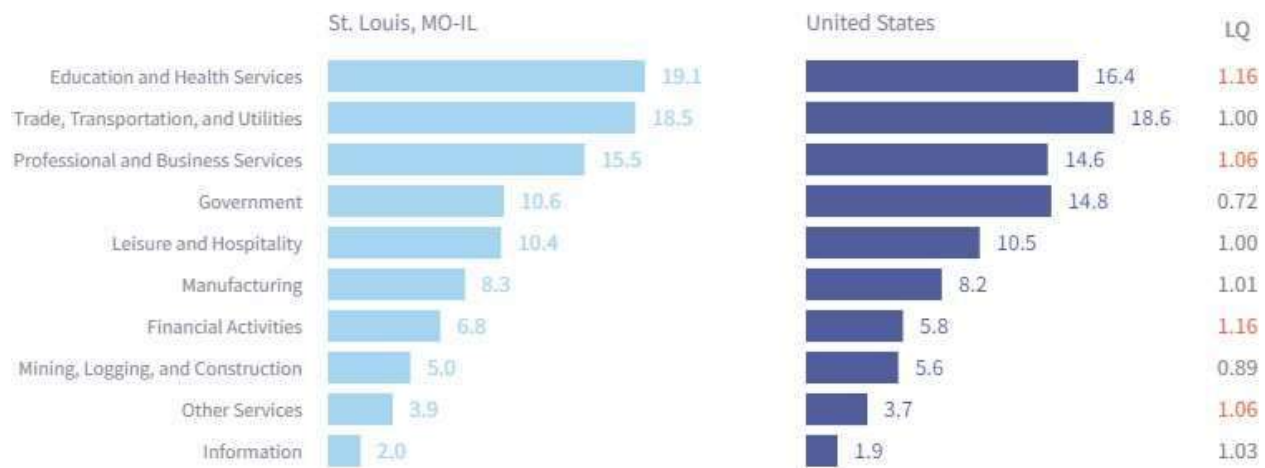
The largest industry sector in the St. Louis MSA, with 19.1 percent of employment, is education and health services. The second and third largest industry sectors are trade, transportation, and utilities (which includes activities such as the retail and wholesale sectors) with 18.5 percent, and professional and business services with 15.5 percent. These are also among the top industry sectors at the national level.

While the St. Louis MSA largely mirrors the U.S. economy in employment distribution across industry sectors, the St. Louis MSA shows greater specialization in four industry sectors:

- Education and health services with an LQ of 1.16
- Financial activities with an LQ of 1.16
- Professional and business services with an LQ of 1.06
- Other services with an LQ of 1.06

These four industry sectors have at least 5 percent greater shares of employment in the St. Louis MSA than at the national level. Conversely, the St. Louis MSA shows significantly smaller employment shares for the government sector and the mining, logging, and construction sector.

Figure 16 | Percent Employment and Location Quotients—Selected Nonfarm Sectors, Q4 2023



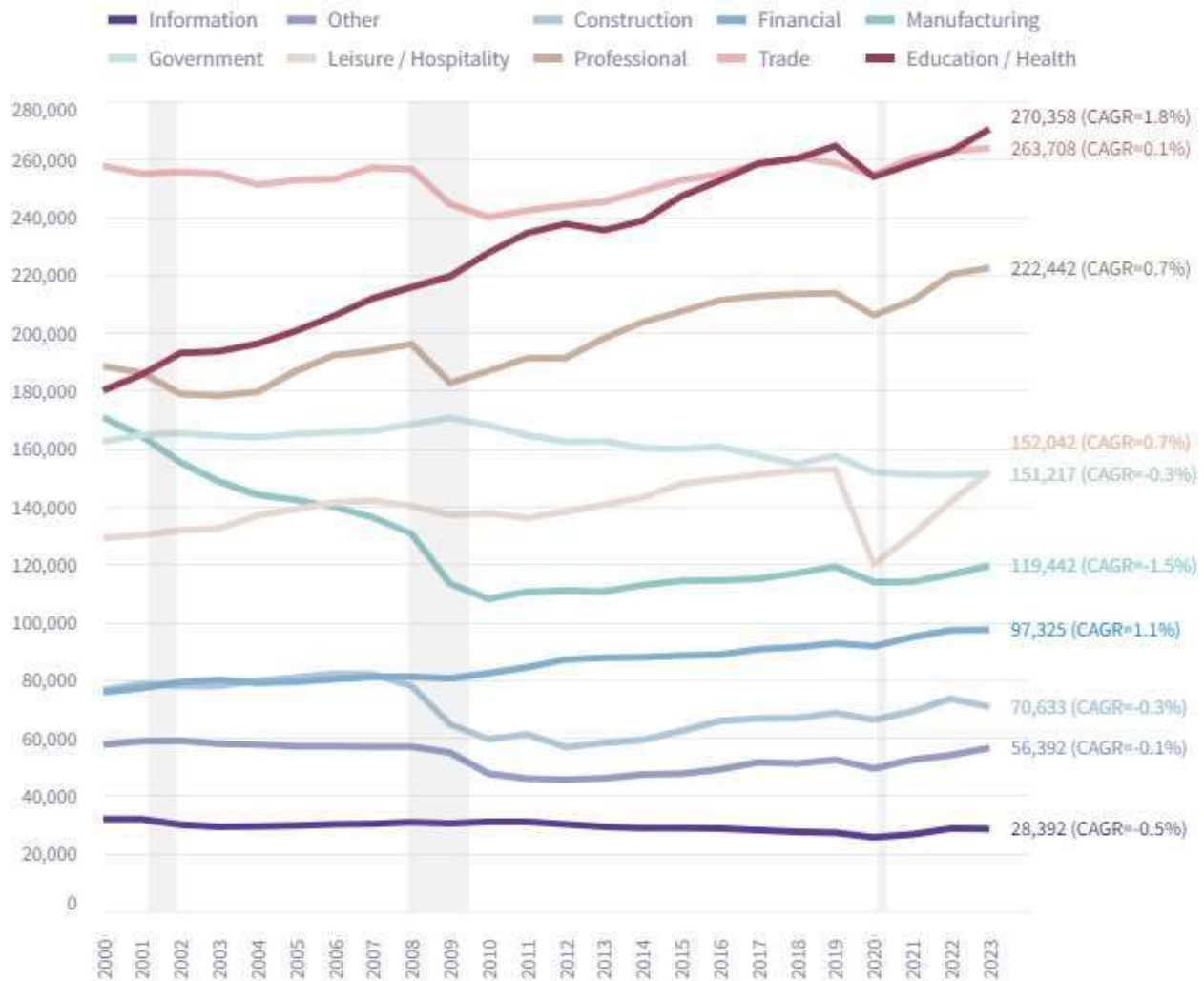
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Figure 17 shows trends in employment in selected nonfarm sectors from 2000 through Q4 2023. The effects of the Great Recession (2008-2009) and the COVID-19 recession (2020) are evident, especially in pro-cyclical sectors such as construction, manufacturing, leisure and hospitality, trade, transportation, and utilities, and professional and business services. These industries suffered declines in employment, particularly in the last two recessions.

Over the period, education and health services saw the most significant employment gains, increasing at a compound annual rate of 1.8 percent. The second and third fastest growing sectors were financial activities (1.1 percent CAGR) and leisure and hospitality (0.7 percent CAGR).

The manufacturing sector has suffered the greatest proportional decline in employment since 2000 (-1.5 percent CAGR). Most manufacturing job losses occurred in the 2000s due to offshoring and reduced demand for durable goods during the Great Recession. Employment in the manufacturing sector has been largely stable since 2010.

Figure 17 | Employment by Selected Industry, 2000-Q4 2023



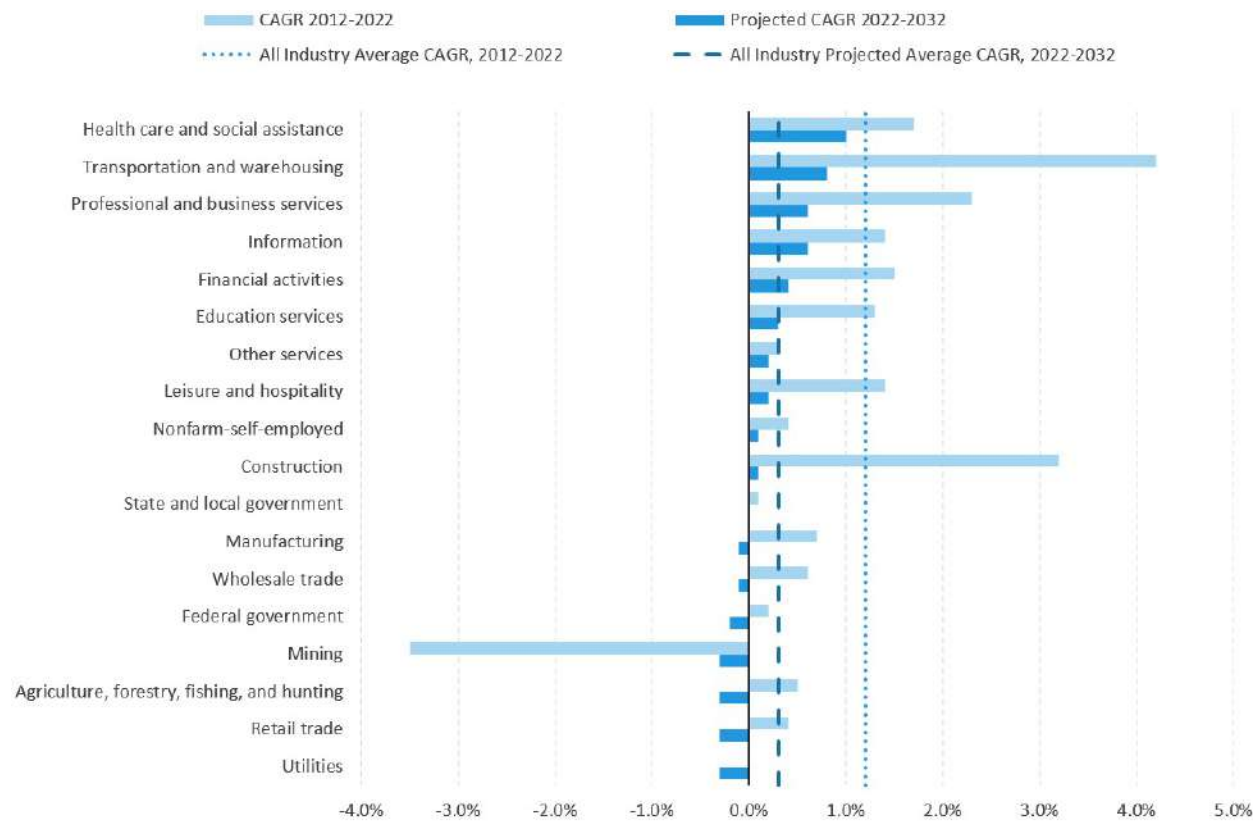
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
Gray areas indicate economic recession periods.
2000-2023 compound annual growth rates are in parentheses.
Industry sector names are abbreviated.

The COVID-19 pandemic and resulting recession caused job losses in all sectors, with service-producing sectors incurring most of the job losses. Across the nation, the leisure and hospitality sector suffered disproportionately due to restrictions on travel, stay-at-home orders, and a general reluctance by the public to travel. In 2023, within the St. Louis MSA, all sectors except for government returned to or exceeded 2019 levels.

For comparison, Figure 18 shows the historical (2012-2022) and forecast (2022-2032) CAGRs by industry sector for the United States. Based on national projections, the St. Louis MSA looks well positioned for employment stability or growth over the coming decade. Many industry sectors that have been growing in the St. Louis MSA since 2011 (Figure 17) are also forecast to continue

growing nationally through 2032. These sectors include transportation, professional and business services, financial activities, and education and health services.

Figure 18 | Historical and Forecast Growth Rates by Industry Sector, United States, 2012-2022 and 2022-2032



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Leading Employers

The St. Louis MSA has a range of large public and private employers who, along with the many small enterprises in the area, form the backbone of the region’s economy. A strong corporate presence generates business demand for air travel.

Institutions of higher education are also prominent in the St. Louis MSA, most notably Washington University in St. Louis (WashU) and Saint Louis University (SLU). Universities drive travel demand to accommodate students, visitors, research and cultural activities, and athletics. In 2021-2022, WashU had 4,415 faculty members and more than 16,000 students from across the United States.

International students make up about 11 percent of the University’s enrollment.^{29,30} WashU is an R1 University, awarding doctoral degrees and performing very high research activity.³¹ SLU is an R2 institution, with more than 13,500 students and more than 2,000 faculty members.³² SLU participates in NCAA Division 1 athletics and fields a total of 16 women’s and men’s teams. Both universities are large employers.

Table 9 shows the top 25 employers in the St. Louis MSA and an estimate of local jobs held by those organizations as of Q1 2023. These top employers are in diverse industries, ranging from aerospace to financial services to education.

²⁹ Washington University in St. Louis, “University Facts,” <https://wustl.edu/about/university-facts/>.

³⁰ Washington University in St. Louis, “Student Enrollment,” <https://registrar.wustl.edu/student-information-systems/student-enrollment-and-graduation-statistics/enrollment-graduation-data/>.

³¹ “Carnegie Classification of Institutions of Higher Education,” https://carnegieclassifications.acenet.edu/classification_descriptions/basic.php. An R1 institution awards doctoral degrees and has “very high research activity.” An R2 institution awards doctoral degrees and has a “high level of research activity.”

³² “Saint Louis University,” <https://www.slu.edu/>.

Table 9 | Largest Employers in the St. Louis MSA, as of Q1 2023

Rank	Company	Local Employees
1	BJC Healthcare	30,920
2	Washington University in St. Louis	19,617
3	Walmart Inc.	17,500
4	Boeing Defense, Space & Security	15,796
5	Mercy	15,084
6	SSM Health	14,226
7	Scott Air Force Base	13,000
8	Schnuck Markets Inc.	8,768
9	McDonald's Corp.	8,415
10	Archdiocese of St. Louis	7,000
11	City of St. Louis	6,609
12	Charter Communications	6,230
13	Ameren Corp.	6,169
14	Special School District of St. Louis County	5,890
15	Edward Jones	5,514
16	Walgreens	5,440
17	St. Louis County Government	4,994
18	Centene Corp.	4,677
19	St. Luke's Hospital	4,606
20	Enterprise Mobility	4,500
21	Saint Louis University	4,400
22	World Wide Technology	4,169
23	General Motors Co.	4,124
24	Bayer Crop Science Division	4,000
25	Rockwood School District	3,977

Sources: St. Louis Business Journal and Unison Consulting, Inc.

The St. Louis MSA is home to several corporate headquarters. Corporate headquarters typically house the key decision-makers in companies and generate business demand for air travel. Some large companies headquartered in the St. Louis MSA are listed in Table 10 (largest public companies) and Table 11 (largest privately held companies).

The 25 largest public companies in the St. Louis MSA represent a wide range of industries, including financial services, electronics, utilities, and securities, among others (Table 10). Thirteen of them are Fortune 1000 companies. Many of the largest privately held companies in the St. Louis MSA also belong to the Forbes 2023 list of largest privately held companies. Examples include Enterprise Holdings, Worldwide Technology, Edward Jones, and Graybar Electric Co. (Table 11). These companies further diversify the regional economy.

Table 10 | Largest Public Companies in the St. Louis MSA, 2023

Rank	Company	2022 Revenue (\$Billion)
1	Centene Corp.*	\$144.60
2	Bunge	\$67.20
3	Anheuser-Busch	\$57.80
4	Emerson*	\$19.60
5	Reinsurance Group*	\$16.30
6	Olin Corp.*	\$9.40
7	Ameren Corp.*	\$8.00
8	Core & Main Inc.*	\$6.70
9	Post Holdings Inc.*	\$5.90
10	Peabody Energy Corp.*	\$5.00
11	Amdocs Ltd.	\$4.60
12	Stifel Financial Corp.*	\$4.40
13	Arch Resources Inc.*	\$3.70
14	Energizer Holdings*	\$3.10
15	Caleres Inc.*	\$2.24
16	Belden Inc.*	\$2.60
17	Spire Inc.	\$2.20
18	Mallinckrodt Pharmaceuticals	\$1.90
19	Commerce Bancshares Inc.	\$1.60
20	Bellring Brands Inc.	\$1.40
21	Perficient Inc.	\$0.91
22	ENCO Technologies Inc.	\$0.86
23	Enterprise Financial Services Corp.	\$0.56
24	Build-A-Bear Workshop Inc.	\$0.47
25	Futurefuel Corp.	\$0.40

Sources: St. Louis Business Journal, Fortune, and Unison Consulting, Inc.

* Fortune 1000 company (based on 2022 calendar year or 2023 fiscal year revenue).
Companies are locally based.

Table 11 | Largest Privately Held Companies in the St. Louis MSA, 2023

Rank	Company	2022 Revenue (\$Billion)
1	Enterprise Mobility*	\$30.0
2	World Wide Technology*	\$16.9
3	Edward Jones*	\$12.3
4	Graybar Electric Co. Inc.*	\$10.5
5	Dot Foods Inc.*	\$9.8
6	ARCO Construction Co.*	\$5.7
7	McCarthy Holdings Inc.*	\$5.4
8	Copeland	\$5.0
9	Prairie Farms Dairy Inc.	\$4.2
10	Barry-Wehmler Group	\$3.3
11	CCA Global Partners Inc.	\$3.3
12	Alberici Corp.*	\$3.1
13	Schnuck Markets Inc.*	\$3.1
14	Bommarito Automotive Group	\$2.5
15	Tricorbraun	\$2.4
16	Alter Trading Corp.	\$2.2
17	Piasa Enterprises Inc.	\$1.5
18	Unigroup C.A.	\$1.4
19	Brinkmann Constructors	\$1.4
20	Harbour Group	\$1.3
21	PLZ Corp.	\$1.3
22	Archkey Solutions	\$1.3
23	Thompson Street Capital Partners	\$1.2
24	Fabick Cat	\$1.2
25	PARIC Holdings	\$1.1

Sources: St. Louis Business Journal, Forbes, and Unison Consulting, Inc.

* Company is on the Forbes list of “America’s Largest Private Companies” (2023).

Companies are locally based and ranked by 2022 revenue.

Unemployment

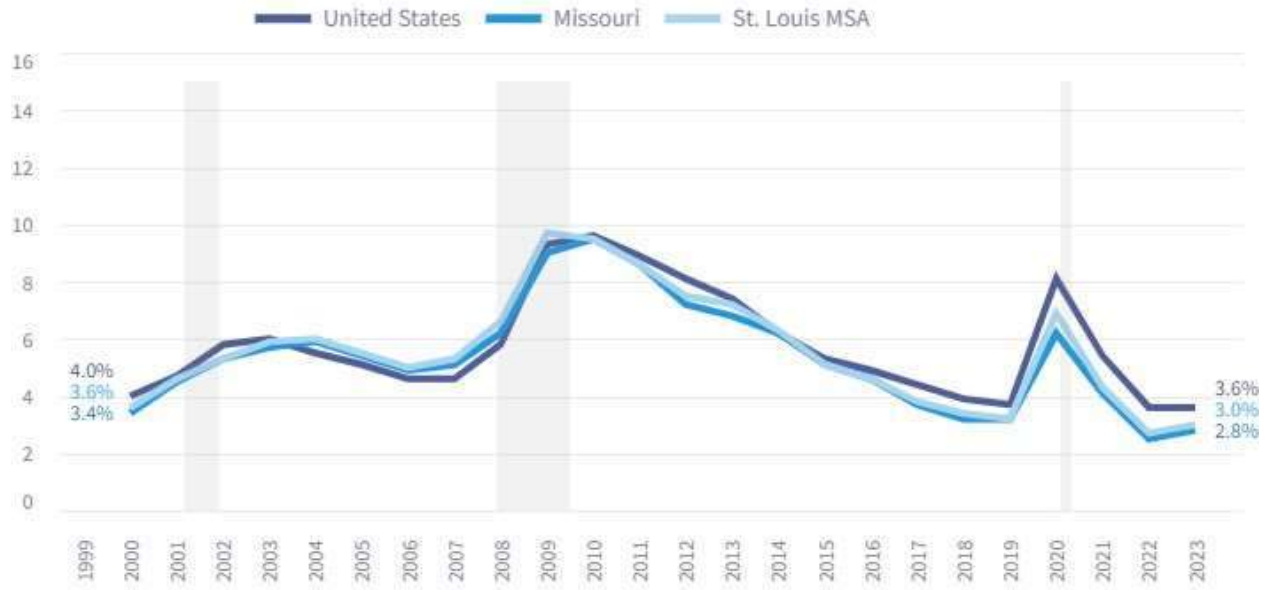
The unemployment rate represents the share of unemployed members of the labor force (those 16 years and older who are either employed, or, unemployed and actively looking for work). It provides a measure of unmet demand for jobs. High levels of unemployment imply lower incomes and less discretionary income for travel. As with employment, the unemployment rate follows business cycles (Figure 19).

Unemployment rose during the Great Recession to a peak of more than 9 percent in the United States, Missouri, and the St. Louis MSA. It then declined during the subsequent expansion and by 2019 had fallen below 4 percent in all three regions, indicating an economy operating at full employment.³³ In 2020, amid the business lockdowns during the COVID-19 pandemic,

³³ Full employment generally is implied when unemployment rates are between 4.1 and 4.7 percent. More accurately, full employment is conceptual and refers to a state where “...the unemployment rate equals the nonaccelerating inflation rate of unemployment, no cyclical unemployment exists, and GDP is at its potential.”

unemployment spiked to an annual average of 8.1 percent in the United States, but only 6.2 percent in Missouri and 6.9 percent in the St. Louis MSA. Recovery was fast. By 2023, the annual average unemployment rate decreased to 3.0 percent in the St. Louis MSA, 2.8 percent in Missouri, and 3.6 percent nationally.

Figure 19 | Annual Unemployment Rate (Percentage), 2000-2023



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

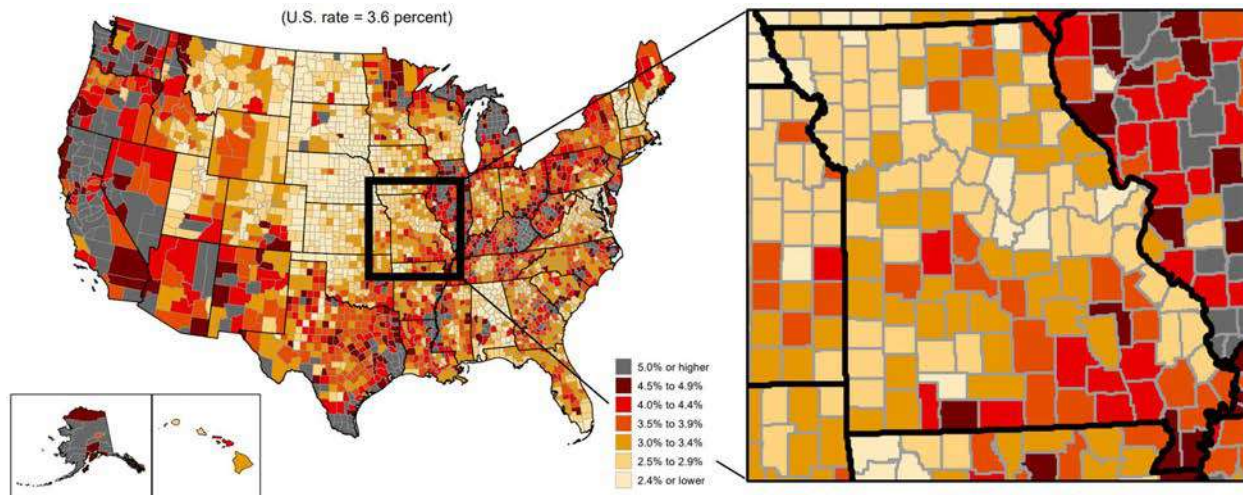
Rapid economic recovery has created a labor shortage—in November 2023, there were approximately 1.4 job openings per unemployed person nationally and 1.7 job openings per unemployed person in Missouri.³⁴ Although the labor shortage is gradually easing, the labor market remains strong. Many organizations, including airlines and airports, continue to face difficulties filling vacancies.

Figure 20 shows the 12-month average unemployment rate through December 2023 by county in the United States. The map confirms that counties in the St. Louis MSA (especially those in Missouri) have relatively low unemployment, compared with much of the rest of Illinois and the nation.

Sources: (1) C. Cook, "Full Employment," Bloomberg, 2016. (2) Bureau of Labor Statistics, "Full Employment: an assumption within BLS projections," 2017.

³⁴ U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey.

Figure 20 | Unemployment Rate by County, 12-Month Average through December 2023



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Commuting

The St. Louis MSA has a high in-area employment efficiency. Eighty-eight percent of those who work in the St. Louis MSA also live in the St. Louis MSA. People commuting to work in the St. Louis MSA from elsewhere outnumber those commuting from the St. Louis MSA to workplaces outside the St. Louis MSA—a net inflow of about 29,000 commuters.³⁵

2.3.3 | Tourism

Tourism is considered a “basic” economic activity and a key driver of economic growth. It brings “new” money to a region from visitor spending on food, lodging, recreation, and other services provided by local businesses.³⁶

Tourism is a significant component of Missouri's and the St. Louis MSA's economies. In FY2022, Missouri welcomed more than 40 million visitors. Tourism had a statewide economic impact of \$18.4 billion, generated \$603 million in state tax revenue, and employed more than 281,000 workers in tourism-related industries. Missouri visitors mainly came from Illinois, Arkansas, Kansas, and Texas. Visiting friends and relatives, shopping, and rural sightseeing were among the top visitor activities. St. Louis was the top destination for visitors to the state (22.5 percent), followed by Branson (19.7 percent) and Kansas City (15.5 percent).³⁷

Within the seven Missouri counties of the St. Louis MSA (see Table 6), visitor spending in FY2022 totaled about \$6.2 billion and supported more than 105,000 jobs. This represented a 7.1 percent

³⁵ U.S. Census Bureau.

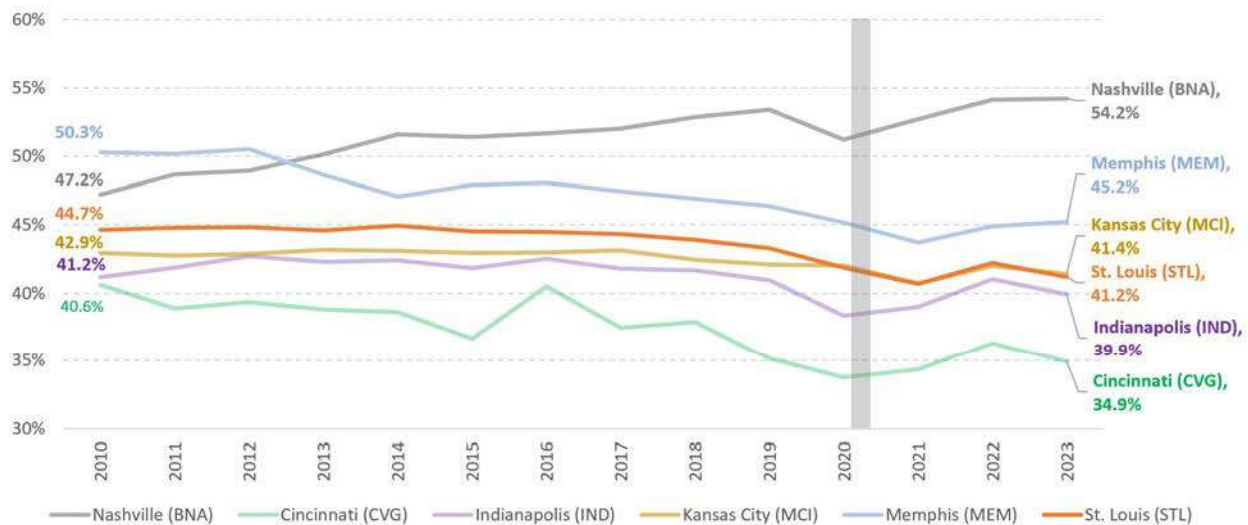
³⁶ In regional economic development theory, “basic” industries are those that generate revenue from customers from outside the region, thus bringing “new money” into the region.

³⁷ Missouri Division of Tourism, *FY2022 Annual Reports*.

increase in spending versus FY2019. However, tourism-related employment in the counties remained about 14 percent below FY2019.³⁸ For the entire state of Missouri, FY2022 visitor volume rebounded to 93 percent of 2019 levels and visitor spending exceeded 2019 by 1.0 percent. However, just 6.6 percent of Missouri visitors arrived by air, a substantial decline from more than 10 percent in FY2020.

Overall, since 2010, STL has seen a decline in the share of enplanements by visitors (Figure 21), from 44.7 percent in 2010 to 41.2 percent in 2023. Conversely, the residents' share of enplanements increased from 55.3 percent in 2010 to 58.8 percent in 2023. This trend is similar to that at several other airports in the Midwest, including Memphis (MEM), Kansas City (MCI), and Cincinnati (CVG). Outbound travel by residents, which depends largely on local demographic and economic conditions, has been driving enplanement growth. The recovery of tourist visits utilizing air transportation will boost passenger traffic at STL.

Figure 21 | Estimated Share of Enplanements by Visitors, 2010-2023



Sources: U.S. Bureau of Transportation Statistics and Unison Consulting, Inc.

Gray areas indicate economic recession periods.

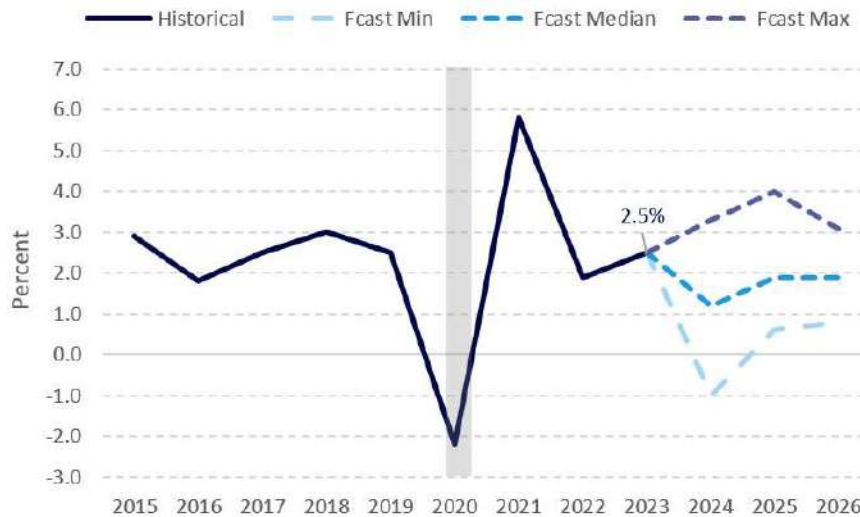
2.4 | Macroeconomic Indicators

The state of the U.S. economy influences regional economic conditions and the aggregate demand for air travel. In the near term, interpretations of critical macroeconomic indicators are somewhat ambivalent. The cumulative impact of inflation on household finances, escalating consumer indebtedness, potential increases in unemployment, and interest rates that remain higher than before the COVID-19 pandemic are examples of influential factors. Nonetheless, projections indicate an overarching trend of positive macroeconomic expansion in the long run. GDP

³⁸ Unison Consulting, Inc.'s calculations are based on data from the Missouri Division of Tourism.

Strong economic performance in the second half of 2023 led to a robust advance estimate of 2.5 percent annual real GDP growth in 2023, which exceeded earlier projections (Figure 22). However, forecasts for changes in real GDP over the next four quarters anticipate a slight economic slowdown, but the prevailing opinion is that the U.S. economy will avoid a recession.³⁹ Annually, *The Wall Street Journal* Economic Forecasting survey’s median forecast growth rate for real GDP for 2024 is 1.2 percent, rising to 1.9 percent in 2025 and 2026.

Figure 22 | Historical Annual Real GDP Growth and Short-Run Annual Real GDP Forecast, 2024-2026



Sources: Unison Consulting, Inc., and The Wall Street Journal January 2024 Economic Forecasting Survey
Gray areas indicate economic recession periods.

2.4.1 | Consumer Spending

Consumer spending, a bellwether measure of the economy, continues to signal a growing economy. Personal consumption expenditures (PCE) account for about 66 percent of U.S. GDP. Figure 23 shows that consumer spending has continuously increased, apart from a few dips during the Great Recession and again during the COVID-19 pandemic. During the Great Recession, consumer spending decreased by 4.0 percent between July 2008 and March 2009. It subsequently rose by 51.5 percent by February 2020. During the COVID-19 pandemic, consumer spending fell 17.4 percent between February and April 2020 but rebounded quickly. It increased 55.4 percent through December 2023 to 28.2 percent above the pre-COVID-19 pandemic peak.

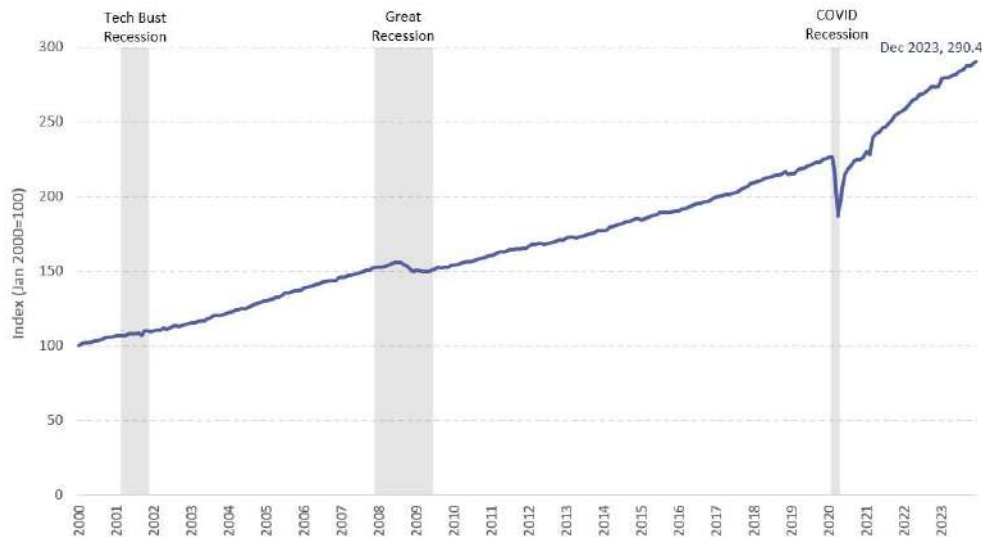
High levels of excess savings buoyed consumer spending in the wake of the COVID-19 pandemic.⁴⁰ In 2023, consumer spending held up despite high inflation and interest rates. However, pandemic savings are dwindling, personal income growth is slowing, household debt and delinquencies are

³⁹ H. Torry and A. DeBarros, “It Won’t be a Recession—It will Just Feel Like One,” *The Wall Street Journal*, January 14, 2024.

⁴⁰ A. Aladangady, D. Cho, L. Feiveson, and E. Pinto, “Excess Savings during the COVID-19 Pandemic,” *FEDS Notes*, Board of Governors of the Federal Reserve System, October 2.1, 2022.

rising, and pent-up demand is waning. While consumer spending is expected to support continued U.S. economic expansion in 2024, the rate of growth in consumer spending is expected to slow in 2024. Falling inflation and interest rates will help boost consumer spending later in the year.^{41, 42, 43}

Figure 23 | Personal Consumption Expenditures, Monthly, Index, (Jan 2000=100), Jan 2000-Dec 2023



Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

2.4.2 | Personal Saving

Figure 24 shows monthly personal savings as a percentage of disposable income from January 2000 to November 2023. The long-term average before the pandemic (2000-2019) was 5.2 percent of disposable income. The personal saving rate soared during the pandemic. Social distancing curtailed household spending, and income transfers from COVID-19 relief packages boosted household incomes.⁴⁴ This resulted in trillions of dollars of accumulated savings. In 2020 and 2021, the personal saving rate reached more than 30 percent.

This cushion, however, has shrunk as consumers dipped more and added less to their savings to sustain growth in spending (see Figure 23). Since early 2022, the personal saving rate has fallen below its long-term average in most months. Households were estimated to have just over \$430

⁴¹ Ginger Chambless, “2024 Economic Outlook: 10 Considerations for the US Economy,” *J.P. Morgan*, December 22, 2023.

⁴² Erik Lundh, “The Conference Board Economic Forecast for the US Economy,” *The Conference Board*, January 11, 2024.

⁴³ U.S. Bureau of Economic Analysis, Personal Consumption Expenditures.

⁴⁴ COVID-19 relief packages were provided under the CARES Act in March 2020, the Consolidated Appropriations Act in December 2020, and the American Rescue Plan in March 2021.

billion in excess accumulated savings remaining in September 2023, down from a peak of more than \$2 trillion at the end of 2021.⁴⁵

Figure 24 | Personal Saving Rate, Monthly, Jan 2000-Dec 2023

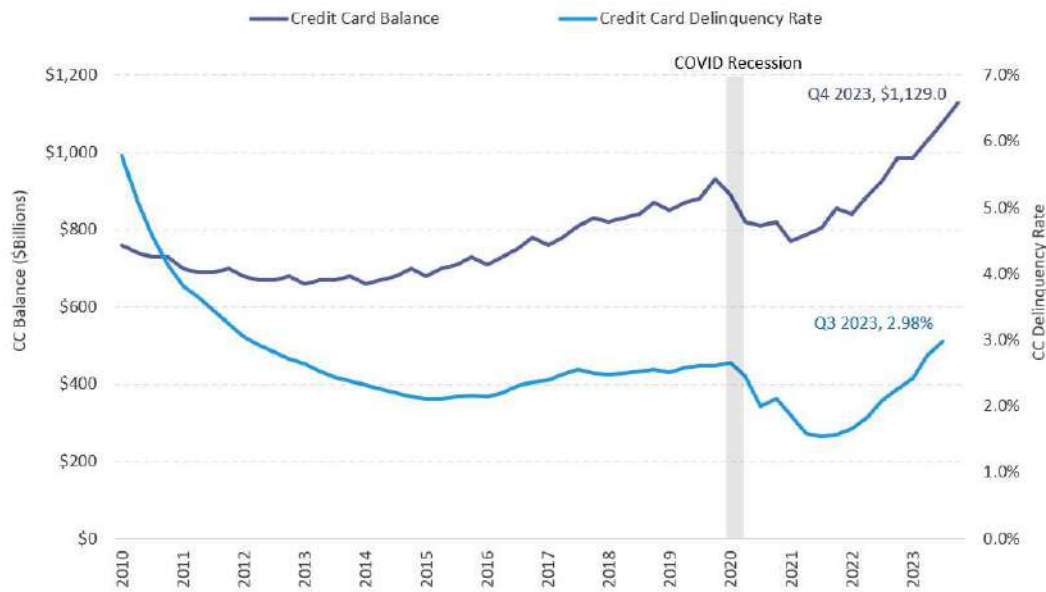


Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

As personal savings indicate in Figure 25, consumers have increasingly relied on consumer credit (Figure 25). Consumer credit card balances have been increasing steadily over time and significantly since the COVID-19 pandemic. For example, in the ten quarters ending Q4 2019, credit card balances increased by 19.2 percent. As a result of decreased spending during the pandemic, coupled with government relief programs, income swelled, and credit card balances decreased significantly during 2021. However, during the ten quarters ending Q4 2023, credit card balances increased by 42.5 percent. Delinquency rates, which dropped sharply during the pandemic, have risen rapidly and reached levels exceeding those before the pandemic. Heavy reliance on credit to fund consumer purchases is not sustainable over the long term.

⁴⁵ H. Abdelrahman and L. Oliveira. 2024. "Pandemic Savings Are Gone: What's Next for U.S. Consumers?" Federal Reserve Bank of San Francisco, May 3, 2024.

Figure 25 | Credit Card Balances and Delinquency Rate, Quarterly, Q1 2010-Q3/4 2023



Sources: Federal Reserve Bank of New York and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

2.4.3 | Inflation, Interest Rates, and Prices

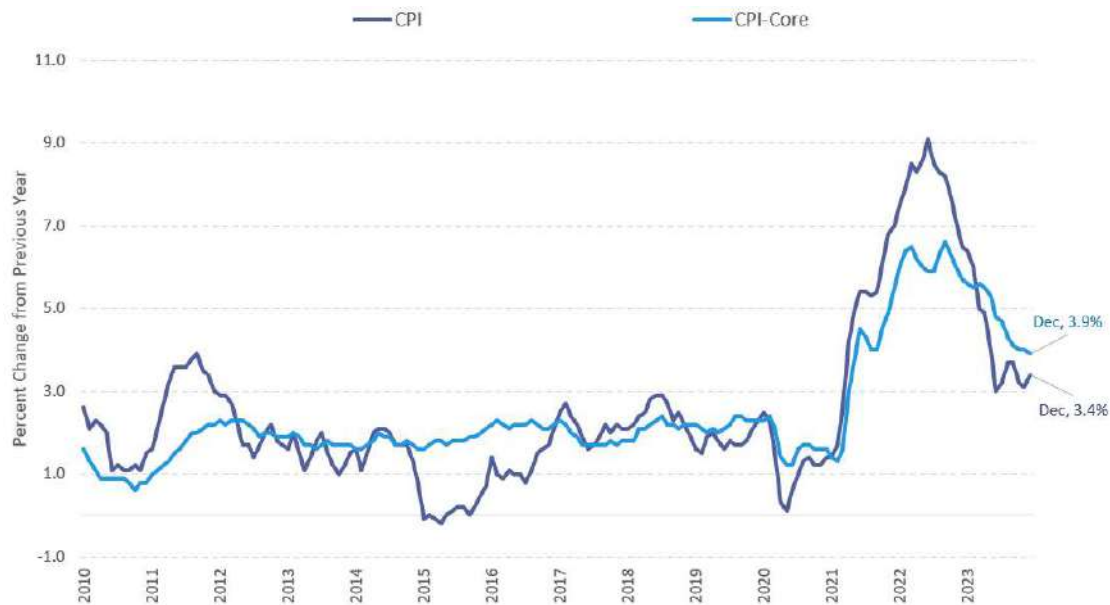
The combination of strong consumer demand and supply constraints created an inflationary environment, and consumer prices began to rise dramatically in early 2021. In 2021 and 2022, inflation, primarily at or below 2 percent between 2010 and 2020, grew to levels not seen since the early 1980s (Figure 26). The headline inflation rate, measured by the All-Items Consumer Price Index (CPI), reached 8.9 percent (year-over-year change) in June 2022. Core inflation, which excludes price-volatile items like food and energy, reached 6.6 percent (year-over-year change) in September 2022.

From March 2022 through January 2024, the Federal Open Market Committee (FOMC) raised the Fed Funds rate by 11 times increasing the effective rate by 5.25 percent (Figure 27). These actions have had a demonstrable impact on inflation. In December 2023, headline inflation had dropped to an annual rate of 3.4 percent and core inflation to an annual rate of 3.9 percent. While inflation remains above FOMC’s long-term goal of 2 percent, the rate at which prices are increasing is slowing, which should provide some relief to consumers in the near term.⁴⁶ The FOMC appears poised to begin reducing the target Fed Funds rate in 2024, and the inflation rate is forecast to slowly return to 2 percent by 2027.⁴⁷

⁴⁶ The U.S. Bureau of Economic Analysis produces a similar measure of consumer prices – the personal consumption price index. The trends mirror those of the CPI.

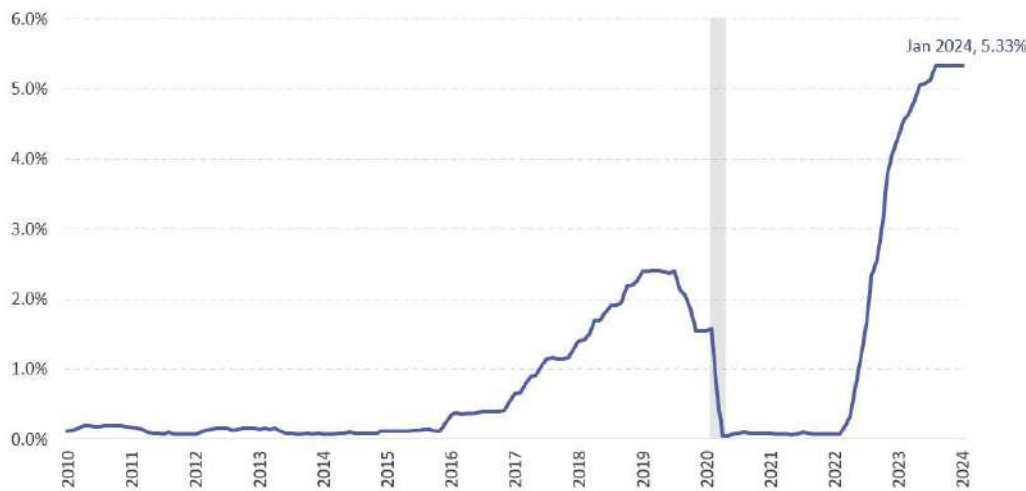
⁴⁷ N. Timiraos, “Fed Starts the Pivot Toward Lowering Rates,” *The Wall Street Journal*, December 14, 2023.

Figure 26 | Consumer Price Index, Monthly, Percent Change from Previous Year, Jan 2000-Dec 2023



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
CPI-core excludes food and energy.
Gray areas indicate economic recession periods.

Figure 27 | Effective Fed Funds Rate, Jan 2010-Jan 2024



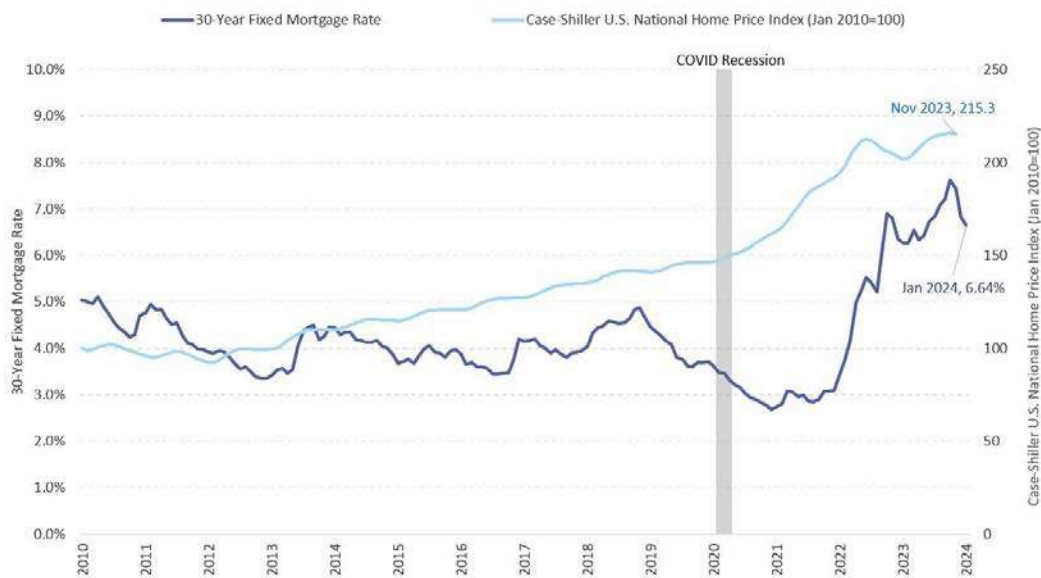
Source: Board of Governors of the Federal Reserve System and Unison Consulting Inc.
Gray areas indicate economic recession periods.

FOMC policy actions to curb price increases have successfully cooled the economy and reduced inflation without significant increases in unemployment (Figure 19). However, accumulated price increases over time and higher interest rates create economic headwinds for continued consumer spending.

Interest rate increases have raised the cost of capital for both businesses and individuals. This has had a significant impact on the housing market, where a combination of quickly rising home prices along with high mortgage rates have made the cost of housing a significant concern for many Americans and put the purchase of a home out of reach for many.⁴⁸

Figure 28 shows the national average 30-year fixed mortgage rate (left axis) and Case-Shiller home price index⁴⁹ (right axis) from January 2010 to January 2024 and November 2023, respectively. After generally declining from 5.1 percent in early-2010 to as low as 3.6 percent in 2019, 30-year fixed mortgage stood at 6.6 percent in January 2024—mainly due to FOMC interest rate increases. Similarly, average home prices have risen dramatically. After increasing by 58 percent between January 2012 and January 2020 (eight years), the average home price in the United States increased by an additional 47 percent between January 2020 and November 2023 (about 3.8 years). The combination of high interest rates and home prices presents a significant challenge for consumers.

Figure 28 | 30-Year Fixed Mortgage Rate and Case-Shiller Home Price Index (Jan 2000=100), Monthly, Jan 2000-Jan2024/Nov 2023



Sources: Freddie Mac (mortgage rates), S&P Dow Jones Indices (home prices), and Unison Consulting, Inc. Gray areas indicate economic recession periods.

Inflation has also increased the total cost of travel (Figure 29). Since January 2020, overall prices nationwide have risen by about 19.2 percent. Average fares, which increased significantly during 2022 and early 2023, have softened and retreated to levels seen at the start of the pandemic.

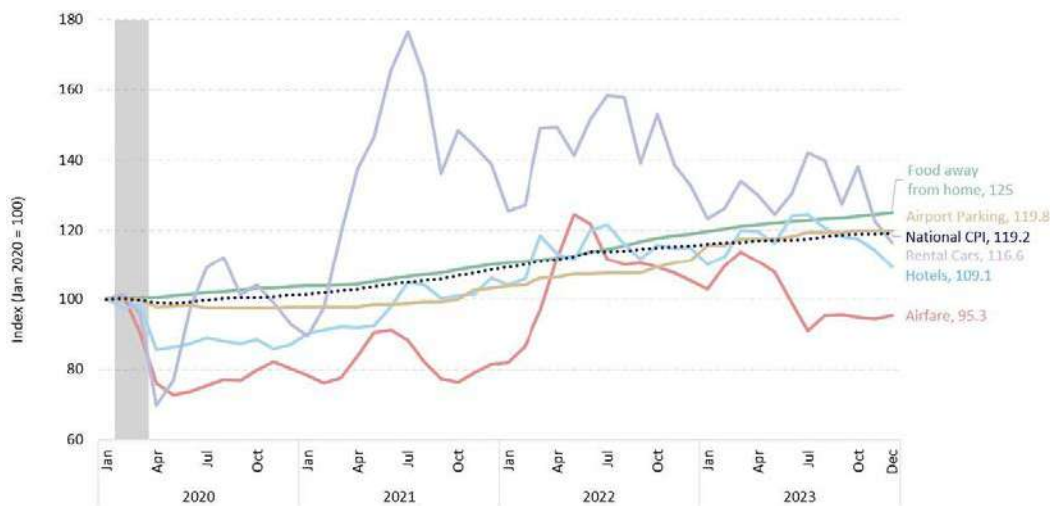
⁴⁸ G. Heeb, “The Math for Buying a Home No Longer Works,” *The Wall Street Journal*, December 12, 2023.

⁴⁹ The Case-Shiller home price index is a national measure of the price trends of single-family homes. See <https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-corelogic-cs-home-price-indices.pdf>.

However, the prices for other travel cost components have increased. Prices for hotels increased by 9 percent through December 2023. Meanwhile, rental cars, airport parking and food away from home have risen by 17 percent, 20 percent, and 25 percent, respectively. These cumulative increases will weigh on business and leisure travel decisions moving forward.

Despite price increases in the overall cost of travel, consumers have continued to shift purchases from goods to services and experiences, including travel.⁵⁰ Between Q1 2021 and Q3 2023, consumer spending on goods rose by 22 percent, while services increased by 26 percent. Spending on some service categories rose even faster: transportation services increased by 51 percent, food services and accommodations by 48 percent, and recreation by 37 percent.⁵¹ Nevertheless, consumers appear to be prioritizing travel spending over other household budget categories—a positive sign for airports despite higher travel costs.⁵²

Figure 29 | Price Indices for Selected Travel Products, Jan 2020-Dec 2023



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
Airfares and food away from home are consumer price indices. All others are producer price indices.
Gray areas indicate economic recession periods.

⁵⁰ Ernst & Young, “When consumers want less but demand more, how will your business grow?” https://www.ey.com/en_gl/consumer-products-retail/changing-consumption-will-reshape-business-priorities.

⁵¹ U.S. Bureau of Labor Statistics.

⁵² I. Klinger, “2024 Travel Trend: Consumers Plan To Spend More On Travel—Despite Rising Costs,” *Forbes*, October 26, 2023.

2.4.4 | Consumer Sentiment and Stress

Consumer sentiment, an index that measures consumer confidence in the economy and suggests future demand behavior and business activity, has been rising. While still below pre-pandemic levels, recent trends indicate that consumer sentiment about the economy is improving.

Figure 30 | Consumer Sentiment Index, Monthly, Jan 2000-Jan 2024



Sources: University of Michigan and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

2.4.5 | Industrial Production

Industrial production is a major index of economic activity, tracking the output of manufacturing, mining, and utilities (for example, power generation). Industrial production tends to move in concert with business cycles (Figure 31). During each of the last three recessions, industrial production dropped significantly. Most recently, industrial production dropped about 16 percent from Q4 2018 through Q2 2020. As of Q3 2023, industrial production has yet to eclipse pre-pandemic levels despite rising significantly from pandemic lows.⁵³ Going forward, the pace of industrial production will be largely determined by trends in consumer spending, inflation, interest rates, and the global supply chain pressures.

⁵³ This is especially evident when industrial production is viewed on a more detailed monthly level.

Figure 31 | Industrial Production Index (Q1 2000=100), Q1 2000-Q4 2023



Sources: Board of Governors of the Federal Reserve and Unison Consulting, Inc.

Gray areas indicate economic recession periods.

2.4.6 | Global Supply Chain Pressures

During the pandemic, the fragility of the global supply chain was exposed as COVID-19 led to the shutdown of factories across the globe, revealed transportation bottlenecks, and created a shortage of workers.⁵⁴ Nearly all industries were impacted—manufacturing, construction, retail, and wholesale were among the hardest hit.⁵⁵ Supply chain bottlenecks restricted the availability of raw materials, manufacturing capabilities, and product accessibility—eventually leading to price increases.

The Global Supply Chain Pressure Index (GSCPI), calculated by the Federal Reserve Bank of New York, measures strain in the supply chain by combining a variety of transport cost measures with the Purchasing Manager Index (Figure 32). Higher values indicate more stress, while lower values indicate a system running smoothly. The index hovered near its average (zero) for most of the past two decades. However, in 2020, the index rose to more than 3.0, and after a brief fall, it climbed even higher to more than 4 in December 2021. Since then, the index had fallen sharply to -1.6 in May 2022 and risen back toward its long-term average as of December 2023. Overall, the trends indicate that the global logistics system has adapted to the demands of the post-pandemic era. Yet, global supply chains remain vulnerable to several risks, including international geopolitical

⁵⁴ P. Goodman, “How the Supply Chain Broke, and Why It Won’t Be Fixed Anytime Soon,” *The New York Times*, October 31, 2021.

⁵⁵ S. Helper and E. Soltas, “Why the Pandemic Has Disrupted Supply Chains,” The White House Council of Economic Advisers Written Materials Blog, June 17, 2021, <https://www.whitehouse.gov/cea/written-materials/2021/06/17/why-the-pandemic-has-disrupted-supply-chains/>.

conflicts (such as Houthi attacks on cargo ships in the Red Sea and Gulf of Aden), labor shortages, and cybersecurity.^{56,57}

Figure 32 | Global Supply Chain Pressure Index, Monthly (Standard deviation from average), January 2000-December 2023



Sources: Federal Reserve Bank of New York and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

2.4.7 | Corporate Profits

Corporate profits are one measure of the health of the nation’s private sector. Between the fourth quarters of 2007 and 2019, corporate profits grew by about 48 percent, a CAGR of 3.3 percent. After dipping by 13.3 percent in the first two quarters of 2020 during the pandemic, profits grew by more than 71 percent between the recession low and the second quarter of 2022. Between the second and fourth quarters of 2022, corporate profits fell by more than 10 percent as consumers became

⁵⁶ D. Demblowski, “Supply Chains in 2024—Improved, but Still Vulnerable,” *Bloomberg Law*, <https://news.bloomberglaw.com/bloomberg-law-analysis/analysis-supply-chains-in-2024-improved-but-still-vulnerable>, November 5, 2023.

⁵⁷ J.P. Morgan, “What are the impacts of the Red Sea shipping crisis?”, <https://www.jpmorgan.com/insights/global-research/supply-chain/red-sea-shipping>, February 8, 2024.

more price-sensitive.⁵⁸ Profits have rebounded in 2023, and continued growth is expected to support economic growth.⁵⁹

Figure 33 | Corporate Profits, Quarterly, Q1 2007-Q3 2023



Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

2.5 | Economic Outlook

The U.S. economy is forecast to continue growing at slower rate (see Figure 22), especially in the short run. The global economy is also slowing—the International Monetary Fund (IMF) projects that global economic growth will fall from 3.5 percent in 2022 to 3.0 percent in 2024 and 2.9 percent in 2025. In advanced economies, growth is expected to fall from 2.6 percent in 2022 to 1.5 percent and 1.4 percent in 2024 and 2025, respectively.⁶⁰

However, many aspects of the U.S. economy continue to show strength: the labor market, consumer spending, industrial production, and corporate profits, among others. Inflation is currently falling, and wages are again beginning to outpace price increases. The pressures on the global supply chain have also eased, reducing pandemic supply constraints. Over the long term, history has proven the resilience of the U.S. economy—its ability to bounce from shocks and return to a growth trajectory.

⁵⁸ P. Hannon, “Outsize profits helped Drive Inflation. Now Consumers are Pushing Back,” *The Wall Street Journal*, December 3, 2023.

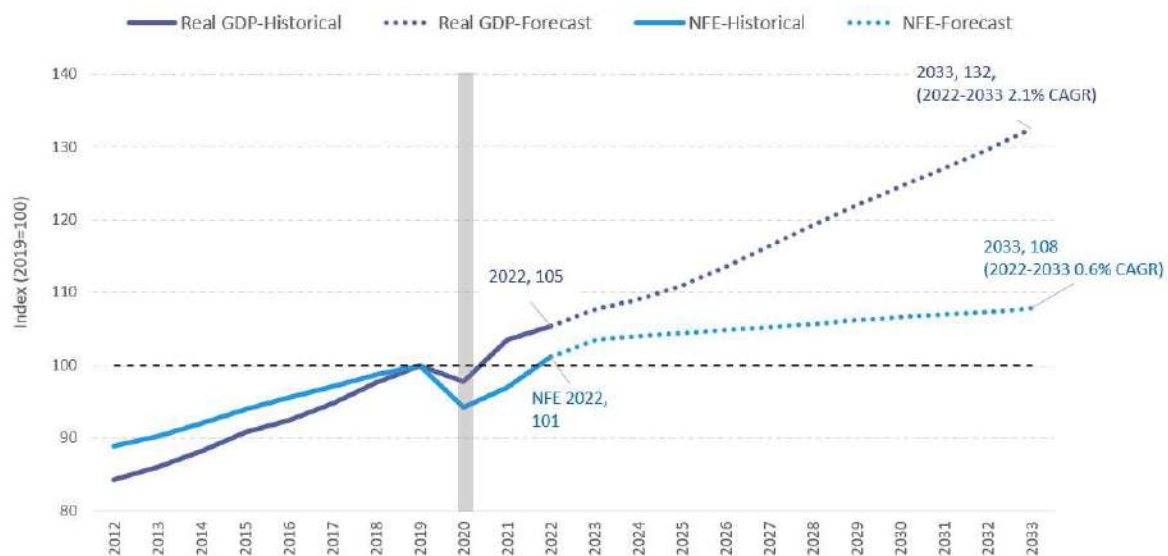
⁵⁹ J. Lahart, “How Rising Profits Could Prevent the Economy from Faltering,” *The Wall Street Journal*, December 3, 2023.

⁶⁰ International Monetary Fund, “World Economic Outlook, October 2023: Navigating Global Divergences,” October 10, 2023.

2.5.1 | Long-Term Outlook

In the long run, the U.S. economy is projected to return to a steady growth path (Figure 34). Moody’s Analytics forecasts the U.S. real GDP to grow at a compound annual rate of 2.1 percent from 2022 to 2033. Following the trend in economic output, U.S. employment is also expected to demonstrate robust growth throughout the next decade. After falling by almost 6 percent between 2019 and 2020, non-farm employment reached pre-pandemic levels in 2022. According to Moody’s Analytics, U.S. employment is projected to gain about 6 million jobs between 2022 and 2033, increasing at a compound annual rate of about 0.6 percent.

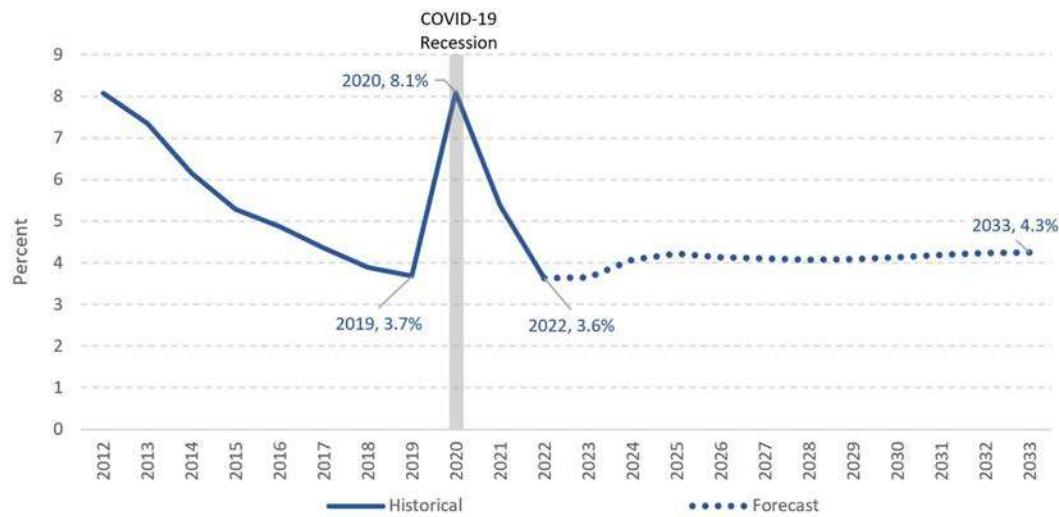
Figure 34 | Historical and Long-Term Projected U.S. Real Gross Domestic Product and Nonfarm Employment Index (2019=100), Annual, 2012-2033



Sources: Moody’s Analytics Baseline Scenario as of October 2023, and Unison Consulting, Inc. Gray areas indicate economic recession periods.

Moody’s Analytics projects the U.S. unemployment rate to rise slightly above current low levels to 4.1 percent in 2024. Between 2024 and 2033, unemployment is forecast to be between 4.1 and 4.3 percent—staying at levels consistent with a full-employment economy. Figure 35 shows forecast annual unemployment rates with historical data from 2012 to provide a long-term perspective.

Figure 35 | Historical and Long-Term Forecast National Unemployment Rate, Annual, 2012-2033



Sources: Moody’s Analytics Baseline Scenario as of October 2023, and Unison Consulting, Inc. Gray areas indicate economic recession periods.

2.6 | Summary

The U.S. economy grew more quickly than expected during 2023 and defied the recession predictions of many forecasters. Yet high inflation over the past two years has prompted the FOMC to raise interest rates. This policy action is paying dividends, as the rate of price increases has slowed without increasing unemployment. Consumer spending and labor demand remain strong, but the tightness in the labor supply is also easing. Reductions in personal consumption expenditures, government spending, and nonresidential fixed investment are among the factors likely to slow real GDP growth in 2024.⁶¹ However, the FOMC has begun to consider lowering the benchmark federal-funds rate throughout the upcoming year,⁶² which will reduce borrowing costs for corporations and households. Beyond 2024, the outlook is positive, with real GDP and nonfarm employment returning to their long-term growth trajectories while unemployment is forecast to remain low in a historical context.

⁶¹ Kevin L. Kliesen, “Slower GDP Growth and Falling Inflation in U.S. Economic Outlook for 2024,” *Regional Economist*, Federal Reserve Bank of St. Louis, November 28, 2023, <https://www.stlouisfed.org/publications/regional-economist/2023/nov/slower-gdp-growth-falling-inflation-us-economic-outlook-2024>.

⁶² Nick Timiraos, “Fed Begins Pivot Toward Lowering Rates as Inflation Declines,” *The Wall Street Journal*, December 13, 2023, <https://www.wsj.com/economy/central-banking/fed-holds-rates-steady-and-sees-cuts-next-year-4d554e9f>.

While the St. Louis MSA has lagged behind the nation in some economic trends, many indicators in the St. Louis MSA that drive enplanement growth have positive trajectories. A growing foreign-born population, increasing per capita income, and an improving labor market all bode well for the region. Moreover, residents in the St. Louis MSA have higher average educational attainment, higher per capital personal income, and lower living costs than the average U.S. resident. In addition, the mix of industries in the St. Louis MSA is consistent with those poised to grow nationally over the next decade.

SECTION 3 | COMMERCIAL AVIATION ACTIVITY

This section reviews the historical trends in commercial aviation activity at the Airport, explains the development of forecasts, and presents the results. The analysis of historical aviation activity at the Airport, along with an assessment of the demographic and economic context in the previous section, informs the development of forecasts of commercial aviation activity. Lastly, the section reviews broader factors that bring uncertainty to future aviation activity.

Throughout the section, the analysis considers the impact of the pandemic. Although the pandemic has passed, its effects continue to show in recent data. At U.S. airports, including STL, passenger traffic decreased to as little as 3-to-5 percent of normal levels in April 2020. Recovery has been well underway throughout the pandemic, with varying progress among U.S. airports. Though COVID-19 has been declared no longer a national public health emergency in the United States as of May 11, 2023, many U.S. airports, including STL, have yet to return to their pre-pandemic air traffic levels.

3.1 | Air Carriers

According to data collected as of December 2023, 11 mainline passenger airlines and 7 cargo airlines have provided service at STL during the first six months of FY2024 (Table 12). The largest among STL's active passenger airlines are Southwest Airlines, American Airlines, Delta Air Lines, and United Airlines. Of them, all but Southwest utilize regional affiliate airlines, including Republic Airways, Skywest Airlines, Envoy Air, PSA Airlines, Pinnacle, Air Wisconsin, Piedmont, GoJet, and CommutAir.

At the start of the COVID-19 pandemic, Jazz Air ceased operations at the Airport in April 2020 due to international travel restrictions and returned in May 2022. While Contour Airlines and Sun Country Airlines were active at the Airport throughout the pandemic, they have had no scheduled flights for some time—Contour after September 2021 and Sun Country after October 2021. Contour has not returned to the Airport so far; on the other hand, Sun Country did return in FY2022, but only to operate charter flights. Sun Country's passenger service ended again by FY2023 in favor of operating specifically charter cargo service at STL. Spirit Airlines and Boutique Air began service at the Airport in May and June 2021, respectively, replacing some service lost during the pandemic. Spirit Airlines continues service at STL, although Boutique Air ceased operations at the Airport after FY2022. Foreign-flag carrier Lufthansa began service at STL in June 2022, alongside Viva Aerobus, which provided scheduled charter service from March through August 2022—however, Viva Aerobus has not served any new enplanements since then. Air Choice One served at STL until July 2022, when it was discontinued by its parent company, Southern Airways Express—all of its flights are now under the Southern Airways Express brand.

Recent 2024 developments include a new service provider, Avelo Airlines, which has announced the beginning of its service at STL to New Haven, Connecticut starting June 13, 2024. Additionally, Sun Country has brought back charter passenger activity as of January 2024, now providing both passenger and cargo service.

Table 12 | Air Carriers Operating at STL, by Fiscal Year as of December 2023

Airline Service Providers at STL, by Fiscal Year							Jul-Dec
Airline	2018	2019	2020	2021	2022	2023	YTD2024
Alaska Airlines ⁶	•	•	•	•	•	•	•
American Airlines ^{1,6}	•	•	•	•	•	•	•
Delta Air Lines ^{2,6}	•	•	•	•	•	•	•
Frontier Airlines Inc. ⁶	•	•	•	•	•	•	•
Southwest Airlines ⁶	•	•	•	•	•	•	•
United Airlines ^{3,6}	•	•	•	•	•	•	•
Swift Air ⁵	•	•	•	•	•	•	•
Air Canada ^{4,6}			•		•	•	•
Spirit Airlines ⁶				•	•	•	•
Lufthansa ⁶					•	•	•
Southern Airways Express ⁶					•	•	•
Airlines formerly but not currently serving STL							
Viva Aerobus ⁵					•	•	
Air Choice One	•	•	•	•	•		
Cape Air	•	•	•	•	•		
Sun Country Airlines ⁵	•	•	•	•	•		
Contour Airlines		•	•	•	•		
Boutique Air				•	•		
Corporate Flight Management		•					
WOW Air	•						
Cargo Airlines	2018	2019	2020	2021	2022	2023	YTD2024
Federal Express ⁶	•	•	•	•	•	•	•
United Parcel Service ⁶	•	•	•	•	•	•	•
ABX Air Inc.		•	•	•	•	•	•
Atlas Air			•	•	•	•	•
DHL			•	•	•	•	•
Air Transport International					•	•	•
Sun Country Airlines ⁵						•	•
Cargo airlines formerly but not currently serving STL							
Air Exec, Inc.			•	•	•		
Southern Air	•	•	•				
Northern Air			•				

Source: Airport records.

¹ Currently operated by American Airlines and regional affiliates, PSA Airlines, Air Wisconsin, Republic Airways, Piedmont, Envoy Air, and SkyWest.

² Currently operated by Delta Air Lines and regional affiliates, Pinnacle, Skywest Airlines, and Republic.

³ Currently operated by United Airlines and regional affiliates, Republic Airways, Mesa Airlines, SkyWest, Air Wisconsin, CommutAir, and GoJet.

⁴ Currently operated by Jazz Air

⁵ Currently serves only charter operations.

⁶ Designates airlines with Airport Use and Lease Agreements.

3.2 | Major Developments Affecting U.S. Airport Traffic Since 2001

Fundamentally, passenger traffic trends follow the U.S. economic cycle—the demand for air travel grows during economic expansion and declines during economic recession. Since 1980, the U.S. economy has experienced six recessions, from peak through trough: January-July 1980, July 1981-November 1982, July 1990-March 1991, March 2001-November 2001, December 2007-June 2009, and, most recently, February-April 2020.⁶³ During each recession, passenger traffic declined to varying degrees. Industry deregulation, significant changes in airline network strategies, and one-off events such as the 2001 terrorist attacks and the COVID-19 pandemic also affected passenger traffic.

The U.S. aviation industry enjoyed rapid expansion during the 1980s due to deregulation and in the 1990s due to a decade-long U.S. economic expansion. Since 2001, however, adverse events have interrupted industry growth and prompted significant structural changes that continue to shape the industry. Security concerns following the 2001 terrorist attacks intensified the decline in traffic during the 2001 U.S. economic recession. Airport security tightened. The longer wait for passenger security screening discouraged air travel, particularly to short-haul destinations. Airlines competed for passengers by lowering fares. Passengers became increasingly price-conscious, as the internet made searching and comparing fares much easier.

Meanwhile, jet fuel prices more than quadrupled from 2000 to 2008, remaining at record high levels through 2014. Amid record fuel prices, the U.S. economy entered the Great Recession from December 2007 to June 2009—by far the longest U.S. economic recession since the Great Depression. The recession spread globally and weakened demand for domestic and international air transport. Because of the significant job losses and large declines in household income and asset values, the economy—and passenger and cargo demand for air transport—took a long time to recover.

Facing weak demand and high fuel cost, airlines suffered financial losses, which led to industry consolidation that left four major airlines—American, Delta, Southwest, and United—controlling 80 percent of the U.S. domestic passenger traffic. The remaining airlines implemented various cost-cutting measures. They retired old aircraft, acquired larger and more fuel-efficient aircraft, and added seats to existing aircraft. They transferred routes between mainline and regional service to better match the supply of seats with demand. They implemented changes to their route networks to maximize profits—moving flights from less to more profitable markets. They implemented pricing changes to increase revenue. They made deliberate cuts to flight schedules to increase load factors and improve aircraft utilization—a business strategy that has become known as the U.S. airline industry capacity rationalization. U.S. airlines cut domestic seat capacity by approximately 20 percent between 2005 and 2014—the cuts fell disproportionately on small and medium hub airports. All of these events had adverse effects on STL, including dehubbing by American Airlines and continuing cuts in overall airline seat capacity through 2014.

⁶³ National Bureau of Economic Research Business Cycle Dating Committee, Chronology of U.S. Business Cycles, July 19, 2021.

A slow but long-lasting U.S. economic expansion—nearly 11 years, the longest on record—followed the Great Recession. As air travel demand returned, the U.S. airline industry began earning profits in 2010 and sustained those profits for more than 10 years straight. In late 2014, jet fuel prices began falling, allowing airlines to boost profits, renew fleets, and increase flight schedules while maintaining capacity discipline. The benefits to STL came in 2015 when the Airport began to see growth in airline seats and passenger traffic. As the economy continued to expand, nationwide air traffic growth accelerated in the last quarter of the decade—despite other shocks, including the grounding of the Boeing 737 MAX in 2019, a recent addition to the commercial passenger aircraft fleet.

In 2020, COVID-19 infections broke out, and the spread of the virus was declared a global pandemic on March 11, 2020. Public health safety measures caused an unprecedented decline in passenger traffic and pushed the U.S. economy into a deep recession. Even though recovery soon followed, the pandemic set in motion structural changes in both the demand for air travel and the supply of airline passenger service.

Unlike the experience following previous shocks, business travel has been slower to recover from the pandemic than personal travel for leisure or visiting friends and relatives (VFR). Factors delaying business travel recovery include the widespread adoption of virtual conferencing, the delay in the full return of workers to offices, and the transition to remote work and hybrid work practices. International travel was suspended for an extended period. The slow recovery in business and international travel slowed passenger traffic recovery at most airports.

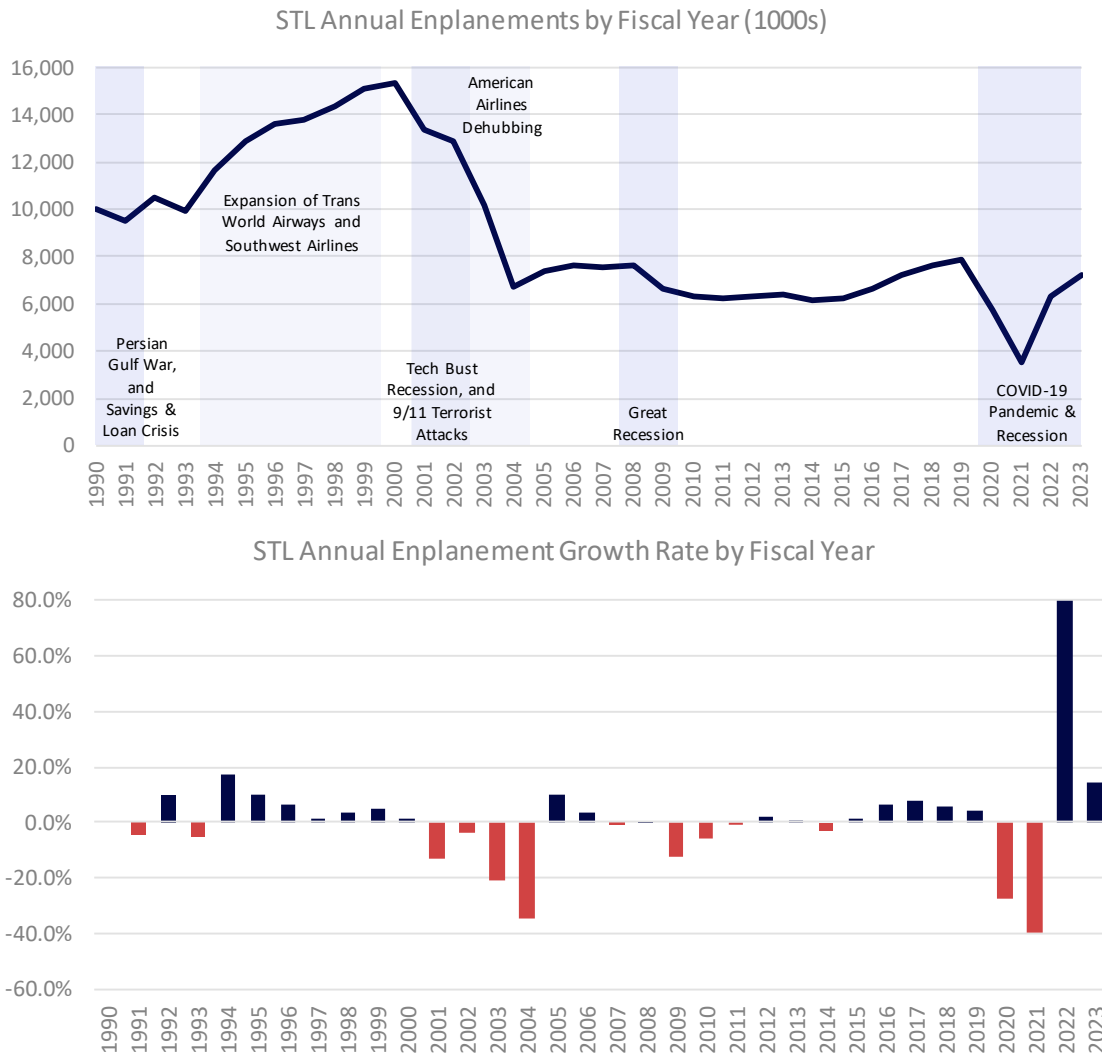
In response to the pandemic-induced decrease in air travel demand, airlines reduced capacity by retiring older aircraft models and postponing the delivery of new ones. Airlines also shrank their workforce by creating incentives for voluntary retirement and extended leave. These measures helped airlines reduce cash burn and financial losses during the depths of the depression in traffic. In 2022, demand recovery has accelerated. Airlines have been restoring flights, but fleet and labor shortages, hiring difficulties, resurgences in COVID-19 infections, and employee sick calls constrained their ability to meet demand.

Unlike the aftermath of the Great Recession, consumers recovered strongly from the deep but brief recession caused by the COVID-induced economic lockdowns and stay-at-home orders. Most households emerged with relatively healthy finances and the ability to spend on pent-up demand for travel. COVID-19 infections dropped after the Omicron-related spike in early 2022 and, despite some smaller surges, remained relatively low and on the decline. The pandemic was ultimately declared over as of May 2023, and though different airports have been recovering at varying paces, the U.S. aviation activity as a whole has reached very close to its 2019 pre-pandemic level.

3.3 | Historical Enplanement Trends at STL

Over the last three decades, STL experienced more pronounced changes in passenger traffic levels than those experienced at the national level due to significant changes in airline network strategies (Figure 36).

Figure 36 | Historical Enplanement Trends at STL, FY1990-2023



Source: Airport records.

STL enjoyed significant growth in passenger traffic following the establishment of a large connecting hub at the Airport in November 1982 by Trans World Airlines (acquired by American Airlines in 2001⁶⁴), the introduction of service by Southwest Airlines in 1985, and subsequent expansion by both Trans World Airlines and Southwest Airlines through 2000. In FY2000, STL reached its highest level of passenger traffic with a total of 15.3 million enplanements, consisting of

⁶⁴ On April 9, 2001, American Airlines purchased substantially all of the assets and assumed certain liabilities of Trans World Airlines, Inc., then the eighth largest U.S. carrier, the operator of a major system hub at STL, and the largest provider of air service at STL. Trans World Airlines flew its last flight on December 1, 2001, before its assets and operations were completely absorbed by American Airlines.

53 percent connecting traffic and 47 percent O&D traffic. Overall, STL's total passenger traffic grew 6.3 percent annually during the 1980s and 4.3 percent annually during the 1990s.

In 2001, two American Airlines flights crashed during the 9/11 terrorist attacks. This, along with compounding developments in the aviation industry, placed a heavy toll on American Airlines' finances. To stem financial losses, American Airlines shut down the connecting hub at STL that it had taken over from Trans World Airlines and consolidated its mid-continental hub operations at Chicago O'Hare International Airport and Dallas-Fort Worth International Airport. American Airlines completed its hub restructuring in November 2003. STL emerged from dehubbing by American Airlines with annual enplanements reduced to less than half of pre-2001 levels and connecting traffic shrinking to a minority share. STL's annual enplanements decreased from a peak of 15.3 million in FY2000 to 6.7 million in FY2004, and connecting traffic decreased in share from 52.6 percent in FY2000 to 21.5 percent in FY2004. STL's share of annual U.S. total enplanements also decreased to less than 1 percent that year, changing FAA's classification of STL from large to medium hub. American Airlines continued to cut service at STL through the Great Recession. The Airport's annual enplanements further decreased to 6.2 million in FY2010, their lowest level since 1982. Over the entire decade between 2000 and 2010, STL's enplanements decreased 9.7 percent annually on average.

American Airlines' dehubbing of STL transformed the Airport from a major connecting hub to a predominantly O&D airport. Initially, this change might have hurt the Airport, but it has proven beneficial in the long run. American Airlines reduced its capacity, and Southwest Airlines gradually emerged as the Airport's largest carrier. Delta Air Lines and United Airlines also increased their STL operations, and other low-cost carriers entered the STL market. Today STL has a more stable O&D traffic base. Although Southwest Airlines has grown to account for around 61 percent of STL's annual enplanements and increased connecting traffic to around 20 percent in recent years, the Airport has a more diversified mix of airlines and sustainable air service.

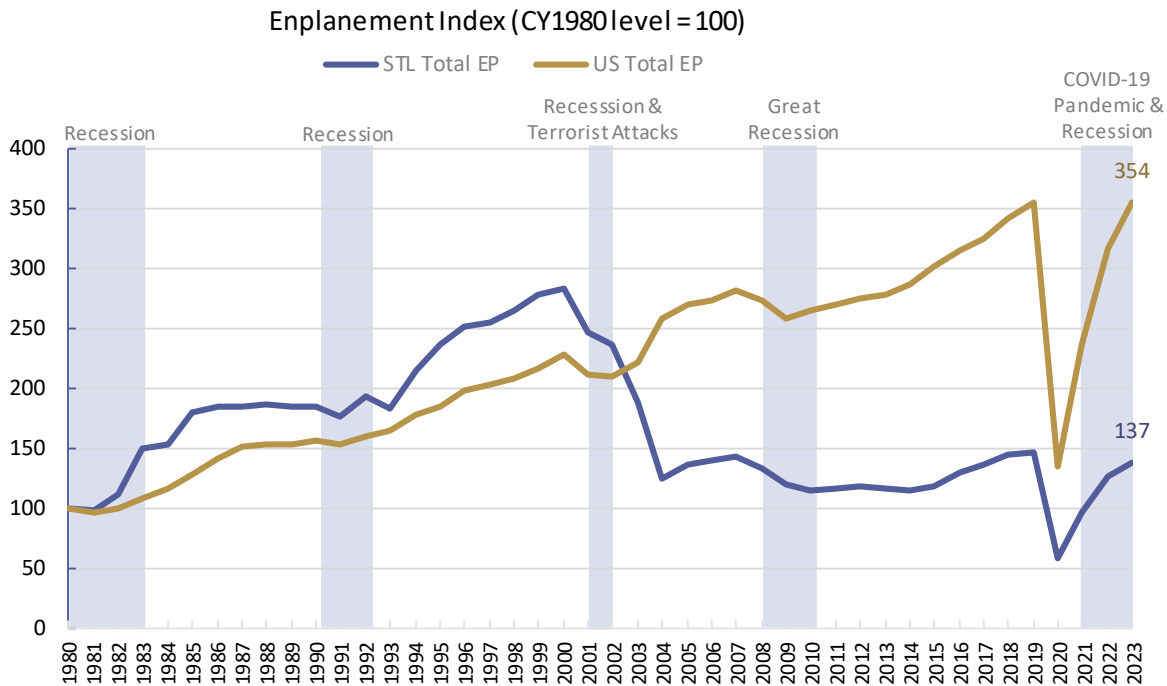
Due to the placement of STL's fiscal year (starting in July and ending in June of the following year), its decline in enplanements over the COVID-19 pandemic took place over two fiscal years. The initial drastic decline in nationwide aviation activity occurred through March and April 2020, impacting the last third of STL's FY2020. Enplanement numbers remained depressed at a significantly lower level than pre-pandemic levels during the following summer (and thus the start of FY2021), only beginning to make substantial recovery progress from March into the last quarter of FY2021. As a result, STL experienced a 27 percent decline from 7.9 million enplanements in FY2019 to 5.8 million in FY2020, followed by another 39 percent decrease to 3.5 million in FY2021, for a total drop of 55.7 percent from FY2019 to FY2021. Since then, however, enplanements recovered to 6.3 million in FY2022, up 79.7 percent from the prior fiscal year. This recovery slowed but enplanements continued rising another 14.1 percent to 7.2 million in FY2023.

3.3.1 | Airport and U.S. System Enplanements

The trends at STL demonstrate how much an individual airline can alter an airport's growth trajectory. As shown in Figure 37, enplanement growth at STL outstripped national growth in the 1980s and 1990s due to Trans World Airlines' decisions to establish and expand a connecting hub and, to some extent, the decisions of Southwest Airlines to start and expand service at the Airport.

Then, in the early 2000s, STL fell sharply behind when American Airlines shut down the connecting hub it took over from Trans World Airlines.

Figure 37 | STL and U.S. System Extended History of Enplanement Growth, CY1980-2023



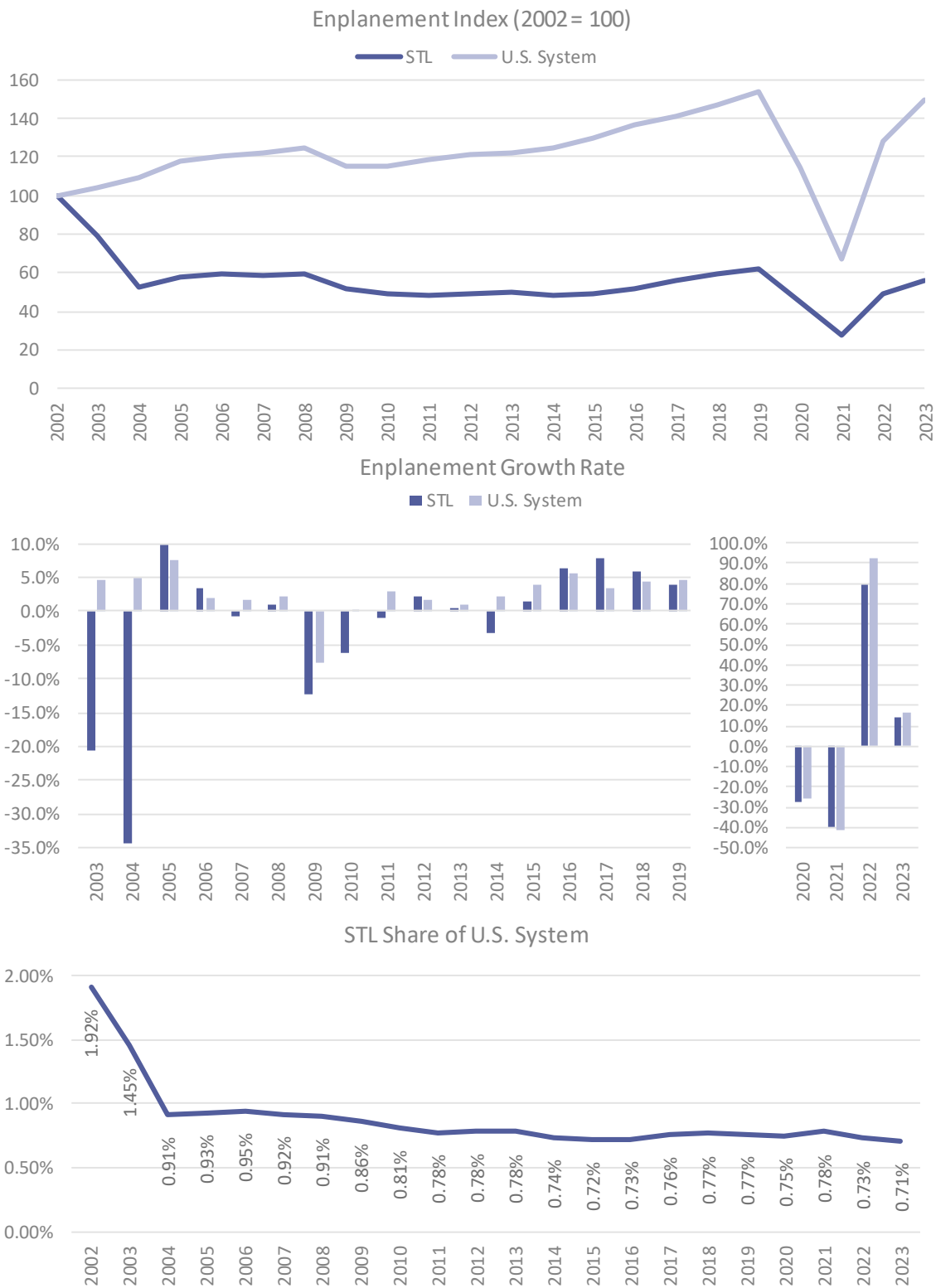
Sources: Airport records and U.S. Bureau of Transportation Statistics.

Figure 38 compares the more recent history, on a fiscal year basis, from FY2002 to FY2023. American Airlines began dehubbing at STL following the 9/11 terrorist attacks in FY2002. By FY2007, American Airlines had already ceased STL hub operations for a few years. FY2007 is the last fiscal year before the Great Recession, so STL’s enplanement level in FY2007 represents the pre-recession peak after dehubbing. From this point, the year-to-year changes in STL’s enplanement levels generally followed national trends, although STL suffered a deeper decline during the recession and took longer to recover. Steady recovery in STL passenger traffic began in FY2014, lagging the national trend by five years. By FY2019, STL enplanements reached 105 percent of their pre-recession peak level in FY2007, while U.S. total enplanements were already at 126 percent of their FY2007 level.

STL’s enplanement recovery accelerated beginning in 2016. STL enplanements grew faster than U.S. enplanements in those next three years before slowing behind the U.S. total growth in FY2019. STL enplanements faced a slightly harsher decline than the U.S. total when the COVID-19 pandemic broke out (down 27.1 percent versus the U.S. total going down 25.8 percent). Although STL and the U.S. total continued to decline in FY2021, STL’s losses were not as significant during that fiscal year. Recovery ensued through FY2022 and continued in FY2023—though enplanement levels have risen greatly from their FY2021 trough, neither STL nor the U.S. system has yet fully returned to FY2019 pre-pandemic levels.

As previously mentioned, STL falls under FAA's medium hub airport classification, which includes commercial service airports enplaning at least 0.25 percent, but less than 1 percent of total U.S. commercial enplanements. STL's classification changed from a large hub to a medium hub beginning in FY2004, when American Airlines dismantled its connecting hub at STL, and the Airport's share of total U.S. enplanements fell below 1 percent. From there, STL's share of total U.S. enplanements remained around 0.9 percent until the Great Recession reduced it further, resulting in the Airport's share remaining between 0.7 and 0.8 percent from 2011 onward. As of FY2023, STL's share of U.S. system enplanements is about 0.71 percent, its current smallest size since FY2015.

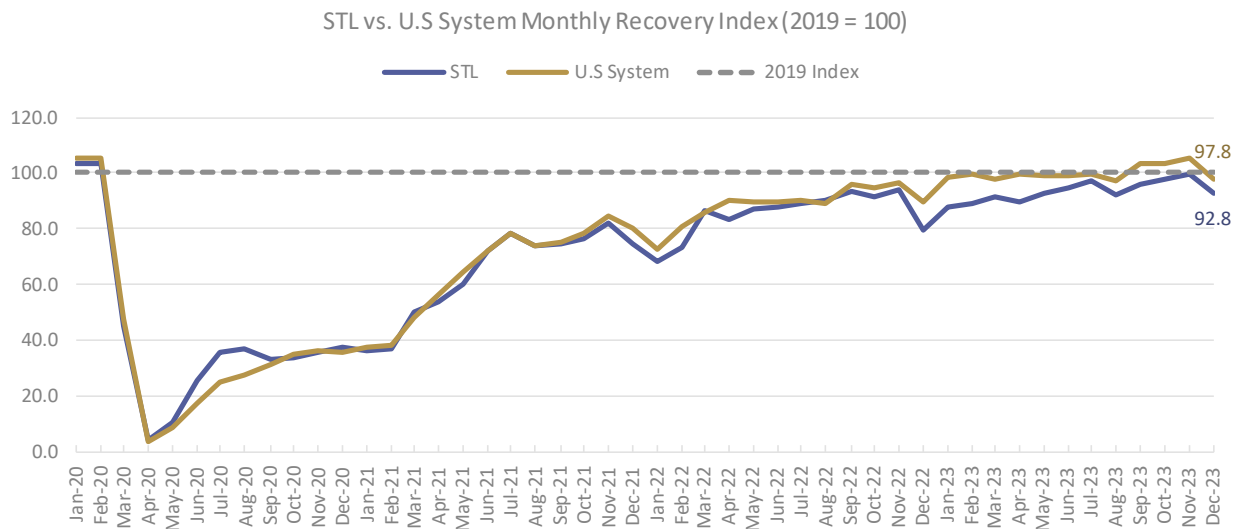
Figure 38 | STL and U.S. System Enplanement Growth Trends, FY2002-2023



Sources: Airport records and U.S. Bureau of Transportation Statistics. U.S. system annual totals have been shifted to match STL's fiscal year (starting in July and ending in June).

Figure 39 breaks down the recent years of STL and U.S. system enplanement growth by month and uses CY2019 as an index to show the extent to which the COVID-19 pandemic had affected aviation activity. Both STL and national air traffic fell to approximately 4 percent of their 2019 levels in April 2020 and have since followed similar recovery paths, with STL’s recovery showing slightly more erratic patterns. Owing to the distribution of COVID-19 vaccines, monthly enplanement recovery began to accelerate from February 2021 onward. However, the delta and omicron variants of the virus emerged in the summer of 2021 and winter of 2021/2022, respectively, and hampered recovery progress—STL took a larger dip in monthly enplanements in the winter than the U.S. system. Recovery progressed through 2022 for both STL and U.S. system, until the next winter brought another notable drop in December 2022, more so for STL than the U.S. system. While recovery continued from there, STL’s recovery index fell behind by a noticeable gap through the first half of 2023. That gap has gradually been closing throughout the year, but STL’s recovery progress is still overall behind the U.S. system. As of December 2023, the U.S. system had reached 97.8 percent of its 2019 enplanement level for the same month, while STL had reached 92.8 percent.

Figure 39 | STL and U.S. System Monthly COVID-19 Pandemic Recovery Trends, Jan. 2020-Dec. 2023



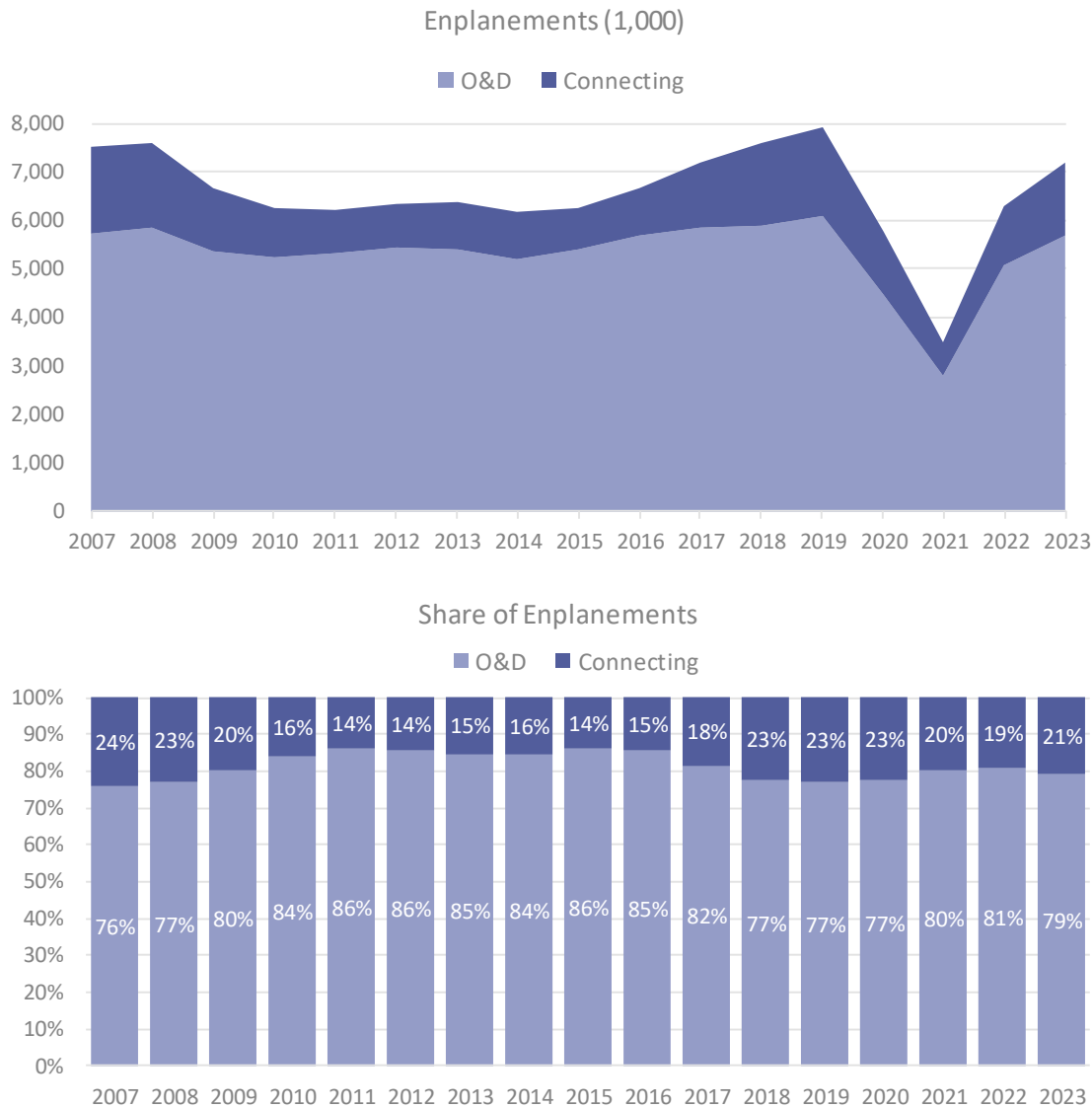
Sources: Airport records and U.S. Bureau of Transportation Statistics.

3.3.2 | Origin & Destination and Connecting Traffic

With the closing of American Airlines’ hub operations, O&D traffic has increased to account for the majority share of passenger traffic at the Airport (Figure 40 and Table 13). The O&D share averaged approximately 85 percent or more from FY2011 through FY2016 but decreased to 77 percent toward the end of the decade. The COVID-19 pandemic brought a gradual rising share from 77 percent in 2019 to 81 percent in 2022; however, this trend was recently disrupted in FY2023, with O&D traffic decreasing to 79 percent of STL’s total enplanements.

Connecting traffic shrank to its smallest share of 14 percent in FY2015 but experienced a resurgence through the rest of the decade, mostly from Southwest Airlines, which carried about 97 percent of connecting traffic at STL. The connecting share increased to approximately 23 percent in FY2019 but faced another decline through the pandemic years, down to 19 percent in FY2022. Most recently, however, the share of connecting enplanements grew again, up to roughly 21 percent in FY2023.

Figure 40 | STL O&D and Connecting Enplanement Trends, FY2007-2023



Source: Airport records.

Table 13 | STL O&D and Connecting Enplanements and Shares, FY2007- FYTD2024

FY	O&D		Connecting		Total
	EP (1000s)	Share	EP (1000s)	Share	EP (1000s)
2007	5,741	76.1%	1,803	23.9%	7,543
2008	5,849	76.8%	1,762	23.2%	7,611
2009	5,361	80.2%	1,323	19.8%	6,684
2010	5,260	83.8%	1,016	16.2%	6,277
2011	5,341	86.0%	870	14.0%	6,211
2012	5,430	85.5%	920	14.5%	6,351
2013	5,411	84.7%	975	15.3%	6,386
2014	5,220	84.5%	959	15.5%	6,179
2015	5,393	86.1%	874	13.9%	6,268
2016	5,696	85.4%	976	14.6%	6,673
2017	5,859	81.5%	1,328	18.5%	7,187
2018	5,894	77.4%	1,719	22.6%	7,612
2019	6,080	76.8%	1,836	23.2%	7,915
2020	4,463	77.3%	1,307	22.7%	5,771
2021	2,808	80.1%	697	19.9%	3,505
2022	5,092	80.9%	1,205	19.1%	6,297
2023	5,686	79.2%	1,496	20.8%	7,183
Jul-Dec 2023	2,855	78.4%	787	21.6%	3,642
Jul-Dec 2024	3,009	77.3%	885	22.7%	3,895
Average Annual Growth Rate					
2007-2019	0.5%		0.2%		0.4%
2019-2023	-1.7%		-5.0%		-2.4%
2007-2023	-0.1%		-1.2%		-0.3%

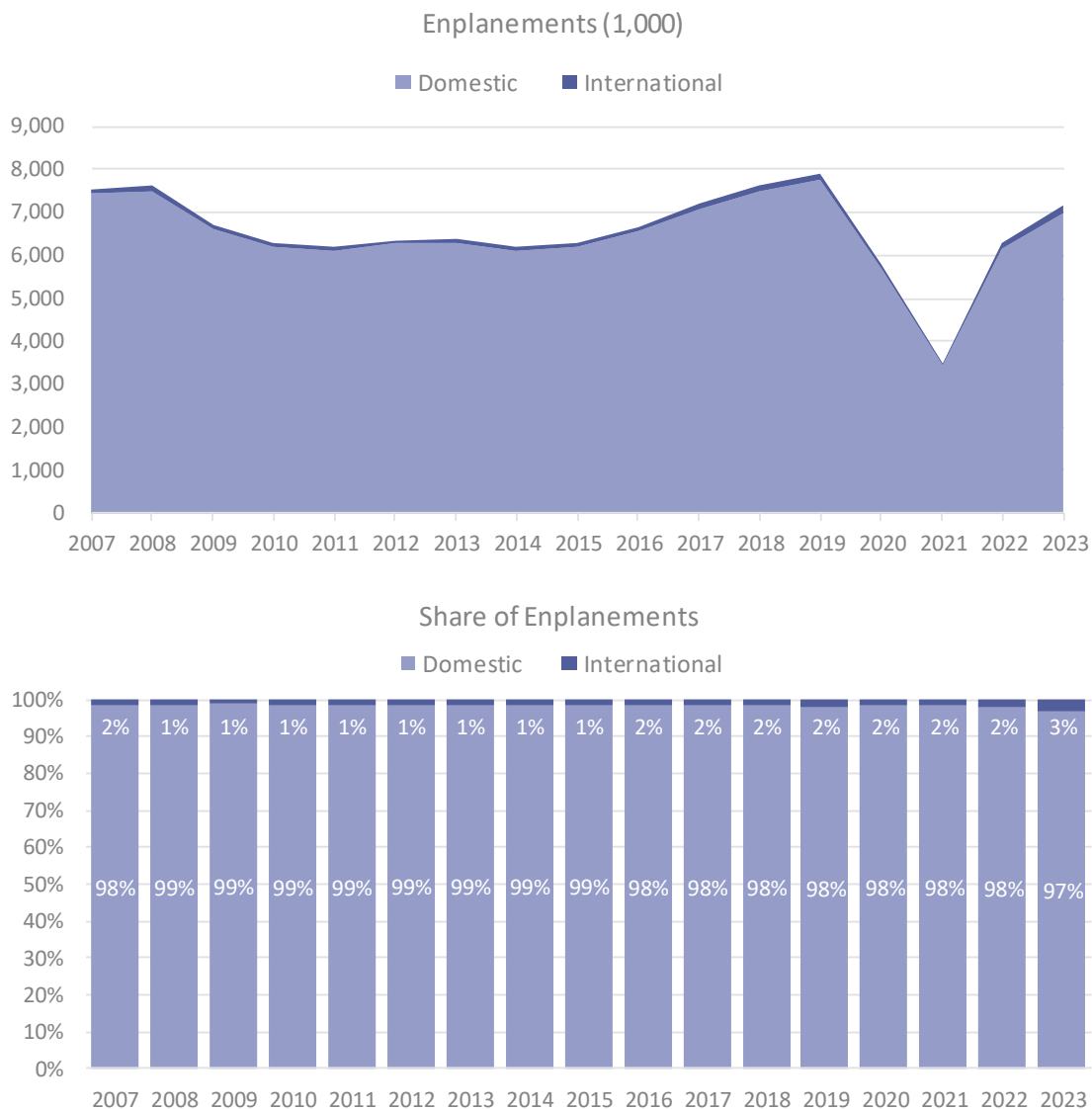
Source: Airport records.

Note: Total enplanements each year may appear slightly off due to rounding. This is due to annual totals adding exact O&D and Connecting enplanements first and then rounding to the nearest thousand, as opposed to rounding O&D and Connecting totals first then adding.

3.3.3 | Domestic and International Traffic

Passenger traffic at STL has historically been predominantly domestic. Since FY2007, domestic traffic consistently accounted for a 98-99 percent share (Figure 41 and Table 14). However, the international travel share of activity has grown during the past two years with the introduction (and reintroduction) of several international airlines, including Jazz Air, Lufthansa, and Viva Aerobus. International enplanements reached their biggest share size yet in FY2023, at 3 percent with roughly 216,000 enplanements (versus roughly 7 million domestic enplanements).

Figure 41 | STL Domestic and International Enplanement Trends, FY2007-2023



Source: Airport records.

Table 14 | STL Domestic and International Enplanements, FY2007- FYTD2024

FY	Domestic		International		Total EP (1000s)
	EP (1000s)	Share	EP (1000s)	Share	
2007	7,418	98.3%	126	1.7%	7,543
2008	7,505	98.6%	106	1.4%	7,611
2009	6,604	98.8%	80	1.2%	6,684
2010	6,189	98.6%	87	1.4%	6,277
2011	6,124	98.6%	87	1.4%	6,211
2012	6,269	98.7%	82	1.3%	6,351
2013	6,301	98.7%	85	1.3%	6,386
2014	6,099	98.7%	80	1.3%	6,179
2015	6,182	98.6%	85	1.4%	6,268
2016	6,565	98.4%	108	1.6%	6,673
2017	7,066	98.3%	121	1.7%	7,187
2018	7,477	98.2%	136	1.8%	7,612
2019	7,742	97.8%	173	2.2%	7,915
2020	5,675	98.3%	96	1.7%	5,771
2021	3,445	98.3%	60	1.7%	3,505
2022	6,171	98.0%	126	2.0%	6,297
2023	6,966	97.0%	216	3.0%	7,183
Jul-Dec 2023	3,546	97.4%	96	2.6%	3,642
Jul-Dec 2024	3,798	97.5%	97	2.5%	3,895
Average Annual Growth Rate					
2007-2019	0.4%		2.7%		0.4%
2019-2023	-2.6%		5.8%		-2.4%
2007-2023	-0.4%		3.5%		-0.3%

Source: Airport records.

Note: Total enplanements each year may appear slightly off due to rounding. This is due to annual totals adding exact Domestic and International enplanements first and then rounding to the nearest thousand, as opposed to rounding Domestic and International totals first then adding.

STL's most prominent international destination is Mexico (Table 15). The Airport served four cities in Mexico throughout FY2023, for a total scheduled seat count of 142,266. Cancun in particular held the most scheduled seats by far with 138,918 of those seats. Germany is STL's distant second largest international destination, with 40,035 scheduled seats to Frankfurt in FY2023. Close behind is Canada with the third most scheduled seats at STL; 38,350 seats to Toronto, and another 194 to Quebec.

Table 15 | STL International Scheduled Seats by City, FY2023

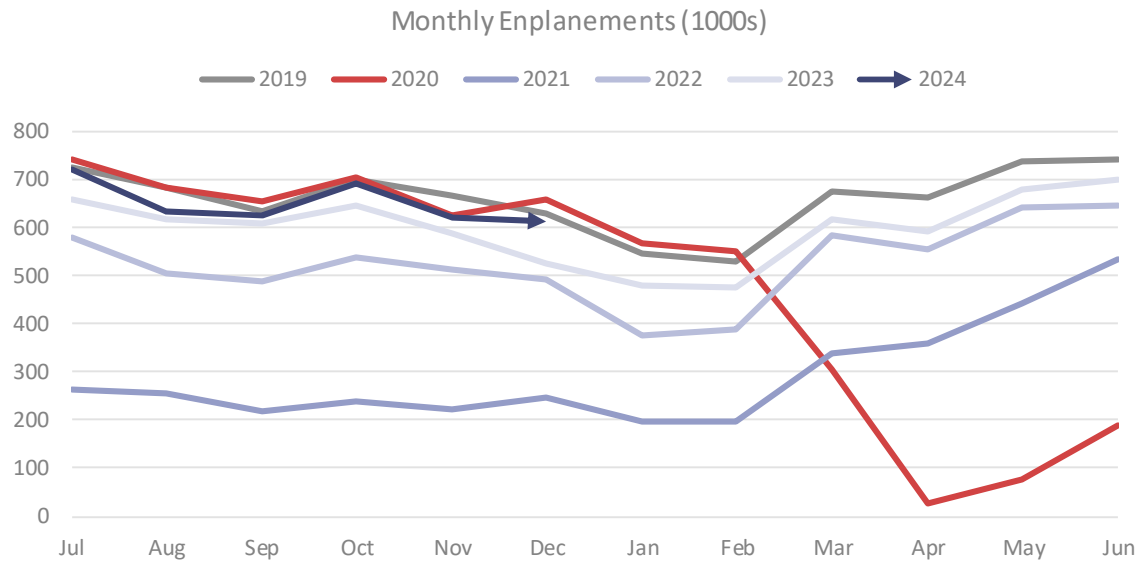
STL International Destinations, FY2023		
City	Country	Scheduled Seats
Cancun	Mexico	138,918
Frankfurt	Germany	40,035
Toronto	Canada	38,350
Punta Cana	Dominican Republic	31,464
Montego Bay	Jamaica	16,179
San Juan (PR)	Puerto Rico	6,917
San Jose Cabo	Mexico	1,116
Huatulco	Mexico	1,116
Puerto Vallarta	Mexico	1,116
Quebec	Canada	194
Total		275,405

Source: OAG Schedules Analyzer, last accessed March 25, 2024.

3.3.4 | Seasonality in Enplanements

As shown in Figure 42, during each fiscal year, STL’s enplanements peak in the months of May, June, and July, consistent with patterns of air travel demand observed nationwide. On average, from FY2012 onward, June has had the highest enplanement levels, with July occasionally pulling a larger share. Table 16 shows each month’s share of enplanements for their respective years, where February is consistently shown to be STL’s least active month. FY2020 and 2021 disrupted this pattern, due to almost all air traffic stopping in April 2020. In FY2023 monthly enplanement trends have recovered to a level on par with previous pre-pandemic fiscal years such as FY2017, though still behind that of FY2019, the Airport’s most active year prior to the pandemic. So far, FY2024 shows higher monthly enplanements than FY2023, but still overall below FY2019 levels.

Figure 42 | STL Monthly Enplanements, FY2019-FYTD2024



Source: Airport records.

Table 16 | STL Monthly Enplanement Shares, FY2012-2023

STL Monthly Enplanement Shares by Fiscal Year												
Month	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jul	9.4%	9.2%	9.3%	9.6%	9.1%	9.0%	9.1%	9.2%	12.8%	7.5%	9.2%	9.2%
Aug	8.5%	8.9%	8.7%	8.7%	8.1%	8.2%	8.4%	8.6%	11.8%	7.2%	8.0%	8.6%
Sep	8.3%	8.0%	8.1%	8.1%	8.0%	8.1%	7.8%	8.0%	11.3%	6.2%	7.7%	8.5%
Oct	8.8%	8.8%	8.9%	8.8%	8.5%	8.6%	8.6%	8.8%	12.2%	6.8%	8.6%	9.0%
Nov	8.2%	8.2%	7.9%	7.6%	8.0%	8.2%	8.3%	8.4%	10.8%	6.3%	8.1%	8.2%
Dec	7.9%	7.9%	8.3%	8.0%	7.9%	8.1%	7.9%	8.0%	11.4%	7.1%	7.8%	7.3%
Jan	6.9%	7.0%	6.8%	6.9%	7.2%	7.0%	7.0%	6.9%	9.8%	5.7%	5.9%	6.7%
Feb	6.8%	6.6%	6.6%	6.7%	7.0%	6.8%	6.7%	6.7%	9.5%	5.6%	6.2%	6.6%
Mar	8.7%	8.7%	8.6%	8.5%	8.6%	8.8%	8.7%	8.5%	5.2%	9.7%	9.3%	8.6%
Apr	8.0%	8.2%	8.2%	8.4%	8.5%	8.4%	8.4%	8.4%	0.5%	10.2%	8.8%	8.2%
May	9.1%	9.3%	9.0%	9.2%	9.6%	9.2%	9.4%	9.3%	1.3%	12.6%	10.2%	9.5%
Jun	9.3%	9.3%	9.6%	9.3%	9.7%	9.5%	9.6%	9.3%	3.3%	15.2%	10.3%	9.8%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Third largest share percentage of FY total.					Third smallest share percentage of FY total.						
	Second largest share percentage of FY total.					Second smallest share percentage of FY total.						
	Largest share percentage of FY total.					Smallest share percentage of FY total.						

Source: Airport records.

3.3.5 | Airline Market Shares

The recent wave of airline consolidation left the industry with four major airlines controlling more than 80 percent of U.S. domestic passenger traffic (American, Delta, Southwest, and United). At STL, these four major airlines have accounted for over 90 percent of annual enplanements since FY2010 (Figure 43). STL has a long history of large traffic concentration—greater than 40 percent—on one airline: Trans World Airlines through 2000, American Airlines from 2001 through 2009, and Southwest Airlines from 2010 onward.

After replacing American Airlines as the largest STL passenger air service provider in FY2010, Southwest Airlines has continued to hold the largest share of the Airport’s enplanements (57.7 percent in FY2022), followed by American Airlines (17.1 percent), Delta Airlines (10.1 percent), and United Airlines (6.2 percent). The remaining 8.9 percent comprises multiple smaller service providers at the Airport, such as Alaska Air, Frontier, Spirit, and others.

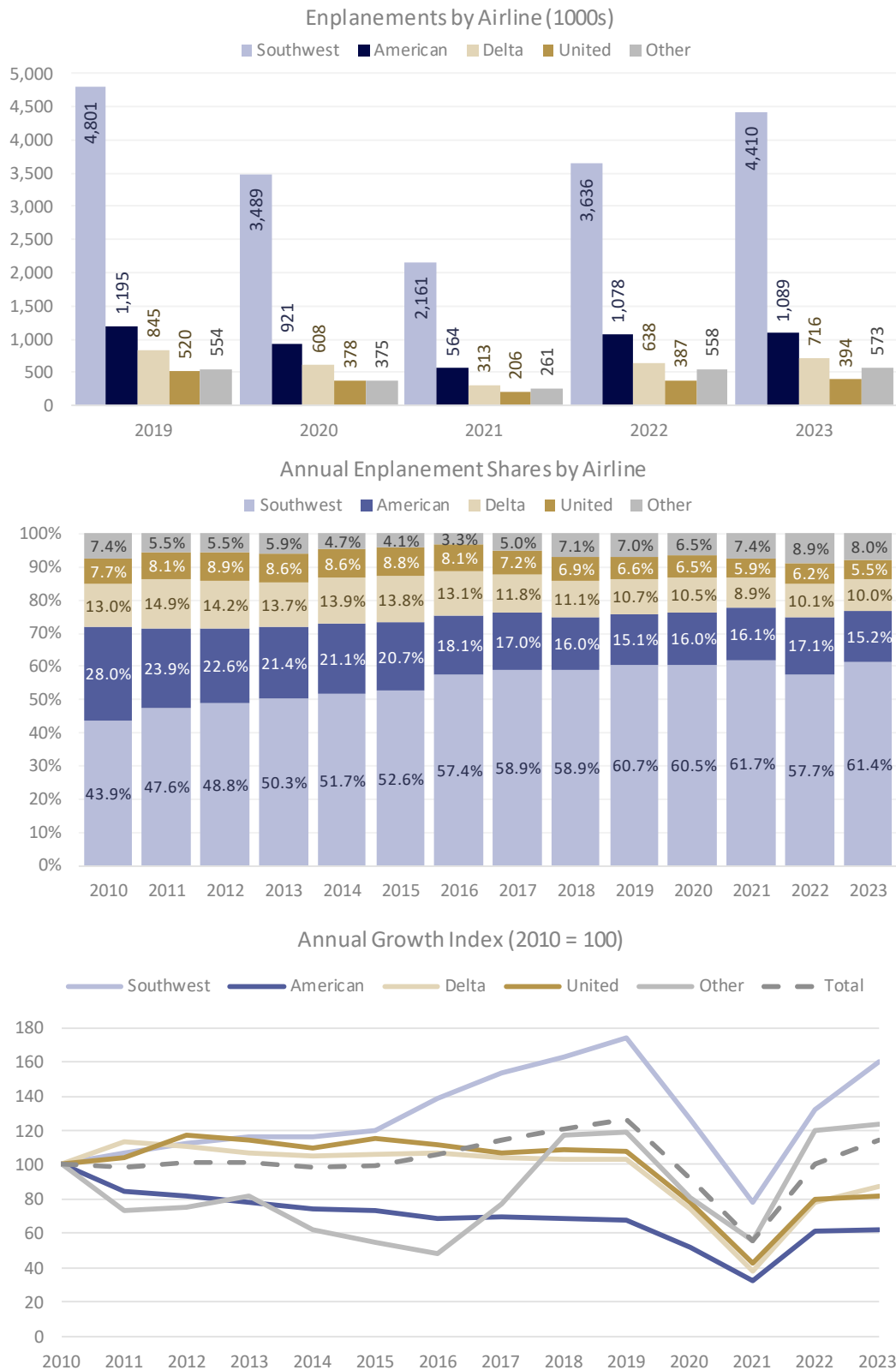
Southwest has been primarily responsible for the recent increases in enplanements at STL. The carrier grew its enplanements by more than 2 million from FY2010 to FY2019, growing at a compound annual rate of 6.4 percent per year. Delta Airlines and United Airlines increased their enplanements at STL with a compound annual growth rate of 0.4 percent and 0.8 percent per year, respectively, from FY2010 to FY2019. American’s enplanements decreased steadily from FY2010 through FY2019 with a compound annual growth rate of -4.2 percent per year. Other airlines aside from the top four have also contributed to STL’s passenger traffic growth, with their combined enplanements increasing at a compound annual rate of 4.7 percent from FY2010 to FY2019.

The nationwide drop in air traffic due to the COVID-19 pandemic caused significant declines for all airlines, a total decrease of 55.7 percent from FY2019 to FY2021. Over those two fiscal years, Delta’s enplanements experienced the biggest hit, dropping a total of 63.0 percent, while American took the smallest yet still significant decline of 52.8 percent. FY2022 shows air traffic recovery among all major airlines, with market shares becoming slightly less concentrated as all airlines but Southwest grow in share size. However, this was reversed most recently in FY2023, with all airline shares decreasing slightly in favor of Southwest, furthering its lead.

As of FY2023, Southwest continues to hold the largest share by a large margin, with 61.4 percent of STL’s enplanements. American is the next largest, with 15.2 percent of enplanements, followed by Delta with 10.0 percent, and United with 5.5 percent. The remaining 8.0 percent of enplanements are shared among STL’s other airlines.

Table 17 shows the underlying data for airline enplanements and market shares at STL from FY2010 to FY2023, as well as July-to-December fiscal year-to-date numbers for FY2023 and FY2024. Table 18 shows similar data but breaks down the “Other” category into its individual airlines for FY2022 to the year-to-date total of FY2024.

Figure 43 | STL Airline Enplanement Trends, FY2010-2023



Source: Airport records.

Table 17 | STL Airline Enplanements and Market Shares, FY2010-FYTD2024

Enplanements by Airline (1000s)															YTD Jul-Dec	
Carrier	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023	2024
American	1,760	1,484	1,435	1,368	1,305	1,295	1,210	1,225	1,217	1,195	921	564	1,078	1,089	570	508
Delta	815	925	902	875	861	865	873	850	844	845	608	313	638	716	353	389
Southwest	2,754	2,957	3,099	3,213	3,194	3,298	3,828	4,237	4,484	4,801	3,489	2,161	3,636	4,410	2,254	2,468
United	482	504	566	551	531	554	539	516	524	520	378	206	387	394	183	272
Other	465	340	349	380	289	255	223	359	544	554	375	261	558	573	282	259
Total	6,277	6,211	6,351	6,386	6,179	6,268	6,673	7,187	7,612	7,915	5,771	3,505	6,297	7,183	3,642	3,895

Enplanement Shares															YTD Jul-Dec	
Carrier	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023	2024
American	28.0%	23.9%	22.6%	21.4%	21.1%	20.7%	18.1%	17.0%	16.0%	15.1%	16.0%	16.1%	17.1%	15.2%	15.6%	13.0%
Delta	13.0%	14.9%	14.2%	13.7%	13.9%	13.8%	13.1%	11.8%	11.1%	10.7%	10.5%	8.9%	10.1%	10.0%	9.7%	10.0%
Southwest	43.9%	47.6%	48.8%	50.3%	51.7%	52.6%	57.4%	58.9%	58.9%	60.7%	60.5%	61.7%	57.7%	61.4%	61.9%	63.4%
United	7.7%	8.1%	8.9%	8.6%	8.6%	8.8%	8.1%	7.2%	6.9%	6.6%	6.5%	5.9%	6.2%	5.5%	5.0%	7.0%
Other	7.4%	5.5%	5.5%	5.9%	4.7%	4.1%	3.3%	5.0%	7.1%	7.0%	6.5%	7.4%	8.9%	8.0%	7.7%	6.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Airport records.

Note: American, Delta, and United enplanement counts include their regional affiliates.

Table 18 | STL Airline Enplanements and Market Shares with Other Category Broken Out, FY2022- FYTD2024

Airline	Annual Enplanements (1000s)		FYTD Jul-Dec	
	FY2022	FY2023	2023	2024
American	1,078	1,089	570	508
Delta	638	716	353	389
Southwest	3,636	4,410	2,254	2,468
United	387	394	183	272
Alaska	74	96	44	62
Frontier	256	302	147	132
Spirit	187	96	49	29
Sun Country	3	0	0	0
Jazz	4	28	14	16
Lufthansa	3	33	17	17
Cape Air	16	12	7	1
Southern Airways	3	3	1	2
Boutique	0	0	0	0
Contour	2	0	0	0
Charters	9	4	3	0
Total	6,297	7,183	3,642	3,895

Airline	Annual Enplanement Shares		FYTD Jul-Dec	
	FY2022	FY2023	2023	2024
American	17.1%	15.2%	15.6%	13.0%
Delta	10.1%	10.0%	9.7%	10.0%
Southwest	57.7%	61.4%	61.9%	63.4%
United	6.2%	5.5%	5.0%	7.0%
Alaska	1.2%	1.3%	1.2%	1.6%
Frontier	4.1%	4.2%	4.0%	3.4%
Spirit	3.0%	1.3%	1.3%	0.7%
Sun Country	0.0%	0.0%	0.0%	0.0%
Jazz	0.1%	0.4%	0.4%	0.4%
Lufthansa	0.1%	0.5%	0.5%	0.4%
Cape Air	0.3%	0.2%	0.2%	0.0%
Southern Airways	0.0%	0.0%	0.0%	0.0%
Boutique	0.0%	0.0%	0.0%	0.0%
Contour	0.0%	0.0%	0.0%	0.0%
Charters	0.1%	0.1%	0.1%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

3.4 | Scheduled Passenger Airline Service

Table 19 shows the trends by calendar year from CY2018 to CY2023 in scheduled passenger airline service at STL by the following measures: seats, aircraft departures, seats per departure, and nonstop destinations. CY2018 and CY2019 continued a growth in scheduled seat capacity at STL throughout the latter half of the 2010s, due to increases in flights and aircraft upgauging—the airline industry’s transition toward using aircraft with more seats. Airlines have been upgrading their fleet by putting more seats on each plane and replacing smaller aircraft with larger aircraft to maximize financial returns on each flight. However, due to the COVID-19 pandemic, the average number of seats at the Airport fell 34.4 percent in 2020. United took the most significant loss in average daily seat count (down 49.3 percent).

The increase in seat capacity at STL before the pandemic and the recovery through the pandemic is due largely to Southwest Airlines, which has consistently held the significant majority of daily scheduled seats throughout the available history. Its share started at 60.9 percent before the pandemic in CY2018 and CY2019. That share initially grew to 66.7 in CY2020 through the COVID-19 pandemic, but throughout recovery in CY2021, Southwest Airlines’ share fell to 57.9 percent. While all the other airlines had begun to restore schedules at STL over CY2021, Southwest Airlines’ average daily seats and departures continued to decrease.⁶⁵ However, as of CY2023, all airlines at STL, including Southwest, have shown more scheduled service recovery, and Southwest’s dominant share has grown back to 64.1 percent.

Through CY2023, Southwest Airlines operated an average of 107 departures per day, American Airlines operated an average of 27 departures per day, Delta Airlines operated an average of 20 departures per day, and United Airlines operated an average of 19 departures per day. All other carriers operated an average of 21 flights per day.

Figure 44 shows the Airport total and each airline’s scheduled seat growth indexed to their CY2018 levels, average seats per departure (total and by airline) and counts of nonstop destinations. The scheduled seats index shows the level of scheduled seat capacity provided each year relative to 2018. The trend in this index shows the extent of each airline’s decline in CY2020 and the recovery that has taken place after, with Southwest’s delayed recovery beginning a year after the others. Over the past six years, STL saw a steady rise in the average size of aircraft serving the Airport (measured by average seats per departure). This is especially apparent in Southwest—despite the airline’s delayed recovery in scheduled seats compared to the others at STL, its average seats per departure have consistently grown from CY2018 to CY2023 without any decreases.

The Airport saw the net addition of 14 unique nonstop destinations from 69 in CY2018 to 83 in CY2023, most of which are handled by Southwest Airlines.

⁶⁵ During the pandemic, Southwest adopted an opportunistic strategy of adding new airports and markets to its route network.

Table 19 | Trends in Scheduled Service at STL, CY2018-2023

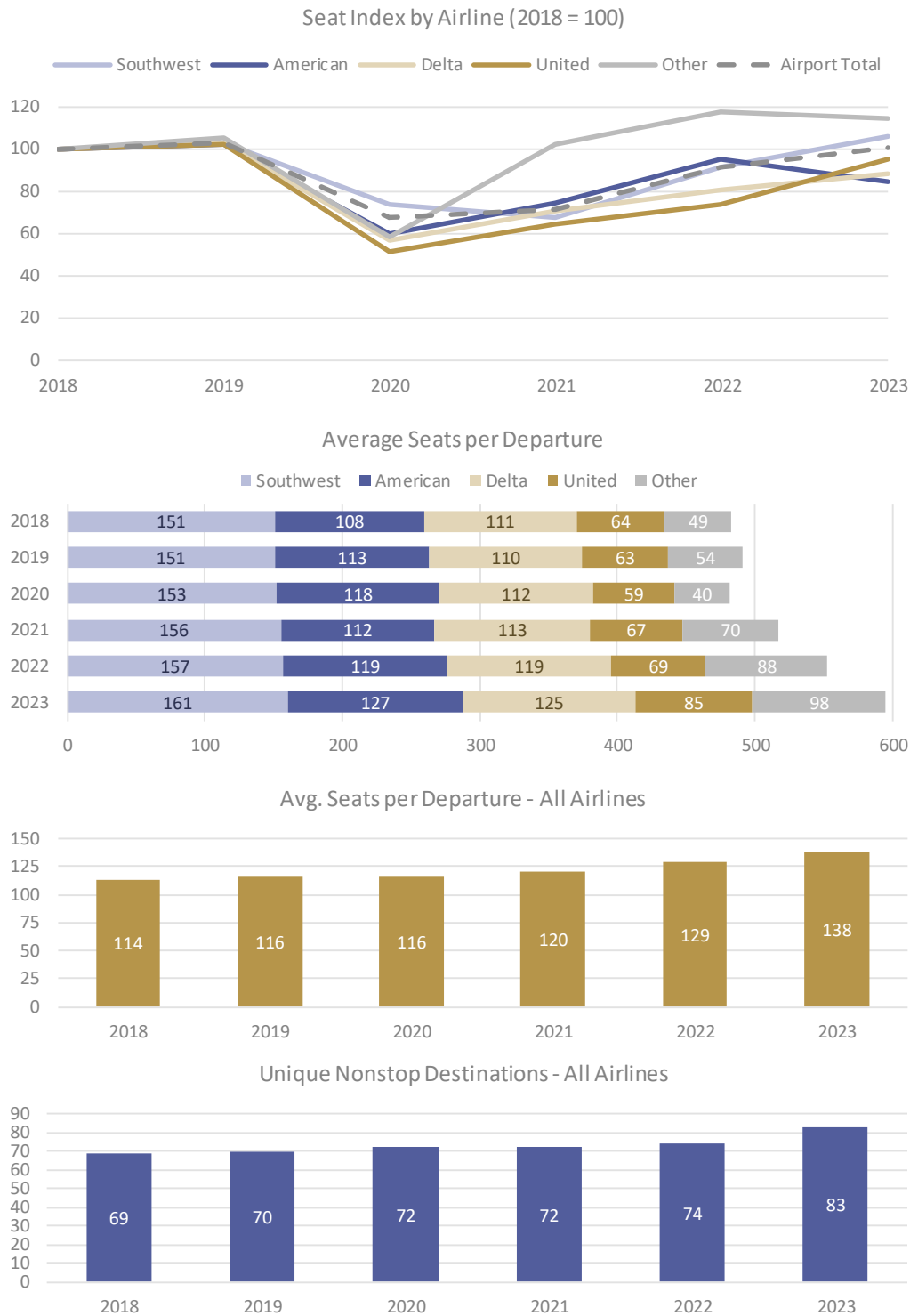
Trends in Scheduled Service at STL						
Airline	2018	2019	2020	2021	2022	2023
Southwest						
Number of Nonstop Destinations	49	52	56	59	58	57
Average Daily Departures	108	111	79	71	95	107
Average Daily Seats	16,316	16,737	12,032	11,019	14,864	17,228
American						
Number of Nonstop Destinations	9	9	10	12	12	13
Average Daily Departures	37	37	20	27	32	27
Average Daily Seats	4,034	4,119	2,412	3,007	3,825	3,402
Delta						
Number of Nonstop Destinations	8	7	6	5	5	5
Average Daily Departures	26	27	15	18	20	20
Average Daily Seats	2,913	2,990	1,641	2,048	2,349	2,565
United						
Number of Nonstop Destinations	15	16	13	14	9	12
Average Daily Departures	27	28	15	16	18	19
Average Daily Seats	1,701	1,735	879	1,099	1,258	1,612
Other						
Number of Nonstop Destinations	26	28	23	31	34	42
Average Daily Departures	37	35	27	26	24	21
Average Daily Seats	1,818	1,907	1,062	1,849	2,137	2,080
All Airlines						
Number of Unique Nonstop Destinations ¹	69	70	72	72	74	83
Average Daily Departures	235	237	155	159	189	194
Average Daily Seats	26,783	27,488	18,026	19,022	24,433	26,888

Source: OAG Schedules Analyzer, last accessed February 5, 2024.

Note: Nonstop destinations are counted toward each airline's annual total if they have a minimum of at least 1 departure that year.

¹ Shared destinations served by multiple airlines are only counted once.

Figure 44 | STL Annual Scheduled Service Trends, CY2018-2023



Source: OAG Schedules Analyzer, last accessed February 5, 2024.

3.5 | Top Domestic O&D Markets

Table 20 and Figure 45 show the Airport’s top 25 O&D markets in FY2023, ranked by share of STL’s total enplanements. They include some of the nation’s top leisure destinations such as Las Vegas, New York, and Orlando—however, the biggest concentration of STL’s top 25 markets is in Florida, with four of the 25 listings all being Florida metropolitan areas. All 25 markets accounted for 76.5 percent of STL’s FY2023 O&D passengers. The top five by O&D market share in FY2023 were Orlando, New York City, Washington, Denver, and Dallas.

Table 20 | Top 25 STL O&D Markets for FY2023, Ranked by Market Share

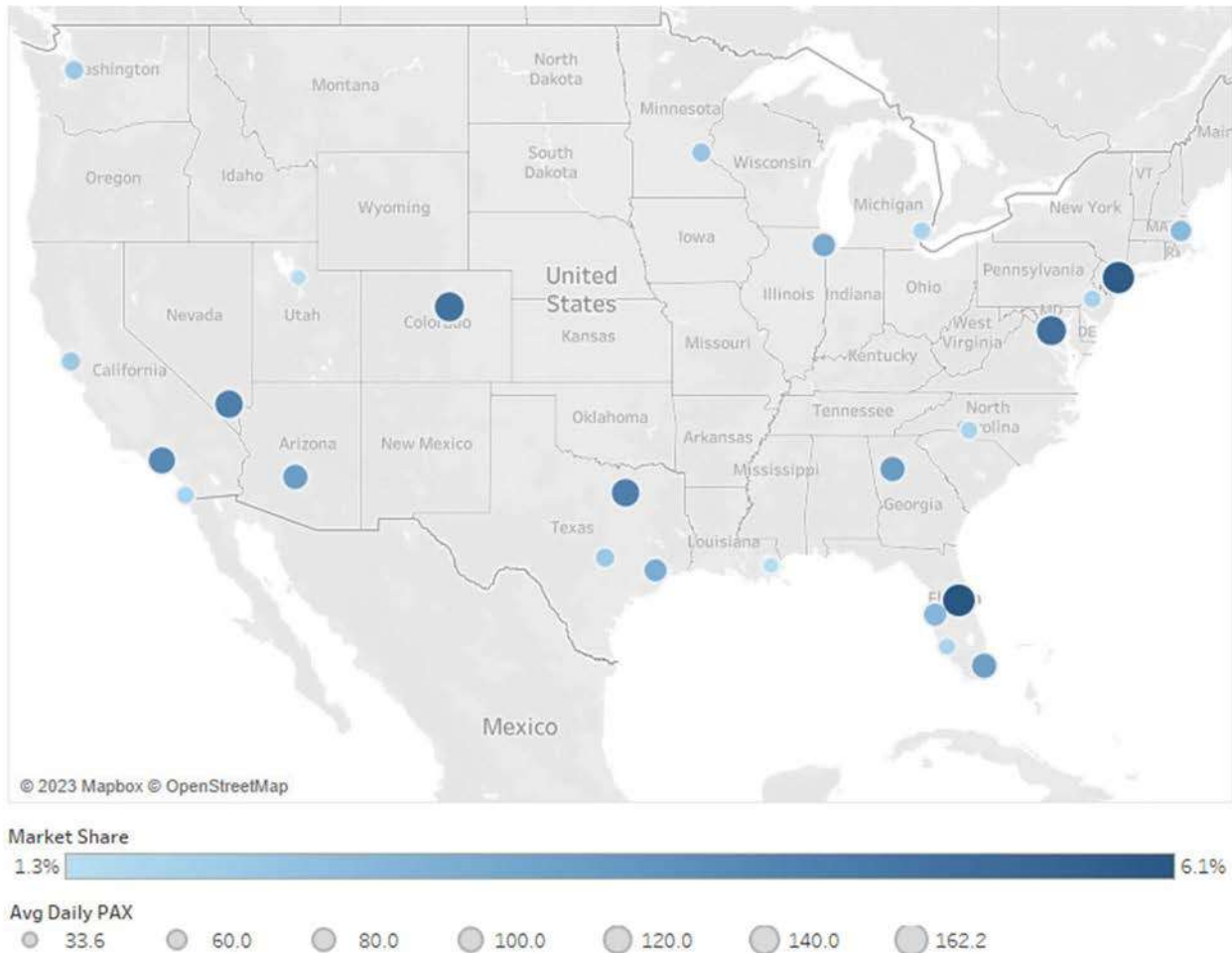
				Avg. O&D Market	
Destination ¹	State	Airports	Daily PAX	Share ²	
1	Orlando	FL	MCO	162	6.1%
2	New York City	NY	LGA, JFK, EWR, HPN, ISP, SWF	158	6.0%
3	Washington	DC	DCA, BWI, IAD	137	5.2%
4	Denver	CO	DEN	135	5.1%
5	Dallas	TX	DAL, DFW	122	4.6%
6	Las Vegas	NV	LAS	121	4.6%
7	Los Angeles	CA	LAX, SNA, BUR, LGB, ONT	111	4.2%
8	Atlanta	GA	ATL	95	3.6%
9	Phoenix	AZ	PHX	93	3.5%
10	Miami	FL	FLL, MIA	92	3.5%
11	Chicago	IL	ORD, MDW	82	3.1%
12	Houston	TX	HOU, IAH	79	3.0%
13	Tampa	FL	TPA	70	2.6%
14	Boston	MA	BOS, PVD, MHT	67	2.5%
15	Minneapolis/St. Paul	MN	MSP	57	2.2%
16	Austin	TX	AUS	54	2.0%
17	Seattle	WA	SEA	54	2.0%
18	San Francisco	CA	SFO, SJC, OAK	53	2.0%
19	Philadelphia	PA	PHL	45	1.7%
20	Fort Myers	FL	RSW	44	1.7%
21	Charlotte	NC	CLT	44	1.7%
22	Detroit	MI	DTW	43	1.6%
23	San Diego	CA	SAN	42	1.6%
24	Salt Lake City	UT	SLC	35	1.3%
25	New Orleans	LA	MSY	34	1.3%
...	Other			622	23.5%
Top 25 Subtotal				2,029	76.5%
Total STL				2,651	100.0%

Source: DB1B, last accessed December 19, 2023.

¹ Metro groupings include and add up O&D passengers from all listed airports.

² PAX share.

Figure 45 | Top 25 STL O&D Markets, FY2023



Sources: Tableau, DB1B, last accessed December 19, 2023.

3.6 | Comparison with Peer Airports

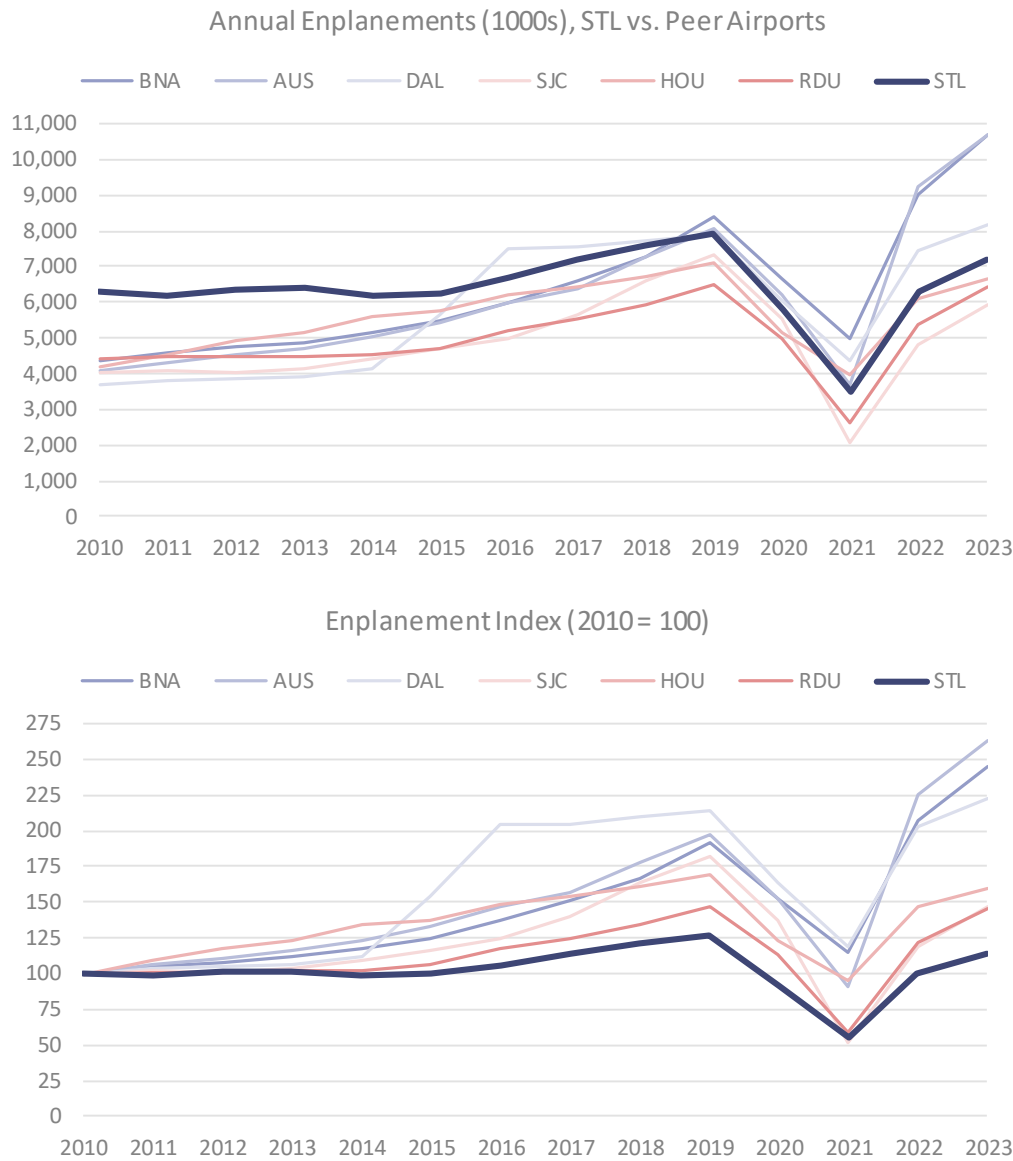
This section compares STL with six peer airports in terms of enplanement growth and trends in airfare and passenger yield. The following six peers are chosen based on CY2019 enplanement totals just before the pandemic: Nashville International Airport (BNA), Austin-Bergstrom International Airport (AUS), and Dallas Love Field Airport (DAL) were the three airports directly above STL in CY2019 enplanements, while Norman Y. Mineta San Jose International Airport (SJC), William P. Hobby Airport (HOU), and Raleigh-Durham International (RDU) were the three airports directly below STL in CY2019 enplanements.

3.6.1 | STL vs. Peer Enplanement Growth

Figure 46 compares the enplanement trends at STL and its six peer airports using annual totals based on STL's fiscal year period ending June 30. Through most of the 2010s, STL maintained significantly more enplanements than its six peers, but experienced very little growth, as seen by its enplanement index remaining below all of its peers for most of the decade. Over that time, the other airports would catch up and close the gap to STL's enplanement levels, with three of them

surpassing STL in FY2019: BNA, AUS, and DAL. The COVID-19 pandemic caused drops across all seven airports in FY2020 and FY2021, and STL showed slower recovery than most of its sampled peer airports over FY2022 and FY2023. However, as of FY2023, STL's enplanement levels currently still sit as the median among the sampled airports around it.

Figure 46 | STL vs. Peer Airports Enplanement Growth Trends, by STL Fiscal Year, FY2010-2023

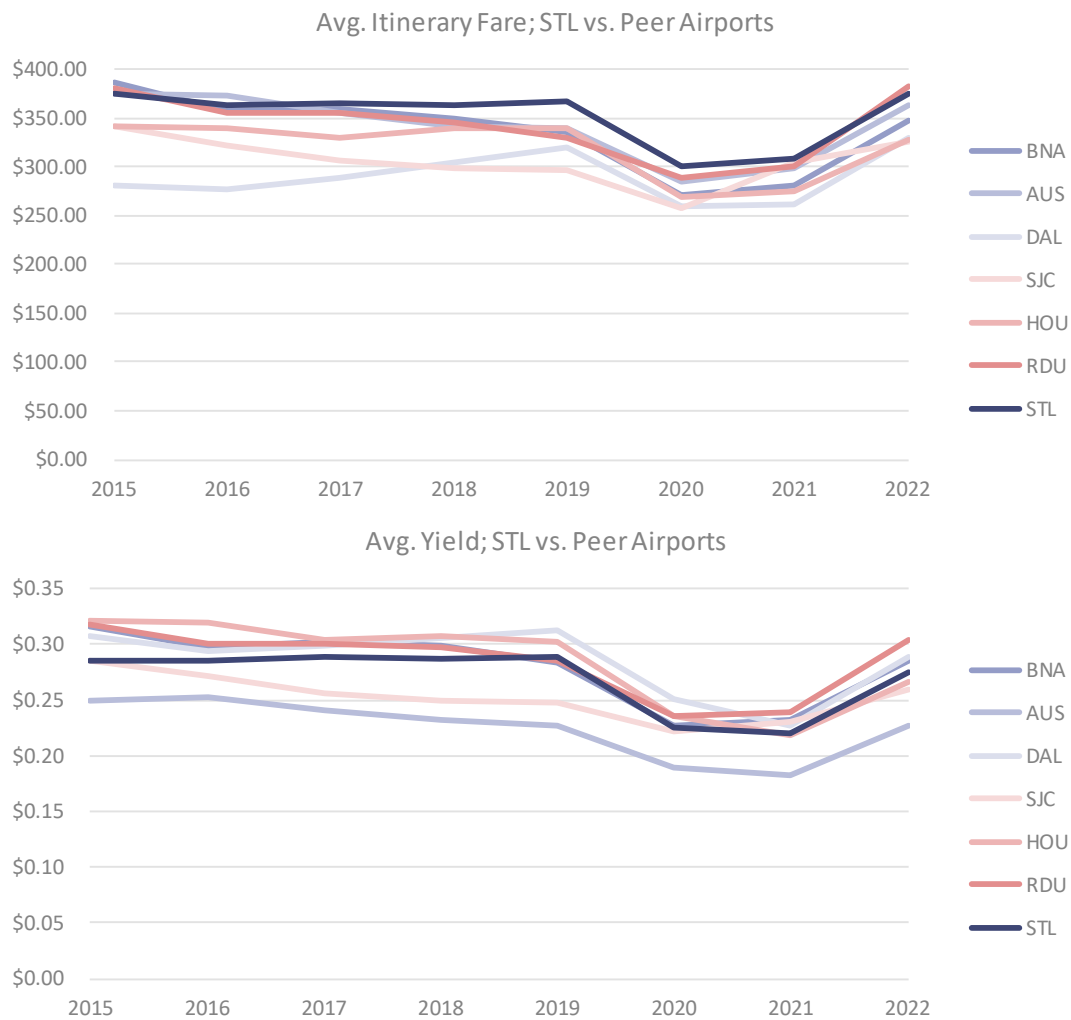


Sources Airport records for STL and U.S. Bureau of Transportation Statistics for peer airports. Peer airport annual totals have been shifted to match STL's fiscal year (starting in July and ending in June).

3.6.2 | STL vs. Peer Passenger Market Fare and Yield

Higher fares, yields, and average yields are attractive to airlines, though lower airfares attract passengers. A common measure of airfares that controls trip length is passenger yield—the average airline revenue per revenue passenger mile. Figure 47 compares the average calendar year domestic market fares and passenger yields at STL with the same six peers that ranked closest in CY2019 enplanements. In general, market fare and yields changed little from CY2015 to CY2019, especially for STL, which showed very slow marginal growth in both measures. That said, maintaining the slow but steady upward trend led to STL having the highest average market fare and yield among its peers by CY2019. In CY2020, airports nationwide experienced a dip in both market fare and yield due to weak demand during the COVID-19 pandemic, with recovery through CY2021 being either minimal, flat, or slightly further downward. However, CY2022 brought more substantial recovery among all sampled airports—as of the end of CY2022, STL holds the median average market fare and the second-highest average yield among the sampled seven airports.

Figure 47 | STL vs. Peer Airports Average Market Fare and Yield, CY2015-2022



Source: DB1B, last accessed December 19, 2023.

3.7 | Air Cargo

Table 21 shows the trends in air cargo at STL from FY2013 to December of FY2024, and Figure 48 break downs that history, distinguishing between passenger carrier freight and mail, and all-cargo carrier freight and mail. The trends in air cargo, like passenger traffic, are driven by economic trends. Air cargo decreased from FY2013 to FY2015, continuing a decline that began in FY2004. Since FY2015, air cargo has been steadily increasing. Unlike passenger traffic, air cargo traffic did not suffer a decline in 2020 during the COVID-19 pandemic. Instead, total air cargo growth accelerated due to a surge in demand for the shipment of personal protective equipment (such as masks) and medical supplies related to COVID-19, a surge in e-commerce, and bottlenecks in other freight transportation modes.⁶⁶ From FY2015 to FY2019, total air cargo grew slowly from 62,675 short tons to 75,386 short tons, but from FY2019 to FY2022, total air cargo quickly rose to a peak of 111,823 short tons. This jump is mainly attributed to all-cargo carriers, as cargo from passenger carriers declined with the reduction in flights over the pandemic. While overall cargo in FY2022 reached its highest level since FY2006, the annual share of cargo for passenger carriers has overall reduced over the course of the COVID-19 pandemic, from a 17.8 percent share in FY2019 to a 10.0 percent share in FY2022.

Cargo decreased again in FY2023, down from its peak to 91,203 short tons—much of this decrease is due to all-cargo freight and passenger mail but is partially offset by the highest passenger carrier freight tonnage STL has seen in its available history, with a 19.5 percent share. Much of the drop in all-cargo freight is due to the all-cargo airline Atlas Air, which decreased from 36,802 short tons in FY2022 down to only 193 short tons in FY2023. The drop in passenger mail from FY2022 to FY2023 is due to the collective decrease from American (which reduced from 1,142 short tons to 211), Delta (from 836 short tons to 329), and United (from 286 short tons to 54). Inversely, the spike in passenger freight from FY2022 to FY2023 is due to the charter airline Sun Country, which went from 0 to 7,657 short tons (the two charter airlines, Sun Country and Swift Air, are categorized as passenger airlines).

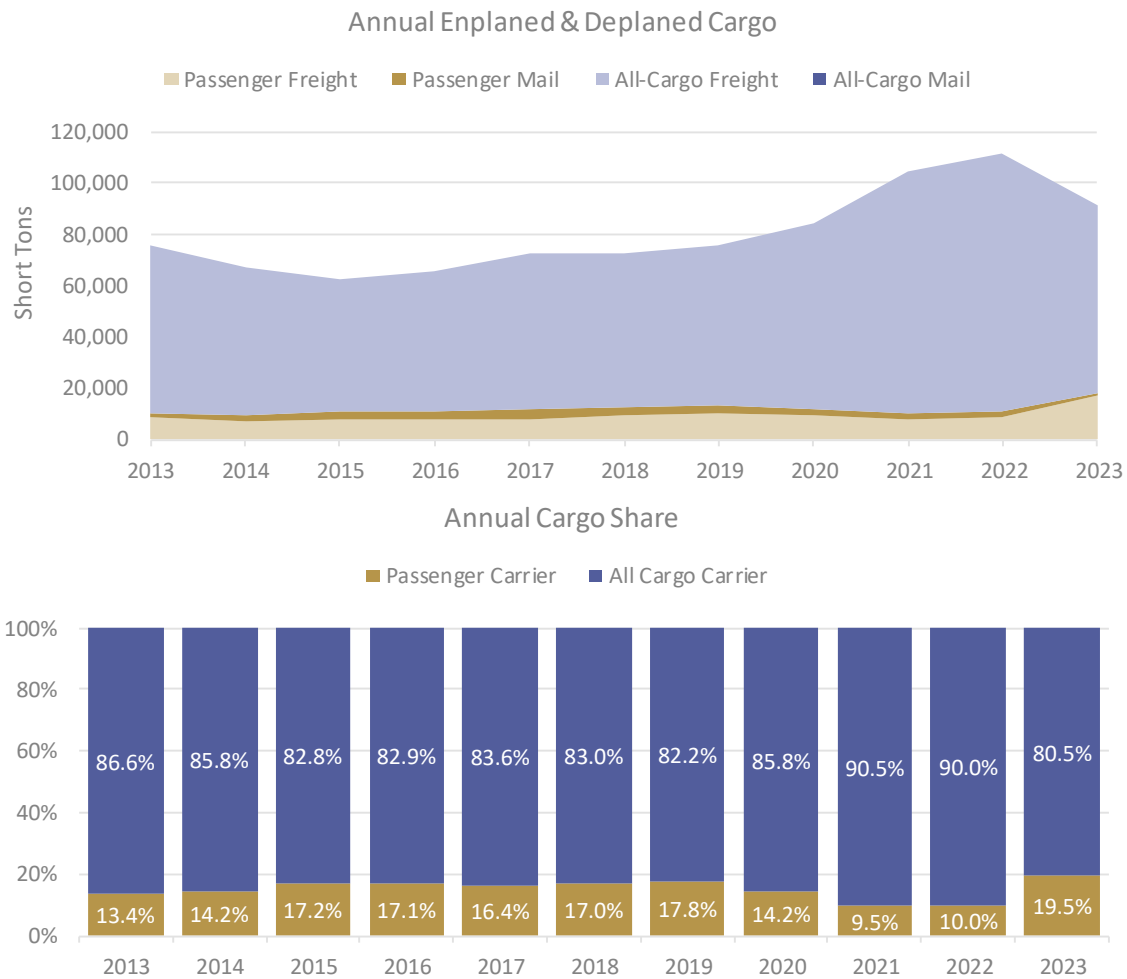
⁶⁶ Karen Thuermer, “Air Cargo 2021: PANDEMIC leaves residual mark on sector,” *Logistics Management*, July 8, 2021, https://www.logisticsmgmt.com/article/air_cargo_2021_pandemic_leaves_residual_mark_on_sector.

Table 21 | Annual Enplaned and Deplaned Cargo (in Short Tons), FY2013- FYTD2024

FY	Passenger Carrier		All Cargo Carrier		Total
	Freight	Mail	Freight	Mail	
2013	8,277	1,880	65,353	315	75,825
2014	7,217	2,298	57,335	213	67,064
2015	7,562	3,222	51,736	155	62,675
2016	7,762	3,465	54,192	141	65,560
2017	7,956	3,948	60,444	54	72,402
2018	9,024	3,339	60,355	92	72,810
2019	10,500	2,935	61,894	56	75,386
2020	9,129	2,771	71,971	59	83,929
2021	7,505	2,423	94,563	79	104,570
2022	8,907	2,314	100,541	61	111,823
2023	17,096	657	73,361	88	91,203
Jul-Dec 2023	7,011	485	43,073	52	50,620
Jul-Dec 2024	8,789	65	30,263	18	39,135
Compound Annual Growth Rate					
2013-2019	4.0%	7.7%	-0.9%	-24.9%	-0.1%
2019-2021	-15.5%	-9.1%	23.6%	18.2%	17.8%
2013-2021	-1.2%	3.2%	4.7%	-15.9%	4.1%
FYTD 2023-2024	25.4%	-86.6%	-29.7%	-65.9%	-22.7%

Source: Airport records.

Figure 48 | STL Annual Cargo Trends, FY2013-2023

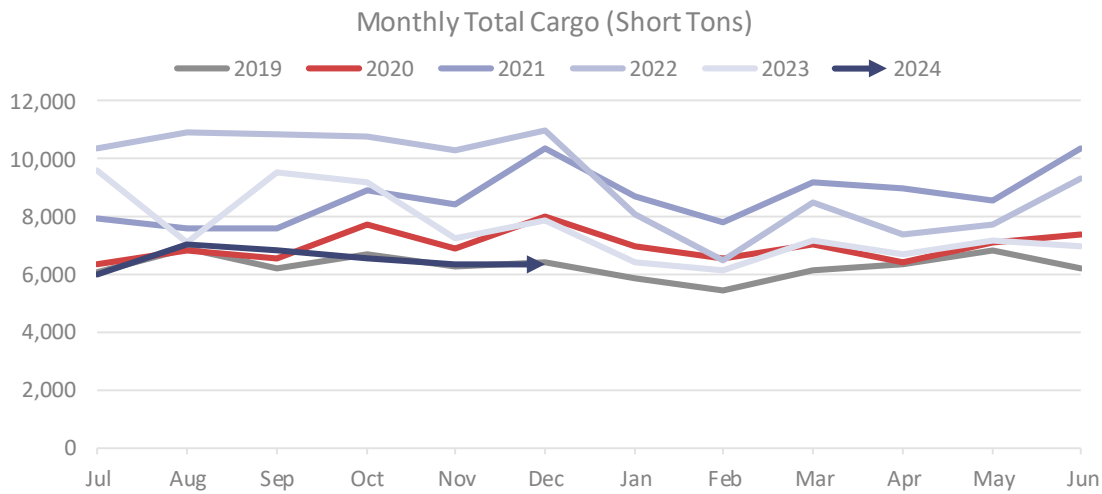


Source: Airport records.

Figure 49 breaks down STL’s annual cargo totals by month from FY2019 to December of FY2024 and shows how cargo totals for FY2021 and the first half of FY2022 were noticeably above the rest of STL’s history. December is often one of the biggest months for enplaned and deplaned cargo each year, if not the biggest, likely due to the holidays. Toward the end of FY2021, June cargo activity rose to a level near the year’s December peak. After that rise, FY2022 cargo remained significantly above the Airport’s previous fiscal years until falling after December. Since then, cargo levels for the rest of FY2022 remained lower than FY2021, but mostly above previous years.

FY2023 started rocky, with a sharp but brief drop in August, followed by a gradual decrease over the rest of the year, resulting in overall less cargo activity than both FY2022 and FY2021. So far, FY2024 seems to continue with the lower cargo levels that are more on par with pre-pandemic numbers.

Figure 49 | STL Monthly Total Cargo Trends, FY2019-FYTD2024



Source: Airport records.

3.8 | Commercial Aircraft Landings and Landed Weight

Table 22 shows commercial aircraft landings at STL by airline over the past ten fiscal years. Scheduled passenger aircraft landings, which account for nearly all commercial aircraft operations at STL, show growth trends similar to enplanement growth trends. From FY2014 to FY2018, landings increased from 82,123 to 88,088—the rate of increase is lower than that for enplanements due to increasing aircraft seat capacity and load factor. Landings then took a slight downturn in FY2019, and later, the COVID-19 pandemic caused landings to fall significantly—down 16 percent to 73,539 in FY2020, then further down another 28 percent to 52,755 in FY2021. However, the decrease in landings during the pandemic was proportionately less than the decrease in passenger traffic. Over the past two fiscal years, landings at STL have been recovering, increasing 27 percent from FY2021 to 67,215 landings in FY2022, then up another 4 percent to 70,076 landings in FY2023.

Table 23 shows aircraft landed weight by carrier at STL over the same period from FY2014 to FY2023. Airports assess landing fees—the largest airline revenue source—based on aircraft gross landed weight. From FY2014 to FY2019, landed weight grew steadily from 7.8 billion pounds to 9.2 billion pounds, but fell to 5.8 billion pounds in FY2021 alongside the decline in landings. Similar to landings, landed weight at the Airport has been recovering through the past two years, increasing 37 percent to 7.9 billion pounds in FY2022, and another 10 percent to 8.7 billion pounds in FY2023.

Table 22 | STL Annual Landings and Landing Shares, FY2014- FYTD2024

Annual Landings by Fiscal Year											FYTD Jul-Dec		CAGR		
Airline	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023	2024	2014-2019	2019-2023	2014-2023
Southwest	31,389	30,353	31,474	35,440	37,541	39,352	33,921	24,285	29,671	36,091	18,040	20,920	4.6%	-2.1%	1.6%
American	14,726	17,580	14,665	13,735	13,859	13,136	10,853	6,861	11,797	10,485	5,515	4,843	-2.3%	-5.5%	-3.7%
Delta	9,867	9,249	9,151	9,286	9,421	9,806	7,498	5,360	7,394	7,240	3,532	3,717	-0.1%	-7.3%	-3.4%
United	11,189	11,324	10,719	9,975	10,007	9,946	8,188	4,761	6,813	6,485	2,991	3,448	-2.3%	-10.1%	-5.9%
Other	13,522	14,500	16,707	16,368	15,319	13,370	10,942	8,991	8,744	7,414	3,549	2,607	-0.2%	-13.7%	-6.5%
Subtotal	80,693	83,006	82,716	84,804	86,147	85,610	71,402	50,258	64,419	67,715	33,627	35,535	1.2%	-5.7%	-1.9%
Charter	80	42	369	545	414	356	180	109	222	420	177	220	34.8%	4.2%	20.2%
Cargo	1,350	1,474	1,530	1,501	1,527	1,514	1,957	2,388	2,574	1,941	1,172	751	2.3%	6.4%	4.1%
Total¹	82,123	84,522	84,615	86,850	88,088	87,480	73,539	52,755	67,215	70,076	34,976	36,506	1.3%	-5.4%	-1.7%
AGR		2.9%	0.1%	2.6%	1.4%	-0.7%	-15.9%	-28.3%	27.4%	4.3%		4.4%			

Landing Shares by Fiscal Year										
Airline	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Southwest	38.2%	35.9%	37.2%	40.8%	42.6%	45.0%	46.1%	46.0%	44.1%	51.5%
American	17.9%	20.8%	17.3%	15.8%	15.7%	15.0%	14.8%	13.0%	17.6%	15.0%
Delta	12.0%	10.9%	10.8%	10.7%	10.7%	11.2%	10.2%	10.2%	11.0%	10.3%
United	13.6%	13.4%	12.7%	11.5%	11.4%	11.4%	11.1%	9.0%	10.1%	9.3%
Other	16.5%	17.2%	19.7%	18.8%	17.4%	15.3%	14.9%	17.0%	13.0%	10.6%
Subtotal	98.3%	98.2%	97.8%	97.6%	97.8%	97.9%	97.1%	95.3%	95.8%	96.6%
Charter	0.1%	0.0%	0.4%	0.6%	0.5%	0.4%	0.2%	0.2%	0.3%	0.6%
Cargo	1.6%	1.7%	1.8%	1.7%	1.7%	1.7%	2.7%	4.5%	3.8%	2.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Airport records.

¹ Total landings exclude general aviation activity.

Table 23 | STL Annual Landed Weight and Landed Weight Shares, FY2014- FYTD2024

Annual Landed Weight (in Million Pounds) by Fiscal Year											FYTD Jul-Dec		CAGR		
Airline	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023	2024	2014-2019	2019-2023	2014-2023
Southwest	3,871	3,816	3,997	4,545	4,951	5,202	4,489	3,239	4,002	5,008	2,478	2,921	6.1%	-0.9%	2.9%
American	1,577	1,572	1,475	1,430	1,417	1,376	1,207	731	1,306	1,223	638	584	-2.7%	-2.9%	-2.8%
Delta	1,053	1,027	1,033	1,029	1,007	1,022	828	557	825	853	421	450	-0.6%	-4.4%	-2.3%
United	595	608	605	623	590	584	486	314	510	500	224	340	-0.4%	-3.8%	-1.9%
Other	319	386	460	536	544	559	443	357	639	616	299	294	11.9%	2.5%	7.6%
Subtotal	7,415	7,409	7,570	8,163	8,509	8,743	7,454	5,197	7,283	8,200	4,059	4,588	3.3%	-1.6%	1.1%
Charter	26	9	40	51	56	51	25	23	36	59	24	29	14.5%	3.6%	9.5%
Cargo	348	370	362	341	362	370	454	540	584	463	278	178	1.2%	5.8%	3.2%
Total¹	7,789	7,788	7,972	8,556	8,928	9,164	7,933	5,760	7,903	8,721	4,362	4,795	3.3%	-1.2%	1.3%
AGR		0.0%	2.4%	7.3%	4.3%	2.6%	-13.4%	-27.4%	37.2%	10.4%		9.9%			

Landed Weight Shares by Fiscal Year										
Airline	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Southwest	49.7%	49.0%	50.1%	53.1%	55.5%	56.8%	56.6%	56.2%	50.6%	57.4%
American	20.2%	20.2%	18.5%	16.7%	15.9%	15.0%	15.2%	12.7%	16.5%	14.0%
Delta	13.5%	13.2%	13.0%	12.0%	11.3%	11.2%	10.4%	9.7%	10.4%	9.8%
United	7.6%	7.8%	7.6%	7.3%	6.6%	6.4%	6.1%	5.4%	6.5%	5.7%
Other	4.1%	5.0%	5.8%	6.3%	6.1%	6.1%	5.6%	6.2%	8.1%	7.1%
Subtotal	95.2%	95.1%	95.0%	95.4%	95.3%	95.4%	94.0%	90.2%	92.2%	94.0%
Charter	0.3%	0.1%	0.5%	0.6%	0.6%	0.6%	0.3%	0.4%	0.5%	0.7%
Cargo	4.5%	4.7%	4.5%	4.0%	4.1%	4.0%	5.7%	9.4%	7.4%	5.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Airport records.

¹Total landed weight excludes general aviation activity.

3.9 | Forecast Commercial Aviation Activity

Our forecast development considers the impacts of the pandemic, changes in supply and demand in the aviation industry, changes in the business environment, and the fundamental drivers of passenger traffic growth. To project air traffic during different phases of recovery and growth, we use a hybrid modeling framework that combines multiple forecasting methods and data sources.

Recognizing high uncertainty around the pandemic's effects and the aviation industry's long-term outlook, we present three scenarios—"Base," "High," and "Low"—that differ in the pace of air traffic recovery and long-term growth. The Base scenario assumes that recent economic and air traffic growth trends will continue. The High scenario provides a more optimistic outlook for the economic and air traffic growth trends, including the continued easing of airline capacity constraints, downward pressure on inflation, and robust labor market and national production. The Low scenario offers a more conservative outlook, accounting for several adverse short-term factors, such as labor and fleet constraints on airline capacity, upward inflationary pressures, and slowing global economic growth.

The three scenarios provide a reasonable range for planning and sensitivity analysis. However, forecasts are inherently uncertain, and many factors can cause actual performance to fall outside the forecast range. In addition, the airline industry and the broader economy face significant structural changes, which elevate various sources of risk and uncertainty. We will discuss these in detail at the end of this section.

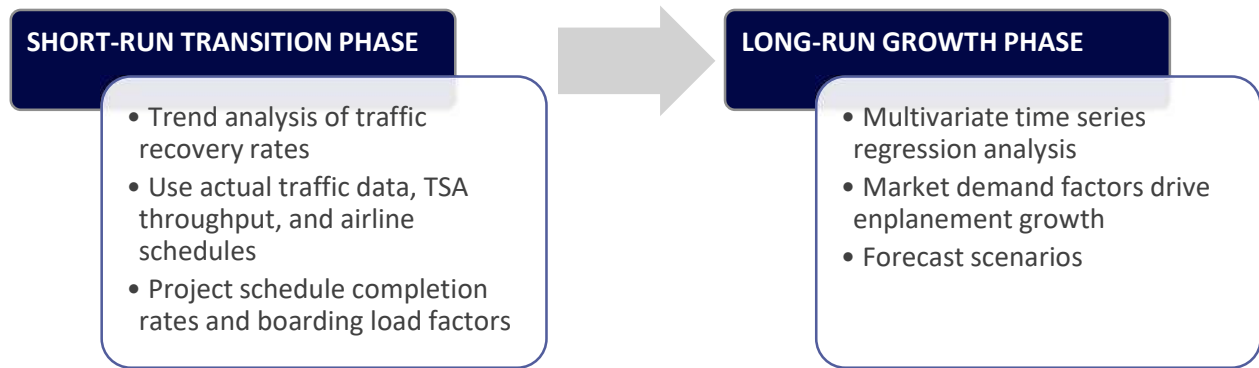
3.9.1 | Forecast Methodology

Our hybrid modeling framework uses various forecasting methods and data sources to project air traffic across two phases: recovery in the short term and growth over the long term (Figure 50).

For the recovery phase, we analyze short-term air traffic growth trends and produce projections of flights, seats, and enplanements at the airline level based on published airline schedules, schedule completion rates, and boarding load factors. During this phase, we project the monthly ramp-up of enplanements until they return to pre-pandemic levels and historical growth patterns. Once enplanement growth stabilizes, the forecast period enters the long-term growth phase. In this phase, we perform multivariate regression analysis to quantify the relationship between passenger demand for air travel and key market drivers and to forecast annual enplanement growth rates based on projected trends in the key market drivers.

Breaking the forecast period into phases allows us to apply different methods, data, and assumptions that best capture the factors driving air traffic trends in each phase. For instance, in the short-run transition phase, we analyze airline schedules, capacity constraints, schedule completion rates, and boarding load factors to project monthly enplanement levels. In the long-run growth phase, market demand factors, such as income and price, become the primary drivers of passenger traffic growth and forecast enplanement levels drive projections of aircraft operations and landed weight.

Figure 50 | Hybrid Forecast Development by Phase



Source: Unison Consulting, Inc.

3.9.2 | Short-Run Transition Phase

In this phase, forecast development considers the recent progress in traffic recovery and growth. During forecast development, data on airport activity (enplanements, departures, and landed weight) were available through December 2023. In addition, the TSA screening throughput data was available through mid-January 2024, reflecting the Airport’s near real-time passenger traffic patterns. Advance airline schedules (accessed in December 2023), supplemented with TSA screening throughput data, provide the starting point for projecting monthly enplanements through April 2024.

To obtain a reliable projection of seat capacity, we apply a completion factor to scheduled seats to anticipate potential cuts in advance schedules. This factor considers the occurrence of flight disruptions due to weather events and equipment maintenance. It also considers current staffing and fleet constraints that cause airlines to adjust their published schedules periodically, depending on the volume of flight bookings and the projected availability of aircraft and crew. We use advance schedules only through April 2024 because schedules farther into the future are subject to more significant, often downward adjustments.

We apply boarding load factors to the seat capacity forecasts to estimate monthly enplanements. Table 24 shows the schedule completion rate assumptions, which start to decline in January 2024 and drop to around 96.4 percent in April 2024 under the Low scenario. The high seat completion rates underscore the ongoing improvements in airlines’ staffing and scheduling following the significant disruptions during the pandemic.

Table 24 | Projected Schedule Completion Rates and Seats for STL

Month	Seat Completion Rate			Projected Seats		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
	Base	High	Low	Base	High	Low
Jan-24	100.0%	100.0%	98.0%	772,393	772,393	756,945
Feb-24	100.0%	100.0%	99.0%	727,873	728,064	720,593
Mar-24	99.1%	100.0%	97.1%	865,801	873,807	848,325
Apr-24	98.4%	100.0%	96.4%	856,967	871,007	839,547

Source: OAG Schedules Analyzer and Unison Consulting, Inc.

The BLF assumptions in Table 25 reflect seasonal patterns and an overall improvement. In CY2023, the Airport’s monthly BLF averaged 75.8 percent, around 3.4 percentage points lower than the CY2019 year-to-date average (79.2 percent).

Under the Base scenario, we assume current trends will continue, with the Airport’s BLF between January and April 2024 remaining around 3.0 percentage points below 2019 levels. Under the High scenario, the monthly average BLF is expected to recover to 2019 levels over the same period. The Low scenario assumes that BLF will experience no improvements and hover at approximately 4.5 percentage points below 2019 levels.

Table 25 | Historical and Projected Boarding Load Factors (BLF) for STL

Actual Boarding Load Factors for 2019 and 2023				2023-2024 Projected Boarding Load Factors			
Month	2019 BLF ¹	2023 BLF	Difference (pp) ²	Month- Year	Scenario 1 Base	Scenario 2 High	Scenario 3 Low
Jan	69.63%	65.64%	-3.99	Jan-24	66.84%	69.84%	65.34%
Feb	75.20%	70.67%	-4.53	Feb-24	72.20%	75.20%	70.70%
Mar	78.65%	77.24%	-1.41	Mar-24	75.50%	78.50%	74.00%
Apr	78.77%	75.01%	-3.76	Apr-24	75.62%	78.62%	74.12%
May	84.53%	80.84%	-3.69				
Jun	86.64%	82.64%	-4.00				
Jul	83.83%	80.90%	-2.93				
Aug	78.13%	72.00%	-6.12				
Sep	77.49%	75.06%	-2.43				
Oct	79.33%	77.23%	-2.09				
Nov	76.59%	75.67%	-0.92				
Dec	79.88%	73.62%	-6.26				

Sources: OAG Schedules Analyzer, Airport records, and Unison Consulting, Inc.

¹ BLF = enplanements/seats.

² Percentage-point (pp) difference between the CY2023 and CY2019 monthly average boarding load factors. Negative values indicate lower CY2023 boarding load factors than 2019 levels.

Figure 51 shows the projections of monthly enplanements based on our assumptions of advanced schedules and boarding load factors indexed to 2019 levels. Since hitting their lowest point in April 2020, monthly enplanements at the Airport have gradually recovered toward 2019 pre-COVID levels. As of December 2023, total enplanements had reached about 93.0 percent of 2019 levels, an increase from 85.0 percent a year ago.

We conduct univariate time series analysis to forecast when enplanements will return to 2019 pre-COVID levels. We evaluate linear and logarithmic functional forms to fit recovery trendlines from April 2020, when passenger traffic reached its lowest level during the pandemic, to April 2024. We also test a truncated logarithmic functional form that starts in CY2021.

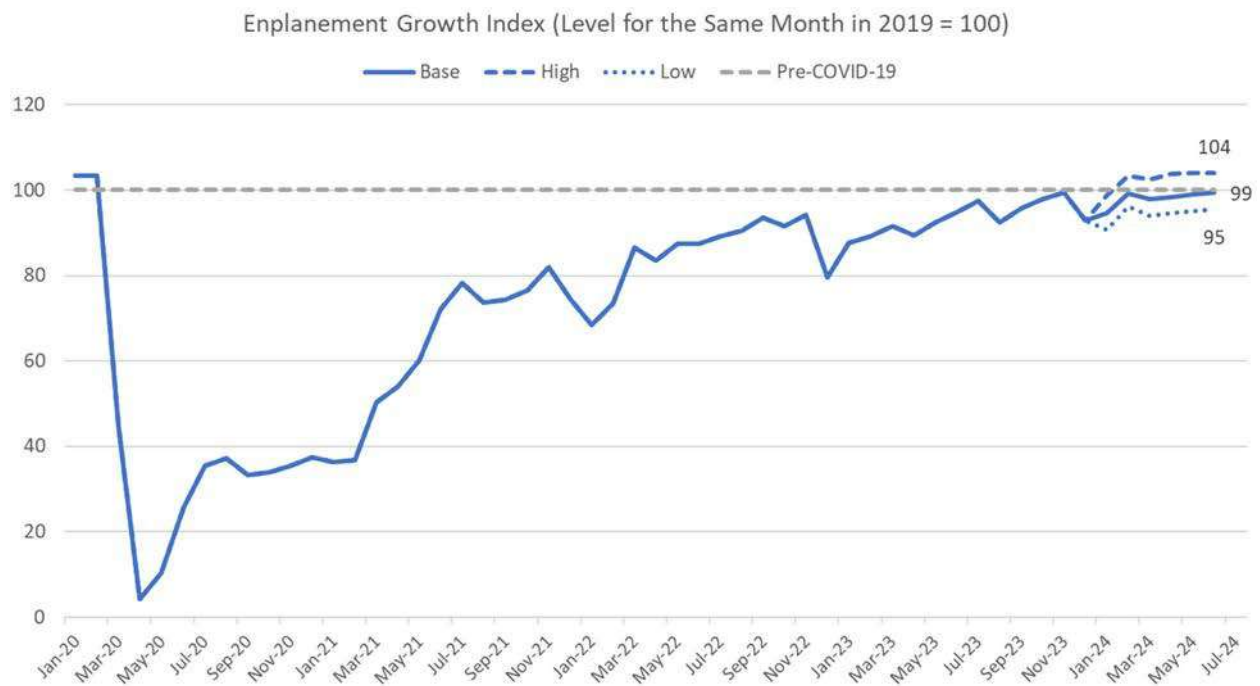
The truncated logarithmic functional form produces a trendline that best reflects the shape of recovery at the Airport over the last year. The logarithmic trendline projects an initial acceleration of recovery and eventual tapering, resulting in a more extended recovery period than that projected by a linear trendline, which predicts a straight-line trajectory. Since recovering to around 90

percent of 2019 levels in late 2022, monthly enplanements have gradually increased and mostly remained above 90 percent of 2019 levels.⁶⁷

Our projections show the Airport beginning to achieve and sustain monthly enplanements above pre-COVID levels in 2025 in the Base and High scenarios and 2026 in the Low scenario:

- Scenario 1 (Base) – Monthly enplanements first begin to sustain and exceed pre-COVID levels in July 2024. Annual enplanements begin to exceed the 2019 level by 2025.
- Scenario 2 (High) – Monthly enplanements first begin to sustain and exceed pre-COVID levels in February 2024, with annual enplanements exceeding the 2019 level by 2025.
- Scenario 3 (Low) – Monthly enplanements return to pre-COVID levels by May 2025, with annual enplanements exceeding the 2019 level by 2026.

Figure 51 | Monthly Enplanements: Forecast Recovery to Pre-COVID Level for STL



Forecasts begin in January 2024.
Source: Unison Consulting, Inc.

3.9.3 | Long-Run Growth Phase

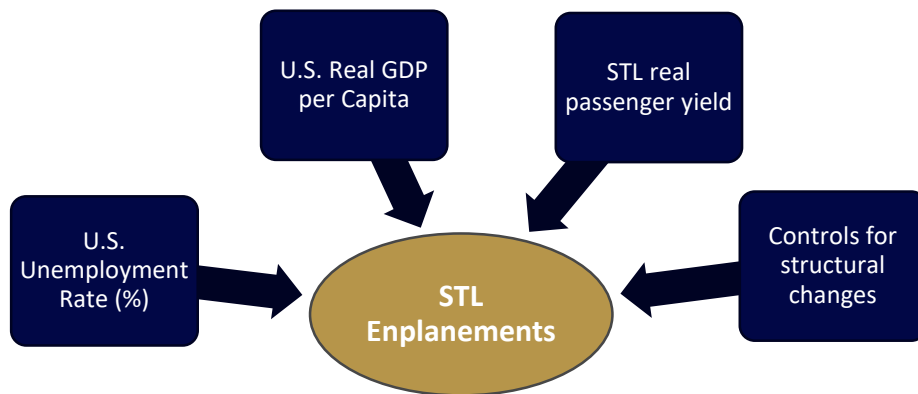
The long-run growth phase begins upon full recovery to pre-COVID levels. During this phase, we expect passenger traffic growth to return to historical patterns. During this phase, the growth in

⁶⁷ Based on TSA throughput and airline schedules as of March 2024, the upward trend in enplanements is expected to continue. Both TSA throughput and seat capacity have begun to exceed 2019 levels by mid-March.

passenger traffic is "demand-driven"—driven by market factors underlying air travel demand. We assume growth patterns would normalize based on the historical relationship between air traffic and economic drivers, and airlines would adjust seat capacity to meet increasing air travel demand.

Multivariate time series regression analysis links enplanement growth to changes in market demand drivers (Figure 52). Regression analysis provides a rigorous and quantitative framework for measuring the contributions of individual demand drivers to enplanement growth while accounting for structural changes at the Airport (discussed in detail below) and serial correlation in time series data.

Figure 52 | Key Drivers of Enplanement Growth



Source: Unison Consulting, Inc.

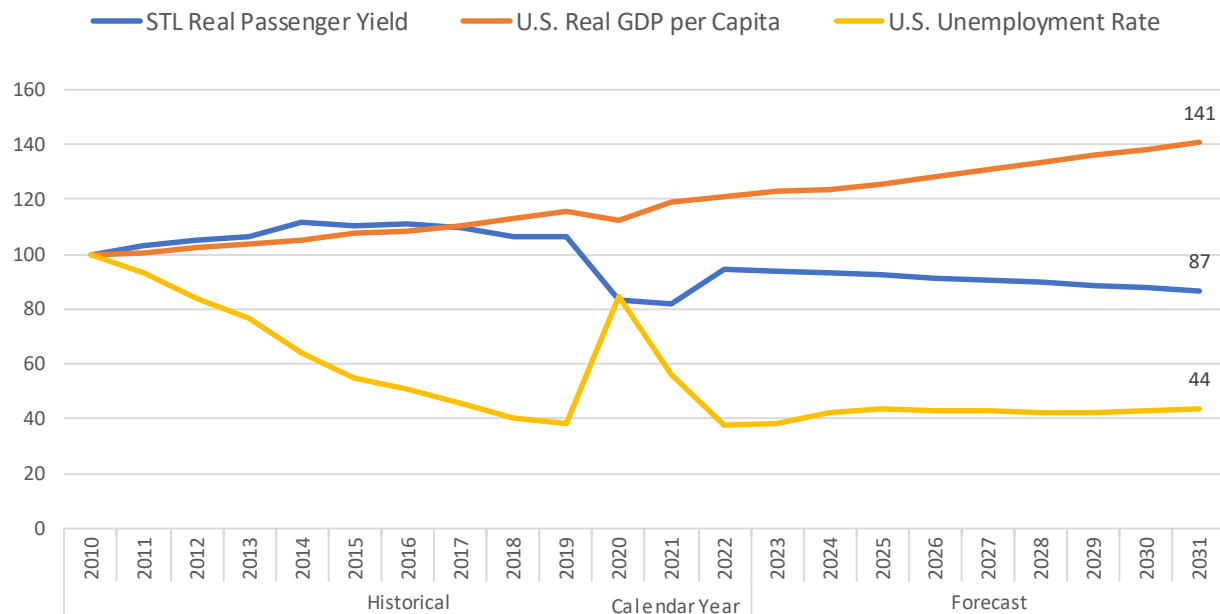
Forecasting using regression analysis is executed in two steps. In the first step, a regression equation is estimated using historical data on the model variables—in this case, from CY1991 through CY2019. The regression equation includes “coefficients” that measure the contributions of each driver in predicting annual enplanement at the Airport. The regression estimation method minimizes forecast errors—the difference between the actual and predicted enplanement levels. In the second step, the estimated regression coefficients are combined with projections of market drivers to forecast enplanement growth.

Consumer demand theory, along with our assessment of structural changes at the Airport and the aviation industry, informs the specification of the regression model. STL’s O&D enplanements serve as the dependent variable. The choice of using O&D enplanements over total enplanements controls for the wide fluctuations in total enplanements in the historical data due to the dehubbing of American Airlines at STL and the loss in connecting traffic. O&D enplanements, which are a relatively stable component of passenger traffic, now account for the dominant share of STL’s total enplanements.

The key explanatory variables include two economic variables and a price variable. The economic variables are the U.S. real gross domestic product per capita and the U.S. unemployment rate—both indicate trends in income. The price variable is STL’s real passenger yield.

Figure 53 presents the historical and forecast trends in these three key explanatory variables (indexed to 2010 levels) in the Base scenario.⁶⁸ Alternative growth rates for the High and Low scenarios are derived by adjusting the Base scenario’s growth rates using the forecasts in The Wall Street Journal’s October 2023 Economic Survey.

Figure 53 | Key Regression Model Explanatory Variables: Historical and Forecast Trends (2010 Level = 100)



Sources: Moody’s Analytics, U.S. Department of Transportation, and Federal Aviation Administration.

U.S. Real Gross Domestic Product Per Capita

U.S. real GDP is the most comprehensive indicator for national economic conditions. Measured per capita, it also indicates trends in income, a key factor that drives air travel demand. Holding all other factors constant, growth in real GDP per capita promotes growth in enplanements. Conversely, decreases in real GDP per capita reduce enplanements. The positive and statistically significant regression coefficient on U.S. real GDP confirms the positive relationship between U.S. real GDP per capita and enplanements.

According to the forecasts of Moody’s Analytics, U.S. real per capita GDP in the Base scenario is expected to grow at a compound annual rate of 1.7 percent from CY2023 to CY2030. This growth rate is higher than the 1.4-percent annual growth from CY2010 to CY2019. Relative to the Base scenario, the CY2023-2031 compound annual growth rate is assumed to be 0.5 percentage points

⁶⁸ For readability, the figure is truncated at CY2010, even though the regression model includes historical data from CY1991.

higher in the High scenario (2.2 percent) and 0.4 percentage points lower in the Low scenario (1.3 percent).

U.S. Unemployment Rate

The U.S. unemployment rate provides a key indicator for national economic conditions, which affect aggregate demand for business and leisure travel. Falling unemployment rates indicate an expanding national economy, while rising unemployment rates indicate a slowing and contracting national economy. Passenger traffic tends to track business cycles in the U.S. economy. The regression coefficient from the model confirms the negative association between the U.S. unemployment rates and the Airport's passenger traffic, showing a negative and statistically significant negative sign.

Over the forecast horizon, the U.S. unemployment rate in the Base scenario is expected to rise gradually from the current historic lows. According to the forecast by Moody's Analytics, the U.S. unemployment rate is projected to rise from 3.7 percent in CY2023 to 4.2 percent in CY2031—an annual growth of 1.7 percent. Relative to the Base scenario, the U.S. unemployment rate is expected to rise by around 1.3 percentage points slower in the High scenario and 1.2 percentage points faster in the Low scenario, yielding national unemployment rates of 3.8 percent and 4.6 percent in CY2031, respectively.

Real Passenger Yield at STL

Real passenger yield indicates the price of air travel.⁶⁹ It is calculated as total airline passenger revenues divided by revenue passenger miles, adjusted for inflation.

The law of demand applies to air travel: the quantity purchased varies inversely with price, holding other factors constant. The negative regression coefficient estimate for real passenger yield confirms this inverse relationship.

Between CY2010 and CY2019, STL's real passenger yield was relatively stable, fluctuating between \$0.204 and \$0.228. This stability was disrupted by the pandemic, as airlines significantly reduced air fares to raise passenger traffic. Between CY2019 and CY2020, STL's real passenger yield decreased by 21.5 percent. As traffic began to recover, air fare also started to rebound. The Airport's real passenger yield increased 15.1 percent from \$0.167 in 2021 to \$0.192 in 2022.

The projected trends in average real passenger yield follow those projected by the FAA for the national air traffic forecast.⁷⁰ Between CY2023 and CY2031, the average real passenger yield at the Airport resumes a downward trend, consistent with the historical pattern in the airline industry since the 1978 deregulation. In the Base scenario, the real passenger yield is expected to grow at an annual rate of -0.9 percent, falling from \$0.191 in 2023 to \$0.177 in 2031. Relative to the Base

⁶⁹ Real passenger yield is a better indicator of the price of air travel than average fare because it controls for trip distance.

⁷⁰ Historically, the two series are strongly correlated, with a correlation coefficient of 0.8 between 2010 and 2022. See e.g., Federal Aviation Administration, *FAA Aerospace Forecasts Fiscal Years 2023-2043*.

scenario, the real passenger yield is projected to rise slower due to lower inflation in the High scenario and faster due to higher inflation in the Low scenario. By the end of the forecast period, STL's real passenger yield is expected to be \$0.171 in the High scenario and \$0.183 in the Low scenario, yielding average annual growth rates of -1.3 percent and -0.6 percent, respectively.

Structural Changes

In addition to the three demand drivers, the regression model includes four variables to control for significant structural changes in the aviation industry and the Airport market. These structural changes include the relocation of TWA's headquarters to St. Louis in CY1994, the terrorist attacks of September 11, 2001, changes in the share of connecting traffic, and American Airlines' service cuts beginning in November 2003 that culminated in the closing of the airline's connecting hub at STL. To address serial correlation in time series data, the model also included a second-order moving average term.

3.9.4 | Forecast Results

Figure 54 presents the forecast results from this study and compares them with the 2023 FAA Terminal Area Forecasts (TAF) for STL, published in January 2024. The complete forecast results are presented in 12 summary tables (Table 26 through Table 37). The enplanement forecasts are summarized below:

- Scenario 1 (Base) – Annual enplanements are projected to reach 7.7 million by the end of 2024, an annual increase of 7.0 percent from 7.2 million in 2023. Passenger traffic continues to grow at a decelerating rate in 2025, when annual enplanements are expected to reach 8.1 million and exceed the 2019 level (7.9 million). After 2025, annual enplanements are expected to grow at moderate rates, around an average annual rate of 2.3 percent, reaching 9.3 million by 2031. The 2023-2031 CAGR is 3.2 percent.
- Scenario 2 (High) – Annual enplanements in 2024 are projected to increase by 9.6 percent to nearly 7.9 million, the 2019 level. After 2024, annual enplanements are expected to grow steadily at robust rates, averaging 3.0 percent annually and reaching around 9.7 million by the end of 2031. The 2023-2031 CAGR is 3.8 percent.
- Scenario 3 (Low) – Because of the expected slowdown in economic growth in CY2024, annual enplanements are projected to grow at slower rates and eventually exceed the 2019 level by the end of 2026. After 2026, annual enplanements are expected to grow steadily, averaging around 2.0 percent annually. By 2031, annual enplanements are projected to reach around 8.8 million. The 2023-2031 CAGR is 2.5 percent.
- FAA TAF, January 2024 – The TAF projections are based on the federal fiscal year, ending on September 30. The TAF forecasts are close to the Base enplanement forecasts, with differences no larger than two percent throughout the forecast period. By 2031, the TAF enplanement forecast will reach approximately 9.2 million, or around 70,000 enplanements (around 0.8 percent) below the Base forecast, 479,000 enplanements (around 5.0 percent) below the High forecast, and around 409,000 enplanements (4.7 percent) above the Low forecast.

The 2025-2031 projections of seats and aircraft departures or landings are based on annual enplanement forecasts, along with projections of the average seats per departure and boarding load factors. Generally, flight departures are expected to recover slower than enplanements due to projected increases in average seats per departure and boarding load factors over time. Under this study's forecasts, annual aircraft departures, including those by all-cargo carriers, will reach 82,893 under the Base scenario, 84,655 in the High scenario, and 79,525 under the Low scenario by 2031—all below the 2019 level of 87,457.

The 2025-2031 projections of landed weight are derived from aircraft landings, which are equal to aircraft departures. Generally, landed weight increases faster than landings because of projected increases in aircraft size, which raises the average weight per landing. Landed weight fully recovers by the end of 2024 under all scenarios. By the end of the forecast period, annual landed weight is projected to reach 11.08 billion pounds in the Base scenario, 11.34 billion pounds in the High scenario, and 10.62 billion pounds in the Low scenario.

Table 38 presents the breakdown of annual enplanements into O&D and connecting traffic segments. The O&D share increased from 76.8 percent in 2019 to 80.9 percent in 2022 before falling to 79.2 percent in 2023. Under the Base scenario, it is projected to gradually fall to 78.6 percent by the end of 2031. Under the High scenario, the O&D share is projected to fall faster, dropping to 77.7 percent by the end of 2031, as Southwest Airlines routes more connections through the Airport. Under the Low scenario, the O&D share is projected to fall slower, dropping to 79.9 percent by the end of 2031, as Southwest Airlines routes fewer connections through the Airport.

Figure 54 | Forecast Commercial Aviation Activity at STL



Sources: Unison Consulting, Inc., and FAA Terminal Area Forecasts as of January 2024.

Table 26 | Forecast Enplanements - Scenario 1 (Base) at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Enplanements (1,000s)															
American	1,195	921	564	1,078	1,089	1,053	1,105	1,132	1,161	1,190	1,218	1,243	1,268	1.9%	0.5%
Delta	845	608	313	638	716	721	757	776	795	815	834	852	868	2.4%	0.2%
Southwest	4,801	3,489	2,161	3,636	4,410	4,841	5,081	5,207	5,336	5,471	5,599	5,717	5,829	3.5%	1.6%
United	520	378	206	387	394	519	545	558	572	586	600	613	625	5.9%	1.5%
Others	533	367	258	548	569	548	575	590	604	620	634	647	660	1.9%	1.8%
Subtotal - passenger carriers	7,894	5,762	3,502	6,288	7,179	7,683	8,062	8,263	8,468	8,682	8,886	9,072	9,251	3.2%	1.3%
Subtotal - charters	22	8	3	9	4	1	1	1	1	1	1	1	1	-11.7%	-20.0%
Total	7,915	5,771	3,505	6,297	7,183	7,684	8,064	8,264	8,469	8,683	8,887	9,074	9,252	3.2%	1.3%
Annual percent change		-27.1%	-39.3%	79.7%	14.1%	7.0%	4.9%	2.5%	2.5%	2.5%	2.3%	2.1%	2.0%		
Enplanement Shares															
American	15.1%	16.0%	16.1%	17.1%	15.2%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%
Delta	10.7%	10.5%	8.9%	10.1%	10.0%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%
Southwest	60.7%	60.5%	61.7%	57.7%	61.4%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%
United	6.6%	6.5%	5.9%	6.2%	5.5%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
Others	6.7%	6.4%	7.3%	8.7%	7.9%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
Subtotal - passenger carriers	99.7%	99.9%	99.9%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subtotal - charters	0.3%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

Table 27 | Forecast Seats and Aircraft Departures – Scenario 1 (Base) at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Seats (1,000s)															
American	1,447	1,318	774	1,398	1,303	1,290	1,346	1,375	1,404	1,434	1,464	1,489	1,514	1.9%	0.4%
Delta	1,078	887	574	871	895	929	969	989	1,010	1,032	1,054	1,072	1,090	2.5%	0.1%
Southwest	6,069	5,464	3,778	4,731	5,883	6,518	6,800	6,944	7,092	7,246	7,395	7,523	7,650	3.3%	1.9%
United	641	516	295	490	502	645	673	687	701	717	731	744	757	5.3%	1.4%
Others	674	544	427	821	757	705	735	751	767	784	800	813	827	1.1%	1.7%
Subtotal - passenger carriers	9,909	8,728	5,848	8,311	9,339	10,086	10,522	10,746	10,974	11,213	11,443	11,641	11,838	3.0%	1.5%
Aircraft Departures (Landings)															
American	13,134	10,850	6,858	11,803	10,480	10,154	10,555	10,740	10,928	11,124	11,310	11,468	11,623	1.3%	-1.0%
Delta	9,804	7,499	5,357	7,394	7,241	7,275	7,562	7,695	7,829	7,970	8,103	8,216	8,328	1.8%	-1.4%
Southwest	39,352	33,921	24,285	29,671	36,091	40,468	42,066	42,804	43,553	44,335	45,078	45,705	46,325	3.2%	1.4%
United	9,923	8,165	4,759	6,825	6,505	7,302	7,590	7,723	7,858	7,999	8,134	8,247	8,358	3.2%	-1.4%
Others	13,375	10,943	9,011	8,762	7,420	5,308	5,505	5,601	5,699	5,801	5,899	5,981	6,062	-2.5%	-6.4%
Subtotal - passenger carriers	85,588	71,378	50,270	64,455	67,737	70,506	73,277	74,563	75,866	77,229	78,524	79,616	80,696	2.2%	-0.5%
Subtotal - charters	355	182	109	220	422	438	460	471	483	495	507	517	527	2.8%	3.4%
Subtotal - cargo	1,514	1,957	2,389	2,574	1,941	1,533	1,737	1,635	1,686	1,661	1,673	1,667	1,670	-1.9%	0.8%
Total	87,457	73,517	52,768	67,249	70,100	72,477	75,474	76,669	78,035	79,385	80,704	81,800	82,893	2.1%	-0.4%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

¹ Actual departures correlate closely with actual landings, although usually with minor differences. For forecast purposes, departures are treated as equal to landings and are used to calculate landed weight.

² Total departures excludes general aviation activity.

Table 28 | Forecast Enplanements per Departure, Seats per Departure, and Boarding Load Factors - Scenario 1 (Base) at STL

Fiscal Year	Historical					Forecast							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enplanements per Departure													
American	91	85	82	91	104	104	105	105	106	107	108	108	109
Delta	86	81	58	86	99	99	100	101	102	102	103	104	104
Southwest	122	103	89	123	122	120	121	122	123	123	124	125	126
United	52	46	43	57	61	71	72	72	73	73	74	74	75
Others	40	34	29	63	77	103	105	105	106	107	108	108	109
Subtotal - passenger carriers	92	81	70	98	106	109	110	111	112	112	113	114	115
Seats per Departure													
American	110	121	113	118	124	127	128	128	128	129	129	130	130
Delta	110	118	107	118	124	128	128	129	129	130	130	130	131
Southwest	154	161	156	159	163	161	162	162	163	163	164	165	165
United	65	63	62	72	77	88	89	89	89	90	90	90	91
Others	50	50	47	94	102	133	134	134	135	135	136	136	136
Subtotal - passenger carriers	116	122	116	129	138	143	144	144	145	145	146	146	147
Boarding Load Factors													
American	83%	70%	73%	77%	84%	82%	82%	82%	83%	83%	83%	84%	84%
Delta	78%	69%	54%	73%	80%	78%	78%	78%	79%	79%	79%	79%	80%
Southwest	79%	64%	57%	77%	75%	74%	75%	75%	75%	76%	76%	76%	76%
United	81%	73%	70%	79%	78%	80%	81%	81%	82%	82%	82%	82%	83%
Others	79%	67%	60%	67%	75%	78%	78%	79%	79%	79%	79%	80%	80%
Subtotal - passenger carriers	80%	66%	60%	76%	77%	76%	77%	77%	77%	77%	78%	78%	78%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

Table 29 | Forecast Landed Weight and Average Weight per Landing - Scenario 1 (Base) at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Landed Weight (1,000,000 lbs.)															
American	1,376	1,207	731	1,306	1,223	1,218	1,271	1,298	1,325	1,354	1,382	1,406	1,429	2.0%	0.3%
Delta	1,022	828	557	825	853	875	913	933	953	973	993	1,010	1,028	2.4%	0.0%
Southwest	5,202	4,489	3,239	4,002	5,008	5,655	5,900	6,025	6,153	6,287	6,416	6,527	6,637	3.6%	2.1%
United	584	486	314	510	500	704	734	750	766	782	798	812	826	6.5%	2.9%
Others	559	443	357	639	616	598	623	637	650	664	678	690	701	1.6%	1.9%
Subtotal - passenger carriers	8,743	7,454	5,197	7,283	8,200	9,050	9,441	9,642	9,847	10,061	10,267	10,445	10,621	3.3%	1.6%
Subtotal - charters	51	25	23	36	59	49	51	53	54	56	57	59	60	0.3%	1.4%
Subtotal - cargo	370	454	540	584	463	364	412	388	400	394	397	396	397	-1.9%	0.6%
Total¹	9,164	7,933	5,760	7,903	8,721	9,462	9,905	10,083	10,301	10,511	10,722	10,900	11,078	3.0%	1.6%
Average Weight per Landing (1,000 lbs.)															
American	105	111	107	111	117	120	120	121	121	122	122	123	123	0.7%	1.3%
Delta	104	110	104	112	118	120	121	121	122	122	123	123	123	0.6%	1.4%
Southwest	132	132	133	135	139	140	140	141	141	142	142	143	143	0.4%	0.7%
United	59	60	66	75	77	96	97	97	97	98	98	98	99	3.2%	4.4%
Others	42	40	40	73	83	113	113	114	114	115	115	115	116	4.2%	8.8%
Subtotal - passenger carriers	102	104	103	113	121	128	129	129	130	130	131	131	132	1.1%	2.1%
Subtotal - charters	143	138	210	163	139	111	112	112	113	113	113	114	114	-2.4%	-1.9%
Subtotal - cargo	244	232	226	227	238	237	237	237	237	237	237	237	237	-0.1%	-0.2%
Total	105	108	109	118	124	131	131	132	132	132	133	133	134	0.9%	2.0%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

¹Total landed weight excludes general aviation activity.

Table 30 | Forecast Enplanements - Scenario 2 (High) at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Enplanements (1,000s)															
American	1,195	921	564	1,078	1,089	1,080	1,122	1,148	1,175	1,203	1,229	1,253	1,275	2.0%	0.5%
Delta	845	608	313	638	716	738	766	784	803	821	839	855	871	2.5%	0.2%
Southwest	4,801	3,489	2,161	3,636	4,410	4,967	5,201	5,369	5,540	5,719	5,892	6,056	6,217	4.4%	2.2%
United	520	378	206	387	394	531	551	564	577	591	604	615	626	6.0%	1.6%
Others	533	367	258	548	569	557	580	596	611	627	643	657	670	2.1%	1.9%
Subtotal - passenger carriers	7,894	5,762	3,502	6,288	7,179	7,873	8,220	8,462	8,706	8,961	9,207	9,437	9,659	3.8%	1.7%
Subtotal - charters	22	8	3	9	4	1	1	1	1	1	1	1	2	-11.4%	-19.9%
Total	7,915	5,771	3,505	6,297	7,183	7,874	8,221	8,463	8,707	8,963	9,208	9,438	9,661	3.8%	1.7%
Annual percent change		-27.1%	-39.3%	79.7%	14.1%	9.6%	4.4%	2.9%	2.9%	2.9%	2.7%	2.5%	2.4%		
Enplanement Shares															
American	15.1%	16.0%	16.1%	17.1%	15.2%	13.7%	13.6%	13.6%	13.5%	13.4%	13.3%	13.3%	13.2%		
Delta	10.7%	10.5%	8.9%	10.1%	10.0%	9.4%	9.3%	9.3%	9.2%	9.2%	9.1%	9.1%	9.0%		
Southwest	60.7%	60.5%	61.7%	57.7%	61.4%	63.1%	63.3%	63.4%	63.6%	63.8%	64.0%	64.2%	64.4%		
United	6.6%	6.5%	5.9%	6.2%	5.5%	6.7%	6.7%	6.7%	6.6%	6.6%	6.6%	6.5%	6.5%		
Others	6.7%	6.4%	7.3%	8.7%	7.9%	7.1%	7.1%	7.0%	7.0%	7.0%	7.0%	7.0%	6.9%		
Subtotal - passenger carriers	99.7%	99.9%	99.9%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Subtotal - charters	0.3%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

Table 31 | Forecast Seats and Aircraft Departures – Scenario 2 (High) at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Seats (1,000s)															
American	1,447	1,318	774	1,398	1,303	1,298	1,340	1,367	1,394	1,422	1,449	1,472	1,494	1.7%	0.3%
Delta	1,078	887	574	871	895	932	962	982	1,001	1,021	1,040	1,057	1,073	2.3%	0.0%
Southwest	6,069	5,464	3,778	4,731	5,883	6,555	6,824	7,020	7,218	7,425	7,629	7,813	7,998	3.9%	2.3%
United	641	516	295	490	502	647	668	682	695	709	722	733	744	5.0%	1.2%
Others	674	544	427	821	757	708	733	750	767	784	801	816	831	1.2%	1.8%
Subtotal - passenger carriers	9,909	8,728	5,848	8,311	9,339	10,141	10,527	10,800	11,075	11,362	11,642	11,890	12,139	3.3%	1.7%
Aircraft Departures (Landings)															
American	13,134	10,850	6,858	11,803	10,480	10,217	10,509	10,683	10,853	11,030	11,197	11,333	11,467	1.1%	-1.1%
Delta	9,804	7,499	5,357	7,394	7,241	7,304	7,513	7,636	7,758	7,884	8,003	8,100	8,195	1.6%	-1.5%
Southwest	39,352	33,921	24,285	29,671	36,091	40,701	42,214	43,269	44,327	45,429	46,502	47,465	48,431	3.7%	1.7%
United	9,923	8,165	4,759	6,825	6,505	7,332	7,541	7,665	7,787	7,913	8,032	8,128	8,223	3.0%	-1.6%
Others	13,375	10,943	9,011	8,762	7,420	5,334	5,493	5,605	5,715	5,831	5,941	6,037	6,132	-2.4%	-6.3%
Subtotal - passenger carriers	85,588	71,378	50,270	64,455	67,737	70,888	73,271	74,859	76,440	78,088	79,675	81,064	82,448	2.5%	-0.3%
Subtotal - charters	355	182	109	220	422	438	457	471	484	499	512	525	537	3.1%	3.5%
Subtotal - cargo	1,514	1,957	2,389	2,574	1,941	1,533	1,737	1,635	1,686	1,661	1,673	1,667	1,670	-1.9%	0.8%
Total	87,457	73,517	52,768	67,249	70,100	72,859	75,466	76,964	78,611	80,247	81,861	83,256	84,655	2.4%	-0.3%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

¹ Actual departures correlate closely with actual landings, although usually with minor differences. For forecast purposes, departures are treated as equal to landings and are used to calculate landed weight.

² Total departures excludes general aviation activity.

Table 32 | Forecast Enplanements per Departure, Seats per Departure, and Boarding Load Factors – Scenario 2 (High) at STL

Fiscal Year	Historical					Forecast							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enplanements per Departure													
American	91	85	82	91	104	106	107	108	108	109	110	111	111
Delta	86	81	58	86	99	101	102	103	103	104	105	106	106
Southwest	122	103	89	123	122	122	123	124	125	126	127	128	128
United	52	46	43	57	61	72	73	74	74	75	75	76	76
Others	40	34	29	63	77	104	106	106	107	108	108	109	109
Subtotal - passenger carriers	92	81	70	98	106	111	112	113	114	115	116	116	117
Seats per Departure													
American	110	121	113	118	124	127	128	128	128	129	129	130	130
Delta	110	118	107	118	124	128	128	129	129	130	130	130	131
Southwest	154	161	156	159	163	161	162	162	163	163	164	165	165
United	65	63	62	72	77	88	89	89	89	90	90	90	91
Others	50	50	47	94	102	133	133	134	134	135	135	135	136
Subtotal - passenger carriers	116	122	116	129	138	143	144	144	145	145	146	147	147
Boarding Load Factors													
American	83%	70%	73%	77%	84%	83%	84%	84%	84%	85%	85%	85%	85%
Delta	78%	69%	54%	73%	80%	79%	80%	80%	80%	80%	81%	81%	81%
Southwest	79%	64%	57%	77%	75%	76%	76%	76%	77%	77%	77%	78%	78%
United	81%	73%	70%	79%	78%	82%	82%	83%	83%	83%	84%	84%	84%
Others	79%	67%	60%	67%	75%	79%	79%	79%	80%	80%	80%	80%	81%
Subtotal - passenger carriers	80%	66%	60%	76%	77%	78%	78%	78%	79%	79%	79%	79%	80%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

Table 33 | Forecast Landed Weight and Average Weight per Landing – Scenario 2 (High) at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Landed Weight (1,000,000 lbs.)															
American	1,376	1,207	731	1,306	1,223	1,225	1,265	1,291	1,316	1,343	1,368	1,389	1,410	1.8%	0.2%
Delta	1,022	828	557	825	853	879	907	926	944	963	981	996	1,011	2.1%	-0.1%
Southwest	5,202	4,489	3,239	4,002	5,008	5,688	5,920	6,091	6,262	6,442	6,619	6,778	6,939	4.2%	2.4%
United	584	486	314	510	500	707	729	744	759	774	788	801	813	6.3%	2.8%
Others	559	443	357	639	616	600	621	636	650	665	680	693	705	1.7%	2.0%
Subtotal - passenger carriers	8,743	7,454	5,197	7,283	8,200	9,099	9,444	9,687	9,932	10,187	10,436	10,657	10,878	3.6%	1.8%
Subtotal - charters	51	25	23	36	59	49	51	53	55	56	58	60	62	0.6%	1.6%
Subtotal - cargo	370	454	540	584	463	364	412	388	400	394	397	396	397	-1.9%	0.6%
Total¹	9,164	7,933	5,760	7,903	8,721	9,512	9,907	10,128	10,387	10,637	10,891	11,113	11,336	3.3%	1.8%
Average Weight per Landing (1,000 lbs.)															
American	105	111	107	111	117	120	120	121	121	122	122	123	123	0.7%	1.3%
Delta	104	110	104	112	118	120	121	121	122	122	123	123	123	0.6%	1.4%
Southwest	132	132	133	135	139	140	140	141	141	142	142	143	143	0.4%	0.7%
United	59	60	66	75	77	96	97	97	97	98	98	98	99	3.2%	4.4%
Others	42	40	40	73	83	113	113	113	114	114	114	115	115	4.2%	8.8%
Subtotal - passenger carriers	102	104	103	113	121	128	129	129	130	130	131	131	132	1.1%	2.2%
Subtotal - charters	143	138	210	163	139	111	112	112	113	113	114	114	115	-2.4%	-1.8%
Subtotal - cargo	244	232	226	227	238	237	237	237	237	237	237	237	237	-0.1%	-0.2%
Total	105	108	109	118	124	131	131	132	132	133	133	133	134	0.9%	2.1%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

¹Total landed weight excludes general aviation activity.

Table 34 | Forecast Enplanements - Scenario 3 (Low) at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Enplanements (1,000s)															
American	1,195	921	564	1,078	1,089	1,033	1,069	1,095	1,122	1,150	1,177	1,201	1,224	1.5%	0.2%
Delta	845	608	313	638	716	708	733	751	770	789	807	824	840	2.0%	-0.1%
Southwest	4,801	3,489	2,161	3,636	4,410	4,749	4,897	4,994	5,096	5,202	5,301	5,388	5,470	2.7%	1.1%
United	520	378	206	387	394	509	527	540	554	567	581	593	604	5.5%	1.3%
Others	533	367	258	548	569	540	558	571	584	598	611	623	634	1.3%	1.5%
Subtotal - passenger carriers	7,894	5,762	3,502	6,288	7,179	7,539	7,785	7,951	8,125	8,306	8,476	8,628	8,772	2.5%	0.9%
Subtotal - charters	22	8	3	9	4	1	1	1	1	1	1	1	1	-12.0%	-20.3%
Total	7,915	5,771	3,505	6,297	7,183	7,540	7,786	7,953	8,126	8,307	8,477	8,630	8,773	2.5%	0.9%
Annual percent change		-27.1%	-39.3%	79.7%	14.1%	5.0%	3.3%	2.1%	2.2%	2.2%	2.0%	1.8%	1.7%		
Enplanement Shares															
American	15.1%	16.0%	16.1%	17.1%	15.2%	13.7%	13.7%	13.8%	13.8%	13.8%	13.9%	13.9%	14.0%		
Delta	10.7%	10.5%	8.9%	10.1%	10.0%	9.4%	9.4%	9.4%	9.5%	9.5%	9.5%	9.5%	9.6%		
Southwest	60.7%	60.5%	61.7%	57.7%	61.4%	63.0%	62.9%	62.8%	62.7%	62.6%	62.5%	62.4%	62.3%		
United	6.6%	6.5%	5.9%	6.2%	5.5%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.9%	6.9%		
Others	6.7%	6.4%	7.3%	8.7%	7.9%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%		
Subtotal - passenger carriers	99.7%	99.9%	99.9%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Subtotal - charters	0.3%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

Table 35 | Forecast Seats and Aircraft Departures – Scenario 3 (Low) at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Seats (1,000s)															
American	1,447	1,318	774	1,398	1,303	1,277	1,315	1,342	1,370	1,399	1,428	1,452	1,476	1.6%	0.2%
Delta	1,078	887	574	871	895	920	947	967	987	1,008	1,028	1,046	1,063	2.2%	-0.1%
Southwest	6,069	5,464	3,778	4,731	5,883	6,457	6,619	6,727	6,840	6,958	7,070	7,161	7,250	2.6%	1.5%
United	641	516	295	490	502	639	657	671	685	700	714	726	738	4.9%	1.2%
Others	674	544	427	821	757	698	718	732	746	761	775	787	799	0.7%	1.4%
Subtotal - passenger carriers	9,909	8,728	5,848	8,311	9,339	9,991	10,256	10,438	10,628	10,826	11,015	11,172	11,326	2.4%	1.1%
Aircraft Departures (Landings)															
American	13,134	10,850	6,858	11,803	10,480	10,052	10,310	10,484	10,664	10,853	11,032	11,182	11,330	1.0%	-1.2%
Delta	9,804	7,499	5,357	7,394	7,241	7,207	7,392	7,516	7,646	7,781	7,909	8,017	8,123	1.4%	-1.6%
Southwest	39,352	33,921	24,285	29,671	36,091	40,094	40,950	41,469	42,009	42,577	43,101	43,508	43,904	2.5%	0.9%
United	9,923	8,165	4,759	6,825	6,505	7,229	7,414	7,540	7,670	7,806	7,935	8,043	8,150	2.9%	-1.6%
Others	13,375	10,943	9,011	8,762	7,420	5,260	5,371	5,452	5,535	5,623	5,705	5,772	5,838	-3.0%	-6.7%
Subtotal - passenger carriers	85,588	71,378	50,270	64,455	67,737	69,843	71,437	72,460	73,524	74,639	75,682	76,522	77,346	1.7%	-0.8%
Subtotal - charters	355	182	109	220	422	438	452	462	472	483	492	501	510	2.4%	3.1%
Subtotal - cargo	1,514	1,957	2,389	2,574	1,941	1,533	1,737	1,635	1,686	1,661	1,673	1,667	1,670	-1.9%	0.8%
Total	87,457	73,517	52,768	67,249	70,100	71,814	73,626	74,557	75,682	76,782	77,848	78,691	79,525	1.6%	-0.8%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

¹ Actual departures correlate closely with actual landings, although usually with minor differences. For forecast purposes, departures are treated as equal to landings and are used to calculate landed weight.

² Total departures excludes general aviation activity.

Table 36 | Forecast Enplanements per Departure, Seats per Departure, and Boarding Load Factors - Scenario 3 (Low) at STL

Fiscal Year	Historical					Forecast							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enplanements per Departure													
American	91	85	82	91	104	103	104	104	105	106	107	107	108
Delta	86	81	58	86	99	98	99	100	101	101	102	103	103
Southwest	122	103	89	123	122	118	120	120	121	122	123	124	125
United	52	46	43	57	61	70	71	72	72	73	73	74	74
Others	40	34	29	63	77	103	104	105	105	106	107	108	109
Subtotal - passenger carriers	92	81	70	98	106	108	109	110	111	111	112	113	113
Seats per Departure													
American	110	121	113	118	124	127	128	128	128	129	129	130	130
Delta	110	118	107	118	124	128	128	129	129	130	130	130	131
Southwest	154	161	156	159	163	161	162	162	163	163	164	165	165
United	65	63	62	72	77	88	89	89	89	90	90	90	91
Others	50	50	47	94	102	133	134	134	135	135	136	136	137
Subtotal - passenger carriers	116	122	116	129	138	143	144	144	145	145	146	146	146
Boarding Load Factors													
American	83%	70%	73%	77%	84%	81%	81%	82%	82%	82%	82%	83%	83%
Delta	78%	69%	54%	73%	80%	77%	77%	78%	78%	78%	78%	79%	79%
Southwest	79%	64%	57%	77%	75%	74%	74%	74%	75%	75%	75%	75%	75%
United	81%	73%	70%	79%	78%	80%	80%	81%	81%	81%	81%	82%	82%
Others	79%	67%	60%	67%	75%	77%	78%	78%	78%	79%	79%	79%	79%
Subtotal - passenger carriers	80%	66%	60%	76%	77%	75%	76%	76%	76%	77%	77%	77%	77%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

Table 37 | Forecast Landed Weight and Average Weight per Landing - Scenario 3 (Low) at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Landed Weight (1,000,000 lbs.)															
American	1,376	1,207	731	1,306	1,223	1,198	1,233	1,259	1,285	1,313	1,339	1,362	1,385	1.6%	0.1%
Delta	1,022	828	557	825	853	868	894	912	931	951	971	987	1,003	2.0%	-0.2%
Southwest	5,202	4,489	3,239	4,002	5,008	5,589	5,730	5,823	5,921	6,023	6,120	6,198	6,275	2.9%	1.6%
United	584	486	314	510	500	700	721	736	751	768	783	796	810	6.2%	2.8%
Others	559	443	357	639	616	628	644	656	669	682	695	706	716	1.9%	2.1%
Subtotal - passenger carriers	8,743	7,454	5,197	7,283	8,200	8,985	9,222	9,386	9,558	9,737	9,908	10,050	10,189	2.8%	1.3%
Subtotal - charters	51	25	23	36	59	25	26	26	27	28	28	29	30	-8.2%	-4.4%
Subtotal - cargo	370	454	540	584	463	371	421	396	408	402	405	404	404	-1.7%	0.8%
Total¹	9,164	7,933	5,760	7,903	8,721	9,381	9,668	9,809	9,993	10,167	10,342	10,482	10,623	2.5%	1.2%
Average Weight per Landing (1,000 lbs.)															
American	105	111	107	111	117	119	120	120	121	121	121	122	122	0.6%	1.3%
Delta	104	110	104	112	118	120	121	121	122	122	123	123	124	0.6%	1.4%
Southwest	132	132	133	135	139	139	140	140	141	141	142	142	143	0.4%	0.7%
United	59	60	66	75	77	97	97	98	98	98	99	99	99	3.3%	4.5%
Others	42	40	40	73	83	119	120	120	121	121	122	122	123	5.0%	9.4%
Subtotal - passenger carriers	102	104	103	113	121	129	129	130	130	130	131	131	132	1.1%	2.1%
Subtotal - charters	143	138	210	163	139	57	57	57	57	57	58	58	58	-10.4%	-7.3%
Subtotal - cargo	244	232	226	227	238	242	242	242	242	242	242	242	242	0.2%	-0.1%
Total	105	108	109	118	124	131	131	132	132	132	133	133	134	0.9%	2.0%

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

¹Total landed weight excludes general aviation activity.

Table 38 | Forecast Enplanement Composition by O&D and Connecting Air Passenger Traffic at STL

Fiscal Year	Historical					Forecast								CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2023-2031	2019-2031
Scenario 1 - Base															
Total enplanement (1,000s)	7,915	5,771	3,505	6,297	7,183	7,684	8,064	8,264	8,469	8,683	8,887	9,074	9,252		
O&D enplanement (1,000s)	6,080	4,463	2,808	5,092	5,686	6,078	6,372	6,524	6,680	6,842	6,996	7,136	7,270	3.1%	1.5%
O&D enplanement share	76.8%	77.3%	80.1%	80.9%	79.2%	79.1%	79.0%	78.9%	78.9%	78.8%	78.7%	78.6%	78.6%		
Annual percent change		-26.6%	-37.1%	81.4%	11.7%	6.9%	4.8%	2.4%	2.4%	2.4%	2.2%	2.0%	1.9%		
Connecting enplanement (1,000s)	1,836	1,307	697	1,205	1,496	1,606	1,692	1,740	1,789	1,841	1,891	1,937	1,982	3.6%	0.6%
Connecting enplanement share	23.2%	22.7%	19.9%	19.1%	20.8%	20.9%	21.0%	21.1%	21.1%	21.2%	21.3%	21.4%	21.4%		
Annual percent change		-28.8%	-46.7%	72.7%	24.2%	7.4%	5.3%	2.8%	2.8%	2.9%	2.7%	2.5%	2.3%		
Scenario 2 - High															
Total enplanement (1,000s)	7,915	5,771	3,505	6,297	7,183	7,874	8,221	8,463	8,707	8,963	9,208	9,438	9,661		
O&D enplanement (1,000s)	6,080	4,463	2,808	5,092	5,686	6,219	6,478	6,653	6,829	7,012	7,188	7,349	7,505	3.5%	1.8%
O&D enplanement share	76.8%	77.3%	80.1%	80.9%	79.2%	79.0%	78.8%	78.6%	78.4%	78.2%	78.1%	77.9%	77.7%		
Annual percent change		-26.6%	-37.1%	81.4%	11.7%	9.4%	4.2%	2.7%	2.6%	2.7%	2.5%	2.2%	2.1%		
Connecting enplanement (1,000s)	1,836	1,307	697	1,205	1,496	1,655	1,743	1,810	1,878	1,950	2,021	2,089	2,156	4.7%	1.3%
Connecting enplanement share	23.2%	22.7%	19.9%	19.1%	20.8%	21.0%	21.2%	21.4%	21.6%	21.8%	21.9%	22.1%	22.3%		
Annual percent change		-28.8%	-46.7%	72.7%	24.2%	10.6%	5.3%	3.8%	3.8%	3.8%	3.6%	3.4%	3.2%		
Scenario 3 - Low															
Total enplanement (1,000s)	7,915	5,771	3,505	6,297	7,183	7,540	7,786	7,953	8,126	8,307	8,477	8,630	8,773		
O&D enplanement (1,000s)	6,080	4,463	2,808	5,092	5,686	5,976	6,178	6,318	6,463	6,615	6,758	6,888	7,010	2.7%	1.2%
O&D enplanement share	76.8%	77.3%	80.1%	80.9%	79.2%	79.3%	79.4%	79.4%	79.5%	79.6%	79.7%	79.8%	79.9%		
Annual percent change		-26.6%	-37.1%	81.4%	11.7%	5.1%	3.4%	2.3%	2.3%	2.3%	2.2%	1.9%	1.8%		
Connecting enplanement (1,000s)	1,836	1,307	697	1,205	1,496	1,564	1,608	1,635	1,663	1,692	1,719	1,742	1,763	2.1%	-0.3%
Connecting enplanement share	23.2%	22.7%	19.9%	19.1%	20.8%	20.7%	20.6%	20.6%	20.5%	20.4%	20.3%	20.2%	20.1%		
Annual percent change		-28.8%	-46.7%	72.7%	24.2%	4.5%	2.8%	1.7%	1.7%	1.8%	1.6%	1.3%	1.2%		

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

3.10 | Forecast Risk and Uncertainty

The forecasts use available information during the study, measurable factors that drive air traffic, and assumptions about their future trends. Actual results could differ materially from the forecasts if any assumptions do not hold, or unexpected events cause traffic to decrease or increase significantly. The Airport operates in a dynamic business environment where various factors are at play. Many of these factors, often intertwined, are subject to volatility and uncertainty, introducing risk—both downside and upside—to forecast activity levels.

3.10.1 | Disease Outbreaks

Passenger air travel demand is sensitive to disease outbreaks. Disease outbreaks pose an unpredictable risk in various ways, as they affect customer confidence, public health and safety, international travel policies, the well-being of airport and airline employees, and staff availability.

In 2020, COVID-19 became a significant threat to the entire aviation industry. Widespread vaccination helped contain the spread of the disease, restoring people's confidence in the public health and safety of air travel, and increasing people's comfort level with crowded spaces. It aided the recovery of air travel and the overall U.S. economy. Current infection levels sit among the lowest numbers throughout the pandemic history. The WHO ended COVID-19's global emergency status as of May 5, 2023, and soon after, on May 11, 2023, the United States also ended its federal COVID-19 public health emergency. That said, continued awareness of COVID-19 and proper health safety practices remain essential to minimize serious illness, hospitalizations, and fatalities while maintaining public confidence.

3.10.2 | Economic Conditions

The aviation industry is pro-cyclical: traffic grows during economic expansion as consumer and business incomes rise, increasing overall demand, including for air travel. Conversely, traffic declines during an economic recession as consumer and business incomes fall, causing demand to fall.

Various factors can cause an economic recession. In 2020, the pandemic and the extreme mitigation measures triggered a global economic downturn. The U.S. economy recovered to its pre-pandemic output level in the second quarter of 2021 and has continued to grow, though at a slower pace. While the pandemic has eased, the U.S. economy faces risks from other factors including geopolitical tensions, a slowing global economy, financial market volatility, and the high level of U.S. government and private debt.

The growth of the U.S. economy faces several headwinds from unfavorable, long-term demographic shifts, including population aging and declining population growth. An aging population will raise government expenditures on social programs and exert upward budgetary pressure on the U.S. government. This pressure will add to high U.S. government debt levels, which increased during the pandemic with federal programs aimed at alleviating the impacts of the pandemic on individuals and businesses. In addition, a dwindling population base could gradually reduce the overall demand for consumer goods, including the demand for air travel.

3.10.3 | U.S. Airline Industry Volatility

The U.S. airline industry is highly volatile. It is vulnerable to many exogenous factors, such as economic downturns, sharp increases in oil prices, adverse weather, disease outbreaks, travel restrictions, terrorism threats, geopolitical tensions, and aircraft grounding (for example, the recent grounding of the B737-9 MAX aircraft). The volatility directly affects airline revenues and net profit.

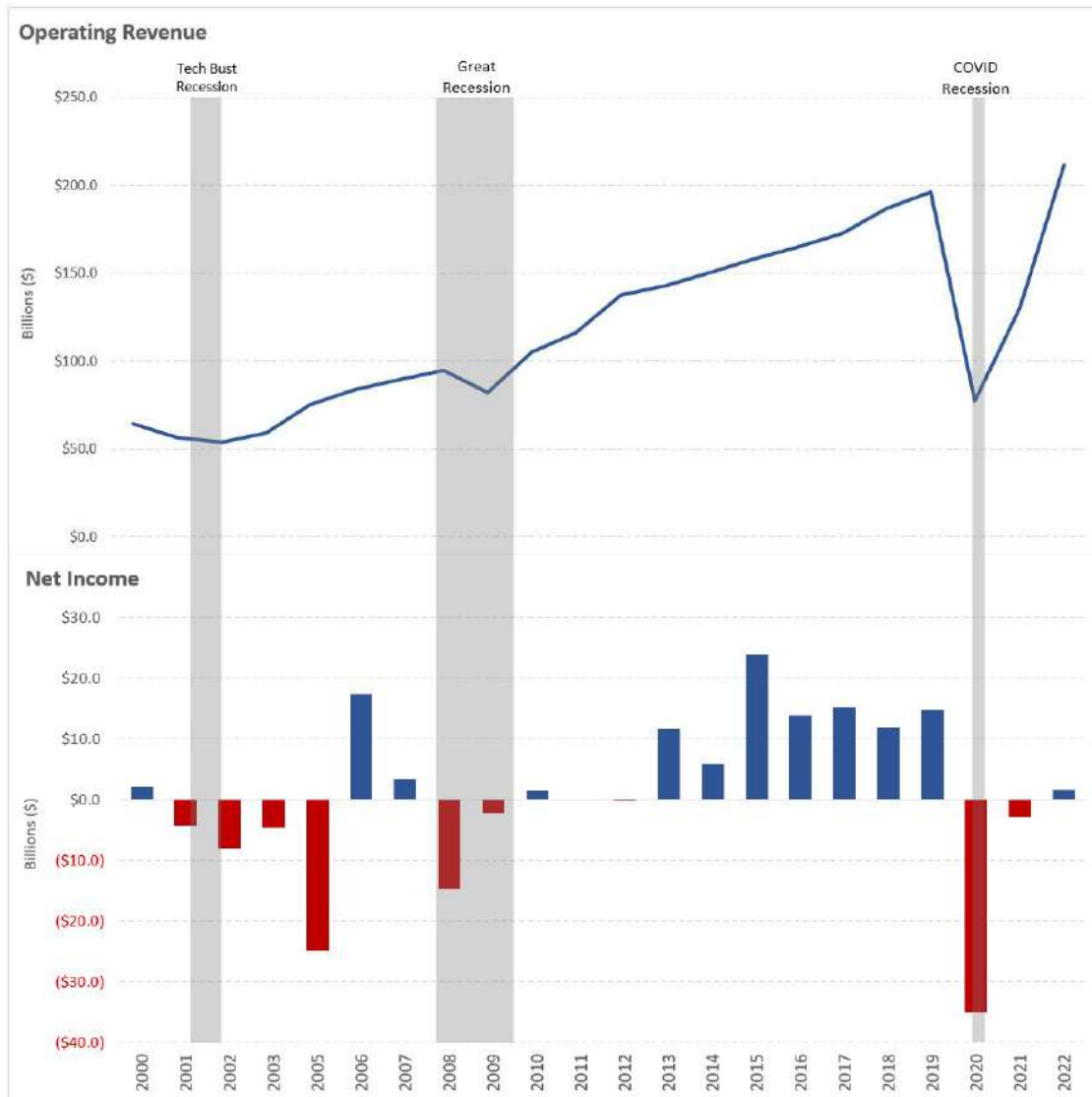
U.S. scheduled passenger airline operating revenue has consistently increased except for decreases during the 2001, 2008-2009, and COVID-19 recessions (Figure 55). In 2000, operating revenue was \$64 billion, which rose to an all-time high of \$211 billion in 2022 (5.6 percent CAGR). However, airline net income was negative during the same period in 10 of 22 years.

Between 2000 and 2012, cumulative airline net income was -\$40 billion. In the second half of the 2010s, lower fuel prices, economic expansion, and high passenger demand led to seven profitable years, from 2013 to 2019. The industry accumulated over \$ 97 billion in net income during this time. Business improvements, including cost-cutting and productivity-enhancement measures, supported airline profits. The markedly improved financial performance enabled U.S. airlines to renew their fleets, increase scheduled flights and seats, and reduce capacity constraints.

In 2020, the U.S. scheduled passenger airline industry outlook took a dramatic downturn when the spread of COVID-19 sharply reduced air travel. U.S. scheduled passenger airlines incurred a net loss of more than \$35 billion in 2020 alone, the largest annual loss on record since 1977. In 2021, the net loss reduced to \$2.8 billion as air travel resumed. To alleviate the negative financial impact of the COVID-19 pandemic on U.S. airlines, the U.S. federal government provided financial relief to the U.S. airlines in three federal aid packages: the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA); and the American Rescue Plan Act of 2021 (ARPA).

In 2022, U.S. passenger airline net profits returned to positive territory as the sector earned \$1.6 billion in net income. After realizing a net loss of more than \$1.2 billion in the first quarter of 2023, U.S. passenger airlines earned a net profit of about \$5.5 billion in the second quarter.

Figure 55 | U.S. Scheduled Passenger Airlines’ Annual Operating Revenue and Net Profit, 2000-2022



Source: U.S. Bureau of Transportation Statistics and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

3.10.4 | Volatility Of Oil Prices and Implications for Aviation Fuel Cost

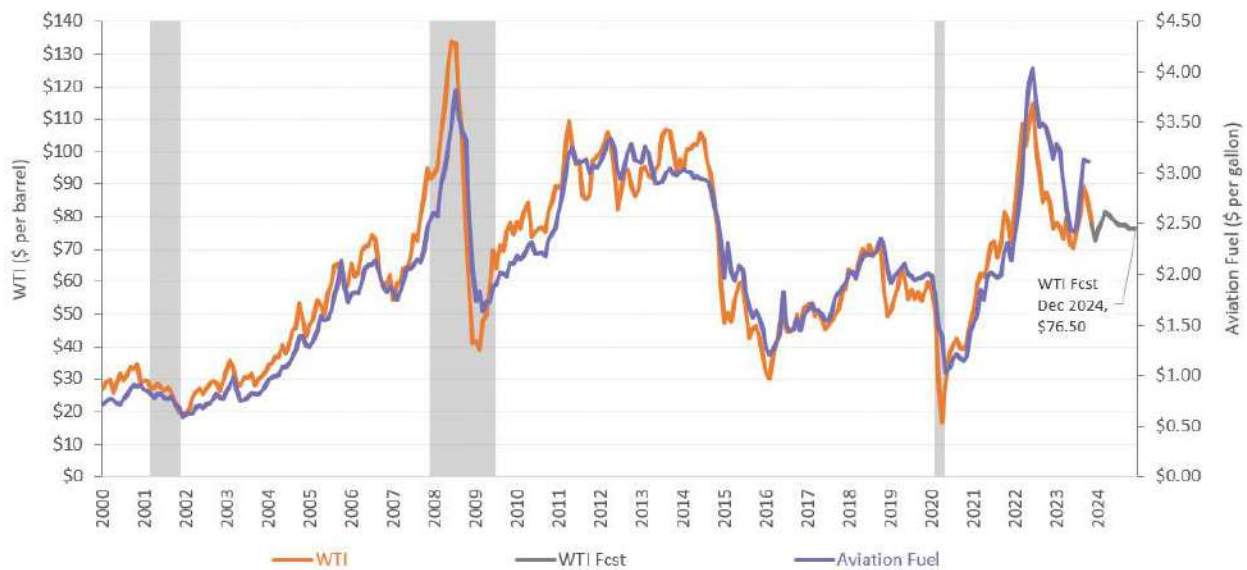
Volatility in oil prices have direct implications for aviation fuel cost, a significant component of airlines’ operating costs.⁷¹ In the 2000s, rising oil prices increased fuel costs, straining airlines’ finances and contributing to the extensive net losses incurred by the industry (see Figure 55 and

⁷¹ The correlation coefficient between the monthly average prices of West Texas Intermediate (crude oil) and aviation fuel is approximately 0.994.

56). In 2014, oil and aviation fuel prices fell dramatically, supporting sustained airline profits through 2019.

In 2020, the global economic recession and an oil supply glut led to a temporary drop in oil and fuel prices. Airlines enjoyed low aviation fuel prices, which provided some cost relief during the pandemic. In 2021, global economic recovery, exacerbated by the Russia-Ukraine conflict, began to push oil prices higher. Between January 2021 and June 2022, West Texas Intermediate (WTI) crude rose from \$52 to \$114 per barrel (121 percent), and the price of aviation fuel increased from \$1.51 to \$4.04 per gallon (168 percent). As of fall 2023, prices have dropped from those highs – WTI to \$77.69 (November) aviation fuel to \$3.12 (October) as markets have stabilized. The U.S. Energy Information Administration forecasts that the price of WTI will remain essentially flat over the next year, trading at \$76.50 in December 2024. Prospectively, oil prices will continue to be affected by geopolitical factors, including uncertainty in the pricing of oil in the Middle East, and unpredictability of actions taken by the Organization of the Petroleum Exporting Countries (OPEC).

Figure 56 | West Texas Intermediate (WTI) and Aviation Fuel Prices, Monthly, January 2000–November 2023 (WTI Forecast to December 2024)



Sources: U.S. Energy Administration (WTI and WTI forecast), U.S. Bureau of Transportation Statistics (aviation fuel), and Unison Consulting, Inc.

Gray areas indicate economic recession periods.

3.10.5 | Airline Market Concentration, Competition, and Airfares

Airline market concentration raises concerns about whether it could lead to the abuse of market power or increased prices. The STL airline base has become markedly less concentrated after dehubbing. Southwest Airlines, however, has grown at STL to become the largest airline, accounting for 61.4 percent in FY2023—very close to the airline’s 2019 pre-pandemic level.

Increases in airfares tend to reduce passenger demand, particularly for relatively short trips that can be reached by ground travel and for discretionary personal travel. Airfares are influenced by airline operating costs, debt burden, passenger demand, capacity and yield management, market presence, and competition.

The aviation activity forecasts for the Airport assume that, over the long term, annual increases in airfares will not exceed annual inflation. Otherwise, the increases in airfares would dampen forecast traffic growth.

3.10.6 | Airline Mergers

Over the long run, the airline industry has been consolidating in response to competition, cost, and regulatory pressure. Airline mergers affect service and traffic at airports when they consolidate facilities, optimize route networks, and route connecting traffic through other hubs. The impact on affected airports usually happens within a few years—sometimes immediately—following a merger. It can be significant or trivial, depending on whether the merging airlines have a significant market share at an airport and whether they carry substantial connecting traffic.

Recent activity regarding airline mergers involves JetBlue’s attempted takeover of Spirit and Alaska Airline’s acquisition of Hawaiian Airlines. JetBlue and Spirit’s merger was blocked by the United State Department of Justice (DOJ) in January of 2024, and JetBlue officially announced the termination of the merger agreement on March 4, 2024. Contrasting this, Alaska and Hawaiian’s merger, announced in December 2023, signed an agreement with the DOJ on March 27, 2024, to gain approval for their merger, provided they do not proceed with the merger until 90 days after approval.⁷²

Part of the reasoning for the differing results of each merger was JetBlue and Spirit’s different business models. JetBlue is a low-cost carrier, whereas Spirit is an ultra-low-cost carrier, so the acquisition would have resulted in fewer choices and higher fares for travelers due to JetBlue eliminating a lower cost competitor.

3.10.7 | Structural Changes in Demand and Supply

Historically, major crises have prompted lasting structural changes on the aviation industry’s demand and supply sides. For example, the 2001 terrorist attacks prompted more stringent airport security measures requiring passengers to arrive much earlier for departing flights, reducing the time advantage of air travel over ground transportation for short-haul flights. Likewise, the COVID-19 pandemic spurred changes in passenger travel and airline service, which could become permanent.

On the demand side, the pandemic has prompted changes in consumer behavior, social interactions, and ways of conducting business that would permanently alter travel propensities and preferences.

⁷² Rytis Beresnevicius, “Hawaiian & Alaska Airlines Agree With DOJ on Timing of Merger,” *Simple Flying*, March 28, 2024, <https://simpleflying.com/hawaiian-alaska-airlines-agree-with-doj-on-timing-of-merger/#:~:text=Timing%20the%20Alaska%2DHawaiian%20merger&text=The%20agreement%20was%20signed%20on,gain%20approval%20for%20the%20merger>.

Public health and safety concerns may influence customers to consider ground transportation for longer distances previously traveled by air. For vacation travel, consumers adapted to the COVID-19 environment by favoring less crowded and outdoor-oriented destinations. The accelerated adoption of technology for virtual meetings and conferences could result in a permanent downshift in business travel demand.

On the supply side, U.S. airlines have taken steps to become smaller—accelerating the retirement of old aircraft, deferring new aircraft orders, and cutting workforces during the worst period of the pandemic. However, the streamlined fleet and workforce have constrained U.S. airlines in restoring adequate capacity to accommodate the strong rebound in air travel demand. Moreover, U.S. airlines could take years to resolve these capacity constraints amid supply chain problems in aircraft manufacturing, a pilot shortage, and tight labor supply.

One favorable trend is the accelerated adoption of no-touch technologies by airlines, airports, and the TSA. These new technologies help allay public health and safety concerns and speed up passenger processing. By saving passengers time and reducing uncertainty, these technologies could help restore the competitiveness of air travel against ground transportation and stimulate traffic recovery and growth.

3.10.8 | Labor Supply Constraints

The COVID-19 pandemic and resulting recession led to employee layoffs across many airlines, and companies went into 2021 with a significantly smaller workforce than they had before the pandemic. In addition, the demand for leisure travel accelerated through 2021, requiring airlines to adjust their workforce to meet demand. However, inadequate staffing has remained an issue throughout and after the COVID-19 pandemic, limiting airline capacity and potentially slowing air traffic growth. Beyond airlines, aircraft manufacturing companies such as Airbus and Boeing also face labor shortage challenges for pilots, cabin crew, and engineers. Amid a tight labor market, competition between companies to attract and retain skilled personnel has intensified and threatens to impact industry growth.

A long-running constraint that airlines face is the declining pilot population. Several factors contribute to the pilot shortage. First, approximately 5,000 experienced pilots accepted early retirement in response to airlines' efforts to cut staff during the pandemic. Second, many pilots historically gained their training via military service. However, the use of drones and reductions in military staff has limited that pathway. Third, the aviation industry is heavily gender-biased (women comprise only about 5 percent of the global pilot workforce). This failure to diversify severely reduces the size of the pilot labor force. Fourth, the working conditions and initial pay for new pilots are discouraging. The substantial investments in time, money, and experience required to become a pilot can be a disincentive to joining the industry.

In addition to pilots, the demand for aircraft engineers is also growing at a pace that employers are struggling to keep up with. Similar to pilots mentioned earlier, the COVID-19 pandemic caused many engineers to retire or find work in other sectors. About a third of aircraft engineers are also approaching retirement with not nearly enough new workers to adequately replace them, an issue

that was also exacerbated by the pandemic causing a 2 to 3-year pause in the training of new aircraft engineers.⁷³

3.10.9 | Geopolitical Conflicts and the Threat of Terrorism

Geopolitical conflicts and acts of terrorism disrupt air transportation. The terrorist attacks of September 11, 2001, serve as a constant reminder of the severe threat to the aviation industry. Travel threats and warnings elevate airport security measures, resulting in more meticulous passenger screening, longer waits at security screening lines, and increased passenger anxiety—all discouraging air travel.

The Russian invasion of Ukraine is one of the recent examples of a geopolitical conflict affecting air transportation, having officially begun on February 24, 2022. As a result of the invasion, the United States, Canada, and the European Union have closed their airspace to Russian aircraft. In retaliation, Russia has limited its airspace to the airlines of many countries. These constraints have significantly impacted flight routes and flight times for global travel.

On October 7, 2023, Hamas-led Palestinian militant groups launched armed incursions breaching the Gaza-Israel barrier and attacking neighboring Israeli communities and military bases, thus sparking the current Israel-Hamas war.⁷⁴ The most immediate consequence of the war for commercial aviation was three major airlines—American, Delta, and United—all canceling their scheduled flights and suspending service to Tel Aviv.⁷⁵ Additionally, overall air travel demand dropped for destinations in the vicinity of the warzone, negatively impacting nearby countries such as Egypt, Morocco, Tunisia, and Saudi Arabia.

Both the ongoing Russian invasion of Ukraine and the Israel-Hamas war have forced airlines to reroute and avoid warzone airspaces, causing an increase in costs and flight times to many European and Middle Eastern destinations that would have otherwise safely passed over those regions.

⁷³ Sam Sprules, “Opinion: Industry Collaboration Needed To Solve MRO’s Workforce Crisis,” *Aviation Week Network*, September 13, 2023, <https://aviationweek.com/mro/workforce-training/opinion-industry-collaboration-needed-solve-mros-workforce-crisis>.

⁷⁴ Josef Federman and Issam Adwan, “Hamas surprise attack out of Gaza stuns Israel and leaves hundreds dead in fighting, retaliation,” *AP News*, October 7, 2023, <https://apnews.com/article/israel-palestinians-gaza-hamas-rockets-airstrikes-tel-aviv-11fb98655c256d54ecb5329284fc37d2>.

⁷⁵ Shannon Thaler, “Airline stocks slump as carriers in US and abroad cancel flights to Tel Aviv,” *New York Post*, October 9, 2023, <https://nypost.com/2023/10/09/major-airlines-suspend-flights-as-war-escalates-in-israel/>.

SECTION 4 | AIRPORT USE AND LEASE AGREEMENT

The current AULA was extended two years and is scheduled to expire June 30, 2025. However, the Signatory Airlines and Airport management are in discussions pertaining to extending the AULA (Third Amendment) through June 30, 2027. The current AULA was executed by twelve Signatory Airlines, which comprise approximately 99.4 percent of total enplanements projected for FY2024. The current AULA preserves the underlying rate methodology (Hybrid Compensatory) and other rate-making procedures such as the Additional Airline Requirement (as described below), which results in a residual aspect to the AULA. The AULA sets forth the procedures for calculating landing fees and terminal building space rentals, as well as certain other fees and charges as further discussed below.

4.1 | Terminal Rental Rate

Under Section 605 of the AULA, the terminal rate is calculated based on the sum of the total costs attributable to each Terminal Building, which are comprised of the items listed below in order to establish the Initial Terminal Requirement:

- Direct and indirect Operating and Maintenance Expenses allocable to each of the Terminal Cost Centers.
- 50 percent of the Terminal Roadways Cost Center costs allocated to each Terminal Cost Center based on the percentage that results from dividing the Useable Space in each of the respective Terminal Buildings by the aggregate Useable Space in both Terminal Buildings.
- Amortization of Capital Improvements made in, or allocable to, each Terminal Cost Center and put into service before July 1, 2011.
- Annual Debt Service associated with Capital Improvements made in, or allocable to, each of the Terminal Cost Centers, and put into service on or after July 1, 2016, in accordance with Section 702 of the AULA.
- Annual Debt Service associated with Capital Improvements made in, or allocable to, each of the Terminal Cost Centers, put into service on or after July 1, 2011, and approved by a Majority-In-Interest in accordance with Subsection 703(B) of the AULA.
- Annual Depreciation Charges or annual Debt Service, as the case may be, related to Capital Improvements undertaken pursuant to Subsection 705(A)(i)-(vii) of the AULA, and made in, or allocated to, each of the Terminal Cost Centers, if any.
- Any replenishment of the Debt Service Reserve Account required by the Indenture and allocated between each of the Terminal Cost Centers based on the Allocation of Amortization and Debt Service.
- Any replenishment of the Renewal and Replacement Fund required by the Indenture as a result of an expenditure made in, or allocable to, each of the Terminal Cost Centers.

- The share of the Debt Service Stabilization Fund Contribution allocated to each Terminal Cost Center.

The net costs attributable to each Terminal cost center shall then be calculated by subtracting the following amounts from the total cost attributable to each:

- The amount of aggregate rent payable for Apron-Level Unenclosed Space in accordance with Subsection 502(D) of the AULA by all Signatory Airlines at each Terminal Building.
- Non-signatory Terminal Rents from each Terminal Building.
- Rate Mitigation Program credits available for that fiscal year, as allocated to each Terminal Cost Center.

The Initial Terminal Rental Rate applicable to each of the Terminal Buildings will then be calculated by dividing the net costs attributable to each Cost Center by the Usable Space in each of the respective Terminal Buildings. The corresponding Initial Terminal Requirement will be calculated by multiplying the Initial Terminal Rental Rate for each Terminal Building by each building's respective Rented Space.

The Additional Terminal Rental Rate applicable to each of the Terminal Buildings will be calculated by dividing the Additional Airline Requirement allocated to each Terminal Cost Center by the Rented Space in each of the respective Terminal Buildings. The Total Terminal Rental Rate applicable to each of the Terminal Buildings will be the sum of the Initial Terminal Rental Rate and the Additional Terminal Rental Rate for each. The Additional Airline Requirement is discussed in more detail below.

The City will establish annually a Terminal Rental Rate at each Terminal Building applicable to non-signatory Airlines equal to the respective Total Terminal Rental Rates calculated in accordance with the AULA.

The City will establish annually fair and reasonable charges for the use of the International Facilities.

4.2 | Landing Fees

Under the terms of the AULA under Section 606, the Signatory Airlines are charged landing fees calculated based on the total annual costs of the Airfield, which are comprised of the items listed below:

- Direct and indirect O&M Expenses allocable to the Airfield Cost Center.
- Amortization of Capital Improvements made in, or allocable to, the Airfield Cost Center and put into service before July 1, 2011.
- Annual Debt Service associated with Capital Improvements made in, or allocable to, the Airfield Cost Center, and put into service on or after July 1, 2016, in accordance with Section 702 of the AULA.

- Annual Debt Service associated with Capital Improvements made in, or allocated to, the Airfield Cost Center, put into service on or after July 1, 2011, and approved by a Majority-In-Interest pursuant to Subsection 703(B) of the AULA.
- Annual Depreciation Charges or annual Debt Service, as the case may be, related to Capital Improvements undertaken pursuant to Subsection 705(A)(i)-(vii) of the AULA, and made in, or allocated to, the Airfield Cost Center, if any.
- Any replenishment or rebate of the Debt Service Reserve Account required by the Indenture and allocated to the Airfield Cost Center based on the Allocation of Amortization and Debt Service.
- Any replenishment of the Renewal and Replacement Fund required by the Indenture as a result of an expenditure made in, or allocable to, the Airfield Cost Center.
- The share of the Debt Service Stabilization Fund Contribution allocated to the Airfield Cost Center.

The total of the items listed above shall then be reduced by the sum of the items below to establish the Initial Airfield Requirement:

- Non-signatory Airline landing fees
- General aviation landing fees
- Military use fees
- Fuel flowage fees
- Remote parking fees
- Rent paid to the City by the airline consortium leasing the fuel farm
- Rate Mitigation Program credits available for that fiscal year, as allocated to the Airfield Cost Center

The landing fee rate will then be calculated by dividing the sum of the Initial Airfield Requirement and the Additional Airline Requirement (defined below), allocable to the Airfield Cost Center by the aggregate landed weight of all Signatory Airlines and their affiliates for the fiscal year.

The City will establish annually a landing fee rate applicable to non-signatory airlines that have signed an airline operating agreement equal to 125 percent of the landing fee rate calculated in accordance with the AULA, excluding designated affiliates.

4.3 | Additional Airline Requirement

Under the terms of the AULA, the Airport is allowed to add an Additional Airline Requirement, when applicable, to the respective Signatory Airline rates (airfield and terminal) in order to meet all requirements, including debt service, in a particular fiscal year. This component of the rate methodology results in creating a residual aspect to the AULA by ensuring all total Airport

Requirements are covered through the rate methodology. The Additional Airline Requirement is calculated by taking the difference between: (1) the sum of the annual Operating and Maintenance Expenses, annual Debt Service, the annual amount of the Debt Service Stabilization Fund Contribution, and the annual Airport Development Fund Deposit; and subtracting (2) the sum of the Initial Requirement, the annual Non-Airline Revenues, Other Airline Revenues, the annual Interest Income, the annual Pledged PFC Revenues, Federal Relief Proceeds⁷⁶, and the annual amount of Rate Mitigation Program credits.

The Additional Airline Requirement may be a positive or a negative number, and starting in FY2019 is allocated 100 percent to the Terminal Cost Centers in accordance with the proportionate share of rented space between Terminals 1 and 2, respectively.

4.4 | Rate Mitigation Program

The Rate Mitigation Program is structured to provide a continuing incentive for growth in air service at the Airport. Subject to the availability of funds and annual appropriations, the City will transfer funds from the Debt Service Stabilization Fund in an amount not to exceed \$13.7 million each fiscal year for the purpose of mitigating the amount of the then current Rents, Fees, and Charges; provided, however, that the Debt Service Stabilization Fund shall be replenished annually by an amount equal to the amount appropriated for use in the Rate Mitigation Program during such Fiscal Year. Rate Mitigation Program credits shall be allocated among each of the Airline Cost Centers based on the Allocation of Amortization and Debt Service.

4.5 | Passenger Loading Bridge Charge

Under Section 604 of the AULA, new airline cost centers were established (Terminal 1 Loading Bridges and Terminal 2 Loading Bridges) to account for all operating and capital costs associated with the loading bridges owned by the City. The Loading Bridge Charge to recover all the associated costs is computed by first adding together the following costs:

- Direct and indirect Operating and Maintenance Expenses, if any, allocable to the Passenger Loading Bridges Cost Center.
- The Depreciation Charge or Debt Service, as the case may be, of each new passenger loading bridge acquired by the City on or after July 1, 2011.

The total costs allocable to the Passenger Loading Bridges Cost Center is then divided by the total number of passenger loading bridges acquired by the City on or after July 1, 2011. The monthly Passenger Loading Bridge Charge shall be 1/12 of the annual Passenger Loading Bridge Charge. Unless otherwise provided for in one or more separate agreements, airlines will pay the City \$2,500 each month for the use of each assigned City-owned passenger loading bridge that was acquired prior to July 1, 2011.

⁷⁶ Federal Relief Proceeds are comprised of funding from Coronavirus Aid, Relief and Economic Security Acts (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and American Rescue Plan Act (ARPA). The Airport received a letter from Hardwick Law Firm, LLC, in its capacity as Co-Bond Counsel to the City for matters related to the Airport, dated April 23, 2020, to the effect that CARES Act funds are GARB Revenues as further defined by the Indenture.

SECTION 5 | FINANCIAL ANALYSIS

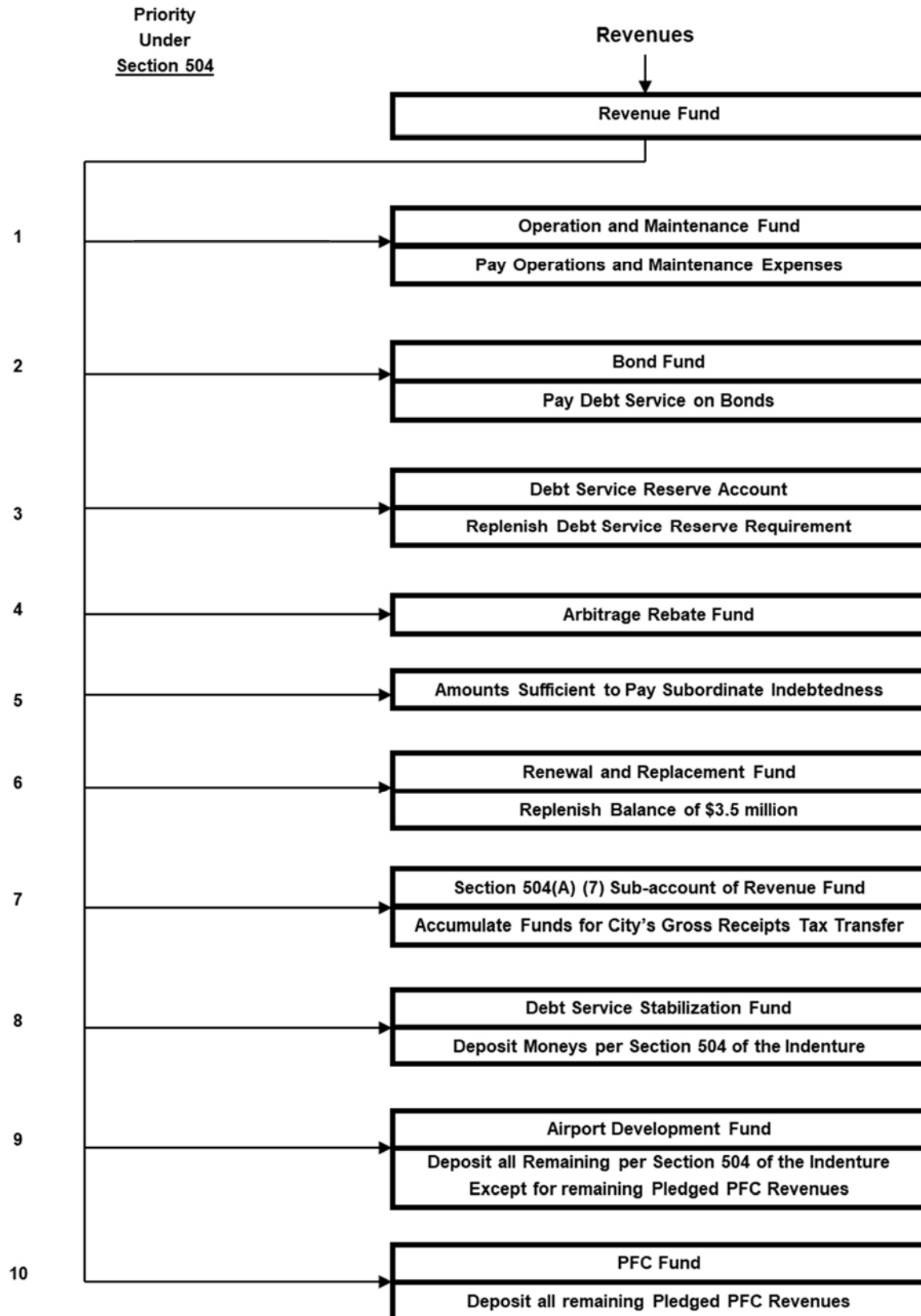
This section presents the framework for the financial operation of the Airport, including key provisions of the Indenture and the AULA. In addition, a review of the Airport's recent historical financial performance, and projections regarding the Airport's ability to generate sufficient Revenues to (1) pay Operation and Maintenance (O&M) Expenses, and (2) meet all of the funding requirements of the Indenture during the forecast period FY2025-2030. This section also discusses the information and assumptions underlying the financial projections.

5.1 | The Indenture

The Series 2024 Bonds are being issued pursuant to the Indenture and are limited obligations of the City payable solely from Revenues (as defined in the Indenture). The Indenture establishes priorities for the application of Revenues to various funds and accounts as shown on Figure 57. Revenues are to first be deposited into the Revenue Fund, which then flows to the O&M Fund to pay those operation and maintenance expenses (O&M expenses). The remaining Revenues are available for deposit, in the following order of priority in the specified funds and accounts of the City:

1. The Bond Fund (for payment of Debt Service).
2. The Debt Service Reserve Account (to restore any deficiency and maintain a balance equal to the Debt Service Reserve Requirement).
3. The Arbitrage Rebate Fund (to fund the Rebate Amount).
4. Amounts sufficient to pay Subordinate Indebtedness, if any, in accordance with the authorizing and implementing requirements in the documents relating to such Subordinate Indebtedness.
5. The Renewal and Replacement Fund (to maintain a balance of \$3.5 million).
6. The City's Sub-Account of the Revenue Fund (to pay the 5 percent of the GARB Revenues (gross receipts tax) required under Section 504.B of the Indenture).
7. The Debt Service Stabilization Fund pursuant to the calculations set forth in Section 504. A of the Indenture.
8. The remainder to the ADF, except for remaining Pledged PFC Revenues that are deposited in the PFC Account (as further provided in the Indenture).

Figure 57 | Flow of Funds Airport Use and Lease Agreement and Indenture



Airport Accounting

The City operates the Airport as an Enterprise Fund in accordance with generally accepted accounting principles (GAAP) applicable to governmental entities. Financial statements for the Airport are prepared each fiscal year based on GAAP and audited by independent certified public accountants. The Airport also maintains internal financial statements, which contain more detailed itemization of revenues and expenses. The audited financial statements of the Airport for fiscal year ended June 30, 2023 are included in Appendix B of the Official Statement.

Airport Cost Accounting

Airport management has implemented a cost/revenue accounting system to facilitate the monitoring of revenue and O&M expenses and the calculation of Airport rates and charges. The cost/revenue centers include the following:

- Airfield
- Terminals (1 and 2)
- Passenger Loading Bridges
- Other Building and Areas
- Parking

5.1.1 | Revenues

Under the Indenture, Revenues are comprised of GARB Revenues, Pledged PFC Revenues, and any other available moneys deposited in the Revenue Fund, including investment income. GARB Revenues are further defined in the Indenture.

Table 39 provides a historical summary of audited actual Revenues for FY2019-2023⁷⁷. In order to mitigate the impact of the COVID-19 pandemic on airline rates during the period FY2020 to FY2023, Airport management used a portion of the Federal Relief Proceeds that were awarded during this period totaling \$64.7 million⁷⁸. During the period FY2019-2023, total GARB Revenues before applying Federal Relief Proceeds decreased approximately \$10.9 million (a decline of 1.8 percent), which was comprised of declines in total Signatory Airline fees of approximately \$17.3 million, offset by increases in total Concession Fees of approximately \$5.5 million, and Cargo revenues of approximately \$2.0, which will all be discussed in more detail below.

⁷⁷ Financial information for FY2020 is based on FY2020 Rates & Charges Settlement.

⁷⁸ Federal Relief Proceeds comprised of funding from Coronavirus Aid, Relief and Economic Security Acts (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and American Rescue Plan Act (ARPA). The Airport received a letter from Hardwick Law Firm, LLC, in its capacity as Co-Bond Counsel to the City for matters related to the Airport, dated April 23, 2020, to the effect that CARES Act funds are GARB Revenues as further defined by the Indenture.

Table 40 presents the Airport's latest audited results for FY2023, approved FY2024 Airport Revenue Budget and Revenue projections for FY2025-2031 based on Unison's financial projections for this period. Total Airport Revenues are projected to increase from \$180.3 million in FY2023 to \$280.2 million in FY2031, or an average annual growth rate of 5.7 percent.

The following sections further describe the major revenue accounts, explain historical trends and variances, and describe the underlying assumptions for the projections.

5.1.2 | Signatory Airline Rates and Charges

Signatory Airline fees consist of landing fees and terminal building space rentals received from the Signatory Airlines in accordance with the rates and charges provisions outlined in the AULA.

As shown in Table 39, total Signatory Airline fees fluctuated during the FY2019-2023, resulting in an average annual decline of 6.7 percent or \$17.3 million. Terminal Rents made up the largest decline during the period with a net decline totaling approximately \$13.1 million or 40.3 percent. This was primarily due to the application of Federal Relief Proceeds and increases in non-airline revenues in FY2022 and FY2023 that reduced the required terminal rental rates. Signatory Landing Fees fluctuated during the period, resulting in an average annual decline of 1.9 percent or \$4.2 million primarily due to the sharp declines in landing fees during FY2020-2021 resulting from the COVID-19 pandemic. The sharpest decline in Signatory Landing Fees from FY2019 occurred by the end of FY2021 totaling \$19.0 million or nearly 29.1 percent, which was the end of the first full year of the COVID-19 pandemic. Airport management offset the declines in revenues by its use of Federal Relief Proceeds during FY2020-2023, which reduced the impact of lower Terminal Rental Rates and Signatory Landing Fees during the period.

Table 39 | Historical Revenues (in Thousands)

REVENUES	Avg. Annual Growth Rate FY '19-'23	For Fiscal Years Ending June 30				
		Historical ¹				
		2019	2020	2021	2022	2023
Signatory Airlines						
Airfield Landing Fees	-1.9%	\$56,052	\$48,832	\$37,144	\$44,174	\$51,810
Terminal Rents	-40.3%	14,963	10,044	7,529	1,601	1,905
Total	-6.7%	\$71,015	\$58,876	\$44,673	\$45,775	\$53,716
Concession Fees						
Terminal Concessions	0.1%	\$13,511	\$12,724	\$11,592	\$11,888	\$13,589
Public Parking	4.2%	23,737	16,943	10,442	25,272	28,034
Car Rentals	3.4%	12,482	11,228	8,436	11,837	14,254
Space Rental	-21.5%	1,423	965	929	690	539
In-Flight Catering	4.1%	309	255	81	232	363
Other	5.5%	690	421	227	599	855
Total	2.5%	\$52,152	\$42,536	\$31,707	\$50,518	\$57,635
Other						
Non-Signatory Landing Fees	3.4%	\$1,627	\$2,108	\$2,555	\$2,611	\$1,860
Non-Signatory Airlines-Terminal	-48.4%	553	19	9	12	39
Total	-3.4%	\$2,180	\$2,127	\$2,563	\$2,623	\$1,899
Airline Revenue Mitigation ²						
Cargo	44.8%	619	2,522	2,760	2,628	2,724
Hangars and Other Buildings	0.1%	829	810	828	888	833
Tenant Improvement Surcharge	0.0%	371	371	371	371	371
Terminal EDS Surcharges	4.3%	2,241	2,383	2,480	2,473	2,654
Other Miscellaneous	-1.2%	11,027	10,801	8,279	10,187	10,509
Total Other-Operating	1.4%	\$30,995	\$32,742	\$31,009	\$32,898	\$32,719
Total Operating Revenue		\$154,162	\$134,155	\$107,389	\$129,190	\$144,069
Interest Income	-7.8%	2,738	3,504	2,365	2,247	1,979
Total GARB Revenues	-1.8%	\$156,899	\$137,659	\$109,753	\$131,437	\$146,049
Federal Relief Funds ³						
CARES ACT funds			\$13,562	\$29,630	\$11,366	\$5,148
FEMA funds				291	0	0
CRRSA funds					1,593	1,165
ARPA funds					1,250	987
Pledged PFC Revenue	0.6%	26,276	25,932	26,540	26,540	26,940
Total Revenues	-0.4%	\$183,175	\$177,153	\$166,214	\$172,186	\$180,289

¹ Financial figures for all years except FY2020 are based on audited financial reports and Airport records. FY2020 figures are based on FY2020 Rates & Charges Settlement.

² Reflects amounts scheduled to be transferred from the Debt Service Stabilization Fund per the Airline Use and Lease Agreement.

³ Represents the application of federal stimulus funds the Airport was granted for reimbursement of eligible operating expenses to stabilize airline rates impacted by the COVID-19 pandemic.

The budgeted and projected Signatory Airline revenues for the period FY2024-2031 in Table 40 were developed based on the Airport's approved FY2024 Budget, combined with escalation factors and input from Airport management following the rate methodology as prescribed in the AULA. As a result, Signatory Airline revenues are projected to increase from \$53.7 million in FY2023 to \$107.5 million in FY2031, or an average annual growth rate of 9.1 percent. During the forecast period, the average annual growth in Airfield Landing Fees is projected to be 4.8 percent and Terminal Rents at 42.2 percent, which is primarily due to a gradual reduction of Federal Relief Proceeds applied to the Signatory Airlines rates coupled with increases in O&M and debt service expenses.

Table 41 summarizes the audited actual, budgeted and projected Signatory Airline landing fees and Terminal Rental Rates for FY2023-2031. The landing fee rates are projected to increase from \$6.08 in FY2023 to \$6.88 in FY2031. The fluctuations in the landing fee rates during the period are attributable to increased airfield costs and declines in the amount of Federal Relief Proceeds applied. The Terminal 1 rental rates are projected to increase from \$2.69 in FY2023 to \$93.36 in FY2031, and the Terminal 2 rental rates are projected to increase from \$11.73 in FY2023 to \$85.64 in FY2031. The Terminal 1 rental rate's sharp increase from FY2023 to FY2026 is primarily due to anticipated use of the remaining Federal Relief Proceeds and increased debt service and terminal costs. The Terminal 1 and 2 rental rates fluctuated after FY2026 primarily due to anticipated increases in nonairline revenues associated with parking and concessions due to steady increase in enplanements. The Terminal 1 and 2 rental rate's sharp increase from FY2030 to FY2031 is due to amortization for airfield projects becoming fully amortized resulting in lower airfield landing fees and a higher additional requirement.

Table 40 | Projected Revenues (in Thousands)

REVENUES	Avg. Annual Growth Rate FY '23-'31	Fiscal Years Ending June 30								
		Actual 2023 ¹	Budget 2024	2025	2026	2027	Projected 2028 2029 2030 2031			
Signatory Airlines										
Airfield Landing Fees	4.8%	\$51,810	\$57,995	\$65,265	\$71,721	\$75,184	\$77,362	\$78,693	\$80,042	\$75,626
Terminal Rents ²	42.2%	1,905	5,438	9,379	14,295	13,713	17,125	25,517	24,958	31,911
Total	9.1%	\$53,716	\$63,433	\$74,644	\$86,016	\$88,897	\$94,487	\$104,210	\$105,000	\$107,537
Concession Fees										
Terminal Concessions	6.2%	\$13,589	\$14,617	\$16,912	\$17,820	\$18,778	\$19,797	\$20,838	\$21,885	\$21,955
Public Parking	7.9%	28,034	38,717	40,065	46,335	47,432	48,585	49,664	50,624	51,527
Car Rentals	5.2%	14,254	13,588	16,705	17,446	18,219	19,036	19,853	20,656	21,463
Space Rental	2.1%	539	718	564	575	587	598	610	623	635
In-Flight Catering	2.0%	363	242	379	387	395	403	411	419	427
Other	2.1%	855	633	894	912	930	949	968	987	1,007
Total	6.7%	\$57,635	\$68,514	\$75,519	\$83,476	\$86,341	\$89,368	\$92,344	\$95,193	\$97,014
Other										
Non-Signatory Landing Fees	-4.1%	\$1,860	\$1,991	\$1,144	\$1,223	\$1,271	\$1,308	\$1,336	\$1,365	\$1,335
Non-Signatory Airlines-Terminal	0.0%	39	74	39	39	39	39	39	39	39
Total	-4.0%	\$1,899	\$2,065	\$1,183	\$1,262	\$1,310	\$1,347	\$1,375	\$1,404	\$1,374
Airline Revenue Mitigation ³	0.0%	13,728	13,728	13,728	13,728	13,728	13,728	13,728	13,728	13,728
Cargo	2.0%	2,724	2,724	2,834	2,890	2,948	3,007	3,067	3,128	3,191
Hangars and Other Buildings	0.8%	833	913	846	852	858	865	872	879	886
Tenant Improvement Surcharge	0.0%	371	371	371	371	371	371	371	371	371
Terminal EDS Surcharges	4.5%	2,654	2,839	3,357	3,424	3,492	3,562	3,633	3,706	3,780
Other Miscellaneous	8.6%	10,509	12,245	16,198	16,529	17,874	19,234	19,598	19,959	20,324
Total Other-Operating	3.7%	\$32,719	\$34,885	\$38,517	\$39,057	\$40,582	\$42,115	\$42,645	\$43,176	\$43,655
Total Operating Revenue	7.0%	\$144,069	\$166,832	\$188,680	\$208,549	\$215,821	\$225,970	\$239,199	\$243,369	\$248,205
Interest Income ⁴	5.8%	1,979	2,247	2,882	2,754	2,520	2,814	3,105	3,164	3,117
Total GARB Revenues	7.0%	\$146,049	\$169,079	\$191,562	\$211,303	\$218,341	\$228,783	\$242,305	\$246,533	\$251,322
Federal Relief Proceeds⁵:										
CARES Act funds	n/a	\$5,148	\$290							
FEMA funds	n/a	0	0							
CRRSA funds	n/a	1,165	1,940	10,500						
ARPA funds	n/a	987	33,770	15,000	5,290					
PFC Pledged Revenue	0.9%	\$26,940	31,242	32,441	29,820	24,354	28,889	28,884	28,879	28,879
Total Revenues	5.7%	\$180,289	\$236,321	\$249,503	\$246,414	\$242,695	\$257,672	\$271,189	\$275,412	\$280,201

¹ Financial information is based on FY2023 audited financials and airport records.

² The increase in Terminal Rental Rates starting in FY2026 is a result of final receipts of Federal Relief Proceeds in FY2026 and increases in terminal operating costs from rising O&M expenses.

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

⁴ Operating interest income only.

⁵ Represents the application of Federal Relief Proceeds the Airport was granted for reimbursement of eligible operating expenses to stabilize airline rates impacted by the COVID-19 pandemic.

Table 41 | Projected Signatory Landing Fee Rates and Terminal Rental Rates (in Thousands)

	<i>For Fiscal Years Ending June 30</i>								
	Actual	Budget	Projected³						
	2023^{1,3}	2024^{2,3}	2025	2026	2027	2028	2029	2030	2031
INITIAL AIRLINE REQUIREMENTS									
Landing Fees	\$51,810	\$57,995	\$65,265	\$71,721	\$75,184	\$77,362	\$78,693	\$80,042	\$75,626
Terminal 1 rents	8,409	9,820	12,453	13,756	14,531	14,939	15,210	15,355	15,617
Terminal 2 rents	4,632	5,295	5,647	6,160	6,246	5,660	5,796	5,878	5,993
	\$64,852	\$73,110	\$83,365	\$91,636	\$95,960	\$97,961	\$99,699	\$101,276	\$97,236
TOTAL SIGNATORY AIRLINE REQUIREMENTS									
Initial Requirement	\$64,852	\$73,110	\$83,365	\$91,636	\$95,960	\$97,961	\$99,699	\$101,276	\$97,236
Additional Airline Requirement	(11,136)	(9,678)	(8,721)	(5,620)	(7,063)	(3,475)	4,511	3,724	10,301
	\$53,716	\$63,433	\$74,644	\$86,016	\$88,897	\$94,487	\$104,210	\$105,000	\$107,537
Signatory airline enplaned passengers	7,163	7,979	8,057	8,257	8,462	8,676	8,880	9,066	9,245
Signatory Airline CPE post Mitigation	\$7.50	\$7.95	\$9.26	\$10.42	\$10.51	\$10.89	\$11.74	\$11.58	\$11.63
SIGNATORY AIRLINE RATES (including Additional Requirement)									
Landing Fee Rate (per 1,000 pounds)	\$6.08	\$5.78	\$6.64	\$7.17	\$7.36	\$7.42	\$7.40	\$7.40	\$6.88
Airlines' Terminal Building Rental Rates									
Terminal 1	\$2.69	\$13.17	\$26.14	\$40.33	\$39.38	\$51.29	\$75.18	\$73.53	\$93.36
Terminal 2	\$11.73	\$21.37	\$28.14	\$41.80	\$38.50	\$43.23	\$67.28	\$65.81	\$85.64

¹ Financial information is based on FY2023 audited financials and airport records.

² FY2024 Budget includes CARES Act, Coronavirus Response & Relief Appropriations (CRRSA), and American Rescue Plan (ARPA) fund contributions in the amounts of \$0.3 million, \$1.9 million and \$33.8 million, respectively.

³ The FY2023 Actual, FY2024 Budget and financial projections for FYs 2025 through 2031 assume the basic provisions of the expired AULA will continue to be followed.

5.1.3 | Concession Fees

Concession fees include terminal concessions (food and beverage, news and gifts, and coin devices), public parking, car rentals, space rental, in-flight catering, utility reimbursements and advertising. Below is a more detailed discussion of the changes during the historical and forecast period.

During the FY2019-2023 period, total concession fees fluctuated during the period resulting in an increase of approximately \$5.4 million at an average annual rate of 2.5 percent. Concession fees declined dramatically between FY2019 and 2021 by approximately \$20.5 million or 39.2 percent all due to the decline in passenger traffic due to the COVID-19 pandemic. The decline was primarily in public parking and car rentals, which were more severely impacted by passenger declines than terminal concessions, which were muted due to the retention of the minimum annual guarantees (MAGs). However, Concession Fees recovered in FY2022, with an increase of approximately \$18.8 million or 59.3 percent over FY2021 due to an increase in passenger enplanements and a change in the parking behavior resulting from the effects of the COVID-19 pandemic. Concession fees continued to increase in FY2023 approximately \$7.1 million or 14.1 percent over FY2022 primarily due to increased parking and car rental revenues as a result of increasing passenger traffic.

During the FY2023-2031 period, total concession fees are projected to grow from \$57.6 million in FY2023 to \$97.0 million by FY2031, which represents an average annual growth rate of 6.7 percent. This growth is supported by the following assumptions:

- Projected higher net parking revenues due to planned rate increases and growth in parking transactions and duration times, as further discussed below.
- A projected increase in various food and beverage concession revenues and car rental revenues due to forecasted higher O&D enplanements and current consumption trends.
- An inflation rate averaging 2.1 percent during the projection period FY2025-FY2030.

Terminal Concessions

The financial projections for food and beverage and merchandising components of terminal concessions are based on latest concepts during the forecast period. The Airport's current retail concession program expires June 2026, and the financial projections assume the program remains constant through FY2031. The current food and beverage program is set to expire in FY2031. Food and beverage concessions is the largest category in terminal concessions comprised of approximately \$7.1 million or an estimated 49.8 percent of terminal concession revenues in FY2023. Merchandising is the second largest category in terminal concessions comprised of approximately \$5.0 million or an estimated 35.3 percent of terminal concession revenues in FY2023. Both merchandising and food and beverage revenues are projected based on actual calendar year to date through November 2023 revenue per enplaned passenger, and the annual inflationary rate. Terminal concessions are projected to increase from \$13.6 million in FY2023 to \$22.0 million in FY2031, at an average annual growth of 6.2 percent.

Public Parking

SP Plus Corporation became the Airport's public parking management company in March 2021 and the current contract was recently extended one year, scheduled to expire in February 2025. For the purpose of the financial projections, the existing structure will be assumed throughout the forecast period. Under the current agreement, SP Plus is responsible for operating the public parking facilities, including operating the shuttle bus service connecting the terminals to the intermediate and remote lots and includes taxicab revenues. Additionally, the Airport collects all parking revenues, and reimburses SP Plus for approved operating and administrative expenses and any expenditures made for capital improvements. Public parking revenues are projected to increase from \$28.0 million in FY2023 to \$51.5 million in FY2031, or at an average annual rate of 7.9 percent. The increase from FY2023 Actual to FY2024 Budget is due to the parking rate increase effective July 1, 2023, for both garages and lots, and growth in O&D passenger enplanements. The remainder of the increases during the period are attributed to anticipated growth in O&D passenger enplanements and anticipated daily parking rate increases scheduled in FY2026 for both garages and lots.

Car Rentals

There are eight car rental companies that currently operate at the Airport; Avis, Budget, Payless, Enterprise, Thrifty, Alamo, National, and Missouri Rental & Leasing (dba Dollar Rent-A-Car) are all subject to MAGs. Hertz operates off-airport, is not subject to MAGs, and pays 10 percent of adjusted gross receipts to the City. The new rental car concession agreements began April 1, 2024, starting a 5-year term, and will continue to provide the on-airport rental car companies with MAG abatement in the event deplanements fall below a certain level. The car rental revenues paid to the City are still based on 10 percent of the car rental company's gross revenues or their annual MAGs, whichever is greater, and that is assumed for the entire forecast period. During the FY2019-2023 period, rental car revenues increased at an average annual rate of 3.4 percent due to O&D passenger levels returning starting in FY2022 with an increase of 81.4 percent over FY2021. The decrease in FY2021 revenues was primarily a result of less demand due to a decline in O&D passengers caused by the COVID-19 pandemic and the MAG relief given to the car rental companies. Car rental revenues during the forecast period are anticipated to exceed the current MAG and are projected to increase from \$14.3 million in FY2023 to \$21.5 million in 2031, or at an average annual rate of 5.2 percent. The increase is primarily based on the anticipated growth in O&D passenger enplanements and an annual escalation factor.

5.1.4 | Other Operating Revenues

Other Operating Revenues consist of non-signatory airline fees, cargo area rentals and fees, hangar and other building rentals, tenant improvement surcharges, terminal Explosive Detection System (EDS) surcharges, and other miscellaneous revenues. During the FY2019-2023 period, Other Operating Revenues increased approximately \$1.7 million or at an average annual rate of 1.4 percent. The increase was primarily due to a jump in cargo revenues of approximately \$2.0 million starting in FY2020 due to the changing needs for this mode of shipment resulting from the COVID-19 pandemic. Other Operating Revenues are projected to increase from \$32.7 million in FY2023 to \$43.7 million in FY2031, or an average annual growth of 3.7 percent due to forecast growth in

passenger activity, coupled with increases in Other Miscellaneous revenues driven by anticipated new land rental and ground transportation revenue streams.

Non-Signatory Airline

Non-signatory airline revenues consist of landing fees and terminal rents paid by non-signatory airlines. Landing fee rates for non-signatory airline revenues are set at 125 percent of the signatory airline rate. Revenues in this category declined from \$2.2 million in FY2019 to \$1.9 million in FY2023, primarily due to non-signatory airlines renting less space in the terminal building during the COVID-19 pandemic, resulting in less non-signatory terminal rents paid. Revenues in this category are projected to decrease from \$1.9 million in FY2023 to \$1.4 million in FY2031, or an average annual decrease of 4.0 percent.

Cargo Revenues

Cargo revenues include ground rent, building rent, and tenant improvement charges. Cargo revenues increased from \$0.6 million in FY2019 to \$2.7 million in FY2023, or an average annual growth of 44.8 percent, resulting from the change from a management fee to an annual lease payment for FedEx and UPS usage of a new cargo warehouse starting in FY2020, coupled with an increased need for cargo transportation during the COVID-19 pandemic. Cargo revenues are forecast to increase from \$2.7 million in FY2023 to \$3.2 million in FY2031, or an average annual growth of 2.0 percent due to annual inflation growth.

Other Miscellaneous Revenues

Other miscellaneous revenues include U.S. government rental revenues, American ramp charges (associated with their hangar), air cargo services, land rents, utility reimbursements, ground transportation fees, rental revenues from inside advertising billboards and other miscellaneous revenues. Ground transportation fees are the largest revenue item within this category representing approximately 45.0 percent of the total other miscellaneous revenues in FY2023. During the period FY2019-2023 ground transportation fees decreased from \$4.4 million in FY2019 to \$1.5 million in FY2021, before increasing to \$4.6 million in FY2023. The fluctuation was due to revenues from the Transportation Network Companies (TNCs) declining in FY2020 and FY2021 as a result of the lower passenger traffic caused by the COVID-19 pandemic then returning to pre-pandemic levels. Land rents are the second largest revenue item within this category representing approximately 20 percent of the total other miscellaneous revenues in FY2023. Land rents remained relatively flat at approximately \$2.2 million during the FY2019-FY2023 period. The items in the Other miscellaneous category are projected to increase from \$10.5 million in FY2023 to \$20.3 million in FY2031, or at an average annual growth of 8.6 percent due to anticipated growth in passenger activity, coupled with anticipated new land leases for Carrollton and North Tract, and new ground transportation fees for Turo car rentals starting in FY2025.

Interest income on all operating funds and accounts, other than the Construction Fund (bond proceeds) and the PFC Fund, are classified as Revenues under the Indenture. Interest income is estimated to increase from \$2.0 million for FY2023 to \$3.1 million in FY2031 due to higher investable debt service account balances. The interest income forecast is based on projected balances in each fund and account assuming average annual interest yields of 2.0 percent on the

Debt Service and Debt Service Reserve Account and less than 1 percent for all other funds held during the forecast period.

5.1.5 | Pledged PFC Revenues

The Pledged PFC Revenues for FY2023 were approximately \$26.9 million comprised of total eligible debt service of \$21.5 million times 1.25 as further described in the Indenture and are included in total Revenues. The balance of PFCs at the beginning of FY2024 total \$21.6 million plus the estimated annual PFC collections of \$30.2 million (including interest earnings) totaling PFC revenues of \$51.8 million at the end of FY2024. The current PFC rate is \$4.50 per passenger. The Airport has received FAA approval to collect and use approximately \$1.1 billion in PFC Revenues through November 2026. The Pledged PFC Revenues are projected to increase to \$28.9 million by FY2031 due to anticipated future PFC-backed bond issuances.

CARES Act, ARPA, and CRRSA Relief Funds

The Coronavirus Aid, Relief, and Economic Security (CARES) Act Fund was established in March of 2020 by the United States Treasury to provide financial assistance to States and eligible units of local government impacted by the COVID-19 outbreak. STL was awarded approximately \$60 million in grants from the CARES Act Fund. The Airport applied approximately \$13.6 million, \$29.6 million, \$11.4 million, and \$5.1 million during fiscal years 2020 through 2023 to cover eligible operating expenses. The remaining balance of CARES Act funds are projected to be applied over the FY2023-2024 period to cover eligible operating expenses in order to mitigate any lost revenues and stabilize airline rates, as reflected on Table 40.

The American Rescue Plan Act (ARPA) Fund was passed by Congress in March of 2021 to provide additional relief to address the continued impact of COVID-19. The Airport was awarded approximately \$56.3 million in FY2022 from the ARPA Fund and applied approximately \$1.2 million in FY2022 and \$1.0 million in FY2023 to cover eligible operating expenses. The Airport budgeted approximately \$33.8 million of ARPA in FY2024 and anticipates applying approximately \$20.29 million over the period FY2025-2026 to cover eligible operating expenses and a portion of the Series 2023 Bond debt service, as summarized on Table 40. The use of ARPA funds during this period will continue to offset losses from lower revenues and help to continue to stabilize airline rates.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of 2021 includes billions in supplemental appropriations for COVID-19 relief that were allocated to various transportation industries during the COVID-19 outbreak. The Airport was awarded approximately \$15.2 million from the CRRSA Fund in FY2021. The Airport applied approximately \$1.6 million in FY2022 and \$1.2 million in FY2023 to cover eligible operating expenses and provide concession relief. The remaining balance of CRRSA funds are projected to be applied over the FY2024-2025 period in order to offset losses and stabilize airline rates, as shown on Table 40.

5.2 | Operation and Maintenance (O&M) Expenses

Table 42 summarizes historical O&M Expenses for FY2019-2023 by major expense category comprised of personnel services, consisting of salaries, fringe benefits; supplies, materials and equipment; and contractual services. During this period, O&M Expenses increased \$6.8 million or

an average annual growth rate of 1.9 percent. The decrease in FY2021 O&M Expenses is due to declines in personnel services and other contractual services of approximately \$1.6 million and \$3.8 million, respectively, primarily initiated by Airport management seeking more cost efficiencies to remain cost competitive.

Personnel services expenses represent salaries and wages, and fringe benefits paid to individuals employed by the Airport to maintain and operate the terminal, airfield, roadways and other facilities. Personnel services fluctuated from \$39.1 million in FY2019 to \$39.8 million in FY2023, for an average annual increase of 0.5 percent. The small increase was primarily due to increases in vacant positions resulting in declines in salaries & wages, offset by increased fringe benefits in FY2023 to increase in various benefits following the COVID-19 pandemic.

Supplies, materials and equipment expenses consist of de-icing fluids, capital assets, non-capital equipment, office supplies, cleaning materials, gasoline, tools and other miscellaneous supplies. This category declined by an average annual rate of 9.9 percent during FY2019-2023 primarily due to supplies and material expenses excluding de-icing fluids, declining 12.1 percent for the period with a significant decline of 47.9 percent in FY2021. The decline was primarily a result of management actions to seek cost efficiencies during the COVID-19 pandemic resulting in a decrease in certain discretionary supplies and equipment purchases in FY2021, due to the significant decline in traffic.

Contractual services expenses represent the cost of services provided to the Airport such as utilities and various other specialized services by companies that have expertise in those areas. The primary services include utilities, rental and lease of equipment, snow removal services, airport security, cleaning services, reimbursement for City-provided services, repair and maintenance of equipment (such as elevators and escalators, communications equipment, etc.) and other miscellaneous services. The average annual growth rate for this category during the FY2019-2023 period was 5.1 percent or an increase of \$8.6 million. The growth was primarily due to increases in insurance, professional services & legal and other miscellaneous. The average annual increase for insurance during the historical period was 27.8 percent, attributable to higher insurance premiums. The average annual increase for professional services & legal during the historical period was 80.0 percent, which is a result of a reclassification of this category in FY2022 to include all professional services, not just legal services. The other contractual and services costs are comprised of electrical system services, repairs and maintenance to buildings and various plant systems, internal comptroller services, and other miscellaneous contractual services. Other contractual services costs increased at an average annual growth rate of 3.3 percent. The fluctuations during the COVID-19 pandemic were primarily due to a reduction in discretionary electrical system services, and repairs and maintenance to buildings in FY2021, which expenditures gradually returned as traffic level returned during FY2022 and FY2023.

Table 42 | Historical O&M Expenses (in Thousands)

	Avg. Annual Growth Rate FY '19-'23	For Fiscal Years Ending June 30				
		Historical ²				
		2019	2020	2021	2022	2023
<u>Personnel Services</u>						
Salaries & Wages	-1.6%	\$27,143	\$26,586	\$25,420	\$24,501	\$25,475
Fringe Benefits	4.8%	11,928	13,285	12,825	11,373	14,370
	0.5%	\$39,071	\$39,871	\$38,244	\$35,875	\$39,845
<u>Supplies, Materials & Equipment</u>						
Deicing & Misc. Supplies	4.0%	\$839	\$839	\$1,437	\$806	\$980
Other	-12.1%	6,785	7,031	3,664	3,193	4,051
	-9.9%	\$7,624	\$7,870	\$5,101	\$3,998	\$5,031
<u>Contractual Services</u>						
Utilities	2.8%	\$6,762	\$6,066	\$5,675	\$6,397	\$7,551
Rental Equipment - Snow Removal	6.9%	1,224	934	1,216	1,757	1,600
Cleaning Services	4.7%	4,621	4,751	4,465	4,652	5,544
Reimbursement for City Services	3.5%	1,665	1,604	1,567	1,604	1,913
Shuttle, Misc., Acoustical	-30.4%	255	74	74	96	60
Professional Services & Legal	80.0%	266	323	127	3,229	2,795
Security Service	-5.5%	6,665	6,410	5,347	5,507	5,312
Insurance	27.8%	1,817	2,076	2,560	2,977	4,844
Other	3.3%	15,770	17,055	13,219	15,320	17,974
	5.1%	\$39,045	\$39,292	\$34,250	\$41,540	\$47,593
Total Operation & Maintenance Expenses	1.9%	\$85,740	\$87,033	\$77,595	\$81,413	\$92,469

¹ Excludes 5 percent gross receipts tax, which is excluded from the calculation of debt service coverage.

² Financial information for all years are based on audited financials.

5.2.1 | Projections of O&M Expenses

Table 43 presents the growth in O&M Expenses from FY2023 Audited Actuals through the FY2024 Budget and financial projections for the period FY2025-2031. The projected O&M Expenses are based on the Airport's FY2024 approved budget and adjusted for current inflation factors ranging between 2.1 percent and 4 percent. Airport Management indicated the higher O&M budgeted for FY2024 is primarily the result of anticipated increase in filling personnel vacancies, which rose during the COVID-19 pandemic and increase in cost structure for several contractual service providers caused by increasing labor rates and cost structures following the impact of the COVID-19 pandemic on various businesses. This resulted in increases across several of the contractual service categories over FY2023. Table 43 shows O&M Expenses are projected to increase from \$92.5 million in FY2023 to \$159.0 million in FY2031, which represents an average annual growth of 7.0 percent, however the initial increase from FY2023 to the FY2024 Budget is 42.3 percent. The increase in the FY2024 Budget was based on anticipated increases in Contractual Services of \$25.4 million, Personnel Services totaling \$7.2 million, and Supplies and Materials expected to increase \$6.6 million. Further details for increases during the forecast period for each category is provided below.

Personnel Services

Salaries and wages are projected to increase from \$25.5 million in FY2023 to \$39.4 million in FY2031, at an average annual growth of 5.6 percent. The growth during the forecast period is primarily a result of the FY2024 budget increasing 22.5 percent from FY2023, due to salaries and fringe benefits budgeted in FY2024 at a higher rate to account for vacant positions becoming filled and planned salary increases. The remainder of the forecast period FY2025-2031 assumes no additional staff will be hired, and that salaries and wages will generally escalate in line with future inflationary increases averaging 2.1 percent. Fringe benefits are projected to increase from \$14.4 million in FY2023 to \$20.5 million in FY2031, for an average annual growth of 4.5 percent. The growth in fringe benefits is a result of the FY2024 budget increasing 10.0 percent, due to fringe benefits being in line with anticipated filled vacant positions.

Contractual Services

Contractual Services are projected to increase from \$47.6 million in FY2023 to \$84.6 million by FY2031, for an average annual growth of 7.5 percent. The major contractual services categories contributing to this growth are Security, Utilities, Insurance, and Professional Services. Security is projected to grow at an average annual rate of 14.1 percent during the forecast period, primarily due to Airport Management budgeting for anticipated increases in contracting staff and rates. In addition, Insurance is projected to increase based on the FY2024 budget and the inflationary growth factor from \$4.8 million in FY2023 to \$8.3 million in FY2031, at an average annual growth of 7.0 percent. Professional Services & Legal are projected to increase from \$2.8 million in FY2023 to \$12.0 million by FY2031, at an average annual growth of 19.9 percent. The increase in Professional Services & Legal is a result of Airport management budgeting for increases in contracting staff in the Auto Shop department due to vacancies, and new contracts with consultants to support airport use and lease negotiations.

Supplies, Materials, and Equipment

This expense category is projected to increase from \$5.0 million in FY2023 to \$14.5 million in FY2031, for an average annual increase of 14.1 percent. The de-icing & miscellaneous supplies component shows an average growth rate of 17.8 percent, which is mainly a result of FY2023 actual de-icing expenses being low due to a mild winter, and FY2024 de-icing costs budgeted significantly higher to account for expected normal weather conditions. The Other component within the Supplies, Materials & Equipment category grows at an average annual rate of 13.1 percent, also due to FY2024 costs budgeted higher to reflect a normal level of spending.

Table 43 | Projected O&M Expenses (in Thousands)

	Avg. Annual	For Fiscal Years Ending June 30								
	Growth Rate	Actual	Budget		Projected					
	FY '23-'31	2023 ²	2024	2025	2026	2027	2028	2029	2030	2031
<u>Personnel Services</u>										
Salaries & Wages	5.6%	\$25,475	\$31,197	\$33,020	\$34,011	\$35,031	\$36,082	\$37,165	\$38,280	\$39,428
Fringe Benefits	4.5%	14,370	15,806	17,154	17,669	18,199	18,745	19,307	19,887	20,483
	5.2%	\$39,845	\$47,002	\$50,174	\$51,680	\$53,230	\$54,827	\$56,472	\$58,166	\$59,911
<u>Supplies, Materials & Equipment</u>										
Deicing & Misc. Supplies	17.8%	\$980	\$2,375	\$3,230	\$3,295	\$3,360	\$3,428	\$3,496	\$3,566	\$3,638
Other	13.1%	4,051	9,255	9,645	9,838	10,034	10,235	10,440	10,649	10,862
	14.1%	\$5,031	\$11,630	\$12,875	\$13,132	\$13,395	\$13,663	\$13,936	\$14,215	\$14,499
<u>Contractual Services</u>										
Utilities	5.5%	\$7,551	\$7,018	\$9,133	\$9,499	\$9,879	\$10,274	\$10,685	\$11,112	\$11,557
Rental Equipment - Snow Removal	6.2%	1,600	2,343	2,297	2,343	2,390	2,437	2,486	2,536	2,587
Cleaning Services	9.3%	5,544	9,650	10,014	10,214	10,418	10,627	10,839	11,056	11,277
Reimbursement for City Services	2.5%	1,913	1,899	2,072	2,113	2,156	2,199	2,243	2,288	2,333
Shuttle, Misc., Acoustical	25.3%	60	451	324	330	337	344	350	357	365
Professional Services & Legal	19.9%	2,795	6,753	10,625	10,838	11,055	11,276	11,501	11,731	11,966
Security Service	14.1%	5,312	10,843	13,569	13,840	14,117	14,399	14,687	14,981	15,281
Insurance	7.0%	4,844	5,410	7,382	7,529	7,680	7,834	7,990	8,150	8,313
Other	1.9%	17,974	28,666	18,997	19,309	19,625	19,945	20,269	20,597	20,929
	7.5%	\$47,593	\$73,032	\$74,413	\$76,015	\$77,655	\$79,334	\$81,051	\$82,808	\$84,607
Total Operation & Maintenance Expenses¹	7.0%	\$92,469	\$131,664	\$137,462	\$140,828	\$144,281	\$147,824	\$151,459	\$155,189	\$159,017

¹ Excludes 5 percent gross receipts tax, which is excluded from the calculation of debt service coverage.

² Financial information is based on the FY2023 audited financials and airport records.

5.3 | Application of Revenues

Table 44 shows the application of Revenues projected to fund accounts under provisions of the Indenture for the FY2023-2031 financial period.

Revenues consist of GARB Revenues, Pledged PFC Revenues, and Interest Income deposited in the Revenue Fund, all as further described in the Indenture. Pursuant to the Indenture, Pledged PFC Revenues equal 125 percent of the anticipated annual debt service on the portion of the bonds that have been issued to finance PFC-Eligible Projects.

As further described in the Indenture and as depicted in Figure 57 shown earlier in this section, Revenues will first be applied to all of the designated funds in their stipulated amounts as further described in the Indenture. All remaining Revenues are then deposited in the ADF or the PFC Account, if there are unused PFC Revenues after meeting all requirements of the PFC eligible debt service. Table 44 shows the deposits available for transfer to the ADF during the financial period of FY2023-2031.

As of December 31, 2023, the unaudited unappropriated balance in the Airport's ADF was approximately \$41 thousand. This balance, coupled with projected transfers to the ADF, should provide adequate resources to meet various obligations of the Airport, such as equipment replacement, major maintenance and small capital projects, during the forecast period.

Table 44 | Projected Application of Revenues (in Thousands)

	<i>For Fiscal Years Ending June 30</i>								
	Actual	Budget	Projected						
	2023¹	2024	2025	2026	2027	2028	2029	2030	2031
Revenues									
GARB Revenues									
Airline revenues (Initial Requirement)	\$64,852	\$73,110	\$83,365	\$91,636	\$95,960	\$97,961	\$99,699	\$101,276	\$97,236
Additional Airline Requirement ²	(11,136)	(9,678)	(8,721)	(5,620)	(7,063)	(3,475)	4,511	3,724	10,301
Rate Mitigation Program proceeds	13,728	13,728	13,728	13,728	13,728	13,728	13,728	13,728	13,728
Non-airline revenues and Other Airline Charges	76,626	89,671	100,308	108,806	113,197	117,758	121,264	124,645	126,944
Interest income	1,979	2,247	2,882	2,754	2,520	2,814	3,105	3,164	3,117
Pledged PFC Revenues	26,940	31,242	32,441	29,820	24,354	28,889	28,884	28,880	28,880
CARES Act, FEMA, ARPA, and CRRSA funds	7,300	36,000	25,500	5,290	0	0	0	0	0
	\$180,289	\$236,321	\$249,503	\$246,415	\$242,697	\$257,675	\$271,192	\$275,417	\$280,206
Application of Revenues									
Operating and Maintenance Expenses	\$92,469	\$131,664	\$137,462	\$140,828	\$144,281	\$147,824	\$151,459	\$155,189	\$159,017
Debt Service Account (Annual Debt Service)									
Outstanding Bonds	\$55,317	\$69,017	\$74,067	\$62,951	\$53,683	\$56,046	\$56,036	\$56,038	\$56,650
Future Bonds	0	0	0	4,276	7,145	14,366	23,753	23,753	23,753
Total Debt Service	\$55,317	\$69,017	\$74,067	\$67,227	\$60,828	\$70,412	\$79,789	\$79,791	\$80,402
PFC Debt Service Coverage	6,735	7,811	8,110	7,455	6,089	7,222	7,221	7,220	7,220
Payment to City (5% of GARB Revenues)	6,264	6,468	6,604	6,736	6,871	7,008	7,148	7,291	7,437
Subtotal net of Contribution from DSSF	\$160,786	\$214,960	\$226,242	\$222,246	\$218,068	\$232,466	\$245,617	\$249,492	\$254,077
Amount Available for Deposit to ADF	\$19,503	\$21,361	\$23,261	\$24,169	\$24,629	\$25,210	\$25,575	\$25,925	\$26,129
Rate Mitigation Returned to City	(13,728)	(13,728)	(13,728)	(13,728)	(13,728)	(13,728)	(13,728)	(13,728)	(13,728)
Amount Available for Deposit to ADF	\$5,775	\$7,633	\$9,533	\$10,441	\$10,901	\$11,482	\$11,847	\$12,197	\$12,401

¹ Based on FY2023 audited financials and Airport records.

² Includes Airport Development Fund Deposits.

5.4 | Debt Service Coverage/Airline Cost Per Passenger

Table 45 shows the projected debt service during the forecast period. The Series 2024 Bonds are being issued pursuant to the Indenture. The Series 2024 Bonds are limited obligations of the City secured by and payable solely from GARB Revenues, Federal Relief Proceeds, and Pledged PFC Revenues (as defined in the Indenture) and any other available moneys deposited with the Trustee for deposit in the Revenue Fund (collectively, the Revenues). The results for the base case scenario using the financial projection presented in this Report for FY2023-2031 are reflected on Table 46.

Debt Service Coverage (DSC) is projected to range between 1.50 to 1.62 during the forecast period, showing that the Airport anticipates continuing to meet the DSC requirement of 1.25 under this scenario in all years. The Series 2024 Bonds will be issued as Additional Bonds under the Indenture, Section 304 (A) of the Indenture which states, among other things: *(1) Accountant's Certificate setting forth (a) the Net Revenues of the Airport for any 12-consecutive months out of the 18 months next preceding the authentication and delivery of such Additional Bonds, (b) the Aggregate Adjusted Debt Service for such 12-month period, and demonstrating that for such 12-month period Net Revenues equaled at least 1.25 times the Aggregate Adjusted Debt Service; and (2) A certificate of the Consulting Engineers setting forth (a) the estimated date of completion for the Additional Project for which such sales of Additional Bonds is being issued and (b) an estimate of the Cost of Construction of such Additional Project; and (3) A certificate of the Airport Consultant setting forth for each of the three Airport Fiscal Years following the Airport Fiscal Year in which the Consulting Engineers estimate that such Additional Project will be completed, estimates of (a) Net Revenues, (b) amounts to be deposited from Revenues into the Debt Service Reserve Account and the Renewal and Replacement Fund and the Development Fund; and (4) A certificate of an Authorized Officer of the City demonstrating that, among other things, the estimated Net Revenues of the Airport for each of the three Fiscal Years following the Fiscal Year in which the Additional Project will be completed is projected to be at least equal to 1.25 times the Aggregate Adjusted Debt Service for each of such three Fiscal Years, as further detailed in the Indenture.*

The cost per enplanement (CPE) fluctuates from \$7.50 in FY2023 to \$11.63 in FY2031 (as seen earlier on Table 41) due to use of Federal Relief Proceeds, higher non-airline revenues and signatory airline enplanements, along with bonds maturing and a continued effort by Airport management to control costs. The Airport's current and projected CPE was compared with the results from the FAA's 2022 Certification Activity Tracking System (CATS), which provides results from all commercial service airports by hub size. The results indicated that the average CPE for medium hub airports was \$8.65. Therefore, based on this comparison and prior experience in providing financial consulting services to a variety of airports, the projected airline CPE has been concluded to be reasonable in light of the varying stages of other airports implementing major capital improvement programs.

The financial projections presented in this section are based on information and assumptions that have been provided by Airport management or developed by Unison and reviewed with and confirmed by Airport management. Based upon this review, Unison believes the information to be accurate and that the assumptions made provide a reasonable basis for the financial projections. However, due to unforeseen events and circumstances actual results may vary from the financial projections.

Table 45 | Projected Debt Service (in Thousands)

	For Fiscal Years Ending June 30								
	Actual	Projected							
	2023	2024	2025	2026	2027	2028	2029	2030	2031
OUTSTANDING BONDS									
General Airport Revenue Bonds:									
Series 2005 Refunding Bonds	\$8,030	\$10,545	\$10,546	\$10,540	\$32,137	\$32,377	\$32,374	\$32,377	\$32,984
Series 2007A Refunding Bonds	1,791	1,791	11,791	25,370	0	0	0	0	0
Series 2009A-1 Bonds	0	0	0	0	0	0	0	0	0
Series 2012 Refunding Bonds	0	0	0	0	0	0	0	0	0
Series 2015 Refunding Bonds	2,352	0	0	0	0	0	0	0	0
Series 2017A Refunding Bonds	22,644	22,655	12,651	702	2,767	2,769	2,766	2,767	2,767
Series 2017B Refunding Bonds ¹	9,364	9,187	9,186	7,561	0	0	0	0	0
Series 2017C Bonds	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Series 2017D Bonds	1,330	1,330	1,330	1,330	1,330	3,445	3,445	3,448	3,447
Series 2019A Bonds	662	662	662	662	662	662	662	662	661
Series 2019B Bonds	771	767	767	771	769	770	771	770	769
Series 2019C Refunding Bonds	3,774	3,774	8,814	9,912	9,907	9,907	9,910	9,904	9,911
Series 2022 Refunding Bonds	1,735	1,735	1,737	1,730	1,738	1,740	1,734	1,735	1,735
Series 2023AB Bonds	1,281	14,997	14,999	2,787	2,790	2,791	2,790	2,791	2,791
Subtotal Debt Service (prior to Series 2024 issue)	\$55,317	\$69,026	\$74,068	\$62,950	\$53,684	\$56,046	\$56,037	\$56,038	\$56,650
PROPOSED BONDS									
Series 2024 Bonds ²	\$0	\$0	\$0	\$244	\$3,112	\$5,395	\$14,781	\$14,781	\$14,781
Future Bonds ³	0	0	0	4,032	4,032	8,971	8,971	8,971	8,971
	\$0	\$0	\$0	\$4,277	\$7,144	\$14,366	\$23,753	\$23,753	\$23,753
Total Debt Service	\$55,317	\$69,026	\$74,068	\$67,227	\$60,828	\$70,412	\$79,789	\$79,791	\$80,402

¹ The FY2027 amount reflects the use of amounts in the debt service reserve account of approximately \$9.3 million to pay the final debt service payment for the Series 2017B Bonds.

² Series 2024 Bonds issued with a 30-year maturity at a 4.61% All-In-True Interest Cost per Siebert Williams Shank & Co. LLC's final pricing numbers dated May 29, 2024.

³ Assumes 30-year Bonds, issued in fiscal year 2025 and fiscal year 2027 at a 6 percent interest rate with 1 year capitalized interest.

Table 46 | Base Forecast - Projected Debt Service Coverage (in Thousands)

	<i>For Fiscal Years Ending June 30</i>								
	Actual	Budget	Projected ²						
	2023 ¹	2024	2025	2026	2027	2028	2029	2030	2031
Total Revenues (including DSSF contribution and Additional Requirement)	\$180,289	\$236,321	\$249,503	\$246,414	\$242,695	\$257,672	\$271,189	\$275,412	\$280,201
less: Operation and Maintenance Expenses	92,469	131,664	137,462	140,828	144,281	147,824	151,459	155,189	159,017
Net Revenues	\$87,819	\$104,657	\$112,042	\$105,586	\$98,414	\$109,849	\$119,730	\$120,222	\$121,184
Debt Service									
Outstanding Bonds ³	\$55,317	\$69,026	\$74,068	\$62,950	\$53,684	\$56,046	\$56,037	\$56,038	\$56,650
Series 2024 Bonds ⁴	0	0	0	244	3,112	5,395	14,781	14,781	14,781
Future Bonds ⁵	0	0	0	4,032	4,032	8,971	8,971	8,971	8,971
	\$55,317	\$69,026	\$74,068	\$67,227	\$60,828	\$70,412	\$79,789	\$79,791	\$80,402
Debt service coverage ratio	1.59	1.52	1.51	1.57	1.62	1.56	1.50	1.51	1.51

¹ Financial information is based on the FY2023 audited financials and airport records.

² The FY2023 Actual, FY2024 Budget and financial projections for FY2025 through FY2031 assume the provisions of the expired AULA will continue to be followed.

³ Outstanding bond debt service reflects the use of amounts in the debt service reserve account of approximately \$9.3 million to pay the final debt service payment for the Series 2017B Bonds in 2027.

⁴ Series 2024 Bonds issued with a 30-year maturity at a 4.61% All-In True Interest Cost per Siebert Williams Shank & Co. LLC's final pricing numbers dated May 29, 2024.

⁵ Assumes 30-year Bonds, issued in fiscal year 2025 and fiscal year 2027 at a 6% interest rate with 1-year capitalized interest.

5.5 | Sensitivity Analysis

The sensitivity analysis was prepared based on a scenario that assumes passenger traffic will recover at a slower pace, returning to the pre-COVID-19 level by early 2026 and eventually beginning to exceed the FY2019 level by the end of FY2026 as discussed in Section 3. Table 47 shows the projected landing fees, terminal rates, and CPE based on the low traffic forecast. The projected landing fees and CPE increased proportionate to the decline in traffic. However, the terminal rates experienced larger increases primarily due to a reduction in non-airline revenues. Despite the decline in traffic and its effect on airline costs, the CPE is projected to remain reasonable during the forecast period. The projected Net Revenues and Debt Service Coverage are minimally affected by the reduced traffic forecast as shown on Table 48, due to the nature of the AULA.

Table 47 | Sensitivity (Low Forecast) - Projected Signatory Landing Fee Rates and Terminal Rental Rates (in Thousands)

	<i>For Fiscal Years Ending June 30</i>								
	Actual	Budget	Projected³						
	2023^{1,3}	2024^{2,3}	2025	2026	2027	2028	2029	2030	2031
INITIAL AIRLINE REQUIREMENTS									
Landing Fees	\$51,810	\$57,995	\$65,238	\$71,693	\$75,156	\$77,335	\$78,668	\$80,018	\$75,606
Terminal 1	8,409	9,820	12,453	13,756	14,531	14,939	15,210	15,355	15,617
Terminal 2	4,632	5,295	5,647	6,160	6,246	5,660	5,796	5,878	5,993
	\$64,852	\$73,110	\$83,338	\$91,608	\$95,933	\$97,935	\$99,674	\$101,252	\$97,216
TOTAL SIGNATORY AIRLINE REQUIREMENTS									
Initial Requirement	\$64,852	\$73,110	\$83,338	\$91,608	\$95,933	\$97,935	\$99,674	\$101,252	\$97,216
Additional Airline Requirement	(11,136)	(9,678)	(6,022)	(2,545)	(3,775)	37	8,257	7,706	13,638
	\$53,716	\$63,433	\$77,316	\$89,064	\$92,158	\$97,972	\$107,931	\$108,959	\$110,854
Signatory airline enplaned passengers	7,163	7,979	7,780	7,947	8,120	8,301	8,471	8,623	8,767
Signatory Airline CPE post Mitigation	\$7.50	\$7.95	\$9.94	\$11.21	\$11.35	\$11.80	\$12.74	\$12.64	\$12.65
SIGNATORY AIRLINE RATES (including Additional Requirement)									
Landing Fee Rate (per 1,000 pounds)	\$6.08	\$5.78	\$6.80	\$7.37	\$7.58	\$7.67	\$7.67	\$7.70	\$7.18
Airlines' Terminal Building Rental Rates									
Terminal 1	\$2.69	\$13.17	\$33.84	\$49.10	\$48.76	\$61.31	\$85.86	\$84.89	\$102.88
Terminal 2	\$11.73	\$21.37	\$35.84	\$50.57	\$47.88	\$53.25	\$77.96	\$77.17	\$95.16

¹ Financial information is based on the FY2023 audited financials and airport records.

² FY2024 Budget includes CARES Act, Coronavirus Response & Relief Appropriations (CRRSA), and American Rescue Plan (ARPA) fund contributions in the amounts of \$0.3 million, \$1.9 million and \$33.8 million, respectively.

³ The FY2023 Actual, FY2024 Budget and financial projections for FYs 2025 through 2031 assume the basic provisions of the expired AULA will continue to be followed.

Table 48 | Sensitivity (Low Forecast) – Projected Debt Service Coverage (in Thousands)

	<i>For Fiscal Years Ending June 30</i>								
	Actual	Budget	Projected ²						
	2023 ¹	2024	2025	2026	2027	2028	2029	2030	2031
Total Revenues (including DSSF contribution and Additional Requirement)	\$180,289	\$236,321	\$249,169	\$246,035	\$242,291	\$257,242	\$270,730	\$274,926	\$279,795
less: Operation and Maintenance Expenses	92,469	131,664	137,462	140,828	144,281	147,824	151,459	155,189	159,017
Net Revenues	\$87,819	\$104,657	\$111,708	\$105,207	\$98,010	\$109,418	\$119,271	\$119,736	\$120,778
Debt Service									
Outstanding Bonds ³	\$55,317	\$69,026	\$74,068	\$62,950	\$53,684	\$56,046	\$56,037	\$56,038	\$56,650
Series 2024 Bonds ⁴	0	0	0	244	3,112	5,395	14,781	14,781	14,781
Future Bonds ⁵	0	0	0	4,032	4,032	8,971	8,971	8,971	8,971
	\$55,317	\$69,026	\$74,068	\$67,227	\$60,828	\$70,412	\$79,789	\$79,791	\$80,402
Debt service coverage ratio	1.59	1.52	1.51	1.56	1.61	1.55	1.49	1.50	1.50

¹ Financial information is based on the FY2023 audited financials and airport records.

² The FY2023 Actual, FY2024 Budget and financial projections for FYs 2025 through 2031 assume the basic provisions of the expired AULA will continue to be followed.

³ Outstanding bond debt service includes debt service for the Series 2022A Refunding Bonds, including the use of amounts in the debt service reserve account of approximately \$9.3 million to pay the final debt service payment for the Series 2017B Bonds in 2027.

⁴ Series 2024 Bonds issued with a 30-year maturity at a 4.61% All-In True Interest Cost per Siebert Williams Shank & Co. LLC's final pricing numbers dated May 29, 2024.

⁵ Assumes 30-year Bonds, issued in fiscal year 2025 and fiscal year 2027 at a 6% interest rate with 1-year capitalized interest.



HEADQUARTERS

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APPENDIX B

Audited Financial Statements of the Airport

NOTE: KPMG LLP, THE CITY'S INDEPENDENT AUDITOR, HAS NOT BEEN ENGAGED TO PERFORM AND HAS NOT PERFORMED, SINCE THE DATE OF ITS REPORT INCLUDED HEREIN, ANY PROCEDURES ON THE FINANCIAL STATEMENTS ADDRESSED IN SUCH REPORT. KPMG LLP HAS NOT PERFORMED ANY PROCEDURES RELATING TO THIS OFFICIAL STATEMENT.

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ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Basic Financial Statements and Supplementary Information

June 30, 2023

(With Independent Auditors' Report Thereon)

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

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KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

Independent Auditors' Report

The Honorable Mayor and Members of
The Board of Aldermen of the
City of St. Louis, Missouri:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the St. Louis Lambert International Airport of the City of St. Louis, Missouri (the Airport Division), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Airport Division, as of June 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport Division and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the basic financial statements present only the Airport Division and do not purport to, and do not, present fairly the financial position of the City of St. Louis, Missouri, as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a



substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport Division's basic financial statements. The supplementary information included in Schedules I through XIII are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport Division's basic financial statements. Schedule XV is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to



the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2024, on our consideration of the Airport Division's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport Division's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport Division's internal control over financial reporting and compliance.

KPMG LLP

St Louis, Missouri
March 4, 2024

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis – Unaudited

June 30, 2023

(Dollars in thousands, unless otherwise indicated)

The following discussion and analysis of the activity and financial performance of St. Louis Lambert International Airport (the Airport or STL) has been prepared by Airport management to provide the reader with an introduction and overview to the basic financial statements of the Airport for the fiscal year ended June 30, 2023. Following this discussion and analysis are the basic financial statements of the Airport including the notes which are essential to a full understanding of the data contained within the basic financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Statements

The Airport's basic financial statements are prepared on an accrual basis in accordance with the U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Airport is structured as an enterprise fund owned and operated by the City of St. Louis, Missouri with revenues recognized when earned. Expenses are recognized when incurred. Capital assets are capitalized (other than land, construction in progress, and easements) and are depreciated over their useful lives. Amounts are restricted for debt service and, where applicable, for construction activities. Refer to note 1 of the basic financial statements for a summary of the Airport's significant accounting policies.

Summary of Airport Activity

Air service at STL has nearly recovered to pre-pandemic levels after more than three years of a slow down and outpacing fiscal year (FY) 2022. The number of enplaned passengers increased by 14.1% in FY2023. Also, the airport's aircraft landings and takeoffs increased 3.6% from FY2022. The constant growth in enplanements is a result of a strong rebound in leisure travel, the addition of an international carrier and increase in business travel. In addition, STL worked with carriers to develop new and seasonal destinations. Some examples include Frontier adding non-stop service to both Tampa, Florida and Montego Bay, Jamaica and Southwest adding non-stop service to Myrtle Beach, South Carolina. There was a decline in cargo due to less pandemic focused shipping. STL airline partners fly to 75 non-stop destinations.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Enplaned passengers	7,182,699	6,297,012	14.1 %
Aircraft landings and takeoffs	160,487	154,940	3.6
Landed weight (in thousands of pounds)	8,920,136	8,104,669	10.1
Mail and cargo (in tons)	91,203	111,823	(18.4)

Financial Highlights

The following represents the significant financial activity of the Airport in fiscal years 2023 and 2022 and the reasons for any fluctuations between the years:

- Operating revenues increased 17.4% from \$114,302 in fiscal year 2022 to \$134,158 in fiscal year 2023. Demand for travel significantly improved during 2023 after the impact of COVID-19 during 2021 and 2022. STL served 14,374,020 total passengers, 1,782,746 passengers more than in fiscal year 2022. The passenger increase contributed to the increase in aviation revenue, concession sales throughout the Airport and parking revenues.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis – Unaudited

June 30, 2023

(Dollars in thousands, unless otherwise indicated)

- Operating expenses increased 13.5% from \$139,557 in fiscal year 2022 to \$158,341 in fiscal year 2023 primarily due to an increase in contractual services and personnel expenses which can be attributed to increased passenger flow in the terminals creating the need for more cleaning services and maintenance.
- The net result of the impact to operating revenues and expenses, as discussed above, is that operating loss decreased 4.2% from \$(25,255) in fiscal year 2022 to \$(24,183) in fiscal year 2023.
- Nonoperating revenues/(expenses), net, increased 198.3% from \$22,995 in fiscal year 2022 to \$68,605 in fiscal year 2023 primarily due to an increase in Federal COVID relief proceeds received this fiscal year and investment revenues received this year compared to a prior year investment loss.
- Capital contributions received in the form of grants and buildings and improvements from the federal and state governments increased 196.9% from \$12,449 in fiscal year 2022 to \$36,955 in fiscal year 2023. The grants received in fiscal year 2023 included various FAA Airport Improvement Program airfield projects.
- As a result of the preceding items, net position increased 6.6% from \$1,154,974 in fiscal year 2022 to \$1,230,854 in fiscal year 2023.

Financial Position Summary

Net position may serve over time as a useful indicator of the Airport's financial position. The Airport's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$1,230,854 at June 30, 2023.

A condensed summary of the Airport's net position at June 30, 2023 and 2022 is shown below:

	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percentage change</u>
Assets:				
Current and other assets	\$ 523,881	410,595	113,286	27.6 %
Capital assets, net	1,447,607	1,447,269	338	—
Right to use lease assets, net	222	178	44	24.7
Deferred outflow of resources	<u>22,375</u>	<u>9,764</u>	<u>12,611</u>	<u>129.2</u>
Total assets and deferred outflow of resources	\$ <u>1,994,085</u>	<u>1,867,806</u>	<u>126,279</u>	<u>6.8 %</u>

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis – Unaudited

June 30, 2023

(Dollars in thousands, unless otherwise indicated)

	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percentage change</u>
Liabilities:				
Long-term liabilities	\$ 578,070	521,267	56,803	10.9 %
Current liabilities	82,219	100,673	(18,454)	(18.3)
Deferred inflows of resources	<u>102,942</u>	<u>90,892</u>	<u>12,050</u>	<u>13.3</u>
Total liabilities and deferred inflows of resources	\$ <u><u>763,231</u></u>	<u><u>712,832</u></u>	<u><u>50,399</u></u>	<u><u>7.1 %</u></u>
Net position:				
Invested in capital assets, net of related debt	\$ 1,039,664	1,040,240	(576)	(0.1)%
Restricted	107,517	57,516	50,001	86.9
Unrestricted	<u>83,673</u>	<u>57,218</u>	<u>26,455</u>	<u>46.2</u>
Total net position	\$ <u><u>1,230,854</u></u>	<u><u>1,154,974</u></u>	<u><u>75,880</u></u>	<u><u>6.6 %</u></u>

A portion of the Airport's net position (84.5% at June 30, 2023) represents its investment in capital assets (e.g., land, easements, pavings, buildings and facilities, roads, runways, and equipment), less the related accumulated depreciation and indebtedness outstanding used to acquire those capital assets. The Airport uses these capital assets to provide services to its passengers and visitors to the Airport; consequently, these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations since it is unlikely the capital assets themselves will be liquidated to pay liabilities.

An additional portion of the Airport's net position (8.7% at June 30, 2023) represents net position that are subject to external restrictions on how they can be used. These assets can be used for any lawful Airport use including debt service, capital restoration, or expenditure subject to the restrictions of the Passenger Facility Charge Program and the Airport Improvement Program.

The remaining portion of the Airport's net position (6.8% at June 30, 2023) represents its unrestricted investments, less any outstanding indebtedness, which may be used to meet any of the Airport's ongoing obligations.

In fiscal 2023, the increase in capital assets is attributed to more projects capitalized during fiscal year 2023 compared to the prior fiscal year and current year depreciation expense. The increase in long-term debt outstanding was attributable to issuing general airport revenue Series 2023A and Series 2023B bonds.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis – Unaudited

June 30, 2023

(Dollars in thousands, unless otherwise indicated)

Summary of Revenues, Expenses, and Changes in Fund Net Position

The Airport's revenues, expenses, and changes in fund net position for the fiscal years ended June 30, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>	<u>change</u>	<u>change</u>
Operating revenues	\$ 134,158	114,302	19,856	17.4 %
Operating expenses	<u>158,341</u>	<u>139,557</u>	<u>18,784</u>	<u>13.5</u>
Operating loss	\$ <u>(24,183)</u>	<u>(25,255)</u>	<u>1,072</u>	<u>(4.2)%</u>
Nonoperating revenues/(expenses), net	\$ 68,605	22,995	45,610	198.3 %
Gain before capital contributions and transfers, net	\$ 44,422	(2,260)	46,682	(2,065.6)%
Capital contributions	36,955	12,449	24,506	196.9
Transfers in	767	—	767	100.0
Transfers out	<u>(6,264)</u>	<u>(5,718)</u>	<u>(546)</u>	<u>9.5</u>
Increase (decrease) in net position	\$ <u>75,880</u>	<u>4,471</u>	<u>71,409</u>	<u>1,597.2 %</u>
Net position, end of year	\$ 1,230,854	1,154,974	75,880	6.6 %

Revenues

The following chart shows the major sources of operating revenues, and their percentage share of total operating revenues, for the year ended June 30, 2023:



ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis – Unaudited

June 30, 2023

(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating revenues, and their percentage share of total Airport operating and nonoperating revenue, for the year ended June 30, 2023:

Operating revenues:		Percentage of	Dollar	Percentage
Aviation revenue:	<u>2023</u>	<u>Total</u>	<u>change</u>	<u>change</u>
			<u>from 2022</u>	<u>from 2022</u>
Airfield	\$ 53,396	24.2 %	6,327	13.4 %
Terminal and concourses	9,454	4.3 %	2,354	33.2
Hangars and other buildings	1,265	0.6 %	(24)	(1.9)
Cargo buildings	2,724	1.2 %	96	3.7
Concessions	26,248	11.9 %	(1,091)	(4.0)
Parking, gross (1)	37,019	16.7 %	12,535	51.2
Lease revenue	4,052	1.8 %	(341)	(7.8)
Total operating revenue	<u>134,158</u>	<u>60.7 %</u>	<u>19,856</u>	<u>17.4</u>
Nonoperating revenues:				
Intergovernmental revenue	624	0.3 %	190	43.8
Investment revenue	2,955	1.3 %	2,955	100.0
Passenger facility charges	26,682	12.1 %	3,433	14.8
Federal COVID relief proceeds	53,167	24.1 %	33,027	164.0
Other nonoperating revenue, net	3,441	1.6 %	3,238	1,595.1
Total nonoperating revenue	<u>86,869</u>	<u>39.4 %</u>	<u>42,843</u>	<u>97.9</u>
Total revenues	\$ <u>221,027</u>	<u>100.1 %</u>	<u>62,699</u>	<u>39.8 %</u>

⁽¹⁾ Reclassed parking fees to contractual expenses, increased revenues by \$8.9M

Fiscal year 2023 operating revenues increased 17.4%, or \$19,856 primarily due to an increase in aviation revenues, and parking revenues. In addition, Federal COVID relief proceeds increased 164.0%, or \$33,027 due to an increase in Federal COVID relief proceeds received for expenses incurred during the fiscal year and other nonoperating revenues, net increased 1,595.1%, primarily due to insurance recoveries received throughout the year and other nonoperating revenues received related to the receipt of a grant from the Missouri Department of Agriculture for upgrades to the STL livestock export center.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

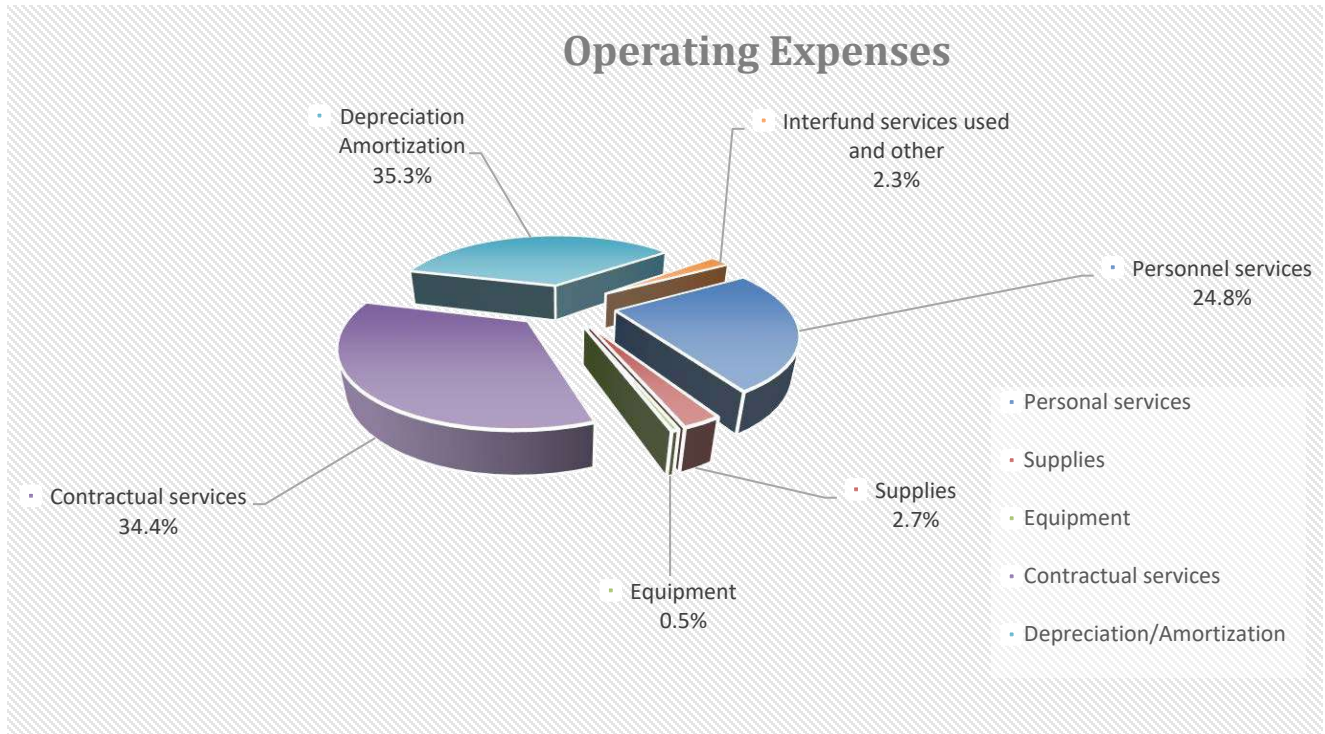
Management's Discussion and Analysis – Unaudited

June 30, 2023

(Dollars in thousands, unless otherwise indicated)

Expenses

The following chart shows the major sources of operating expenses, and their percentage share of total operating expenses, for the year ended June 30, 2023:



ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis – Unaudited

June 30, 2023

(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating expenses, and their percentage share of total Airport operating and nonoperating expenses, for the year ended June 30, 2023:

	<u>2023</u>	<u>Percentage of total</u>	<u>Dollar change from 2022</u>	<u>Percentage change from 2022</u>
Operating expenses:				
Personnel services	\$ 39,299	22.3 %	\$ 4,979	14.5 %
Supplies	4,283	2.4	824	23.8
Equipment	724	0.4	184	34.1
Contractual services	54,548	30.9	15,394	39.3
Depreciation	55,741	31.6	(2,413)	(4.1)
Right to use lease assets amortization	104	0.1	14	15.6
Interfund services used	2,416	1.4	(742)	(23.5)
Other operating	1,226	0.7	544	79.8
Total operating expenses	<u>158,341</u>	<u>89.7</u>	<u>18,784</u>	<u>13.5</u>
Nonoperating expenses:				
Asset impairment loss	245	0.1	245	100.0
Investment loss	—	—	(3,000)	(100.0)
Interest expense	18,019	10.2	(12)	(0.1)
Total nonoperating expenses	<u>18,264</u>	<u>10.3</u>	<u>(2,767)</u>	<u>(13.2)</u>
Total expenses	<u>\$ 176,605</u>	<u>100.0 %</u>	<u>\$ 16,017</u>	<u>10.0 %</u>

Airline Use Rates and Charges

As of June 30, 2023, the Airport was served by 13 signatory airlines, which have use agreements, of which two are cargo carriers. Sixteen airlines have operating agreements and 12 are designated as affiliates. An individual airline that signed a Use and Lease Agreement with the Airport has a contract that establishes how the airlines are assessed annual rates and charges for their use of the Airport. These agreements expired on June 30, 2021. Due to COVID-19, the agreements were extended for a one year term expiring on June 30, 2022, with a one year renewal option upon written notice by airlines no less than 120 days prior to expiration and both parties mutually agree to extend the term to June 30, 2023. All signatory airlines exercised their renewal option to extend the term to June 30, 2023. During 2023, the airlines exercised another option to extend the agreement for a two year term to June 30, 2025. The agreements remain a hybrid rate methodology where a residual framework is applied to the airfield cost center whereas terminal cost centers are compensatory.

Landing and rental fees are calculated on budgeted operating and maintenance expenses and are charged to the airlines based upon forecasted landing weights or square footage utilized. The amount charged is adjusted at year-end based upon actual expenses and actual landed weight and the difference is settled with the Airlines. Nonaffiliated airlines with operating agreements and carriers landing without an Airport Agreement are assessed 125% of the landing fee rate assessed carriers with use agreements.

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(Dollars in thousands, unless otherwise indicated)

Capital Acquisitions and Construction Activities

During fiscal year 2023, the Airport expended \$53,490 on capital activities related to construction in progress. During 2023, completed projects totaling approximately \$21,944 were transferred from construction in progress to their respective capital accounts. The major completed projects were as follows:

Terminal and concourse improvements	\$	5,908
Runway improvements		14,885
Roadway improvements		112
Airport office building, banshee buildings, and others		<u>1,039</u>
Total	\$	<u>21,944</u>

Capital asset acquisitions and improvements exceeding \$10,000 (in dollars) are capitalized at cost. Acquisitions are funded using a variety of financing techniques, including federal grants, State of Missouri grants, passenger facility charges, debt issuances, and Airport operating revenues. Additional information on the Airport's capital assets and commitments can be found in the notes to the basic financial statements.

Passenger Facility Charges (PFC)

The Airport initially received approval from the FAA to impose a passenger facility charge of \$3.00 (in dollars) per enplaned passenger beginning December 1, 1992, not to exceed \$131,453, principally to finance the Airport Capital Improvement Program. On December 1, 2001, the Airport received approval to increase the PFC to \$4.50 (in dollars) per enplaned passenger. The current limitation on passenger facility charges to be collected is \$1,097,771.

The PFC is withheld by the respective airline for each ticket or transfer in St. Louis and remitted to the Airport one month after collection, less a \$0.11 (in dollars) per ticket operating fee by the airline. PFC revenue is classified as nonoperating revenue.

Long-Term Debt Administration

At June 30, 2023, the Airport had the following bond series outstanding:

Revenue Refunding Bonds, Series 2005, dated July 7, 2005, maturing annually from fiscal year 2025 through 2032 with interest coupons ranging from 5.0% to 5.5%

- Balance outstanding at June 30, 2023 – \$145,995

Revenue Refunding Bonds, Series 2007A, dated January 23, 2007, maturing annually from fiscal year 2026 through 2027 with interest coupons of 5.25%

- Balance outstanding at June 30, 2023 – \$34,105

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Revenue Refunding Bonds, Series 2015, dated June 25, 2015, maturing annually from fiscal year 2022 through 2024 with interest coupon of 5.00%

- Balance outstanding at June 30, 2023 – \$2,240

Revenue Refunding Bonds, Series 2017A, dated June 30, 2018, maturing annually from fiscal year 2022 through 2033 with interest coupons of 5.00%

- Balance outstanding at June 30, 2023 – \$65,175

Revenue Refunding Bonds, Series 2017B, dated June 30, 2018, maturing annually from fiscal year 2022 through 2028 with interest coupons of 5.00%

- Balance outstanding at June 30, 2023 – \$38,670

Revenue Bonds, Series 2017C, dated June 30, 2018, maturing annually from fiscal year 2039 through 2048 with interest coupons of 5.00%

- Balance outstanding at June 30, 2023 – \$31,700

Revenue Bonds, Series 2017D, dated June 30, 2018, maturing annually from fiscal year 2029 through 2038 with interest coupons of 5.00%

- Balance outstanding at June 30, 2023 – \$26,605

Revenue Bonds, Series 2019A, dated June 30, 2021, maturing annually from fiscal year 2038 through 2050 with interest coupons of 5.00%

- Balance outstanding at June 30, 2023 – \$13,235

Revenue Bonds, Series 2019B, dated June 30, 2021, maturing annually from fiscal year 2022 through 2038 with interest coupons of 5.00%

- Balance outstanding at June 30, 2023 – \$7,725

Revenue Refunding Bonds, Series 2019C, dated June 30, 2021, maturing annually from fiscal year 2026 through 2035 with interest coupon of 5.00%

- Balance outstanding at June 30, 2023 – \$75,470

Revenue Refunding Bonds, Series 2022A, dated June 30, 2023, maturing annually from fiscal year 2024 through 2033 with interest coupon of 5.00%

- Balance outstanding at June 30, 2023 – \$14,335

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Revenue Bonds, Series 2023A, dated February 9, 2023, maturing annually from fiscal year 2025 through 2053 with interest coupon of 5.00%

- Balance outstanding at June 30, 2023 – \$60,080

Revenue Bonds, Series 2023B, dated February 9, 2023, maturing annually from fiscal year 2025 through 2025 with interest coupon of 5.00%

- Balance outstanding at June 30, 2023 – \$4,855

Credit Ratings

Moody's Investors Service, Inc. (Moody's) assigned a rating of "A2" subsequent to June 30, 2023 on the basis of the credit of the Airport and Standard & Poor's Ratings Services (S&P), a division of The McGraw-Hill Companies, Inc., assigned a rating of "A".

Economic Outlook and Subsequent Events that will Affect the Future

The Coronavirus (COVID-19) global pandemic caused sharp declines in air travel and enplanement growth at St. Louis Lambert International Airport (STL) and the aviation industry worldwide. Prior to the pandemic, STL experienced 50 straight months of passenger growth. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) approved by the U.S. Congress and signed by the President on March 27, 2020 provided relief measures and direct aid for airports, as well as, direct aid, loans and loan guarantees for passenger and cargo airlines. STL was awarded \$59.9 million in CARES Act funds to assist with the payment of operating and maintenance expenses and to pay debt service on outstanding Airport revenue bonds. STL met eligibility requirements for approximately \$352 thousand of the CARES Act funds in fiscal year 2023.

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed by the President on December 27, 2020 to provide \$2 billion in additional economic relief to airports to respond to the global pandemic. STL was awarded \$15.2 million to assist with continuing pandemic relief, this amount includes \$1.6 million dedicated to providing rent relief from rent and minimum annual guarantees to on-airport parking, on-airport car rental, and in-terminal airport concessions. STL met eligibility requirements for all of the CRRSAA funds totaling \$15.2 million in the prior fiscal year 2022.

To facilitate additional recovery from the pandemic, the President signed into law the \$1.9 trillion American Rescue Plan Act of 2022 (ARPA) on March 11, 2021. STL was awarded \$56.2 million for pandemic relief and recovery, this amount includes \$6.6 million for rent and minimum annual guarantees for eligible airport concessions. STL met eligibility requirements for approximately \$52.8 million in fiscal year 2023. There have been no loan defaults or a need to restructure debt to avoid default and STL complies with all bond indenture requirements. The federal Public Health Emergency for COVID-19 expired on May 11, 2023. STL will continue to assess and implement opportunities to reduce costs and adjust operations to keep the Airport safe and efficient.

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Requests for Information

These basic financial statements are designed to provide a general overview of the Airport's finances for all those with an interest. Questions concerning any information provided in this report should be addressed to the Office of the Airport Assistant Director for Finance and Accounting, St. Louis Lambert International Airport, P.O. Box 10212, St. Louis, Missouri, 63145.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Balance Sheet

June 30, 2023

(Dollars in thousands)

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$	66,827
Investments		46,526
Accounts receivable, net		1,664
Lease receivable		17,322
Supplies and materials		3,370
Other current assets		1,715
		137,424
Total unrestricted assets		137,424

Restricted assets:

Cash and cash equivalents		90,022
Investments		76,520
Accrued interest receivable		364
Passenger facility charges receivable		4,344
Government grants receivable		22,321
		193,571
Total restricted assets		193,571
Total current assets		330,995

Noncurrent assets:

Unrestricted:

Investments		17,767
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Restricted:

Cash and cash equivalents		14,860
Investments		75,570
Capital assets, net		1,447,607
Right to use lease assets, net		222
Lease receivable		83,264
Other assets		1,425
		1,640,715
Total noncurrent assets		1,640,715

Deferred outflows of resources-loss on bond refunding

4,488

Deferred outflows of resources-pension related

17,887

Total assets and deferred outflows of resources

\$ 1,994,085

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
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Balance Sheet

June 30, 2023

(Dollars in thousands)

Liabilities and Net Position

Current liabilities:

Payable from unrestricted assets:

Accounts payable and accrued expenses	\$ 16,365
Unearned revenue and other current liabilities	529
Due to the City of St. Louis, Missouri	6,564
Total payable from unrestricted assets	23,458

Payable from restricted assets:

Current maturities of revenue bonds payable	30,385
Accrued interest payable	11,612
Contracts and retainage payable	16,764
Total payable from restricted assets	58,761

Total current liabilities	82,219
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Noncurrent liabilities:

Revenue bonds payable, net	530,375
Net pension liability	39,037
Other long-term liabilities	8,658
Total noncurrent liabilities	578,070

Deferred inflows of resources-gain on bond refunding	1,015
Deferred inflows of resources-pension related	2,568
Deferred inflows of resources-leases	99,359
Total liabilities and deferred inflows of resources	763,231

Net position:

Invested in capital assets, net of related debt	1,039,664
Restricted:	
Bond reserve funds	93,413
Passenger facility charges	14,104
Unrestricted	83,673
Total net position	1,230,854
Total liabilities, deferred inflows of resources, and net position	\$ 1,994,085

See accompanying notes to basic financial statements.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Statement of Revenues, Expenses, and Changes in Fund Net Position

Year ended June 30, 2023

(Dollars in thousands)

Operating revenue:	
Aviation revenue:	
Airfield	\$ 53,396
Terminals and concourses	9,454
Hangars and other buildings	1,265
Cargo buildings	2,724
Concessions	26,248
Parking, gross	37,019
Lease revenue	4,052
	134,158
Total operating revenue	
Operating expenses:	
Personnel services	39,299
Supplies	4,283
Equipment	724
Contractual services	54,548
Depreciation	55,741
Right to use lease assets amortization	104
Interfund services used	2,416
Other	1,226
	158,341
Total operating expenses	
	(24,183)
Operating loss	
Nonoperating revenue (expenses):	
Intergovernmental revenue	624
Investment revenue	2,955
Interest expense	(18,019)
Passenger facility charges	26,682
Asset impairment loss	(245)
Federal COVID relief proceeds	53,167
Other, net	3,441
	68,605
Total nonoperating revenues, net	
	44,422
Gain before capital contributions and transfers	
Capital contributions	36,955
Transfers in from the City of St. Louis, Missouri	767
Transfers to the City of St. Louis, Missouri	(6,264)
	31,458
Total capital contributions and transfers	
	75,880
Increase in net position	
Total net position, beginning of year	1,154,974
Total net position, end of year	\$ 1,230,854

See accompanying notes to basic financial statements.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Statement of Cash Flows

Year ended June 30, 2023

(Dollars in thousands)

Cash flows from operating activities:	
Receipts from customers and users	\$ 142,768
Payments to suppliers of goods and services	(63,750)
Payments to or on behalf of employees	(35,122)
Payments for interfund services used	<u>(1,411)</u>
Net cash provided by operating activities	<u>42,485</u>
Cash flows from noncapital financing activity:	
Federal COVID relief proceeds	53,167
Transfers in from the City of St. Louis, Missouri	767
Transfers to the City of St. Louis, Missouri	<u>(6,264)</u>
Net cash provided by noncapital financing activity	<u>47,670</u>
Cash flows from capital and related financing activities:	
Cash collections from passenger facility charges	26,546
Receipt of federal financial assistance	27,437
Acquisition and construction of capital assets	(49,849)
Right to use lease assets	(148)
Proceeds from issuance of bonds	71,027
Proceeds from insurance recoveries	1,367
Proceeds from the sale of surplus property	127
Principal paid on revenue bond maturities	(53,725)
Interest paid on revenue bonds	<u>(24,449)</u>
Net cash used in capital and related financing activities	<u>(1,667)</u>
Cash flows from investing activities:	
Purchases of investments	(202,578)
Proceeds from sales and maturities of investments	110,580
Investment income	<u>6,397</u>
Net cash used in investing activities	<u>(85,601)</u>
Net increase in cash and cash equivalents	<u>2,887</u>
Cash and cash equivalents:	
Beginning of year:	
Unrestricted	39,260
Restricted	<u>129,562</u>
	<u>168,822</u>
End of year:	
Unrestricted	66,827
Restricted	<u>104,882</u>
	<u>\$ 171,709</u>

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Statement of Cash Flows

Year ended June 30, 2023

(Dollars in thousands)

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (24,183)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	55,845
Changes in assets and liabilities:	
Accounts receivable, net	(10,915)
Supplies and materials	(345)
Other assets	(580)
Net pension liabilities/assets	(21,961)
Deferred Inflow of resources-Leases	20,953
Accounts payable and accrued expenses	(3,058)
Unearned revenue	34
Due to/from the City of St. Louis, Missouri	1,186
Other long-term liabilities	25,509
Total adjustments	66,668
Net cash provided by operating activities	\$ 42,485
Supplemental disclosures for noncash activities:	
Unrealized loss on investments	\$ (3,524)
Capital assets in contracts and retainage payable	16,764

See accompanying notes to basic financial statements.

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(An Enterprise Fund of the City of St. Louis, Missouri)

Notes to Basic Financial Statements

June 30, 2023

(Dollars in thousands, unless otherwise indicated)

(1) Summary of Significant Accounting Policies

The St. Louis Lambert International Airport (the Airport) is owned and operated by the City of St. Louis, Missouri (the City). The Airport is an enterprise fund of the City, and therefore, the basic financial statements of the Airport are not intended to present the financial position, changes in financial position, and cash flows of the City as a whole in conformity with U.S. generally accepted accounting principles.

(a) Basis of Accounting

Governmental enterprise funds are used to account for operations of governmental entities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Airport prepares its financial statements in accordance with U.S. generally accepted accounting principles for governmental enterprise funds, which are similar to those for private business enterprises. Accordingly, the economic resource measurement focus and the accrual basis of accounting are used whereby revenues are recorded when earned and expenses are recorded when incurred.

In reporting its financial activity, the Airport applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's ongoing operations. Revenues from airlines, concessions, and parking are reported as operating revenues. Transactions that are capital, financing, or investing related are reported as nonoperating revenue. All expenses related to operating the Airport are reported as operating expenses. COVID-19 relief funding, interest expense, and financing costs, are reported as nonoperating.

(b) Cash and Cash Equivalents

The Airport considers cash on hand, money market funds, and investments with an original maturity of three months or less, when originally purchased, to be cash equivalents, whether unrestricted or restricted.

(c) Accounts Receivable

Accounts receivable at June 30, 2023 consist of \$1,664 due from air carriers and concessionaires with operations at the Airport. This amount includes a \$215 allowance reserve for uncollectible air carrier accounts.

(d) Supplies and Materials

Supplies and materials represent items used in support of operations and maintenance of the Airport. Supplies and materials amounts are recorded at cost using a method that approximates the first-in, first-out method.

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(e) Passenger Facility Charges (PFCs)

The Airport collects a \$4.50 (in dollars) facility charge per enplaned passenger to fund approved FAA projects. The PFCs are withheld by the respective airlines for each ticket purchased and passenger transfer made in St. Louis and remitted to the Airport one month after the month of receipt, less an \$.11 (in dollars) per ticket operating fee retained by the airlines. PFCs represent an exchange-like transaction and are recognized as nonoperating revenue based upon passenger enplanements. Passenger facility charges receivable as of June 30, 2023 were \$4,344. These amounts were collected during July and August of 2023.

(f) Capital Assets, Net

Capital assets, excluding intangible right-to-use lease assets and subscription-based information technology (IT) arrangements, are recorded at historical cost. Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets. Land is recorded at cost, which, in addition to the purchase price, includes appraisal and legal fees, demolition, and homeowner relocation costs. Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and amortized over the life of the related asset.

Airport management has evaluated prominent events or changes in circumstances affecting capital assets to determine whether any impairments of capital assets have occurred. Such events or changes in circumstances that were considered by Airport management to be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations, or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage.

(g) Interest Expense

Bond discounts and bond premiums are recorded as reductions of or additions to the related debt obligation as appropriate. Such amounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bond issuance costs are recognized as an outflow of resources and are expensed as incurred.

(h) Other Assets

Other noncurrent assets, as of June 30, 2023, comprise an advance of \$1,425 provided to the Airport's parking contractor and will be repaid to the Airport at the conclusion of the parking contract.

(i) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2023 comprise \$4,607, of accrued salaries and benefits; \$10,028 due to vendors and contractors; and \$1,730 of other accrued expenses.

(j) Vacation and Sick Leave Benefits

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave. Employees who have an unused sick leave balance may, at retirement, elect to receive payment for

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Notes to Basic Financial Statements

June 30, 2023

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one-half of the sick leave balance. As an estimate of the portion of sick leave that will result in termination payments, a liability has been recorded on the accompanying financial statements within other long-term liabilities representing one-half of the accumulated sick leave balances for those employees who will be eligible to retire within five years. The liability totaled \$1,349 as of June 30, 2023 and is included in other long-term liabilities.

The vacation liability reflects amounts attributable to employee services already rendered and are cumulative. The liability totaled \$2,991 as of June 30, 2023 and is included in accounts payable and accrued expenses.

(k) Capital Contributions, Intergovernmental Revenue, Federal Relief Proceeds and Other, Net

Capital contributions represent government grants used to fund capital projects and other contributed capital. Generally, capital contributions are recognized when the related expenditure is made and amounts become subject to claim for reimbursement. Certain Airport Improvement Program grants include look-back provisions, which allow the Airport to seek reimbursement for expenditures incurred prior to the respective Airport Improvement Program grant award date. In such circumstances, the Airport recognizes capital contributions for such grants upon meeting both the applicable eligibility requirements established by GASB Statement No. 33, *Accounting for Nonexchange Transactions*, and upon the designation of expenditures as eligible Airport Improvement Program expenditures as evaluated through the report date of the accompanying financial statements. Amounts received from other governments that are not restricted for capital purposes are reflected as nonoperating intergovernmental revenue.

Federal COVID relief proceeds includes \$53,167, in Federal COVID relief proceeds received for which eligibility requirements have been met.

Other net, includes insurance recoveries received throughout the year and other nonoperating revenues received related to the receipt of a grant from the Missouri Department of Agriculture for upgrades to the STL livestock export center.

(l) Statement of Cash Flows

For purposes of the statement of cash flows, "cash and cash equivalents" is defined as all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

(m) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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Notes to Basic Financial Statements

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(n) Leases (Lessor)

The Airport is a lessor for various noncancellable leases of facilities and land. For leases with a maximum possible term of 12 months or less at commencement date, the Airport recognizes income based on the provisions of the lease contract. For all other leases (i.e. those that are not short-term), the Airport recognizes a lease receivable and an offsetting deferred inflow of resources.

At lease commencement, the Airport initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The Airport recognizes interest income on the lease receivable, and lease revenue from the deferred inflows of resources in a systematic and rational manner over the term of the lease.

Key estimates and judgments include how the Airport determines the (1) discount rate it uses to calculate the present value of the expected lease payments to be received, (2) lease term, and (3) lease payments to be received.

- The Airport uses its estimated incremental borrowing rate as the discount rate for leases. The Airport's incremental borrowing rate for leases is based on the rate of interest it would need to pay if it issued revenue bonds.
- The lease term includes the noncancellable portion of the lease, plus any additional periods covered by either an Airport or lessee unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the Airport and the lessee have an option to terminate are excluded from the lease term.
- Lease payments to be received are evaluated by the Airport to determine if they should be included in the measurement of the lease receivable, including those payments that require a determination of whether they are reasonably certain of being received, such as base rent, percentage rent, and lease extension fees.

The Airport monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease, the receivable is remeasured, and a corresponding adjustment is made to the deferred inflow of resources.

(o) Leases (Lessee)

The Airport is a lessee for a noncancellable long-term lease of equipment, for which the Airport recognizes a lease liability. For lease arrangements with a maximum possible term of 12 months or less at commencement, the Airport recognizes expense based on the provisions of the lease contract.

The Airport initially measured the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease

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June 30, 2023

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payments made. The lease asset is initially measured at the initial amount of the lease liability. Subsequently, the lease asset is amortized into depreciation expense on a straight-line basis over the term of the lease.

For *Subscription-Based Information Technology Arrangements* (SBITA), at the commencement of these type of subscription arrangements, the Airport initially measures the subscription IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the subscription IT asset is amortized into amortization expense, on a straight-line basis over the shorter of the subscription term or the useful life of the underlying hardware or software.

(p) Adoption of New Accounting Pronouncements

In 2023, the Airport implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This statement requires that all subscription-based IT arrangements, which are noncancellable, convey control for the right-to-use information technology software, alone or in combination with tangible capital assets, and for a period of time greater than 12 months in an exchange or exchange like transaction, be recognized by a Lessee as a lease liability and an intangible right-to-use lease asset. The Airport evaluated its existing subscription-based software arrangements and determined that they are all short-term, cancellable arrangements and had no effect on its net position as of June 30, 2023. The Airport is not a Lessor in respect to GASB 96.

(2) Cash and Investments

The Airport applies the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which requires investments to be measured at fair value. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement established a hierarchy of inputs to valuation techniques used to measure fair value. The hierarchy has three levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 inputs are inputs—other than quoted prices—included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs, such as management’s assumption of the default rate among underlying mortgages of a mortgage-backed security.

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The following table presents assets that are measured at fair value and cost on a recurring basis at June 30, 2023:

<u>Fair Value</u>	<u>Total</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
Federal Home Loan Bank	\$ 14,747	—	14,747
Federal National Mortgage Association	13,962	—	13,962
Federal Farm Credit Bank	348		348
U.S. Treasury Bills and Notes	135,349	135,349	—
International Bank Notes	11,692	—	11,692
<u>Cost</u>			
Guaranteed Investment Contract	\$ 57,285		
Money Market Mutual Funds	95,757		
Commercial Paper	17,445		
Certificates of deposit (CDs)	5,117		
Other cash deposits	36,390		
	<u>\$ 388,092</u>		

Where applicable, investments are recorded at fair value, which is determined by quoted market prices using other observable inputs at year-end as reported by the investment custodian. Other investments, which are short-term in nature, are recorded using a cost-based measure.

Purchases and sales of investments are recorded on a trade date basis.

The Airport deposits all cash with the Office of the Treasurer of the City, which maintains all banking relationships for the Airport. Additionally, all investment decisions are made by the City Treasurer and the City's agents.

Certificates of deposit are defined as investments for balance sheet classification and cash flow purposes; for custodial risk disclosure, however, they are described below as cash deposits. In addition, money market mutual funds are classified as cash and cash equivalents on the balance sheet, but as investments for custodial risk disclosure.

The Airport's current assets contemplate the exclusion of resources that are restricted as to withdrawal or use for other than current operations, are designated for expenditure in the acquisition or construction of

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noncurrent assets, or are segregated for the liquidation of long-term debts (except for maturing debt that is recorded as a current liability).

As of June 30, 2023, the Airport had the following cash deposits and investments:

Federal Home Loan Bank	\$	14,747
Federal National Mortgage Association		13,962
Federal Farm Credit Bank		348
U.S. Treasury Bills and Notes		135,349
International Bank Notes		11,692
Guaranteed Investment Contract		57,285
Money Market Mutual Funds		95,757
Commercial Paper		17,445
Certificates of Deposit (CDs)		5,117
Other Cash Deposits		36,390
	\$	388,092

State statutes and City investment policies authorize the deposit of funds in financial institutions and trust companies. Investments may be made in obligations of the U.S. Government or any agency or instrumentality thereof; bonds of the State of Missouri, the City of St. Louis, Missouri, or any city within the state with a population of 400,000 inhabitants or more; or time certificates of deposit. In addition, the City may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of the U.S. Government agencies or instrumentalities of any maturity as provided by law. Funds in the form of cash deposits are required to be insured or collateralized by authorized investments held in the City's name.

(a) Interest Rate Risk

The Airport seeks to minimize its exposure to fair value losses arising from changes in interest rates by selecting investments in adherence to the Investment Policy for the City of St. Louis, Missouri (Investment Policy). The Investment Policy provides that, to the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities or make a time deposit with a stated maturity or more than five years from the date of purchase. The average maturity for collateral provided to the City for deposits in connection with a repurchase agreement shall not exceed five years without the written approval of the City Treasurer. In connection with any outstanding bond issue, debt service reserve funds may be invested to a maximum maturity of 15 years, and up to 30 years with the approval of the Treasurer.

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The investments had the following maturities on June 30, 2023:

	Investment maturities (in years)		
	Fair value	Less than 1	1 – 5
Federal Home Loan Bank	\$ 14,747	10,656	4,091
Federal National Mortgage Association	13,962	8,381	5,581
Federal Farm Credit Bank	348	348	—
U.S. Treasury Bills and Notes	135,349	73,027	62,322
International Bank Notes	11,692	7,555	4,137
	Cost	Less than 1	1 – 5
Guaranteed Investment Contract	57,285	—	57,285
Money Market Mutual Funds	95,757	95,757	—
Commercial Paper	17,445	17,445	—
Certificates of Deposit (CDs)	5,117	117	5,000
	\$ 351,702	213,286	138,416

(b) Credit Risk

The Investment Policy provides that investments of the City be rated in one of the three highest ratings categories by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Ratings Service.

The investments had the following ratings on June 30, 2023:

	Value	AAA	A-1+	A-1	AA+	Not rated
Federal Home Loan Bank	\$ 14,747	—	—	—	4,092	10,655
Federal National Mortgage Association	13,962	—	—	—	11,043	2,919
Federal Farm Credit Bank	348	—	—	—	—	348
Commercial paper	17,445	—	2,530	5,148	—	9,767
U.S. Treasury Bills and Notes*	135,349	—	—	—	93,397	41,952
International Bank Notes	11,692	11,692	—	—	—	—
Guaranteed Investment Contract	57,285	—	—	—	—	57,285
Money Market Mutual Funds	95,757	—	—	—	—	95,757
Certificate of Deposits (CDs)	5,117	—	—	—	—	5,117
	\$ 351,702	11,692	2,530	5,148	108,532	223,800

* The Airport's investments in U.S. Treasury Bills and Notes are explicitly guaranteed by the U.S. government and, therefore, do not require a rating.

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(c) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Airport will not be able to recover the value of the investments or collateral securities that are in the possession of the counterparty.

The Investment Policy requires that all cash deposits, time certificates of deposit, deposits with listed institutions, and repurchase agreements be covered by adequate pledged collateral or held in trust for the payment of the principal or redemption price of interest on any bond. Acceptable collateral includes U.S. Treasury obligations, other interest-bearing securities guaranteed as to principal and interest by the U.S. or an agency or instrumentality of the U.S., bonds of the State of Missouri, or bonds of the City. The market value of the principal and accrued interest of the collateral must equal 103% of the deposits secured, less any amount subject to federal deposit insurance. All City securities and securities pledged as collateral must be held in a segregated account on behalf of the City by an independent third party with whom the City has a current custodial agreement and has been designated by the Treasurer and Funds Committee as eligible to serve in such a capacity.

At June 30, 2023, all Airport investments and all collateral securities pledged against Airport deposits are held by the counterparty's trust department or agent in the City's name.

(d) Concentration of Credit Risk

The Investment Policy of the City provides that, with the exception of U.S. Treasury Securities, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The Airport has no separate policy related to the concentration of credit risk, and the Airport's concentration of credit risk is considered in conjunction with the review of the concentration of credit risk for the City's total investment portfolio.

At June 30, 2023, the concentration of the Airport's investments (excluding cash deposits) was as follows:

Federal National Mortgage Association	3.97 %
Federal Farm Credit Bank	0.10
Commercial paper	4.96
U.S. Treasury bills and notes	38.48
International Bank Notes	3.32
Federal Home Loan Bank	4.19
Certificates of Deposit (CDs)	1.46
Guaranteed Investment Contract	16.29
Money Market Mutual Funds	27.23
	100.00 %

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(3) Restricted Assets

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2023:

Airport Bond Fund:	
Debt Service Account	\$ 166,542
Debt Service Reserve Account	21,382
Airport Renewal and Replacement Fund	3,500
Passenger Facility Charge Fund	9,759
Airport Debt Service Stabilization Fund	38,211
Airport Construction Fund	15,359
Drug Enforcement Agency funds	<u>2,219</u>
	<u>\$ 256,972</u>

Bond provisions require that revenues derived from the operation of the Airport be deposited into the unrestricted Airport Revenue Fund. From this fund, the following allocations are made (as soon as practicable in each month after the deposit of revenues, but no later than five business days before the end of each month) in the following order of priority, and as applicable:

- (a) Unrestricted Airport Operation and Maintenance Fund: An amount sufficient to pay the estimated operation and maintenance expenses during the next month.
- (b) Airport Bond Fund: For credit to the Debt Service Account if and to the extent required so that the balance in said account shall equal the accrued aggregate debt service on the bonds, to the last day of the then-current calendar month. This account shall be used only for payment of bond principal and interest as the same shall become due.
- (c) Airport Bond Fund: For credit to the Debt Service Reserve Account: An amount sufficient to maintain a balance in such account equal to the debt service reserve requirement (an amount equal to the greatest amount of principal and interest due in any future fiscal year). This account shall be available for deficiencies in the Debt Service Account on the last business day of any month, and the balance shall be transferred to the Debt Service Account whenever the balance in the Debt Service Account (before the transfer) is not sufficient to pay fully all outstanding bonds.
- (d) Arbitrage Rebate Fund: An amount necessary to fund the Arbitrage Rebate in order to pay the Rebate Amount when due and payable.
- (e) Subordinated Indebtedness: An amount sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness.

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- (f) Airport Renewal and Replacement Fund: An amount equal to \$57, provided that no deposit shall be required to be made into said fund whenever and as long as uncommitted moneys in said fund are equal to or greater than \$3,500 or such larger amount as the City shall determine is necessary for purposes of said fund and provided further that, if any such monthly allocation to said fund shall be less than the required amounts, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency. This fund shall be used for paying costs of renewal or replacement of capital items used in connection with the operation of the Airport.
- (g) A subaccount in the Airport Revenue Fund: An amount determined from time to time by the City such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport fiscal year, the balance in such subaccount shall equal the amounts payable to the City with respect to such Airport fiscal year for the payment of 5% of gross receipts from operations of the Airport. A maximum of 80% of the monthly transfer to this subaccount may be paid to the City during the Airport's fiscal year. The final installment may only be paid to the City upon delivery of the Airport's audited financial statements to the Airport Bond Fund Trustee.
- (h) Airport Debt Service Stabilization Fund and the Airport Development Fund: Various amounts for fiscal years 2006 through 2011, achieved a balance of \$38,211 at the end of fiscal year 2011. Beginning in fiscal year 2012, the Airport will allocate an amount sufficient to bring the amount on deposit in the Debt Stabilization Fund equal to the Debt Stabilization Fund Requirement (or such lesser amount as is available in the Revenue Fund for such transfer).
- (i) The remaining balance in the Revenue Fund shall be deposited into the Airport Development Fund. This fund shall be used for extensions and improvements to the Airport, including equipment acquisition.

Bond provisions provide that, in the event the sums on deposit in the Airport Bond Fund – Debt Service and Debt Service Reserve Accounts are insufficient to pay accruing interest, maturing principal or both, Airport Development Fund, and Airport Renewal and Replacement Fund may be drawn upon, to the extent necessary, to provide for the payment of such interest, principal, or both. Any sums so withdrawn from these accounts for said purposes shall be restored thereto in the manner provided for in their original establishment. Bond provisions also provide that the principal proceeds from the sale of Airport revenue bonds shall be held in the Airport Construction Fund from which they shall be disbursed for the purposes contemplated in the related bond provisions and City ordinances.

Passenger Facility Charge Fund and Drug Enforcement Agency Funds are restricted in accordance with program agreements.

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(4) Capital Assets

Following is a summary of the changes in capital assets for the year ended June 30, 2023:

	<u>Balances, June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balances, June 30, 2023</u>
Capital assets being depreciated:					
Pavings	\$ 1,115,539	97	—	17,054	1,132,690
Buildings and facilities	728,021	29	—	4,890	732,940
Equipment	114,155	2,708	(3,562)	—	113,301
	<u>1,957,715</u>	<u>2,834</u>	<u>(3,562)</u>	<u>21,944</u>	<u>1,978,931</u>
Less accumulated depreciation:					
Pavings	(696,351)	(32,116)	—	—	(728,467)
Buildings and facilities	(522,711)	(19,923)	—	—	(542,634)
Equipment	(79,577)	(3,702)	3,317	—	(79,962)
Total accumulated depreciation	<u>(1,298,639)</u>	<u>(55,741)</u>	<u>3,317</u>	<u>—</u>	<u>(1,351,063)</u>
Total capital assets being depreciated	<u>659,076</u>	<u>(52,907)</u>	<u>(245)</u>	<u>21,944</u>	<u>627,868</u>
Capital assets not being depreciated:					
Land	750,963	—	—	—	750,963
Construction in progress	33,724	53,490	—	(21,944)	65,270
Easements	3,506	—	—	—	3,506
Total capital assets not being depreciated	<u>788,193</u>	<u>53,490</u>	<u>—</u>	<u>(21,944)</u>	<u>819,739</u>
	<u>\$ 1,447,269</u>	<u>583</u>	<u>(245)</u>	<u>—</u>	<u>1,447,607</u>

Construction in progress as of June 30, 2023 consists of various improvements to the airfield and terminal buildings, as well as property purchased on which the Airport's expansion facilities will be constructed.

The estimated useful lives of capital assets are as follows:

	<u>Years</u>
Pavings	5–30
Buildings and facilities	5–30
Equipment	3–20

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(5) Change in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2023:

	Balances, June 30, 2022	Additions	Reductions	Balances, June 30, 2023	Due within one year
Revenue bonds payable (note 6)	\$ 508,980	64,935	(53,725)	520,190	30,385
Unamortized discounts and premiums (note 6)	41,596	6,092	(7,118)	40,570	—
Net pension liability (note 14)	15,331	23,706		39,037	—
Pension Funding Project (note 14)	4,121	—	(171)	3,950	181
Other long-term liabilities	549	46	—	595	—
Accrued vacation, compensatory, and sick time benefits	4,723	110	(24)	4,809	3,460
Unearned lease revenues	3,226	—	(281)	2,945	—
Total	\$ <u>578,526</u>	<u>94,889</u>	<u>(61,319)</u>	<u>612,096</u>	<u>34,026</u>

(6) Revenue Bonds Payable

Bonds outstanding at June 30, 2023 are summarized as follows:

Bond Series 2005, interest rate ranging from 5.0% to 5.50%, payable in varying amounts through 2032	\$ 145,995
Bond Series 2007A, interest rate of 5.25%, payable in varying amounts through 2027	34,105
Bond Series 2015, interest rate of 5.00%, payable in varying amounts through 2024	2,240
Bond Series 2017A, interest rate of 5.00%, payable in varying amounts through 2033	65,175
Bond Series 2017B, interest rate of 5.00%, payable in varying amounts through 2028	38,670
Bond Series 2017C, interest rate of 5.00%, payable in varying amounts through 2048	31,700
Bond Series 2017D, interest rate of 5.00%, payable in varying amounts through 2038	26,605
Bond Series 2019A, interest rate of 5.00%, payable in varying amounts through 2050	13,235
Bond Series 2019B, interest rate of 5.00%, payable in varying amounts through 2038	7,725
Bond Series 2019C, interest rate of 5.00%, payable in varying amounts through 2035	75,470
Bond Series 2022A, interest rate of 5.00%, payable in varying amounts through 2033	14,335
Bond Series 2023A, interest rate of 5.00%, payable in varying amounts through 2053	60,080
Bond Series 2023B interest rate of 5.00%, payable in varying amounts through 2025	4,855
	<u>520,190</u>
Deduct/add:	
Current maturities	(30,385)
Unamortized discounts and premiums	40,570
	<u>10,185</u>
	\$ <u>530,375</u>

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Interest payments on the above issues are due semiannually on January 1 and July 1.

On February 9th, 2023, the Airport issued \$64,935 Series 2023A & B Airport Revenue Bonds maturing in varying amounts through 2053 with interest rates of 5.00%.

If an event of default with respect to any Bond issued under the Indenture shall happen and be unremedied, the Trustee may declare the principal of all Bonds then outstanding, and the interest accrued thereon, to be due and immediately payable.

Debt-Related Items Presented as Deferred Outflows/Inflows of Resources

In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the gain/loss on bond refunding has been recorded as a deferred outflows/inflows of resources, net of the accumulated amortization and will be recognized as a component of interest expense using the bonds outstanding method over the life of the new bonds or of the old bonds, whichever is less. The detail of the debt-related items recognized as deferred outflows/inflows of resources as of June 30, 2023 is presented below:

Debt-Related Deferred Outflow/Inflow of Resources

Deferred outflow of resources – loss on bond refunding	\$ <u>4,488</u>
Deferred inflow of resources – gain on bond refunding	\$ <u>(1,015)</u>

Management is not aware of any violations of significant bond covenants with respect to the above issues at June 30, 2023.

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As of June 30, 2023, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2024	\$ 30,385	25,722	56,107
2025	43,720	24,206	67,926
2026	50,960	21,814	72,774
2027	42,430	19,423	61,853
2028	44,630	17,148	61,778
2029–2033	192,125	52,254	244,379
2034–2038	42,605	22,407	65,012
2039–2043	25,750	15,241	40,991
2044–2048	32,845	7,951	40,796
2049–2051	14,740	1,703	16,443
	<u>\$ 520,190</u>	<u>207,869</u>	<u>728,059</u>

(7) Use Agreements and Leases with Signatory Air Carriers

Effective July 1, 2016, the Airport entered into long-term use and lease agreements with signatory air carriers that expired on June 30, 2022. Due to COVID-19, the agreement included a one year renewal option upon written notice by airlines no less than 120 days prior to expiration and both parties mutually agreed to extend the term to June 30, 2023. All signatory airlines exercised their renewal option to extend the term to June 30, 2023. During 2023, the airlines exercised another option to extend the agreement for a two year term to June 30, 2025. Contemporaneously, the Airport also adopted a new companion Airline Operating Agreement and Terminal Building Space Permit (AOA), which the Airport will make available to airlines that elect not to enter into an AUA. The new agreements retain most of the provisions of the prior master agreements which expired June 30, 2016. Under the terms of the use and lease agreements, the air carriers have agreed to pay airfield landing fees; terminal and concourse rentals; hangar, cargo, and maintenance facility rentals; and certain miscellaneous charges in consideration for use of the Airport. The assets that are being leased by the airlines are primarily included within building and facilities capital assets. The use and lease agreements also require the Airport to make certain capital improvements and to provide maintenance of certain Airport facilities. Payments by the air carriers are determined as follows:

- (a) Landing fees are calculated based on estimated operating and maintenance expenses of the airfield and allocated to the air carriers on the basis of landing weights. Landing fee revenues are adjusted each year by retroactive rate adjustment that is calculated as the difference between estimated and actual costs incurred and estimated and actual landing weights. These revenues are included in aviation revenue—airfield.
- (b) Rentals are calculated based on estimated operating and maintenance expenses of the terminals and concourse areas and hangars, cargo, and maintenance facilities, and allocated to the air carriers on the basis of square footage leased in the terminals. Rental revenue is adjusted each year by retroactive

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rate adjustment that is calculated as the difference between estimated and actual costs incurred. These revenues are included in aviation revenue—terminals and concourses.

- (c) Miscellaneous income is derived from the air carriers for their use of sanitary disposal facilities and airline service buildings.

During fiscal year 2023, revenues from signatory air carriers accounted for 43.2% of total Airport operating revenues.

Minimum future rentals for each year in the next five years and in the aggregate are not determinable given the method of calculation.

The following is a summary of aviation revenue by category and source from signatory and non-signatory air carriers for the year ended June 30, 2023:

	Signatory	Nonsignatory	Total
Airfield	\$ 45,412	7,984	53,396
Terminal and concourses	10,257	(803)	9,454
Hangars and other buildings	571	694	1,265
Cargo buildings	1,848	876	2,724
	\$ 58,088	8,751	66,839

No assurance can be given as to the levels of aviation activity that will be achieved at the Airport in future fiscal years. Future traffic at the Airport is sensitive to a variety of factors including (1) the growth in the population and the economy of the area served by the Airport; (2) national and international political and economic conditions, including the effects of any past or future terrorist attacks; (3) air carrier economics and air fares; (4) the availability and price of aviation fuel; (5) air carrier service and route networks; (6) the capacity of the air traffic control system; (7) the capacity of the Airport/airways system; and (8) global pandemics.

The level of aviation activity at the Airport can have a material impact on the amount of total revenues generated at the Airport. However, Airport management believes the risk of significant variance in Airport revenues is mitigated by the Airport Use Agreements, concession agreements, and other leases, which contain minimum annual revenue guarantees.

(8) Use Agreement with Signatory Air Carriers – Southwest Airlines and American Airlines, Inc.

Southwest Airlines (Southwest) and American Airlines, Inc. (American) represent the major air carriers providing air passenger service at the Airport.

Southwest provided 26.3% of the Airport's total operating revenues and 57.4% of total revenues from participating air carriers for the fiscal year ended June 30, 2023. Accounts receivable at June 30, 2023

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contained \$3,148 relating to amounts due to the Airport from Southwest. These amounts include \$281 of unbilled amounts due to the Airport at June 30, 2023.

American provided 6.4% of the Airport's total operating revenues and 14.0% of total revenues from signatory air carriers for the fiscal year ended June 30, 2023. Accounts receivable at June 30, 2023 contained \$1,905 relating to unused credits issued by The Airport to American. These amounts include \$1,287 of unbilled aviation credits at June 30, 2023.

(9) Lease Receivable

The Airport is a lessor for various noncancellable long-term leases of its facilities and land with varying renewal privileges to various nonsignatory air carriers, concessionaires, and others. Lease terms for the leases vary from 1 year to 35 years. The discount rate used for the calculation of the lease receivable varies depending on the length of the respective leases, and ranged from .24% to 3.48%.

Lease income from noncancellable long-term fixed payment leases totaled \$18,500 for the year ended June 30, 2023. Interest income from noncancellable long-term leases totaled \$1,416 for the year ended June 30, 2023.

Where a monthly lease payment is less than the calculated interest amount for that month, the difference is recorded as accrued interest receivable and accounted for separately from the respective lease receivable balance. Monthly interest accrues based on prior month-end balances of both the lease receivable account and the related accrued interest receivable account. This accrued interest account will accumulate until such time that monthly lease payment is greater than the interest calculated for that month. In leases that have outstanding accrued interest receivable balances, the related lease payments are applied in the following order: (1) to the interest portion of the rent, (2) to the accrued interest balance until fully paid, and (3) to the lease receivable balance. Accrued interest receivable totaled \$349 at June 30, 2023.

(10) Concessions Revenues

During fiscal year 2023, revenues from concessionaires accounted for 19.5% of total Airport operating revenues.

Following is a summary of revenues received by type of concession for the year ended June 30, 2023:

Advertising	\$	423
Transportation services		4,597
Automobile rental		14,254
General merchandise sales		470
Food and catering services		5,563
Other		941
	\$	<u>26,248</u>

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(11) Parking Revenues, Net

Parking revenues, net represents revenues collected in conjunction with the operations of the Airport parking facilities, net of related expenses. Gross parking revenues and parking expenses for the year ended June 30, 2023 are as follows:

Parking revenues	\$	37,019
Parking expenses		<u>(8,986)</u>
Parking revenues, net	\$	<u><u>28,033</u></u>

(12) Related-Party Transactions

During the year ended June 30, 2023, the City charged the Airport \$1,913 for services rendered by various City departments, which are included in the Airport's operating expenses as interfund services used.

Each year, the Airport pays the City a gross receipts tax of approximately 5% of the Airport's gross receipts. During the year ended June 30, 2023, gross receipts tax amounted to \$6,264 and is reflected as transfers to the City of St. Louis, Missouri in the accompanying basic financial statements. As of June 30, 2023, \$2,475 remains unpaid. Also, transfers in from the City of St. Louis, Missouri includes \$767 for Federal COVID relief proceeds transferred from the City.

(13) Retirement Plans

All employees of the Airport are covered by the following citywide employee retirement plans. The employees of the Airport Fire Department are covered by the Firemen's Retirement System of St. Louis (FRS), a single-employer defined-benefit retirement plan. Effective February 1, 2013, the City passed Ordinances #69149 and #69245 (amended by #69353) and Judge Dierker's ruling (Board Bill 109) replaced the FRS with a new retirement system, The Firefighters' Retirement Plan (FRP). All other employees are covered by the Employees' Retirement System of the City of St. Louis (Employees' System), a cost-sharing, multiple-employer, public defined-benefit retirement plan. Each system is administered by a separate Board of Trustees, members of which are appointed by City officials and plan participants.

Firemen's Retirement System of St. Louis (FRS)

(a) System Description (FRS)

The FRS issues a publicly available financial report that includes financial statements and supplementary information. That information may be obtained by writing to the Firemen's Retirement System of St. Louis; 1601 S. Broadway; St. Louis, Missouri, 63104.

The following disclosures are based on the September 30, 2022 FRS financial statements and the October 1, 2022 actuarial valuation. The valuation as of October 1, 2022, reflects the changes

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attributable to Ordinances #69245 and #69353, and Judge Dierker's subsequent ruling (Board Bill 109). Key changes to the FRS are as follows:

- FRS is frozen as of February 1, 2013. That is, benefits paid from FRS will be based on the member's service and salary earned as of February 1, 2013. Participants with benefit service in FRS are classified as "grandfathered" members.
- Firefighters hired after February 1, 2013 are not members of FRS.
- Vesting and eligibility service earned after February 1, 2013 in the newly established Firemen's Retirement Plan of St. Louis (FRP) will count toward vesting and eligibility service in FRS.
- Ancillary benefits, for disability or death occurring after February 1, 2013, are assumed to be paid from the newly established FRP to the extent that benefits do not depend on service earned prior to February 1, 2013. FRS members who become disabled or die before retirement are eligible for a refund of contributions made to FRS.
- Employer contributions to the frozen FRS will continue to be calculated under the Frozen Initial Liability cost method.
- Member contributions after February 1, 2013 from "grandfathered" participants in FRS will be paid to the FRP.
- Grandfathered members with 20 or more years of service as of February 1, 2013 are eligible to retire with unreduced FRP benefits if retirement commences before age 55.
- Grandfathered members with less than 20 years of service as of February 1, 2013 are eligible to retire with actuarially reduced FRP benefits if retirement commences before age 55.

As a result of Board Bill 109, the following assumptions were made:

- Since benefits paid under FRS will no longer depend on future salary increases, future salary increase assumptions have been eliminated in the projection of pay and valuation of benefits. Costs will continue to be spread over the present value of future salary, which includes future salary increases.
- It is assumed that grandfathered members with less than 20 years of service as of February 1, 2013 will not retire prior to age 55. The retirement rates were adjusted to reflect accelerated retirement when these members first become eligible at age 55.
- It was assumed the FRS frozen benefit relating to service and pay as of February 1, 2018, will be used to offset post-retirement survivor benefits paid under Firefighters' Plan.
- The overall rates of disability were not changed, but the proportion of ordinary accidental disabilities accounts for 20% ordinary and 80% accidental to 60% ordinary and 40% accidental.

Plan liabilities for FRS after Board Bill 109 are predominantly for retired members and their beneficiaries. That is, the proportion of retired liabilities to total plan liabilities is projected to be over 80% by October 1, 2024.

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An agreement between the City and FRS was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to FRS from February 1, 2013 to September 30, 2013. The contributions for this period recognize the impact of Board Bill 109, certain excess FRS City contributions were transferred from FRS to FRP.

The FRS, in accordance with Ordinance #62994 of the City, initiated during the Firemen's System's fiscal year ended August 31, 1994, the Deferred Retirement Option Plan (DROP). The DROP plan is available to members of the system who have achieved at least 20 years of creditable service and have eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly into the DROP account of the member, and the member's contribution will be reduced to 1% from the normal 8%. During participation in the DROP plan, the member will not receive credit for employer contributions or credit for service. A member may participate in the DROP only once for any period up to five years. At retirement, the funds in the member's DROP account plus interest and accrued sick leave, if elected, are available to the member in a lump sum or in installments.

(b) Funding Policy (FRS)

Firefighters contributed 8% of their salary to the FRS, as mandated per State statute and adopted by City ordinance through February 1, 2013 (date frozen). The City is required to contribute the remaining amounts necessary to fund the FRS. The City's policy is that the Airport pays 10% of the contribution for FRS.

(c) Net Pension Liability (FRS)

The Airport reported a liability of \$5,860 for its proportionate share of the net pension liability as of June 30, 2023. The net pension liability was measured as of September 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022. The Airport's proportion of the net pension liability is 10% and is based on the Airport's share of contributions to FRS relative to the contributions of all FRS.

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The long-term expected rate of return on the FRS investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plans target asset allocation as of October 1, 2022, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Core bonds	5 %	2.58 %
Core plus	22	2.89
Diversified Fund of Funds	5	4.75
US large cap equity	20	7.17
US small cap equity	9	8.61
International developed equity	18	8.06
Emerging market equity	6	9.33
Long/Short equity	—	5.77
Core real estate	10	6.54
Value add real estate	5	8.04
Total	<u>100 %</u>	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the Airport would make the required contributions as defined by Statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees and their beneficiaries. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2022 actuarial valuation, a 7.00% long-term rate of return was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2023 for the Airport is as follows:

	Discount rate	Net pension liability
1% decrease	6.00 %	9,905
Current rate	7.00	5,860
1% increase	8.00	2,406

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(e) Pension Expense (FRS)

For the fiscal year ended June 30, 2023, the Airport recognized pension expense of \$1,359. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five-year period.

(f) Deferred Outflows/Inflows of Resources Related to Pension (FRS)

In accordance with GASB Statement No. 68, the Airport recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources	Deferred inflow of resources
Difference between expected and actual liability experience	\$ —	132
Net difference between projected and actual earnings on pension plan investments	4,265	—
Total	\$ 4,265	132

The Airport recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience and changes in actuarial assumptions are amortized over the average expected remaining service life of FRS employees. The following table summarizes the future recognition of these items:

	Recognition
Year ended June 30:	
2024	\$ 1,170
2025	716
2026	534
2027	1,713
	\$ 4,133

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Firefighter's Retirement Plan (FRP)

(a) System Description (FRP)

The FRP administers a single-employer defined-benefit pension plan providing pension benefits to the Airport firemen.

The FRP issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Firefighters' Retirement Plan of the City of St. Louis; 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

Effective February 1, 2013, benefit accruals under the Firemen's Retirement System of St. Louis (FRS) were frozen. The Firefighters' Retirement Plan of the City of St. Louis (FRP) was established as of that date to provide retirement, disability, and death benefits for service rendered after the effective date. Credited service accrued under the FRS counts toward benefit accruals under the FRP, but benefits attributable to such services are offset by the benefits payable by the FRS. Under the FRP, the plan provisions for members who were active as of February 1, 2013 (Grandfathered Participants) are substantially the same as the plan provisions for the FRS.

The FRP provides retirement benefits as well as death and disability benefits. Grandfathered members are those who were employed prior to February 1, 2013. Members can voluntarily retire after a minimum of 20 years of service and upon reaching the normal retirement age of 55. A member who has 20 years of service but has not yet reached the age of 55 may elect an early retirement with the normal retirement benefit deferred until reaching the age of 55. In lieu of a deferred retirement benefit, the member may elect to receive his/her retirement benefit beginning on his/her early retirement date or on the first day of any month thereafter prior to reaching age 55 with such benefit actuarially reduced from age 55. A member hired on or after the effective date of February 1, 2013 who terminates employment after completing 10 years of service, but before completing 20 years of service, is eligible for a full unreduced pension beginning at age 62. Such a member may elect to receive a refund of his/her contributions, plus interest, in lieu of a pension benefit.

The monthly allowance is determined by the average final monthly compensation over the last 5 years of service. For grandfathered members, the average is over the last 2 years of service. The monthly allowance consists of 40% of the applicable final average monthly compensation at 20 years of service, plus 2% of such final average compensation for each of the next five years of service, plus 5% of final average compensation for each additional year of service after 25 years with a maximum pension of 75%. Unused accrued sick pay accumulated before September 20, 2010 may increase the maximum pension beyond this limitation.

A grandfathered member with 20 or more years of credited service may elect to enter the DROP program and defer retirement for up to five years while continuing active employment. The benefit payments the participant would have received during that period are deposited into the DROP account and earn interest at a rate equal to the percentage rate of return of the Trust Fund's investment portfolio for that year. After five years or termination from the DROP plan, the participant may retire or return to regular active service. Upon termination of employment, the participant can choose to receive the DROP account with interest earned. If the participant dies prior to termination of employment, the

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DROP account is paid as a lump sum to the participant's beneficiary or estate. Active service while in the DROP program is not included in the credited service used to calculate the participant's final benefit amount.

Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account of the member, and the member's contributions will be reduced to 1% from the normal contribution percentage. During participation in the DROP, the member will not receive credit for City contributions or credit for service. A member may participate in the DROP only once for any period up to five years. At retirement the funds in the member's DROP account plus: 1) interest and 2) accrued sick leave if elected are available to the member in a lump sum or in installments.

(b) Funding Policy (FRP)

A grandfathered member with at least 20 years of service as of February 1, 2013 contribute 8% of their salary, after tax. All other members contribute 9% of their salary, pretax. The Airport is required to contribute the remaining amounts necessary to fund FRP. All members who terminate employment before becoming eligible to receive a retirement benefit will receive a refund of all contributions plus interest. Members hired after February 1, 2013 who terminate employment before reaching age 55 and elect a refund of contributions in lieu of a pension benefit will also receive a refund of their contributions plus interest, as will grandfathered members who terminate employment before completing 20 years of service. Contributions to the FRP made on or after the inception of the FRP are not refundable to a member who receives a service retirement benefit, ordinary disability benefit, or a service connected disability benefit, except that contributions to the FRP by a grandfathered member with at least 20 years of service as of inception who receives a service retirement benefit are refundable without interest.

An agreement between the City and FRS was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to FRS from February 1, 2013 to September 30, 2013. The contributions for this period recognize the impact of Board Bill 109, certain excess Firemen's System City contributions were transferred from the FRS to the FRP. The City's policy is that the Airport pays 10% of the contribution for FRP.

(c) Net Pension Liability (FRP)

The Airport reported a liability of \$6,024 for its proportionate share of the net pension liability as of June 30, 2023. The net pension liability was measured as of September 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022. The Airport's proportion of the net pension liability is 10% and is based on the Airport's share of contributions to FRP relative to the contributions of all FRP.

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The long-term expected rate of return on the FRP investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plans target asset allocation as of September 30, 2022, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	20 %	0.60 %
Domestic large cap equity	30	8.80
Domestic mid cap equity	15	10.20
Domestic small cap equity	5	9.30
Real estate	5	7.00
Foreign equity	20	5.60
Foreign equity – emerging markets	5	9.30
Total	100 %	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the Airport would make the required contributions as defined by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2022 actuarial valuation, a 7.00% long-term rate of return was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2023 for the Airport is as follows:

	Discount rate	Net pension liability
1% decrease	6.00 %	8,481
Current rate	7.00	6,024
1% increase	8.00	3,952

(e) Pension Expense (FRP)

For the fiscal year ended June 30, 2023, the Airport recognized pension expense of \$1,223 annual pension expense consists of service cost, interest and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference

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between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five-year period.

(f) Deferred Outflows/Inflows of Resources Related to Pension (FRP)

In accordance with GASB Statement No. 68, the Airport recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources	Deferred inflow of resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,934	—
Change in assumptions	684	492
Differences between expected and actual experience	666	1,077
Total	\$ 3,284	1,569

The Airport recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience and changes in actuarial assumptions are amortized over the average expected remaining service life of the FRP employees. The following table summarizes the future recognition of these items:

	Recognition
Years ended June 30:	
2024	\$ 253
2025	159
2026	408
2027	745
2028	4
Thereafter	146
	\$ 1,715

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Employees' Retirement System of the City of St. Louis (ERS)

The Airport participates in the Employees' Retirement System of the City of St. Louis (Employees' System), a cost-sharing, multiple-employer, public defined-benefit retirement plan.

(a) System Description (ERS)

All nonuniformed employees of the Airport become members of the Employees' System upon employment, with the exception of employees hired after attaining age 60.

The Employees' System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Employees Retirement System of the City of St. Louis; 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

The Employees' System provides for defined-benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest to employees covered by the Employees' System after the employee has attained five years of creditable service. Employees retire with full retirement benefits after the age 65 or if the employee's age and creditable service combined equal or exceed 85. Employees may retire and receive a reduced benefit after age 60, with five years of creditable service; age 55, with 20 years of creditable service; or at any age after 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted according to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, Authorizing a Deferred Retirement Option Plan (DROP), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age. The amount that would have been received as retirement benefit is put in a special DROP account monthly. The DROP account will not be adjusted for cost-of-living increases as the normal retirement benefits are. The DROP account earns interest at the actuarial valuation rate of return and at the 10-year U.S. Treasury Bond yield as of September 30 for DROP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan.

(b) Funding Policy (ERS)

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method.

Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. Deductions from plan net assets are financed from plan additions.

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The Board of Trustees established the required employer-contributions-rate-based active member payroll of 13.19% effective July 2020 and 12.26% effective July 2019.

Employees who became members of the Employees' System prior to October 14, 1977, and continue to make contributions, may make voluntary contributions to the Employees' System equal to 3% of their compensation until the employee's compensation equals the maximum annual taxable earnings under the Federal Social Security Act. Thereafter, employees may contribute 6% of their compensation for the remainder of the calendar year. The Airport's contributions to the Employee's system for the year ended June 30, 2023 were \$2,712.

(c) Net Pension Liability (ERS)

The Airport reported a liability of \$27,153 for its proportionate share of the net pension liability as of June 30, 2023. The net pension liability was measured as of September 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022. The Airport's proportion of the net pension liability was based on the Airport's share of contributions to the Employees System relative to the contributions of all Employees System participating employers. As of September 30, 2022, the Airport's collective proportion was 7.49%, which was a decrease of 0.52% from its proportion measured as of September 30, 2021.

(d) Actuarial Methods and Assumptions (ERS)

The following were some of the significant actuarial assumptions used in the valuation of the Employee's System:

Date of actuarial valuation	October 1, 2022
Actuarial cost method	Entry age normal
Inflation	2.50%
Long-term rate of return	7.25%
Projected Salary increases	Varies by service, ranging from 2.50% to 4.55%
Mortality	Active: 135% of the Pub-2010 General Employee below-median income weighted mortality for males and 155% for females projected with generational mortality improvements from 2010 using Scale MP-2019 Healthy: 125% of the Pub-2010 General Retiree below-median income mortality for males and 120% for females projected with generational mortality improvements from 2010 using Scale MP-2019 Disabled: 120% of the Pub-2010 Non-Safety Disabled Retiree mortality for males and 110% for females projected with generational mortality improvements from 2010 using Scale MP-2019

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The actuarial assumptions used in the October 1, 2022 actuarial valuation were based on the results of an actuarial experience study performed in 2020 which reviewed all economic and demographic assumptions.

The long-term expected rate of return on the Employees System investments was determined using a building-block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For each major asset class that is included in the pension plan target asset allocation as of September 30, 2022, these best estimates are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>expected real rate of return</u>
Large cap	24.00 %	6.90 %
Mid cap	7.50	7.27
Small cap	7.50	8.00
International large cap	12.00	7.24
Emerging markets	3.00	7.40
Bank loans	4.50	5.10
Fixed income	10.00	2.50
International fixed income	4.50	4.90
Core real estate	10.00	6.50
Infrastructure	5.00	7.00
Private equity	5.00	11.00
Hedge funds	3.00	5.10
Defensive equity	4.00	6.10
Total/Average	<u>100.00 %</u>	6.54 %

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2022 actuarial valuation, a 7.25% long-term rate of return was used. The

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sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2023 for the Airport is as follows:

	Discount rate	Net pension liability (NPL)
1% decrease	6.25 %	35,512
Current rate	7.25	27,153
1% increase	8.25	20,035

(e) Pension Expense (ERS)

For the fiscal year ended June 30, 2023, the Airport recognized pension expense of \$5,125. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five-year period.

(f) Deferred Outflows/Inflows of Resources Related to Pension (ERS)

The Airport recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2023, the Airport reported deferred outflows of resources and inflows of resources related to pensions from the following sources:

	Deferred outflow of resources	Deferred inflow of resources
Differences between expected and actual experience	\$ 614	112
Net difference between projected and actual earnings on pension plan investments	7,750	—
Changes in proportion	—	755
Airport contributions subsequent to the measurement date	1,974	—
Total	\$ 10,338	867

The \$1,974 reported as deferred outflows of resources related to pensions resulting from the Airport's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

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The Airport recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience and changes in actuarial assumptions are amortized over the average expected remaining service life of the Employee System. The following table summarizes the future recognition of these items:

Years ended June 30:	<u>Recognition</u>	
2024	\$	2,035
2025		1,400
2026		1,235
2027		<u>2,827</u>
Total	\$	<u>7,497</u>

(g) Pension Funding Project

During fiscal year 2008, the City of St. Louis Municipal Finance Corporation issued \$46,700 in Taxable Leasehold Revenue and Refunding Bonds Series 2007 (Pension Funding Project) to fund the Employees System. While the Airport is not legally responsible for these bonds, \$5,510 of the proceeds was allocated to the Airport. A \$3,950 liability is reflected on the balance sheet within noncurrent other long-term liabilities and is payable to the City of St. Louis by June 30, 2037.

(14) Commitments and Contingencies

At June 30, 2023, the Airport had outstanding commitments amounting to approximately \$89,082 resulting primarily from contracts for construction projects. In addition, the Airport has \$87,573 in outstanding commitments resulting from service agreements.

In connection with federal grant programs, the Airport is obligated to administer the related programs, spend the grant monies in accordance with regulatory restrictions, and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the Airport to refund program monies.

Finally, certain lawsuits were pending against the City that involved the Airport. In the opinion of Airport officials and legal counsel, these actions are not expected to have a material effect, individually or in the aggregate, on the financial position or results of operations of the Airport.

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(15) Risk Management

The Airport is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Airport participates in the Settlement Fund, an internal service fund of the City of St. Louis, Missouri. The purpose of the Settlement Fund is to account for risks in which the City is self-insured, primarily workers' compensation, unemployment benefits, certain general liability, and various other claims and legal actions. All self-insured claims liabilities and payments are recorded in the Settlement Fund. The Airport reimburses the Settlement Fund for workers' compensation claims on a cost-reimbursement basis. During the year ended June 30, 2023, expenses related to the Airport's participation in the Settlement Fund amounted to \$504 and are reflected as interfund services used in the accompanying basic financial statements. At June 30, 2023, the Airport owed the Settlement Fund \$4,089 for unreimbursed workers' compensation claims.

The Airport purchases commercial insurance for other risks it considers significant, including general liability, public officials' liability, property damage, employee honesty bond, business auto, and insurance on its fine arts. Settled claims did not exceed commercial coverage in any of the last three years.

(16) Pledged Revenues

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of \$520,190 in various long-term debt issuances, as outlined in note 6. The general purpose of the various long-term debt issuances is for land acquisition and construction of the capital assets at the Airport. The bonds are payable from Airport net revenues and are payable through July 2050. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2023, the total principal and interest remaining to be paid on the bonds is \$728,059. Principal and interest paid was \$55,317 for the year ended June 30, 2023. The pledged net revenue recognized for the year ended June 30, 2023 was \$63,689.

(17) Subsequent Events

In connection with the preparation of the basic financial statements, the Airport evaluated subsequent events through March 4, 2024 which was the date the basic financial statements were issued.

On November 15, 2023, St. Louis Lambert International Airport (STL) entered into a lease agreement with The Boeing Company. This agreement will allow Boeing to expand its STL facilities. The expansion will support defense-related aircraft assembly and flight testing.

The expansion will:

- Allow for the development of currently underutilized airport property
- Support regional economic development, and
- Provide facilities necessary to support national defense requirements.

According to the signed agreement, the revenue received by STL for Phase 1 of this lease's project will be approximately \$2.6 million. The revenue will be received by STL upon the 31st month anniversary of the Effective Date or the Date of Beneficial Occupancy of the Lessee's (Boeing) Improvements.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Notes to Basic Financial Statements

June 30, 2023

(Dollars in thousands, unless otherwise indicated)

An additional \$368 thousand in revenue for Phase 2 of this project will be received by STL once again upon the 31st month anniversary of the Effective Date of Beneficial Occupancy of the Lessee's Improvements.

The agreement also contains standard Consumer Price Index or CPI Index Rent Escalation conditions. This begins on the seventh anniversary of the Effective Date and every fifth year thereafter.

The project will allow Boeing to expand its current footprint by leasing two parcels on airport property to the north and northeast of the airfield. These tracts are known as the Northern Tract and Brownleigh parcels. Operations will consist of construction of aircraft assembly and test facilities, including demolition of non-functional structures. Connector taxiways and tow ways will provide access onto the airfield. The lease could last up to 47 years if The Boeing Company exercises the six options included in the agreement.

Airport leadership and The Boeing Company project the agreement will create approximately 500 local jobs.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Analysis of Cash and Investment Accounts

Year ended June 30, 2023

(Dollars in thousands)

	Unrestricted			Unrestricted funds designated		Restricted held by trustee bond fund		Restricted other restricted funds					Total
	Revenue fund	Revenue fund subaccount	Operation and maintenance fund	Development fund (ADF)/ Debt Service Stabilization fund (DSSF)	Construction fund	Debt service account	Debt service reserve account	Renewal and replacement fund	Passenger facility charge fund	Stabilization fund	Construction fund	DEA fund	
Balance at June 30, 2022	\$ 20,182	7,461	—	72,740	(6,063)	117,634	19,721	3,500	5,763	38,211	15,359	2,214	296,722
Cash deposited with City Treasurer	199,961	—	—	—	—	—	—	—	26,542	—	—	—	226,503
Cash receipts	(129)	—	—	1,423	(3,524)	3,332	397	—	305	—	—	92	1,896
Transfer in accordance with ordinance	(154,210)	6,264	85,653	13,318	—	55,055	1,079	—	(22,851)	—	—	—	(15,692)
Vouchers and requisitions paid	(8,077)	—	(85,653)	—	—	—	—	—	—	—	—	(87)	(93,817)
Bond Proceeds	—	—	—	—	—	68,976	—	—	—	—	—	—	68,976
Interest	—	—	—	—	—	(24,730)	185	—	—	—	—	—	(24,545)
Redemption of bonds	—	—	—	—	—	(53,725)	—	—	—	—	—	—	(53,725)
Payments to the City of 5% of gross receipts	—	(4,624)	—	—	—	—	—	—	—	—	—	—	(4,624)
Receipts from FAA, TSA, and MoDOT	—	—	—	27,395	—	—	—	—	—	—	—	—	27,395
Capital expenditures	—	—	—	(40,997)	—	—	—	—	—	—	—	—	(40,997)
Balance at June 30, 2023	\$ 57,727	9,101	—	73,879	(9,587)	166,542	21,382	3,500	9,759	38,211	15,359	2,219	388,092

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2005 Revenue Refunding Bonds Payable

June 30, 2023

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2024	5.50 %	\$ 2,515
2025	5.50	2,655
2026	5.50	2,795
2027	5.50	24,545
2028	5.50	26,135
2029	5.50	27,570
2030	5.50	29,090
2031	5.50	30,690
		\$ 145,995

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
 (An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2007A Revenue Refunding Bonds Payable

June 30, 2023

(Dollars in thousands)

<u>Maturity on July 1</u>	<u>Interest rate</u>	<u>Principal maturity</u>
2025	5.25 %	\$ 10,000
2026	5.25	<u>24,105</u>
		<u>\$ 34,105</u>

See accompanying independent auditors' report.

Schedule IV

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2015 Revenue Refunding Bonds Payable

June 30, 2023

(Dollars in thousands)

<u>Maturity on July 1</u>	<u>Interest rate</u>	<u>Principal maturity</u>
2023	5.00 %	\$ 2,240
		\$ <u>2,240</u>

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2017A Revenue Refunding Bonds Payable

June 30, 2023

(Dollars in thousands)

<u>Maturity on July 1</u>	<u>Interest rate</u>	<u>Principal maturity</u>
2023	5.00 %	\$ 19,385
2024	5.00	20,365
2025	5.00	11,380
2026	5.00	—
2027	5.00	2,065
2028	5.00	2,170
2029	5.00	2,275
2030	5.00	2,390
2031	5.00	2,510
2032	5.00	2,635
		<u>\$ 65,175</u>

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
 (An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2017B Revenue Refunding Bonds Payable

June 30, 2023

(Dollars in thousands)

<u>Maturity on July 1</u>	<u>Interest rate</u>	<u>Principal maturity</u>
2023	5.00 %	\$ 7,430
2024	5.00	7,625
2025	5.00	8,005
2026	5.00	6,780
2027	5.00	8,830
		<u>\$ 38,670</u>

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
 (An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2017C Revenue Bonds Payable

June 30, 2023

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2038	5.00 %	\$ 2,520
2039	5.00	2,645
2040	5.00	2,780
2041	5.00	2,920
2042	5.00	3,065
2043	5.00	3,215
2044	5.00	3,375
2045	5.00	3,545
2046	5.00	3,725
2047	5.00	3,910
		\$ 31,700

See accompanying independent auditors' report.

Schedule VIII

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
 (An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2017D Revenue Bonds Payable

June 30, 2023

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2028	5.00 %	\$ 2,115
2029	5.00	2,220
2030	5.00	2,335
2031	5.00	2,450
2032	5.00	2,570
2033	5.00	2,700
2034	5.00	2,835
2035	5.00	2,975
2036	5.00	3,125
2037	5.00	3,280
		\$ 26,605

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2019A Revenue Bonds Payable

June 30, 2023

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2037	5.00 %	\$ 550
2038	5.00	795
2039	5.00	835
2040	5.00	880
2041	5.00	925
2042	5.00	970
2043	5.00	1,015
2044	5.00	1,070
2045	5.00	1,120
2046	5.00	1,175
2047	5.00	1,235
2048	5.00	1,300
2049	5.00	1,365
		\$ 13,235

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2019B Revenue Bonds Payable

June 30, 2023

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2023	5.00 %	\$ 385
2024	5.00	400
2025	5.00	420
2026	5.00	445
2027	5.00	465
2028	5.00	490
2029	5.00	515
2030	5.00	540
2031	5.00	565
2032	5.00	595
2033	5.00	625
2034	5.00	655
2035	5.00	690
2036	5.00	725
2037	5.00	210
		\$ 7,725

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2019C Revenue Refunding Bonds Payable

June 30, 2023

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2025	5.00 %	\$ 5,040
2026	5.00	6,390
2027	5.00	6,705
2028	5.00	7,040
2029	5.00	7,395
2030	5.00	7,760
2031	5.00	8,155
2032	5.00	8,560
2033	5.00	8,990
2034	5.00	9,435
		\$ 75,470

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2022A Revenue Refunding Bonds Payable

June 30, 2023

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2023	5.00 %	\$ 945
2024	5.00	1,065
2025	5.00	1,120
2026	5.00	1,170
2027	5.00	1,235
2028	5.00	1,300
2029	5.00	1,360
2030	5.00	1,430
2031	5.00	1,500
2032	5.00	3,210
		\$ 14,335

See accompanying independent auditors' report.

Schedule XIII

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
 (An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2023A Revenue Bonds Payable

June 30, 2023

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2024	5.00 %	\$ 6,895
2025	5.00	12,340
2026	5.00	745
2027	5.00	785
2028	5.00	825
2029	5.00	865
2030	5.00	910
2031	5.00	955
2032	5.00	1,000
2033	5.00	1,050
2034	5.00	1,105
2035	5.00	1,160
2036	5.00	1,215
2037	5.00	1,280
2038	5.00	1,340
2039	5.00	1,410
2040	5.00	1,480
2041	5.00	1,555
2042	5.00	1,630
2043	5.00	1,710
2044	5.00	1,800
2045	5.00	1,890
2046	5.00	1,980
2047	5.00	2,080
2048	5.00	2,185
2049	5.00	2,295
2050	5.00	2,410
2051	5.00	2,530
2052	5.00	2,655
		\$ 60,080

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
 (An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2023B Revenue Bonds Payable

June 30, 2023

(Dollars in thousands)

<u>Maturity on July 1</u>	<u>Interest rate</u>	<u>Principal maturity</u>
2024	5.00 %	\$ 4,855
		\$ <u>4,855</u>

See accompanying independent auditors' report.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of Insurance - Unaudited

June 30, 2023

(Dollars in thousands)

<u>Insurer</u>	<u>Amount</u>	<u>Expiration date</u>	<u>Character of coverage</u>
Starr Aviation	\$ 350,000	10/1/2023	Airport Owners and Operators Liability
Travelers	1,000,000	10/1/2023	Property Damage and Time Element
ACE American Insurance Company	7,000	10/1/2023	Public official's and employee's liability
New Hampshire Insurance Company	1,000	10/1/2023	Auto Liability
Lexington	28,780	10/1/2023	Inland Marine/Property equipment
Nationwide Mutual	100	11/1/2023	Surety Bond US Customs
Harleysville	7,915	11/1/2023	Property for Bridgeton Army Guard location
Certain Underwriters	3,000	3/15/2024	Cyber Liability
Chubb	1,000	3/15/2024	Crime Policy
Landmark	25,000	10/1/2023	Excess Earthquake
Axis	15,000	10/1/2023	Excess Earthquake
Evanston	10,000	10/1/2023	Excess Earthquake
Travelers	250,000	10/1/2023	Boiler & Machinery/Equipment

See accompanying independent auditors' report.

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APPENDIX C

Summary of Certain Provisions of the Indenture

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Appendix C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Amended and Restated Indenture of Trust dated as of July 1, 2009, between the City and the Trustee (the “*Restated Indenture*”), which amended, restated and superseded the Indenture of Trust dated as of October 15, 1984 (the “*Original Indenture*”), between the City and the Trustee. (The Original Indenture, as amended, supplemented and restated by the Restated Indenture, and as amended and supplemented from time to time, including by the Twenty-Seventh Supplemental Indenture of Trust (the “*27th Supplemental Indenture*”), is referred to herein collectively as the “*Indenture*”). This summary does not purport to set forth all of the provisions of the Indenture and reference is made to the Indenture for its complete and actual terms.

Definitions

The following terms have the following meanings in the Indenture, unless a different meaning clearly appears from the context:

“*2024 Project Bonds Accounts*” means subaccounts by that name established pursuant to the 27th Supplemental Indenture.

“*2024 Projects*” means the 2024A Project and the 2024B Project described in the 27th Supplemental Indenture.

“*2024A Project*” means the portion of the 2024 Projects the costs of which are to be paid from the proceeds of the Series 2024A Bonds, as more particularly described in the 27th Supplemental Indenture.

“*2024B Project*” means the portion of the 2024 Projects, the costs of which are to be paid from the proceeds of the Series 2024B Bonds, as more particularly described in the 27th Supplemental Indenture.

“*Accountant’s Certificate*” means a certificate signed by an independent certified public accountant or a firm of certified public accountants selected by the City satisfactory to the Trustee, who may be the accountant or firm of accountants who regularly audit the books of the City.

“*Accrued Aggregate Debt Service*” means, as of any date of calculation, an amount equal to the sum of (i) interest on the Bonds of all Series accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installments for all Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month.

“*Additional Bonds*” means Bonds authenticated and delivered pursuant to the Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

“*Additional Project*” means the extension, improvement, purchase, acquisition, construction and enlargement of facilities, appurtenances and equipment, and the acquisition of land, for the Airport to be financed, in whole or in part, from the proceeds of Additional Bonds issued pursuant to the provisions of the Indenture.

“*Adjusted Debt Service*” means Debt Service, except that for any Series of Partially Amortizing Bonds it will mean Debt Service for each Fiscal Year other than the Fiscal Year in which the final maturity date of such Bonds occurs and, with respect to such Fiscal Year and each Fiscal Year thereafter through the

Fiscal Year ending on the date which is the anniversary of the final maturity date of such Series next occurring before the date which is 25.5 years after their issuance, that amount which if paid in substantially equal installments in each such Fiscal Year would pay the full amount of principal of such Bonds and the interest thereon (at the Index Interest Rate) by such anniversary.

“Aggregate Adjusted Debt Service” means, as of any particular date of computation and with respect to any period, the sum of the amounts of Adjusted Debt Service for such period with respect to all Series of Bonds.

“Aggregate Debt Service” means, as of any particular date of computation and with respect to any period, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds.

“Airport” means the St. Louis Lambert International Airport owned and operated by the City, including all land owned as of the date of the Indenture or acquired after the date of the Indenture by the City (by lease or otherwise) for purposes of such airport (including, without limitation, noise mitigation and clear zone purposes) and all improvements and facilities in existence as of the date of the Indenture and located on any such land, as said Airport may be added to, extended, improved or constructed and equipped after the date of the Indenture.

“Airport Authority” means the entity that was created by the City’s Board of Aldermen pursuant to an ordinance in 1968 and that operates the Airport and consists of the Airport Commission, the Airport Director and other managers and personnel required to operate the Airport, or any subsequent entity created by the City’s Board of Aldermen to operate the Airport.

“Airport Commission” means the Airport Commission of the City, or such officer, board or commission of the City who or which may be legally given the powers and duties given to the Airport Commission.

“Airport Consultant” means the airport consultant or airport consulting firm or corporation at time retained by the City pursuant to the Indenture to perform the acts and carry out the duties provided for such Airport Consultant in the Indenture.

“Airport Fiscal Year” means the twelve-month period beginning on July 1 of one year and ending on June 30 of the following year, or such other fiscal year of twelve months as may be selected by the City.

“Annual Budget” means the annual budget of the City (through the Airport Commission) for the Airport, as amended or supplemented from time to time, adopted or in effect for a particular City Fiscal Year as provided in the Indenture.

“Arbitrage Rebate Fund” means the Airport Arbitrage Rebate Fund established pursuant to the Indenture.

“Authorized Officer of the City” means the Mayor, the Comptroller or the Treasurer of the City, or any other officer or employee of the City authorized under the laws of the State, the Charter or ordinance of the City to perform specific acts or duties related to the subject matter of the authorization.

“Beneficial Owner” means, for any Bond which is held by a nominee, the beneficial owner of such Bond.

“Bond” or **“Bonds”** means the Series 2024 Bonds and any other bond or bonds, as the case may

be, authenticated and delivered under and pursuant to the Indenture.

“**Bond Counsel**” means Dentons US LLP, St. Louis, Missouri, and Saulsberry & Associates, LLC, St. Louis, Missouri, as co-Bond Counsel or any other attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the City and acceptable to the Trustee.

“**Bond Counsel’s Opinion**” means an opinion of an attorney or firm of attorneys experienced and nationally recognized in matters relating to tax-exempt financing under the Code.

“**Bondholder**,” “**Bondowner**,” “**Holders of the Series 2024 Bonds**” or “**Owner**” or any similar term means any person who shall be the registered owner of any Bond or Bonds.

“**Bond Fund**” means the Airport Bond Fund established pursuant to the Indenture.

“**Bond Insurer**” means each insurance company which has insured the payment of the principal of and interest on all or any portion of the Bonds, and any successor thereto, including Assured Guaranty Municipal Corp., a New York stock insurance company, who has delivered the Insurance Policy with respect the Series 2024 Bonds and is referred to herein as the “**Insurer**.”

“**Bond Purchase Agreement**” means the Bond Purchase Agreement entered into by the City with the purchaser or purchasers of the Series 2024 Bonds.

“**Bond Registrar**” means the Trustee and any other bank or trust company organized under the laws of any state or national banking association appointed by the City to perform the duties of Bond Registrar enumerated in the Indenture. The term “Bond Registrar” also includes any Co-Registrar appointed pursuant to the Indenture.

“**Business Day**” means any day of the year other than (a) a Saturday or Sunday or (b) a day on which banks located in New York, New York, St. Louis, Missouri or Kansas City, Missouri are required or authorized by law to remain closed.

“**Capital Budget**” means the capital budget of the City (through the Airport Commission) for the Airport, as amended or supplemented from time to time, adopted or in effect for a particular City Fiscal Year as provided in the Indenture.

“**Charter**” means the Charter of the City as in effect from time to time.

“**City**” means The City of St. Louis, Missouri.

“**City Fiscal Year**” means the twelve-month period beginning on July 1 of one year and ending on June 30 of the following year, or such other fiscal year of twelve months as may be selected by the City.

“**City Held PFC Revenues**” means, collectively, PFC Revenues on deposit in the Revenue Fund and PFC Revenues held by the City in the PFC Account and available to pay debt service.

“**City Sub-Account**” means the City Sub-Account established within the Revenue Fund pursuant to the Indenture.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations thereunder, as applicable, and any successor to such Code.

“Comptroller” means the Comptroller of the City.

“Construction Fund” means the Airport Construction Fund established pursuant to the Indenture.

“Consulting Engineers” means the engineer or engineering firm or corporation at the time retained by the City pursuant to the Indenture to perform the acts and carry out the duties provided for such Consulting Engineers in the Indenture.

“Contingency Fund” means the Airport Contingency Fund established pursuant to the Indenture.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement executed and delivered by the City and the Dissemination Agent with respect to the Series 2024 Bonds.

“Cost of Construction” means, with respect to the Initial Project or an Additional Project, the City’s costs properly attributable to the construction or acquisition thereof, including but not limited to, the cost of acquisition by or for the City of real or personal property or other interest therein, costs of physical construction, and costs of the City incidental to such construction or acquisition, including but not limited to the cost of any indemnity and surety bonds and premiums on insurance during construction, planning, architectural, engineering, inspection and construction management fees, legal fees and expenses, cost of audits, fees and expenses of the Fiduciaries and costs of financing, construction period interest on any Bonds issued in connection with such Project, administrative and general overhead and keeping accounts and making reports required by the Indenture prior to commencement of operation of such Project, amounts, if any, required by the Indenture to be paid into any Fund or Account established under the Indenture upon the issuance of any Series of Bonds, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the City (other than the Bonds) incurred for such Project, costs of machinery, equipment and supplies and initial working capital required by the City for the commencement of operation of such Project, the initial funding of the reserves required under the Indenture, and may include reimbursement to the City for any such items of Cost of Construction theretofore paid by or on behalf of the City. **“Cost of Construction”** will also include the Costs of Issuance of any Series of Bonds to the extent payable from the Construction Fund pursuant to the Indenture or a Supplemental Indenture.

“Cost of Issuance Account” means the Cost of Issuance Account established with respect to a Series of Bonds in accordance with the Indenture.

“Cost of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to the City and related to the authorization, sale and issuance of any Bonds including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for the insurance of the payment of Bonds, fees payable in connection with any letter of credit securing all or a portion of the Bonds, financing charges, accrued interest with respect to the initial investment of proceeds of Bonds and any other costs, charge or fee in connection with the issuance of Bonds.

“Counsel’s Opinion” means an opinion of an attorney or firm of attorneys nationally recognized on the subject of tax-exempt municipal financings (who may be counsel to the City) selected by the City and satisfactory to the Trustee.

“**Counterparty**” means an entity whose senior long-term debt obligations, or whose obligations under an Interest Rate Exchange Agreement, are guaranteed by a financial institution whose senior long-term debt obligations have a rating in one of the three highest categories of each of the Rating Agencies.

“**Debt Service**” for any period means, as of any date of calculation and with respect to any Series of Bonds, an amount equal to the sum of (i) interest accruing during such period on Bonds of such Series, except to the extent that such interest on the Bonds of such Series is to be paid from deposits (including investment income thereon) in the Debt Service Account made from Bond proceeds or other amounts available therein, and (ii) that portion of each Principal Installment for such Series of Bonds which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there will be no such preceding Principal Installment due date, from the date of issuance of such Series). Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. For the purposes of any projections required by the Indenture with respect to Variable Rate Bonds, interest will be calculated on the basis of the average interest rate or rates borne on Variable Rate Bonds Outstanding during any consecutive 12 months of the preceding 24 months, except that (i) for the purpose of satisfying the conditions for the issuance of Additional Bonds, if the Variable Rate Bonds are being issued on the date of computation, the rate of interest will be assumed to be 110% of the initial interest rate of such Bonds, and (ii) for the purpose of satisfying the Debt Service Reserve Requirement, if any, the interest rate for any Variable Rate Bonds will be computed at the average interest rate on such Bonds during the preceding Airport Fiscal Year or if not Outstanding during the preceding Airport Fiscal Year, the initial interest rate of such Bonds; provided, however, that no payments required for any Option Bonds, other Bonds or Interest Rate Exchange Agreements which may be tendered or otherwise presented for payment at the option or demand of the Owners thereof, or which may otherwise become due by reason of any other circumstance which will not, with certainty, occur during such period, will be included in any computation of Debt Service prior to the stated or theretofore extended maturity or otherwise certain due dates thereof, and all such payments will be deemed to be required on such stated or theretofore extended maturity dates or otherwise certain due dates; and provided further, however, that if the City in a Supplemental Indenture for a Series of Bonds elects to enter into an Interest Rate Exchange Agreement and deem any payments received thereunder as Revenues, Debt Service will include any amounts payable by the City during such interest rate period pursuant to such Interest Rate Exchange Agreement (other than termination payments thereunder).

“**Debt Service Account**” means the Airport Debt Service Account established within the Bond Fund.

“**Debt Service Reserve Account**” means the Debt Service Reserve Account established within the Bond Fund.

“**Debt Service Reserve Requirement**” means, as of any date of calculation for the then Outstanding Bonds, unless otherwise specified in a Supplemental Indenture for a particular Series of Bonds, an amount which will equal the least of: (i) 10% of the proceeds of such Series of Bonds, (ii) 125% of the average annual debt service on such Series of Bonds or (iii) the maximum annual debt service on such Series of Bonds. Such amount for any Series of Bonds may be satisfied by a deposit of cash or a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which provides for payment of all or a portion of the Principal Installments and/or interest due on any Series of Bonds or provides funds for the purchase of such Bonds or portions thereof, which shall be rated at the time of issuance of the applicable Series of Bonds in one of the three highest rating categories by the Rating

Agencies (without giving effect to gradations within a rating category), and shall permit the full amount thereof to be drawn down at least thirty days prior to the expiration thereof, **provided, however**, that if the rating of any issuer or provider of such letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument is thereafter downgraded below the fourth highest rating category (without giving effect to gradations within a rating category) by any of the Rating Agencies, then, upon notice of such downgrade to the City from the Trustee, a deficiency shall exist in the Debt Service Reserve Account in the amount of such downgraded letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument, which amount shall be replenished as set forth in the Indenture or by the deposit of cash or a substitute letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which shall be rated in one of the three highest rating categories by the Rating Agencies at the time of deposit (without giving effect to gradations within a rating category). A Supplemental Indenture for a Series of Bonds may specify that the Debt Service Reserve Requirement may be satisfied either at the closing date for such Series of Bonds or by depositing such requirement over time from Revenues monthly in substantially equal amounts which time period will not exceed sixty months from the closing date for such Series; alternatively, a Supplemental Indenture for a Series of Bonds may specify that such Series of Bonds will not have a Debt Service Reserve Requirement, in which event such Series of Bonds will not be entitled to a lien on such account.

“Debt Service Stabilization Fund” means the Airport Debt Service Stabilization Fund established pursuant to the Indenture.

“Debt Service Stabilization Fund Requirement” means an amount equal to 35% of the maximum annual Debt Service on the Bonds due in the then current or any future Airport Fiscal Year, subject to the provisions of the Indenture.

“Depository” means any bank or trust company qualified under the Indenture, selected by the City pursuant to the Indenture and approved in writing by the Trustee as a depository of moneys and securities held under the provisions of the Indenture and will include the Trustee.

“Development Fund” means the Airport Development Fund established pursuant to the Indenture.

“Director of Airports” means the Director of Airports of the City or such officer of the City who after the date of the Indenture may be given the powers and duties currently given to the Director of Airports.

“Dissemination Agent” means UMB Bank, N.A., and any successor dissemination agent under the Continuing Disclosure Agreement.

“DSRF Surety Policy” means the municipal bond debt service reserve insurance policy issued by the Insurer to satisfy the Series 2024 Debt Service Reserve Requirement.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the New York Banking Law, as amended, a “banking organization” within the meaning of the New York Banking Law, as amended, a member of the Federal Reserve System, a “clearing corporation,” within the meaning of the New York Commercial Code, as amended, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended, and its successors and assigns.

“Event of Default” will have the meaning given to such term in the Indenture.

“FAA” means the Federal Aviation Administration, or the successor to its powers and authority.

“Fiduciary” means the Trustee, the Bond Registrar and any Paying Agent, or any or all of them as may be appropriate.

“Fitch” means Fitch Ratings, Inc.

“GARB Revenues” means all revenues collected by the City relating to, from or with respect to its possession, management, supervision, operation and control of the Airport, including all rates, charges, landing fees, rentals, use charges, concession revenues, revenues from the sale of services, supplies or other commodities, any investment income realized from the investment of amounts in the Revenue Fund, and any other amounts deposited into the Revenue Fund. GARB Revenues do not include: (a) any revenue or income from any Special Facilities, except ground rentals therefor or any payments made to the City in lieu of such ground rentals and the revenue or income from Special Facilities which are not pledged to the payment of Special Facilities Indebtedness, (b) any moneys received as grants, appropriations or gifts from the United States of America, the State or other sources, the use of which is limited by the grantor or donor to the planning or the construction of capital improvements, including land acquisition, for the Airport, except to the extent any such moneys will be received as payment for the use of the Airport, (c) any Bond proceeds and other money (including investment earnings) credited to the Construction Fund for the financing of capital improvements to the Airport, (d) any interest earnings or other gain from investment of moneys or securities in any escrow or similar account pledged to the payment of any obligations therein specified in connection with the issuance of Refunding Bonds or the defeasance of any Series of Bonds in accordance with the Indenture, (e) any consideration received by the City upon transfer of the Airport pursuant to the Indenture, (f) interest income on, and any profit realized from, the investment of moneys in (i) the Construction Fund or any other construction fund funded from proceeds of Bonds or (ii) the Debt Service Account or the Debt Service Reserve Account if and to the extent there is any deficiency therein, (g) any passenger facility charge or similar charge levied by or on behalf of the Airport against passengers or cargo, including any income or earnings thereon, (h) insurance proceeds which are not deemed to be GARB Revenues in accordance with generally accepted accounting principles (other than proceeds that provide for lost revenue to the Airport for business interruption or business loss), (i) the proceeds of any condemnation or eminent domain award, (j) the proceeds of any sale of land, buildings or equipment, (k) any money received by or for the account of the Airport from the levy of taxes upon any property in the City, and (l) amounts payable to the City under an Interest Rate Exchange Agreement unless and to the extent designated as Revenues by the City in a Supplemental Indenture.

“Government Securities” means any securities described in clauses (i) and (vii) of the definition of “Investment Securities” provided that such reference shall be to clauses (1) and (10) of the proviso to such definition so long as such proviso shall apply.

“Indenture” means the Original Indenture, as amended and restated by the Restated Indenture, as supplemented and amended, authorizing Airport Revenue Bonds of the City, as the same may from time to time be amended or supplemented by a Supplemental Indenture in accordance with the terms of the Indenture.

“Index Interest Rate” means the per annum interest rate set forth in the most recently issued Revenue Bond Index published by The Bond Buyer or, in the event such Index is no longer published, in such comparable index selected by the Trustee.

“Insurance Consultant” means an insurance consultant or other expert (and may include the Airport Consultant) having expert knowledge and skill with respect to the scope and amounts of insurance coverages appropriate for airport facilities similar to the Airport.

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2024 Bonds when due.

“Interest Payment Date” means July 1 and January 1 of each year beginning July 1, 2025, with respect to the Series 2024 Bonds.

“Interest Rate Exchange Agreement” means and includes any financial arrangement (i) that is entered into by the City with an entity that is a Counterparty; (ii) which provides that the City will pay to such Counterparty an amount based either on the principal amount or the notional amount equal to the principal amount of all or a portion of a Series of Bonds, and that such Counterparty will pay to the City an amount based on the principal amount of such Series of Bonds, in each case computed in accordance with a formula set forth in such Interest Rate Exchange Agreement, or that one will pay to the other any net amount due under such arrangement; or that the City will be paid by the Counterparty an amount, based either on the principal amount or a notional amount equal to the principal amount of all or any portion of the Variable Rate Bonds of such Series, if the interest rate on such Series of Variable Rate Bonds exceeds a previously agreed upon rate, and/or the City will pay to the Counterparty an amount, based on a notional amount equal to the principal amount of all or any portion of the Variable Rate Bonds of such Series, if the interest rate on such Series of Variable Rate Bonds is less than a previously agreed upon rate; (iii) which has been designated in writing to the Trustee by an Authorized City Representative as an Interest Rate Exchange Agreement with respect to a Series of Bonds and (iv) which, in the opinion of Bond Counsel, will not adversely affect the exclusion of interest on Bonds from gross income for the purposes of federal income taxation.

“Investment Securities” means and includes, unless otherwise specified in a Supplemental Indenture, any of the following obligations, to the extent the same are at the time legal for investment of funds of the City, or under other applicable law: (i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or the full and timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations of any federal agency to the extent the full and timely payment of the principal of and interest on such obligations are unconditionally guaranteed by the United States of America; (ii) senior debt obligations and mortgage-backed securities issued by Federal Land Banks, Export-Import Bank of the United States, Federal Financing Bank, FNMA (excluding stripped mortgage securities which are purchased at prices exceeding their principal amount), FHLMC (excluding stripped mortgage securities which are purchased at prices exceeding their principal amount), Farmers Home Administration, Federal Housing Administration, Private Export Funding Corporation, Federal Farm Credit System and senior debt obligations and letter of credit-backed issues issued by the Student Loan Marketing Association; (iii) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the U.S. Comptroller of the Currency to accept deposits in such state (“deposits” meaning obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured by direct obligations of the United States having a market value (exclusive of accrued interest) which will meet the over-collateralization levels and meet the criteria required by each Rating Agency to maintain the rating on the Bonds or (b) secured to the extent, if any, required by each Rating Agency and made with an institution whose debt securities are rated at least equal to the then current rating on the Bonds (or equivalent rating of short-term obligations if the

investment is for a period not exceeding one year) by each Rating Agency; (iv) repurchase agreements backed by or related to obligations described in (i) or (ii) above with any institution which will not adversely affect the then current rating on the Bonds by each Rating Agency; (v) investment agreements, secured or unsecured as required by each Rating Agency, with any institution which will not adversely affect the then current rating on the Bonds by each Rating Agency; (vi) if rated at a level which will not adversely affect the then current rating on the Bonds by each Rating Agency, direct and general obligations of or obligations guaranteed by any state or possession of the United States or the District of Columbia, to the payment of the principal of and interest on which the full faith and credit of such state, possession or District of Columbia is pledged; (vii) pre-refunded municipal obligations rated in the highest rating category by each Rating Agency and meeting the following conditions (a) such obligations are: (A) not subject to redemption prior to maturity or the Trustee has been given irrevocable instructions concerning their calling and redemption, and (B) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions, (b) such obligations are secured by Investment Securities described in clause (i) above that may be applied only to interest, principal and premium payments of such obligations, and (c) the principal of and interest on such Investment Securities described in clause (i) above (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations; (viii) interest-bearing notes issued by a bank having combined capital and surplus of at least \$500,000,000 whose senior debt is rated in the highest rating category by each Rating Agency; (ix) tax-exempt revenue bond obligations of a state, municipality or governmental unit rated at least "AA" by each Rating Agency; (x) money market funds registered under the Investment Company Act of 1940, as amended (the "*1940 Act*") or shares of a diversified open-end management investment company, as defined in the 1940 Act, whose shares are registered under the Securities Act of 1933, as amended, which invests only in securities of the type described in clause (i) or (ii) above and having the highest possible rating from each Rating Agency; (xi) Eurodollar time deposits issued by a bank with a deposit rating in one of the two highest short-term deposit rating categories by each Rating Agency; (xii) long-term or medium-term corporate debt guaranteed by any corporation that is rated in one of the three highest rating categories by each Rating Agency; (xiii) short-term corporate debt including commercial paper which is rated in the highest short-term rating category by each Rating Agency; and (xiv) public housing bonds issued by public agencies which are either (a) fully guaranteed by the United States of America, or (b) temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States of America, or (c) state or public agency or municipality obligations rated in the highest credit rating category by each Rating Agency; provided that it is expressly understood that the definition of Investment Securities will be, and be deemed to be, expanded, or new definitions and related provisions will be added to the Indenture, thus permitting investments with different characteristics from those permitted which the City deems from time to time to be in the interest of the City to include as Investment Securities, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then current rating on the Bonds. Investment Securities must be limited to those instruments that have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, and if the obligation is rated, it should not have an 'r' highlighter affixed to its rating.

"Moody's" means Moody's Investors Service, Inc.

"Net Revenues" means Revenues less Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means the City's expenses for operation, maintenance, repairs, ordinary replacement and ordinary reconstruction of the Airport, including a reasonable reserve for uncollectible Revenues, and will include, without limitation, administrative and overhead expenses, insurance premiums, deposits for self-insurance, legal, engineering, consulting, accounting or other professional service expenses, union contributions, payments to pension, retirement, group life insurance,

health and hospitalization funds, or other employee benefit funds, costs of rentals of equipment or other personal property, costs of rentals of real property, costs incurred in collecting and attempting to collect any sums due the City in connection with the operation of the Airport, and any other expenses required to be paid by the City under the provisions of the Indenture or by laws or consistent with standard practices for airports similar to the properties and business of the Airport and applicable in the circumstances, including, without limitation, an allocable share of administrative personnel costs incurred by the City at locations other than the Airport in connection with the operations of the Airport, and the expenses, liabilities and compensation of the fiduciaries required to be paid under the Indenture, all to the extent properly attributable to the Airport. "Operation and Maintenance Expenses" will not include any capital development cost or any allowance for depreciation or any operation or maintenance costs for Special Facilities where the lessee is obligated under its Special Facilities lease to pay such expenses.

"Operation and Maintenance Fund" means the Airport Operation and Maintenance Fund established pursuant to the Indenture.

"Option Bonds" means Bonds which by their terms may be tendered for payment by and at the option of the Owners thereof prior to the stated maturity thereof, or the maturities of which may be extended at the option of the Owners thereof.

"Original Indenture" means the Indenture of Trust dated as of October 15, 1984, between the City and Mercantile Trust Company, National Association, predecessor in interest to the Trustee.

"Outstanding" or **"outstanding,"** when used with reference to Bonds, means as of a particular date, all Bonds theretofore and thereupon being authenticated and delivered under the Indenture except as otherwise provided therein.

"Partially Amortizing Bonds" will mean a Series of Bonds providing for principal payments such that: (i) the principal and interest coming due in the final year exceeds by more than 25% the amount coming due in any prior year; and (ii) the principal amount payable in the year ending on the final maturity date of such Series will not exceed the lesser of (a) 75% of the original principal amount of such Series or (b) the amount that would have been Outstanding on the day prior to the final maturity date of such Bonds if the Bonds of such Series had required level debt service payments (with interest payable at the Index Interest Rate) over the period beginning on the first principal payment date of such Series and ending on the anniversary of the final maturity date of such Series next occurring before the date which is 25.5 years after their issuance.

"Paying Agent" means UMB Bank, N.A., as Paying Agent with respect to the Bonds.

"PFC Account" means the Airport PFC Account established pursuant to the Indenture and held by the City.

"PFC Act" means the Aviation Safety and Capacity Expansion Act of 1990, 49 U.S.C. § 40117, as amended from time to time.

"PFC-Eligible Debt Service" means, for any PFC Year, the debt service on Bonds the proceeds of which were used to finance PFC-Eligible Projects.

"PFC-Eligible Projects" means any projects that (i) are approved by the FAA for the imposition of PFC Revenues and (ii) are designated by the City as "PFC-Eligible Projects" pursuant to a Supplemental

Indenture for the purpose of including the debt service thereon in the definition of PFC-Eligible Debt Service.

“**PFC Revenues**” means the PFCs remitted to the City as a result of enplanements at the Airport, including any interest earned thereon.

“**PFCs**” means the passenger facility charges imposed at the Airport from time to time pursuant to the PFC Act, the regulations thereunder and any record of decision of the FAA relating to passenger facility charges.

“**PFC Year**” means each one-year period from July 2 of a calendar year through and including July 1 of the succeeding calendar year.

“**Pledged PFC Revenues**” means the portion of PFC Revenues that has been pledged to the payment of the Bonds pursuant to the terms of a Supplemental Indenture with respect to PFC-Eligible Projects which have been financed by proceeds of Bonds.

“**Principal Installment**” means, as of the date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the Indenture) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amounts of Bonds and of such unsatisfied balances of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

“**Rating Agency**” or “**Rating Agencies**” means, with respect to the Bonds or any Series of Bonds, Moody’s, S&P and Fitch, to the extent that any of such rating services have issued a credit rating on the Bonds which is in effect at the time in question or, upon discontinuance of any of such rating services, such other nationally recognized rating service or services, if any, which has issued a credit rating on the Bonds at the request of the City and which credit rating is in effect at the time in question.

“**Rebate Amount**” means the amount required to be paid to the United States under Section 148(f) of the Code.

“**Record Date**” means the 15th day of the month preceding an Interest Payment Date.

“**Redemption Price**” means, with respect to any Series 2024 Bond, the amount payable upon redemption thereof pursuant to the 27th Supplemental Indenture.

“**Refunding Bonds**” means all Bonds, whether issued in one or more Series, authenticated and delivered pursuant to the Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

“**Renewal and Replacement Fund**” means the Airport Renewal and Replacement Fund established pursuant to the Indenture.

“Restated Indenture” means the Amended and Restated Indenture of Trust between the City and the Trustee dated as of July 1, 2009.

“Revenue Fund” means the Airport Revenue Fund established pursuant to the Indenture.

“Revenues” means, collectively, GARB Revenues, the Pledged PFC Revenues and any other available moneys deposited in the Revenue Fund.

“S&P” means S&P Global Ratings, a division of S&P Global, Inc.

“Series” means all Bonds of a designated series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

“Series 2024 Bonds” means the Series 2024A Bonds and the Series 2024B Bonds.

“Series 2024 Costs of Issuance Sub-Account” means the subaccount by that name established pursuant to 27th Supplemental Indenture.

“Series 2024 Debt Service Reserve Requirement” means, as of any date of calculation, an amount equal to the least of (a) 10% of the aggregate original principal amount (or “issue price”, as computed for federal income tax purposes, if original issuance premium or discount is greater than 2%) of the Series 2024 Bonds, (b) the maximum annual principal and interest requirements on the Series 2024 Bonds, or (c) 125% of the average annual Debt Service Reserve Requirements for the Series 2024 Bonds.

“Series 2024 Debt Service Reserve Sub-Account” means the subaccount by that name established pursuant to the 27th Supplemental Indenture.

“Series 2024 Debt Service Sub-Account” means the subaccount by that name established pursuant to the 27th Supplemental Indenture.

“Series 2024A Bonds” means the Airport Revenue Bonds, Series 2024A (NON-AMT) (St. Louis Lambert International Airport).

“Series 2024A Construction Sub-Account” means the account by that name established pursuant to the 27th Supplemental Indenture.

“Series 2024B Bonds” means the Airport Revenue Bonds, Series 2024B (AMT) (St. Louis Lambert International Airport).

“Series 2024B Construction Sub-Account” means the account by that name established pursuant to the 27th Supplemental Indenture.

“Sinking Fund Installment” means an amount so designated which is established pursuant to the Indenture.

“Special Facilities” means those capital improvements or facilities acquired or constructed after the date of the Original Indenture and described in the Indenture.

“Special Facilities Indebtedness” means any indebtedness issued by the City or any other public corporation or public instrumentality to finance Special Facilities in accordance with the Special Facilities covenant, described in the Indenture.

“State” means the State of Missouri.

“Subordinated Indebtedness” means any evidence of debt referred to in, and complying with the provisions of the Indenture.

“Supplemental Indenture” means any indenture of the City amending or supplementing the Indenture and adopted and becoming effective in accordance with the terms of the Indenture.

“Tax Certificate” means the Tax Certificate to be delivered by the City to evidence compliance with the provisions of Sections 103 and 141-150 of the Code.

“Tax-Exempt Bonds” means Bonds the interest on which at the time of their original issuance was, in Bond Counsel’s Opinion, exempt from federal income taxation or excluded from gross income for federal income tax purposes under the Code.

“Treasurer” means the Treasurer of the City.

“Trustee” means UMB Bank, N.A., a national banking association, and any successor trustee under the Indenture, acting in its trust capacity.

“Trust Estate” means (i) the proceeds of the sale of the Bonds; (ii) Revenues; and (iii) all funds established pursuant to the Indenture, including the investments, if any, thereof; (iv) all other property of every name and nature from time to time mortgaged, pledged or hypothecated as and for additional security under the Indenture by the City, or by anyone on its behalf or with its written consent, in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply the same subject to the terms of the Indenture; and (v) all proceeds of any of the foregoing.

“Underwriters” means those underwriters identified in the Bond Purchase Agreement relating to the sale, purchase and delivery of the Series 2024 Bonds.

“Use Agreements” means the commercial airlines/airport use agreements between the principal certificated air carriers and the City, as amended from time to time.

“Variable Rate Bond” means any Bond the rate of interest on which is subject to change prior to maturity and cannot be determined in advance of such change.

Issuance of Bonds

The Indenture authorizes the issuance of one or more series as provided in the Indenture. Each such series of Bonds be designated as “Airport Revenue Bonds” and will include such further appropriate designation as the City shall determine to distinguish the Bonds of such Series from the Bonds of all other Series.

Additional Bonds

The Indenture authorizes the issuance of one or more Series of Additional Bonds for the purpose of paying all or a portion of the Cost of Construction of any Additional Project. The issuance of Additional Bonds is subject to certain conditions and tests, including, but not limited to:

(1) An Accountant's Certificate setting forth (a) for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the authentication and delivery of such Series, the Net Revenues for such 12-month period, and (b) the Aggregate Adjusted Debt Service for such 12-month period, and demonstrating that for such 12-month period Net Revenues equaled at least 1.25 times the Aggregate Adjusted Debt Service;

(2) A certificate of the Consulting Engineers setting forth (a) the estimated date of completion for the Additional Project for which such Series of Additional Bonds is being issued, and (b) an estimate of the Cost of Construction of such Additional Project;

(3) A certificate of the Airport Consultant setting forth, for each of the three Airport Fiscal Years following the Airport Fiscal Year in which the Consulting Engineers estimate such Additional Project will be completed, estimates of (a) Net Revenues and (b) amounts to be deposited from Revenues into the Debt Service Reserve Account, the Renewal and Replacement Fund and the Development Fund;

(4) A certificate of an Authorized Officer of the City setting forth (a) the estimates of Net Revenues, as set forth in the certificate of the Airport Consultant pursuant to paragraph (3) above, for each of the three Airport Fiscal Years following the Airport Fiscal Year in which it is estimated that such Additional Project will be completed, (b) the estimates of the amounts to be deposited in certain funds and accounts from Revenues as set forth in the certificate of the Airport Consultant pursuant to paragraph (3) above, for each of the three Airport Fiscal Years following the Airport Fiscal Year in which it is estimated that such Additional Project will be completed, and (c) the Aggregate Adjusted Debt Service, determined after giving effect to the issuance of such Additional Bonds and including the Aggregate Debt Service, as estimated by such Authorized Officer, with respect to future Series of Bonds, if any, which such Authorized Officer shall estimate (based on the estimate of the Consulting Engineers of the Cost of Construction for such Additional Project utilizing the Index Interest Rate) will be required to complete payment of the Cost of Construction of such Additional Project, and demonstrating that the estimated Net Revenues in each of the Airport Fiscal Years set forth in (a) above is at least equal to 1.25 times Aggregate Adjusted Debt Service for the corresponding Airport Fiscal Year determined as described in (c) above; and

(5) A Bond Counsel's Opinion to the effect that the issuance and sale of such Additional Bonds and the application of the proceeds thereof in accordance with the terms of the Supplemental Indenture authorizing such Bonds will not adversely affect the tax-exempt status of any Bonds outstanding immediately prior to the issuance of such Additional Bonds.

The proceeds, including accrued interest, of the Additional Bonds of each Series are to be applied simultaneously with the delivery of such Bonds in accordance with the Supplemental Indenture authorizing such Bonds.

The amount of Pledged PFC Revenues that may be counted for the purpose of meeting the Additional Bonds Test pursuant to the Indenture for any Airport Fiscal Year may not exceed 125% of the sum of the outstanding and proposed PFC-Eligible Debt Service for such Airport Fiscal Year.

Refunding Bonds

The Indenture authorizes the issuance of one or more Series of Refunding Bonds for the purpose of refunding all or a portion of the principal and/or interest components of (i) any Outstanding Bonds, (ii) any Subordinated Indebtedness, (iii) any Special Facilities Indebtedness, or (iv) any other indebtedness issued for Airport purposes. Refunding Bonds are to be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds under the Indenture required by the provisions of the Supplemental Indenture authorizing such Bonds.

Refunding Bonds of each Series issued to refund one or more Series of Outstanding Bonds or one or more maturities within a Series are to be authenticated and delivered by the Trustee only upon receipt by it from the City (in addition to the documents and moneys required by the Indenture) of:

(1) Irrevocable instruction to the Trustee, satisfactory to it, to give due notice of redemption of all Bonds to be redeemed, if any, on a redemption date specified in such instructions;

(2) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding 60 days, irrevocable instructions to the Trustee, satisfactory to it, to mail the notice provided for in the Indenture to the Owners of the Bonds being refunded;

(3) Either (a) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which moneys are to be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds to be refunded, or (b) Government Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as are necessary to comply with the provisions of the Indenture and any moneys required pursuant to the Indenture, which Government Securities and moneys are to be held in trust and used only as provided in the Indenture; and

(4) Either of the following: (a) a certificate of an Authorized Officer of the City setting forth (i) the Aggregate Debt Service and the Aggregate Adjusted Debt Service for the then current and each future Airport Fiscal Year to and including the Airport Fiscal Year next preceding the date of the latest maturity of any Bonds of any Series then Outstanding (X) with respect to the Bonds of all Series Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds, and (Y) with respect to the Bonds of all Series to be Outstanding immediately thereafter, and (ii) that the Aggregate Debt Service and the Aggregate Adjusted Debt Service set forth for each Airport Fiscal Year pursuant to (Y) above are no greater than the corresponding amounts set forth for such Airport Fiscal Year pursuant to (X) above; or (b) the certificates required by the Indenture evidencing that such Series of Refunding Bonds meets the tests provided for by the Indenture considering, for all purposes of such certificates and tests, that such Series of Refunding Bonds is a Series of Additional Bonds, provided that, for such purpose, the estimated date of completion for the Additional Project being refinanced by such Series of Refunding Bonds shall be the later of (i) the date of issuance of such Series of

Refunding Bonds or (ii) the then estimated completion date for the Additional Project being refinanced having the latest estimated completion date.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Bonds for the purpose of making deposits in such Funds and Accounts under the Indenture as shall be provided in the Supplemental Indenture authorizing such Bonds and is to be applied to the refunding purposes thereof in the manner provided in said Supplemental Indenture.

Pledge Effected by the Indenture

The Bonds are secured by a pledge of, and the Bondholders are granted an express lien on (i) the proceeds of sale of the Bonds, (ii) Revenues, and (iii) all Funds established pursuant to the Indenture, including the investments, if any, thereof.

Pledged PFC Revenues

Pledged PFC Revenues for a given PFC Year constitute that portion of the PFC Revenues that, for such PFC Year, equals 125% of the amount of PFC-Eligible Debt Service due during such PFC Year. Pursuant to the Indenture, the City has pledged the Pledged PFC Revenues for the benefit of the Owners of the Bonds. The City will not create a lien on Pledged PFC Revenues that is senior to the lien of the Bonds. The City may, at any time with the execution and delivery of a Supplemental Indenture, submit additional PFC Revenues to the pledge of the Indenture.

Elimination of or Decrease in the Amount of Pledged PFC Revenues

The City may decrease the amount of Pledged PFC Revenues pledged to the Bonds, or eliminate the pledge of the Pledged PFC Revenues to the Bonds, upon receipt by the Trustee from the City of both of the following:

(i) A certificate of the Airport Consultant setting forth for each of three Airport Fiscal Years following the Airport Fiscal Year in which the pledge of the Pledged PFC Revenues will be decreased or eliminated, estimates of (A) Net Revenues (as adjusted to reflect the reduction or elimination of Pledged PFC Revenues), (B) the Aggregate Adjusted Debt Service (determined after giving effect to any Additional Bonds to be issued on or before the date of decrease or elimination of such pledge), and (C) demonstrating that the estimated Net Revenues set forth in (A) are at least equal to 1.25 times Aggregate Adjusted Debt Service for the corresponding Airport Fiscal Years determined as set forth in (B) above; and

(ii) An opinion of Bond Counsel to the effect that all conditions precedent to the decrease or elimination of the Pledged PFC Revenues have been met and such decrease or elimination will not adversely affect exclusion from gross income for federal income tax purposes of the interest on any Outstanding Bonds.

Establishment of Funds

(a) The following sub-accounts are created within the specified Accounts established pursuant to the 27th Supplemental Indenture:

(i) The Series 2024A Project Capitalized Interest Sub-Account (the “**Series 2024A Capitalized Interest Sub-Account**”) of the Series 2024A Project Debt Service Account;

(ii) The Series 2024B Project Capitalized Interest Sub-Account (the “**Series 2024B Capitalized Interest Sub-Account**”) of the Series 2024B Project Debt Service Account;

(iii) The Series 2024A Project Construction Sub-Account (the “**Series 2024A Construction Sub-Account**”) to be held by the Trustee and used to pay the costs of the 2024A Project;

(iv) The Series 2024B Project Construction Sub-Account (the “**Series 2024B Construction Sub-Account**”) to be held by the Trustee and used to pay the costs of the 2024B Project;

(v) the Series 2024 Costs of Issuance Sub-Account (the “**Series 2024 Costs of Issuance Sub-Account**”) to be held by the Trustee and used to pay the Costs of Issuance of the Series 2024 Bonds, with any balance remaining after one hundred twenty (120) days after the date of issuance of the Series 2024 Bonds to be transferred to the Revenue Fund;

(vi) the Series 2024 Debt Service Reserve Sub-Account (the “**Series 2024 Debt Service Reserve Sub-Account**”) of the Debt Service Reserve Account of the Airport Bond Fund; and

(vii) the Series 2024 Debt Service Sub-Account (the “**Series 2024 Debt Service Sub Account**”) of the Debt Service Account of the Airport Bond Fund.

The sub-accounts created pursuant to the 27th Supplemental Indenture are hereinafter referred to collectively as the “**2024 Project Bonds Accounts.**” Each of the 2024 Project Bonds Accounts shall be used for the same purposes as the respective fund or account to which it relates. Moneys on deposit in each of the 2024 Project Bonds Accounts pursuant to the Indenture shall be held and used for purposes and on the conditions specified in the Indenture. Money credited to the 2024 Project Bonds Accounts may be held by the City, in the case of funds deposited with the City under the Indenture, or by the Trustee, in the case of funds deposited with the Trustee under the Indenture. However, the investment of monies with respect to each of the 2024 Project Bonds Accounts shall be separately made and maintained. The investment earnings of any of the 2024 Project Bonds Accounts shall be transferred to the Revenue Fund as provided in the Indenture.

(b) The City and the Trustee, as the case may be, may eliminate any of the aforementioned 2024 Project Bonds Accounts and transfer all amounts therein to the related Fund if both receive the written opinion of Bond Counsel that the failure to maintain such account will not adversely affect the tax-exempt status of interest on the Series 2024 Bonds.

The Indenture also establishes:

(A) Airport Construction Fund to be held by the City, unless otherwise specified in a Supplemental Indenture;

- (B) Airport Revenue Fund, including the City Sub-Account therein, to be held by the City;
- (C) Airport Operation and Maintenance Fund, to be held by the City;
- (D) Airport Bond Fund held by the Trustee, including the (i) Series 2024 Debt Service Reserve Sub-Account of the Debt Service Reserve Account, and (ii) Series 2024 Debt Service Sub-Account of the Debt Service Account;
- (E) Airport Renewal and Replacement Fund, to be held by the City;
- (F) Airport Debt Service Stabilization Fund, to be held by the City;
- (G) Airport Development Fund, to be held by the City;
- (H) Airport Contingency Fund, to be held by the City;
- (I) Arbitrage Rebate Fund, to be held by the City; and
- (J) Airport PFC Account, to be held by the City.

Application of Revenues

General. All Revenues as received are to be promptly deposited by the City into the Revenue Fund. As soon as practicable in each month after the deposit of Revenues in the Revenue Fund, but in any case no later than five (5) Business Days before the end of each month, the City is required to withdraw from the Revenue Fund for deposit in the following Funds in the following order of priority the amounts set forth below:

- (1) To the Operation and Maintenance Fund, an amount sufficient to pay the estimated Operation and Maintenance Expenses during the next month;
- (2) To the Bond Fund for credit to the Debt Service Account, if and to the extent required so that the balance in said Account will equal the Accrued Aggregate Debt Service on the Bonds; provided that, for the purpose of computing the amount in said Account, there is to be excluded the amount, if any, set aside in said Account which was deposited therein from the proceeds of each Series of Bonds less the amount of interest accrued and unpaid and to accrue on the Bonds of such Series (or any Refunding Bonds issued to refund such Bonds) to the last day of the then current calendar month;
- (3) To the Bond Fund for credit to the Debt Service Reserve Account, an amount sufficient to maintain a balance in such Account equal to the Debt Service Reserve Requirement; provided, however, that no deposit in the Debt Service Reserve Account will be required to the extent the amount therein equals or exceeds the Debt Service Reserve Requirement and in the event the amount in the Debt Service Reserve Account is reduced below the amount otherwise required therein, such amount will be replenished (i) immediately, first from any funds in the Sub-Account and, thereafter, from other available funds, in such priority as the City may direct in the Contingency Fund, the Development Fund and the Renewal and Replacement Fund and (ii) at the earliest practicable date, to the extent such funds are not sufficient for such purpose, from the first available Revenues (after all deposits required to be made pursuant to clauses (1) and (2)

described above have been made) following such reduction; provided, however, that notwithstanding anything to the contrary in the Indenture, to the extent that a deficiency exists in the Debt Service Reserve Account, such deposits to the Bond Fund will be made in the order of priority indicated:

(a) To the Bond Fund for credit to the Debt Service Reserve Account, there will be deposited, at least monthly, to the Debt Service Reserve Account for a Series of Bonds an amount at least equal to 1/60 of the Debt Service Requirement for such Series of Bonds until the amount on deposit in the Debt Service Reserve Account will equal the Debt Service Reserve Requirement. The Debt Service Reserve Requirement will be cumulative and the amount of any deficiency in any month will be added to the amount otherwise required to be deposited to the credit of such Debt Service Reserve Account in each month thereafter until such time as such deficiency will be remedied;

(b) To the Bond Fund for credit to the Debt Service Reserve Account, there will be deposited, at least monthly to the Debt Service Reserve Account for a Series of Bonds an amount equal to 1/12 of the deficiency attributed to a draw (or diminution in stated principal) upon a financial instrument as specified in the definition of Debt Service Reserve Requirement, deposited into the Debt Service Reserve Account until the principal amount (or available amount) of such financial instrument, either singularly, or in combination with amounts on deposit therein, is equal to the Debt Service Reserve Requirement if and only if such amounts are attributable to such Series of Bonds; and

(c) To the Bond Fund for credit to the Debt Service Reserve Account, there will be deposited to the Debt Service Reserve Account as soon as practicable (but not later than thirty days from the date of such deficiency), the full amount of any deficiency in the Debt Service Reserve Account, which is attributable to a decline in the market value of Investment Securities on deposit therein until such Investment Securities and any cash therein will equal the Debt Service Reserve Requirement.

(4) To the Arbitrage Rebate Fund, there shall be deposited as soon as practicable, the amount necessary to fund the Arbitrage Rebate Fund in order to pay the Rebate Amount when due and payable;

(5) Amounts sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness (as certified by the trustee or other fiduciary with respect to such Subordinated Indebtedness) shall be transferred by the City to such trustee or other fiduciary for payment or deposit;

(6) To the Renewal and Replacement Fund, an amount equal to Fifty Seven Thousand Dollars (\$57,000); provided that, no deposit will be required to be made into said Fund whenever and as long as uncommitted moneys in said Fund are equal to or greater than Three Million Five Hundred Thousand Dollars (\$3,500,000) or such larger amount as the City will determine necessary, from time to time, for the purposes of said Fund; and provided further that, if any such monthly allocation to said Fund will be less than the required amount, the amount of the next succeeding monthly payments will be increased by the amount of such deficiency;

(7) To the City Sub-Account, an amount determined from time to time by the City, such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport Fiscal Year, the balance in such Sub-Account will equal at the end of such

Airport Fiscal Year the amounts payable to the City with respect to such Airport Fiscal Year pursuant to the Indenture;

(8) Beginning in Airport Fiscal Year ending June 30, 2012, and thereafter, to the Debt Service Stabilization Fund an amount sufficient to bring the amount on deposit in the Debt Service Stabilization Fund equal to the Debt Service Stabilization Fund Requirement (or such lesser amount as is available in the Revenue Fund for such transfer).

(9) The remaining GARB Revenues in the Revenue Fund will be deposited into the Development Fund; and

(10) The remaining Pledged PFC Revenues in the Revenue Fund will be deposited into the PFC Account.

As soon as practicable after the end of each Airport Fiscal Year and except as otherwise provided in the Indenture and subject to the satisfaction of the conditions set forth therein, after all deposits required to be made into each of the aforesaid Funds have been made, the City is required to transfer from the City Sub-Account to the general revenue fund of the City, an amount equal to five percent (5%) of the GARB Revenues (excluding, however, from GARB Revenues, for this purpose only, investment income and other non-operating income of the Airport) during the Airport Fiscal Year then last ended; provided, however, that for all periods subsequent to July 1, 1996, the applicable percentage of GARB Revenues (as specified above) will equal the percentage of the gross revenues then required to be paid to the City by public utilities operating within the City (such percentage being ten percent (10%) as of the date of the Restated Indenture).

Notwithstanding the foregoing, the amounts payable to the City described in the preceding paragraph are limited to five percent of the GARB Revenues (excluding, however, from GARB Revenues, for this purpose only, investment income and other non-operating income of the Airport) until such time that the Trustee has received a Counsel's Opinion to the effect that the amount payable does not violate or conflict with any laws or contractual obligations applicable to the Airport and the City, including, without limitation, the Federal Airport and Airway Improvement Act of 1982 and the United States Department of Transportation Grant Agreements to which the City is a party.

The amount payable to the general revenue fund of the City described in the preceding paragraphs may be paid in advance in monthly installments so long as (i) such amount is included in the rate base utilized to determine rates and charges payable by air carriers which utilize the Airport and (ii) each such monthly installment will not exceed the lesser of one-twelfth (1/12th) of eighty percent (80%) of the total amount paid to the City pursuant to such clause in respect of the prior Airport Fiscal Year or (2) eighty percent (80%) of the amount deposited in such month in the City Sub-Account in respect of amounts payable to the City pursuant to the preceding paragraphs.

The final installment of the amount payable to the City each Airport Fiscal Year is subject to the filing with the Trustee of certificates of the City that all required deposits to the Operation and Maintenance Fund, the Bond Fund and the Renewal and Replacement Fund have been made and that no Event of Default has occurred and is continuing under the Indenture. If, during any Airport Fiscal Year, the aggregate amount paid in advance to the City exceeds the amount payable to the City during such Airport Fiscal Year, the amount of such excess will be returned by the City to the Revenue Fund. Until any such excess is returned by the City to the Revenue Fund, the City will be entitled to no further payments by the Airport.

Description of Funds Established by the Indenture

Operation and Maintenance Fund. Amounts in the Operation and Maintenance Fund are to be paid out from time to time by the City for reasonable and necessary Operation and Maintenance Expenses. Amounts in said Fund which the City at any time determines to be in excess of the requirements of such Fund will be transferred into the Revenue Fund and applied in accordance with the provisions of the Indenture regarding the application of Revenues.

Bond Fund-Debt Service Account. The Trustee is required to pay out of the Debt Service Account to the respective Paying Agents (1) on or before each interest payment date for any of the Bonds, the amount required for the interest payable on such date, (2) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (3) on or before any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be redeemed. Such amounts are required to be applied by the Paying Agents on and after the due dates thereof. The Trustee is also required to pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

Bond Fund-Debt Service Reserve Account. If, immediately after each monthly transfer required by the Indenture provision concerning application of Revenues, the amount in the Debt Service Account shall be less than the amount required to be in such Account pursuant to the Indenture, after any transfers from the Debt Service Stabilization Fund, the Trustee shall transfer amounts from the Debt Service Reserve Account to the Debt Service Account to the extent necessary to make good such deficiency or deficiencies. In addition to the annual valuation of Accounts and Funds as of June 30 of each year required by the Indenture, amounts on deposit in the Accounts established in the Debt Service Reserve Account shall be determined (i) upon the issuance of Additional Bonds, (ii) at any time, on the written request of the City to the Trustee, and (iii) at any time the Trustee believes such determination to be necessary or desirable (each of the foregoing including the annual valuation is a “*Valuation Date*”). If, as of any Valuation Date, the amount in any Account in the Debt Service Reserve Account exceeds the applicable Debt Service Reserve Requirement after giving effect to any letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which provides for payment of all or a portion of the Principal Installments and/or interest due on any Series of Bonds, deposited in such Account, the Trustee will, on the first Business Day of the following Valuation Date, withdraw from such Account the amount of any excess therein over the applicable Debt Service Reserve Requirement as of the date of such withdrawal for deposit into (i) the Arbitrage Rebate Fund, the Rebate Amount estimated by the City, if any, and (ii) the Revenue Fund. If the amount in any Account in the Debt Service Reserve Account is less than the applicable Debt Service Reserve Requirement and to the extent that such deficiency has not been made up within 12 months with respect to a deficiency resulting from a draw on the Debt Service Reserve Account by deposits pursuant to the Indenture or to the extent there has been a deficiency resulting from a decline in the market value of Investment Securities, the City will immediately deposit such amounts as will be necessary to cure such deficiency.

Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal and applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Account are to be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account are to be liquidated to the extent deemed necessary in order to provide for the timely payment of principal and interest (or Redemption Price) on the Bonds Outstanding.

The Trustee is required to transfer to the City for deposit in the Revenue Fund all investment earnings on moneys in the Debt Service Reserve Account, such transfer to be made at such times required by the City.

Renewal and Replacement Fund. Money in the Renewal and Replacement Fund may be applied to pay costs of the renewal or replacement of machinery, equipment, rolling stock, facilities or other capital items used in connection with the operation of the Airport. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account, the Debt Service Stabilization Fund, the Development Fund and the Contingency Fund are insufficient to pay the interest and Principal Installments when due on the Bonds, the City, upon requisition of the Trustee, is required to transfer from the Renewal and Replacement Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency. So long as there is no deficiency in the Debt Service Account or the Debt Service Reserve Account, in the event the City receives a requisition from the trustee or other fiduciary for any Subordinated Indebtedness, with respect to a deficiency in available moneys to pay debt service on Subordinated Indebtedness, then the City shall transfer from the Renewal and Replacement Fund to such trustee or other fiduciary, the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency. If at any time the moneys in the Operation and Maintenance Fund and the Contingency Fund will be insufficient to pay Operation and Maintenance Expenses when due, the City is required to transfer from the Renewal and Replacement Fund to the Operation and Maintenance Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency. If the amount on deposit at any time in the Debt Service Reserve Account is reduced below the amount required therein pursuant to the Indenture, the City may transfer from the Renewal and Replacement Fund to the Debt Service Reserve Account all or a portion of the amount of such deficiency.

Development Fund. Moneys in the Development Fund may be applied, in accordance with the Capital Budget or otherwise, at the discretion of the City, to the acquisition of land or easements for the expansion or improvement of the Airport, to purchase items of machinery, equipment, rolling stock or other capital items for use in connection with the Airport, to pay the cost of planning, engineering, design and construction of new facilities for the Airport, or to pay the cost of any other capital improvements to the Airport. If at any time the moneys in the Debt Service Account, Debt Service Reserve Account, the Debt Service Stabilization Fund, and the Contingency Fund are insufficient to pay the interest and Principal Installments when due on the Bonds, the City, upon requisition of the Trustee, is required to transfer from the Development Fund to the Trustee, for deposit in the Debt Service Account, the amount necessary (or all of the moneys in said Fund if less than the amount necessary) to make up such deficiency. So long as there is no deficiency in the Debt Service Account or the Debt Service Reserve Account, in the event the City receives a requisition from the trustee or other fiduciary for any Subordinated Indebtedness, with respect to a deficiency in available moneys to pay debt service on Subordinated Indebtedness, then the City shall transfer from the Development Fund to such trustee or other fiduciary, the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency. If at any time the moneys in the Operation and Maintenance Fund, the Renewal and Replacement Fund and the Contingency Fund are insufficient to pay Operation and Maintenance expenses when due, the City is required to transfer from the Development Fund to the Operation and Maintenance Fund the amount necessary to make up such deficiency. If the amount on deposit at any time in the Debt Service Reserve Account is reduced below the amount required therein in accordance with the Indenture, the City may transfer from the Development Fund to the Debt Service Reserve Account all or a portion of the amount of such deficiency. The City may use amounts on deposit in the Development Fund to make payments pursuant to an Interest Rate Exchange Agreement by transferring such amounts to the Debt Service Account or as otherwise specified in a Supplemental Indenture for a Series of Bonds. The City may, but if and only to the extent consistent with the Capital

Budget, transfer from the Development Fund to the Contingency Fund any moneys in the Development Fund which are no longer needed for the purposes of moneys on deposit in the Development Fund.

Contingency Fund. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account and the Debt Service Stabilization Fund are insufficient to pay the interest and Principal Installments when due on the Bonds, the City, upon requisition of the Trustee, is required to transfer from the Contingency Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all of the moneys in said Fund if less than the amount necessary) to make up such deficiency or deficiencies. If at any time the moneys in the Operation and Maintenance Fund are insufficient to pay Operation and Maintenance Expenses when due, the City will transfer from the Contingency Fund to the Operation and Maintenance Fund the amount necessary (or all of the moneys in said Fund if less than the amount necessary) to make up such deficiency. If the amount on deposit in the Debt Service Reserve Account is reduced below the amount required therein in accordance with the Indenture, the City may transfer from the Contingency Fund to the Debt Services Reserve Account all or a portion of the amount of such deficiency. Amounts in the Contingency Fund not required to meet a deficiency as required above, may, at the discretion of the City, be applied to any one or more of the following purposes:

1. the purchase or redemption of any Bonds, and expenses in connection with the purchase or redemption of any such Bonds;
2. payments of principal or redemption price of and interest on any Subordinated Indebtedness;
3. improvements, extensions, betterments, renewals, replacements, repairs, maintenance or reconstruction of any properties or facilities of the Airport or the provision of one or more reserves therefor; and
4. any other corporate purpose of the City in connection with the Airport, the local airport system or other local facilities which are owned or operated by the City and directly related to the actual transportation of passengers or property.

Whenever any moneys in the Contingency Fund are to be applied to the purchase or redemption of Bonds, the City is required to deposit such moneys with the Trustee, in a separate account established for purpose, and is required to give written instructions to the Trustee to make such purchase or redemption in accordance with the provisions of the Indenture. Upon any such purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments have been established, an amount equal to the principal amount of such Bonds so purchased or redeemed is to be credited toward a part (an integral multiple of \$5,000) or all of any one or more Sinking Fund Installments thereafter to become due, as directed by the City in a certificate in writing signed by an Authorized Officer of the City and filed with the Trustee, or in the absence of such direction, toward such Sinking Fund Installments in inverse order of their due dates. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) will constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

Arbitrage Rebate Fund

The Arbitrage Rebate Fund is required to be maintained for as long as any Series of Bonds is Outstanding for the purpose of paying to the United States Treasury the amount required to be rebated

pursuant to Section 148(f) of the Code. Any moneys in the Arbitrage Rebate Fund are to be invested in Government Securities or securities described in clause (x) of the definition of “Investment Securities” and investment earnings thereon are to be credited to the Arbitrage Rebate Fund.

Debt Service Reserve Surety

The City shall repay any draws under the DSRF Surety Policy and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. “**Late Payment Rate**” means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“**Prime Rate**”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2024 Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the City had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “**Policy Costs**”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the DSRF Surety Policy will be increased by a like amount, subject to the terms of the DSRF Surety Policy. The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Series 2024 Bonds (subject only to the priority of payment provisions set forth under the Indenture).

All cash and investments in the Series 2024 Debt Service Reserve Sub-Account shall be transferred to the Series 2024 Bonds Debt Service Sub-Account for payment of debt service on the Series 2024 Bonds before any drawing may be made on the DSRF Surety Policy or any other credit facility credited to the Series 2024 Debt Service Reserve Sub-Account in lieu of cash (“**Credit Facility**”). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the DSRF Surety Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2024 Bonds Debt Service Reserve Sub-Account. Payment

of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2024 Debt Service Reserve Sub-Account. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

If the City shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Series 2024 Bonds or (ii) remedies which would adversely affect owners of the Series 2024 Bonds.

The City shall include any Policy Costs then due and owing the Insurer in the calculation of (i) Additional Bonds, and (ii) Rates and Charges described in the Indenture.

The City covenants and agrees that the DSRF Surety Policy constitutes a permitted Debt Service Reserve Account instrument under the applicable provisions of the Indenture.

The Trustee shall ascertain the necessity for a claim upon the DSRF Surety Policy in accordance with the provisions of subparagraph (a) hereof and to provide notice to the Insurer in accordance with the terms of the DSRF Surety Policy at least five business days prior to each date upon which interest or principal is due on the Series 2024 Bonds. Where deposits are required to be made by the City with the Trustee to the Series 2024 Debt Service Sub-Account more often than semi-annually, the Trustee shall be instructed to give notice to the Insurer of any failure of the City to make timely payment in full of such deposits within two business days of the date due.

Subordinated Indebtedness

Nothing contained in the Indenture will prohibit or prevent, or be deemed, or construed, to prohibit or prevent, the City from issuing or refunding bonds, notes, commercial paper, certificates, warrants or other evidence of indebtedness payable as to principal and interest from the Revenue Fund and the Net Revenues, subject and subordinate to the deposits and credits required to be made therefrom to the Debt Service Account and the Debt Service Reserve Account, or from securing such bonds, notes, commercial paper, certificates, warrants or other evidences of indebtedness and the payment thereof by a lien and pledge on the Net Revenues junior and inferior to the lien and pledge on the Net Revenues created for the payment and security of the Bonds.

Subject to the paragraph directly below, at any time after authorization but prior to the issuance of Subordinated Indebtedness, the City shall furnish to the Trustee a Certificate of the City with respect to the specific principal amount of Subordinated Indebtedness proposed to be issued (the “*Certified Amount*”), and that provides as follows: annual estimated Net Revenues available, after payment of Debt Service of the Outstanding Bonds, for each of the three (3) Airport Fiscal Years following the Airport Fiscal Year in which it is estimated that the Airport has beneficial occupancy of the Airport project to be financed or refinanced (in whole or in part) from the proceeds of such Certified Amount, will be at least equal to 1.10 times the sum of (1) estimated debt service on the Certified Amount proposed to be issued, (2) debt service on all outstanding Subordinated Indebtedness, and (3) estimated debt service on any other previously Certified Amounts to the extent that such Certified Amounts are not outstanding but are still authorized and available to be issued.

For purposes of compliance with the paragraph above, the Certificate of the City may include any of the following provisions or assumptions:

1. Once executed with respect to a Certified Amount, the Certificate of the City shall remain effective with respect to all issuances and reissuances, from time to time (and regardless of any repayment or maturity) of such Certified Amount until the authorized time period for issuance and final maturity of such Certified Amount has expired. (By way of example, (i) if the Certified Amount is with respect to a commercial paper program, then once such amount is certified with respect to the initial Airport project, such certificate shall remain effective until the final eligible maturity date of the commercial paper has passed such that it cannot be issued, re-issued or refunded; or (ii) if the Certified Amount is with respect to long-term fixed rate bonds, then once certified such certificate shall remain effective until such bonds or notes are issued and they mature or are paid off or defeased prior to maturity.)

2. With respect to the identification of the Airport project to be financed or refinanced (in whole or in part) with the proceeds of the Certified Amount and the determination of the applicable three (3) Airport Fiscal Years for the coverage test, the Certificate of the City may assume, without regard to the estimated beneficial occupancy date of a specific Airport project, that, with respect to the Certified Amount, the three (3) year test period begins with the first full Airport Fiscal Year beginning after the date of the Certificate of the City.

3. If the Certified Amount is structured so that the principal coming due on the final maturity date exceeds by at least 25% the principal coming due in any prior year then debt service on the Certified Amount may be calculated based upon an assumed 30-year level debt amortization schedule and applying a 10-year average of the Index Interest Rate. For purposes of calculating estimated debt service for any Certified Amount, the calculation may be based on then prevailing market conditions as determined by a third party expert or by applying the appropriate average of the Index Interest Rate as determined by the City or a third party expert.

4. The Certificate of the Authorized Officer of the City may be based, in whole or in part, upon reports or certificates from the Airport Consultant, an Accountant's Certificate or reports of other third party experts.

5. Subordinated Indebtedness issued for the following purposes may be excluded from any calculation of debt service coverage with respect to Subordinated Indebtedness (including certification with respect to a Certified Amount):

i. Subordinated Indebtedness issued to refund outstanding Subordinated Indebtedness.

ii. Subordinated Indebtedness issued to refund Outstanding Bonds.

iii. Subordinated Indebtedness which the City expects to pay from a source of funds other than estimated Net Revenues available, after payment of Debt Service of the Outstanding Bonds, to the extent such source is anticipated as being available or obligated to the City for Airport purposes, such as grant

moneys, passenger facility charges or other available moneys, including, without limitation, moneys in the Development Fund.

Any ordinance or indenture providing for the issuance of Subordinated Indebtedness may provide that additional Subordinated Indebtedness may be issued on a parity therewith.

The principal amount of any Subordinated Indebtedness shall, by its terms, not be subject to acceleration upon default unless and until the principal amount of the Bonds has been accelerated pursuant to the Indenture.

Debt Service Stabilization Fund

If, immediately after each monthly transfer required by the Indenture, the amount in the Debt Service Account shall be less than the amount required to be in such Account pursuant to the Indenture, the City shall transfer amounts from the Debt Service Stabilization Fund to the Trustee for deposit to the Debt Service Account to the extent necessary to make good such deficiency or deficiencies. Amounts on deposit in the Debt Service Stabilization Fund may be withdrawn at any time and used for (1) emergency debt service needs with respect to Bonds, Subordinated Indebtedness or other indebtedness issued for Airport purposes and (2) Airport operational emergencies. Notwithstanding the foregoing, after the Net Revenues for three consecutive Airport Fiscal Years equals at least 1.60 times the Aggregate Adjusted Debt Service for such Airport Fiscal Years, the Comptroller, upon the receipt of a request of the Airport Commission, may determine to reduce or eliminate the Debt Service Stabilization Fund Requirement and/or eliminate the Debt Service Stabilization Fund. The Comptroller, upon any such determination, shall notify the Airport Commission and the Trustee of such determination.

PFC Account

Amounts in the PFC Account shall be applied as provided in the applicable Supplemental Indenture relating to the designation and pledge of Pledged PFC Revenues.

Expenditures from City Held Funds and Accounts

Expenditures from any Funds and Accounts held by the City shall be subject to the then existing requirements for expenditure of City funds, which requirements consist of approvals by the Airport Commission and the Board of Estimate and Apportionment of the City and appropriation of funds by the Board of Aldermen of the City. Notwithstanding the foregoing, if the timing of the need for any expenditure of moneys from any Fund or Account held by the City is deemed an emergency, then the approval of the expenditure of such moneys may occur in accordance with the provisions of Article XV, Section 2 of the City Charter, or any successor provision.

Investment of Certain Funds

Moneys held in the Debt Service Account, the Debt Service Reserve Account and the Rebate Fund are to be invested and reinvested by the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as will be necessary to provide moneys when needed for payments to be made from such Accounts, and in the case of the Debt Service Reserve Account not later than 15 years (unless such securities will be redeemable at the option of the holder thereof, in which event such securities may mature at a date no later than the final maturity date of the Bonds). The Trustee will make such investment in accordance with any instructions received from an Authorized Officer of the City. The Trustee, upon notice to and written consent of an Authorized Officer of the City, may make any and

all such investments through its own bond department or the bond department of any bank or trust company under common control with the Trustee.

Moneys in the Revenue Fund and the Construction Fund may be invested by the City in Investment Securities which mature not later than such time as will be necessary to provide moneys when needed to provide payments from such Funds. Moneys in the Operation and Maintenance Fund may be invested by the City in Investment Securities which mature within 12 months and moneys in the Development Fund, the Renewal and Replacement Fund, the Contingency Fund, the Debt Service Stabilization Fund, the PFC Account and the Arbitrage Rebate Fund may be invested in Investment Securities which mature within 5 years, and in any case not later than such time as will be necessary to provide moneys when needed for payment from such respective Funds.

Earnings on any moneys or investments in all Funds and Accounts established under the Indenture will be deposited in the Revenue Fund, except that earnings on the moneys or investments in the Construction Fund will, to the extent expressly required by the terms of any Supplemental Indenture authorizing the issuance of a Series of Bonds, be retained in the Construction Fund.

Particular Covenants of the City

Powers as to the Airport and Collection of Rates, Fees and Rentals. The City has and will have, so long as any Bonds are Outstanding, good right and lawful authority to acquire, construct, develop, operate, maintain, repair, improve, reconstruct, enlarge, and extend the Airport and to fix rates, fees, rentals and other charges in connection therewith.

Indebtedness and Liens. The City has covenanted not to issue any bonds, notes or other evidences of indebtedness, other than the Bonds, payable out of or secured by a pledge of the Revenues or of the moneys, securities of funds held or set aside by the City or by the Fiduciaries under the Indenture and will not create or cause to be created any lien or charge on the Revenues or such moneys, securities or funds; provided, however, that nothing contained in the Indenture will prevent the City from issuing Subordinated Indebtedness as provided in the Indenture.

Sale, Lease or Encumbrance of Property. The City has covenanted not to sell or otherwise dispose of or encumber any part of the Airport, except property which, in the opinion of the Airport Commission and the Airport Consultant, is no longer necessary or useful in the operation thereof, and except as provided in the Indenture with respect to Special Facilities. In addition, the City may lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the Airport if such lease, contract, license, easement or right does not impede or restrict the operation by the City of the Airport for Airport purposes. Proceeds from the sale or disposition of property not used to replace such property and any such payments with respect to a lease, contract, license, easement or right not otherwise required to be applied in accordance with the Indenture will be applied in the same manner and to the same purpose as Revenues.

The Indenture expressly permits the transfer (by sale, lease or otherwise) of all or a substantial part of the Airport if the principal of and interest on the Bonds are paid in full; the Bonds are defeased in accordance with the Indenture; or the transferee assumes all obligations of the City under the Indenture and in the Bonds and if, in the case of such assumption: (1) in the written opinions of the Director of Airports and the Airport Consultant, after giving effect to such transfer and assumption, the ability of the transferee to meet the rate maintenance and other covenants under the Indenture and the security for the Bonds are not materially and adversely affected, (2) the City will have furnished the Trustee with a Bond Counsel's Opinion to the effect that such transfer will not adversely affect the tax-exempt status of

interest on the Bonds under the Code and (3) such transferee will expressly agree not to use the Funds held under the Indenture otherwise than as provided in the Indenture. In the event of any such transfer and assumption, nothing in the Indenture will prohibit or prevent the retention by the City of any facility of the Airport if, in the written opinions of the Director of Airports and the Airport Consultant, such retention will not materially and adversely affect the security for the Bonds, nor unreasonably restrict the transferee's ability to comply with the rate maintenance and other covenants thereunder. Any consideration received by the City from the transferee of all or a substantial part of the Airport will not constitute "Revenues" under the Indenture or be subject to the terms and provisions of the Indenture. The terms and conditions of the transfer of all or a substantial part of the Airport pursuant to the Indenture will be set forth in a Supplemental Indenture executed by the City, the Trustee and the transferee and notice of such transfer will be given to the Bondholders in accordance with the Indenture.

Operation Maintenance and Reconstruction. The City shall at all times operate, or cause to be operated, the airport properly and in a sound, efficient and economical manner, and shall maintain, preserve, and keep the same or cause the same to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make or cause to be made, all ordinary, necessary and proper repairs, replacements and renewals so that at all times the operation of the Airport may be properly and advantageously conducted, and I, if any useful part of the Airport is damaged or destroyed, the City shall, as expeditiously as may be possible, commence and diligently prosecute the ordinary replacement or reconstruction of such part so as to restore the same to use; provided, however, that nothing in the Indenture shall require the City to operate, maintain, preserve, repair, replace, renew or reconstruct any part of the Airport (1) from sources other than the Revenues or (2) if there shall be filed with the Trustee (i) a certificate executed by an Authorized Officer of the City stating that in the opinion of the City abandonment of operation of such part is economically justified and is not prejudicial to the interests of the Owners of the Bonds, and (ii) a consent to the filing of such certificate is given by the Trustee, which consent shall be withheld only upon reasonable grounds.

Notwithstanding any provisions in the Indenture to the contrary, the City and the Airport Commission shall at all times operate the Airport so long as there are any Outstanding Bonds under the Indenture. Operation of the Airport may not be transferred by the City or the Airport Commission to another entity and may not be assumed by any other entity so long as there are any Outstanding Bonds under the Indenture; provided, however, that the City and the Airport Commission may enter into agreements with third party vendors, consultants and contractors for specific aspects or portions of the maintenance or operation of the Airport or the construction of capital projects at the Airport.

Rates and Charges. The City has covenanted to, at all times while any Bonds will be Outstanding, establish, fix, prescribe and collect such rates, fees, rentals and other charges for the use of the Airport as will be reasonably anticipated to provide in each Airport Fiscal Year an amount so that the Revenues will be sufficient to pay the Aggregate Debt Service for such Airport Fiscal Year and to provide the funds necessary to make the required deposits in and maintain the several Funds and Accounts established in the Indenture, and in any event, as will be required to pay or discharge all indebtedness, charges and liens whatsoever payable out of Revenues under the Indenture.

Insurance. So long as any Bonds are Outstanding the City will at all times carry insurance or cause insurance to be carried, including the City as an insured as its interest may appear, with a responsible insurance company or companies authorized and qualified under the laws of any state of the United States of America to assume the risk thereof, covering such properties of the Airport as are customarily insured, and against loss or damage from such causes as are customarily insured against, by public or private

corporations engaged in a similar type of business, all in accordance with the annual written recommendations of the Insurance Consultant.

Any proceeds of insurance for the Airport will be paid into the Construction Fund during the period of Construction, and thereafter will, to the extent necessary and desirable, be applied to the repair and replacement of any damaged or destroyed properties of the Airport. If any of said proceeds received are not used or committed for use with respect to the repair or replacement of Airport property within twenty-four months of receipt, such proceeds will be paid into the Development Fund.

Airport Consultant. The City will employ an Airport Consultant from time to time whenever and for the purposes contemplated by the Indenture. Such Airport Consultant will be an airport consultant or airport consultant firm or corporation having a wide and favorable reputation for skill and experience with respect to the operation and maintenance of airports, in recommending rental and other charges for use of airport facilities and in projecting revenues to be derived from the operation of airports.

Budgets. The City has covenanted to prepare and file annually with the Trustee at the beginning of each City Fiscal Year an Annual Budget setting forth the ensuing City Fiscal Year in reasonable detail, among other things, estimated Revenues, estimated Operation and Maintenance Expenses, reasonably anticipated unusual and extraordinary expenses, and deposits into each of the Funds established under the Indenture. The City may at any time adopt an amended Annual Budget for the remainder of the then current City Fiscal Year.

At least every five (5) City Fiscal Years the City (through the Airport Commission) has covenanted to prepare and file with the Trustee a Capital Budget for the Airport for the ensuing five (5) City Fiscal Years. The Capital Budget will set forth in reasonable detail the anticipated necessary or appropriate major capital improvements to the Airport during the succeeding five year period, the estimated Cost of Construction of such capital improvements and the anticipated sources of funds for the payment of such Costs. The City may at any time and from time to time adopt an amended Capital Budget for the remainder of the five City Fiscal Years covered thereby and will promptly file any such amendment with the Trustee. The Capital Budget and any amendments thereto will be available at the offices of the Trustee for inspection by the Bondholders.

Accounts and Reports. The City has covenanted to keep or cause to be kept proper books of record and account of the Airport in which complete and correct entries will be made of its transactions relating to the Revenues and each Fund and Account established under the Indenture, and which will at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

The City shall annually, within 120 days after the close of each Airport Fiscal Year, cause an audit to be made of its books and accounts relating to the Airport for such Airport Fiscal Year by an independent and recognized certified public accountant or firm of independent certified public accountants not in the regular employ of the City. Promptly thereafter reports of each audit will be filed with the Trustee and with each Rating Agency. Each such audit report will set forth with respect to such Airport Fiscal Year: (i) a statement of financial condition of the Airport as of the end of such Airport Fiscal Year and the related statement of revenues and expenses for the Airport Fiscal Year then ended, (ii) a summary with respect to each Fund and Account established under the Indenture of the receipts therein and disbursements therefrom; (iii) the details of all Bonds issued, paid, purchased or redeemed, (iv) the amounts on deposit at the end of such Airport Fiscal Year to the credit of each Fund and Account established under the Indenture; (v) the amounts of the proceeds received from any sales of property

constituting part of the Airport; and (vi) a list of all insurance policies with respect to the Airport or certificates thereof then held by the City or the Trustee.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Indenture will be available for the inspection of the Bondholders at the office of the Trustee and will be mailed to each Bondholder who will file a written request therefor with the City. The City may charge each Bondholder requesting such reports, statement and other documents, a reasonable fee to cover reproduction, handling and postage.

Special Facilities. The City or any other public corporation or public instrumentality will be authorized to finance from the proceeds of obligations, other than Bonds, issued by the City or such other public corporation or public instrumentality which are not payable from Revenues, capital improvements or facilities to be located on any property included under the definition of Airport (“*Special Facilities*”) without regard to any requirements of the Indenture with respect to the issuance of Additional Bonds, provided:

(1) Such obligations are payable solely from rentals or other charges derived by the City or such other public corporation or public instrumentality under a lease, sale or other agreement entered into between the City or such other public corporation or public instrumentality and the person, firm or corporation which will be utilizing the Special Facilities to be financed;

(2) The estimated rentals, payments or other charges (including interest earnings on any reserves) to be derived by the City or such other public corporation or public instrumentality from the lease, sale or other agreement with respect to the Special Facilities to be financed will be at least sufficient to pay the principal of and interest on such obligations, all costs of operating and maintaining such Special Facilities and all sinking fund, reserve or other payments required by the resolution, ordinance or indenture securing such obligations;

(3) The construction and operation of the Special Facilities to be financed will not decrease the Revenues presently projected to be derived from the Airport; and

(4) In addition to all rentals, payments or other charges with respect to the Special Facilities to be financed, a fair and reasonable rental for the land upon which said Special Facilities are to be constructed will be charged by the City, and said ground rent will be deemed Revenues derived from the Airport.

The Indenture further provides that the provisions described above are not applicable to or otherwise deemed to limit the right of the City or any other public corporation or public instrumentality to finance the expansion, relocation or other improvement of any airline aviation fueling facilities or in-flight meal preparation facilities located at the Airport on October 15, 1984.

Tax Covenant of the City. The City shall at all times do and perform, or cause to be done and performed, all acts and things permitted by law and necessary in order to assure that the interest paid on the Bonds which are Tax-Exempt Bonds shall, for the purpose of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation, except in the case of any Bond which is a “private activity bond” which is held by a person who is a “substantial user” or a “related person” within the meaning of Section 147(a) of the Code or except in the event that interest on the Bonds

is subject to any other federal income tax otherwise applicable to obligations, the interest on which is excluded from gross income under Section 103 of the Code.

The City shall not permit at any time or times any of the proceeds of the Tax-Exempt Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Tax-Exempt Bond issued pursuant to the Indenture to be an “arbitrage bond” within the meaning of Section 103(b)(2) of the Code. In addition, the City shall not permit at any time or times, any moneys or securities in any fund or account created or continued hereunder to be invested or held in such manner so as to cause any Tax-Exempt Bond issued pursuant to the Indenture to be an “arbitrage bond” as aforesaid.

The City shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Tax-Exempt Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the funds and accounts established under the Indenture and available therefor.

The City agrees to continually comply with the provisions of any Tax Certificate entered into in connection with each Series of Bonds, as such certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code.

Events of Default and Remedies

Each of the following constitutes an event of default (each, an “*Event of Default*”) under the Indenture:

(A) if default is made in the due and punctual payment of the principal of or Redemption Price of any Bond, whether at maturity or by call for redemption, or otherwise, or in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor when and as such interest installment or Sinking Fund Installment will become due and payable;

(B) if default is made by the City in the performance or observance of the covenants, agreements and conditions on its part in establishing, fixing, prescribing and collecting rates, fees, rentals and other charges for the use of the Airport in order that in each Airport Fiscal Year the Revenues will be sufficient to pay the Aggregate Debt Service for such Airport Fiscal Year and to provide the funds necessary to make the required deposits in and maintain the several Funds and Accounts established in the Indenture, and in any event, as are required to pay or discharge all indebtedness, charges and liens whatsoever payable out of the Revenues under the Indenture; provided, however, that a failure by the City to comply with the foregoing covenant will not constitute an event of default under the Indenture if, (i) within four months of the end of the most recently completed Airport Fiscal Year, the City retains an Airport Consultant for the purpose of making recommendations with respect to the operations of the Airport and the sufficiency of its rates, fees, rentals and other charges, (ii) the Airport Consultant will make the required recommendations to the City within seven months of the end of such Airport Fiscal Year and file same with the Trustee; and (iii) the City will diligently and in good faith follow the recommendations of the Airport Consultant;

(C) if default will be made by the City in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Indenture or in the Bonds and such default will continue for a period of sixty days after written notice thereof to the City by the Trustee or to the City and to the Trustee by the Owners of not less than twenty-five

percent in principal amount of the Bonds Outstanding; provided, however, that if such failure will be such that it can be corrected but cannot be corrected within such sixty day period, it will not constitute an Event of Default if corrective action is instituted within such period and diligently pursued until the failure is corrected;

(D) if the City will file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State;

(E) if judgment for the payment of money is rendered against the City as the result of the construction, improvement, ownership, control or operation of the Airport, and any such judgment will not be discharged within twenty four (24) months after the entry thereof, or an appeal will not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment will have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof; or

(F) if an order or decree is entered, with the consent or acquiescence of the City, appointing a receiver or receivers of the Airport or any part thereof, or the revenues therefrom, or if such order or decree has been entered without the consent or acquiescence of the City, such order or decree will not be vacated or discharged, stayed or appealed within ninety (90) days after the entry thereof; then and in each and every such case, so long as such Event of Default will not have been remedied, unless the principal of all the Bonds will have already become due and payable, either the Trustee may (by notice in writing to the City), and upon written request of the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding (by notice in writing to the City and the Trustee) will, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become and be immediately due and payable, anything in the Indenture or in any of the Bonds contained to the contrary notwithstanding.

The right of the Trustee to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds will have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums then payable by the City under the Indenture (except the principal of, and interest accrued since the next preceding interest payment date on the Bonds due and payable solely by virtue of such declaration) will either be paid by or for the account of the City or provision satisfactory to the Trustee will be made for such payment, and all defaults under the Bonds or under the Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) will be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate will be made therefor, then and in every such case the Owners of fifty-one percent (51%) in principal amount of the Bonds Outstanding, by written notice to the City and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee will have acted itself, and if there will not have theretofore delivered to the Trustee written direction to the contrary by the Owners of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, then any such declaration will ipso facto be deemed to be rescinded and any such default and its consequences will ipso facto be deemed to be annulled, but no such rescission and annulment will extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

If an Event of Default has happened and has not been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding will proceed, to protect and enforce its rights and the rights of the Owners of the Bonds under the Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in the Indenture, or in aid of the execution of any power therein granted, or for an accounting against the City as if the City were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, will deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

The Owners of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee will have the right to decline to follow any such direction if the Trustee will be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith will determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

Regardless of the happening of an Event of Default, the Trustee will have power to, but unless requested in writing by the Owners of not less than 51% in principal amount of the Bonds then Outstanding, and furnished with reasonable security and indemnity, will be under no obligation to, institute and maintain such suits and proceedings as it may be advised will be necessary or expedient to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture, and such suits and proceedings as the Trustee may be advised will be necessary or expedient to preserve or protect its interests and the interest of the Bondholders.

Restrictions on Bondholders' Actions

No Owner of any Bond will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Indenture or the execution of any trust under the Indenture or for any remedy under the Indenture, unless such Owner will have previously given to the Trustee written notice of the happening of an Event of Default, as provided in the Indenture, and the Owners of at least twenty-five percent in principal amount of the Bonds then Outstanding will have filed a written request with the Trustee, and will have offered it reasonable opportunity, either to exercise the powers granted in the Indenture or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Owners will have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee will have refused to comply with such request for a period of thirty days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds will have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture will be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Owners of the Outstanding Bonds.

Waiver of Events of Defaults

Prior to the declaration of maturity of the Bonds as provided in the Indenture, the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Owners of all of the Bonds waive any past default

under the Indenture and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver will extend to any subsequent or other default or impair any right consequent thereon.

Rights of Bond Insurers on Default

All actions permitted to be taken under the Indenture upon the occurrence of an Event of Default by the Owners of any Bonds insured by a Bond Insurer may be taken by such Bond Insurer without any action being taken by such Owners. Any action taken by such Bond Insurer will be deemed to be the action taken by such Owners for purposes of the Indenture.

Supplemental Indentures

For any one or more of the following purposes at any time or from time to time, a Supplemental Indenture of the City may be adopted, which, upon the execution and delivery thereof by the Trustee will be fully effective in accordance with its terms:

(1) To close the Indenture against, or provide limitations and restrictions to the limitations and restrictions contained in the Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(2) To add to the covenants and agreements of the City in the Indenture, other covenants and agreements to be observed by the City which are not contrary to or inconsistent with the Indenture theretofore in effect;

(3) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the City which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(4) To provide for the issuance of bearer Bonds and interest coupons and establish appropriate exchange privileges and notice requirements in connection therewith with respect to any Bonds issued or to be issued under the Indenture;

(5) To authorize Bonds of a Series or to determine the terms and details thereof and, in connection therewith, specify and determine certain matters and things pertaining to the issuance of the Bonds, Additional Bonds and Refunding Bonds referred to in the Indenture, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(6) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture, of the Revenues, or of any other moneys, securities or funds;

(7) To modify any of the provisions of the Indenture in any respect whatever, provided that (i) the effective date of such modification will be, and expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Indenture will cease to be Outstanding, and (ii) such Supplemental Indenture will be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the

adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(8) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture; or

(9) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect.

At any time or from time to time, a Supplemental Indenture may be adopted subject to consent by Bondholders in accordance with and subject to the provisions of the Indenture, which Supplemental Indenture, upon the execution and delivery thereof by the Trustee and upon compliance with the provisions of the Indenture, will become fully effective in accordance with its terms as provided in the Indenture.

Any modification or amendment of the Indenture and of the rights and obligations of the City and of the Owners of the Bonds thereunder, in particular, may be made by a Supplemental Indenture, with the written consent given as provided in the Indenture (i) of the Owners of at least fifty-one percent in principal amount of the Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least fifty-one percent in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Indenture. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or Sinking Fund Installment or any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or will reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

The terms and provisions of the Indenture and the rights and obligations of the City and of the Owners of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the City of a Supplemental Indenture and the consent of the Owners of all the Bonds then Outstanding.

Discharge of Lien of the Indenture

If the City will pay or cause to be paid, or there will otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of any Net Revenues, and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of the City to the Bondholders; will thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or interest installments for payment or redemption of which moneys will have been set aside and will be held in trust by the Paying Agents (through deposit by the City of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the Indenture. All Outstanding Bonds of any Series will prior to the maturity or redemption date thereof be deemed to have been paid if (i) in case

any of said Bonds are to be redeemed on any date prior to their maturity, the City will have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in the Indenture notice of redemption of such Bonds on said date; (ii) there will have been deposited with the Trustee either moneys in an amount which will be sufficient, or Government Securities the principal of and the interest on which when due will provide money which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient, to pay when due the principal and premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, and all necessary and proper fees, compensation and expenses of the Trustee and Paying Agents pertaining to the Bonds with respect to which such deposit is made will have been paid or the payment thereof provided for to the satisfaction of the Trustee and Paying Agents, respectively, as the case may be; and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty days, the City will have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, to the Owners of such Bonds notice that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

Anything in the Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, will, unless otherwise provided by law, at the written request of the City, be repaid by the Fiduciary to the City, as its absolute property and free from trust, and the Fiduciary will thereupon be released and discharged with respect thereto and the Bondholders will look only to the City for the payment of such Bonds; provided, however, that before being required to make any such payment to the City and the Fiduciary will, at the expense of the City, cause to be mailed to the Owner of each unpaid Bond, at the address of such Owner as set forth on the Bond register maintained by the Trustee, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date will not be less than 45 days after the date of the mailing of such notice, the balance of such moneys then unclaimed will be returned to the City.

After payment in full of the principal of, redemption premium, if any, and interest on any Series of Bonds (or after provision has been made for the payment thereof as provided in the Indenture), the fees, charges and expenses of the Trustee and Paying Agent, and any other amounts required to be paid under the Indenture relating to such Series of Bonds, all amounts remaining in the accounts or sub-accounts established with the Trustee for such Series of Bonds shall be transferred to the various sub-accounts of the Debt Service Account for the Outstanding Bonds, as directed by the City, unless otherwise directed in a Supplemental Indenture adopted in accordance with the Indenture.

Claims Upon the Insurance Policy and Payments by and to the Insurer

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“**Payment Date**”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Series 2024 Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the “**Bond Insurer’s Fiscal Agent**”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2024 Bonds due on such Payment Date, the Trustee shall make a

claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Series 2024 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent (if any) by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal of Series 2024 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2024 Bonds registered to the then current Series 2024 Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2024 Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Series 2024 Bond shall have no effect on the amount of principal or interest payable by the City on any Series 2024 Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2024 Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee. Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of holders of the Series 2024 Bonds referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of holders of the Series 2024 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to holders of the Series 2024 Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2024 Bonds under the sections hereof regarding payment of Series 2024 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the City agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "***Insurer Advances***"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "***Insurer Reimbursement Amounts***"). "***Late Payment Rate***" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2024 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The City hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Revenues and payable from such Revenues on a parity with debt service due on the Series 2024 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following an Series 2024 Bond payment date shall promptly be remitted to the Insurer.

APPENDIX D

Summary of Certain Provisions of the AULAs and the Operating Agreements

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The following is a summary of certain provisions of the current versions of the Use Agreements, the Operating Agreements and the Cargo Addenda. This summary does not purport to be complete or definitive and reference is made to the Use Agreements, the Operating Agreements and the Cargo Addenda for a complete recital of the terms of such documents.

Airport Use and Lease Agreement. The term of the current Use Agreement with all major and regional air carriers serving the Airport began on July 1, 2016. Each Use Agreement was scheduled to expire on June 30, 2021. However, the Airlines and Airport management mutually agreed to extend the terms of the Use Agreements through June 30, 2025, as all parties are evaluating how the industry will look following the current pandemic. An air carrier may terminate its Use Agreement if the City fails to keep any material promise or covenant, or if the air carrier is denied the right to operate at the Airport by a governmental agency with competent jurisdiction or, under certain circumstances, if the air carrier is prevented from conducting its air transportation business at the Airport for an extended period of time. The terms of the Use Agreements may be extended by mutual agreement of the parties.

Air carriers operating at the Airport pursuant to the Use Agreements are referred to as “Signatory Airlines.” The Use Agreements grant the Signatory Airlines the right to use the airfield and, as applicable, use and lease certain areas in the passenger terminal buildings, including concourses, and related facilities for the business of transporting persons, property, cargo, and mail by air. Signatory Airlines that operate from the passenger terminal buildings at the Airport may, but are not required to, lease space in the terminal buildings. The Use Agreements also provide for the payment of certain rentals, fees and charges by the Signatory Airlines.

Signatory Airlines. Signatory Airlines must commit to pay the City a minimum amount in landing fees throughout the term of their respective Use Agreements. The minimum landing fee commitment is \$1,000,000 for Signatory Airlines with Use Agreements that began on July 1, 2016. Signatory Airlines may include affiliate airline fees in the commitment test and the landing fee commitment is prorated in Use Agreements that began after July 1, 2016.

A Pre-Approved 5-Year Capital Improvement Program is detailed in the Use Agreements and the Airport may proceed with each project without MII approval. Signatory Airlines have the right to review and approve certain capital acquisitions and projects with a net cost (net of federal and/or state grants-in-aid and PFCs) in excess of \$200,000 (“Capital Improvements”) at the Airport, as well as the right to participate in the Airport's annual rate setting process (budget review and comment; meet and confer over rents, fees and charges), and, under certain circumstances, are eligible for a waiver of the security deposit requirements of their respective Use Agreements. Signatory Airlines may designate certain non-signatory airlines as their “Affiliates.” Affiliates enjoy some, but not all, of the benefits of Signatory Airlines.

Airlines Rates and Charges Methodology. The Use Agreements set forth the methodology for computing the user fees and space rentals that are charged to the air carriers. Rentals, fees and charges are assessed to the Signatory Airlines and the other air carriers using the Airport to support the primary activities of the Airport - the airfield and the terminal buildings (including Terminal 1, Terminal 2 and passenger loading bridges). The Use Agreements permit the City to adjust rental rates for each rate period to reflect overpayments and underpayments that occurred during the preceding rate period, and, to the extent necessary, replenish reasonable reserves for uncollected revenues.

Landing Fees. Under the terms of the Use Agreements, the Airport landing fees are computed based on a modified cost center residual rate methodology. In calculating the annual landing fee rate, the total costs of the Airfield are first calculated by adding the following costs for such year allocable to the Airfield Cost Center:

- direct and indirect Operation and Maintenance Expenses;
- amortization of Capital Improvements made to the airfield and put into service before July 1, 2011
- debt service associated with Capital Improvements made to the airfield, approved by the Signatory Airlines, and put into service on or after July 1, 2016;
- debt service associated with Capital Improvements made to the airfield, approved by the Signatory Airlines, and put into service on or after July 1, 2011, and approved by MII;
- debt service or depreciation charges, as the case may be, associated with certain Capital Improvements undertaken on the airfield: to comply with laws and regulations or with the requirements of the Trust Indenture; as an emergency project; to settle claims, satisfy judgments, or comply with judicial orders; to repair casualty damage on the airfield; to mitigate aircraft noise as part of a Noise Compatibility Program; or to conduct any necessary environmental investigation or remediation;
- any replenishment or rebate of the Debt Service Reserve Account and the Renewal and Replacement Fund; and
- share of the Debt Service Stabilization Fund Contribution.

The “Initial Airfield Requirement” is then calculated by subtracting the following from the total costs allocable to the Airfield Cost Center:

- non-signatory airline landing fees;
- general aviation landing fees, if any;
- military use fees;
- fuel flowage fees;
- remote parking fees;
- rent paid to the City by a consortium of airlines leasing the fuel farm; and
- certain credits made available annually by the City from the Debt Service Stabilization Fund.

The landing fee rate is then calculated by dividing the aggregate landed weight of all Signatory Airlines and their Affiliates into the sum of the Initial Airfield Requirement and that portion allocated to the Airfield Cost Center of Airport-wide residual shortfalls or overages that would result if airline charges were limited to the Initial Airfield Requirement and the Initial Terminal Requirement (see below) (the “Additional Airline Requirement”).

In accordance with the terms of the Use Agreements, the landing fee rate applicable to non-signatory airlines that have signed an Operating Agreement is equal to 125% of the landing fee rate payable by the Signatory Airlines. The landing fee payable by each air carrier is then calculated by multiplying that air carrier's actual landed weight for the period in question, by the applicable landing fee rate.

Terminal Building Space Rentals. The Use Agreements establish two passenger terminal building cost centers: Terminal 1 Cost Center (including Terminal 1 and Concourses A, B, C and all but the four easternmost gates in Concourse D), and Terminal 2 Cost Center (including Terminal 2, the International

Facilities, and the four easternmost gates in Concourse D). Under the terms of the Use Agreements, Signatory Airlines are charged terminal building rental rates computed based on a modified compensatory rate methodology. In calculating the annual rental rate for each terminal cost center, the total annual costs are first calculated by adding the following costs allocable to each terminal cost center:

- direct and indirect Operation and Maintenance Expenses;
 - fifty percent (50%) of the total costs in the terminal roadways allocated between each of the terminal buildings based on the ratio that the usable space in each of the terminal buildings is to the aggregate usable space in all terminal buildings;
 - amortization of Capital Improvements made to the terminal buildings and put into service before July 1, 2011;
 - debt service associated with Capital Improvements made to the terminal buildings, approved by the Signatory Airlines, and put into service on or after July 1, 2016;
 - debt service associated with Capital Improvements made to the terminal buildings, approved by the Signatory Airlines, and put into service on or after July 1, 2011, and approved by MII;
 - debt service or depreciation charges, as the case may be, associated with certain Capital Improvements undertaken on the terminal buildings: to comply with laws and regulations or with the requirements of the Trust Indenture; as an emergency project; to settle claims, satisfy judgments, or comply with judicial orders; to repair casualty damage of the terminal buildings; to mitigate aircraft noise as part of a Noise Compatibility Program; or to conduct any necessary environmental investigation or remediation;
 - any replenishment or rebate of the Debt Service Reserve Account and the Renewal and Replacement Fund; and
 - share of the Debt Service Stabilization Fund Contribution.

Passenger Loading Bridge Charge. The total cost of the Passenger Loading Bridges Cost Center is calculated by adding together the following:

- direct and indirect Operating and Maintenance Expenses;
- the Depreciation Charge or Debt Service, as the case may be, of each new passenger loading bridge acquired by the City on or after July 1, 2011.

The annual Passenger Loading Bridge Charge applicable to each new passenger loading bridge shall be calculated by dividing the total cost and charges allocable to the Passenger Loading Bridges Cost Center in accordance with the Use Agreement, by the total number of passenger loading bridges acquired by the City on or after July 1, 2011. The monthly Passenger Loading Bridge Charge shall be 1/12 of the annual Passenger Loading Bridge Charge.

The net costs attributable to each terminal cost center is then calculated by subtracting the following from the total costs allocable to each corresponding terminal cost center:

- rent payable for apron-level enclosed space;

- non-signatory airline terminal rents; and
- certain credits made available annually by the City from the Debt Service Stabilization Fund.

The “Initial Terminal Requirement” is then calculated by dividing the net costs attributable to each terminal cost center by the usable space of such terminal building, and the resulting quotient (the “Initial Terminal Rental Rate”) multiplied by the rented space of such terminal building.

The annual terminal rental rate applicable to the Signatory Airlines in each terminal building is then calculated by adding the Initial Terminal Rental Rate in each terminal cost center to the quotient derived by dividing the Additional Airline Requirement allocable to each terminal cost center by the rented space in each of the respective terminal buildings and beginning in fiscal year ending June 30, 2018, reallocating the Additional Airline Requirement from the current 50% airfield and 50% terminal cost centers to 100% to the terminal cost center.

The annual terminal rental rate to the non-signatory airlines that have signed an Operating Agreement is equal to the applicable terminal rental rate calculated in accordance with the Use Agreements.

Airline Review and Approval of Capital Projects. A Pre-Approved 5-Year Capital Improvement Program is detailed in the Use Agreements and the Airport may proceed with each project without MII approval by using Airport funds lawfully available for such purpose, up to a total cost, in the Fiscal Years, and in the Cost Centers for each project. The City may undertake all Capital Improvements for which it receives MII approval. Except for projects included in the 5-Year Capital Improvement Program, the City may not undertake Capital Improvements that are funded with Bond proceeds unless it receives MII approval for such projects.

Except as enumerated below, before undertaking any Capital Improvement not included in the Pre-Approved 5-Year Capital Improvement Program, the City must notify the Signatory Airlines and request a MII approval for each such Capital Improvement. An MII is deemed to be 50% plus one of the Signatory Airlines operating at the Airport at the time of the voting action, having paid no less than 66.67% of the aggregate rents, fees, and charges paid by all signatory Airlines operating at the Airport during the immediately preceding fiscal year. The City may substitute any individual capital project listed in the Pre-Approved 5-Year Capital Improvement Program if the replacement project has the same or similar total cost, the net cost is chargeable to the same cost center, and the capital asset will accomplish the same purpose or function.

No MII approval is required for Capital Improvements undertaken: (a) to comply with laws and regulations or with the requirements of the Trust Indenture; (b) as an emergency project; (c) to settle claims, satisfy judgments, or comply with judicial orders; (d) to repair casualty damage at the Airport; (e) to mitigate aircraft noise as part of a Noise Compatibility Program; (f) to conduct any necessary environmental investigation or remediation; (g) to build special facilities for which the City has a contractual commitment from a Signatory Airline or a financially-responsible third party; (h) to be fully funded from PFCs or (i) with funds from Airport Development Fund Deposits made after July 1, 2016 in excess of 6%.

Airline Operating Agreement and Terminal Space Permit. The Operating Agreements are month-to-month operating permits that may be terminated by either party by providing the other party 30-day written notice. Air carriers electing to operate at the Airport under the Operating Agreements are considered to be “non-signatory” airlines. The Operating Agreements are short term permits intended to provide flexibility for charter airlines, new entrants that may wish to test the market, and regional airlines that operate at the airport under a contract with other air carriers. Air carriers operating at the Airport pursuant

to Operating Agreements are subject to a landing fee rate equal to 125% of the landing fee rate paid by the Signatory Airlines (unless the Operating Agreement airline is designated as an Affiliate by a Signatory Airline, in which case its landing fee rate is equal to the landing fee rate applicable to the Signatory Airlines). A passenger air carrier that signs an Operating Agreement and requests space in one of the terminal buildings pays a space use fee equal to the terminal rental rate payable by the Signatory Airlines.

Allocation of Space in the Terminal Building. Neither the Use Agreements nor the Operating Agreements require an air carrier to lease space in the Airport terminal buildings as a condition precedent to entering into either of those agreements. A Signatory Airline may lease space in the terminal buildings for its exclusive, preferential, joint, or common use and occupancy. As noted below, air carriers that sign an Operating Agreement may also receive a month-to-month space permit. All gates in the passenger terminal buildings have been designated as preferential use space. In accordance with the Use Agreements, a Signatory Airline's right to a preferential gate is subject to an average gate utilization requirement (by that air carrier and/or its Affiliate or partner airlines if applicable) of four flight departures each day from that gate. A Signatory Airline that fails to meet the average gate utilization during any given six-month period may be required to relinquish its preferential rights to one or more gates. In addition, under the provisions of the Use Agreements, the City retains the right to accommodate requesting air carriers (either new entrants or incumbents in need of more gate space) in an air carrier's preferential use gates if similar space cannot be found elsewhere in one of the terminal buildings. Finally, in accordance with the provisions of the Use Agreements and the Operating Agreements, the City retains the right to consolidate, force relinquishment, and/or relocate airline leased space, both preferential use and exclusive space, under certain circumstances and following agreed upon criteria.

Itinerant Air Carriers. The City has retained under its exclusive control six gates at the terminal buildings where itinerant air carriers can be accommodated and handled by an authorized gate agent. The Airport Commission has established a schedule of fees and charges for the use of the Airport, including the use of the airfield, space in the terminal buildings, and hangars, applicable to all users of the Airport whose activities are not governed by a contract, lease, or agreement, such as a Use Agreement or an Operating Agreement.

Airport Maintenance. Under the terms of both the Use Agreements and the Operating Agreements, the City is required to maintain and keep in good repair all of the public areas and facilities of the Airport, including the structures associated with the terminal buildings, the utility systems within the Airport, and all other common use systems owned and operated by the City. For their part, the Signatory Airlines and the air carriers operating at the Airport pursuant to an Operating Agreement are individually required to repair and maintain in good condition the premises leased or assigned to each of them, including that portion of the utility systems serving each of their exclusive use facilities.

Cargo Addendum. Cargo air carriers may elect to operate under either a Use Agreement or an Operating Agreement, but must execute the applicable cargo addendum which prohibits cargo air carriers from operating from the Airport's passenger terminal buildings. Among other things, the cargo addenda for the Use Agreements and the Operating Agreements require cargo air carriers to arrange for operating space at the Airport separately with the City or with a third-party Airport tenant whose rights include providing such space.

Other Air Carrier Facilities. The City also has available throughout the Airport, and leases to individual air carriers, space suitable for maintenance activities, cargo operations, and other related facilities. Rental rates for these facilities are adjusted from time-to-time to reflect their fair market value.

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APPENDIX E

DTC Information

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The information provided immediately below concerning DTC and the Book-Entry System, as it currently exists, has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters or the City. The Underwriters and the City make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

Book-Entry Only System

The Depository Trust Company (“**DTC**”), New York, New York, will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond for each maturity of each series of Bonds will be issued in the aggregate principal amount of the Series 2024 Bonds, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**” and, together with the Direct Participants, the “**Participants**”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be

accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2024 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered as described in the Indenture.

None of the Underwriters, the Trustee, nor the City will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, or interest on the Series 2024 Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to owners of the Series 2024 Bonds; (iv) any consent given or other action taken by DTC as Bondholder.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the City and the Underwriters believe to be reliable, but the City and the Underwriters take no responsibility for the accuracy thereof and neither the Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should, instead, confirm the same with DTC or the Participants, as the case may be. Neither the City nor the Underwriters makes any assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

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APPENDIX F

Form of Opinion of Co-Bond Counsel

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June __, 2024

The City of St. Louis, Missouri
City Hall, Room 200
1200 Market Street
St. Louis, Missouri 63103

Assured Guaranty Municipal Corp.
1633 Broadway
New York, New York 10019

**Re: The City of St. Louis, Missouri Airport Revenue Bonds, Series 2024A (NON-AMT)
(St. Louis Lambert International Airport) and**

**The City of St. Louis, Missouri Airport Revenue Bonds, Series 2024B (AMT)
(St. Louis Lambert International Airport)**

Ladies and Gentlemen:

We have acted as Co-Bond Counsel to The City of St. Louis, Missouri (the “**City**”) in connection with the issuance of the City’s Airport Revenue Bonds, Series 2024A (NON-AMT) (St. Louis Lambert International Airport) (the “**Series 2024A Bonds**”) and the City’s Airport Revenue Bonds, Series 2024B (AMT) (St. Louis Lambert International Airport) (the “**Series 2024B Bonds**”) and together with the Series 2024A Bonds, the “**Series 2024 Bonds**”) under and pursuant to the Indenture of Trust dated as of October 15, 1984 (the “**Original Indenture**”), which Original Indenture, as previously amended, supplemented and restated, was amended, restated and superseded by that certain Amended and Restated Indenture of Trust dated as of July 1, 2009 (the “**Restated Indenture**”), as amended and supplemented, including by the Twenty-Seventh Supplemental Indenture of Trust dated as of June 1, 2024 (the “**Twenty-Seventh Supplemental Indenture**”), by and between the City and UMB Bank, N.A., as trustee (the “**Trustee**”). The Restated Indenture, as amended and supplemented to date, including by the Twenty-Seventh Supplemental Indenture, is collectively referred to herein as the “**Indenture**.”

We have reviewed the transcript of proceedings related to the issuance of the Series 2024 Bonds, including the Constitution of the State of Missouri (the “**State**”), the statutes of the State, as amended, including particularly, Chapter 108.170 of the Revised Statutes of Missouri, as amended, the Charter of the City (the “**Charter**”), Ordinance No. 71848, adopted by the Board of Aldermen on May 17, 2024 and, approved by the Mayor on May 17, 2024, the Indenture, the Tax Compliance Agreement between the City and the Trustee dated as of the date hereof relating to the Series 2024A Bonds (the “**Series 2024A Tax Compliance Agreement**”), the Tax Compliance Agreement between the City and the Trustee dated as of the date hereof relating to the Series 2024B Bonds (the “**Series 2024B Tax Compliance Agreement**”) and together with the Series 2024A Tax Compliance Agreement, the “**Tax Compliance Agreements**”) and such other law, certified proceedings and other documents and materials as we have deemed necessary to enable us to render the opinions contained herein. Capitalized terms used and not defined herein shall have the same meanings given to such terms in the Indenture.

The Internal Revenue Code of 1986, as amended (the “**Code**”) imposes certain requirements that must be met on the date of issuance of the Series 2024 Bonds and on a continuing basis subsequent to the issuance of the Series 2024 Bonds in order for interest on the Series 2024 Bonds to be excludable from gross income for federal income tax purposes under Section 103 of the Code. Such requirements include, but are not limited to, requirements relating to the continuous ownership and operation by the City of certain projects as an “airport facility” as described in Code section 142, as well as private use limitations and yield

restriction of certain funds. The City has represented, certified and covenanted in the Indenture and the Tax Compliance Agreements, among other things, (i) that so long as it owns the Airport, it will take no action that will impair the exclusion of interest on the Series 2024 Bonds from federal income tax, (ii) that it will comply with the provisions and procedures set forth in the Tax Compliance Agreements, and (iii) that it will do and perform all acts and things necessary or desirable in order to assure that under the Code, as presently in force and effect, interest on the Series 2024 Bonds will, for purposes of federal income taxation, be excludable from gross income of the recipients thereof pursuant to Section 103 of the Code.

In making our examination of documents, we have assumed that the parties to such documents had the power to enter into and perform all obligations thereunder; the due and valid authorization, execution and delivery of such documents; that such documents are valid and binding obligations of the parties thereto and are enforceable against such parties in accordance with their terms; and that the parties to such documents have complied and will comply with their obligations thereunder, including, without limitation, the obligations set forth in the preceding paragraph. We have assumed the genuineness of all signatures on all documents examined by us, the authenticity of all documents submitted to us as originals and the conformity to authentic originals of all documents submitted to us as copies.

As to questions of fact material to this opinion, we have relied upon representations of the City contained in the Indenture, the Tax Compliance Agreements and the other financing documents delivered in connection with the Series 2024 Bonds, the representations and information contained in the above-described documents, and the certified proceedings and other certifications of public officials and officers and others furnished to us, in each case without undertaking to verify the same by independent investigation. We note that we have relied upon the opinion of even date herewith of the City Counselor of the City with respect to the matters set forth therein. Except as otherwise stated herein, we express no opinion with respect to those issues.

For purposes of this opinion, without limiting the generality of the foregoing, we have assumed that the Indenture has been duly and lawfully executed and delivered by the parties thereto and is in full force and effect.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that, under existing law:

1. The Series 2024 Bonds have been duly authorized and executed by the City in accordance with the Constitution and statutes of the State and the Charter and, when duly authenticated and delivered by the Trustee, will be valid and binding special, limited obligations of the City, payable solely from the sources provided therefor in the Indenture. The Series 2024 Bonds and the interest thereon are not a debt or general obligation of the City, the State or any political subdivision thereof, and do not constitute an indebtedness of the City, the State or any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or any political subdivision thereof. We express no opinion with respect to the perfection or priority of any lien or security interest created or purported to have been created by any documents related to the issuance of the Series 2024 Bonds.

2. The Twenty-Seventh Supplemental Indenture has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other party thereto, constitutes the valid and binding obligation of the City in accordance with its terms.

3. The Indenture creates the valid pledge which it purports to create of the moneys, securities and funds included in the Trust Estate and of all Revenues subject to the application thereof, as and to the extent that the City obtains rights to the Revenues, for the purposes and on the conditions permitted by the Indenture. We express no opinion with respect to the perfection or priority of any lien or security interest created or purported to have been created by the Indenture.

4. Based upon existing law, interest on the Series 2024 Bonds is excluded from the gross income of the owners of the Series 2024 Bonds for federal income tax purposes. No opinion is expressed as to the status of interest on any Series 2024B Bonds for any period that such Series 2024B Bonds are held by a “substantial user” of the facilities financed by the Series 2024B Bonds or by a “related person” within the meaning of Section 147(a) of the Code. Interest on the Series 2024A Bonds is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax on individuals, trusts and estates that may be imposed under the Code, and interest on the Series 2024B Bonds is treated as an item of tax preference for purposes of calculating the federal alternative minimum tax on individuals, trusts and estates that may be imposed under the Code. Interest on the Series 2024 Bonds is included in the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. Interest on the Series 2024B Bonds is treated as an item of preference for purposes of calculating the federal alternative minimum tax that may be imposed under the Code. Interest on the Series 2024B Bonds is treated as an item of preference for purposes of calculating the federal alternative minimum tax that may be imposed under the Code. In rendering the opinions set forth in this paragraph, we have assumed compliance by the City with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure by the City to comply with certain of such requirements may cause interest on the Series 2024 Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Series 2024 Bonds.

5. Under the laws of the State as presently enacted and construed, and subject to the assumptions set forth in the preceding paragraph, interest on the Series 2024 Bonds is exempt from income taxation by the State under Chapter 143 of the Revised Statutes of Missouri. No opinion is expressed regarding whether the interest on the Series 2024 Bonds is exempt from the taxes imposed by the State on financial institutions under Chapter 148 of the Revised Statutes of Missouri, as amended. We express no opinion regarding any other State tax consequences arising with respect to the Series 2024 Bonds.

Except as stated in paragraphs 4 and 5 above, we express no opinion regarding any federal or state tax consequences arising with respect to the Series 2024 Bonds including, but not limited to, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2024 Bonds.

With respect to our opinion that any document was duly executed and delivered, we note that we were not present at the execution and delivery of the original documents and that we have based our opinions with respect thereto solely on an examination of copies of the executed documents.

Although we are not opining as to enforceability, it is to be understood that the rights of the owners of the Series 2024 Bonds and the enforceability thereof and of the Indenture may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium and other similar laws relating to or affecting creditors’ rights and by equitable principles, whether considered at law or in equity, and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion as to (1) the nature or extent of the rights or title of the City in or to any collateral; and note to the extent that such rights are limited, the security interest may only attach to such limited rights; (2) the accuracy of the description of any collateral in the Indenture; (3) the extent to which any restriction on the right of the City to transfer or assign its interest in any of the collateral is rendered ineffective under Section 9-406 or Section 9-408 of the Uniform Commercial Code, as amended; and (4) any actions that may be required to be taken periodically or as the result of any changes in facts or circumstances under any applicable law, including without limitation the Uniform Commercial Code as in effect in any applicable jurisdiction, in order for the validity of any security interest to be maintained.

Except as expressly stated in our supplemental co-bond counsel opinion of even date herewith, we have not been engaged or undertaken to review the accuracy, adequacy or completeness of any offering material relating to the Series 2024 Bonds, and we express no opinion relating thereto.

The opinions expressed herein are limited to the federal law of the United States of America and the laws of the State, and we express no opinion as to the laws of any other state or jurisdiction, including any local or municipal laws. In rendering our opinion, we have not considered, and hereby disclaim any opinion as to, the application or impact of any laws, cases, decisions, rules or regulations of any other jurisdiction, court or administrative agency.

We call to your attention the fact that our legal opinions are an expression of professional judgment and are not a guarantee of a result. Further, the opinions expressed herein are as of the date hereof only and are based on laws, orders, contract terms and provisions and facts as of such date. By rendering this opinion, we do not undertake, and hereby disclaim any obligation, to update this opinion letter after such date or to advise you of any changes in law or fact stated or assumed herein that may occur or come to our attention after the date hereof.

This opinion is furnished only to you and is solely for your use and benefit in connection with the transactions described herein. Without our prior written consent, this opinion may not be used, quoted or otherwise referred to for any other purpose or relied upon by, or assigned to, any other person for any purpose, including any other person that seeks to assert your rights in respect of this opinion.

Very truly yours,

APPENDIX G

Form of Continuing Disclosure Agreement

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CONTINUING DISCLOSURE AGREEMENT

Dated as of June 1, 2024

by and between

THE CITY OF ST. LOUIS, MISSOURI

and

**UMB BANK, N.A.,
as Dissemination Agent**

\$279,595,000

**The City of St. Louis, Missouri
Airport Revenue Bonds, Series 2024A (Non-AMT)
(St. Louis Lambert International Airport)**

\$7,765,000

**The City of St. Louis, Missouri
Airport Revenue Bonds, Series 2024B (AMT)
(St. Louis Lambert International Airport)**

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CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT dated as of June 1, 2024 (this “*Continuing Disclosure Agreement*”), is executed and delivered by The City of St. Louis, Missouri (the “*City*”) and UMB Bank, N.A., as dissemination agent (the “*Dissemination Agent*”).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered by the City and the Dissemination Agent in connection with the issuance by the City of its \$279,595,000 Airport Revenue Bonds, Series 2024A (Non-AMT) (St. Louis Lambert International Airport) (the “*Series 2024A Bonds*”) and its \$7,765,000 Airport Revenue Bonds, Series 2024B (AMT) (St. Louis Lambert International Airport) (the “*Series 2024B Bonds*” and, together with the Series 2024A Bonds, the “*Series 2024 Bonds*”) under and pursuant to the Indenture of Trust dated as of October 15, 1984 (the “*Original Indenture*”), which Original Indenture, as previously amended, supplemented and restated, was amended, restated and superseded by that certain Amended and Restated Indenture of Trust, dated as of July 1, 2009 (the “*Restated Indenture*”), as amended and supplemented, including by the Twenty-Seventh Supplemental Indenture of Trust, dated as of June 1, 2024, by and between the City and UMB Bank, N.A., as Trustee (the “*Trustee*”).

2. The City and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Series 2024 Bonds and in order to assist the Participating Underwriters in complying with the Rule (all as defined below). The City acknowledges that no other party has undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement.

In consideration of the mutual covenants and agreements herein, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement, unless otherwise defined in the Recitals or this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

“*Beneficial Owner*” means any registered owner of any Series 2024 Bonds and any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Series 2024 Bonds (including persons holding Series 2024 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2024 Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the Comptroller, on behalf of the City, or her successors or designees, or such other person as the City shall designate in writing to the Dissemination Agent from time to time.

“*EMMA*” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org, or such other location as may be designated in the future by the MSRB pursuant to the Rule.

“*Financial Obligation*” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not

include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Fiscal Year*” currently means, with respect to both the City and the Airport, July 1 to June 30.

“*Listed Events*” means any of the events listed in Section 4(A) of this Continuing Disclosure Agreement, and includes any Material Listed Events.

“*Material Listed Events*” means such of the events listed in Section 4(A) of this Continuing Disclosure Agreement which requires a determination of materiality and which the City has advised the Dissemination Agent are material under applicable federal securities law.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the SEC in accordance with the Rule.

“*National Repository*” means any nationally recognized municipal securities information repository for purposes of the Rule. Currently, the sole National Repository within the meaning of the Rule is the MSRB through EMMA and filings shall be submitted solely at its website, <http://emma.msrb.org>.

“*Objective Criteria*” means any air carrier that is party to a use agreement with the City with a term of more than one year pursuant to which it (or its corporate parent) has paid amounts equal to at least 20% of the Revenues of the Airport for each of the prior two Fiscal Years. As of the date of the Official Statement, Southwest Airlines is the only airline which meets the criteria in the preceding sentence.

“*Obligated Person*” means the City and any airline meeting the Objective Criteria.

“*Official Statement*” means the Official Statement dated May 29, 2024, relating to the issuance and sale of the Series 2024 Bonds.

“*Participating Underwriter*” means any of the original underwriter(s) of the Series 2024 Bonds required to comply with the Rule in connection with the offering of the Series 2024 Bonds.

“*Repository*” means each National Repository and each State Repository, if any.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*State*” means the State of Missouri.

“*State Repository*” means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the SEC. As of the date of this Continuing Disclosure Agreement, there is no State Repository.

Unless the context clearly indicates otherwise, words used in the singular include the plural and words used in the plural include the singular.

Section 2. Provision of Annual Reports.

A. The City shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days (if the 210th day is not a Business Day, then the next succeeding Business Day) after the end of

the City's Fiscal Year (presently June 30) commencing with the report for the Fiscal Year ending June 30, 2024, provide to each Repository an Annual Report which is consistent with the requirements of Section 3 of this Continuing Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Continuing Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement.

B. Not later than three (3) Business Days prior to the date specified in Subsection A above for providing the Annual Report to the Repositories, the City shall either provide the Annual Report, in PDF format, word-searchable, to the Dissemination Agent with instructions to file the Annual Report as specified in Subsection A above or provide a written certification to the Dissemination Agent that the City has provided the Annual Report to the Repositories.

C. If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repositories by the date in Subsection A above, the Dissemination Agent shall send a notice to each Repository in substantially the form of **Exhibit A** attached hereto.

D. The Dissemination Agent shall:

1. determine each year, prior to the date for providing the Annual Report to the Repositories the name and address of each National Repository and the State Repository, if any;
2. unless the City has certified in writing that the City has provided the Annual Report to the Repositories, promptly following receipt of the Annual Report and the instructions required by Subsection B above, provide the Annual Report to the Repositories and file a report with the City certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided or that the City has certified that it filed the Annual Report; and
3. unless the City has provided the Annual Report as provided above, notify the City in each year not later than ninety (90) days and again not later than thirty (30) days prior to the date for providing the Annual Report to the Repositories, of the date on which its Annual Report must be provided to the Dissemination Agent or the Repositories.

Section 3. Content of Annual Reports.

The City's Annual Report will contain or incorporate by reference the following:

A. Audited financial statements of the Airport for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Governmental Accounting Standards Board ("*GASB*") and all statements and interpretations issued by the Financial Accounting Standards Board which are not in conflict with the statements issued by GASB, provided, however, that the Airport may from time to time, in order to comply with federal or State legal requirements, modify the basis upon which such financial statements are provided. Notice of any such modification shall be provided to the MSRB and shall include a reference to the applicable law or

requirement describing such accounting basis. If the Airport's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Continuing Disclosure Agreement, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in the Annual Report for the prior Fiscal Year, and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

B. The following statistical and operating data of the Airport, updated for the Airport's prior Fiscal Year:

(1) A list of Major Air Carriers, Regional Air Carriers and Air Cargo Carriers at the Airport, including information as to which are Signatory Airlines and Non-Signatory Airlines comparable in substance to the list contained in the Official Statement under the caption "THE AIRPORT – Air Carrier Service";

(2) A table reflecting "Airport Revenues and Expenses and Certain Bond-Related Data" comparable in substance to the table contained in the Official Statement under the caption "AIRPORT FINANCIAL INFORMATION – Revenues and Expenses";

(3) A table reflecting "O&D and Connecting Enplanements" comparable in substance to the table contained in the Official Statement under the caption "THE AIRPORT – Passenger Enplanements";

(4) A table reflecting annual enplanements of the four largest air carriers at the Airport and market shares comparable in substance to the table in the Official Statement under the caption "THE AIRPORT – Airline Market Shares";

(5) A table reflecting "Projected Airport Revenues St. Louis Lambert International Airport Fiscal Years Ending June 30 (In Thousands)" comparable in substance to Table 40 in APPENDIX A - "Financial Feasibility Report of the Airport Consultant" in the Official Statement;

(6) A table reflecting "Trends in Scheduled Service at STL, CY 2018-2023" comparable in substance to Table 19 in APPENDIX A - "Financial Feasibility Report of the Airport Consultant" in the Official Statement;

(7) A table reflecting "Forecast Enplanements – Scenario 1 (Base) at STL" comparable in substance to Table 26 APPENDIX A - "Financial Feasibility Report of the Airport Consultant" in the Official Statement;

(8) A table reflecting "Forecast Seats and Aircraft Departures – Scenario 1 (Base) at STL" comparable in substance to Table 27 in APPENDIX A - "Financial Feasibility Report of the Airport Consultant" in the Official Statement;

(9) A table reflecting "Forecast Landed Weight and Average Weight per Landing - – Scenario 1 (Base) at STL" comparable in substance to Table 29 in APPENDIX A - "Financial Feasibility Report of the Airport Consultant" in the Official Statement;

(10) A table reflecting "Projected Signatory Landing Fee Rates and Terminal Rental Rates (in Thousands)" comparable in substance to Table 41 in APPENDIX A - "Financial Feasibility Report of the Airport Consultant" in the Official Statement; and

(11) A table reflecting “Base Forecast - Projected Debt Service Coverage (in Thousands)” comparable in substance to Table 46 in APPENDIX A - “Financial Feasibility Report of the Airport Consultant” in the Official Statement.

Section 4. Reporting of Listed Events.

A. Pursuant to the provisions of this Section, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024 Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of such event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. modifications to rights of Bondholders, if material;
4. Bond calls, if material, and tender offers;
5. defeasance;
6. rating changes;
7. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2024 Bonds, or other material events affecting the tax status of the Series 2024 Bonds;
8. unscheduled draws on debt service reserves reflecting financial difficulties;
9. unscheduled draws on credit enhancements reflecting financial difficulties;
10. substitution of credit or liquidity providers, or their failure to perform;
11. release, substitution or sale of property securing repayment of the Series 2024 Bonds, if material;
12. bankruptcy, insolvency, receivership or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

B. The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event, contact the City, inform the Disclosure Representative of the event, and, if such Listed Event requires a determination of materiality, request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Subsection F below. For the purpose of this Continuing Disclosure Agreement, “actual knowledge” of the Listed Events shall mean knowledge by an officer of the Dissemination Agent with responsibility for matters related to this Continuing Disclosure Agreement.

C. Whenever the City obtains knowledge of the occurrence of a Listed Event requiring a determination of materiality, as set forth in Subsection A above, because of a notice from the Dissemination Agent pursuant to Subsection B above or otherwise, the City shall as soon as possible determine if such event is a Material Listed Event.

D. If knowledge of the occurrence of a Listed Event requiring a determination of materiality would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing that it is a Material Listed Event. Such notice shall instruct the Dissemination Agent to report the occurrence of the Material Listed Event pursuant to Subsection F below.

E. If in response to a request under Subsection B above, the City determines that the Listed Event requiring a determination of materiality is not a Material Listed Event, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to Subsection F below.

F. The Dissemination Agent shall file a notice of all Listed Events within the timeframe set forth in Subsection A above with the Repository, with a copy to the City.

Section 5. EMMA. The Dissemination Agent shall use EMMA for the submission of Annual Reports and Listed Events for so long as EMMA is recognized, authorized or approved by the SEC. Submission of an Annual Report or a Listed Event by the Dissemination Agent to EMMA shall be deemed to satisfy the Dissemination Agent’s obligations under this Continuing Disclosure Agreement with respect to that Annual Report or Listed Event.

Section 6. Termination of Reporting Obligations. The City’s and the Dissemination Agent’s obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the Series 2024 Bonds. If the City’s obligations under this Continuing Disclosure Agreement are assumed in full by another entity, such entity shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Series 2024 Bonds, the City shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement shall also terminate upon (i) the Rule being withdrawn, retroactively repealed, or having been found by a court of competent jurisdiction to be invalid in a non-appealable action; or (ii) receipt by the Dissemination Agent and the City of an opinion of counsel of nationally recognized expertise in matters relating to securities laws affecting municipal securities to the effect that the Rule is no longer applicable to the Series 2024 Bonds.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the City shall not have any obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event.

Section 8. Amendment; Waiver.

Notwithstanding any other provision of this Continuing Disclosure Agreement, the City and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the execution of such amendment by the Dissemination Agent so requested by the City shall not be unreasonably withheld) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

A. If the amendment or waiver relates to the provisions of Sections 2A, 3 or 4A of this Continuing Disclosure Agreement, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, rule or regulation or change in the identity, nature or status of an Obligated Person with respect to the Series 2024 Bonds, or the type of business conducted;

B. The undertaking, as amended or taking into account such waiver, should, in the opinion of counsel to the Participating Underwriters, have complied with the requirements of the Rule at the time of the original issuance of the Series 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. The amendment or waiver in the Opinion of Co-Bond Counsel for the Series 2024 Bonds, does not materially impair the interests of the Bondholders or Beneficial Owners of the Series 2024 Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 4A of this Continuing Disclosure Agreement, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, any Bondholder or Beneficial Owner of the Series 2024 Bonds may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed to be an Event of Default under the Indenture or with respect to the Series 2024 Bonds, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be action to compel performance.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent.

The Dissemination Agent at the time acting hereunder may at any time resign by giving not less than sixty (60) days' written notice to the City specifying the date when such resignation will take effect. No such resignation shall take effect unless a successor Dissemination Agent shall have been appointed by the City. If no successor Dissemination Agent has been appointed within sixty (60) days of the notice, the Dissemination Agent may petition a court of competent jurisdiction to have a successor Dissemination Agent appointed.

The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and, to the extent permitted by applicable law, the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including costs and expenses (including reasonable attorney's fees and expenses) of defending against any claim of liability as it relates to the City, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct.

The Dissemination Agent shall not be responsible for the content of any notice or information provided by the City to the Dissemination Agent for filing or the City's failure to submit a complete Annual Report. The Dissemination Agent shall not be responsible for ensuring the compliance with any rule or regulation of the City or Participating Underwriter in connection with the filings of information herein, but is merely responsible for the filing of any such information provided to the Dissemination Agent by the City.

The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2024 Bonds. The City shall pay the fees, charges, and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

Section 11. Notices. Any notices or communications to or between any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by confirmed facsimile, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the Airport: St. Louis Lambert International Airport
10701 Lambert International Drive
St. Louis, Missouri 63145
Attention: Rhonda K. Hamm-Niebruegge
Telephone: (314) 426-8000
Facsimile: (314) 426-5733

To the City: The City of St. Louis, Missouri
City Hall West
1520 Market Street, Room 3005
St. Louis, Missouri 63103
Attention: Larry S. Rhodes, MA MBA
Fiscal Officer II
Telephone: (314) 612-1467
Facsimile: (314) 622-4026

With copy to:

The City of St. Louis, Missouri
City Hall, Room 314
1200 Market Street
St. Louis, Missouri 63103
Attention: City Counselor
Telephone: (314) 622-4078
Facsimile: (314) 622-4956

To the Dissemination Agent:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department
Telephone: (314) 612-8492
Facsimile: (314) 612-8499

Any person may, by written notice to the other persons listed above, designate a different address, telephone number(s) or facsimile number(s) to which subsequent notices or communications should be sent.

Section 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters, and Bondholders and the Beneficial Owners from time to time of the Series 2024 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Governing Law; Venue. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Missouri. Any action under this Continuing Disclosure Agreement shall be filed in the 22nd Judicial Circuit of the State of Missouri (City of St. Louis) or in the United States District Court for the Eastern District of Missouri.

Section 15. Severability. If any provision in this Continuing Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 16. Captions. The captions or headings in this Continuing Disclosure Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Continuing Disclosure Agreement.

Section 17. Electronic Means. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, The City of St. Louis, Missouri, has caused this Continuing Disclosure Agreement to be signed in its name and on its behalf and its corporate seal to be hereunto affixed and attested by its duly elected officials and/or authorized officers, all as of the day and year first above written.

[SEAL]

THE CITY OF ST. LOUIS, MISSOURI

By: _____
Tishaura O. Jones, Mayor

By: _____
Darlene Green, Comptroller

ATTEST

By: _____
Amber Boykins Simms, Register

APPROVED AS TO FORM:

By: _____
Sheena Hamilton, City Counselor

[Continuing Disclosure Agreement]

IN WITNESS WHEREOF, UMB Bank, N.A., as Dissemination Agent, has caused this Continuing Disclosure Agreement to be signed in its name and on its behalf by one of its duly authorized officers as of the day first above written.

UMB BANK N.A., as Dissemination Agent

By: _____
Karie A. Puleo, Vice President

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The City of St. Louis, Missouri (the “City”)

Name of Bond Issue: \$279,595,000 The City of St. Louis, Missouri
Airport Revenue Bonds, Series 2024A (Non - AMT)
(St. Louis Lambert International Airport)

\$7,765,000 The City of St. Louis, Missouri
Airport Revenue Bonds, Series 2024B (AMT)
(St. Louis Lambert International Airport)

Date of Issuance: June [11], 2024

NOTICE IS HEREBY GIVEN that the City has not filed an Annual Report with respect to the above Bonds as required by the Continuing Disclosure Agreement dated as of June 1, 2024, between the City and UMB Bank, N.A., as Dissemination Agent. The City has informed the Dissemination Agent that the City anticipates that the Annual Report will be filed by _____.

Dated: _____, _____

UMB BANK, N.A., as Dissemination Agent
on behalf of The City of St. Louis, Missouri

cc: The City of St. Louis, Missouri

APPENDIX H

The PFC Program

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THE PFC PROGRAM

Authority and Purpose of Passenger Facility Charges. Section 40117 of Title 49 of the United States Code allows public agencies controlling commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge enplaning passengers using the airport a \$1, \$2, \$3, \$4 or \$4.50 charge, referred to as a Passenger Facility Charge, or “PFC”. The purpose of the charge is to provide additional capital funding for the expansion of the national airport system. The proceeds from PFCs are to be used to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers.

Termination of Authority to Impose and Use PFCs. The FAA may terminate the City’s authority to impose PFCs, subject to informal and formal procedural safeguards, if the FAA determines that (i) the City is in violation of certain provisions of the Noise Control Act, 42 USC 4901-4918 (the “Noise Act”), relating to airport noise and access restrictions, (ii) PFCs and investment income thereon are not being used for Approved PFC funding in accordance with the FAA’s approvals or with the PFC Act and the PFC Regulations, (iii) implementation of projects financed with PFCs does not commence within the time periods specified in the PFC Act and the PFC Regulations or (iv) the City is otherwise in violation of the PFC Act, the PFC Regulations or the PFC Approvals.

Noise Act Violations. The City’s authority to impose PFCs may be terminated if the City violates the provisions of the Noise Act. Although the procedures described above do not apply to alleged violations of the Noise Act, the Noise Act and FAA regulations thereunder provide procedural safeguards to ensure that the City’s authority to impose PFCs at the Airport will not be summarily terminated because of violations of the Noise Act. In general, the City can prevent termination of its PFC Authority by suspending the effectiveness of any noise or access restriction in question, until the legal sufficiency of the restriction, and its impact on the City’s authority to impose PFCs at the Airport, has been determined. The PFC approvals issued by the FAA in 2000 included findings by the FAA that the City has not been found to be in violation of the Noise Act and that the FAA is not aware of any proposal at the Airport that would be found to be in violation of the Noise Act.

Informal Resolution Process for PFC Act Violations. Pursuant to the provisions of the PFC Act, the PFC Regulations provide for an informal process for resolution of possible violations of the PFC Act, PFC Regulations or PFC Approvals. A public agency may also request that the FAA agree in the PFC approval to a specific, informal resolution process that the FAA will follow if it suspects the public agency has committed such a violation.

Formal Termination Process for PFC Act Violations. Pursuant to the PFC Regulations, formal termination proceedings are authorized only if the FAA determines that efforts to achieve an informal resolution are not successful. The formal termination process prescribed in the PFC Regulations is to be initiated upon the FAA’s filing of a notice, followed by a 60-day period during which the City may submit further comments and take corrective action. The PFC Regulations provide that if corrective action is not taken as prescribed in the notice, the FAA is required to hold a public hearing at least 30 days after notifying the City and publishing a notice of the hearing in the Federal Register. After the public hearing, the City would have 10 days after receiving notice of the FAA’s decision to advise the FAA in writing that it will complete any corrective action prescribed in the FAA’s decision within 30 days or to provide the FAA with a list of collecting carriers, after which the FAA would notify the collecting carriers to terminate or to modify the PFC accordingly. The formal termination process would last at least 100 days.

Treatment of PFCs in Air Carrier Bankruptcies. The PFC Act was amended in 1996 to provide that PFCs that are held by a Collecting Carrier constitute a trust fund that is held for the beneficial interest

of the eligible agency imposing the PFCs and that the Collecting Carrier holds neither legal nor equitable interest in the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, PFC Regulations require Collecting Carriers to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in financial statements. The Collecting Carriers, however, are permitted to commingle PFC collections with their other sources of revenue and are also entitled to retain interest earned on PFC collections until such PFCs must be remitted. Despite the language in the PFC Act, at least one bankruptcy court in an unpublished opinion has indicated that PFC revenues held by an air carrier in bankruptcy would not be treated as a trust fund and would instead be subject to the general claims of such air carrier's unsecured creditors. In an unpublished opinion rendered in the TWA bankruptcy, the Court entered a stipulated order on March 12, 2001 establishing a \$75 million PFC trust fund for the benefit of various airports to whom TWA was not current on PFC payments. At the time TWA filed its petition for reorganization, the Airport was owed approximately \$2 million in PFCs for the month of November 2000, which were payable by December 31, 2000. Pursuant to Court authorization, the Airport was paid all PFC amounts then due it on January 17, 2001. Thereafter, during the bankruptcy proceedings, TWA paid all PFC amounts due the Airport. There is no assurance as to which approach other bankruptcy courts will use in the future. In 2003, Congress added a provision (Section 124 of Pub. L. 108-176 (December 12, 2003)) that imposes additional requirements relating to PFC revenues on air carriers filing for bankruptcy after the date of enactment. These air carriers in bankruptcy would have to segregate PFC money so that the airport for which the PFC was collected would be assured of receiving its money should the airline go out of business during the interim period between the date that the PFC was collected and the time it was remitted to the airport. Such air carriers would not be required, however, to put that money in an escrow account.

The PFC Program at the City

City PFC Approvals. The Airport has obtained the approval under fifteen PFC applications (PFC #1 thru PFC #15) to impose and use PFCs (on both a pay-as-you-go and leveraged basis) for a variety of projects including the Noise Compatibility Program, Terminal 2, a number of smaller airfield and terminal projects, the ADP and the Terminal Improvement Program. In September 2001, the Airport obtained approval to increase the PFC rate from \$3.00 per passenger to \$4.50. The \$4.50 rate has been collected since December 2001. The Airport collected a total of approximately \$23.6 million in PFC Revenues (including investment earnings) for the Fiscal Year ended June 30, 2022.

As of June 30, 2022, the FAA has authorized the City to collect up to \$1.1 billion in PFCs through November 2026, of which approximately \$891.1 million has been collected, plus an additional \$53.5 million of interest earned totaling \$944.6 million of PFC Revenues. From this total, \$924.4 million has been expended, leaving a PFC Account balance of approximately \$20.2 million.



**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)



**MUNICIPAL BOND
DEBT SERVICE RESERVE
INSURANCE POLICY**

ISSUER: Policy No.:

BONDS: Effective Date:

Premium: \$

Termination Date:

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") as set forth in the documentation (the "Bond Document") providing for the issuance of and securing the Bonds, for the benefit of the Owners, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

AGM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of the Business Day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Issuer, as appropriate, who may submit an amended Notice of Nonpayment. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy. Upon such payment, AGM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Bond Document.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (exclusive of interest and expenses) to AGM by or on behalf of the Issuer. Within three Business Days of such reimbursement, AGM shall provide the Trustee, the Paying Agent and the Issuer with notice of the reimbursement and reinstatement.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the Termination Date of this Policy or (b) Bonds that are not outstanding under the Bond Document. If the amount payable under this Policy is also payable under another insurance policy or surety bond insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall AGM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other insurance policy or surety bond that AGM has issued.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York are, or the Insurer's Fiscal Agent is, authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the

stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer that has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from the Issuer, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment of principal or interest thereunder, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "Policy Limit" shall be the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the Bond Document from time to time (the "Debt Service Reserve Requirement"), but in no event shall the Policy Limit exceed \$. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Debt Service Reserve Requirement, as provided in the Bond Document.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be cancelled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

(212) 974-0100

Form 501 NY (6/90)

THE CITY OF ST. LOUIS, MISSOURI
AIRPORT REVENUE BONDS, SERIES 2024A (NON-AMT) AND SERIES 2024B (AMT) (ST. LOUIS LAMBERT INTERNATIONAL AIRPORT)



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