NEW ISSUE – BOOK-ENTRY ONLY **RATING: Moody's "A2"**
SEE "RATING" herein

*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 2022A Bonds is excluded from gross income for federal income tax purposes, and (2) interest on the Series 2022A 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 2022A Bonds is treated as an item of tax preference for purposes of calculating the federal alternative minimum tax that may be imposed under the Code. No opinion is expressed as to the status of interest on any Series 2022A Bond held by a "substantial user" of the facilities financed or refinanced by the Series 2022A Bonds or by a "related person" within the meaning of Section 147(a) of the Code. See "**TAX MATTERS**" in this Official Statement.*

$14,335,000
THE CITY OF ST. LOUIS, MISSOURI
AIRPORT REVENUE REFUNDING BONDS
Series 2022A (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 Refunding Bonds, Series 2022A (AMT) (St. Louis Lambert International Airport) (the "***Series 2022A Bonds***") under and pursuant to the Amended and Restated Indenture, 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-Fifth Supplemental Indenture dated as of May 1, 2022 (the "***Twenty-Fifth 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 2022A 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 (formerly Lambert-St. Louis International Airport) (the "***Airport***") and certain other funds pledged under the Indenture. **The Series 2022A 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 2022A Bonds, either as to principal, premium (if any) or interest.** The Series 2022A 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 2022A Bonds, together with other available funds, will be used: (i) to refund or defease all of the outstanding The City of St. Louis, Missouri, Airport Revenue Refunding Bonds, Series 2012 (AMT) (Lambert-St. Louis International Airport) (the "***Refunded Bonds***" or the "***Series 2012 Bonds***"), (ii) to provide for the funding of a Debt Service Reserve Account for the Series 2022A Bonds, and (iii) to pay costs of issuing the Series 2022A Bonds.

Interest on the Series 2022A Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2023, until maturity. The Series 2022A 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 2022A Bonds will be made to the purchasers. See "**THE SERIES 2022A BONDS - Book-Entry - Only System**."

The Series 2022A Bonds are not subject to redemption prior to maturity.

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

The Series 2022A 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 2022A Bonds by Dentons US LLP, St. Louis, Missouri, and Saulsberry & Associates, LLC, St. Louis, Missouri, Co-Bond Counsel, and certain other conditions. 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 2022A Bonds in book-entry-only form will be available for delivery through the facilities of DTC on or about May 24, 2022.

*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**."*

Stern Brothers **Loop Capital Markets**

The date of this Official Statement is May 12, 2022

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

$14,335,000

The City of St. Louis, Missouri
Airport Revenue Refunding Bonds,
Series 2022A (AMT)
(St. Louis Lambert International Airport)
Base CUSIP: 791638

Maturity Date July 1	Principal	Interest Rate	Yield	Price	CUSIP†
2023	$ 945,000	5.00%	2.680%	102.501	M48
2024	1,065,000	5.00	3.000	104.043	M55
2025	1,120,000	5.00	3.220	105.212	M63
2026	1,170,000	5.00	3.300	106.470	M71
2027	1,235,000	5.00	3.410	107.385	M89
2028	1,300,000	5.00	3.530	108.003	M97
2029	1,360,000	5.00	3.700	108.051	N21
2030	1,430,000	5.00	3.810	108.225	N39
2031	1,500,000	5.00	3.920	108.197	N47
2032	3,210,000	5.00	4.010	108.153	N54

 The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of sale of the Series 2022A 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 2022A 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 2022A Bonds.

THE CITY OF ST. LOUIS
ELECTED OFFICIALS

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

BOARD OF ALDERMEN

Sharon Tyus	Ward 1	Megan E. Green	Ward 15
Lisa Middlebrook	Ward 2	Tom Oldenburg	Ward 16
Brandon Bosley	Ward 3	Tina Pihl	Ward 17
Dwinderlin Evans	Ward 4	Jesse Todd	Ward 18
James Page	Ward 5	Marlene E. Davis	Ward 19
Christine Ingrassia	Ward 6	Cara Spencer	Ward 20
John J. Coatar	Ward 7	Vacant	Ward 21
Annie Rice	Ward 8	Jeffrey L. Boyd	Ward 22
Dan Guenther	Ward 9	Joseph A. Vaccaro	Ward 23
Joseph Vollmer	Ward 10	Bret Narayan	Ward 24
Vacant	Ward 11	Shane Cohn	Ward 25
Bill Stephens	Ward 12	Shameem Hubbard	Ward 26
Anne Schweitzer	Ward 13	Pam Boyd	Ward 27
Carol Howard	Ward 14	Michael Gras	Ward 28

OTHER CITY OFFICIALS

LaTaunia D. Kenner, Deputy Comptroller for Finance and Development
Antonio Strong, Deputy Director – Finance and Administration
Ryan Coleman, Fiscal Officer II
Denise Peeples, Accounting Coordinator
Sheena Hamilton, City Counselor
Aeric Bauman, 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
Lewis Reed	Debra Moore	Marilyn Teitelbaum
		Justin King

BOARD OF ESTIMATE AND APPORTIONMENT

Tishaura O. Jones, Mayor
Darlene Green, Comptroller
Lewis Reed, President of the Board of Aldermen

CO-MUNICIPAL ADVISORS

Siebert Williams Shank & Co., LLC
St. Louis, Missouri

PFM Financial Advisors LLC
Philadelphia, Pennsylvania

CO-BOND COUNSEL

Dentons US LLP
St. Louis, Missouri

Saulsberry & Associates, LLC
St. Louis, Missouri

DISCLOSURE COUNSEL

Hardwick Law Firm, LLC
St. Louis, Missouri

AIRPORT CONSULTANT

Unison Consulting, Inc.
Chicago, Illinois

TREASURER'S ADVISOR

Comer Capital Group, LLC
Jackson, Mississippi

This Official Statement is provided in connection with the initial offering and sale of the Series 2022A 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 2022A 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 2022A 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 2022A Bonds in accordance with applicable provisions of securities laws of any states in which the Series 2022A 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 2022A 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 2022A 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, SEC Rule 15c2-12.

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OFFICIAL STATEMENT
Relating to
$14,335,000
THE CITY OF ST. LOUIS, MISSOURI
AIRPORT REVENUE REFUNDING BONDS
Series 2022A (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 $14,335,000 Airport Revenue Refunding Bonds, Series 2022A (AMT) (St. Louis Lambert International Airport) (the "***Series 2022A Bonds***").

Authority for Issuance

The Series 2022A 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. 71472, adopted by the Board of Aldermen of the City (the "***Board of Aldermen***") on March 4, 2022, and signed by the Mayor of the City on March 23, 2022 (which approved the issuance of the Series 2022A Bonds).

The Series 2022A 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-Fifth Supplemental Indenture of Trust dated as of May 1, 2022 (the "***Twenty-Fifth 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 2022A 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 is authorized to issue up to $3.5 billion of bonds to finance capital projects at the Airport (defined herein). To date, approximately $1.24 billion of Bonds have been issued pursuant to the Voter Approval, which leaves approximately $2.26 billion of authorized, but unissued Bonds approved for Airport purposes. Under state law and the City Charter, Refunding Bonds do not require voter approval. The Series 2022A Bonds will be subject to the refunding bonds test as provided in the Indenture and summarized herein. See **APPENDIX C — "Summary of Certain Provisions of the Indenture - Refunding Bonds**."

Parity Obligations

The Series 2022A Bonds will be issued on a parity with the Outstanding Bonds, defined herein, which are outstanding, as of May 1, 2022, in the aggregate principal amount of $494,645,000* and are payable solely from Revenues derived from the operations of the Airport and certain other funds pledged under the Indenture. Such Outstanding Bonds, together with the Series 2022A Bonds and any Additional Bonds and Refunding Bonds hereafter issued and outstanding, are referred to herein as the "***Outstanding Bonds***." See "**THE SERIES 2022A 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**."

Use of Proceeds

The proceeds of the Series 2022A Bonds, together with other available funds, will be used: (i) to refund or defease all of the outstanding The City of St. Louis, Missouri Airport Revenue Refunding Bonds, Series 2012 (Lambert-St. Louis International Airport) (AMT) (the ***"Refunded Bonds"***) issued under the Indenture, (ii) to provide for the funding of a Debt Service Reserve Account for the Series 2022A Bonds[1], and (iii) to pay costs of issuing the Series 2022A Bonds. See also "**PLAN OF FINANCE**" and "**ESTIMATED SOURCES AND USES OF FUNDS**" herein.

As of May 1, 2022, the outstanding Series 2012 Bonds consist of the following:

Stated Maturity July 1	Principal Amount	Interest Rate	CUSIP Number[1†]	Redemption Price
2022*	$1,220,000	5.00%	791638A66	100%
2023	1,280,000	5.00	791638A74	100
2024	1,345,000	5.00	791638A82	100
2025	1,415,000	4.00	791638A90	100
2026	1,465,000	5.00	791638B24	100
2027	1,545,000	4.25	791638B32	100
2028	1,610,000	5.00	791638B40	100
2029	1,690,000	4.25	791638B57	100
2032	7,185,000	5.00	791638B65	100

[1] See "THE SERIES 2022A BONDS – Security and Sources of Payment -- Municipal Bond Debt Service Reserve Insurance Policy."

* Simultaneously with the issuance of the Series 2022 Bonds, the July 1, 2022 maturity of the Series 2012 Bonds will be defeased in part from the proceeds of the Series 2022A Bonds and in part using other available funds on deposit with the Trustee. Upon the deposit of such funds with the Trustee such funds are irrevocably pledged to the payment of the Series 2022A Bonds on July 1, 2022 and may be applied only to such payment. The Trustee will hold such moneys pending payment of the of the July 1, 2022 maturity of the Series 2012 Bonds on its July 1, 2022 maturity date.

[†] CUSIP numbers appearing herein are included for the benefit of bondholders. Neither the Trustee nor the City shall be responsible for the selection or use of any such CUSIP number(s) nor are any representations made as to their correctness on the Series 2012 Bonds or as indicated herein.

Security and Sources of Payment

The Series 2022A 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 2022A 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**."

The Series 2022A 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 2022A Bonds, either as to principal or interest.

The Series 2022A Bonds will be issued on parity with the Outstanding Bonds. In addition, the City may issue from time to time subordinate debt, including subordinate commercial paper notes, which are currently authorized in a maximum principal amount outstanding at any time not to exceed $125,000,000. Currently there is no subordinate debt outstanding. The City may issue subordinate commercial paper notes or other subordinated debt in the future, but the City has no current plans to issue any such notes or other subordinated debt. See "**THE SERIES 2022A BONDS - Subordinated Indebtedness and Special Facilities Indebtedness**."

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 2022A 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 2022A BONDS - Outstanding Bonds, Additional Bonds and Refunding Bonds**."

The Series 2022A Bonds are being issued as Refunding Bonds.

Certain Investment Considerations

The Series 2022A Bonds may not be suitable for all investors. Prospective purchasers of the Series 2022A 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 Use Agreements (as defined herein); 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 – Aviation Activity – Sources of 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 May 1, 2022 (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 2022A 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 promulgated by the Securities and Exchange Commission (the "***Rule***"). See the section herein captioned "**CONTINUING DISCLOSURE**" and **APPENDIX G** – "**Form of Continuing Disclosure Agreement**."

Impacts of Covid-19 Pandemic

Over the past two years, the world has been facing a pandemic caused by the Coronavirus Disease ("***COVID-19***"). The COVID-19 pandemic and restrictions on travel implemented to curb the spread of the virus have had a profound effect on air transportation and the broader economy. The COVID-19 pandemic was triggered by the COVID-19 virus, which was first identified in Wuhan, Hubei Province, China, in December 2019. With the subsequent increase in travel during the winter holidays, the virus diffused quickly around the world. As COVID-related cases and deaths continued to rise, on March 11, 2020, three months after the first COVID-19 case was identified, the World Health Organization (WHO) declared COVID-19 a global pandemic. See "**IMPACTS OF COVID-19 PANDEMIC ON THE AIRPORT**" herein and **APPENDIX A - "Financial Feasibility Report of the Airport Consultant — Economic Base – COVID-19 Pandemic**" hereto.

The COVID-19 pandemic has 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. See "**IMPACTS OF COVID-19 PANDEMIC ON THE AIRPORT**" and **APPENDIX A - "Financial Feasibility Report of the Airport Consultant — Economic Base – COVID-19 Pandemic**" herein.

Miscellaneous

This Official Statement contains brief descriptions of, among other things, the Indenture, the Series 2022A Bonds, the City, the Airport, the Use Agreements, 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 2022A Bonds are qualified in their entirety by reference to the form of the Series 2022A Bonds included in the Twenty-Fifth Supplemental Indenture. Upon the issuance of the Series 2022A 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**. Certain audited financial statements of the Airport 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 Use Agreements and the Operating Agreements, in **APPENDIX D**. A summary of certain provisions of the Use Agreements 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**. Information on the debt service reserve fund surety policy is contained in **APPENDIX I**.

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 2022A Bonds.

THE SERIES 2022A BONDS

The Series 2022A 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 2022A Bonds.

General

The Series 2022A 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 2022A 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 2022A Bonds will be payable at maturity to the persons in whose name such Series 2022A Bonds are registered upon presentation and surrender of such Series 2022A Bonds at the principal corporate trust office of the Trustee in St. Louis, Missouri. Interest on the Series 2022A Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2023. Principal of the Series 2022A Bonds shall be paid on the maturity dates listed on the inside cover of this Official Statement. Registered Owners of Series 2022A 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 2022A Bonds. The Series 2022A 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 2022A 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 2022A 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 2022A 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

The Series 2022A Bonds are not subject to redemption prior to maturity.

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 2022A 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 2022A Bonds, either as to principal or interest.

The Series 2022A 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 2022A 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.

> <u>GARB Revenues</u>. 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 do <u>not</u> 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 (1) 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.

> <u>Pledged PFC Revenues</u>. 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**."

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 Airport 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**."

Debt Service Reserve Account. The Indenture authorizes the establishment of the Series 2022A Debt Service Reserve Sub-Account for the Series 2022A Bonds within the Airport Bond Fund, each of which is to be held by the Trustee. Each such 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 2022A 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.

Pursuant to the Twenty-Fifth Supplemental Indenture, the Debt Service Reserve Requirement with respect to the Series 2022A Bonds initially will be $1,534,278,69.

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, 2021, the value of all amounts on deposit in the Debt Service Reserve Account, which secures, on a parity basis, all \$494,645,000[1] Outstanding Bonds issued under the Indenture, is \$74,815,015.76. Such amount is comprised of Reserve Facilities consisting of \$60,131,013.59 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.**"

Municipal Bond Debt Service Reserve Insurance Policy. Concurrently with the issuance of the Series 2022A Bonds, Build America Mutual Assurance Company ("***BAM***") will issue its Municipal Bond Debt Service Reserve Insurance Policy relating to the Series 2022A Bonds (the "***Reserve Policy***") in the form attached as **APPENDIX I** hereto, along with additional information on BAM. The Reserve Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

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 2022 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 is expected to be approximately \$38.2 million as of June 30, 2022, including the amounts described above. For additional information regarding the Debt

[1] Includes the Series 2012 Bonds.

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 Use Agreements (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 Use Agreements. 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 the projections of the Airport Consultant in its Financial Feasibility Report of the Airport Consultant attached as **APPENDIX A** hereto.

Outstanding Bonds, Additional Bonds and Refunding Bonds

Outstanding Bonds. The following series of Bonds constitute the Outstanding Bonds under the Indenture, as of May 1, 2022.

Title	Dated Date	Original Amount of Issue	Amount Outstanding
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 2012 (AMT)	June 28, 2012	31,395,000	18,755,000*
Airport Revenue Refunding Bonds, Series 2015 (Non-AMT)	June 25, 2015	17,310,000	5,910,000
Airport Revenue Refunding Bonds, Series 2017A (Non-AMT)	June 28, 2017	125,410,000	88,100,000
Airport Revenue Refunding Bonds, Series 2017B (AMT)	June 28, 2017	74,715,000	46,680,000
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	8,090,000
Airport Revenue Refunding Bonds, Series 2019C (Non-AMT)	June 27, 2019	75,470,000	75,470,000
Total		$899,250,000	$494,645,000

*All of the Series 2012 Bonds will be refunded or defeased upon the issuance of the Series 2022A Bonds.

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.*

Additional Bonds. Additional Bonds, equally and ratably secured under the Indenture on a parity with Outstanding Bonds, including the Series 2022A 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 months out of the 18 months 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.

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 2022A 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.

The Series 2022A Bonds are being issued as Refunding Bonds.

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 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, 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 Net Revenues junior and inferior to the lien and pledge on the Net Revenues created under the Indenture for the payment of and security on the Bonds (the "***Subordinated Indebtedness***"). The City is currently authorized to issue commercial paper notes in a maximum principal amount outstanding at any time not to exceed $125,000,000. Currently there is no subordinate 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.

PLAN OF FINANCE

General

The proceeds of the Series 2022A Bonds, together with other available funds, will be used: (i) to refund or defease all of the outstanding Refunded Bonds issued under the Indenture (as more fully described herein), (ii) to provide for the funding of a Debt Service Reserve Account for the Series 2022A Bonds[1], and (iii) to pay costs of issuing the Series 2022A Bonds.

Plan of Refunding and Defeasance

The proceeds of the Series 2022A Bonds, together with other available funds, will be used to refund on a current basis or defease all of the Series 2012 Bonds, which are outstanding as of May 1, 2022, in the aggregate principal amount of $18,755,000. See "**INTRODUCTION – Use of Proceeds**" and "**ESTIMATED SOURCES AND USES OF FUNDS**" herein.

[1] See "THE SERIES 2022A BONDS – Security and Sources of Payment -- Municipal Bond Debt Service Reserve Insurance Policy."

ESTIMATED SOURCES AND USES OF FUNDS

The following sets forth the estimated sources and uses of the proceeds of the Series 2022A Bonds and other available funds:

Sources:	
Par Amount	$14,335,000.00
Original Issue Premium	1,007,786.95
Series 2012 Bonds Debt Service Funds on Deposit with the Trustee	1,669,668.75
Series 2012 Bonds Debt Service Reserve Funds on Deposit with the Trustee	2,816,554.99
Total	**$19,829,010.69**
Uses:	
Refunding Account Deposit	$19,193,666.92
Costs of Issuance*	635,343.77
Total	**$19,829,010.69**

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* Includes Underwriters' discount, surety bond premium, legal, accounting, administrative and miscellaneous fees and expenses.

DEBT SERVICE REQUIREMENTS

The following table summarizes the debt service payments to be made by the City for all Outstanding Bonds, including the Series 2022A Bonds, based on when payments are required to be sent to the Trustee.

		Series 2022A Bonds			
Period Ending July 1	Outstanding Bonds[1] Principal & Interest	Principal	Interest	Series 2022A Bonds Total	Total Debt Service
2022	$60,029,406				$60,029,406
2023	52,301,238	$ 945,000	$790,416	$1,735,416	54,036,654
2024	52,294,237	1,065,000	669,500	1,734,500	54,028,737
2025	57,331,413	1,120,000	616,250	1,736,250	59,067,663
2026	58,433,138	1,170,000	560,250	1,730,250	60,163,388
2027	58,428,150	1,235,000	501,750	1,736,750	60,164,900
2028	51,514,926	1,300,000	440,000	1,740,000	53,254,926
2029	51,511,751	1,360,000	375,000	1,735,000	53,246,751
2030	51,515,151	1,430,000	307,000	1,737,000	53,252,151
2031	51,518,950	1,500,000	235,500	1,735,500	53,254,450
2032	19,137,001	3,210,000	160,500	3,370,500	22,507,501
2033	16,374,000				16,374,000
2034	16,368,250				16,368,250
2035	6,462,000				6,462,000
2036	6,463,750				6,463,750
2037	6,461,250				6,461,250
2038	5,534,250				5,534,250
2039	5,533,500				5,533,500
2040	5,539,500				5,539,500
2041	5,541,500				5,541,500
2042	5,539,250				5,539,250
2043	5,532,500				5,532,500
2044	5,536,000				5,536,000
2045	5,533,750				5,533,750
2046	5,535,500				5,535,500
2047	5,535,500				5,535,500
2048	1,433,250				1,433,250
2049	1,433,250				1,433,250
Total	**$674,372,361**	**$14,335,000**	**$4,656,166**	**$18,991,166**	**$693,363,027**

[1] Rounded to the nearest dollar. Excludes debt service on the Series 2012 Bonds.
Note: Totals may not foot due to rounding.

IMPACT OF COVID-19 ON AIRLINE INDUSTRY

General

The COVID-19 pandemic and the related restrictions and measures adopted to contain the spread of the virus have had a negative impact on both international and domestic travel and travel-related industries, including airlines serving the Airport and concessionaires at the Airport, and have caused unemployment, labor shortages, supply chain issues, reductions in tourism, business travel, and travel-related industries, and a contraction of global and national economies, among other issues. Airlines have reported a significant downturn in traffic, causing the cancellation of numerous flights, as well as expectations for continued reduced levels of traffic. Likewise, retail concessionaires have either temporarily closed or have reported significant declines in sales. In addition to the impact on concessionaires, the reduction in air travel has had an adverse effect on parking, ground transportation companies and rental car activity and, consequently, an adverse effect on Revenues.

Since the outbreak of COVID-19, which was first reported in Wuhan, China in December 2019, the COVID-19 pandemic created an unprecedented crisis in the United States, leading to a declaration of national emergency on March 13, 2020. The United States, like many countries, sought to curtail the spread of the virus by placing restrictions on such activities as domestic and international travel, issuing statewide stay-at-home orders, and promoting social distancing. Many businesses were forced to shut down, some permanently, and air travel came to a near halt and the U.S. airport passenger aviation industry has been struggling to recover.

Despite efforts to contain the spread of COVID-19, several waves of infection hit the United States. The first wave began in March 2020; the second wave, June 2020; and the third wave, October 2020. In the summer of 2021, new variants of COVID-19 began to emerge throughout the world including in the United States. This spurred a fourth wave of infections (due to the delta variant) which began in July 2021 and a fifth wave (due to the omicron variant) which began in November 2021. Peak daily cases during the fifth wave surpassed those during the previous waves. Major holidays and resurgence of travel exacerbated virus transmission.

While several vaccines against COVID-19 have been approved and are being administered, and there are various indications of economic recovery, the COVID-19 pandemic is ongoing, with the possibility of new variants of the disease emerging, the duration, severity and ultimate economic effects of COVID-19 remain uncertain. Despite widespread distribution of vaccines and vaccine boosters against COVID-19 in many parts of the United States, there are still geographic regions locally and in other parts of the world where vaccination levels remain low. Ongoing concerns about the continued spread or effects of the virus have and may result in some governments re-imposing travel restrictions, in particular as it relates to international air travel.

Since the beginning of the COVID-19 pandemic, airlines have reported unprecedented reductions in passenger volumes. As reported by the Bureau of Transportation Statistics, U.S. scheduled passenger airlines suffered net losses of $11.0 and $11.8 billion, respectively, for the second and third quarters of calendar year 2020. Losses for the fourth quarter of calendar year 2020 and the first quarter of 2021 were less severe, although still substantial at $7.0 billion and $4.2 billion, respectively. In January 2021, the Airports Council International (the "***ACI***") calculated that the global airport industry experienced a reduction of more than six billion passengers by the end of 2020, representing a decline of 64.2% of global passenger traffic, with a reduction in revenue of $111.8 billion, when compared to pre-pandemic ACI forecasts. Since the first quarter of 2021, U.S. scheduled passenger airlines have reported two consecutive quarters of profit at $1.0 billion and $2.7 billion, for the second and third quarter of 2021, respectively. As of November l, 2021, ACI projected global passenger traffic in 2021 is expected to reach only half of the total passenger traffic in 2019, and would recover to 2019 levels by early 2024, driven by the recovery of domestic passenger traffic but dampened by a slower recovery of international travel.

The actual impact and length of the COVID-19 pandemic on the Airport, its operations and its finances will depend on future events, including future events outside of its control, and actions by governments at all levels, domestic and abroad. The City and the Airport cannot predict the duration or extent of the COVID-19 pandemic or any additional adverse impacts it may have on the Airport or its financial condition or operations. Any financial information, including projections, forecasts and budgets presented herein, do not and cannot account for all of the potential effects of COVID-19. See also **APPENDIX A — "Financial Feasibility Report of the Airport Consultant - COVID-19 Pandemic**" herein

Government Regulations and Guidelines

The United States and many other countries adopted a number of restrictions, guidelines and other orders including, but not limited to, stay-at-home orders, restrictions on travel and requirements relating to masks and vaccinations in response to COVID-19. These restrictions, guidelines and other orders have been implemented at the state and local levels throughout the United States and abroad. Governments have relaxed and intensified these measures at various points throughout the COVID-19 pandemic in response to changes in circumstance, including, but not limited to, the status of infection rates, the percentage of the population vaccinated and other various factors relating to public health and other public policy concerns with localized and global geographic considerations.

Government Stimulus and Relief Measures in Response to the COVID-19 Pandemic

In response to the COVID-19 pandemic, several bills were adopted by the U.S. Congress that provided or continue to provide financial aid to the airports around the country, the airlines and other concessionaires.

The Coronavirus Aid, Relief, and Economic Security Act ("***CARES Act***"), which became law on March 27, 2020, includes direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. Under the CARES Act approximately $10 billion in grant assistance was provided to airports.

The Coronavirus Response and Relief Supplemental Appropriations Act (the "***CRRSA***"), which became law on December 27, 2020, includes direct aid to prevent, prepare for and respond to the COVID-19 pandemic, including the provision of relief from rent and maximum annual guarantees ("***MAG***s") for eligible airport concessionaires at primary airports. Under the CRRSA approximately $2 billion in grant assistance was provided to airports.

The American Rescue Plan Act ("***ARPA***"), which became law on March 11, 2021, provides additional direct aid for airports, and additional economic assistance to airport operators to respond to the COVID-19 pandemic, including relief from rent and MAGs for eligible airport concessionaires. Under the ARPA, approximately $8 billion in grant assistance was provided to airports. (The proceeds received or expected to be received by the City from the CARES Act, CRRSA and ARPA are referred to collectively herein as "***Federal Relief Proceeds***.") See **"THE AIRPORT - Impact of COVID-19 on Operations at the Airport"** herein for a discussion of specific impacts and the recovery process at the Airport, including expected amounts and uses of the government relief measures at the Airport.

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. Currently, the Board of Aldermen is comprised of 28 Aldermen and a President. One Alderman is elected from each of the City's 28 wards to serve a four-year term, and Aldermen are elected for one-half of the wards every two years. Terms are staggered, with elections held bi-annually. The President of the Board of Aldermen is elected at large to serve a four-year term. The President is the presiding officer of the Board of Aldermen. Pursuant to an amendment to the City Charter, approved by the voters of the City in 2012, the number of wards will be reduced to 14 beginning with a City-wide election in 2023. Also pursuant to the amendment, Aldermen from odd-numbered wards elected in 2021 will only serve two-year terms. On December 14, 2021, the Board of Aldermen passed legislation that divided the City into 14 wards, as required by the City Charter. In April 2023 the municipal election will include the election of a President and 14 members, with members elected from odd-numbered wards serving a term of two years and members from even-numbered wards serving a term of four years. The Board of Aldermen may adopt bills or ordinances which the Mayor may either approve or veto. Ordinances may be enacted by the Board of Aldermen over the Mayor's veto by a two-thirds vote.

The Board of Estimate and Apportionment is primarily responsible for the finances of the City. 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—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 2020.

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 35th largest airport nationwide in terms of total passengers in calendar year 2021. According to Airport records, total enplanements at the Airport for calendar year 2021 were approximately 5.2 million, representing an increase of 64.3% from the prior calendar year, but a 34.9% decrease from calendar year 2019. See "**IMPACTS OF COVID-19 PANDEMIC ON AIRPORT – Decrease in Travel Through the Airport; Certain Indications of Domestic Flight Recovery**" herein. Of the total calendar year 2021 enplanements, approximately 82.2% were originating and destination passengers and approximately 17.8% 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. Since the COVID-19 outbreak, however, the Airport, similar to other airports around the nation, has seen steep declines in many financial and operating metrics. The dramatic economic impact of COVID-19 on air travel became evident in April 2020, when the Airport experienced enplanement declines of approximately 95.8% when compared to April 2019.

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.

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[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 information is provided to show a comparison of selected operational information for actual results in Fiscal Year 2019, Fiscal Year 2020, and Fiscal Year 2021, for the six months ending December 31, 2021, Fiscal Year 2022 Budget and Fiscal Year 2022 forecast.

Enplanements and Operating Comparisons
Forecast As of December 31, 2021

	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Six-Months Ending December 31, 2021 Unaudited	Fiscal Year 2022 Budget	Fiscal Year 2022 Forecasted
Enplanements* (In Thousands)						
Origination and Destination	6,080	4,463	2,808	2,555	5,230	4,963
Connecting Enplanements	1,836	1,307	697	555	1,148	1,079
Enplanements	7,915	5,770	3,505	3,110	6,378	6,042
Landed Weights (Million pounds)	9,164	7,933	5,760	3,937	8,265	7,412
Departures (Thousands)	87.5	73.5	52.8	34.0	69.6	64.8

*Totals may vary due to rounding.
Source: Airport records.

While the other airlines began to restore schedules at the Airport in calendar year 2021, Southwest's average daily seats and departures continued to decrease. In calendar year 2021, Southwest Airlines ("***Southwest***" or "***Southwest Airlines***") operated an average of 71 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 18 departures per day and United Airlines ("***United***" or "***United Airlines***") operated an average of 17 departures per day. All other carriers combined operated an average of 26 flights per day.

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 has caused landings to fall significantly, a reduction of 16% to 78,844 in Fiscal Year 2020 compared to Fiscal Year 2019, and a reduction of 26.95% to 57,631 in Fiscal Year 2021. 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% versus the national total of 25.8%. 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 at the Airport month by month for Fiscal Years 2019 and year to date for Fiscal Year 2022.

Month	**2019**	**2020**	**2021**	**YTD 2022**
July	724	739	262	579
August	681	684	254	503
September	631	652	217	486
October	697	703	238	539
November	664	623	221	511
December	630	659	247	492
January	547	565	198	N/A
February	531	548	196	N/A
March	674	303	339	N/A
April	663	28	358	N/A
May	734	76	442	N/A
June	739	190	533	N/A
Total	**7,915**	**5,770**	**3,505**	**3,110**
YTD Total				

Source: Airport records.

Total enplanements through the period July 2021 to December 2021 were 3,110, compared to 1,439 for the same period in 2020.

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 expects to have $52.7 million of Federal Relief Proceeds available at the end of Fiscal Year 2022 to further offset operating expenses, debt service and provide concession relief at the Airport.

		Federal Relief Proceeds Expended [1] (In Millions)			
	Funds Awarded	**Actual 2020**	**Actual 2021**	**Budget 2022**	**Funds Available for Future Use [2]**
Federal Relief Available:					
CARES	$ 60.0	$13.6	$28.6	-	$17.8
CRRSA	$ 15.2	-	-	$13.6	$ 1.6
ARPA	$ 56.3	-	-	$23.0	$33.3
Total Federal Relief[3] Proceeds	$131.5	$13.6	$28.6	$36.6	$52.7

[1] The Airport used the actual Federal Relief Proceeds received to cover 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 FY 2026.
[3] Excludes approximately $.03 million in FEMA funding.
Source: Airport records.

Cash and Liquidity

The City is expected to approve the Airport's budget for the Fiscal Year ending June 30, 2023 on or before June 30, 2022. The Airport is currently working on various models of its Fiscal Year 2023 budget. As of the date hereof, the Airport is assuming Fiscal Year 2023 enplaned passengers will achieve 82.4% of Fiscal Year 2019 enplaned passenger level. Depending on various metrics, including actual passenger enplanements, the Airport may further reduce expenses, delay additional capital projects and take other measures to manage the impact of the COVID-19 pandemic.

As of July 1, 2020, the Airport maintained approximately 566 Days Cash on Hand for operations. As of July 1, 2021, the Cash on Hand had increased to 630 Days. The Airport expects to end Fiscal Year 2022 with 607 Days Cash of Hand.

Service Area

The Airport's primary service area consists of the St. Louis–St. Charles–Farmington, MO-IL combined statistical area (the "***St. Louis Area***"). The St. Louis Area has an aggregated population of more than 2.8 million people and includes the City, The City of Sullivan, Missouri, Franklin, Jefferson, Lincoln, St. Charles, St. Louis, St. Francis and Warren counties in Missouri and Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe, Marion and St. Clair counties in Illinois.

In addition, the catchment area for the Airport has more than 6 million residents. The residents have few air service options other than the Airport. As such, the Airport's local market is close to 6 million people.

The FAA identifies six reliever airports: 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; and Creve Coeur Airport in St. Louis County, Missouri.

The Airport is the larger of two commercial service airports in the St. Louis Area. 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.

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.

Air travel at the Airport decreased in Fiscal Year 2021 in comparison to Fiscal Year 2020 with enplanements decreasing by 39.2% and aircraft landing and takeoffs decreasing 28.2% from 2020. Enplaned passengers declined from approximately 5.8 million in 2020 to approximately 3.5 million in 2021. Landings and takeoffs decreased from 163,468 in 2020 to 120,067 in Fiscal Year 2021. See **APPENDIX B – "Audited Financial Statements of the Airport -- Management's Discussion and Analysis, Unaudited."**

Terminal Facilities

The Airport's terminal facilities include Terminal 1 and Terminal 2. Terminal 1 contains 1.07 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 390 thousand 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, three City Gates are available for lease or per-turn use. Concourse C has 29 gates: two are leased by Air Choice One, one by Alaska Airlines, seven by American Airlines, two by Cape Air, one by Spirit Airlines, two by Frontier Airlines, three are City Gates available for lease or per-turn use, and 11 gates in Concourse C are not currently in use, two of which have been renovated and are City Gates currently available for lease or per-turn 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 continues to remain available as hold room space for passenger airlines. Concourse D of Terminal 1 is currently closed to the public.

Terminal 2 consists of one concourse. Southwest Airlines leases 17 gates in Terminal 2. One City Gate is available for lease or per-turn use. 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 9,001 public parking spaces. The Terminal 1 and Terminal 2 parking garages have a total of 3,032 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 program. 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.

FAA Airport Privatization Pilot Program

On April 24, 2017, the FAA accepted the City's preliminary application for the participation of the Airport in the FAA's Airport Privatization Pilot Program. The City formed an advisory working group ("Advisory Working Group") consisting of representatives of the City and engaged various professional organizations, including aviation consultants, attorneys, financial advisors and investment bankers to assist the City in this exploratory process. Following several months of work and discussion by the Advisory Working Group, in late December 2019, then Mayor Lydia Krewson ended the City's further consideration of the Airport being privatized, based upon input from residents, business leaders and other elected officials.

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, JetLinx St. Louis, Trans States Holdings, Airport Terminal Services, 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 is in the process of determining the long-term use of this property.

Additionally, there are other structures at the Airport that are not owned by the City but are located on grounds leased from the City. These sites include facilities owned by the Boeing Company and, prior to May 2019, St. Louis Air Cargo Services (***"Air Cargo"***), whose long-term lease with the City expired on April 30, 2019. Federal Express ("***FedEx***") and various freight forwarders had leased space from Air Cargo in a facility that includes a 100,000 square foot cargo building and 448,000 square feet of adjacent aircraft parking space, on the land leased from the Airport. Additionally, United Parcel Service ("***UPS***") owns an 18,000 square foot warehouse facility adjacent to a 200,000 square foot aircraft parking area that had been part of the prior Air Cargo leasehold. After the expiration of Air Cargo's lease, the Airport entered into two new leases directly with FedEx and UPS. Majestic Terminal Services (a handler for Amazon Prime) has leased space in the facility until August 31, 2022. The north cargo facility is now at capacity.

Spire Inc. 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 has begun the process of developing a replacement fuel farm. The replacement fuel farm will be located on the former "Brownleigh" site, to the northeast of the Airport, and is currently in the design and site investigation phase. Construction on the replacement fuel farm began during Fiscal Year 2020 and, upon completion, the old fuel farm will be decommissioned, remediated and the land returned to the Airport for future redevelopment.

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

Air Carrier Service

Listed below are scheduled air carriers currently serving the Airport (as of March 2022).

Major Air Carriers	**Regional Air Carriers**	**Air Cargo Carriers**
Alaska Airlines[1]	Air Choice One[1]	Federal Express[1]
American Airlines, Inc.[1]	Air Wisconsin[2] (United)	Southern Air[3]
Delta Air Lines, Inc.[1]	Champlain Enterprises, LLC d/b/a CommutAir[2]	United Parcel Service[1]
Frontier Airlines Inc. [1]	Boutique Air	
Spirit Airlines[1]	Envoy[2] (American)	
Southwest Airlines Co. [1]	GoJet (United)	
United Airlines, Inc.[1]	Hyannis Air Service, Inc., d/b/a Cape Air[1]	
	Mesa[2] (American, United)	
	MN Airlines, Inc.[2], d/b/a Sun Country[3]	
	Piedmont Airlines, Inc. [2] (American)	
	PSA[2] (American)	
	Republic[2] (American, United)	
	SkyWest[2] (Alaska, Delta, United)	
	Trans States[2] (American, United)	
	Viva Aerobus	
	Cape Air[1]	

1 Signatory Airline (holds current Use Agreement).
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.
Source: Airport records.

Air Canada ceased operations at the Airport in April 2020 due to international travel restrictions related to the COVID-19 pandemic. Contour Airlines and Sun Country Airlines have been active at the Airport throughout the COVID-19 pandemic, Contour has no scheduled flights at STL after September 2021, nor did Sun Country after October 2021. Spirit Airlines and Boutique Air, however, began service at the Airport in May and June 2021, respectively, replacing some service lost during the COVID-19 pandemic. Air Canada resumed flights to Toronto on May 7, 2022, and expects to add a second daily flight in June 2022. Lufthansa expects to commence service to Germany in June 2022.

Airline Market Shares

Based on Fiscal Year 2021 enplanements, Southwest Airlines is currently the dominant carrier at the Airport, accounting for 61.7% of the enplanements, followed by American Airlines and its affiliates, which accounted for 16.1% of the enplanements and Delta Air Lines, which accounted for 8.9% of the enplanements and United Airlines, which accounted for 5.9% of the enplanements. For Fiscal Year enplanement statistical data, see "**Airline Market Shares**" and "**Passenger Enplanements**" herein.

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:

Enplanements*	2017	2018	2019	2020	2021
Southwest	4,237	4,717	4,801	3,489	2,161
American	1,225	1,198	1,195	921	564
Delta	850	844	845	608	313
United	516	525	520	378	206
Total	6,639	7,069	7,361	5,396	3,244
All Others	563	538	554	375	261
Market Share	2017	2018	2019	2020	2021
Southwest	57.3%	60.3%	60.7%	60.5%	61.7%
American	16.6%	15.3%	15.1%	16.0%	16.1%
Delta	11.5%	10.8%	10.7%	10.5%	8.9%
United	7.0%	6.7%	6.6%	6.5%	5.9%
Total	92.4%	93.1%	93.0%	93.5%	92.6%
All Others	7.6%	6.9%	7.0%	6.5%	7.4%

Note: American, Delta, Southwest and United enplanements counts include their regional affiliates.
*Totals may vary due to rounding.
Source: Airport records.

As a group, the four largest air carriers accounted for the majority of enplanements; their combined share increased from 92.4% in Fiscal Year 2017 to 92.6% in Fiscal Year 2021. See **APPENDIX A "Financial Feasibility Report of the Airport Consultant — Airline Market Base**" 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 2017 through Fiscal Year 2021. 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 2017– 2021
(In thousands)

Fiscal	O&D		Connecting		
Year	**Actual**	**Share**	**Actual**	**Share**	**Total Enplanements***
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

* Totals may vary due to rounding.
Source: Airport records.

The trends in O&D and connecting activity at the Airport show the fundamental changes in the Airport's role from a primary to a medium hub in American Airlines' route system and in the Airport's underlying traffic base. The downsizing of American Airlines' operations at the Airport has caused a significant decline in connecting traffic, with the connecting segment's share falling from more than 50% prior to Fiscal Year 2004 to as low as 13.9% in 2015. Connecting traffic has increased gradually since 2015, however, with the connecting segment's share increasing to 22.6% in Fiscal Year 2018 as Southwest increased connecting traffic activity at the Airport. In Fiscal Year 2020, the O&D segment accounted for 77.3 % of the total enplanements at the Airport compared to 80.1% in Fiscal Year 2021 and 76.8% in Fiscal Year 2019.

Recent Air Service Trends

Air travel at the Airport decreased in Fiscal Year 2021 when compared to Fiscal Year 2020 with enplaned passengers decreasing by 39.3% and aircraft landings and takeoffs decreasing by 26.6% from Fiscal Year 2020. During Fiscal Year 2022 despite additional waves of the pandemic continuing to limit air transportation, the industry is experiencing certain indicators of recovery. 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 B – "Audited Financial Statements of the Airport – Management Discussion and Analysis"** herein.

Five-Year Strategic Plan

The Airport implemented a five-year strategic plan to build on the momentum of several transformational campaigns that have improved Airport facilities, enhanced customer service and strengthened air service over the last several years. The Strategic Plan was developed in collaboration with the City's business community and with the support of Civic Progress and the Regional Business Council, two major civic organizations. See **APPENDIX A - "Financial Feasibility Report of the Airport Consultant - The Airport - FY 2015-2020 Strategic Plan Summary Highlights**."

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 remains in litigation with the former tenant.

Ongoing Cost-Cutting Measures Initiated at the Airport

For the last several years, the Airport has made an effort to reduce costs in its Operations and Maintenance budget. Cost-cutting efforts also resulted in privatization of a portion of the custodial staff and the closing of a third fire station at the Airport. In addition, significant savings have been realized in utilities. As a result of various energy efficiencies including, but not limited to, the replacement of LED lighting on the airfields, terminals and garages and the installation of more efficient chillers, utility cost savings were realized. Other reductions in usage are underway with the replacement of LED lighting in tunnels and more efficient electric vehicles. Energy efficiency and conservation efforts at the Airport are guided by key strategies and goals pursuant to the City's Sustainability Plan that targets lower greenhouse emissions for the region.

Air Service Marketing

The Airport's Air Service Development Program is continuing its efforts to attract new service, both from existing and potential new entrant air carriers. The program provides incentives to airlines that expand their services at the Airport. The Airport continues to actively pursue international passenger carriers for both scheduled and charter service.

Planning

The St. Louis Airport Master Plan (the "***Master Plan***") provides a framework that guides future airport development. The Master Plan includes an Airport Layout Plan, which is a set of drawings that depict existing facilities and recommended future facilities that would serve the traveling public needs.

The Airport has a comprehensive Airport Noise Compatibility Program (the "***Noise Compatibility Program***"). The Noise Compatibility Program assesses aircraft noise exposure on surrounding municipalities and identifies means to mitigate adverse noise and achieve land use compatibility. The Noise Compatibility Program was approved by FAA in calendar year 2011 and the most recent review found the Noise Compatibility Program in compliance with expectations set in 2011. The next review will occur in calendar year 2022.

CERTAIN AGREEMENTS FOR USE OF THE AIRPORT'S FACILITIES

Airport Use, Operating 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, a "***Use Agreement***" and, collectively with respect to all applicable air carriers, the "***Use Agreements***") 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, thereby replacing the airport use, operating and cargo agreements, the last of which expired June 30, 2021. The Airlines and Airport management mutually agreed to extend the terms of the expired Use Agreements through June 30, 2022, and it is expected that the Use Agreements will be extended for an additional year through June 30, 2023, as all parties are evaluating how the industry will look following the current pandemic. The extended Use Agreements will preserve the underlying rate methodology and rate-making procedures of the expired Use Agreements. The Use Agreements 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.

Use Agreements.

All air carriers operating at the Airport pursuant to a Use Agreement constitute "Signatory Airlines." The Use Agreements 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 Use Agreements use a residual hybrid rate methodology whereby the airlines commit to back revenue shortfalls or share in surplus with respect to the airfield and pay applicable rates with respect to the terminal complex. Landing fees and terminal building space rentals are computed based on formulas provided in the Use Agreements. See **APPENDIX D - "Summary of Certain Provisions of the Use Agreements 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 Use Agreements. The minimum landing fee commitment is $1,000,000 for Signatory Airlines over the term of the Use Agreement. The Use Agreements 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.

A Pre-Approved Five-Year Capital Improvement Program is detailed in the Use Agreements and the Airport may proceed with each project without Majority-in-Interest ("***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. 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 Airport may substitute any capital improvements with similar capital improvements without MII approval if the replacement capital improvement: (i) has the same or similar total project cost; (ii) net cost is chargeable to the same Cost Center; and (iii) will accomplish the same purpose or function. See "**AIRPORT CAPITAL IMPROVEMENT PROGRAMS**" herein and **APPENDIX A - "Financial Feasibility Report of the Airport Consultant"** hereto.

Except as described above, 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.

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 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. 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 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 make credits 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 2017-2021 period, total concession fees decreased approximately $17.7 million at an average annual rate of 10.5 percent. The decrease was primarily due to public parking and car rentals declining during the period by approximately $12.6 million and $3.4 million, respectively. The 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.

The City has entered into rental car concession agreements with Hertz, Avis, Budget, Alamo, National, Enterprise, and Thrifty for operation of rental car facilities at the Airport. These concession agreements will expire on December 31, 2022. Under such agreements, the Airport receives the greater of the Minimum Annual Guarantee or 10% of the gross receipts from each concessionaire. A Solicitation for Bids is currently being drafted, and bids will be due in the summer of 2022.

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 St. Louis County Executive, 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 was named the Airport Director on January 3, 2010. Ms. Hamm-Niebruegge has more than four decades of aviation management experience with key leadership positions with Ozark Airlines, Trans World Airlines and American Airlines. Ms. Hamm-Niebruegge previously served as American Airlines Managing Director, St. Louis Operations. Additionally, in her role she manages approximately 500 employees and is also chairwoman of the Commission and the Airport Oversight Committee of the Airport Cooperative Research Program.

Jerry Beckman, P.E., was named Airport Deputy Director of Planning and Development in 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.

Ron Stella was named Airport Deputy Director of Operations and Maintenance in July of 2015. Mr. Stella was formerly the Airport Assistant Director of Operations and Maintenance. Mr. Stella is responsible for airfield and building operations, security operations and emergency planning and manages compliance with all FAA Airport operations, regulations and standards. Mr. Stella supervises multiple operating departments, including: Airfield and Grounds Maintenance, the Airport Operations Center, Airport Building Maintenance, Airport and Airfield Electrical Maintenance, Housekeeping, Radio Systems, and Emergency Planning.

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 2022, the Airport has 470 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 additional information on the pension plan.

Risk Management

The Airport is exposed to various risks of loss related to tort, such as theft of, damage to, and destruction of assets, errors and omissions, injuries to guests and invitees and employees and natural disasters, including tornadoes and high winds. For those exposures not otherwise covered by commercial insurance, the Airport participates in the City of St. Louis Risk Management Program, which is the City's self-insurance program that covers workers' compensation claims, general liability claims and various other claims and legal actions. The City appropriates funds annually for the operations of the City's Risk Management Program that are placed in a Risk Trust Fund. Public Facilities Protection Corporation ("***PFPC***"), a not-for-profit corporation, oversees the City's Risk Management Program and administers the Risk Trust Fund. The Airport reimburses PFPC for workers' compensation claims and expenses 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-insurance 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 $1 billion. The Airport also has an automobile policy with total coverage of $1 million, large equipment coverage of $17 million as well as public officials and employee liability coverage of $7 million for each policy. All policies provide coverage through October 1, 2022.

AIRPORT CAPITAL IMPROVEMENT PROGRAMS

Responsibility for asset management and improvements to the Airport facilities and operations is covered by the Airport 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 Strategic Plan and the Master Plan with the annual budget. 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 2022A 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 Majority-In-Interest approval. If a proposed capital project is approved by Airline Majority-In-Interest, the City may proceed with implementation in accordance with the proposed funding and schedule.

Five-Year CIP

The Airport's current 5-Year Capital Improvement Program (**"5-Year CIP")** totals $215.6 million and contains various projects with the main concentration in the Airfield ($166.9 million) followed by **o**ther CIP projects ($26.0 million), which focus on rebuilding the ramp for air cargo operations. The Airport anticipates funding the 5-Year CIP with federal funds, both Airport Improvement Grants (entitlement and discretionary) ($69.0 million) and the Bipartisan Infrastructure Bill ($80.0 million), with the balance in PFCs ($34.1 million), General Airport Revenue Bonds (GARBs) ($20.7 million) and Airport Development Funds ($11.8 million). The remainder of the projects include the Terminals, Parking and Passenger Loading Bridges. These projects are not critical to the Airport and are subject to change based on funding availability and Airline approval. 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 2023 to Fiscal Year 2027 period.

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 2021 are included in **APPENDIX B** – "**Audited Financial Statements of the Airport**" 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 included herein any procedures on the financial statements addressed in the Financial Feasibility Report of the Airport Consultant. KPMG LLP also has not performed any procedures relating to this Official Statement.

The following table sets forth the historical revenues and expenses of the Airport for Fiscal Years 2017 through 2021. Such Fiscal Year information is based primarily upon the audited financial statements of the Airport for such Fiscal Years.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
Airport Revenues and Expenses
(In thousands)
(Fiscal Years Ended June 30)
SUMMARY OF HISTORICAL REVENUES

AIRPORT REVENUES	Avg. Annual Growth Rate FY '17-'21	2017	2018	2019	2020	2021
Signatory Airlines						
Airfield Landing Fees	-11.6%	$60,810	$54,344	$56,052	$48,832	$37,144
Terminal Rents	-18.0%	$18,870	$12,878	$14,963	$10,044	$8,529
Total	-13.0%	$79,680	$67,222	$71,015	$58,876	$45,673
Concession Fees						
Terminal Concessions	-1.2%	$12,161	$12,740	$13,511	$12,724	$11,592
Public Parking	-18.0%	$23,107	$23,379	$23,737	$16,943	$10,442
Car Rentals	-8.3%	$11,923	$12,308	$12,482	$11,228	$8,436
Space Rental	-11.1%	$1,486	$1,326	$1,423	$965	$929
In-Flight Catering	-28.5%	$309	$309	$309	$255	$81
Other	-13.6%	$407	$564	$690	$421	$227
Total	-10.5%	$49,394	$50,626	$52,152	$42,536	$31,707
Other						
Non-Signatory Landing Fees	12.7%	$1,582	$1,385	$1,627	$2,108	$2,555
Non-Signatory Airlines-Terminal	-53.2%	$182	$146	$553	$19	$9
Total	9.8%	$1,764	$1,531	$2,180	$2,127	$2,563
Airline Revenue Mitigation [2]		$13,728	$13,728	$13,728	$13,728	$13,728
Cargo	54.7%	$482	$568	$619	$2,522	$2,760
Hangars and Other Buildings	-2.6%	$921	$801	$829	$810	$828
Tenant Improvement Surcharge	-0.1%	$372	$372	$371	$371	$371
Terminal EDS Surcharges	2.7%	$2,228	$2,277	$2,241	$2,383	$2,480
Other Miscellaneous	1.6%	$7,768	$11,235	$11,027	$10,801	$8,279
Total Other-Operating	3.3%	$27,262	$30,512	$30,995	$32,742	$31,009
Total Operating Revenue	-8.8%	$156,336	$148,303	$154,162	$134,155	$108,389
Interest Income	-1.8%	$2,546	$2,201	$2,738	$3,504	$2,365
Total GARB Revenues	-8.6%	$158,883	$150,504	$156,899	$137,659	$110,753
CARES ACT funds [3]					$13,562	$28,630
FEMA funds [3]						$291
Pledged PFC Revenue	-1.6%	$28,325	$28,322	$26,276	$25,932	$26,540
Total Revenues	-2.9%	$187,207	$178,826	$183,175	$177,153	$166,214

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 Represent a portion of the federal stimulus funds the Airport was granted to offset operating losses resulting from 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 Airport Revenues decreased approximately $11.0 million, or -6.2%, which was comprised of declines in total Signatory Airline fees of $13.2 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 $29.0 million to cover operating expenses resulting from 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.

Management Discussion of Financial Information

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

Revenues. Operating revenues for Fiscal Year 2021 decreased 30.2% from $125,589 in Fiscal Year 2020 to $87,710 in Fiscal Year 2021 as COVID-19 continued to present challenges for the Airport. See **APPENDIX B – "Audited Financial Statement of the Airport - Management's Discussion and Analysis – Unaudited)."** The Airport served 6,985,580 total passengers nearly 4,576,227 passengers less than in Fiscal Year 2020 due to ongoing COVID-19 travel restrictions. The passenger decrease contributed to the decline in aviation revenue, terminal revenues and concession sales throughout the Airport and a decrease in transportation network revenues and parking revenues. Cargo, however, saw a 23.7% boost in cargo tonnage with cargo departures continuing to perform well and the Airport achieving its fifth straight year of increasing cargo revenues. See **APPENDIX A** - "F**inancial Feasibility Report of the Airport Consultant"** attached hereto.

PFC Revenues, Including Pledged PFC Revenues. The Airport collected $12.1 million in PFC Revenues (including interest earnings) in Fiscal Year 2021. The Pledged PFC Revenues for Fiscal Year 2021 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 $1.0 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 2021 was approximately $166.2 million, consisting of approximately $110.8 million in GARB Revenues, approximately $28.9 in CARES Act funds and approximately $26.5 million in Pledged PFC Revenues. See **"APPENDIX A – Financial Feasibility Report of the Airport Consultant"** herein.

Operation and Maintenance Expenses. Operating expenses decreased 5.8% from $146,667 in Fiscal Year 2020 to $138,133 in Fiscal Year 2021 primarily due to the Airport suspending and reducing contractual expenditures and suspending various equipment purchases during the fiscal year to weather the impact of COVID-19. See **APPENDIX B – "Audited Financial Statement of the Airport - Management's Discussion and Analysis – Unaudited)."**

Nonoperating revenues (expenses), net, decreased 20.1% from $35,808 in Fiscal Year 2020 to $28,613 in Fiscal Year 2021 partly due to the decrease in the market value of investments offset by the CARES Act grant the Airport was awarded to mitigate the broad disruptive effect the COVID-19. See **APPENDIX B – "Audited Financial Statement of the Airport - Management's Discussion and Analysis – Unaudited)."**

Net Revenues. The net result of the impact to operating revenues and expenses as discussed above is that the operating loss increased 139.2% from $21,078 in Fiscal Year 2020 to $50,423 in Fiscal Year 2021. See **APPENDIX B – "Audited Financial Statement of the Airport – Management's Discussion and Analysis – Unaudited"** hereto.

Capital contributions received in the form of grants and buildings and improvements from the federal and state governments decreased 6.5% from $11,055 in Fiscal Year 2020 to $10,338 in Fiscal Year

2021. The grants received in Fiscal Year 2021 included various FAA Airport Improvement Program airfield projects and Missouri Department of Transportation grants. See **APPENDIX B – "Audited Financial Statement of the Airport – Management's Discussion and Analysis – Unaudited"** hereto.

As a result of the preceding items, net position decreased 1.4% from $1,166,361 in Fiscal Year 2020 to $1,150,503 in Fiscal Year 2021. See **APPENDIX B – "Audited Financial Statement of the Airport – Management's Discussion and Analysis – Unaudited"** hereto.

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 2022A Bonds. The Airport Consultant has (i) analyzed the ability of the City to meet its financial obligations related to the Series 2022A Bonds through Fiscal Year 2027 and (ii) prepared a Financial Feasibility Report regarding the Airport's operating revenues, expenses and air traffic activity (the "***Financial Feasibility Report of the Airport Consultant***"), which is attached hereto as **APPENDIX A** – "**Financial Feasibility Report of the Airport Consultant**." The Financial Feasibility Report of the Airport Consultant, 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 Airport Revenues

The following tables present the Airport Consultant's estimates and projections for Fiscal Years 2022 through 2027 of (i) Revenues, (ii) Signatory Airline revenues, cost per enplaned passenger and rates and (iii) debt service coverage calculations on outstanding GARBs taking into account projected debt service savings from the refunding the Refunded Bonds.

Total Airport Revenues are projected to increase from $166.22 million in Fiscal Year 2021 to $200.35 million in Fiscal Year 2027 or at an average annual growth rate of 3.2% or $34.13 million. 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 2022 through Fiscal Year 2027.

The average Signatory Airline cost per enplaned passenger is projected to decrease from $13.09 in Fiscal Year 2021 to $9.35 in Fiscal Year 2027. The Signatory Airline landing fee rate is projected to increase from $6.78 in Fiscal Year 2021 to $6.98 in Fiscal Year 2027.

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 of the Airport Consultant 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 of the Airport Consultant 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**" hereto.

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

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

`	Avg. Annual	*Fiscal Years Ending June 30*						
	Growth Rate	Actual	Budget			Projected		
AIRPORT REVENUES	FY '21-'27	2021 [1]	2022	2023	2024	2025	2026	2027
Signatory Airlines								
Airfield Landing Fees	9.5%	$37,144	$43,343	$54,059	$55,549	$54,874	$60,181	$64,199
Terminal Rents [2]	7.6%	$8,529	$7,478	$7,807	$5,879	$6,918	$13,707	$13,252
Passenger Loading Bridges	n/a	$0	$0	$382	$378	$411	$479	$510
Total	9.3%	$45,673	$50,821	$62,248	$61,806	$62,203	$74,367	$77,961
Concession Fees								
Terminal Concessions	4.4%	$11,592	$11,254	$11,888	$13,230	$14,059	$14,561	$15,049
Public Parking	18.3%	$10,442	$16,242	$24,581	$27,309	$28,445	$28,606	$28,684
Car Rentals	10.1%	$8,436	$10,514	$12,141	$13,458	$14,218	$14,626	$15,013
Space Rental	2.0%	$929	$600	$971	$990	$1,009	$1,029	$1,049
In-Flight Catering	2.2%	$81	$147	$84	$86	$88	$90	$92
Other	2.1%	$227	$285	$238	$243	$248	$253	$258
Total	11.3%	$31,707	$39,042	$49,903	$55,315	$58,067	$59,164	$60,146
Other								
Non-Signatory Landing Fees	5.1%	$2,555	$1,830	$3,182	$3,180	$3,048	$3,295	$3,453
Non-Signatory Airlines-Terminal	60.3%	$9	$261	$149	$149	$149	$149	$149
Total	5.8%	$2,563	$2,091	$3,330	$3,328	$3,197	$3,444	$3,601
Airline Revenue Mitigation [3]	0.0%	$13,728	$13,728	$13,728	$13,728	$13,728	$13,728	$13,728
Cargo	1.3%	$2,760	$2,755	$2,760	$2,814	$2,869	$2,925	$2,983
Hangars and Other Buildings	0.7%	$828	$635	$839	$844	$849	$855	$861
Tenant Improvement Surcharge	0.0%	$371	$371	$371	$371	$371	$371	$371
Terminal EDS Surcharges	2.3%	$2,480	$2,095	$2,632	$2,684	$2,738	$2,793	$2,849
Other Miscellaneous	5.8%	$8,279	$10,369	$10,616	$10,969	$11,220	$11,406	$11,592
Total Other-Operating	2.5%	$31,009	$32,044	$34,276	$34,739	$34,972	$35,522	$35,985
Total Operating Revenue	8.2%	108,389	$121,908	$146,427	$151,860	$155,242	$169,053	$174,092
Interest Income [4]	-2.3%	$2,365	$2,400	$2,194	$2,230	$2,322	$2,383	$2,061
Total GARB Revenues	8.0%	110,754	$124,308	$148,621	$154,090	$157,564	$171,436	$176,153
Federal Relief Proceeds [5]:								
CARES Act funds	n/a	$28,630	$0	$12,646	$5,157	$0	$0	$0
FEMA funds	n/a	$291	$0	$0	$0	$0	$0	$0
CRRSA funds	n/a	$0	$13,582	$1,664	$0	$0	$0	$0
ARPA funds	n/a	$0	$23,000	$0	$8,653	$17,635	$7,000	$0
PFC Pledged Revenue	-1.5%	$26,540	$26,540	$26,541	$26,567	$27,760	$28,961	$24,192
Total Revenues	3.2%	166,214	$187,430	$189,472	$194,467	$202,959	$207,397	$200,345

[1] Financial information is based on FY2021 Audit and Airport records.
[2] The decrease in terminal rents starting in FY 2023 is a result of reduced annual debt service and increase in projected non-airline revenues.
[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 to offset operating losses resulting from the COVID-19 pandemic.

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

	Historical [1]						Unaudited
	2017	**2018**	**2019**	**2020**	**2021**	***7 months ended* 1/31/2021**	***7 months ended* 1/31/2022**
GARB Revenues							
Air Carrier Fees	$81,816	$69,125	$73,566	$61,374	$48,607	$31,674	$34,007
Concession Fees	$49,394	$50,569	$52,152	$42,536	$31,707	$17,788	$29,532
Cargo/Other Revenues	$11,399	$14,881	$14,715	$16,516	$14,347	$5,954	$7,163
Airline Revenue Mitigation	$13,728	$13,728	$13,728	$13,728	$13,728	$13,728	$13,728
Interest Income	$2,546	$2,201	$2,738	$3,504	$2,365	$959	$511
Total GARB Revenues	$158,883	$150,504	$156,899	$137,658	$110,754	$70,103	$84,941
CARES Act funds	$0	$0	$0	$13,562	$28,629	$16,870	$0
FEMA funds	$0	$0	$0	$0	$291	$0	$0
ARPA funds	$0	$0	$0	$0	$0	$0	$13,582
CRRSA funds	$0	$0	$0	$0	$0	$0	$7,758
PFC Pledged Revenue	$28,325	$28,322	$26,276	$25,932	$26,540	$17,195	$17,435
Total Revenues	$187,207	$178,826	$183,175	$177,152	$166,214	$104,168	$123,716
Total Operating Expenses	$82,973	$86,175	$85,740	$87,033	$77,595	$40,637	$54,478
Net Revenues	$104,234	$92,651	$97,435	$90,119	$88,619	$63,532	$69,237
Aggregate Annual Debt Service On Outstanding GARB Bonds	$74,988	$62,926	$66,410	$60,310	$61,708	--	--
Debt Service Coverage	1.39	1.47	1.47	1.49	1.44	--	--

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

The following table shows the actual and projected Net Revenues for Fiscal Year 2021 and the calculation of actual and projected debt service coverage for Fiscal Year 2021 and Fiscal Years 2022 through 2027, respectively.

BASE FORECAST PROJECTED COVERAGE CALCULATIONS
St. Louis Lambert International Airport
in thousands except for ratios
For Fiscal Years Ending June 30

	For Fiscal Years Ending June 30						
	Actual	**Budget**	**Projected [2]**				
	2021 [1,2]	**2022 [2]**	**2023**	**2024**	**2025**	**2026**	**2027**
Total Revenues (including DSSF contribution and Additional Requirement)	$166,214	$187,430	$189,472	$194,467	$202,959	$207,397	$200,344
less: Operation and Maintenance Expenses	77,595	97,199	103,742	106,418	109,168	111,991	114,893
Net Revenues	$88,618	$90,230	$85,729	$88,049	$93,791	$95,407	$85,451
Debt Service							
Outstanding Bonds [3]	$61,708	$60,030	$54,037	$54,029	$59,068	$60,163	$50,893
Future Bonds [4]	$0	$0	$0	$1,555	$1,555	$1,555	$1,555
	$61,708	$60,030	$54,037	$55,583	$60,622	$61,718	$52,448
Debt service coverage ratio	1.44	1.50	1.59	1.58	1.55	1.55	1.63

[1] Financial information is based on the FY 2021 audit.

[2] The FY 2021 Actual, FY 2022 Budget and financial projections for FYs 2023 through 2027 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 Series 2022A 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] Future 2023 bond issue assumes 12 months of capitalized interest.

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 Use Agreements, 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 Use Agreements, 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 the 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 uncertainly. Since early calendar year 2020 fuel prices have been trending upward. The impacts of the war in Ukraine has contributed to the sharp rise in aviation fuel costs and it cannot be predicted at this time what the long-term consequences of this situation will be on aviation fuel costs and availability going forward. See "**CERTAIN INVESTMENT CONSIDERATIONS – Cost of Aviation Fuel and – Geopolitical Tension**."

Geopolitical Tension

The U.S. economy is constantly exposed to risk from geopolitical tensions. The Russian invasion of Ukraine is the latest example of a geopolitical conflict affecting air transportation. 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.

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. **See APPENDIX A – "Financial Feasibility Report of the Airport Consultant."**

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 Airport 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.

The COVID-19 pandemic is severely and negatively affecting domestic and international air travel. In response to the COVID-19 pandemic-induced losses, airlines took various actions to reduce costs and maintain liquidity. Most airlines offered their employees various voluntary separation programs whereby employees were provided with severance payments and could keep health care and other benefits. Many airlines also accelerated the retirement of older aircraft and deferred the acquisition of new aircraft. Additionally, all airlines (except Delta) have implemented COVID-19 vaccine mandates for all employees. Recovering from the effects of the COVID-19 pandemic and regaining industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, and stable fuel prices and labor costs. For information regarding airline activity at the Airport, see "**CERTAIN INVESTMENT CONSIDERATIONS - Demand for Air Travel and Airline Activity at the Airport**" and **"THE AIRPORT – Impact of COVID-19 on Operations at the Airport"** herein.

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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 Other Worldwide Health Concerns

The COVID-19 pandemic has had and likely will continue to have material adverse effects on passenger traffic and Airport operations and financial performance. The dynamic nature of the COVID-19 pandemic leads to many uncertainties. As such, neither the City nor the Airport can predict the outcome of many factors that may materially adversely affect the Airport's finances or operations, including but not limited to: (i) the duration or extent of the COVID-19 pandemic, including the emergence and prevalence of COVID-19 variants, or another outbreak or pandemic; (ii) the scope or duration of the current COVID-19 pandemic and any additional restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which airlines will reduce services at the Airport, or whether airlines will cease operations at the Airport or shut down in response to such restrictions or warnings; (iii) what additional short or long-term effects the restrictions and warnings imposed as a result of the COVID-19 pandemic may have on air travel (including to and from the Airport), the retail and services provided by Airport concessionaires, Airport costs or Revenues; (iv) to what extent the COVID-19 pandemic, another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, and if any such disruption may adversely impact Airport-related construction, the cost, sources of funds, schedule or implementation of the Airport's CIP, or other Airport operations; (v) the extent to which the COVID-19 pandemic, or another outbreak or pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in demand for air travel, or have an impact on the airlines or concessionaires serving the Airport, or the airline and travel industry, generally; (vi) whether or to what extent the Airport may provide additional deferrals, forbearances, adjustments or other changes to the Airport's arrangements with its tenants and concessionaires; or (vii) whether any of the foregoing may have a material adverse effect on the finances and operations of the Airport.

Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies, will continue at least over the near term, and that recovery may be prolonged, adversely impacting Revenues. Future outbreaks, pandemics or events outside the Airport's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and a decline in Revenues.

The uncertainties, limitations and restrictions described in the preceding paragraphs are germane to other communicable diseases as well. Other previous travel alerts or advisories include the 2016 travel alert by the U.S. Centers for Disease Control and Prevention warning pregnant women to avoid travel to areas where outbreaks of the Zika virus, which has been linked to birth defects, were occurring. In 2009, WHO and the U.S. Department of Health and Human Services (through the Secretary of the Department of Homeland Security) declared public health emergencies as the result of outbreaks of a serious strain of H1N1 influenza or "flu." In spring 2003, there was an outbreak of a serious strain of bird flu in Asia and Canada called "Severe Acute Respiratory Syndrome" or SARS. Future outbreaks or pandemics, of greater severity or duration than the COVID-19 pandemic, could occur, resulting in a decrease in air traffic, disruption to the global supply chain, interruption in manufacturing and construction operations and other unexpected incidents, of a magnitude greater than what the Airport has experienced during the COVID-19 pandemic, which could materially interfere with the Airport's operations or the operations of the airlines operating at the Airport. 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 airfares and competition; airline industry economics, including labor relations, fuel prices and aging aircraft fleets; 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 29.6% of the Airport's total operating revenues and 57.0% of total revenues from participating air carriers for the Fiscal Year ended June 30, 2021, and approximately 61.7% of total enplanements at the Airport in Fiscal Year 2021. 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 7.7% of the Airport's total operating revenues and 14.8% of total revenues from participating air carriers for the Fiscal Year ended June 30, 2021, and approximately 16.1% of total enplanements at the Airport in Fiscal Year 2021. 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. 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.

Cost of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Since 2016 jet fuel prices have generally increased until COVID-19 when jet fuel consumption decreased Recently jet fuel prices have increased to pre-COVID-19 levels. Fuel prices are expected to remain volatile and may be affected by future increases in passenger traffic, which depends on a stable international condition as well as national and global economic growth. Aviation fuel prices will continue to affect future airline service, airfares and passenger numbers. Airline operating economics will also be affected as regulatory costs are imposed on air travel and the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change.

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.

The Boeing 737 MAX aircraft (the "**MAX**") was grounded in March 2019 after fatal crashes of that aircraft that were suspected to have been caused by malfunctions of the automated flight control system. In November 2020, the FAA issued an order enabling MAX aircrafts to resume operations upon receipt of FAA airworthiness certificates and export certificates of airworthiness. The FAA also published an Airworthiness Directive, which specifies design changes that must be made before the MAX might return to service. The MAX has since returned to service in the United States without further incident. The U.S. DOT inspector general issued a report in February 2021 with 14 recommendations for the FAA to implement to improve the certification process for future new planes. Safety concerns of travelers and future aircraft grounding could, in the future, impact airlines serving the Airport.

On April 9, 2021, Boeing warned airlines of a new possible electrical insulation fault in the recent production of some MAX planes. The top three U.S. MAX operators Southwest Airlines, American Airlines and United Airlines - removed a total of 63 jets from service following the notice from Boeing. At the FAA's request, Boeing supplied analysis and documentation showing that numerous MAX subsystems would not be affected by electrical grounding issues. The FAA reviewed Boeing's analysis and approved the service bulletins sent to airlines on May 13, 2021.

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 internal Airport Information Technology (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. 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 Area 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 Area 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 Use Agreements, 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 Use Agreements. 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 Use Agreements 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 2022A Bonds, may not result in an acceleration of payment of the Series 2022A 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 2022A Bonds. See "**Matters Relating to Enforceability**" herein.

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 2022A 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 2022A 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 2022A 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**," "**REPORT OF THE AIRPORT CONSULTANT**" 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 Report of the Airport Consultant; Actual Results May Differ from Forecasts and Assumptions

The Report of the Airport Consultant included as **APPENDIX A** incorporates numerous assumptions regarding the utilization of the Airport and other matters and states that the forecasts 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 2022A Bonds. See "**Forward-Looking Statements**," "**REPORT OF THE AIRPORT CONSULTANT**" and **APPENDIX A – "Financial Feasibility Report of the Airport Consultant**."

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 2022A 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 2022A Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2022A Bonds may be adversely affected and the ability of holders to sell their Series 2022A Bonds in the secondary market may be reduced. The Series 2022A Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A Bonds are inaccurate, unreasonable or incorrect, the interest on the Series 2022A 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 2022A Bonds. Co-Bond Counsel expresses no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2022A 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 2022A Bonds:

Federal Tax Exemption

The interest on the Series 2022A 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 2022A Bond for any period during which such Series 2022A Bond is held by a "substantial user" of the facilities financed or refinanced by the Series 2022A 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 2022A Bonds is an item of tax preference for purposes of computing the federal alternative minimum tax imposed under the Code.

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 2022A Bond over its stated redemption price at maturity. The issue price of a Series 2022A Bond is generally the first price at which a substantial amount of the Series 2022A 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 2022A Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2022A 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 2022A 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 2022A Bonds

Upon the sale, exchange or retirement (including any applicable redemption) of a Series 2022A Bond, an owner of the Series 2022A 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 2022A Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2022A Bond. To the extent a Series 2022A 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 2022A 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 2022A Bonds, and to the proceeds paid on the sale of the Series 2022A 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 2022A Bonds should be aware that ownership of the Series 2022A 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 2022A Bonds. Co-Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of the Series 2022A 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 2022A Bonds, including the possible application of state, local, foreign and other tax laws.

Market Discount

If a Series 2022A Bond is purchased at any time for a price that is less than the Series 2022A Bond's adjusted issue price, the purchaser may be treated as having purchased a Series 2022A 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 2022A 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 2022A Bond. Purchasers should consult their own tax advisors regarding the potential implications of the market discount rules with respect to the Series 2022A 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 2022A Bonds are advised that, if an audit of the Series 2022A 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 2022A 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 2022A 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 2022A Bonds, gain from the sale or other disposition of the Series 2022A Bonds, the market value of the Series 2022A Bonds, or the marketability of the Series 2022A Bonds, or otherwise prevent the owners of the Series 2022A 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 2022A Bonds for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Series 2022A Bonds or the market price for, or marketability of, the Series 2022A Bonds. No assurance can be given with respect to the impact of future legislation on the Series 2022A Bonds. Prospective purchasers of the Series 2022A 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 2022A Bond. Prospective owners of the Series 2022A 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 2022A 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 2022A Bonds, that questions the validity of the Series 2022A 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

Stern Brothers & Co., 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 2022A Bonds from the City at an aggregate purchase price equal to $15,211,968.20 (which amount constitutes the aggregate principal amount of the Series 2022A Bonds of $14,335,000, plus original issue premium of $1,007,786.95, less the Underwriters' discount of $130,818.75).

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 2022A 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 2022A Bonds may be changed from time to time by the Underwriters.

INDEPENDENT PUBLIC ACCOUNTANTS

Included as **APPENDIX B** are the audited financial statements of the Airport as of June 30, 2021, for the Fiscal Year then ended, together with the report thereon of KPMG LLP, independent public accountants. This Official Statement does not include audited financial information of the Airport after June 30, 2021. 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 of the Airport Consultant. KPMG LLP also has not performed any procedures relating to this Official Statement.

CO-MUNICIPAL ADVISORS

Siebert Williams Shank & Co., L.L.C. 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 2022A 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 2022A 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.

TREASURER'S ADVISOR

Comer Capital Group, LLC ("***CCG***") serves as municipal advisor to the Treasurer of the City. CCG assisted in the planning and allocation of certain accounts authorized by the Indenture. CCG Asset Management ("***CCGAM***"), an affiliate of CCG, serves as an investment advisor to the City and will provide advice related to the investment of proceeds of the Series 2022A Bonds and other funds invested in connection with the Indenture. Neither CCG nor CCGAM has participated in the preparation, drafting or review of this Official Statement.

AIRPORT CONSULTANT

Unison Consulting, Inc., Chicago, Illinois, has served as the Airport Consultant to the City with respect to the issuance of the Series 2022A Bonds.

LEGAL MATTERS

All legal matters incident to the authorization, issuance and sale of the Series 2022A 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. 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 2022A 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., L.L.C. and PFM Financial Advisors LLC are serving as Co-Municipal Advisors to the City with respect to the sale of the Series 2022A 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 2022A Bonds and each also represents certain of the Underwriters and the City from time to time on other transactions or matters.

Dentons US LLC and Saulsberry & Associates, LLC are serving as Co-Bond Counsel with respect to the issuance of the Series 2022A 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 2022A 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 Trustee, as 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 accordance with the requirements of 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, in accordance with the Rule: (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 2022A 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 2022A Bonds is conditioned upon their receiving, at or prior to the delivery of the Series 2022A 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 or incomplete cross references by CUSIP numbers to the City's annual financial information, including certain statistical and operating data; (iii) not filing certain statistical and operating data in the proper format and/or filing it in a format that could be considered incomplete; and (iv) 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 also "**FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORT – Airline Information**" for additional information on certain Signatory Airlines and their reporting requirements under the Exchange Act.

RATING

Moody's Investors Service, Inc. ("***Moody's***") has assigned a rating of "A2" to the Series 2022A Bonds.

No application has been made to any other rating agency in order to obtain additional ratings on the Series 2022A Bonds. Such rating reflects only the views of such Moody's 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. 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 2022A Bonds.

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 2022A 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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ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

AIRPORT REVENUE SERIES 2022A BONDS FINANCIAL FEASIBILITY REPORT

May 12, 2022

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SECTION 1 | INTRODUCTION

The purpose of this Financial Feasibility Report (this Report) is to evaluate the financial impact of the proposed issuance by The City of St. Louis, Missouri (the City) of its Airport Revenue Refunding Bonds, Series 2022A (AMT) (St. Louis Lambert International Airport) (the Series 2022A Bonds). The Series 2022A Bonds are issued pursuant to the Restated Indenture of Trust dated as of July 1, 2009 (the Restated Indenture), as amended and supplemented, including by the Twenty-Fifth Supplemental Indenture dated as of May 1, 2022 (the Twenty-Fifth 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 2022A Bonds will enable the City to take advantage of opportunities that currently exist in the market to achieve debt interest savings and will have the effect of reducing future debt service payments required to be made from Airport Revenues on bonds. This Report addresses the use of bond proceeds from the Series 2022A Bonds and the use of other available funds, to refund or defease all of the outstanding City of St. Louis, Series 2012 Bonds. In addition, the proceeds will also be used (1) to fund debt service reserve accounts, and (2) to pay for certain costs of issuance related to the issuance of the Series 2022A Bonds.

This Report is comprised of the following sections:

- Section 1 describes the Airport, and the use of the proceeds from the Series 2022A Bonds.
- Section 2 defines the Airport's air service area and discusses relevant demographic and economic trends.
- Section 3 analyzes the historical aviation activity at the Airport and presents forecasts.
- Section 4 describes the Airport Use and Lease Agreement (AULA), which currently has been extended through fiscal year (FY)2022 (ending June 30, 2022) and is being considered for extension to FY2023. For purposes of the financial projections presented in Section 5, this Report has assumed provisions of the extended AULA will be consistent throughout the forecast period.
- Section 5 reviews the framework for the financial operations of the Airport. This section also reviews the recent historical financial performance of the Airport, including 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.

1.1 | The Airport

The Airport is located in St. Louis County, Missouri near the center of the St. Louis, Mo-IL metropolitan area and approximately 15 miles northwest of the City's business district. The Airport is comprised of approximately 3,600 acres of land. In February 2017, the Airport's name officially changed from Lambert-St. Louis International Airport to St. Louis Lambert International Airport.

The FAA classifies the Airport as a medium hub airport, an airport that enplanes between 0.25 and 1.0 percent of the total passengers in the United States in a calendar year (CY). In CY2020, the Airport enplaned approximately 3.1 million passengers, which accounted for approximately 0.83 percent of total U.S. enplanements. According to the FAA CY2020 report, the Airport ranked as the 35th largest airport nationwide in terms of total passengers.

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 the Airport to achieve simultaneous take-offs and landings with Runway 12L-30R during instrument flight rule (IFR) conditions. All runways, including Runway 6-24 (crosswind runway), 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. In addition, 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 and is comprised of the main terminal space and four concourses (Concourses A, B, C and D) with 57 aircraft gates in a mixed configuration. Currently, Concourse A has 15 gates: six are leased by Delta Airlines, five by United Airlines, one by Air Canada, three are City Gates available for lease or per-turn use, and one gate is not currently in use. Concourse C has 29 gates: two are leased by Air Choice One, one by Alaska Airlines, seven by American Airlines, two by Cape Air, one by Contour Aviation, two by Frontier, three City Gates available for lease or per-turn use, and 11 gates 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 continues to remain available as holdroom space for passenger airlines. Concourse D of Terminal 1 continues to be inactive at this time. Terminal 2 has approximately 390 thousand usable square feet of building space and consists of one concourse with 18 aircraft gates. Currently, Southwest Airlines leases 17 gates in Terminal 2, and one City Gate is available for lease or per-turn use. Three of the gates (one City Gate and two Southwest leased gates) are available for arriving flights requiring United States 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, which provides another mode of transportation to and from the Airport.

Currently, the Airport has 9,001 public parking spaces available, consisting of 3,032 short-term (Terminal 1 and 2 garages), 4,728 long-term (Lots B, C and D), 993 intermediate public parking spaces (Lot A) and 248 in the recently completed Lot E adjacent to Terminal 2.

The other Airport facilities owned by the City include two off-site office buildings, five warehouse-type buildings in Cargo City, eleven shops and service buildings, and hangars leased by American Airlines, JetLinx St. Louis, Trans States Airlines, Airport Terminal Services, 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 is in the process of determining the long-term use of this property.

A long-term lease of the north cargo facility in Cargo City, with St. Louis Cargo Services, expired on April 30, 2019. The facility includes 139,340 square feet of cargo building space, 338,740 square feet of vehicle parking space and 566,209 square feet of aircraft apron space. The Airport has entered into direct leases with Federal Express and United Parcel Service for portions of the facility. It is anticipated that both of these leases will be extended to end concurrently with the extension of the AULA on June 30, 2023. Additionally, Majestic Terminal Services (a handler for Amazon Prime) has leased space in the facility until August 31, 2022. The north cargo facility is now at capacity.

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 of fuel farm space and has begun the process of developing a replacement fuel farm. The replacement fuel farm will be located on the former "Brownleigh" site, to the northeast of the Airport, and is currently in the design and site investigation stage. Construction on the replacement fuel farm began during FY2020, and upon completion, the old fuel farm will be decommissioned, remediated, and the land returned to the Airport for future redevelopment.

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 has 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 grants 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 remains in litigation with the former tenant.

Additionally, there are other structures at the Airport that are owned by the Boeing company 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, consisting of a President and 28 Aldermen who serve four-year terms, is the legislative body of the City. The Mayor, the Comptroller and the President of the Board of Aldermen 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 St. Louis County Executive, one member appointed by the County Executive of St. Charles, Missouri, and one 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 use of STL'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 establish schedules fixing 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. Additionally, in her role she manages over 500 employees and is also Chairwoman of the Commission, as well as chairing Airport Oversight Committee of the Airport Cooperative Research Program and BJC Healthcare.

- Jerry Beckman, P.E. Airport Deputy Director of Planning and Development since October 2013. Mr. Beckman 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.

- Ron Stella, Airport Deputy Director of Operations and Maintenance since July 2015. Mr. Stella is responsible for Airfield and Building Operations, Security Operations, Emergency

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

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, Radio Systems, and Emergency Planning.

- Antonio Strong, C.P.A. Airport Deputy Director of Finance and Administration since July 2015. Mr. Strong 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 | FAA Privatization Program

On April 24, 2017, the FAA accepted the City's preliminary application for the participation of the St. Louis Lambert International Airport (the Airport, or STL) in the Federal Aviation Administration's (FAA) Airport Privatization Pilot Program (APPP). The City formed an advisory working group (Advisory Working Group) consisting of representatives of the City and various professionals, including aviation consultants, attorneys, financial advisors and investment bankers to assist the City in this exploratory process. Following several months of work and discussion by the Advisory Working Group, in late December 2019, former Mayor Lyda Krewson ended the City's further consideration of the Airport being privatized, citing input from residents, business leaders and other elected officials.

1.4 | FY2015-2020 Strategic Plan Summary Highlights

During FY2015, Airport management developed a Strategic Plan for FY2015-2020 to build on the momentum from several transformational campaigns, which established a foundation for the City to achieve an immediate operational and financial benefit. The following is a summary of some of the key accomplishments that Airport management achieved during this period summarized in the 5 Year Strategic Plan Summary Final Report released on February 3, 2021. Some of the key highlights were:

- Financial Stability – The Airport was able to strengthen financial stability by decreasing the Airlines' cost per enplanement (CPE) from FY2015 of $13.56 to $8.97 in FY2019 all while achieving continued passenger growth for 46 consecutive months along with significant increases in non-aeronautical revenues of 66.5 percent in transportation network companies and parking revenues.

- Passenger Air Service Growth – The Airport surpassed a major goal of reaching 75 nonstop destinations, although falling short of increasing those to the top 40 markets. Although towards the end of calendar year 2020 service was adversely impacted by the COVID-19 Pandemic, the Airport continues to have the pieces in place to keep building on past successes.

- General Economic Development – While navigating through many challenges, the Airport was able to achieve significant progress in the modernization of a $90 million fuel storage and related fuel system. Additionally, the Airport continues to focus on maximizing unused Airport property such as finding a location for the Ameren Missouri Lambert Solar Center. Finally, the Airport continues to look at cargo opportunities to take advantage of the increase activity in this space.

- Airport Atmosphere and Experience – The Airport focused on improving the Airport's connection with the region through broadening its experiences through concession concepts that would provide passengers a regional experience. This included various local concepts such as; Three Kings Public House, Biscuits Beer & BBQ and the Blue Note to name a few. In addition to the dining options, the Airport provided a cultural experience through the Lambert Art & Cultural Program that showcased several exhibits from local artists.

1.5 | The Airport 5-Year Capital Improvement Program

Table 1, summarizes the Airport's current 5-Year Capital Improvement Program (5-Year CIP), with the exception of potential Master Plan projects, and provides a list along with anticipated funding sources for the period FY2023-2027. The 5-Year CIP totals $215.6 million and contains various projects with the main concentration in the Airfield ($166.9 million) followed by Other CIP projects ($26.0 million), which focus on rebuilding the ramp for air cargo operations. Funding anticipates the use of federal grants: both the Airport Improvement Grants (entitlement and discretionary) $69.0 million and the Bipartisan Infrastructure Bill (BIL) $80.0 million, with the balance in PFCs $34.1 million, General Airport Revenue Bonds (GARBs) $20.7 million and Airport Development Funds (ADF) $11.8 million. The remainder of the projects include the Terminals, Parking and Passenger Loading Bridges. These projects are not critical to the Airport's operations and are subject to change based on funding availability and Airline approval.

Table 1 | FY2023–2027 Five Year Capital Improvement Plan

Project Name	Estimated Project Funding	AIP Grants: Entitlement	AIP Grants: Discretionary	PFC PAYGO	ADF	GARB [1]	BIL Grant
Airfield Projects:							
Airfield Maintenance and Auto Shop Projects [2]	$81,500,000	$0	$0	$0	$5,150,000	$1,500,000	$74,850,000
Airfield Vehicles:							
Snow Removal/Deicer Vehicles	$3,530,000	$2,647,500	$0	$882,500	$0	$0	$0
ARFF Vehicles/Replacements	$1,600,000	$0	$1,200,000	$400,000	$0	$0	$0
Other Airfield Vehicles	$1,725,000	$0	$0	$0	$1,725,000	$0	$0
Sub-Total Airfield Vehicles	$6,855,000	$2,647,500	$1,200,000	$1,282,500	$1,725,000	$0	$0
Runway Construction/Rehab, Taxiway and Apron Projects	$66,859,480	$11,087,843	$39,056,767	$16,452,370	$262,500	$0	$0
Operations Projects	$3,850,000	$0	$0	$0	$0	$3,850,000	$0
Climate Control Projects	$4,800,000	$0	$0	$4,800,000	$0	$0	$0
Other Airfield Projects	$3,000,000	$0	$750,000	$250,000	$0	$2,000,000	$0
Airfield Total	**$166,864,480**	**$13,735,343**	**$41,006,767**	**$22,784,870**	**$7,137,500**	**$7,350,000**	**$74,850,000**
Terminal 1 Projects:							
Electric Shop Projects [3]	$5,000,000		$3,750,000				$1,250,000
Terminal 1 Total	**$5,000,000**	**$0**	**$3,750,000**	**$0**	**$0**	**$0**	**$1,250,000**
Terminal 1 and 2 Shared Projects:							
Operations Projects	$750,000	$0	$562,500	$187,500	$0	$0	$0
Building Maintenance Projects	$500,000				$500,000		
Information Technology Projects	$1,000,000	$0	$0	$0	$1,000,000	$0	$0
Electric Shop Projects	$5,000,000	$0	$0	$2,000,000	$0	$3,000,000	$0
Terminals 1 and 2 Shared Total	**$7,250,000**	**$0**	**$562,500**	**$2,187,500**	**$1,500,000**	**$3,000,000**	**$0**
Terminal 2 Projects:							
Climate Control Projects [3]	$2,500,000	$0	$0	$375,000	$625,000	$0	$1,500,000
Terminal 2 Total	**$2,500,000**	**$0**	**$0**	**$375,000**	**$625,000**	**$0**	**$1,500,000**
Passenger Loading Bridge Projects:							
Replace 3 Aged Airport-Owned Passenger Loading Bridges [3]	$3,000,000	$0	$0	$600,000	$0	$0	$2,400,000
Passenger Loading Bridge Total	**$3,000,000**	**$0**	**$0**	**$600,000**	**$0**	**$0**	**$2,400,000**
Parking Projects:							
Ground Transportation Center	$2,500,000	$0	$0	$1,875,000	$0	$625,000	$0
Other Parking Projects	$2,500,000	$0	$0	$0	$2,500,000	$0	$0
Parking Total	**$5,000,000**	**$0**	**$0**	**$1,875,000**	**$2,500,000**	**$625,000**	**$0**
Other CIP Projects:							
Rebuild Ramp at St. Louis Air Cargo	$25,000,000	$0	$10,000,000	$6,250,000	$0	$8,750,000	$0
Other Projects	$1,000,000	$0	$0	$0	$0	$1,000,000	$0
Other CIP Total	**$26,000,000**	**$0**	**$10,000,000**	**$6,250,000**	**$0**	**$9,750,000**	**$0**
Grand Total 5 Year CIP FY 2023 - 2027	**$215,614,480**	**$13,735,343**	**$55,319,267**	**$34,072,370**	**$11,762,500**	**$20,725,000**	**$80,000,000**

[1] Assumes a future bond will be issued in FY2023 to fund the GARB project.

[2] A portion of the airfield projects is eligible for Bipartisan Infrastructure Bill (BIL) funding.

[3] A portion of the terminal and passenger loading bridges are eligible for Bipartisan Infrastructure Bill (Terminal Discretionary) funding.

SECTION 2 | ECONOMIC BASE

Air travel is a derived demand influenced by both demographic and economic conditions at the national and regional levels. Nationally, demographic and economic trends affect the U.S. aggregate demand for air travel and help shape state and local economies. Local market factors help determine the ability of local residents to travel, as well as the attractiveness of an air service area as a visitor destination. Market factors are particularly important in determining passenger traffic at an airport like STL where the majority of passengers either begin or end their flight itineraries at the airport (origin and destination or O&D passenger traffic). Economic trends at the national level influence the demand for both outbound and inbound travel, and both O&D and connecting traffic levels. This section presents a detailed assessment of the demographic and economic trends in the Airport's air service area, the St. Louis, MO-IL, Metropolitan Statistical Area (St. Louis MSA), as well as in the Airport's home state of Missouri and in the United States as a whole. It also provides an assessment of the outlook of both the regional and national economy.

Over the past two years, the world has been facing a pandemic caused by the Coronavirus Disease 2019 (COVID-19). The pandemic has disrupted day-to-day life and economic activities across the globe. The economic effects of the pandemic in the United States and the Airport's service area manifest in the trends of key economic indicators discussed in this section.

2.1 | COVID-19 Pandemic

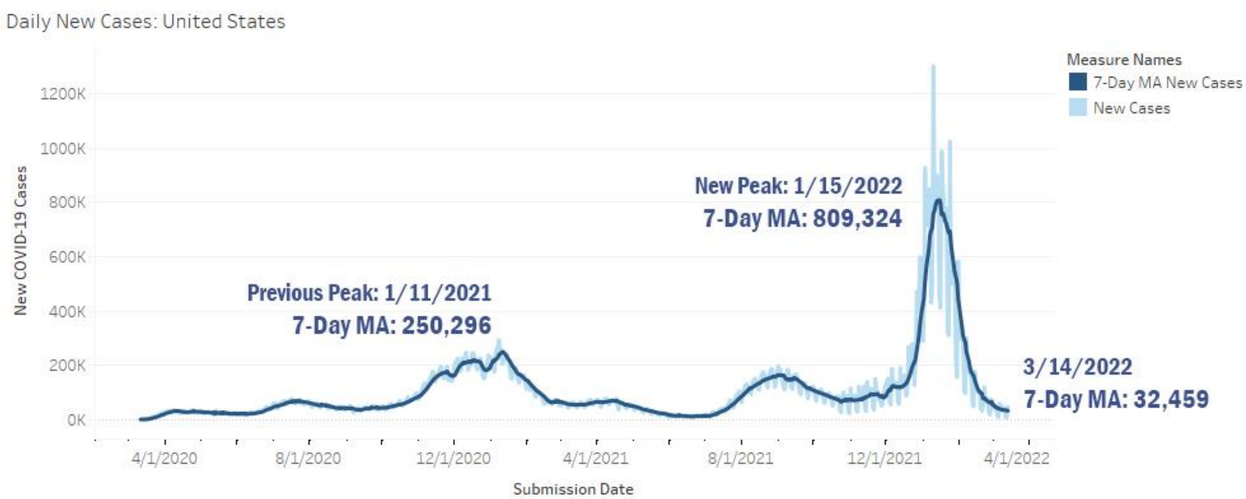
The COVID-19 pandemic has had a profound effect on air transport and the broader economy. The 2020 pandemic was triggered by the COVID-19 virus, which was first identified in Wuhan, Hubei Province, China, in December 2019. With the subsequent increase in travel during the winter holidays, the virus diffused quickly around the world. As COVID-19 related cases and deaths continued to rise, on March 11, 2020, three months after the first COVID-19 case was identified, the World Health Organization (WHO) declared COVID-19 a global pandemic.[2]

The COVID-19 pandemic created an unprecedented crisis in the United States, leading to a declaration of national emergency on March 13, 2020. The United States, like many countries, sought to curtail the spread of the virus by placing restrictions on domestic and international travel, issuing statewide stay-at-home orders, and promoting social distancing. Despite these efforts to contain the spread of COVID-19, several waves of infection hit the United States. The first wave began in March 2020; the second wave, June 2020; and the third wave, October 2020. In the summer of 2021, new variants of the COVID-19 virus began to emerge throughout the world, including the United States. This spurred a fourth wave of infections (due to the Delta variant) which began in July 2021 and a fifth wave (due to the Omicron variant) which began in November 2021 (Figure 1). Peak daily cases during the fifth wave surpassed those during the previous waves. Major holidays and resurgence of travel exacerbated virus transmission.

[2] American Journal of Managed Care Staff, *A Timeline of COVID-19 Developments in 2020*, July 3, 2020, https://www.ajmc.com/view/a-timeline-of-covid19-developments-in-2020, accessed October 15, 2020.

The trends in daily new cases of COVID-19 in Missouri and Illinois have generally mirrored the national pattern (Figure 2 and Figure 3). The fourth wave in the two regions, however, which began in July 2021, was not as prominent relative to the third wave surge as was the case in the United States overall. Nationally, the seven-day moving average of daily new cases in late summer 2021 (the fourth wave) reached 66 percent of the third wave's peak. In Missouri and Illinois, totals reached only 56 percent and 35 percent of main wave peaks, respectively. Mirroring national trends, however, the fifth wave beginning in November 2021 culminated in significantly higher peaks in January 2022 than had been seen throughout the pandemic. The spike of new COVID-19 cases began to subside as January continued, and infection rates in both states continued downward through February into March.

Figure 1 | COVID-19: United States Seven-Day Moving Average (New Cases), March 2020 – March 2022

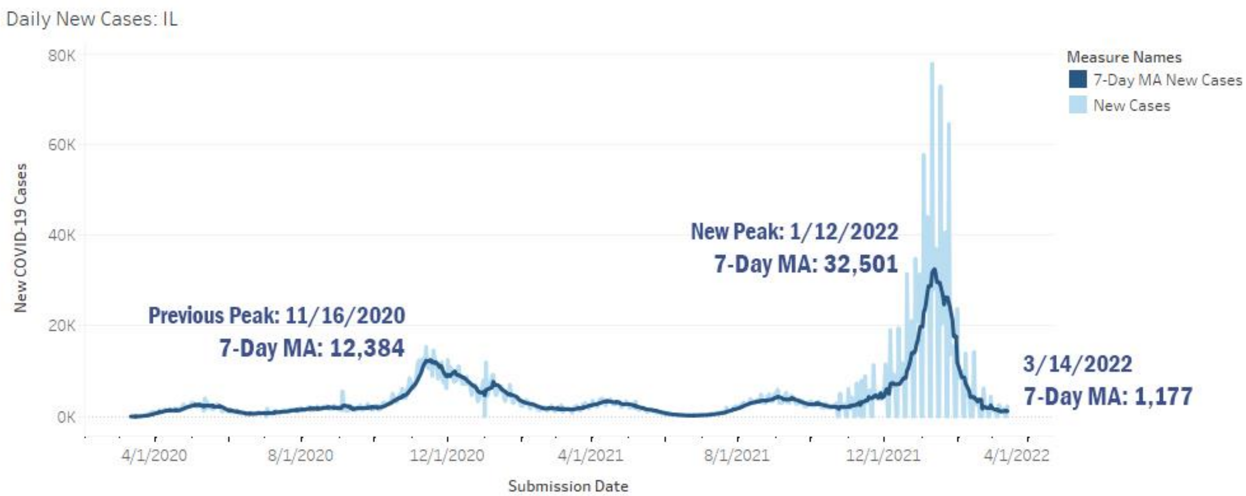


Source: Centers for Disease Control and Prevention Covid Data Tracker.

Figure 2 | COVID-19: Missouri Seven-Day Moving Average (New Cases), March 2020 – March 2022

Source: Centers for Disease Control and Prevention Covid Data Tracker.

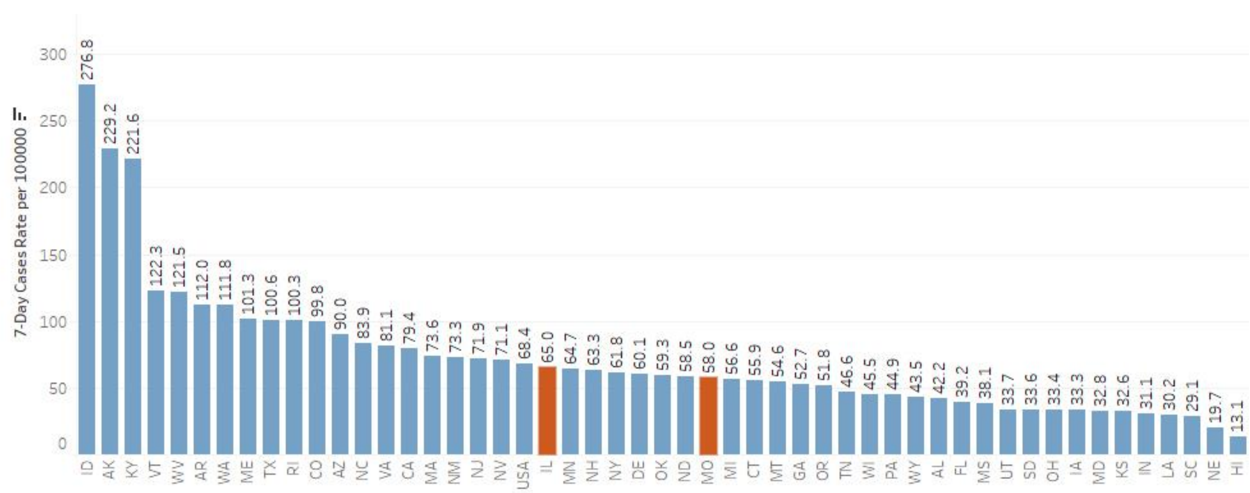
Figure 3 | COVID-19: Illinois Seven-Day Moving Average (New Cases), March 2020 – March 2022



Source: Centers for Disease Control and Prevention Covid Data Tracker.

The emergence of new COVID-19 variants remains a concern in Missouri, Illinois, the St. Louis MSA, and across the country. As of March 14, 2022, Missouri and Illinois had seven-day moving averages of 58 and 65 infections per 100,000 people, respectively (Figure 4). Both states currently sit below the national seven-day moving average of 68.4 per 100,000, among the lower half of state case rates. Idaho currently has the highest infection rate at 276.8 per 100,000, while Hawaii has the lowest rate at 13.1.

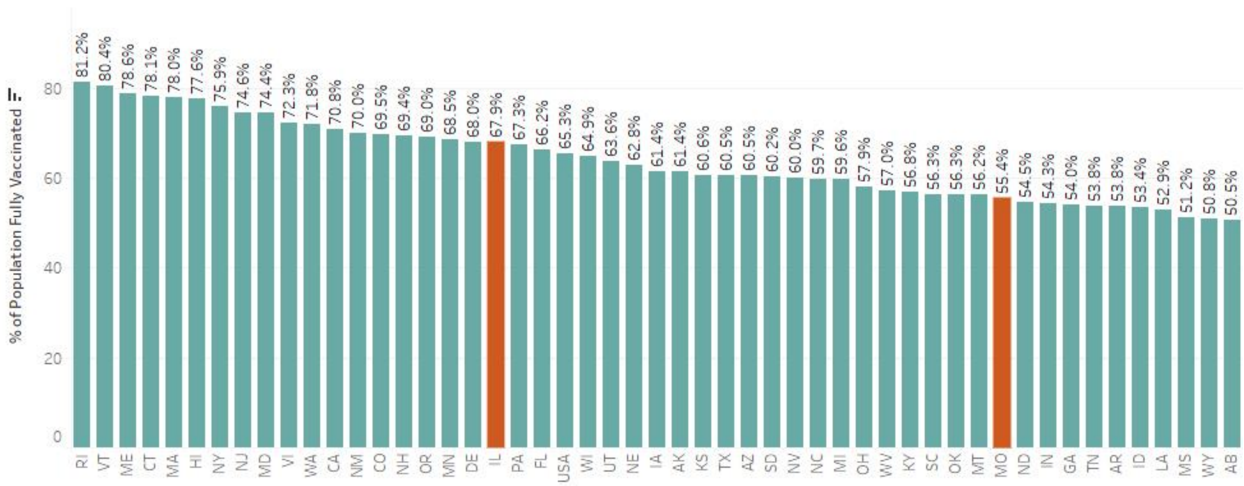
Figure 4 | COVID-19: Seven-Day Moving Average (New Cases) by State, March 14, 2022



Source: Centers for Disease Control and Prevention Covid Data Tracker.

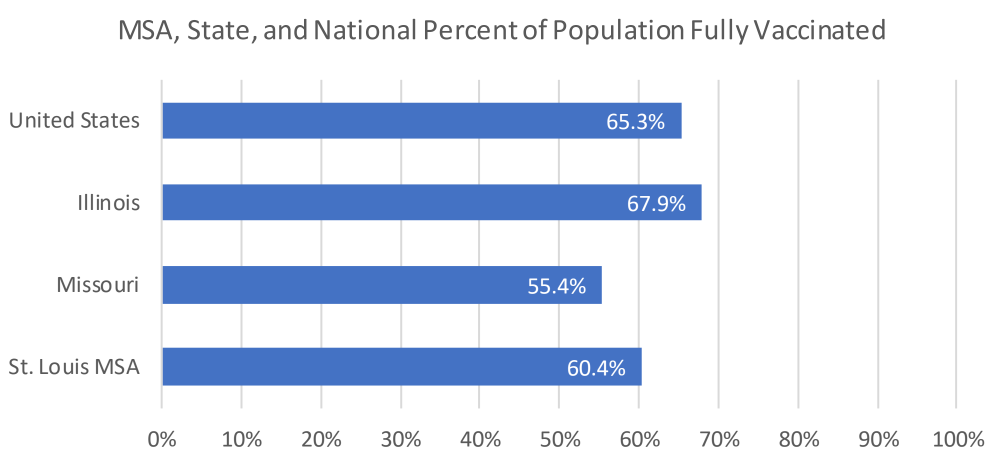
Vaccination rates remain lower than needed to achieve herd immunity.[3] As of March 2, 2022, about 65.3 percent of the population of the United States was vaccinated, compared with 67.9 percent statewide in Illinois and 55.4 percent in Missouri (Figure 5). At the county level, the total vaccination rate of all the component counties of the St. Louis MSA was 60.4 percent (Figure 6).

Figure 5 | Percent of Population Fully Vaccinated by State, March 14, 2022



Source: Centers for Disease Control and Prevention Covid Data Tracker.

Figure 6 | Vaccination Rates by National, State, and MSA Level, March 14, 2022



Source: Centers for Disease Control and Prevention Covid Data Tracker, Illinois Department of Public Health, and Missouri Department of Health & Senior Services.

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[3] The emergence of infectious variants raised estimates of the immunization rates needed for COVID-19 herd immunity to 85 percent, up from the 60-70 percent rates suggested at start of the pandemic. See Carrie Macmillan, Yale Medical News, *Herd Immunity: Will We Ever Get There?* May 21, 2021, https://www.yalemedicine.org/news/herd-immunity, accessed February 8, 2022.

The pandemic devastated the U.S. economy and the air transport industry. Travel restrictions, stay-at-home orders, and voluntary social distancing prompted people to stay home, avoid travel, and limit economic activities. Many businesses were forced to shut down, some permanently, and air travel came to a near halt.

As of February 2022, recovery in travel demand is progressing, though has been hampered by the latest wave of new COVID-19 cases. Demand for leisure travel has been increasing, business travel is beginning to rise, and international markets have begun to open. As new mutations emerge and spread, however, COVID-19 continues to threaten traffic recovery and otherwise strong economic growth. Omicron, declared a variant of concern by WHO, triggered the renewal of international travel restrictions that had just begun to loosen. New variants of COVID-19 discourage both personal and business travel, and result in a slowing of airline flight bookings. They delay the return of in-person conventions and return-to-office plans—leading to potentially permanent remote and hybrid work arrangements—and further slow the recovery of business travel.

Airlines, airports, and businesses operating at airports have suffered dramatic decreases in revenues. Several federal programs including the CARES Act (2020), Airport Coronavirus Response Grant Program (2020), the Consolidated Appropriations Act (2021), American Rescue Plan Act (2021), and Infrastructure Investment and Jobs Act (2021) have been endorsed to assist them through the pandemic and into recovery.

2.2 | Air Service Area

The Airport's primary air service area is the St. Louis MSA, which comprises 15 counties, including the City of St. Louis,[4] spanning the states of Missouri and Illinois (Table 2). The City of St. Louis lies at the core of the MSA, surrounded by other urbanized areas such as St. Charles, Chesterfield, Wildwood, and Wentzville in Missouri, and Belleville, East St. Louis, and Alton in Illinois (Figure 7).

STL is the larger of two commercial service airports[5] serving the St. Louis MSA. In 2019, prior to the pandemic, STL was the 34th largest airport in the United States based on annual enplanements. It is classified by the FAA as a primary medium hub, a category of airports that individually accounts 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. BLV is classified by the FAA as a primary non-hub with more than 10,000 annual enplanements, but less than a 0.05 percent share of annual U.S. commercial enplanements. BLV has significant general aviation activity and limited commercial passenger service from one airline, Allegiant Airlines. It does not pose significant competition to STL for commercial passenger traffic.

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[4] The City of St. Louis is a consolidated city-county merged into one unified jurisdiction.

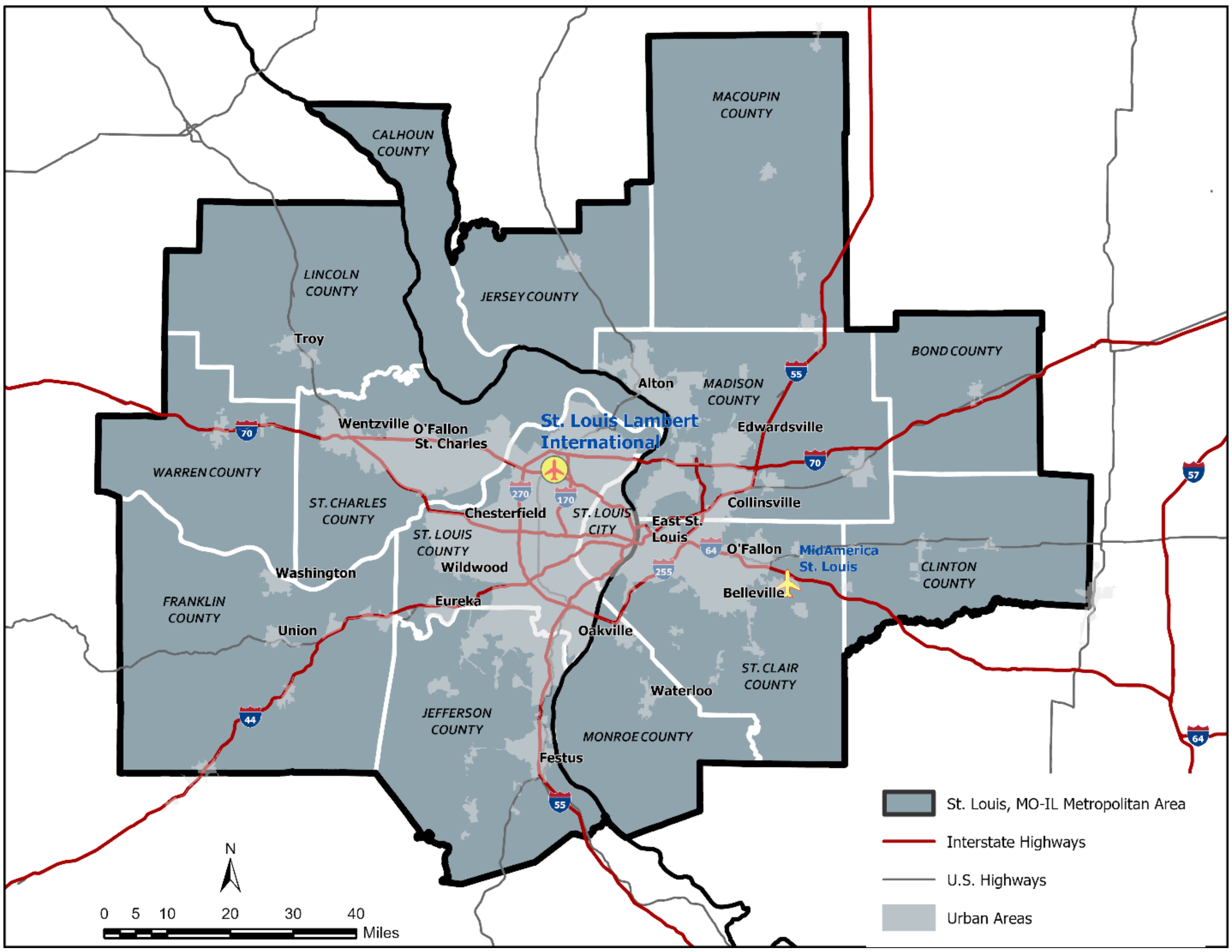
[5] Commercial service airports are publicly owned airports with at least 2,500 annual enplanements and scheduled air carrier service. Primary airports are commercial service airports with more than 10,000 annual enplanements.

Table 2 | Component Counties of the St. Louis MSA

Missouri	Illinois
Franklin County	Bond County
Jefferson County	Calhoun County
Lincoln County	Clinton County
St. Charles County	Jersey County
St. Louis City	Macoupin County
St. Louis County	Madison County
Warren County	Monroe County
	St. Clair County

Source: Office of Management and Budget Delineations of Metropolitan Statistical Areas.

Figure 7 | Map of the St. Louis MSA



Sources: ESRI and FAA.

In the larger regional context, STL operates in relative market isolation. Figure 8 shows the St. Louis MSA, the two-hour drive time boundary to the airport, and the commercial service airports closest to STL. Other than Mid America St. Louis BLV, there are no other commercial service airports within the two-hour drive time boundary (Table 3).[6] The three closest commercial service airports—Evansville Regional (EVV), Peoria International (PIA), and Central Illinois Regional (BMI)—are all primary non-hubs[7] located more than 2.5 driving hours away. The closest small hub,[8] Springfield-Branson National (SGF), is more than 3.25 driving hours away; and the closest medium hub,[9] Indianapolis International (IND), is approximately 3.5 driving hours away. The closest large hubs,[10] Chicago-O'Hare (ORD) and Chicago-Midway (MDW), are each more than 4.5 driving hours from St. Louis. These medium and large hub airports offer comparable or better air service, but they are too far away to draw significant passenger traffic from STL.

[6] Two hours is considered to be a reasonable limit to how long passengers would be willing to drive to access air service at STL, before considering alternative airports or other modes of transportation.

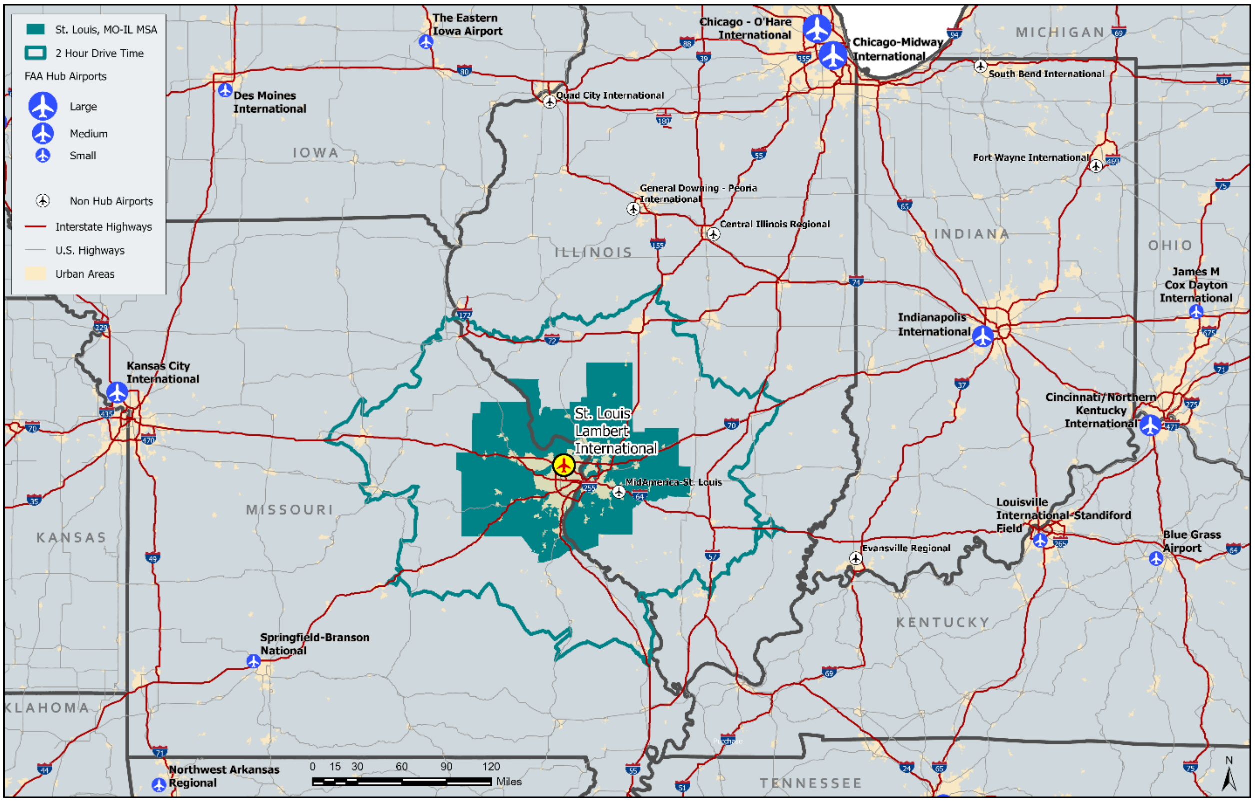
[7] A primary nonhub is a commercial service airport with more than 10,000 annual enplanements but less than 0.05 percent of annual U.S. commercial enplanements.

[8] A small hub is a primary commercial service airport that accounts for 0.05 to 0.25 percent of annual U.S. commercial enplanements.

[9] A medium hub is a primary commercial service airport that accounts for 0.25 to 1 percent of annual U.S. commercial enplanements.

[10] A large hub is a primary commercial service airport that accounts for 1 percent or more of annual U.S. commercial enplanements.

Figure 8 | Commercial Service Airports in the St. Louis MSA and Surrounding Region



Sources: ESRI and FAA.

Within the St. Louis MSA, and compared with other cities of similar size, vehicle traffic is relatively light, allowing easy access to STL. Of 31 large cities tracked by the U.S. Department of Transportation, the City is tied for second on the urban travel time index, measured in 2019 prior to the pandemic. Travel times within the City increase only an average of 14 percent during the most congested time periods compared with free-flow traffic. In more congested cities, such as Austin, TX, Portland, OR, or San Jose, CA, traffic times increase more than 30 percent during congested periods.[11]

[11] Source: Bureau of Transportation Statistics.

Table 3 | Selected Commercial Service Airports within Five Driving Hours of STL

Airport Name	State	Code	2019 Hub Status[1]	Distance from STL[2] Miles	Time
MidAmerica St. Louis	IL	BLV	Non-hub	37	35 min
Evansville Regional	IN	EVV	Non-hub	178	2 hours 37 min
General Downing - Peoria International	IL	PIA	Non-hub	182	2 hours 40 min
Central Illinois Regional	IL	BMI	Non-hub	175	2 hours 42 min
Springfield-Branson National	MO	SGF	Small	224	3 hours 17 min
Indianapolis International	IN	IND	Medium	241	3 hours 31 min
Kansas City International	MO	MCI	Medium	253	3 hours 45 min
Quad City International	IL	MLI	Non-hub	267	3 hours 52 min
The Eastern Iowa Airport	IA	CID	Small	266	4 hours 5 min
Louisville International - Standiford Field	KY	SDF	Small	279	4 hours 2 min
Chicago O'Hare International	IL	ORD	Large	306	4 hours 32 min
Chicago Midway International	IL	MDW	Large	299	4 hours 36 min

Sources:
[1] FAA. Airport hub classifications are based on share of U.S. total enplanements:

- Non-hub (primary) — more than 10,000 annual enplanements but less than 0.05 percent of annual U.S. commercial enplanements.
- Small hub — 0.05 to 0.25 percent of annual U.S. commercial enplanements.
- Medium hub — 0.25 to 1 percent of annual U.S. commercial enplanements.
- Large hub — 1 percent or more of annual U.S. commercial enplanements.

[2] Google Maps. Distances and drive times are approximate and depend on route, day, and time of day.

2.3 | Demographic Attributes

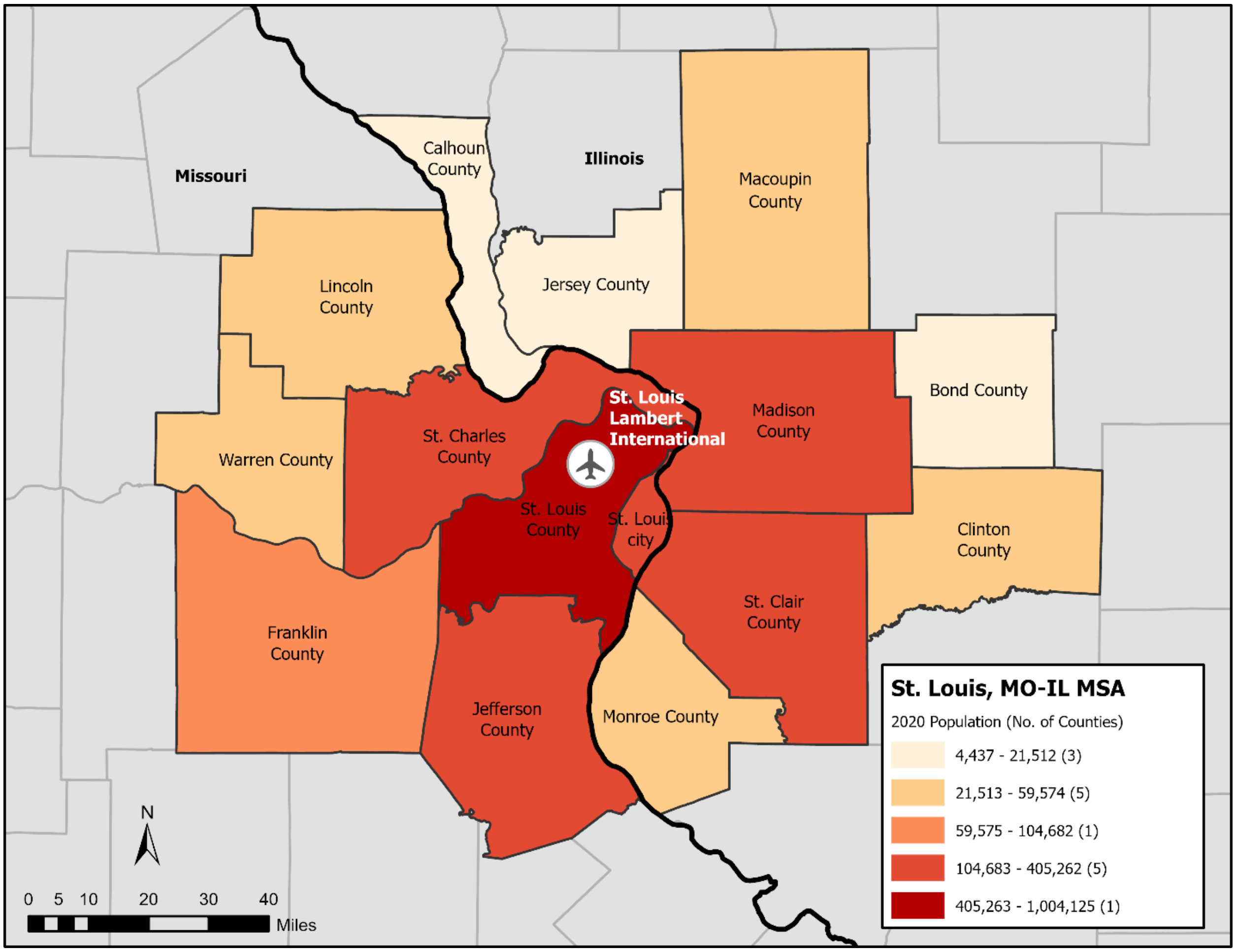
Demographic attributes of the air service area, including its population, age distribution, foreign-born population, educational attainment, and income characteristics, affect the state of the local economy and local air service demand at the Airport. Positive trends in these attributes help increase local economic activity and demand for air service at the Airport.

2.3.1 | Population

A large population provides a sizeable market for passenger air service. By population size, the St. Louis MSA is the 20th largest metropolitan statistical area in the United States. As of 2020, the St. Louis MSA resident population was 2.8 million. Approximately 76 percent live on the Missouri side of the Mississippi River, with the remainder residing in Illinois (Figure 9). Over 87 percent reside in the six-county region of St. Louis County, St. Louis City, St. Charles County, and Jefferson County in Missouri, and Madison and St. Clair Counties in Illinois.

The population of the St. Louis MSA, however, is slow-growing, and it has decreased slightly in recent years due to outmigration (Figure 10). Between 2000 and 2020 the population of St. Louis grew about five percent overall (0.23 percent annually). By comparison, the Missouri state population grew 10 percent overall (0.46 percent annually) and the U.S. population grew 17 percent overall (0.78 per cent annually). Over the most recent decade, from 2010 to 2020, the St. Louis MSA ranked 279th (out of 384) in metropolitan population growth.[12]

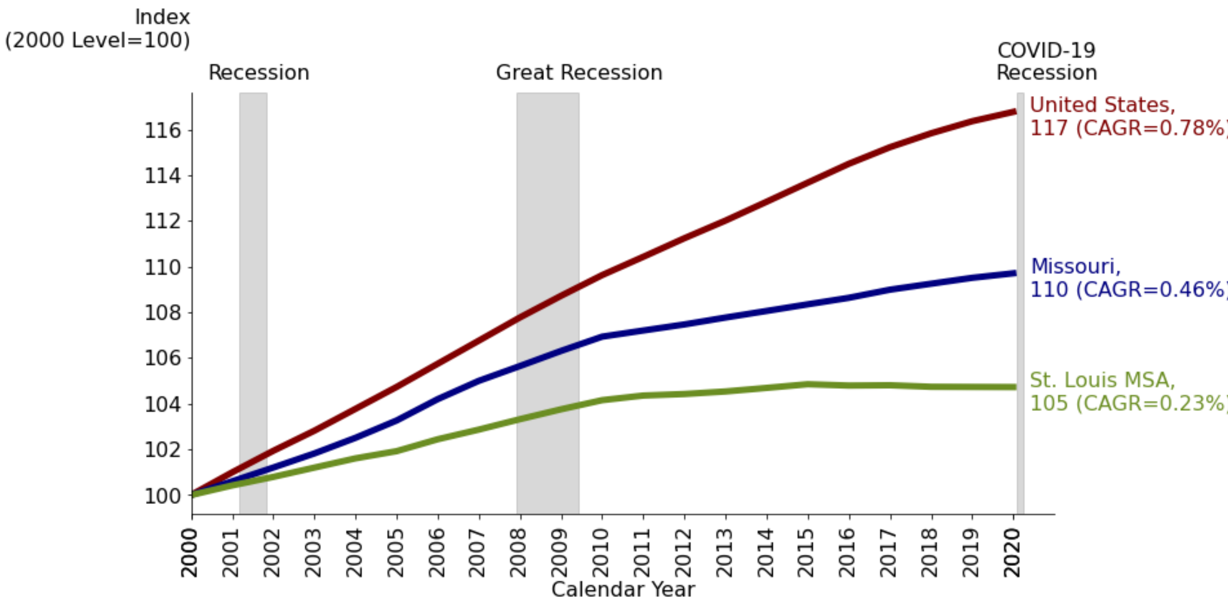
Figure 9 | Population by County 2020: St. Louis MSA



Sources: U.S. Census 2020 Redistricting Dataset and ESRI.

[12] Source: U.S. Census Bureau U.S. metropolitan statistical area population estimates.

Figure 10 | Population Change, 2000-2020



CAGR – compound annual growth rate.
Source: U.S. Census Bureau Population Estimates.

Table 4 shows the projected annual population growth rate between 2021 and 2026 for the counties in the St. Louis MSA and an index to compare the projected county population growth rate with the projected U.S. annual population growth of 0.71 percent (U.S. index = 100). Overall, population growth across the St. Louis MSA's counties is predicted to be slow or negative over the next five years. The Missouri counties have a better outlook, with all but the City projected to increase population. In contrast, all but one of the Illinois counties are projected to lose population. Taken as a whole, the St. Louis MSA's population is projected to grow at a 0.24 percent annual rate between 2021-2026, about a third of the projected U.S. population growth rate (index = 34). The larger two-hour drive time region is projected to grow at 0.18 percent per year, about a quarter of the projected U.S. population growth rate (index = 25).

Table 4 | Estimated Population Growth by St. Louis MSA County, 2021-2026

Missouri Counties			Illinois Counties		
Name	Growth Rate	Index	Name	Growth Rate	Index
St. Charles County	1.39	196	Monroe County	0.66	93
Lincoln County	1.18	166	Clinton County	-0.07	-10
Warren County	1.16	163	Madison County	-0.18	-25
Franklin County	0.59	83	St. Clair County	-0.41	-58
Jefferson County	0.50	70	Bond County	-0.46	-65
St. Louis County	0.12	17	Macoupin County	-0.56	-79
St. Louis City	-0.39	-55	Jersey County	-0.73	-103
			Calhoun County	-0.74	-104

Source: ESRI. Growth rates are annualized percentages. The index compares the county annual population growth rate to the projected U.S. annual population growth rate of 0.71 percent (U.S. index =100).

2.3.2 | Population by Age

Having a large working-age (18 to 64 years) population to important in maintaining a vibrant local economy and a high standard of living. The St. Louis MSA has a slightly larger proportion of working-age population: 61.9 percent, compared to 61.8 percent of the United States and 60.8 percent of Missouri (Figure 11). As a result, the age-dependency ratio in the St. Louis MSA is slightly lower at 58percent, compared with 62 percent in the United States and 64.4 percent in Missouri.[13] A lower age-dependency ratio is desirable; it indicates a relatively greater proportion of the population supporting the dependent population (under 15 or over 64 years).

The population distribution by age group in the St. Louis MSA is very similar to the U.S. and Missouri state distributions. In 2019, the median age of the population in the St. Louis MSA (37.2 years) was just slightly lower than the median age in the United States (38.1 years) and Missouri (39.4 years). The St. Louis MSA population is also not aging as fast. Since 2010, the median age in the St. Louis MSA has actually decreased by about 0.6 years, compared with an increase of about 1.8 years in Missouri and 1.5 years in the United States.[14]

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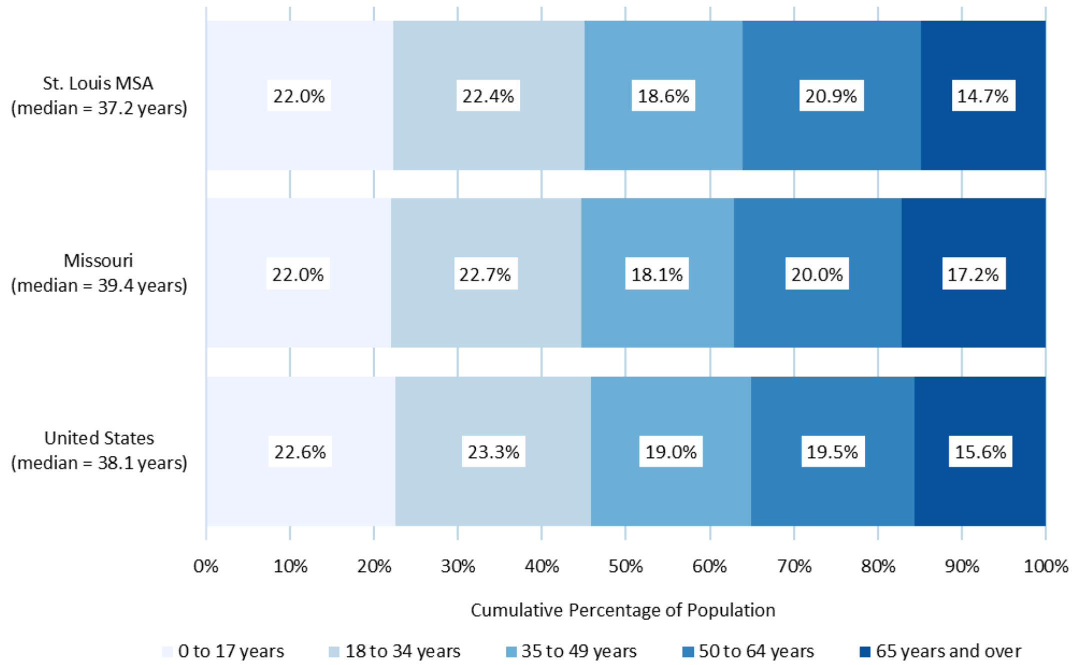
[13] The age dependency ratio is the percentage of population aged 0-14 plus 65 and over compared with the percent of population aged 15-64.

[14] Source: U.S. Census Bureau 2006-2010 and 2015-2019 American Community Survey Five-Year Estimates.

Figure 11 | Population Age Distribution



Source: U.S. Census Bureau 2015-2019 American Community Survey 5-Year Estimates. Numbers may not add up to 100 percent due to rounding.

2.3.3 | Foreign-Born Population

One way to gain population and expand the local market base is by attracting in-migration. In particular, international immigrants generate high demand for air service for both outbound and inbound travel for both visiting friends and relatives (VFR) and business purposes. The St. Louis MSA has a relatively low concentration of foreign-born persons; however, the total is rising quickly.

As of 2019, around 136,000 or 4.8 percent of the MSA residents were born outside of the United States, much lower than the national share of 13.6 percent (Table 5), but slightly higher than that of Missouri (4.2 percent). Among the foreign-born population groups in the St. Louis MSA, the largest came from Asia (46.1 percent), followed by Europe (22 percent) and Latin America (20 percent). This distribution, while like that of Missouri, differs somewhat from that of the nation in that the shares of region of origin are more heavily weighted towards Asia and Europe.

While the foreign-born population of the St. Louis MSA is currently relatively small, its growth bears watching. Between 2010 and 2019, its overall growth was more than 17 percent, much higher than the national growth of just 10.2 percent, but slightly lower than Missouri's growth of 18 percent.

Table 5 | Foreign-Born Population

Area	Percent of Population, 2019	Percent Growth, 2010-2019	Percentage Distribution by Region of Origin, 2019				
			Latin America	Asia	Europe	Africa	Other
United States	13.6	10.2	50.6	31.0	10.8	5.1	2.5
Missouri	4.2	18.0	29.7	39.8	17.6	9.6	3.2
St Louis MSA	4.8	17.1	20.0	46.1	22.0	9.2	2.8

Source: U.S. Census Bureau 2015-2019 American Community Survey Five-Year Estimates.

The educational attainment and fields of specialization of the foreign-born population, compared with natives, is worth exploring as it matters for their potential contribution to the workforce and regional economy. Compared to national trends, in the St. Louis MSA, foreign-born residents with college degrees tend to specialize more than natives in the fields of engineering, physical sciences, and computer and information sciences.[15]

2.3.4 | Educational Attainment

A skilled labor force supports a vigorous economy, raises air travel demand, and underpins a robust air transport sector.[16] Educated workers that can adapt to rapidly changing skill requirements support a dynamic business environment, allowing for continual innovation and productivity improvements. The importance of higher education is evident in average wages and unemployment, where workers with less than a high school diploma earn only 44 percent of those with a bachelor's degree and have unemployment rates that are more than 2 times higher.[17] Advancements in information and communication technologies have amplified the role of workers' skills in generating economic growth.[18] 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.[19]

The population of the St. Louis MSA is more highly educated than both the overall U.S. and Missouri state populations. Over 34 percent of the population aged 25 and over have at least a bachelor's degree (Figure 12). By contrast, only 32.1 percent of the United States' and 29 percent of Missouri's population have attained a bachelor's degree or higher. The percentage of population in the St.

[15] Subhayu Bandyopadhyay and Praew Grittayaphong, "How Does St. Louis Immigration Differ from National Trends?" *On The Economy Blog*, Federal Reserve Bank of St. Louis, January 10, 2022.

[16] D. Claude and L.C. Charlotte, *Human Capital and Economic Growth*, 2019. In: P. Teixeira and J. Shin (eds), *Encyclopedia of International Higher Education Systems and Institutions*, Springer, Dordrecht, 2019.

[17] U.S. Bureau of Labor Statistics, *Measuring the Value of Education*, 2018.

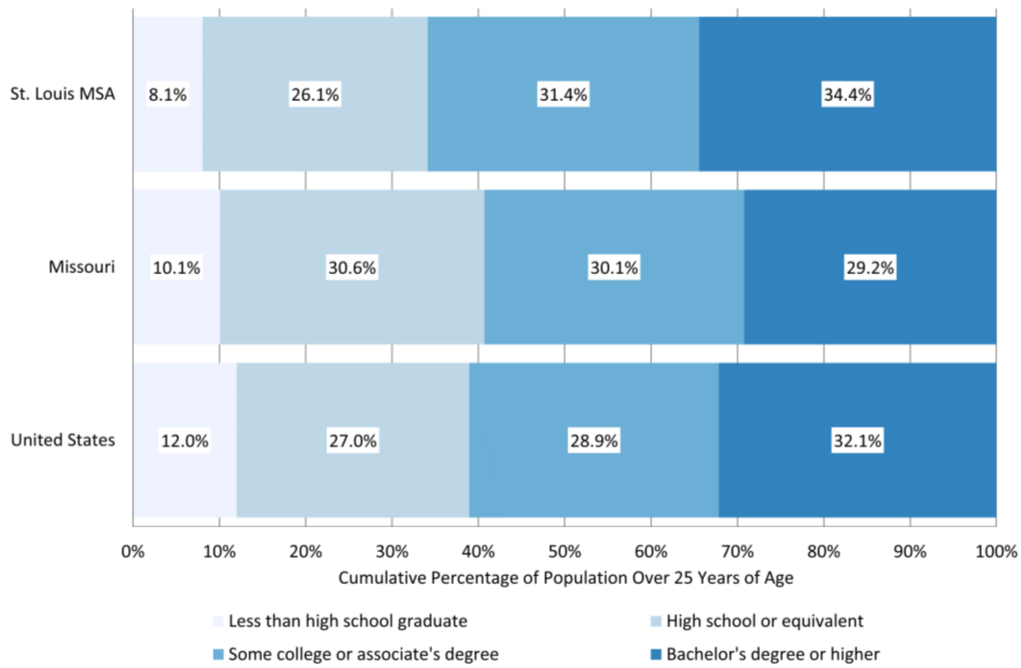
[18] Enrico Moretti, *The New Geography of Jobs*, Houghton Mifflin Harcourt, 2012.

[19] Edward Glaeser, *Triumph of the City*, The Penguin Press, 2011.

Louis MSA with less than a high school education is just 8.1 percent, which is substantially lower than 12 percent in the United States and that of Missouri (10.1 percent).

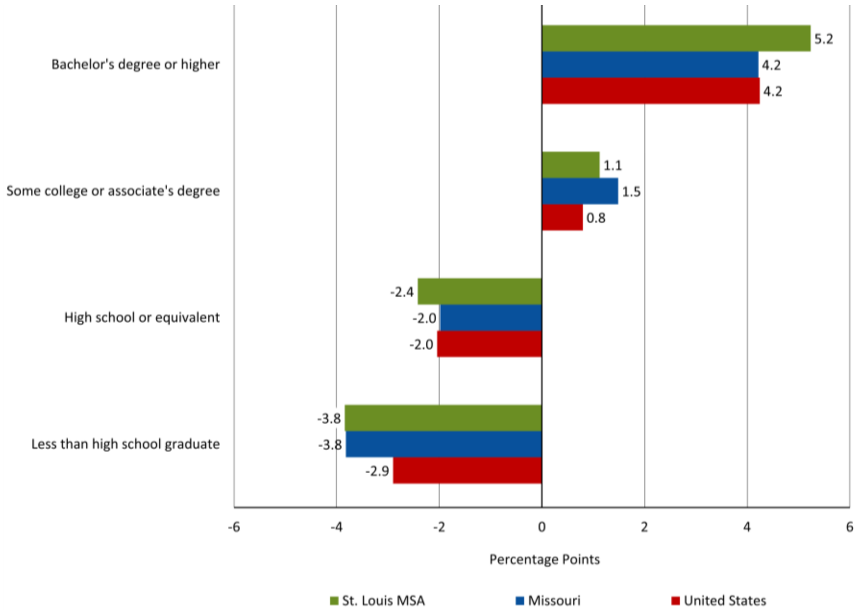
The continued upskilling of the local workforce is critical for maintaining and enhancing regional economic competitiveness. In the St. Louis MSA, the share of college-educated workers and those with some college has increased over time (Figure 13). Between 2010 and 2019, the percentage of the MSA's 25 and over population with at least a bachelor's degree increased by 5.2 percentage points, a larger increase than national and state levels changes (4.2 percentage points each). Over the same period, the share of those with a maximum educational attainment level of high school or less than high school has decreased by 2.4 and 3.8 percentage points respectively in the region.

Figure 12 | Educational Attainment



The shares may not add up to 100 percent due to rounding.
Source: U.S. Census Bureau 2015-2019 American Community Survey Five-Year Estimates.

Figure 13 | Change in Educational Attainment



The figure shows the 2010-to-2019 change in percentage points.
Source: U.S. Census Bureau 2006-2010 and 2015-2019 American Community Survey Five-Year Estimates.

2.3.5 | Income

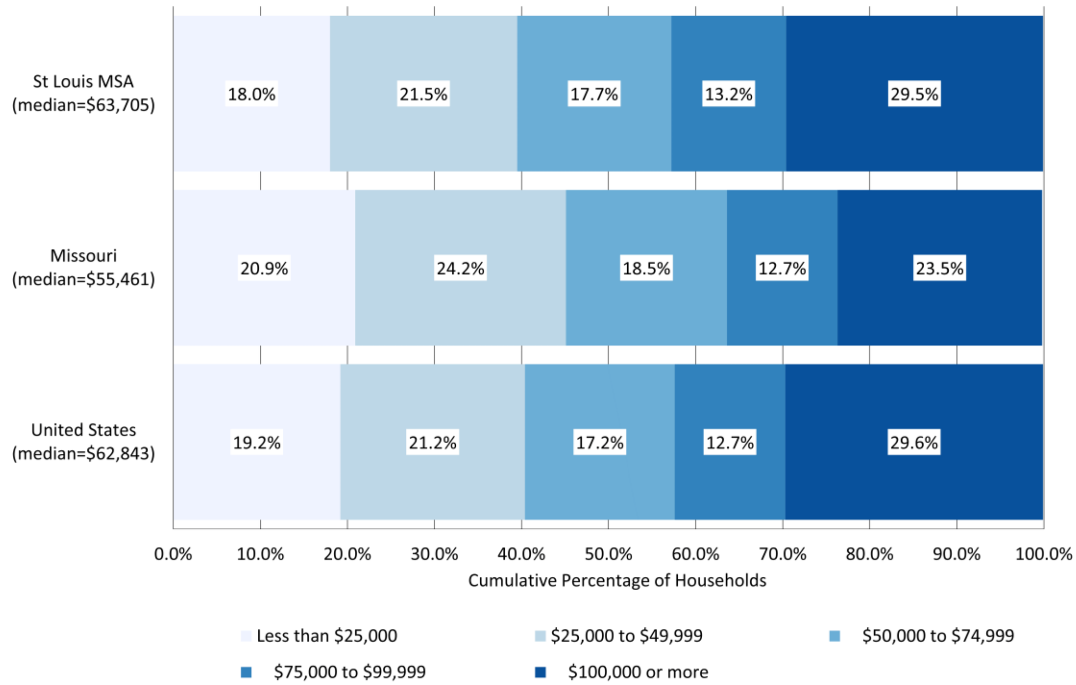
Demand for air travel is positively related to income. Higher incomes provide individuals and households greater purchasing power, resulting in a higher propensity for air travel. Studies suggest that air travel demand income elasticities are often greater than one. An income elasticity greater than 1 implies that a 10 percent increase in income, for example, results in greater than 10 percent increase in demand for air transport, all other things equal.[20]

The distribution of households by income bracket in the St. Louis MSA is skewed higher than that of Missouri and largely mirrors the U.S. distribution (Figure 14). Almost 43 percent of the St. Louis MSA's households have incomes over $75,000 compared with just 36 percent of households in Missouri. Just 40 percent of households in the St. Louis MSA earn less than $50,000 compared with over 45 percent in Missouri. The median household income in the St. Louis MSA ($63,705) is about 15 percent higher than the state average. This distribution of income translates into relatively lower poverty levels, which are 11.3 percent in the St. Louis MSA compared with 13.4 percent in the United States and 13.7 percent in Missouri.[21]

[20] C. A. Gallet and H. Doucouliagos, "The income elasticity of air travel: A meta-analysis," *Annals of Tourism Research*, *49*, 2014, 141-155.

[21] Source: 2015-2019 American Community Survey Five-Year Estimates.

Figure 14 | Percentage of Households by Income Bracket

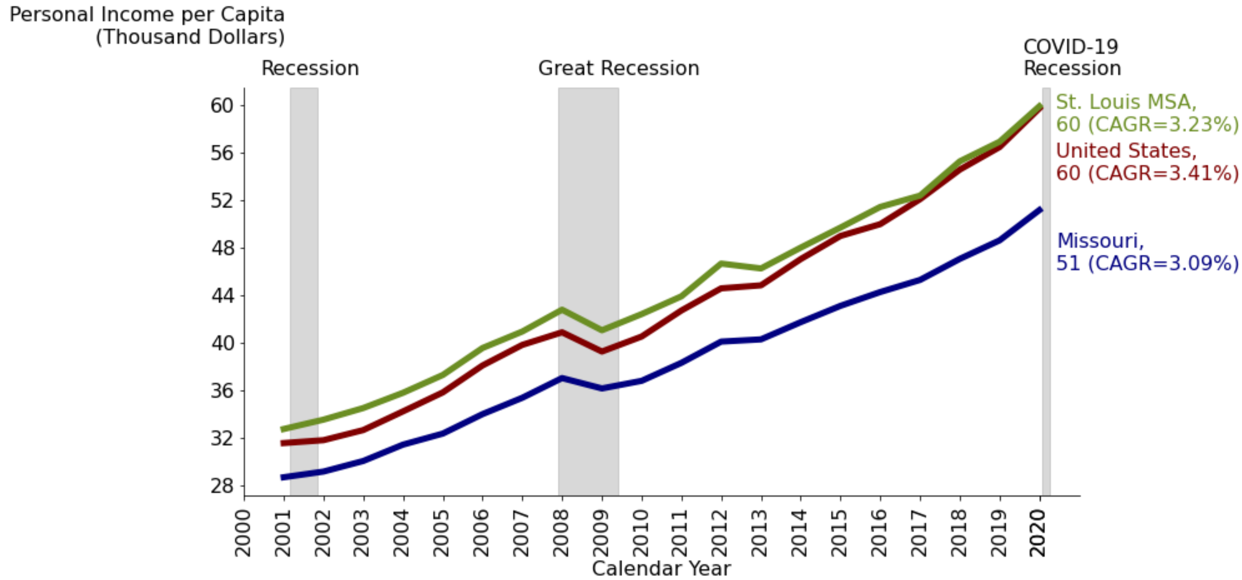


Source: U.S. Census Bureau 2015-2019 American Community Survey Five-Year Estimates.

Residents of the St. Louis MSA have enjoyed continuous per capita income growth, with only a small dip during the Great Recession (Figure 15). Between 2001 and 2020 the annual compound growth rate in the region was 3.23 percent, reaching $60,000 per person at the end of the period. This pattern closely mirrors that of the United States overall. Per capita income levels in the St. Louis MSA, however, are far higher than the state average ($51,000). In addition, the 3.23 percent annual growth in income in the St. Louis region has been slightly higher than that of the state (3.09 percent). This implies that the St. Louis MSA is widening its income gap relative to Missouri.

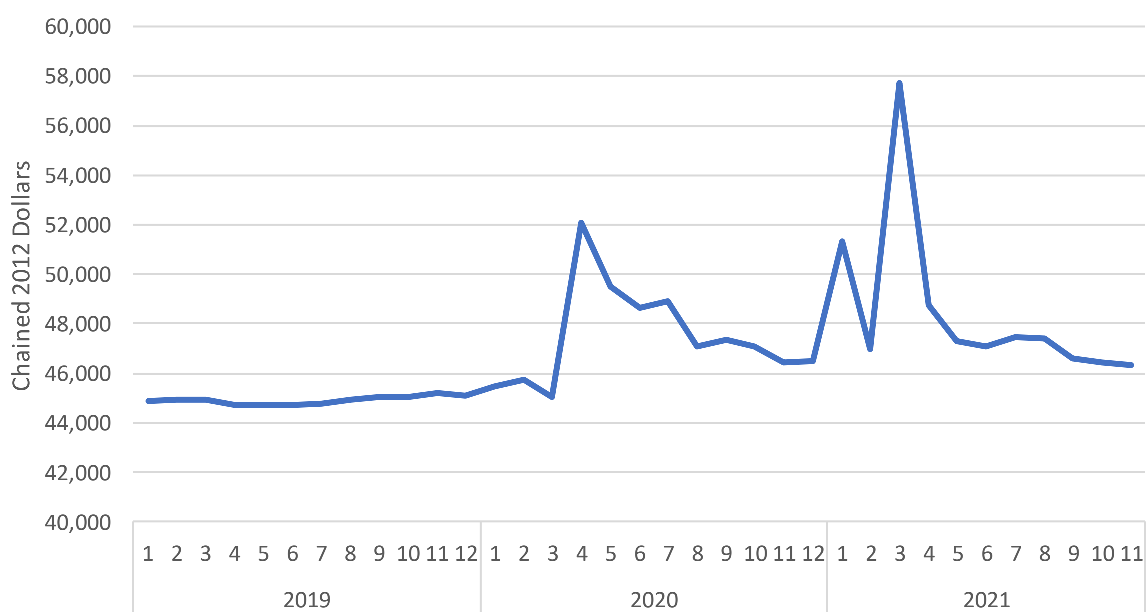
During the pandemic, government transfer payments to individuals and households under the COVID-19 relief packages—the CARES Act in March 2020, the Consolidated Appropriations Act in December 2020, and the American Rescue Plan in March 2021—helped protect consumers from income losses. These income transfers created surges in real disposable personal incomes apparent in the three spikes in the chart on Figure 16.

Figure 15 | Per Capita Personal Income



Data labels show personal income per capita (in thousand dollars) and the compound annual growth rate (CAGR). The 2020 personal income per capita of the St. Louis MSA is estimated using the 2019-2020 personal income per capita growth rate of Missouri.
Source: U.S. Bureau of Economic Analysis.

Figure 16| U.S. Real Disposable Personal Income Per Capita, January 2019-November 2021

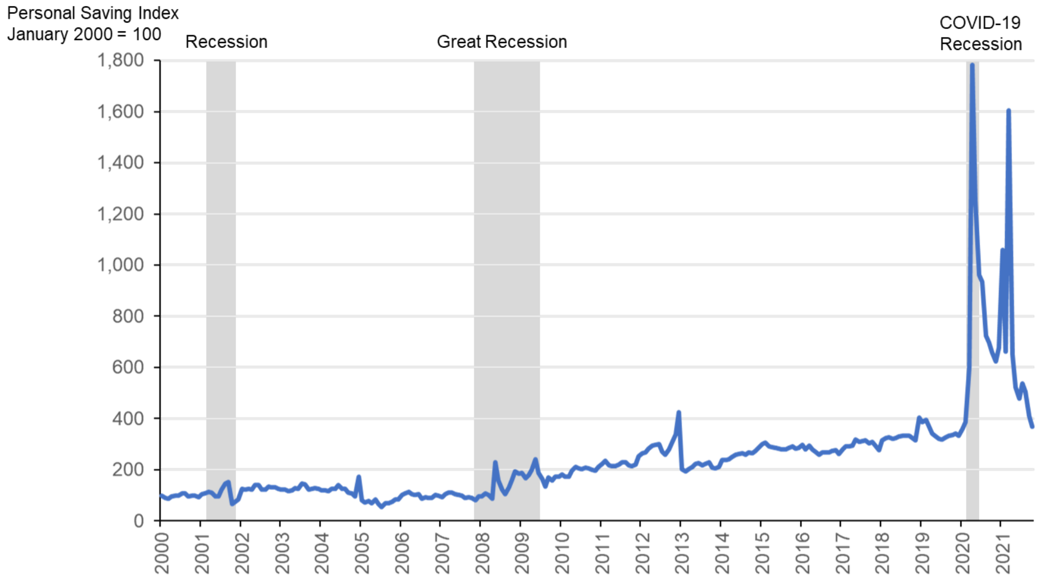


Source: U.S. Bureau of Economic Analysis.

Another positive trend for air travel recovery is the growth in personal saving—income that remains after taxes and other expenses. Savings represent income that is available for future spending. Figure 17 shows the trends in personal saving based on a monthly U.S. personal saving index from January 2000 to October 2021 (January 2000 = 100). During the pandemic, personal saving skyrocketed, with the saving index reaching almost 1,800. By the end of 2020, U.S. households are estimated to have accumulated savings of $1.6 trillion. While the saving index has decreased back to pre-pandemic levels by October 2021, the trillions of dollars in accumulated savings provide consumers with the means to spend on air travel, particularly in the near-term.

During the pandemic, household wealth also increased from record increases in home and stock values. According to data from the Federal Reserve, the total assets of households and nonprofit organizations increased from $133 trillion as of the fourth quarter of 2019 to $163 trillion as of the third quarter of 2021. Net worth increased from $117 trillion as of the fourth quarter of 2019 to $145 trillion as of the third quarter of 2021.[22] The increase in wealth and net worth boosts household financial security and consumer confidence, which could also stimulate spending.

Figure 17 | U.S. Monthly Personal Saving Index (January 2000 = 100)



Sources: Federal Reserve Bank of St. Louis and U.S. Bureau of Economic Analysis.

2.4 | 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, the labor market, the local industry employment base, and the tourism sector. The cost of living is also an important consideration, as it determines

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[22] The Federal Reserve, *Household Balance Sheet* in https://www.federalreserve.gov/releases/z1/dataviz/z1/balance_sheet/chart/, accessed on March 3, 2022.

the attractiveness and affordability of a region as a place of residence and business location. Both regional and national—even global—economic conditions are important in determining demand for air transport services at a particular airport from residents and visitors alike.

2.4.1 | Real Gross Domestic Product

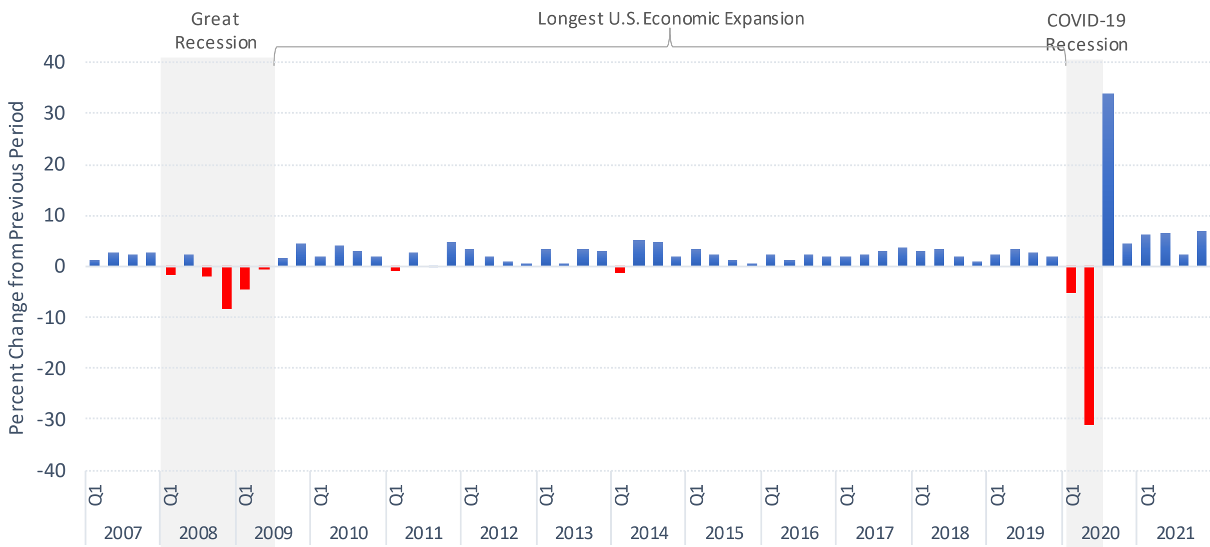
The most comprehensive measure of economic output is gross domestic product (GDP)[23]—the dollar value of all goods and services produced in a geographic region. Economic expansions are marked by sustained growth in inflation-adjusted real GDP, while economic recessions are marked by decreases in real GDP over two consecutive quarters or longer. Generally, during an economic expansion, employment grows, incomes rise, and the demand for air travel also rises. During an economic recession, employment decreases, incomes fall, and the demand for air travel also falls.

When the pandemic first 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 5.1 percent (annual rate) in the first quarter, and another 31.2 percent (annual rate) in the second quarter (Figure 18). The magnitude of the overall contraction in U.S. real GDP was unprecedented. The second-quarter contraction alone was at least three times the contractions observed during the 2008-2009 Great Recession. In previous U.S. economic recessions, quarterly real GDP had never decreased more than 10 percent since quarterly national accounting began in 1947. The 2020 recession also ended the longest U.S. economic expansion, lasting 42 quarters, during which the quarterly U.S. real GDP grew at an average annual rate of 2.3 percent.

Unlike past recessions which were caused by a breakdown in economic fundamentals due to the loss of business and consumer confidence, the pandemic-induced recession resulted from shocks to both supply and demand due to COVID-19-related policies. Efforts aimed at slowing the transmission of the COVID-19 virus, including statewide shelter-in-place and stay-at-home orders, disrupted travel and business operations and led to business closures. Once these restrictions were lifted, the U.S. real GDP rebounded strongly, growing at an annualized rate of 33.8 percent in the third quarter of 2020 and 4.5 percent in the fourth quarter.

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

Figure 18 | Real Gross Domestic Product: United States, Quarterly, Percent Change from Previous Period, Q1 2007-Q4 2021



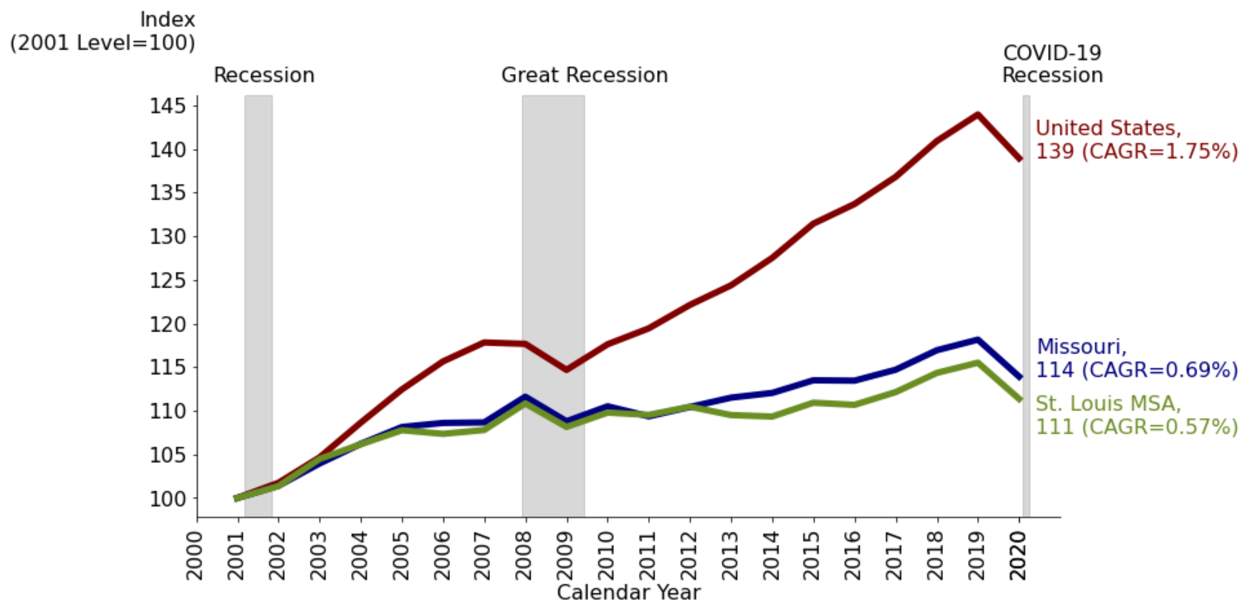
Source: U.S. Bureau of Economic Analysis.

During 2021, COVID-19 vaccinations helped restore consumer and business confidence, accelerate business re-openings, and sustain the economic recovery. U.S. real GDP grew steadily at annual rates of 6.3 percent in the first quarter, 6.7 percent in the second quarter, and after falling to 2.3 percent in the third quarter (slowed by a fourth wave of COVID-19 infections), again rose to 7 percent in the fourth quarter. According to the Bureau of Economic Analysis, for the entire year in 2021, U.S. real GDP grew 5.7 percent, the highest increase since increased since 1978.

The trends in real GDP in the St. Louis MSA and the state of Missouri have generally followed national trends, although the MSA- and state-level real GDP have grown more slowly during expansion periods (Figure 19). Between 2001 and 2020, the St. Louis MSA real GDP grew 11 percent, a compound annual growth rate of 0.57 percent, and Missouri state real GDP grew just slightly faster, 14 percent cumulatively or 0.69 percent annually. By contrast, the U.S. real GDP grew 39 percent cumulatively, 1.75 percent annually, over the same period.

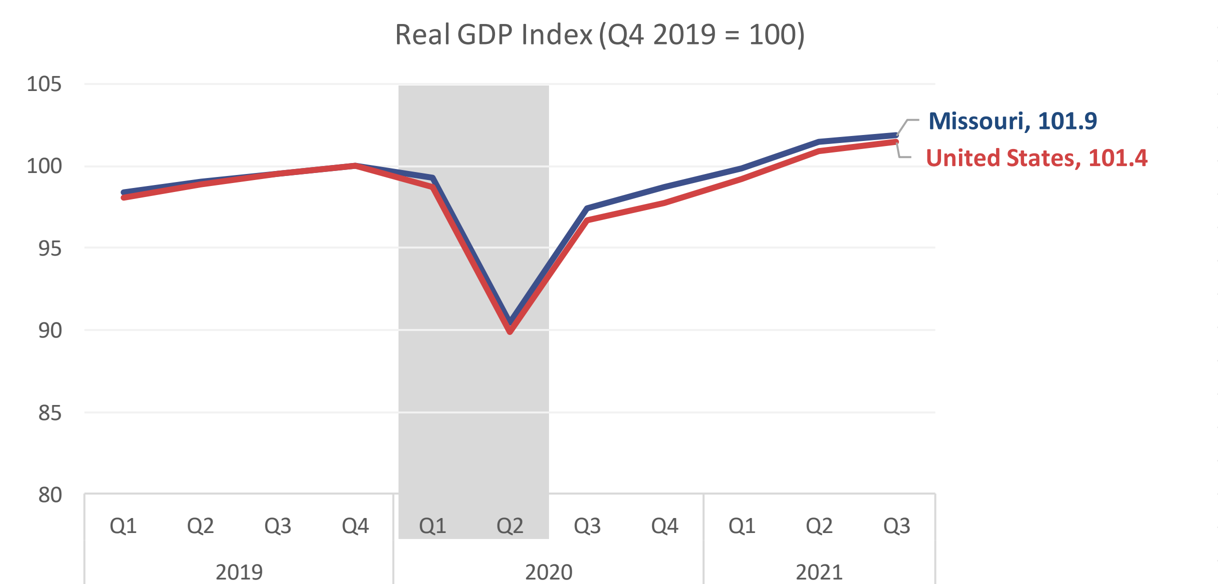
Figure 20 shows that Missouri slightly outperformed the United States in real GDP recovery from the COVID-19 recession. As of the third quarter of 2021, Missouri state real GDP already exceeded its pre-pandemic peak level by 1.9 percent, while the U.S. real GDP exceeded its pre-pandemic peak level by 1.4 percent. MSA-level data for 2021 is not yet available.

Figure 19 | Change in Gross Domestic / Regional Product, 2000-2020



Data labels show the cumulative growth index and the compound annual growth rate (CAGR) index. The St. Louis MSA's 2020 real GDP is unavailable and is estimated using the 2019-2020 real GDP growth rate of Missouri.
Source: U.S. Bureau of Economic Analysis.

Figure 20| Real GDP Recovery from COVID-19 Recession, Missouri vs. United States



Source: U.S. Bureau of Economic Analysis.

2.4.2 | Labor Market

Labor market trends evolve with business cycles and reflect the state of the economy. Hence, they are positively correlated with the demand for air travel. In particular, strong business and employment growth, along with low unemployment, stimulate demand for air travel for both leisure and business.

2.4.3 | Business Establishments

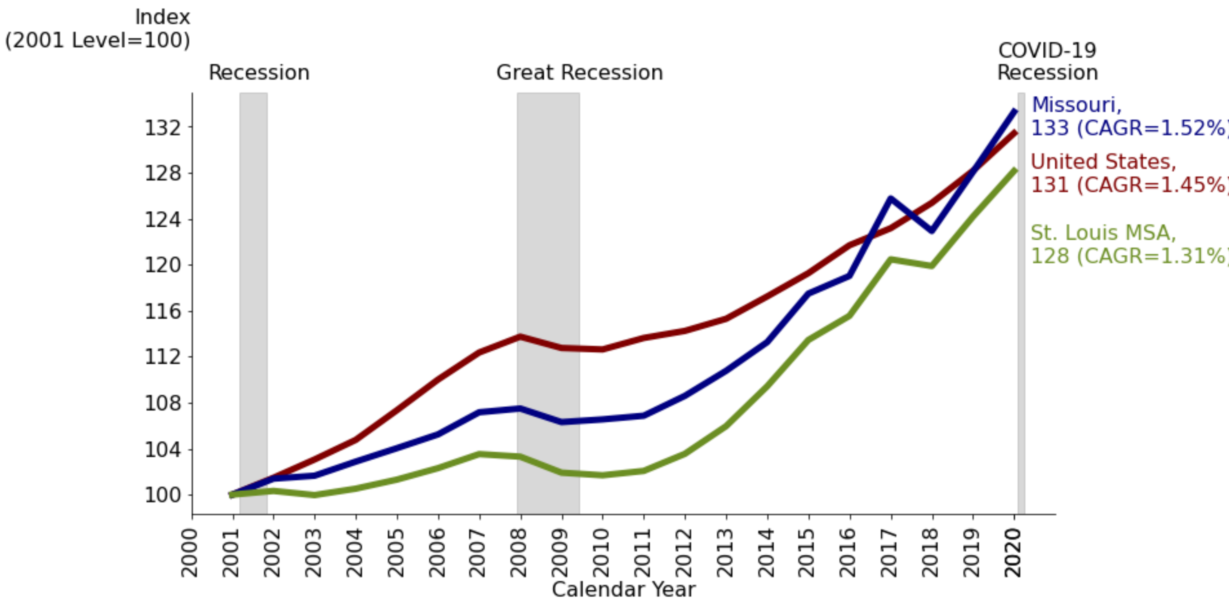
Business development and job creation are reflected in changes in the number of business establishments. Increases in the number of business establishments indicate a healthy business climate, a high level of entrepreneurism, and a favorable environment for start-ups. Business creation also creates jobs and promotes overall economic growth.

U.S. News & World Report recently ranked Missouri 11th in the United States in overall business environment and 5th for the rate of business creation.[24] In the greater St. Louis area, several organizations support business and economic development: the St. Louis Economic Development Partnership, the St. Louis Development Corporation, Missouri Small Business Development Centers, the Greater St. Louis Inc., and others.

In the past decade, the rate of business creation in the St. Louis MSA and the state of Missouri accelerated, outpacing the national rate (Figure 21). From 2001, Missouri outperformed the nation in overall growth in the number of business establishments, growing at a rate of 33 percent overall or 1.52 percent annually compared with 31 percent overall or 1.45 percent annually for the United States. The St. Louis MSA lagged slightly behind, but is quickly catching up, with its number of business establishments growing 28 percent overall or 1.31 percent annually.

[24] Source: *U.S. News & World Report* Best States Business Environment Rankings, 2021.

Figure 21 | Growth in the Number of Business Establishments, 2001-2020

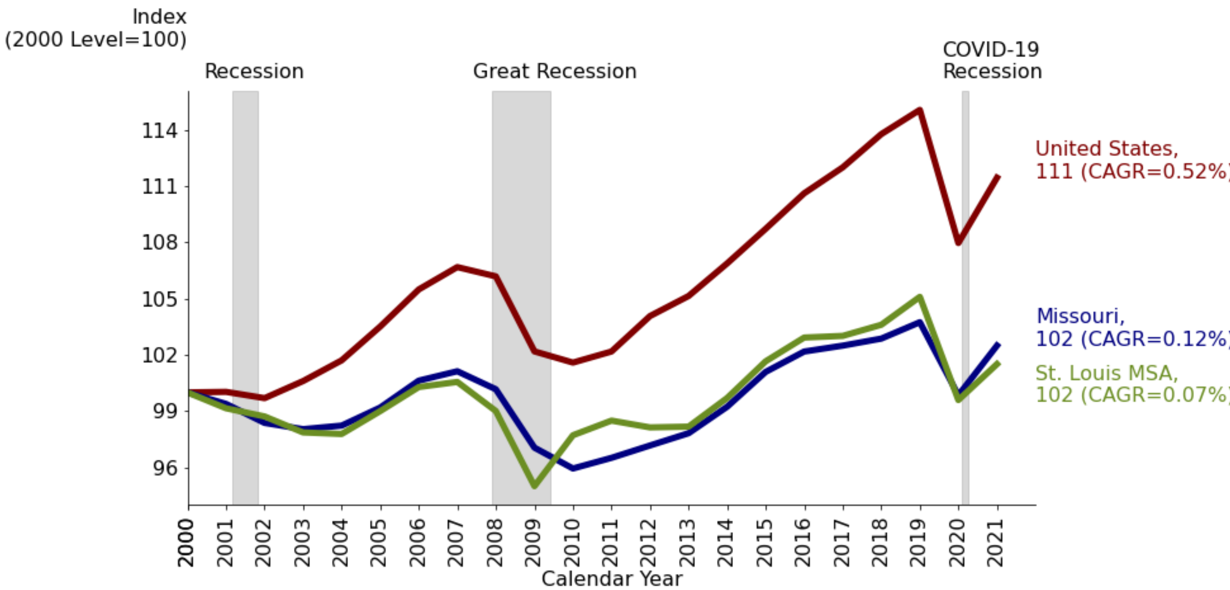


Source: U.S. Bureau of Labor Statistics.

2.4.4 | Employment and Unemployment

Since 2000, employment growth in the St. Louis MSA has lagged that of the United States and Missouri (Figure 22). Cumulatively, between 2000 and 2021 total nonfarm employment in the MSA and Missouri both grew by about 2 percent (0.07 percent and 0.12 percent annually, respectively), while nonfarm employment across the nation grew by about 11 percent (0.52 percent annually). The trends in employment growth followed changes in the business cycle. During the economic expansion between 2000 and 2008, nonfarm employment in the St. Louis MSA fell by 1 percent as it held steady in Missouri and grew nationally by 6.2 percent. During the Great Recession in 2008 and 2009, employment decreased across virtually all regions nationwide. During the subsequent economic expansion between 2010 and 2019, nonfarm employment in the St. Louis MSA grew to exceed its 2000 level by 5.1 percent, reaching more than 1.4 million. In 2020, however, the COVID-19 recession cost the St. Louis MSA more than 75,000 jobs. As the economy recovered in 2021, more than 26,000 jobs were regained.

Figure 22 | Total Nonfarm Employment, 2001-2020

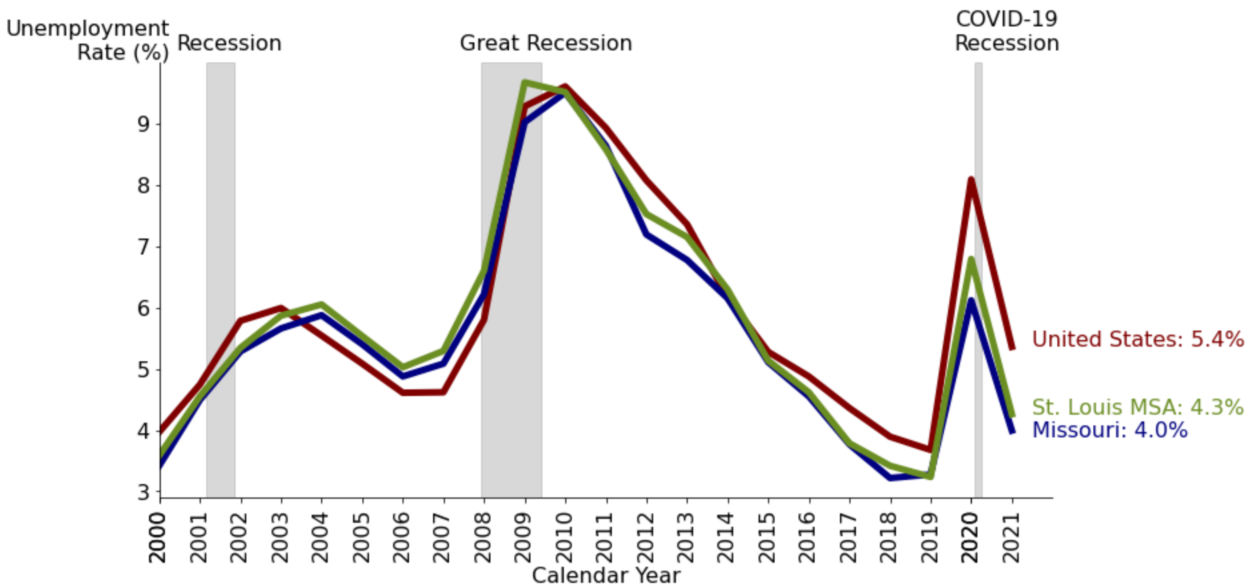


Source: U.S. Bureau of Labor Statistics.

While the St. Louis MSA trailed behind Missouri and the nation in job growth from 2000 to 2021, its unemployment rate closely matched the state and the national unemployment rates (Figure 23). This suggests corresponding decreases or slow growth in the St. Louis MSA's labor force. The labor force consists of residents 16 years and older who are either employed or unemployed and actively looking for work. The unemployment rate represents the share of those unemployed members of the labor force. It provides a measure of unmet demand for jobs.

Unemployment rates spiked across the United States during the 2008-2009 Great Recession. As the U.S. economy embarked upon a decade-long economic expansion, unemployment rates subsequently fell to historic lows—below what is typically considered full employment—before the COVID-19 pandemic began in 2020. In 2019, unemployment rates averaged 3.2 percent in St. Louis MSA, 3.3 percent in Missouri, and 3.7 percent in the United States. The mass lay-offs during the widespread economic lockdown in 2020 caused monthly unemployment rates to soar to new highs. For the year, unemployment rates averaged 6.8 percent in the St. Louis MSA, 6.1 percent in Missouri, and 8.1 percent in the United States, still lower than the peak annual average unemployment rates during the Great Recession. Unemployment rates dropped substantially in 2021 as the economy rebounded—the St. Louis MSA averaged 4.3 percent while Missouri averaged 4 percent and the rate fell to 5.4 percent nationally.

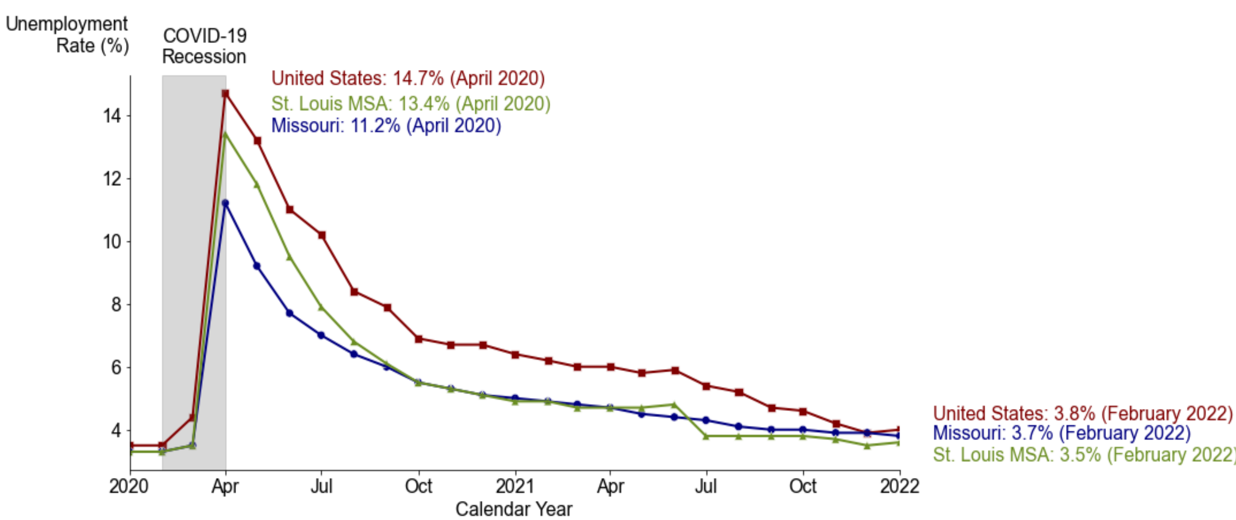
Figure 23 | Annual Average Unemployment Rate, 2000-2020



Source: U.S. Bureau of Labor Statistics.

Figure 24 shows the monthly unemployment rates in 2020 and through February 2022. Unemployment rates rose to 13.4 percent in the St. Louis MSA, 12.5 percent in Missouri, and 14.7 percent in the United States in April 2020. The rates have since fallen from those peaks, as stay-at-home orders were lifted, businesses reopened, and travel restrictions eased. By February 2022, unemployment rates have fallen to 3.5 percent in the St. Louis MSA, 3.7 percent in Missouri, and 3.8 percent in the United States. These rates are now nearly in line with pre-pandemic levels and reflect a strong labor market.

Figure 24 | Monthly Unemployment Rate, 2020-2021



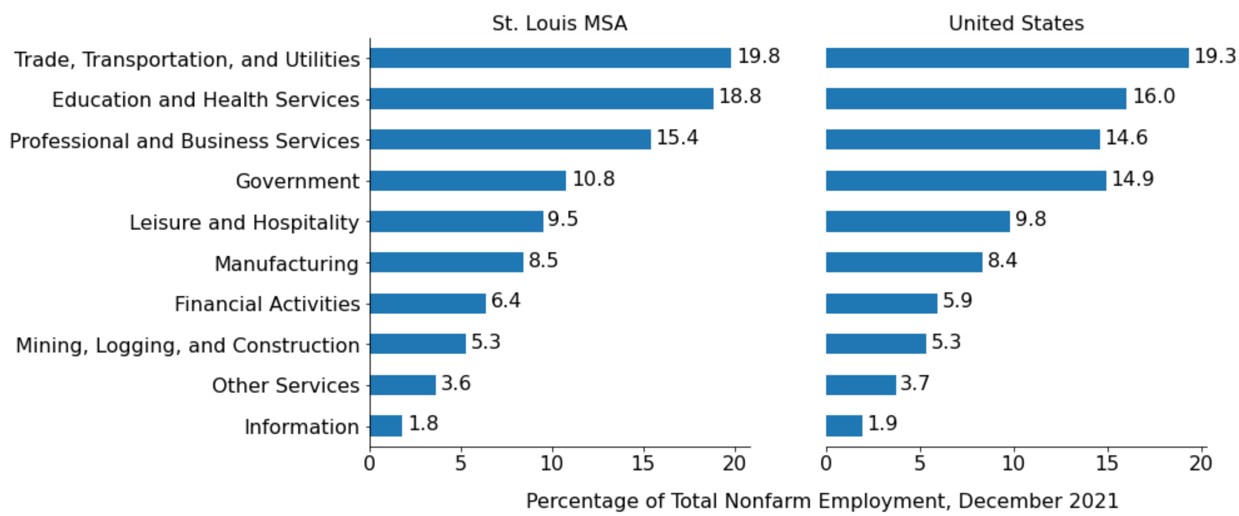
Source: U.S. Bureau of Labor Statistics

2.4.5 | Employment by Industry

Having a diversified economy is important for generating robust economic growth and withstanding economic 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 the fluctuations of business cycles and amplifies the impacts of shocks. Since most regions specialize in certain activities, many places are substantially more concentrated in just a few industry sectors in comparison with the national economy. Statistically, as of December 2021, the diversity of the St. Louis economy is nearly identical to that of the United States (Figure 25).[25]

The largest industry group by percentage of employment in the St. Louis MSA (as is the case in the United States overall) is the *trade, transportation, and utilities* supersector,[26] which comprises nearly 20 percent of jobs. This grouping includes the wholesale, retail, transportation/warehousing, and utilities industries. From a comparative perspective, the *education and health services* and *financial activities* sectors are particularly important within the St. Louis MSA, forming industry "clusters". *Education and health* services employment is almost 18 percent higher than "expected", given the total employment in the metro region and U.S. averages. Similarly, the *financial activities* supersector (which includes the finance, insurance and real estate industries) has more than 8 percent more employment in the group than the size of the local economy and national figures would suggest.

Figure 25 | Employment by Supersector, 2021



Source: U.S. Bureau of Labor Statistics.

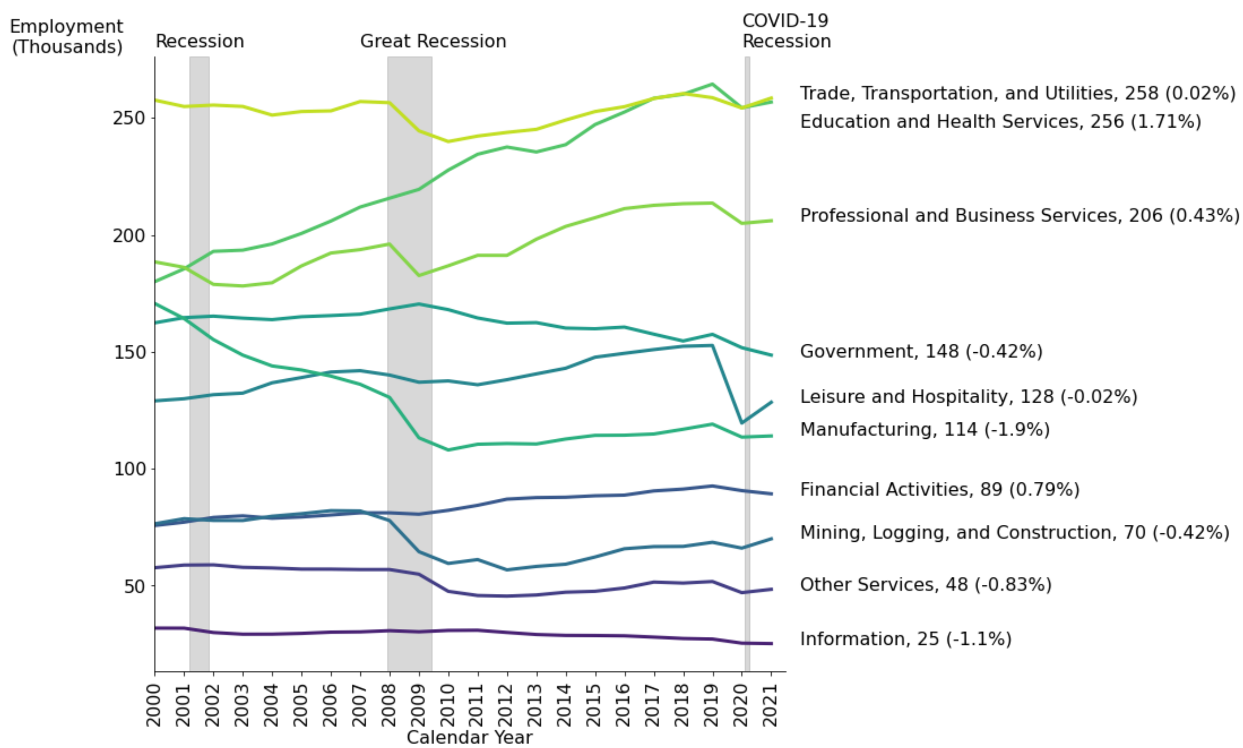
[25] Based on the Herfindahl index, calculated here as the reciprocal of the sum of the squared shares of employment for each industry.

[26] Supersectors are aggregates of related industries.

The *trade, transportation and utilities* supersector is the largest in the St. Louis MSA, with about 259,000 jobs in 2021 and is closely matched by *education and health services* supersector which has 257,000 jobs. *Professional and business services* is the third largest supersector with employment of about 206,000 (Figure 26).

Only four industry sectors have grown in employment since 2000: *education and health services* (1.7 percent annually), *financial activities* (0.79 percent annually), *professional and business services* (0.43 percent annually), and *trade, transportation and utilities* (0.02 percent annually). Each of the other supersectors has experienced declines in total employment, with losses in *manufacturing* being the most substantial. Most job losses in *manufacturing* occurred prior to and during the Great Recession. Between 2000 and 2010, nearly 63,000 jobs were lost in the sector, reaching a low in 2010 of about 108,000 jobs. Since that time *manufacturing* employment has been stable and has even increased slightly to about 114,000 jobs in 2021.

Figure 26 | St. Louis MSA Changes in Employment by Supersector, 2000-2021



Source: Bureau of Labor Statistics. Data for 2021 are estimates.

The supersector most affected by the COVID-19 pandemic in the St. Louis MSA has been *leisure and hospitality*, which includes the accommodation and food services industry as well as arts, entertainment and recreation. Its employment decreased from almost 153,000 workers in 2019 to less than 120,000 in 2020, a decrease of more than 33,000 workers or nearly 22 percent. As of December 2021, the industry has re-gained almost 9,000 workers, bringing its employment level to more than 128,000.

2.4.6 | 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. Table 6 shows a selection of the regions' largest employers as well as an estimate of local jobs held by those organizations. These top employers are diverse in their focus, ranging from aerospace to financial services to educational administration.

Table 6 | Largest Employers in the St. Louis MSA, as of June 2021

Rank	Company	Local Employees
1	BJC HealthCare	29,660
2	Washington University in St. Louis	18,488
3	Mercy	15,587
4	Boeing Defense, Space & Security	15,418
5	Scott Air Force Base	13,000
6	SSM Health	11,446
7	Schnuck Markets Inc.	9,576
8	Saint Louis University	6,636
9	City of St. Louis	6,625
10	Special School District of St. Louis County	6,151
11	Ameren Corp.	5,463
12	Edward Jones	5,246
13	Imo's Pizza	5,000
14	St. Luke's Hospital	4,649
15	Enterprise Holdings Inc.	4,500
16	St. Louis County Government	4,355
17	General Motors Co.	3,764
18	Dierbergs Markets	3,700
19	Rockwood School District	3,617
20	University of Missouri-St. Louis	2,746
21	Wentzville R-IV School District	2,731
22	Parkway School District	2,728
23	Citi	2,500
24	Southern Illinois University Edwardsville	2,443
25	Hazelwood School District	2,278

Source: *St. Louis Business Journal*.

The region also has a significant presence in both the Fortune 500 and the Forbes list of largest private employers. Eight Fortune 500 companies call the St. Louis region home: Centene, Emerson Electric, Reinsurance Group of America, Jones Financial, Graybar Electric, Ameren, Olin and Post Holdings (Table 7). A number of other firms ranked on the Forbes List of largest private companies—including Enterprise Holdings, World Wide Technology, McCarthy Holdings and Apex Oil—are located in the St. Louis MSA, further diversifying the economy (Table 8).

Table 7 | Fortune 500 Companies Headquartered in the St. Louis MSA

Rank	Company	Industry	Annual Revenue (B)
24	Centene	Insurance & Managed Care	$111.10
181	Emerson Electric	Industrial Machinery	$16.80
207	Reinsurance Group of America	Insurance: Life, Health	$14.60
295	Jones Financial	Securities	$10.20
399	Graybar Electric	Diversified Wholesalers	$7.30
469	Ameren	Utilities: Gas and Electric	$5.80
472	Olin	Chemicals	$5.80
474	Post Holdings	Food Consumer Products	$5.70

Source: Fortune.

Table 8 | Forbes Largest Private Companies Located in the St. Louis MSA

Rank	Company	Industry	Revenue ($B)
9	Enterprise Holdings	Services	23.9
20	World Wide Technology	Technology Hardware & Equipment	13.4
35	Edward Jones	Diversified Financials	10.1
55	Graybar Electric	Capital Goods	7.3
97	McCarthy Holdings	Construction	4.8
106	Apex Oil	Oil & Gas Operations	4.2
118	Clayco Construction	Construction	3.8
160	Schnuck Markets	Food Markets	2.9
176	Alberici	Construction	2.6
187	Arco Construction	Construction	2.5

Source: Forbes.

2.4.7 | Commuting

Of the more than 1.3 million people employed in all jobs in the St. Louis MSA in 2019, more than 1.22 million also lived in the metropolitan area—an in-area employment efficiency rate of 89% (Table 9). The remainder of the 151,000 jobs are held by commuters. Most of these commuting workers (57 percent) are employed in services, while 29 percent work in trade and 14 percent work in goods producing industries. The metropolitan area also supplies labor to other areas, as almost 123,000 workers commute outside the region for work. Overall, the St. Louis MSA has a net commuting inflow totaling more than 28,000 jobs. In the case of both labor inflows and outflows, it is workers making relatively higher wages (more than $3,333 per month) that comprise the largest category of commuters.

Table 9 | Commuting Flows in St. Louis MSA

Industry Type	Interior Flow		Inflow		Outflow		Net
Sector	**Count**	**Share**	**Count**	**Share**	**Count**	**Share**	**Count**
Goods Producing	172,718	14.1%	20,913	13.85%	13,346	10.88%	7,567
Trade, Transportation and Utilities	222,373	18.2%	43,445	28.76%	34,173	27.85%	9,272
All other Services	827,378	67.7%	86,692	57.39%	75,187	61.27%	11,505
Total	1,222,469	100.00%	151,050	100.00%	122,706	100.00%	28,344

Source: U.S. Census Bureau.

2.4.8 | Tourism

Tourism is a major component of the economy of both the state and the St. Louis MSA. In 2019, prior to the pandemic, Missouri welcomed almost 43 million visitors. Tourism had a statewide impact of $18 billion, generated $1.46 billion in tax revenue and employed more than 304,000 workers in tourism-related industries. The largest source regions of tourists were Illinois, Arkansas, Kansas, Texas, and Iowa. Dining, urban visits, and family occasions were the most important motivations for travel to the state. St. Louis was the destination of 28 percent of visitors, second only to Branson (30 percent) and well ahead of third place Kansas City (20 percent).[27]

A more detailed look at tourism in the St. Louis MSA—particularly within St. Louis City and St. Louis County—confirms the impact of tourism on the regional economy. In 2019, more than $5.1 billion in economic impact was felt through spending by more than 28 million visitors. Approximately one-third of visitor spending was business related. Through economic multipliers, tourist activity supported about 91,000 jobs. Air transportation composed about 5.7 percent of travel and tourism spending while the largest category, food and beverage, accounted for about 30 percent of spending. Between 2000 and 2019, visitation increased in the St. Louis MSA from 1.7 million visitors in 2000 to 28.2 million in 2019 (an overall increase of 69 percent).[28]

2.4.9 | Cost of Living

The cost of living is one important factor that determines the attractiveness and affordability of a region as a place of residence and business location. It also influences local demand for air travel. In particular, low cost of living increases the purchasing power of residents by leaving more discretionary income for non-living expenses such as air travel.

One common measure of cost of living is the regional price parity (RPP) index. The RPP index measures price differences across metropolitan statistical areas relative to the national average (U.S. RPP index is equal to 100) and is inversely related to the purchasing power of local residents. In 2019, the St. Louis MSA had a RPP index of 95.7, reflecting a cost of living that is roughly 4 percent lower than the average MSA (Table 10). The cost of living in the St. Louis MSA ranks 129

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[27] Missouri Division of Tourism FY2019 Annual Report.

[28] Sources: Explore St. Louis: *St. Louis City and County Impact Study 2019*; *St. Louis City & County Tourism Impact Study Summary 2019*, *Historic Visitor Volume & Spending Data 4-21-21*.

out of 347 metropolitan areas[29], and prices in the area are around 20 percent lower than at some of the most expensive places in the country, such as New York and San Francisco. Other metropolitan regions with similar cost of living averages are Milwaukee, WI, Buffalo, NY and Pittsburgh, PA. Figure 27 provides a comparative spatial context for the RPP measure nationally. Combined with average income levels that hover around national averages, the cost of living in the St. Louis MSA is relatively reasonable.

Table 10 | Regional Price Parity – Selected Metropolitan Statistical Areas

Rank	Metropolitan Statistical Area	RPP
1	San Francisco-Oakland-Hayward, CA	117.4
2	New York-Newark-Jersey City, NY-NJ-PA	115.5
3	Urban Honolulu, HI	113.8
4	San Diego-Carlsbad, CA	113.4
5	San Jose-Sunnyvale-Santa Clara, CA	112.1
6	Seattle-Tacoma-Bellevue, WA	112.0
…	…	…
126	Panama City, FL	95.9
127	Provo-Orem, UT	95.9
128	Elmira, NY	95.7
129	St. Louis, MO-IL	95.7
130	Buffalo-Cheektowaga-Niagara Falls, NY	95.7
131	Pittsburgh, PA	95.7
132	Raleigh, NC	95.7
…	…	…
343	Albany, GA	84.6
344	Johnstown, PA	84.3
345	Jackson, MI	84.1
346	Pine Bluff, AR	83.8
347	Florence-Muscle Shoals, AL	82.4

Source: U.S. Bureau of Economic Analysis.

[29] Some MSAs did not have data available.

Figure 27 | Regional Price Parity Index by Metropolitan Statistical Area, 2020

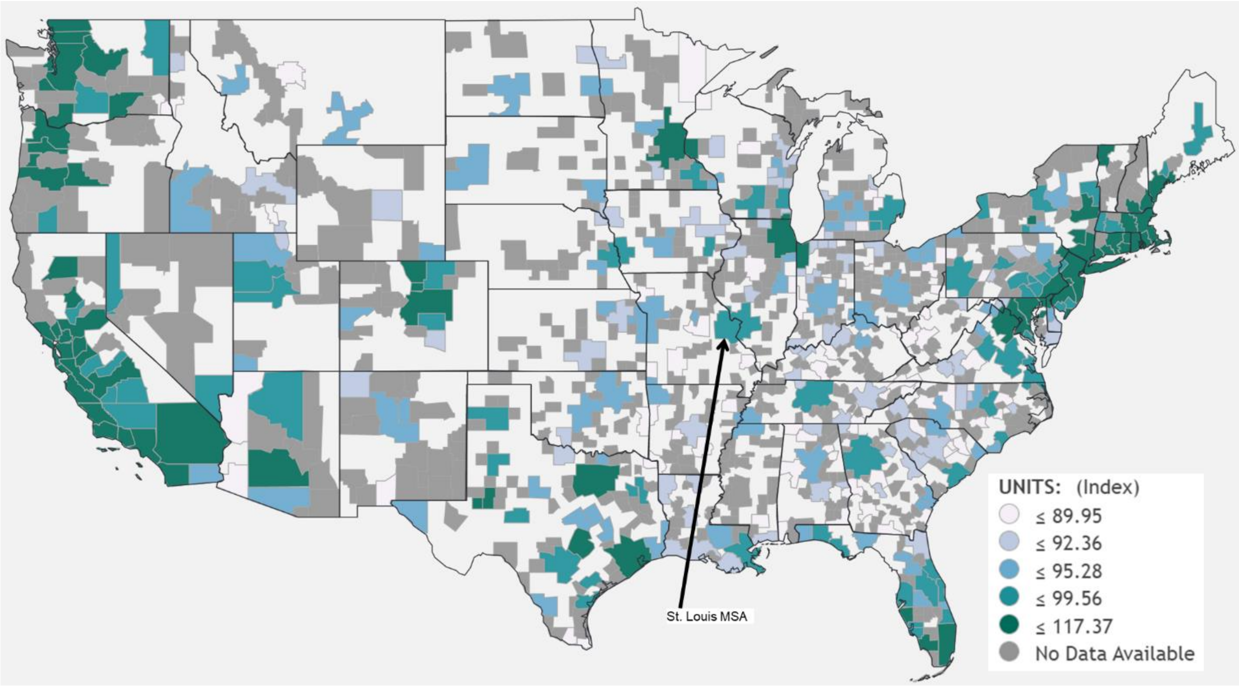
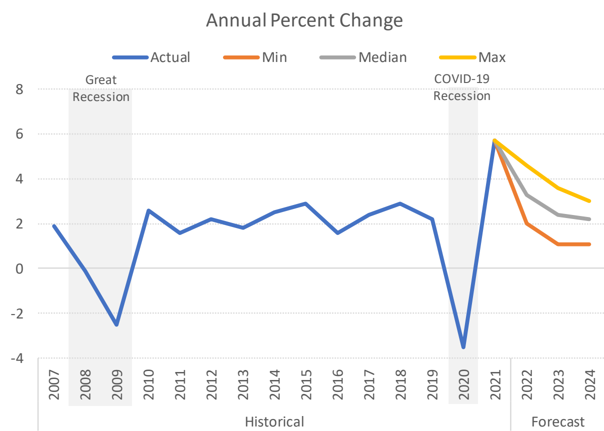


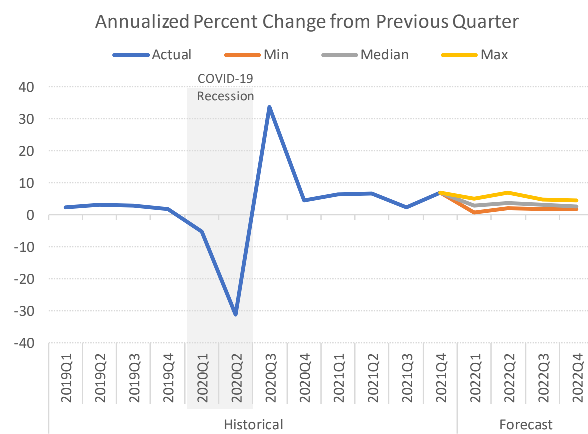
Figure shows the 2020 regional price parity (RPP) index for metropolitan statistical areas in the United States. U.S. average = 100.
Source: St. Louis Federal Reserve Bank.

2.5 | Economic Outlook

A positive outlook for the U.S. economy bodes well for the St. Louis MSA's economy and both inbound and outbound air travel through STL. In 2022, the U.S. real GDP is projected to grow at annualized rates of 3 percent in the first quarter, 3.7 percent in the second quarter, 3.3 percent in the third quarter, and 2.7 percent in the fourth quarter, based on the median forecast in the *Wall Street Journal's* January 2022 Economic Forecasting Survey (Figure 28). Annually, the U.S. real GDP is expected to grow 3.3 percent in 2022, 2.4 percent in 2023, and 2.2 percent in 2024.

Figure 28 | Historical and Forecast Percent Change in U.S. Real GDP

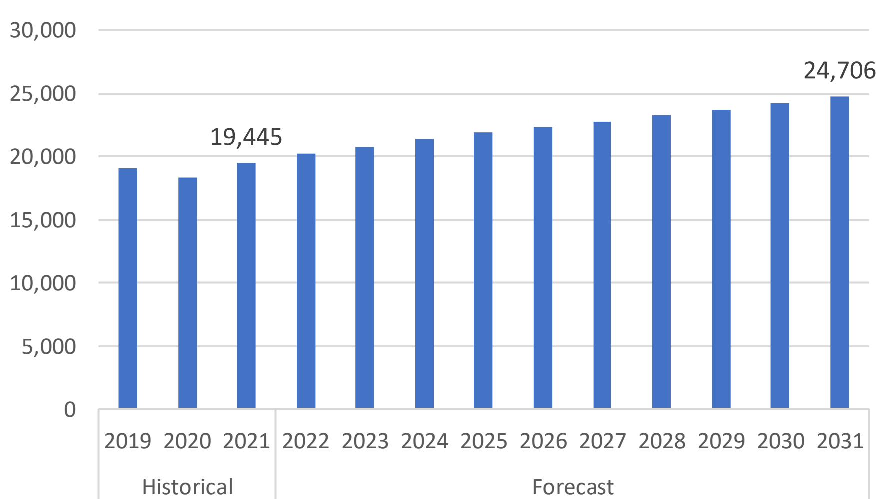




Source: U.S. Bureau of Economic Analysis and the Wall Street Journal Economic Forecasting Survey, January 2022.

In the long-run, the U.S. economy is projected to expand at a steady pace. Based on the forecasts of Moody's Analytics, the U.S. real GDP is expected to grow at a compound annual rate of 2.4 percent from 2021 from $19.4 trillion in 2021 to $24.7 trillion in 2030, valued in 2012 dollars (Figure 29).

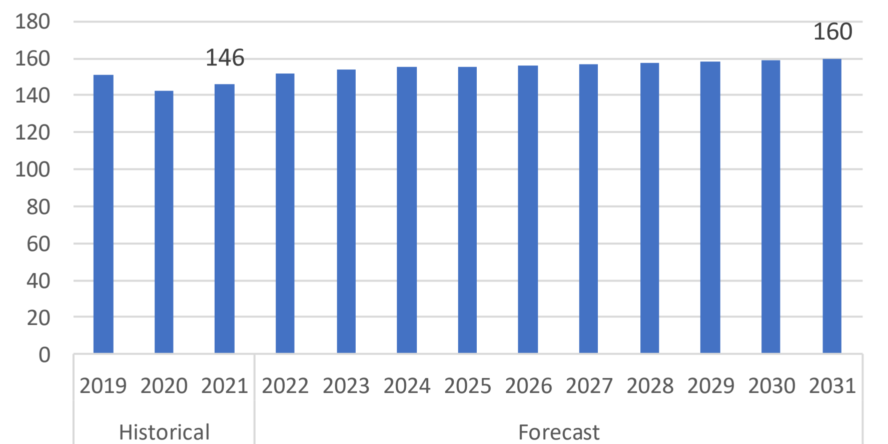
Figure 29 | Projected Growth in U.S. Real Gross Domestic Product (In 2012 $)



Source: U.S. Bureau of Economic Analysis and Moody's Analytics, October 2021.

Following the trend in economic output, U.S. employment is expected to demonstrate robust growth throughout the next decade (Figure 30). For instance, according to the Moody's Analytics, U.S. employment is projected to post a compound annual growth rate close to 1 percent from 146 million in 2021 to 160 million workers in 2031.

Figure 30 | Projected U.S. Total Nonfarm Employment (Millions)



Source: U.S. Bureau of Economic Analysis and Moody's Analytics.

On a broader scale, COVID-19, labor shortages, and supply chain disruptions continue to weigh on the U.S. economy. The adverse economic effects of COVID-19 have shifted on the supply side. Amid strong demand recovery, sick calls and supply-side disruptions are creating inflationary pressures. In January 2022, the consumer price index (CPI) rose 7.5 percent from a year earlier—the largest increase since 1982. Although inflation remains a threat to the near-term economic outlook, the broader economy and the labor markets are performing well and economic conditions are expected to remain strong in 2022.[30]

Globally, the U.S. economy is constantly exposed to risk from geopolitical tensions—currently, Russia's invasion of Ukraine. The potential economic impacts of the Russia-Ukraine conflict include (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-

[30] Kevin L. Kliesen, "Inflation Remains Key Threat Despite Strong U.S. Economic Outlook," *Regional Economist*, Federal Reserve Bank of St. Louis, March 1, 2022.

level economic impacts will vary by country. They could slow global economic growth, but not enough to cause a global economic recession.[31, 32]

In the United States, the immediate impact of the Russia-Ukraine conflict has been an increase in oil and gasoline prices, pushing inflation even higher. While higher inflation will erode growth in real income, strong household balance sheets will mitigate any negative impact on consumer spending and GDP growth. As of March 2022, published U.S. economic forecasts still see U.S. real GDP growing at healthy rates of 3 percent in 2022 and 2.3-2.4 percent in 2023.[33, 34]

[31] Dana Peterson, Hiba Itani, Ilaria Maselli, Yuan Gao, Ataman Ozyildirim, Erik Lundh, Klass de Vries, Amy Huang, Konstantinos Panitsas, and Gurleen K. Chadha, The Conference Board, *Will the War in Ukraine Lead to Another Global Recession?* March 2022.

[32] Brendan McKenna and Nick Bennenbroek, Wells Fargo Economics, *Global Growth and Inflation Impact of the Russia-Ukraine Crisis*, March 3, 2022.

[33] Dana Peterson, Hiba Itani, Ilaria Maselli, Yuan Gao, Ataman Ozyildirim, Erik Lundh, Klass de Vries, Amy Huang, Konstantinos Panitsas, and Gurleen K. Chadha, The Conference Board, *Will the War in Ukraine Lead to Another Global Recession?* March 2022.

[34] Wells Fargo Economics, *U.S. Economic Outlook: March 2022*, March 11, 2022.

SECTION 3 | AIR TRAFFIC ANALYSIS AND FORECASTS

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 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 traffic.

Throughout the section, the effect of the COVID-19 pandemic is considered. Commercial aviation is one of the industry sectors that has suffered the most severe disruptions due to the pandemic. Global passenger traffic fell to unprecedented low levels. At U.S. airports, including STL, passenger traffic decreased to as little as 3-to-5 percent of normal levels in April 2020. Recovery is well under way, although passenger traffic at most airports has yet to return to pre-pandemic levels.

3.1 | Operating Airline History

According to data on airline flight schedules as of October 2021, 12 airlines provided scheduled passenger service at STL in CY2021 (Table 11). The largest among STL's currently 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, Mesa Airlines, PSA Airlines, Endeavor Air, Air Wisconsin, GoJet, and CommutAir.

At the start of the COVID-19 pandemic, Air Canada ceased operations at the Airport in April 2020 due to international travel restrictions. While Contour Airlines and Sun Country Airlines were active at the Airport throughout the pandemic, Contour had no scheduled flights at STL after September 2021, and Sun Country has no scheduled flights at STL after October 2021. Spirit Airlines and Boutique Air, however, began service at the Airport in May and June 2021, respectively, replacing some service lost during the pandemic.

Advance schedules for 2022 published as of January 2022 show the return of Air Canada service at STL to Canada beginning in May and the start of Lufthansa service at STL to Germany in June.

Table 11 | Scheduled Passenger Airlines at STL, by Calendar Year

St. Louis Lambert International Airport						
Scheduled Passenger Airline Service Providers at STL, by Calendar Year						
Airline	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Air Choice One[4]	●	●	●	●	●	●
Alaska Airlines[4]	●	●	●	●	●	●
American Airlines[1,4]	●	●	●	●	●	●
Cape Air[4]	●	●	●	●	●	●
Delta Air Lines[2,4]	●	●	●	●	●	●
Frontier Airlines Inc.[4]	●	●	●	●	●	●
Southwest Airlines[4]	●	●	●	●	●	●
United Airlines[3,4]	●	●	●	●	●	●
Sun Country Airlines			●	●	●	●
Contour Airlines				●	●	●
Boutique Air						●
Spirit Airlines[4]						●
Airlines formerly but not currently serving STL						
Air Canada	●	●	●	●	●	
WOW Air			●			
Cargo Airlines	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Federal Express[4]	●	●	●	●	●	●
United Parcel Service[4]	●	●	●	●	●	●
Air Exec, Inc.					●	●
Atlas Air					●	●
DHL					●	●
Cargo airlines formerly but not currently serving STL						
ABX Air Inc.				●	●	
Southern Air	●	●	●	●		

[1] Currently operated by American Airlines and regional affiliates, Republic Airways, Skywest Airlines, Envoy Air, Mesa Airlines, and PSA Airlines.
[2] Currently operated by Delta Air Lines and regional affiliates, Republic Airways, Skywest Airlines, and Endeavor Air.
[3] Currently operated by United Airlines and regional affiliates, Republic Airways, Air Wisconsin, Mesa Airlines, GoJet Airlines, CommutAir, and SkyWest Airlines.
[4] Indicates a signatory airline (that holds the current Use Agreement).
Source: OAG Schedules Analyzer for passenger airlines, and airport records for cargo airlines.

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

Fundamentally, passenger traffic is driven by changes in the U.S. economic cycle—the demand for air travel grows during periods of economic expansion and declines during periods of economic recession. Since 1980, the U.S. economy has gone through six recession periods, 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.[35] Passenger traffic is also affected by significant changes in airline network strategies and one-off events such as the 2001 terrorist attacks, which took place during the 2001 U.S. economic recession, and the ongoing COVID-19 pandemic, which caused the 2020 economic recession.

The U.S. aviation industry enjoyed rapid expansion during the 1980s following deregulation, and in the 1990s during a decade-long U.S. economic expansion. Since 2001, however, adverse events prompted significant structural changes that continue to shape the industry today. The long-running U.S. economic expansion from the early 1990s ended in 2001. Although the recession was mild and brief, lasting from March to November 2001, terrorist attacks on two American Airlines' flights and one United Airlines' flight on September 11, 2001, and their aftermath, caused air travel demand to fall sharply. U.S. airlines, especially American Airlines and United Airlines, suffered huge financial losses.

After the terrorist attacks, airport security tightened. Longer passenger screening times discouraged air travel particularly to short-haul destinations that could be reached by ground transportation. Airlines competed for passengers by lowering airfares. Both leisure and business travelers became increasingly price conscious, as the internet made it easy to search for and compare airfares.

Meanwhile, airlines faced rising fuel costs. 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. The economy and both passenger and cargo demand for air transport took a long time to recover.

The series of major shocks to the U.S. aviation industry set in motion significant structural changes. Mounting financial difficulties led to airline bankruptcies and mergers, leaving four major airlines—American, Delta, Southwest, and United—controlling 80 percent of the U.S. domestic passenger traffic. Surviving airlines responded with 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 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

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[35] National Bureau of Economic Research Business Cycle Dating Committee, *Chronology of U.S. Business Cycles*, July 19, 2021.

STL, including dehubbing by American Airlines and continuing cuts in overall airline seat capacity through 2014.

The U.S. economic recovery from the Great Recession was slow, but it proceeded to become the longest U.S. economic expansion on record. 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 later 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. Air travel came to a near halt and U.S. airport passenger traffic plummeted nearly 97 percent in mid-April 2020. Passenger traffic has since risen, but it has yet to return to pre-pandemic level.

The COVID-19 pandemic has had a significant impact on air travel, starting with the unprecedented drop in passenger traffic levels in April 2020. Even though recovery has ensued, the pandemic has set in motion structural changes in both the demand for air travel and the supply of airline passenger service that may have long-lasting effects on the airline industry.

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 possible permanent transition to remote work and hybrid work practices. International travel was suspended for an extended period; it continues to be depressed by international travel bans and quarantine requirements that remain in place in many countries. The slow recovery in business and international travel continues to slow 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. As air travel demand rebounds, airlines are restoring flights, but now their ability to do so is hampered by supply constraints such as delays in new aircraft deliveries, labor supply shortage, resurgences in COVID-19 infections, and employee sick calls.

Unlike the aftermath of the Great Recession, consumers are recovering strongly from the deep but brief recession caused by the COVID-induced economic lock-downs and stay-at-home orders. This time households have emerged, on average, with relatively healthy finances and the ability to spend on pent-up demand for travel.

3.3 | Historical Enplanement Trends at STL

Over the last four decades, STL experienced changes in passenger traffic levels more dramatic than those experienced at the national level (Figure 31 and Figure 32). Significant changes in airline network strategies prompted dramatic changes in passenger traffic levels, both positively and negatively.

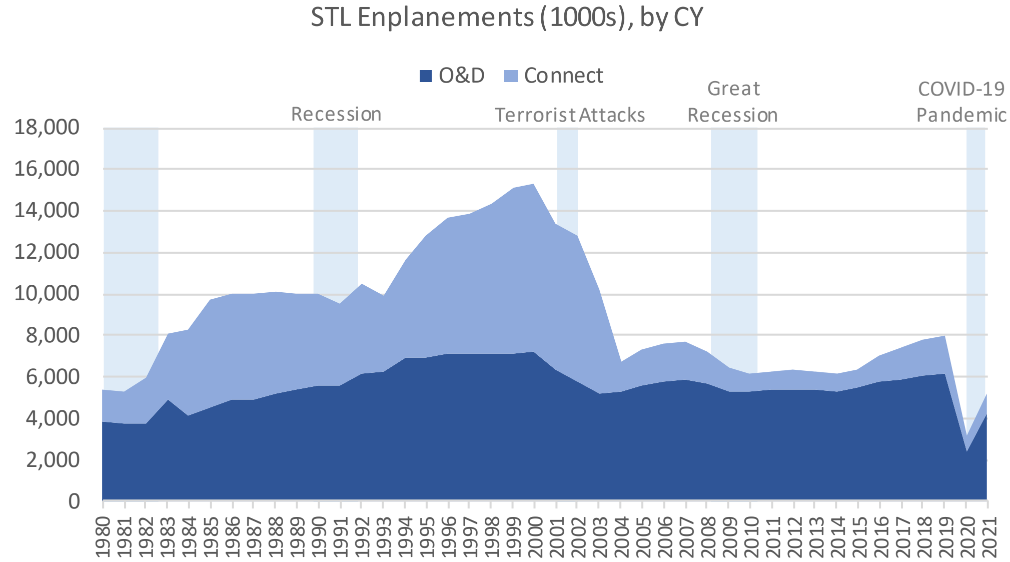
STL enjoyed significant growth in passenger traffic following the establishment of a large connecting hub at the Airport in November 1982 by Trans World Airlines (acquired by American Airlines in 2001[36]), the introduction of service by Southwest Airlines in 1985, and subsequent expansion by both Trans World Airlines and Southwest Airlines through 2000. In CY2000, STL reached its highest level of passenger traffic with total enplanements of 15.31 million, consisting of 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.

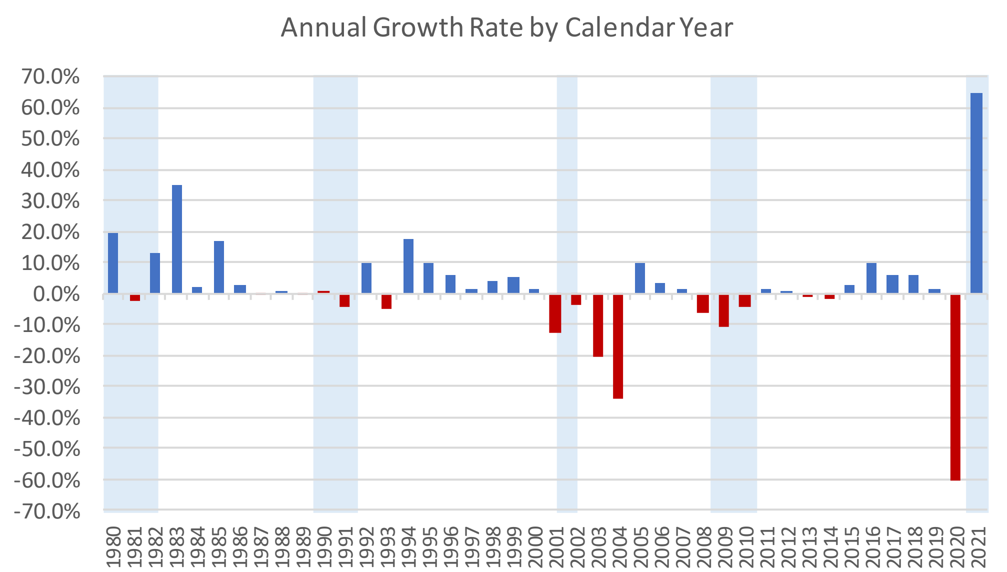
In 2001, the crash of two American Airlines' flights during the 2001 terrorist attacks, and compounding developments in the aviation industry following the attacks, placed a heavy toll on American Airlines' finances. Efforts to stem financial losses and return to profitability led American Airlines to shut down the connecting hub at STL it had taken over from Trans World Airlines and consolidate 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 the dehubbing by American Airlines with annual enplanements at less than half of pre-2001 levels and connecting traffic shrinking to a minority share. STL's annual enplanements decreased from a peak 15.31 million in CY2000 to 6.71 million in CY2004, and connecting traffic decreased in share from 53 percent in CY2000 to 21 percent in CY2004. STL's share of annual U.S. total enplanements decreased to less than 1 percent, changing the 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 decreased further to 6.18 million in CY2010, their lowest level since 1982. Over the entire decade between 2000 and 2010, STL's enplanements decreased 9.7 percent annually on average.

American's dehubbing of STL caused a fundamental change in the Airport's role from a major connecting hub to a predominantly O&D airport—a change that may have hurt the Airport in the short-run, but proves beneficial in the long-run. As American Airlines reduced capacity, 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 and a more diversified mix of air service providers, even though Southwest Airlines has grown to account for around 61 percent of STL's annual enplanements in the most recent years.

[36] 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.

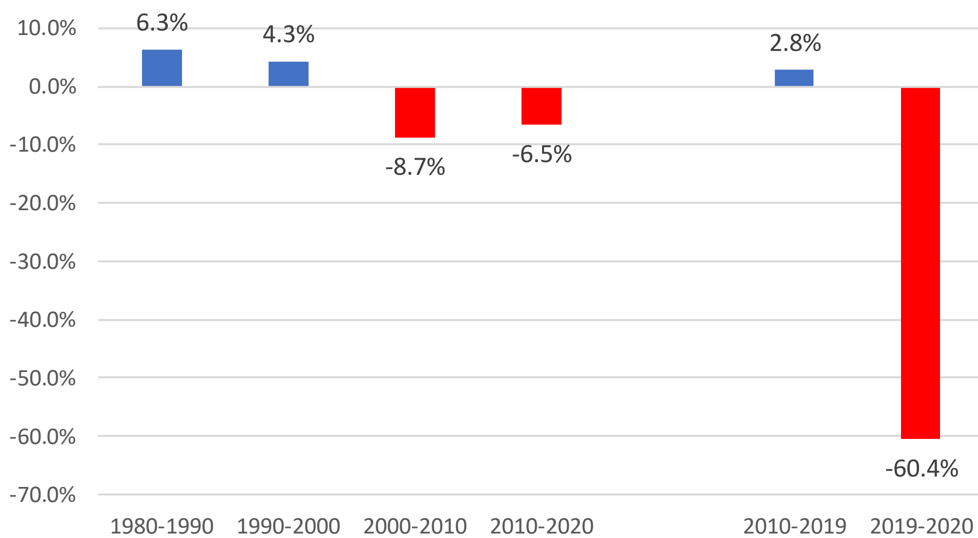
Figure 31 | Historical Enplanement Trends at STL by Calendar Year





Source: Airport records.

Figure 32 | STL's Historical Enplanements, Compound Annual Growth Rate by Decade



Source: Airport records.

STL's annual enplanement level remained flat at around 6.3 million through 2015, largely due to airlines restraining capacity growth—an industry strategy to keep costs down, increase aircraft utilization, and return to profitability. After 2015, STL's passenger levels began to rise. Enplanements increased at a fast pace over the next three years—by 9.6 percent in 2016, 5.8 percent in 2017, and 5.8 percent in 2018. The strong traffic growth can be attributed to improving economic conditions at the time—both at the national and regional levels—and growing airline capacity. STL continued to enjoy enplanement growth through 2019, although the rate of growth slowed to 1.6 percent. From 2010 through 2019, STL recorded an average annual growth rate in enplanements of 2.8 percent. STL's annual enplanements peaked at 7.95 million in CY2019 before dropping 60.4 percent to 3.15 million in CY2020 due to the COVID-19 pandemic. STL has not seen such a low level of annual enplanement since at least the mid-1970s. For the entire decade between 2010 and 2020, STL's average annual enplanement growth rate again turned negative (-6.5 percent).

3.3.1 | Airport and U.S. System Enplanements

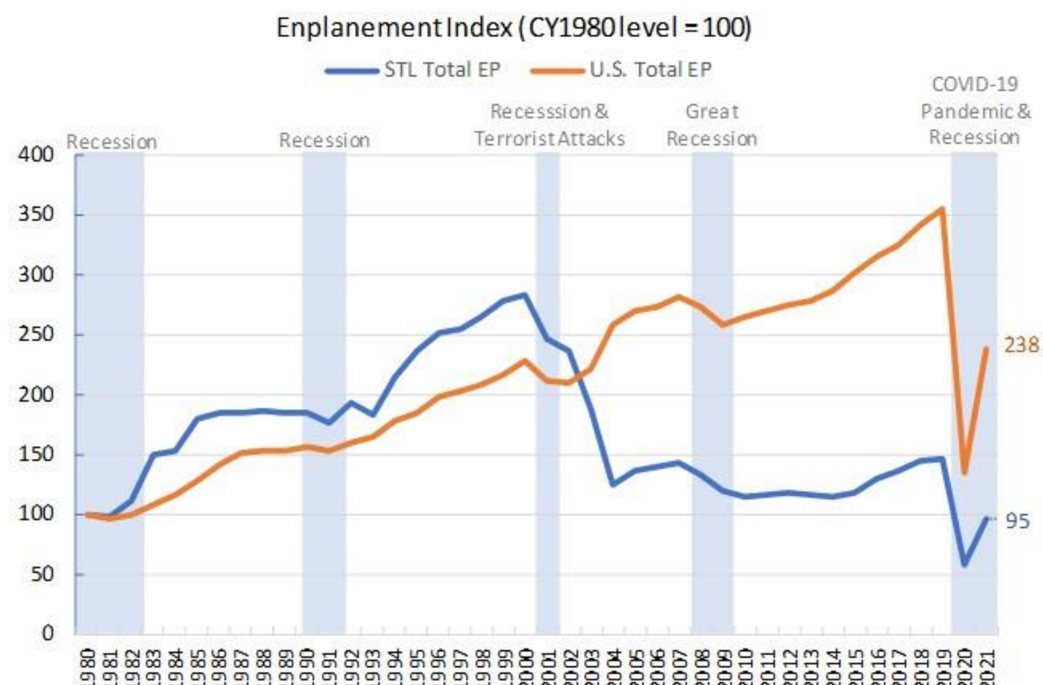
In general, STL's passenger traffic has followed national growth trends driven by changes in the business cycle. The trends at STL, however, demonstrate how much an individual airline can alter an airport's growth trajectory. As shown in Figure 33, enplanement growth at STL outstripped national growth 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 34 focuses the comparison on the more recent history, on fiscal year basis, from FY2007 to FY2021. 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 103 percent of their pre-recession peak level in FY2007, while U.S. total enplanements were already 26 percent higher than 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). Though both STL and the U.S. total continued to decline in 2021, STL's losses were not as big in the last fiscal year.

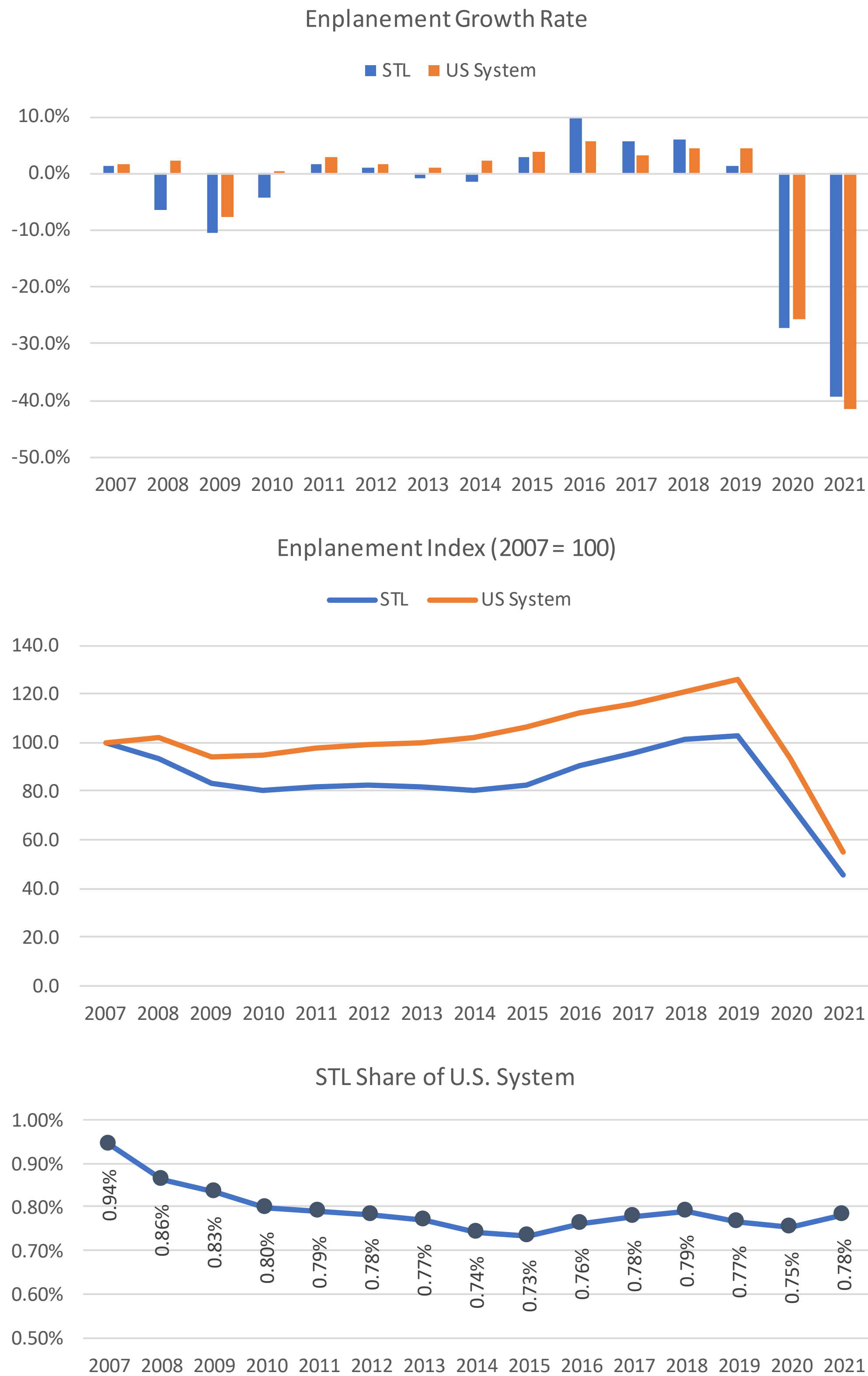
As previously mentioned, STL is classified as a medium hub commercial service airport by the FAA, which is defined as an airport enplaning at least 0.25 percent, but less than 1 percent of total U.S. commercial enplanements. As American Airlines dismantled its hub services at STL, the Airport's share of total U.S. enplanements fell below 1 percent. As a result, the FAA changed STL's classification from a large hub to a medium hub beginning in FY2004. STL's share of total U.S. enplanements reached its lowest at 0.73 percent in FY2015; it raised back up to 0.79 percent in FY2018, then dipped down through FY2019 and FY2020 before going back up to 0.78 percent in FY2021.

Figure 33 | STL and U.S. Total Enplanement Growth by Calendar Year from CY1980



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

Figure 34 | STL and U.S. Total Enplanement Growth by Fiscal Year from FY2007



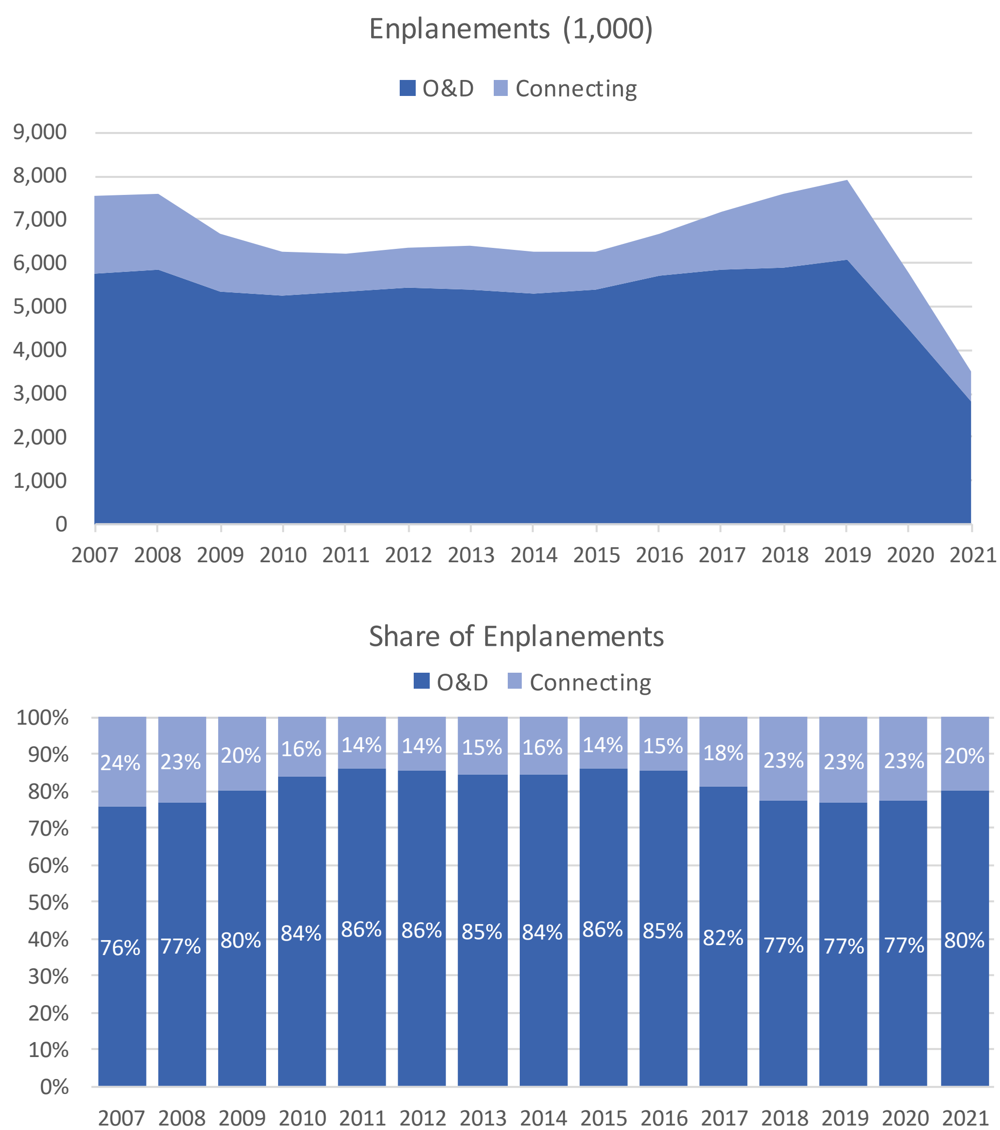
Sources: Airport records and U.S. Bureau of Transportation Statistics.

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 35 and Table 12). In FY2022 through December, O&D traffic accounted for 82 percent of STL's total enplanements, up from 80 percent in FY2021 and from around 77 percent in FY2019 and FY2020. The O&D share averaged 85 percent or more from 2011 through 2016.

Over the next four years through FY2020, the Airport experienced a resurgence in connecting traffic, mostly from Southwest Airlines, which accounted for about 97 percent of connecting traffic at STL. The connecting share increased from 15 percent in FY2016 to 23 percent in FY2020, but has since decreased to 20 percent in FY2021.

Figure 35 | STL's O&D and Connecting Enplanements by Fiscal Year, FY2007-2021



Source: Airport records.

Table 12 | STL's O&D and Connecting Enplanements (1,000s) by Fiscal Year, FY2007-2022 (through October 2021)

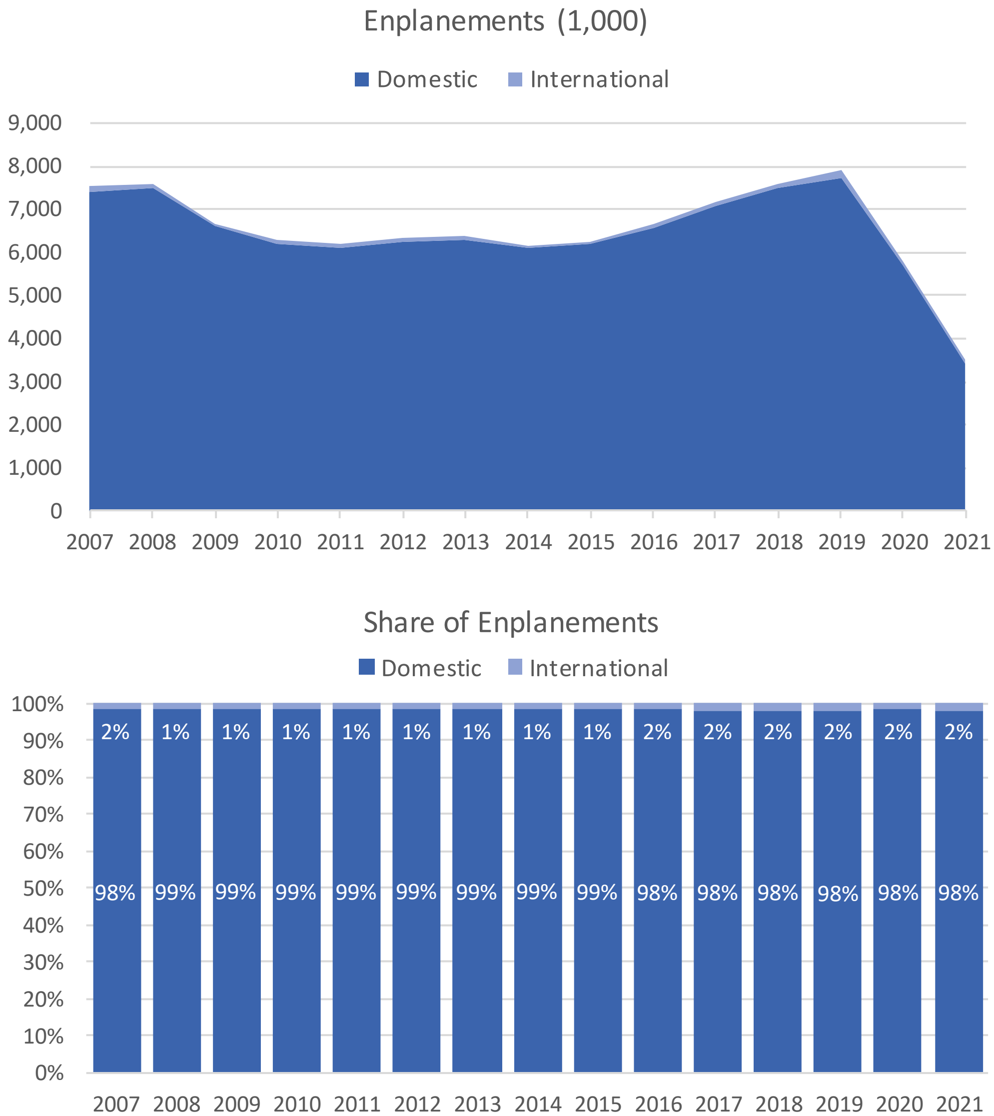
	O&D		Connecting		
Year	**EP**	**Share**	**EP**	**Share**	**Total EP**
2007	5,741	76.1%	1,803	23.9%	7,543
2008	5,849	76.8%	1,762	23.2%	7,611
2009	5,361	80.2%	1,323	19.8%	6,684
2010	5,260	83.8%	1,016	16.2%	6,277
2011	5,341	86.0%	870	14.0%	6,211
2012	5,430	85.5%	920	14.5%	6,351
2013	5,411	84.7%	975	15.3%	6,386
2014	5,294	84.5%	973	15.5%	6,267
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
Jul-Dec 2020	1,108	77.0%	331	23.0%	1,439
Jul-Dec 2021	2,555	82.2%	555	17.8%	3,109
	Average Annual Growth Rate				
FY 2007-2021	-5.0%		-6.6%		-5.3%
FYTD 2021-2022	130.7%		67.3%		116.1%

Note: July 2020 through December 2020 is the latest available year-to-date range for FY2021. July 2021 through December 2021 is the latest available year-to-date range for FY2022.
Source: Airport records.

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 36 and Table 13).

Figure 36 | STL's Domestic and International Enplanements by Fiscal Year, FY2007-2021



Source: Airport records.

Table 13 | STL's Domestic and International Enplanements by Fiscal Year, FY2007-2022 (through October 2021)

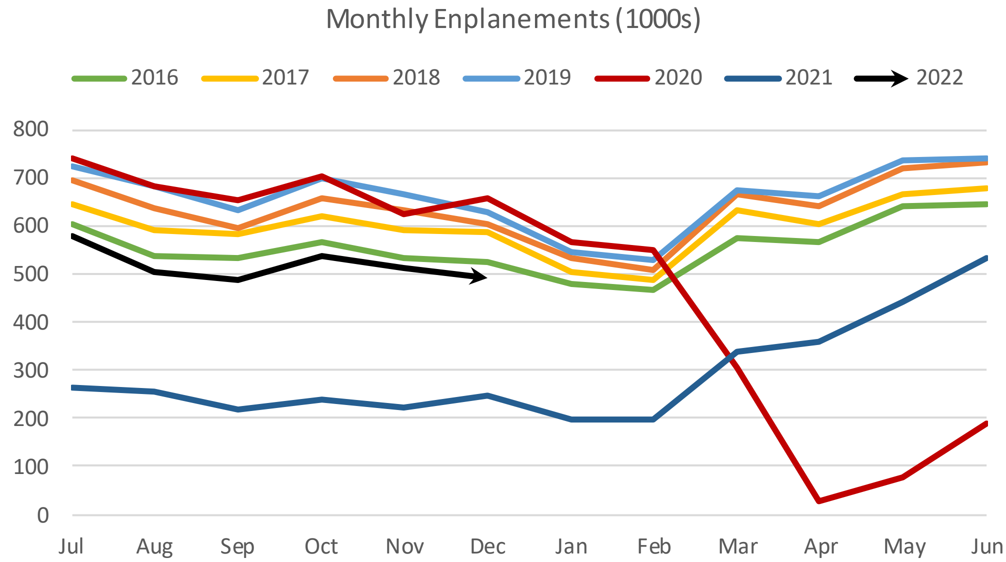
	Domestic		International		
Year	**EP**	**Share**	**EP**	**Share**	**Total EP**
2007	7,418	98.3%	126	1.7%	7,543
2008	7,505	98.6%	106	1.4%	7,611
2009	6,604	98.8%	80	1.2%	6,684
2010	6,189	98.6%	87	1.4%	6,277
2011	6,124	98.6%	87	1.4%	6,211
2012	6,269	98.7%	82	1.3%	6,351
2013	6,301	98.7%	85	1.3%	6,386
2014	6,097	98.7%	80	1.3%	6,177
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
Jul-Dec 2020	1,428	99.3%	11	0.7%	1,439
Jul-Dec 2021	3,063	98.5%	46	1.5%	3,109
	Average Annual Growth Rate				
FY 2007-2021	-5.3%		-5.1%		-5.3%
FYTD 2021-2022	114.4%		331.9%		116.1%

Note: July 2020 through December 2020 is the latest available year-to-date range for FY2021. July 2021 through December 2021 is the latest available year-to-date range for FY2022.
Source: Airport records.

3.3.4 | Seasonality in Enplanements

As shown in Figure 37, 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. February is consistently STL's least active month (Table 14). FY2020 and 2021 disrupted this pattern, due to almost all air traffic stopping in April 2020. Thanks to the distribution of COVID-19 vaccines, monthly enplanement recovery began to accelerate from February of FY2021 until July of FY2022, when new variants of the virus emerged and hampered recovery. New variants combined with holiday travel and gatherings have led to a continued stall in recovery progress through December of FY2022.

Figure 37 | STL's Monthly Enplanements by Fiscal Year



Source: Airport records.

Table 14 | STL's Monthly Enplanement Shares by Fiscal Year

STL Monthly Enplanement Shares by Fiscal Year

Month	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Jul	9.4%	9.2%	9.3%	9.6%	9.1%	9.0%	9.1%	9.2%	12.8%	7.5%
Aug	8.5%	8.9%	8.7%	8.7%	8.1%	8.2%	8.4%	8.6%	11.8%	7.2%
Sep	8.3%	8.0%	8.1%	8.1%	8.0%	8.1%	7.8%	8.0%	11.3%	6.2%
Oct	8.8%	8.8%	8.9%	8.8%	8.5%	8.6%	8.6%	8.8%	12.2%	6.8%
Nov	8.2%	8.2%	7.9%	7.6%	8.0%	8.2%	8.3%	8.4%	10.8%	6.3%
Dec	7.9%	7.9%	8.3%	8.0%	7.9%	8.1%	7.9%	8.0%	11.4%	7.1%
Jan	6.9%	7.0%	6.8%	6.9%	7.2%	7.0%	7.0%	6.9%	9.8%	5.7%
Feb	6.8%	6.6%	6.6%	6.7%	7.0%	6.8%	6.7%	6.7%	9.5%	5.6%
Mar	8.7%	8.7%	8.6%	8.5%	8.6%	8.8%	8.7%	8.5%	5.2%	9.7%
Apr	8.0%	8.2%	8.2%	8.4%	8.5%	8.4%	8.4%	8.4%	0.5%	10.2%
May	9.1%	9.3%	9.0%	9.2%	9.6%	9.2%	9.4%	9.3%	1.3%	12.6%
Jun	9.3%	9.3%	9.6%	9.3%	9.7%	9.5%	9.6%	9.3%	3.3%	15.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Third largest share percentage of FY total.
Second largest share percentage of FY total.
Largest share percentage of FY total.
Third smallest share percentage of FY total.
Second smallest share percentage of FY total.
Smallest share percentage of FY total.

Source: Airport records.

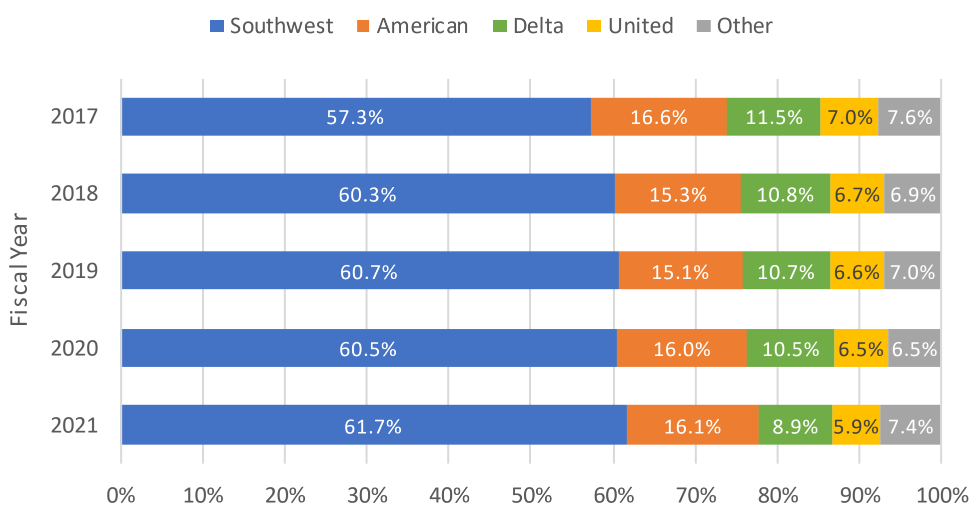
3.3.5 | Airline Market Shares

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 92-95 percent of annual enplanements since FY2006 (Figure 38). 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 on.

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 (61.7 percent in FY2021), followed by American Airlines (16.1 percent), Delta Airlines (8.9 percent), and United Airlines (5.9 percent). Southwest has been largely responsible for the recent increases in enplanements at STL. The carrier more than doubled its traffic at STL from 2007 to 2019, with its enplanements growing at 7.3 percent per year on average. Delta Airlines and United Airlines increased their enplanements at STL by 2.9 percent and 1 percent per year, respectively, on average from 2007 to 2019, although their enplanements have been decreasing in recent years. American's enplanements decreased steadily from 2007 through 2019 by 9.8 percent per year on average. Other airlines including Alaska Air, Frontier, and Sun Country have contributed to STL's passenger traffic growth as well, with their combined enplanements increasing 1.5 percent annually, on average, from 2007 to 2019.

The nationwide drop in air traffic due to the COVID-19 pandemic caused significant declines for all airlines, skewing their compound annual growth rates when including FY2020 and FY2021—about a 33.5 percent decline from FY2019 to FY2021 across all airlines. Table 15 shows airline enplanements and market shares at STL from FY2007 to FY2021, and Figure 39 shows the growth of each airline and STL as a whole, indexed to FY2010 levels.

Figure 38 | Annual Enplanement Shares by Airline



Source: Airport records.

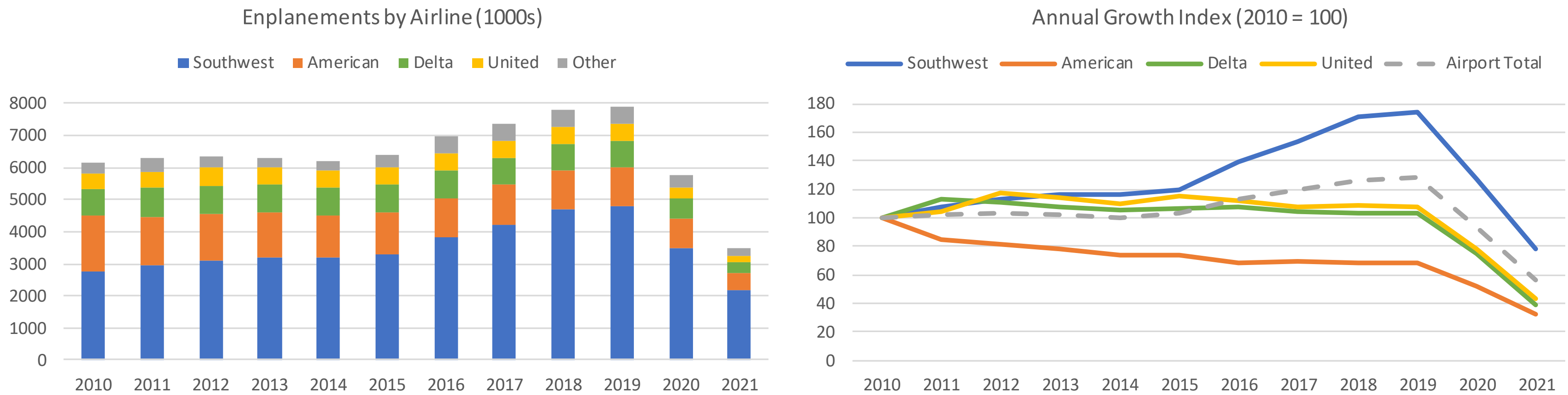
Table 15 | STL Airline Enplanements and Market Shares at STL, by Fiscal Year, FY2007-2021

Enplanements by Airline (1000s)																**FYTD Jul-Dec**	
Carrier	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2021**	**2022**
American	4130	3493	2728	1760	1484	1435	1368	1305	1295	1210	1225	1198	1195	921	564	227	543
Delta	601	635	602	815	925	902	875	861	865	873	850	844	845	608	313	120	331
Southwest	2060	2236	2315	2754	2957	3099	3213	3194	3298	3828	4237	4717	4801	3489	2161	909	1756
United	462	431	426	482	504	566	551	531	554	539	516	525	520	378	206	92	207
Other	463	412	374	367	411	350	291	310	363	538	563	538	554	375	261	91	273
Total	**7715**	**7208**	**6446**	**6179**	**6283**	**6352**	**6298**	**6200**	**6376**	**6988**	**7391**	**7822**	**7915**	**5771**	**3505**	**1439**	**3109**

Enplanement Shares																**FYTD Jul-Dec**	
Carrier	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2021**	**2022**
American	53.5%	48.5%	42.3%	28.5%	23.6%	22.6%	21.7%	21.0%	20.3%	17.3%	16.6%	15.3%	15.1%	16.0%	16.1%	15.8%	17.5%
Delta	7.8%	8.8%	9.3%	13.2%	14.7%	14.2%	13.9%	13.9%	13.6%	12.5%	11.5%	10.8%	10.7%	10.5%	8.9%	8.4%	10.6%
Southwest	26.7%	31.0%	35.9%	44.6%	47.1%	48.8%	51.0%	51.5%	51.7%	54.8%	57.3%	60.3%	60.7%	60.5%	61.7%	63.2%	56.5%
United	6.0%	6.0%	6.6%	7.8%	8.0%	8.9%	8.8%	8.6%	8.7%	7.7%	7.0%	6.7%	6.6%	6.5%	5.9%	6.4%	6.6%
Other	6.0%	5.7%	5.8%	5.9%	6.5%	5.5%	4.6%	5.0%	5.7%	7.7%	7.6%	6.9%	7.0%	6.5%	7.4%	6.3%	8.8%
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%**	**100.0%**

Note: American, Delta, Southwest, and United enplanement counts include their regional affiliates.
Source: Airport records.

Figure 39 | STL Airline Enplanements and Growth Index, by Fiscal Year, FY2010-2021



Note: American, Delta, Southwest, and United enplanement counts include their regional affiliates.
Source: Airport records.

3.4 | Scheduled Passenger Airline Service at STL

Table 16 shows the trends by calendar year from 2016 to 2021 in scheduled passenger airline service at STL by the following measures: seats, aircraft departures, seats per departure, and nonstop destinations. Figure 40 shows each airline's average seats per departure, total nonstop destinations, and each airline's growth compared to their 2016 levels. Scheduled seat capacity at STL has taken an upturn since 2015, due to increases in flights and aircraft gauge—the airline industry's transition toward using aircraft with more seats. Airlines have been upgrading their fleet by putting more seats on each aircraft and by replacing smaller aircraft with larger aircraft to maximize financial returns on each flight.

The average number of seats per day at STL—the most important measure of service capacity—increased 13.1 percent from 2016 to 2019 across all airlines. Due to the COVID-19 pandemic, however, the average number seats at the Airport fell 30.7 percent from 2019 to 2021. Southwest Airlines took the biggest losses in terms of average daily seat count (down 34.2 percent) and departures (down 36.1 percent), but still holds the largest share of both measures by an overwhelming margin. Proportionally, United Airlines experienced the biggest decline, with average daily seats down 36.5 percent and average daily departures down 39.9 percent from 2019 to 2021.

The increase in seat capacity at STL prior to the pandemic is due largely to Southwest Airlines. Southwest Airlines increased scheduled seats by 23 percent and flights by 19.1 percent from 2016 to 2019. Its share of scheduled seats increased from 56 percent in 2016 to 60.9 percent in 2019. That share initially grew to 66.7 in 2020 through the COVID-19 pandemic, but over the course of recovery in 2021, Southwest Airlines' share fell to 57.9 percent. While all the other airlines have begun to restore schedules at STL over 2021, Southwest Airlines' average daily seats and departures have continued to decrease.[37]

As of 2021, Southwest Airlines operated an average of 71 departures per day, American Airlines operated an average of 27 departures per day, Delta Airlines operated an average of 18 departures per day, and United Airlines operated an average of 17 departures per day. All other carriers operated an average of 26 flights.

Figure 40 shows the scheduled seats index, average number of seats per departure, and number of nonstop destinations served at STL from 2016 through 2021. The scheduled seats index shows the level of scheduled seat capacity provided each year relative to 2016. The trend in this index reflects steady expansion from 2016 through 2019 driven largely by Southwest Airlines, the decrease in scheduled seats during the pandemic, and the start of recovery of schedules by at least the major airlines except Southwest Airlines. 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) and the net addition of 6 nonstop destinations (from 66 in 2016 to 72 in 2021).

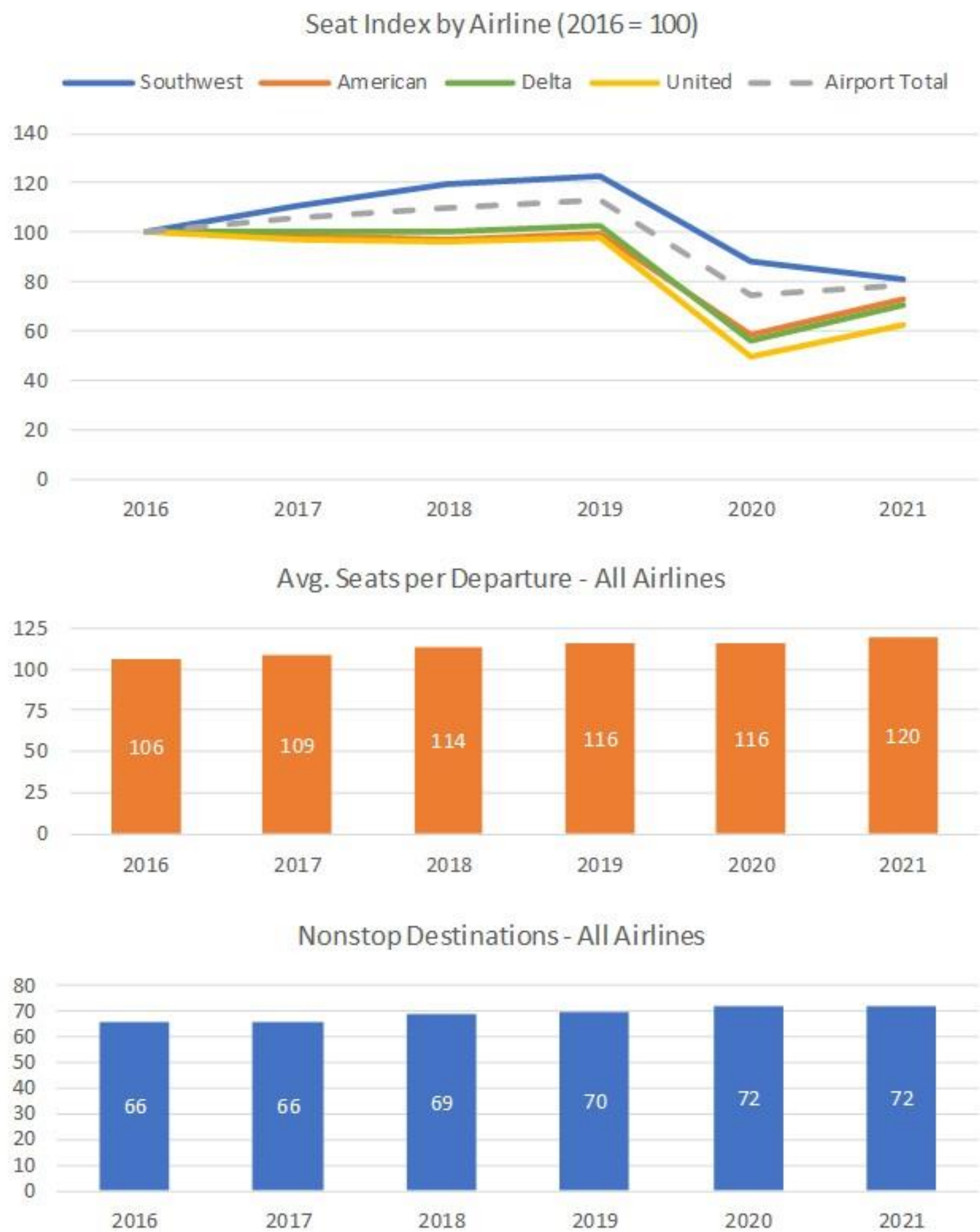
[37] During the pandemic, Southwest adopted an opportunistic strategy of adding new airports and markets to its route network.

Table 16 | Trends in Scheduled Service at STL, by Calendar Year

Trends in Scheduled Service at STL Airline	2016	2017	2018	2019	2020	2021
Southwest						
Number of Nonstop Destinations	45	47	49	52	56	59
Average Daily Departures	93	101	108	111	79	71
Average Daily Seats	13,604	15,081	16,316	16,737	12,032	11,019
American						
Number of Nonstop Destinations	9	9	9	9	10	12
Average Daily Departures	38	38	37	37	20	27
Average Daily Seats	4,146	4,084	4,034	4,119	2,412	3,015
Delta						
Number of Nonstop Destinations	7	7	8	7	6	5
Average Daily Departures	25	25	26	27	15	18
Average Daily Seats	2,916	2,919	2,913	2,990	1,641	2,056
United						
Number of Nonstop Destinations	18	11	15	16	13	14
Average Daily Departures	28	27	27	28	15	17
Average Daily Seats	1,768	1,709	1,701	1,735	879	1,102
Other						
Number of Nonstop Destinations	24	26	27	29	25	31
Average Daily Departures	47	45	37	35	27	26
Average Daily Seats	1,871	1,907	1,818	1,907	1,062	1,851
All Airlines						
Number of Nonstop Destinations[1]	66	66	69	70	72	72
Average Daily Departures	230	236	235	237	155	159
Average Daily Seats	24,304	25,700	26,783	27,488	18,026	19,043

Details by airline may not add to total for all airlines due to rounding.
Source: OAG Schedules Analyzer.

Figure 40 | STL's Scheduled Seats Index, Seats Per Departure, and Nonstop Destinations, by Calendar Year, CY2016-2021



Source: OAG Schedules Analyzer.

3.5 | Top Domestic O&D Markets

Table 17 and Figure 41 show the Airport's top 25 O&D markets in FY2021, 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 five of the 25 listings all being Florida metros. All 25 markets accounted for 72.6 percent of

STL's FY2021 enplanements. The top five, by share of STL enplanements in FY2021, were: Denver, Orlando, Las Vegas, Dallas Love, and Phoenix.

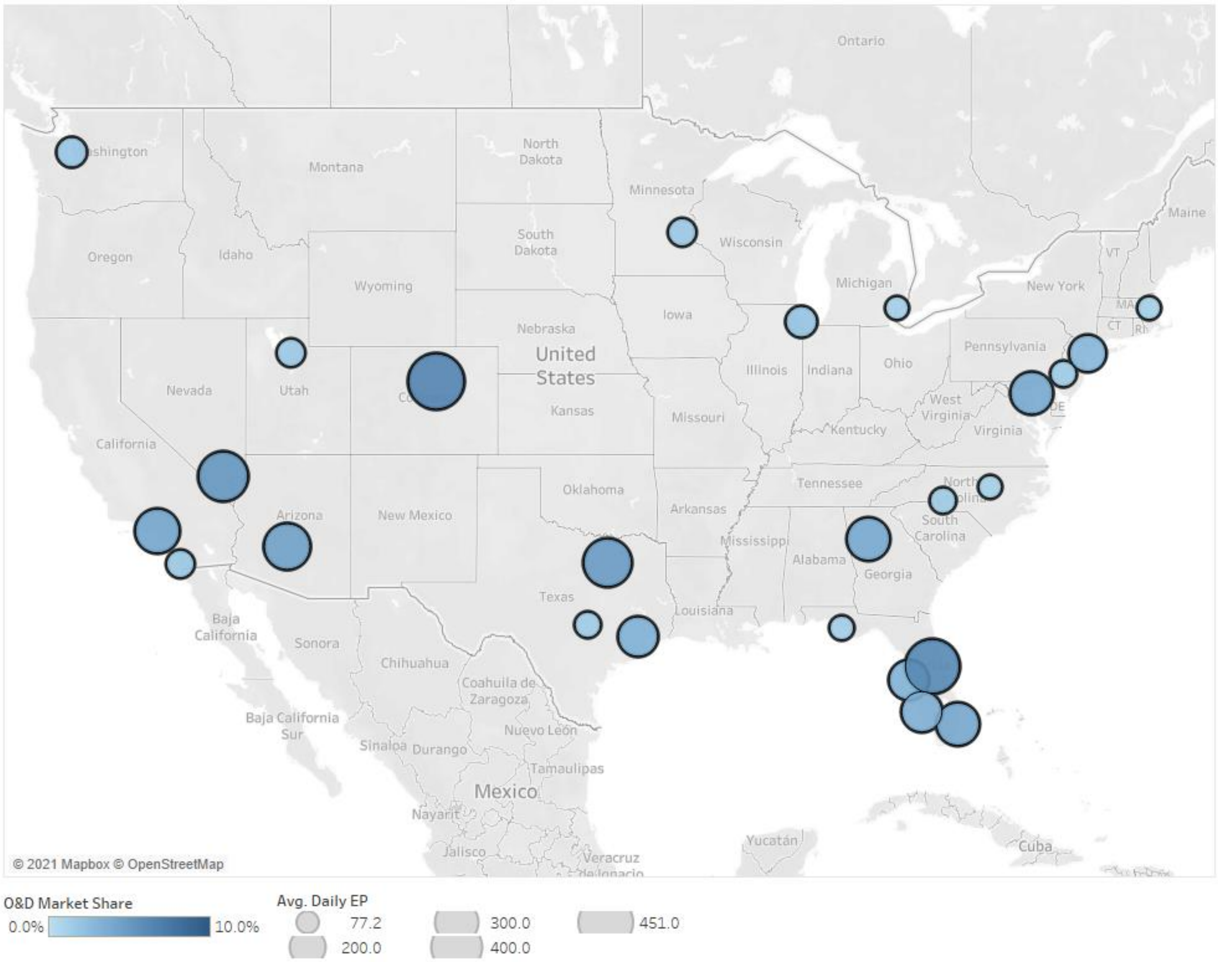
Of the top 25 O&D markets in FY2021, Chicago O' Hare had the most scheduled daily nonstop departures, with airports ORD and MDW. Despite placing 14th in enplanement market share, Chicago O'Hare holds an annual average of 10.5 daily nonstop departures. Just behind it is Dallas Love with an annual average of 9.5 (and a placement of 4th in enplanement share), and Denver with an annual average of 7.5 (and the top placement in enplanement share).

Table 17 | Top 25 STL O&D Markets for FY2021, Ranked by Market Share

Rank	Destination[1]	Metro	Airports	Average Daily EP	O&D Market Share[2]	Daily Nonstop Departures[3]	Airlines Serving Market from STL[4]
1	Denver, CO	DEN	DEN	451	6.5%	7.5	WN, UA, F9
2	Orlando, FL	MCO	MCO	428	6.1%	4.7	WN, F9
3	Las Vegas, NV	LAS	LAS	355	5.1%	3.6	WN, F9
4	Dallas Love, TX	DAL	DAL, DFW	334	4.8%	9.5	AA, WN
5	Phoenix, AZ	PHX	PHX, AZA	308	4.4%	4.6	WN, AA
6	Los Angeles, CA	LAX	LAX, SNA, BUR, LGB, ONT	284	4.1%	1.7	WN
7	Ft. Lauderdale, FL	FLL	FLL, MIA	277	4.0%	3.1	WN, AA
8	Atlanta, GA	ATL	ATL	266	3.8%	7.2	DL, WN
9	Baltimore/Washington, MD	BWI	BWI, DCA, IAD	259	3.7%	5.5	WN, AA, UA
10	Fort Myers, FL	RSW	RSW	238	3.4%	2.4	WN
11	Houston Hobby, TX	HOU	HOU, IAH	228	3.3%	5.1	UA, WN
12	Tampa, FL	TPA	TPA	218	3.1%	2.6	WN
13	New York LaGuardia, NY	LGA	LGA, JFK, EWR	195	2.8%	4.9	AA, DL, WN, UA
14	Chicago O'Hare, IL	ORD	ORD, MDW	140	2.0%	10.5	UA, WN, AA
15	Seattle, WA	SEA	SEA	129	1.9%	1.4	AS, WN
16	San Diego	SAN	SAN	117	1.7%	1.1	WN
17	Salt Lake City, UT	SLC	SLC	111	1.6%	3.1	DL, WN
18	Minneapolis/St. Paul, MN	MSP	MSP	110	1.6%	3.3	DL, WN
19	Charlotte, NC	CLT	CLT	99	1.4%	5.0	AA, WN
20	Philadelphia, PA	PHL	PHL	97	1.4%	2.9	AA, WN
21	Austin, TX	AUS	AUS	96	1.4%	1.2	WN
22	Panama City, FL	ECP	ECP	85	1.2%	0.9	WN
23	Detroit, MI	DTW	DTW	79	1.1%	3.1	DL, WN
24	Boston, MA	BOS	BOS, PVD	78	1.1%	0.9	WN
25	Raleigh/Durham, NC	RDU	RDU	77	1.1%	0.9	WN
...	Other			1,913	27.4%	38.8	
	Top 25 Subtotal			**5,058**	**72.6%**	**96.9**	
	Total STL			**6,972**	**100.0%**	**135.7**	

1 Metro groupings apply as noted.
2 Pax share.
3 Annual average.
4 AA=American, AS=Alaska, DL=Delta, F9=Frontier, UA=United, WN=Southwest
Source: DIIO DB1B YE4Q20, DIIO Schedule Monthly Summary YE-Jun 2021

Figure 41 | Top 25 STL O&D Markets



Source: Tableau, DIIO DB1B YE4Q20, DIIO Schedule Monthly Summary YE-Jun 2021.

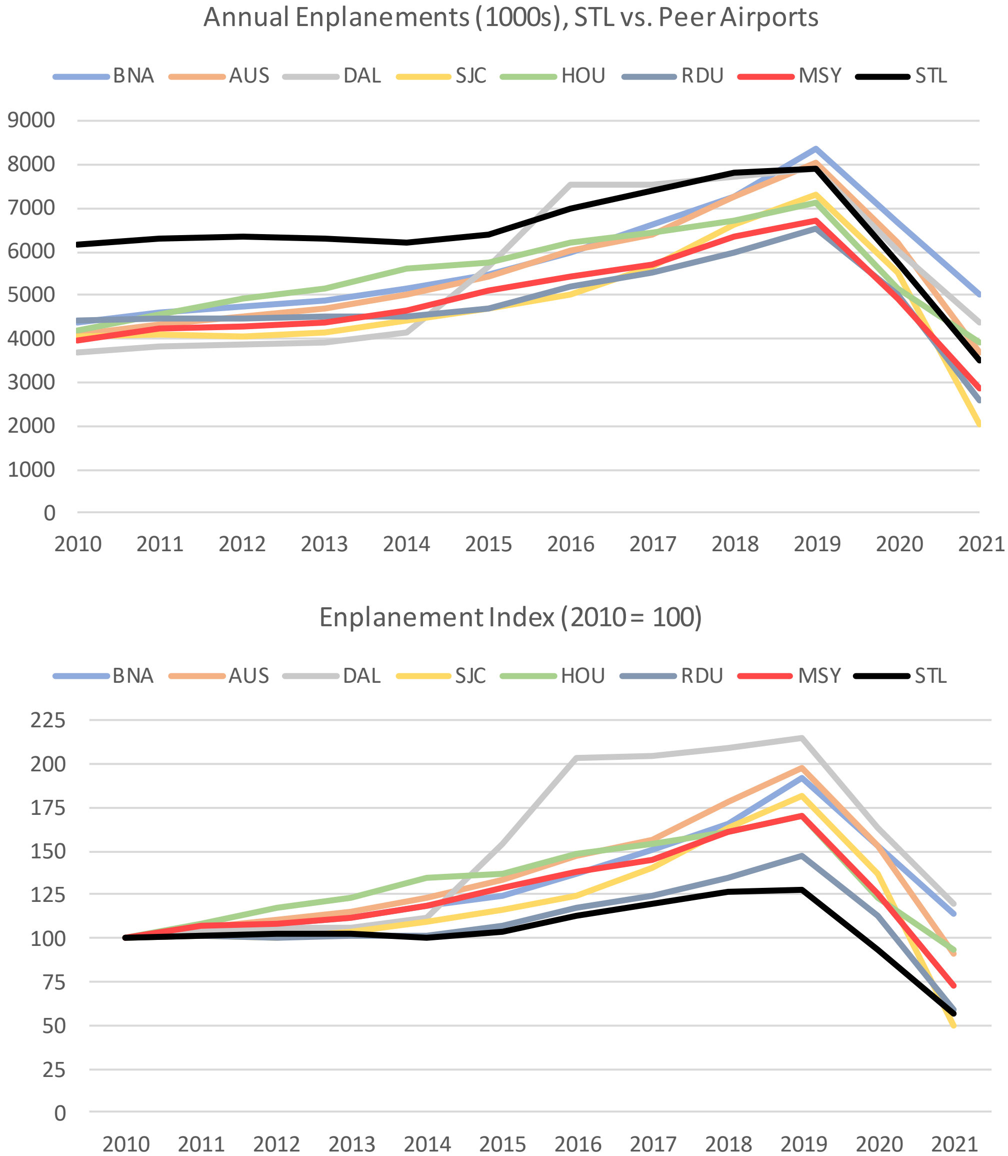
3.6 | Comparison with Peer Airports

In this section, STL is compared with its peer airports in enplanement growth and trends in airfare and real passenger yield.

3.6.1 | Enplanement Growth

Figure 42 compares the trends in enplanement at STL and the seven other medium hub airports that rank closest to it in enplanements (based on CY2019 totals, just before the pandemic)—each annual total, however, is based on STL's fiscal year period ending June 30. Over the past decade, 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. With the COVID-19 pandemic causing drops across all seven airports in FY2020 and FY2021, STL's enplanement levels would fall below one more peer airport, HOU.

Figure 42 | Annual Enplanement Growth, STL vs. Peer Airports (By STL Fiscal Year)

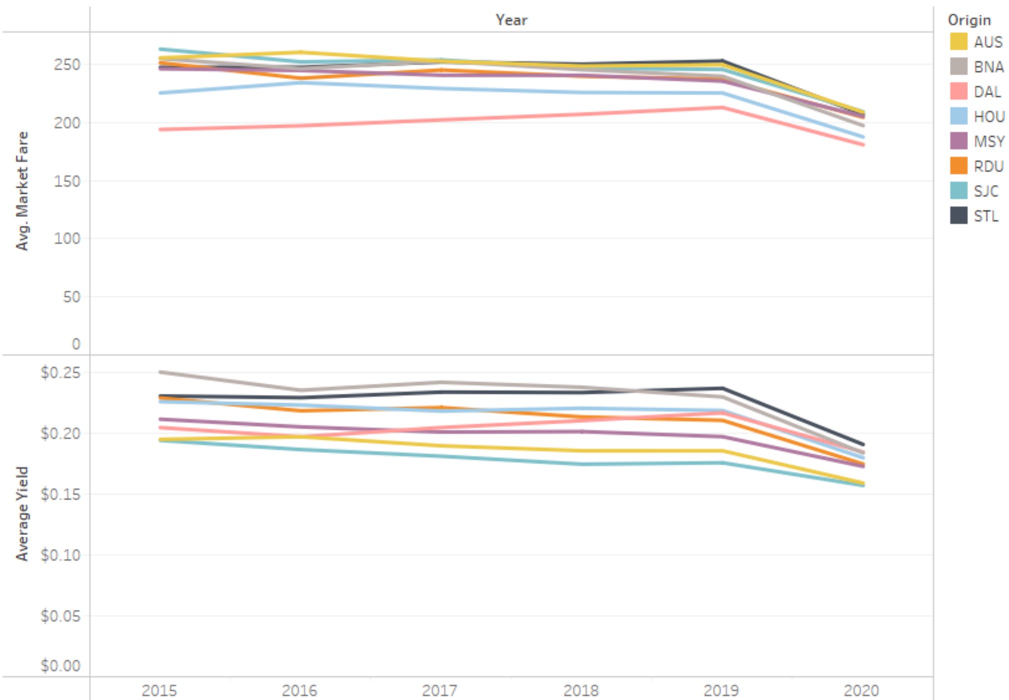


Source: Airport records for STL, Bureau of Transportation Statistics for peer airports.

3.6.2 | Passenger Yield

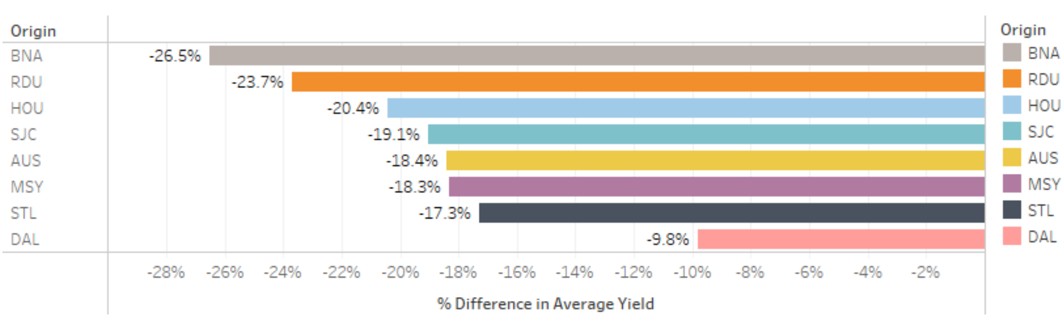
Lower airfares attract passengers. A common measure of airfares that controls for trip length is passenger yield—the average airline revenue per revenue passenger mile. Figure 43 compares the average domestic market fares and passenger yields at STL with the same seven peers that ranked closest in 2019 enplanements. In general, market fare and yields changed little from 2015 to 2019, especially for STL, which showed very slow marginal growth in both measures. That said, maintaining the slow, but steady upward trend did lead to STL having the highest average market fare and yield among its peers by 2019. Come 2020, however, airports nationwide experienced a dip in both market fare and yield due to weak demand during the COVID-19 pandemic. STL fell just below AUS in average market fare in 2020, but remained the top in average yield. Figure 44 compares the overall percent change in average yield from 2015 to 2020 for each airport.

Figure 43 | Average Market Fare and Yield, STL vs. Peer Airports by Calendar Year, CY2015-2020



Source: U.S. Department of Transportation.

Figure 44 | CY2015-CY2020 Average Yield Percent Change STL vs. Peer Airports



Source: U.S. Department of Transportation.

3.7 | Air Cargo

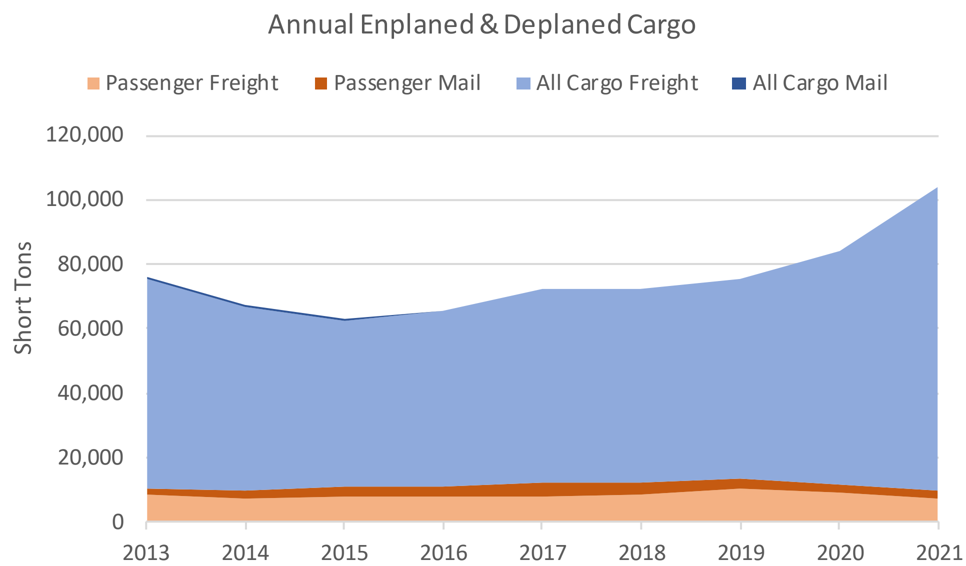
Table 18 shows the trends in air cargo at STL from FY2013 to FY2021, and Figure 45 break downs the Airport's cargo history, distinguishing between passenger carrier freight and mail, and all-cargo carrier freight and mail. The trends in air cargo, like passenger traffic, are driven by economic trends. 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. In fact, total air cargo growth accelerated due to a surge in demand for the shipment of personal protective equipment (PPE) and medical supplies related to COVID-19, a surge in e-commerce, and bottlenecks in other freight transportation modes. From FY2015 to FY2019, total air cargo grew slowly from 65,600 short tons to 75,200 short tons, but from FY2019 to FY2021, total air cargo quickly rose to 103,800 short tons. It is worth noting, however, that this jump is mostly attributed to all-cargo carriers, as cargo from passenger carriers declined with the reduction in flights over the past two fiscal years. While overall cargo in FY2021 reached its highest level since FY2006, the annual share of cargo for passenger carrier hit its lowest point since FY2013, at 9.6 percent.

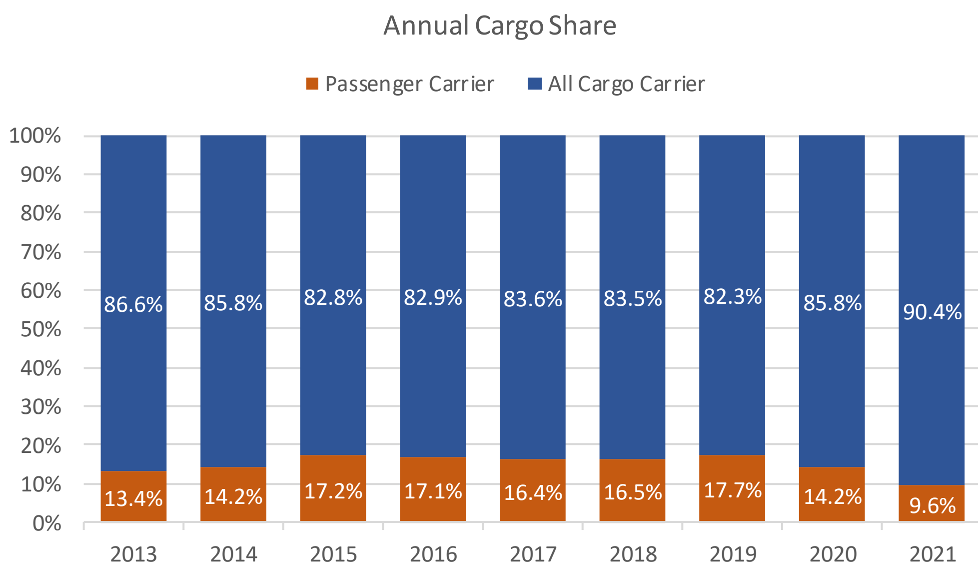
Table 18 | STL's Annual Enplaned and Deplaned Cargo (in Short Tons), by Fiscal Year

Annual Enplaned & Deplaned Cargo (in Short Tons)					
	Passenger Carrier		**All Cargo Carrier**		
FY	**Freight**	**Mail**	**Freight**	**Mail**	**Total**
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	51,910	155	62,849
2016	7,717	3,465	54,192	141	65,514
2017	7,956	3,948	60,444	54	72,402
2018	8,647	3,339	60,355	92	72,433
2019	10,347	2,935	61,894	56	75,232
2020	9,121	2,771	71,978	59	83,929
2021	7,505	2,423	93,819	79	103,826
Jul-Dec 2020	3,778	1,304	45,033	42	50,157
Jul-Dec 2021	4,635	1,080	58,468	17	64,201
Compound Annual Growth Rate					
2013-2019	4%	8%	-1%	-25%	0%
2019-2021	-15%	-9%	23%	18%	17%
2013-2021	-1%	3%	5%	-16%	4%
FYTD 2021-2022	23%	-17%	30%	-59%	28%

Note: July 2020 through December 2020 is the latest available year-to-date range for FY2021. July 2021 through December 2021 is the latest available year-to-date range for FY2022.
Source: Airport records.

Figure 45 | STL's Annual Cargo Trends by Fiscal Year

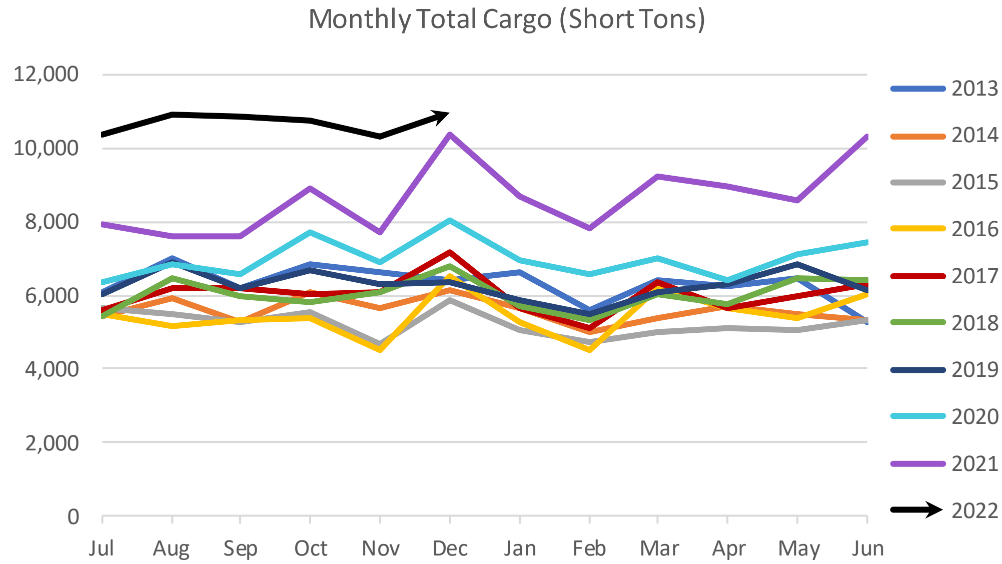




Source: Airport records.

Figure 46 breaks down STL's annual cargo totals by month from FY2013 to FY2021, and shows how FY2021's monthly totals are noticeably above the rest of STL's history. December is often one of, if not the biggest month for enplaned and deplaned cargo each year, likely due to the holidays. Toward the end of FY2021, June cargo activity rose to a level near the year's December peak—since then, FY2022 cargo levels have so far been well above the Airport's previous fiscal years.

Figure 46 | STL's Monthly Cargo Trends by Fiscal Year



Source: Airport records.

3.8 | STL's Commercial Aircraft Landings and Landed Weight

Table 19 shows aircraft landings (departures) at STL by airline over the past eight 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 82,100 to 88,100—the rate of increase is lower than that for enplanements due to increasing aircraft seat capacity and load factor. In the past two years, however, the COVID-19 pandemic has caused landings to fall significantly—down 16 percent to 73,500 in FY2020, then further down another 28 percent to 52,800 as of FY2021. The decrease in scheduled flights during the pandemic, however, was proportionately less than decrease in passenger traffic.

Table 20 shows aircraft landed weight by carrier at STL, over the same period of FY2014 to FY2021. Airports assess landing fees—the largest airline revenue source—based on aircraft gross landed weight (GLW). From FY2014 to FY2019, landed weight grew steadily from 7.4 billion pounds to 8.7 billion pounds, but fell down to 5.1 billion pounds in FY2021 alongside the decline in landings.

Table 19 | Annual Landings and Landing Shares by Fiscal Year at STL

Annual Landings by Fiscal Year									FYTD Jul-Dec		CAGR		
Airline	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2021**	**2022**	**2014-2019**	**2019-2021**	**2014-2021**
Southwest	31,389	30,353	31,474	35,440	37,541	39,352	33,921	24,285	13,135	14,281	4.6%	-21.4%	-3.6%
American	14,726	17,580	14,665	13,735	13,859	13,134	10,850	6,858	2,979	5,893	-2.3%	-27.7%	-10.3%
Delta	9,867	9,249	9,151	9,286	9,421	9,804	7,499	5,357	2,613	3,872	-0.1%	-26.1%	-8.4%
United	11,189	11,324	10,719	9,975	10,007	9,923	8,165	4,759	2,359	3,618	-2.4%	-30.7%	-11.5%
Other	13,522	14,500	16,707	16,368	15,319	13,375	10,943	9,011	4,571	4,870	-0.2%	-17.9%	-5.6%
Subtotal	**80,693**	**83,006**	**82,716**	**84,804**	**86,147**	**85,588**	**71,378**	**50,270**	**25,657**	**32,534**	**1.2%**	**-23.4%**	**-6.5%**
Charter	80	42	369	545	414	355	182	109	34	85	34.7%	-44.6%	4.5%
Cargo	1,350	1,474	1,530	1,501	1,527	1,514	1,957	2,389	1,161	1,405	2.3%	25.6%	8.5%
Total	**82,123**	**84,522**	**84,615**	**86,850**	**88,088**	**87,457**	**73,517**	**52,768**	**26,852**	**34,024**	**1.3%**	**-22.3%**	**-6.1%**
AGR		2.9%	0.1%	2.6%	1.4%	-0.7%	-15.9%	-28.2%		26.7%			

Landing Shares by Fiscal Year								
Airline	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Southwest	38.2%	35.9%	37.2%	40.8%	42.6%	45.0%	46.1%	46.0%
American	17.9%	20.8%	17.3%	15.8%	15.7%	15.0%	14.8%	13.0%
Delta	12.0%	10.9%	10.8%	10.7%	10.7%	11.2%	10.2%	10.2%
United	13.6%	13.4%	12.7%	11.5%	11.4%	11.3%	11.1%	9.0%
Other	16.5%	17.2%	19.7%	18.8%	17.4%	15.3%	14.9%	17.1%
Subtotal	**98.3%**	**98.2%**	**97.8%**	**97.6%**	**97.8%**	**97.9%**	**97.1%**	**95.3%**
Charter	0.1%	0.0%	0.4%	0.6%	0.5%	0.4%	0.2%	0.2%
Cargo	1.6%	1.7%	1.8%	1.7%	1.7%	1.7%	2.7%	4.5%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Airport records.

Table 20 | Annual Landed Weight (in Million Pounds) and Landed Weight Shares by Fiscal Year at STL

Annual Landed Weight (in Million Pounds) by Fiscal Year									FYTD Jul-Dec		CAGR		
Airline	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2021**	**2022**	**2014-2019**	**2019-2021**	**2014-2021**
Southwest	3,871	3,816	3,997	4,545	4,951	5,202	4,489	3,239	1,745	1,927	6.1%	-21.1%	-2.5%
American	1,577	1,572	1,475	1,430	1,417	1,376	1,207	731	335	642	-2.7%	-27.1%	-10.4%
Delta	1,053	1,027	1,033	1,029	1,007	1,022	828	557	270	430	-0.6%	-26.2%	-8.7%
United	595	608	605	623	590	584	486	314	156	274	-0.4%	-26.7%	-8.7%
Other	319	386	460	536	544	559	443	357	150	330	11.9%	-20.1%	1.6%
Subtotal	**7,415**	**7,409**	**7,570**	**8,163**	**8,509**	**8,743**	**7,454**	**5,197**	**2,655**	**3,603**	**3.3%**	**-22.9%**	**-5.0%**
Charter	26	9	40	51	56	51	25	23	5	18	14.5%	-32.9%	-1.7%
Cargo	348	370	362	341	362	370	454	540	265	316	1.2%	20.8%	6.5%
Total	**7,789**	**7,788**	**7,972**	**8,556**	**8,928**	**9,164**	**7,933**	**5,760**	**2,924**	**3,937**	**3.3%**	**-20.7%**	**-4.2%**
AGR		0.0%	2.4%	7.3%	4.3%	2.6%	-13.4%	-27.4%		34.6%			

Landed Weight Shares by Fiscal Year								
Airline	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Southwest	49.7%	49.0%	50.1%	53.1%	55.5%	56.8%	56.6%	56.2%
American	20.2%	20.2%	18.5%	16.7%	15.9%	15.0%	15.2%	12.7%
Delta	13.5%	13.2%	13.0%	12.0%	11.3%	11.2%	10.4%	9.7%
United	7.6%	7.8%	7.6%	7.3%	6.6%	6.4%	6.1%	5.4%
Other	4.1%	5.0%	5.8%	6.3%	6.1%	6.1%	5.6%	6.2%
Subtotal	**95.2%**	**95.1%**	**95.0%**	**95.4%**	**95.3%**	**95.4%**	**94.0%**	**90.2%**
Charter	0.3%	0.1%	0.5%	0.6%	0.6%	0.6%	0.3%	0.4%
Cargo	4.5%	4.7%	4.5%	4.0%	4.1%	4.0%	5.7%	9.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Airport records.

3.9 | Forecast Commercial Aviation Activity

Forecast development takes into account the demand and supply changes in the aviation industry, and the changes in the business environment during the pandemic. A hybrid modeling framework combines multiple forecasting methods and multiple data sources to project air traffic during different phases of recovery and growth.

Forecast development acknowledges high uncertainty in the development of the pandemic and the implications for the outlook for the aviation industry and the overall economy. Three forecast scenarios are presented, differentiated by the speed of recovery to pre-COVID-19 levels of traffic. The three scenarios are labeled Base, High and Low. The Base scenario is intended to provide a conservative outlook for the recovery of business travel and airport passenger traffic, and post-recovery traffic growth based on an independent forecast of economic growth. The High scenario projects a faster enplanement recovery, based on faster recovery in business travel and a stronger economic outlook. The Low scenario projects a slower enplanement recovery corresponding with a slower rebound in business travel and a weaker economic outlook.

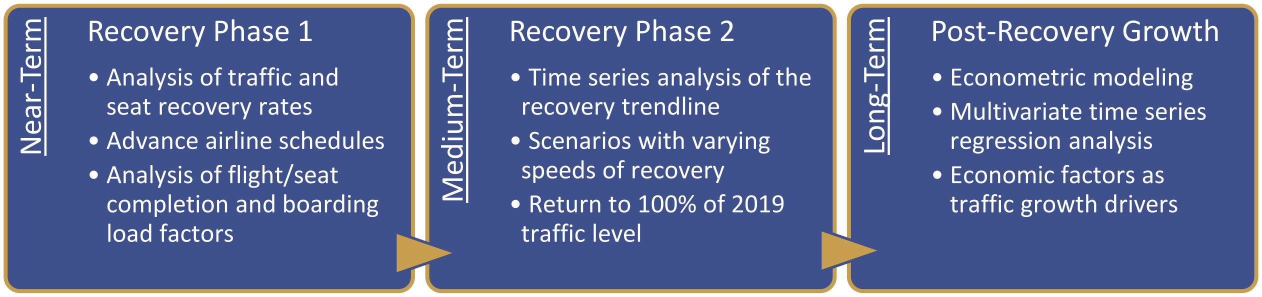
The three scenarios provide a reasonable range for planning and sensitivity analysis. At the time of forecast development, however, the effects of the pandemic on the economy and aviation industry are still developing, and uncertainty remains very high. Forecast development relies on information available at the time of development; if the outlook changes materially and any of the assumptions fail to hold, actual traffic could fall outside the three scenarios.

3.9.1 | COVID-19 Hybrid Forecast Development Framework

A hybrid modeling framework leverages the strengths of different forecasting methods and data sources in projecting air traffic during different phases of recovery and growth (Figure 47). The forecast period is divided into three phases: near-term recovery phase, medium-term recovery phase, and post-recovery growth phase. Each phase uses different forecasting methods employing data sources ranging from traditional data sources on actual airport activity and airline schedules, to high-frequency data on TSA airport screening throughput.

Forecast development by phase allows us to consider different factors expected to drive traffic trends across different phases. For example, in the short run, the course of the COVID-19 pandemic and progress in vaccination are expected to continue driving the course and speed of air travel recovery and economic growth. Emergence of new COVID-19 virus variants could potentially impede current recovery efforts and delay the return of air passenger traffic to the pre-COVID-19 level. The supply side—particularly the ability of airlines to restore and expand schedules quickly—will also determine the speed of traffic recovery. In the long run, once the COVID-19 virus has been contained, public health safety, although expected to remain a top concern, will likely play less of a role in driving traffic growth. Instead, market demand factors such as trends in income and price, along with any lasting changes in personal and business travel propensity and preferences, will again become the primary drivers of long-term traffic growth.

Figure 47 | Forecast Development by Phase



3.9.2 | Near-Term Recovery Phase

Forecast development in the near-term recovery phase considers recent progress in traffic recovery. At the time of forecast development, data on actual airport activity was available through October 2021. Advance airline schedules (accessed in November 2021), supplemented with TSA throughput screening data, provide the starting point for projecting monthly flights, seats, and enplanements for the remainder of FY2022, adjusting for expected schedule completion rates (Table 21) and boarding load factors (BLF) (Table 22). Projected flight arrivals (landings), multiplied by the average aircraft landed weight, yields projections of total landed weight.

Table 21 | Projected Schedule Completion Rates and Seats for STL

	Seat Completion Rate			Projected Seats		
Month	Scenario 1 Base	Scenario 2 High	Scenario 3 Low	Scenario 1 Base	Scenario 2 High	Scenario 3 Low
Nov-21	100.0%	100.0%	100.0%	672,035	672,035	672,035
Dec-21	95.6%	100.0%	93.6%	627,254	656,123	614,131
Jan-22	91.2%	96.2%	89.2%	603,493	636,579	590,259
Feb-22	86.8%	91.8%	84.8%	551,306	583,063	538,603
Mar-22	82.4%	87.4%	80.4%	698,100	740,461	681,156
Apr-22	78.0%	83.0%	76.0%	583,990	621,425	569,016

Source: Unison Consulting, Inc.

Table 22 | Projected Boarding Load Factors (BLF) for STL

Actual Boarding Load Factors					Projected Boarding Load Factors			
Month	2019 BLF[1]	2021 BLF	Difference (pp)[2]		Month-Year	Scenario 1 Base	Scenario 2 High	Scenario 3 Low
Jan	69.63%	50.20%	-19.43		Jan-22	69.63%	74.63%	64.63%
Feb	75.20%	57.77%	-17.44		Feb-22	75.20%	80.20%	70.20%
Mar	78.65%	71.40%	-7.25		Mar-22	78.65%	83.65%	73.65%
Apr	78.77%	75.31%	-3.47		Apr-22	78.77%	83.77%	73.77%
May	84.53%	82.82%	-1.71					
Jun	86.64%	81.23%	-5.41					
Jul	83.83%	83.67%	-0.17					
Aug	78.13%	72.08%	-6.04					
Sep	77.49%	73.42%	-4.07					
Oct	79.33%	78.09%	-1.24					
Nov	76.59%				Nov-21	75.35%	79.35%	69.35%
Dec	79.88%				Dec-21	78.64%	82.64%	72.64%

[1] BLF = Enplanements/Seats.
[2] Percentage-point (pp) difference between the 2021 and 2019 monthly boarding load factors. Negative values indicate lower 2021 boarding load factors, compared to the 2019 levels.
Source: Unison Consulting, Inc.

Only six-months' advance schedules are used in the forecasts. Even before the COVID-19 pandemic, advance schedules were subject to changes until the date of operation. These changes, mostly downward, were amplified during the COVID-19 pandemic, as airlines could no longer rely on advance bookings and predictable demand patterns in setting flight schedules. Advance schedules for dates of operation further out in the future tend to be subject to larger cuts. Therefore, adjustments are necessary to anticipate cuts, and these adjustments are accomplished by applying a completion rate to scheduled flights and seats.

The seat completion rate assumptions consider actual recovery trends, current developments in the aviation industry and the business environment, trends in COVID-19 infection and vaccination rates, travel sentiment surveys, and developments regarding travel restrictions, especially for international travel. The spread of new COVID-19 virus variants—Delta and Omicron—has slowed air traffic recovery and economic growth since the third quarter of 2021. The slowdown in traffic recovery and surges in COVID-19 sick calls from airline employees have prompted airlines to scale back flight schedules. The projected seat completion rates, which measure the gap between airlines' advance schedules and final schedules, are set to decrease over time to anticipate the cuts in airline schedules.

The boarding load factor assumptions are set to reflect seasonal patterns as well as an overall improving trend. BLF have improved significantly so that the gap between current and pre-pandemic boarding load factors is closing. By October 2021, the overall BLF on flights from STL was only 1.2 percentage point lower than the pre-pandemic level for the same month, compared with a difference of -19.4 percentage points in January 2021. To project BLF for the next six months, the TSA throughput trends at STL are analyzed. Most recent (November 2021) data suggest an improvement in STL's passenger traffic since the end of September 2021. For Scenario 1 (Base), BLF are assumed to return to their 2019 levels in 2022. For Scenario 2 (High), they are projected to continue improving and begin exceeding 2019 levels. Scenario 3 (Low) assumes a setback in BLF.

3.9.3 | Medium-Term Recovery Phase

The medium-term recovery phase analyzes the pace at which enplanements recovers to the pre-COVID level using univariate time series regression. Both linear and logarithmic functional forms are evaluated to fit recovery trendlines from April 2020, when passenger traffic reached a nadir, to April 2022, the end of the near-term recovery phase. The linear function projects a straight-line trajectory and a faster recovery compared with the logarithmic function. The logarithmic trendline projects an initial acceleration of recovery and eventual tapering, resulting in a longer recovery period than that projected by a linear trendline. The logarithmic function produces a trendline that reflects the shape of recovery so far.

Figure 48 shows the three recovery scenarios, based on the seat and BLF recovery assumptions for the near term and, beyond the near term, recovery trendlines produced by logarithmic functions. The results are summarized below:

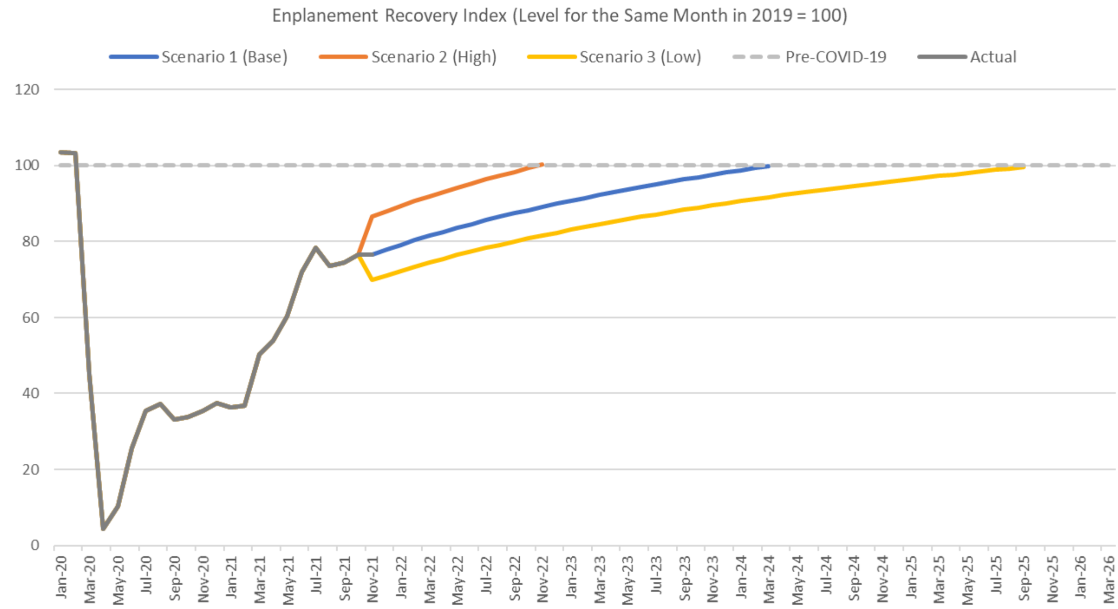
- Scenario 1 (Base) – Monthly enplanements return to the pre-COVID level by March 2024, with total annual enplanements exceeding the FY2019 level in FY2025. The projected recovery timeline is similar to A4A's conservative forecast for the U.S. airline industry as of November 1, 2021, which projects a return to CY2019 passenger volume by CY2024.[38]

- Scenario 2 (High) – Monthly enplanements return to the pre-COVID level by November 2022, and total annual enplanements exceed the FY2019 level by the end of FY2023. The projected recovery period is similar to A4A's optimistic forecast for the U.S. airline industry.

- Scenario 3 (Low) – Monthly enplanements return to the pre-COVID level by September 2025. Total annual enplanements exceed the FY2019 level in FY2026.

[38] Airlines for America, *COVID Impact Updates*, November 1, 2021.

Figure 48 | Monthly Enplanements: Forecast Recovery to Pre-COVID Level for STL



Source: Unison Consulting, Inc.

3.9.4 | Post-Recovery Growth Phase

Full recovery to pre-COVID levels marks the end of the recovery phase and the start of the post-recovery phase. Under our current assumptions, this phase begins in FY2025 under Scenario 1 (Base), in FY2023 under Scenario 2 (High), and in FY2026 under Scenario 3 (Low). During the post-recovery phase, the growth in passenger traffic is "demand-driven"—it is driven by market factors underlying the economics of air transportation. A critical assumption in this phase is the ability of airlines to adjust seat capacity to meet increasing air travel demand.

In the post-recovery phase, we assume growth patterns will begin to normalize and the relationship between air traffic and economic drivers will be restored. Multivariate time series regression analysis is used to link enplanement growth to changes in key market demand drivers. It provides a rigorous and quantitative framework for measuring the contributions of individual demand drivers to enplanement growth, while accounting for structural changes at STL and the national economy, historical enplanement trends, as well as serial correlation often found in time series data.

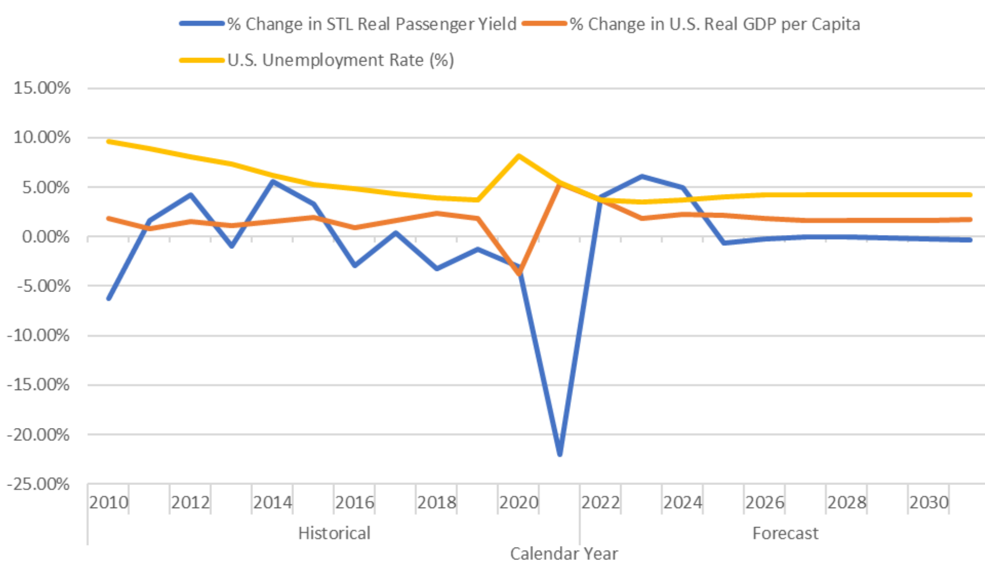
Forecasting using regression analysis is done in two steps. The first step is model estimation: A regression equation is estimated using historical data on the model variables—in this case, from 1991 through 2019.[39] Using the least squares method for model estimation minimizes forecast errors—the difference between the actual and predicted enplanement levels. The regression equation includes "coefficients" that measure the contributions of each driver in predicting annual

[39] Historical data begins in 1991.

enplanement at STL. In the second step, the estimated regression coefficients are combined with projections of market drivers to forecast enplanement growth.

The specification of the regression model is informed by economic theory of consumer demand and observed structural changes at STL and aviation industry. The regression model treats STL's O&D enplanements as the dependent variable. The choice of using O&D enplanement over total enplanement is to control the wide enplanement fluctuations due to the dehubbing of American Airlines at STL and the loss in connecting traffic. O&D enplanements 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. The price variable is STL's real passenger yield. Figure 49 presents the historical and forecast trends in these three key explanatory variables.[40]

Figure 49 | Key Regression Model Explanatory Variables: Historical and Forecast Trends for STL



Sources: Moody's Analytics, U.S. Department of Transportation, and Federal Aviation Administration.

U.S. Real Gross Domestic Product Per Capita

The U.S. real GDP per capita is a key indicator for national economic conditions. Growth in real GDP per capita reflects the pace of economic and income growth, factors that drive 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 reduces 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 enplanement.

[40] For readability, the figure is truncated at CY2010, even though the regression model includes historical data from CY1991.

As the U.S. economy continues to rebound from the pandemic, the U.S. real GDP per capita is expected to continue to grow over the next decade. Following a 3.7 percent decrease in CY2020, the U.S. real GDP per capita grew 5.7 percent in CY2021, bringing its level above the 2019 level, based on estimates by the U.S. Bureau of Economic Analysis. After CY2021, U.S. real GDP per capita is expected to grow at an average annual rate of 2 percent through CY2031, based on the forecasts of Moody's Analytics, an independent economic advisory firm. This growth rate is slightly higher than the post-Great Recession expansion rate, during which U.S. real GDP per capita grew at an average annual rate of 1.6 percent from CY2009 to CY2019.

U.S. Unemployment Rate

The U.S. unemployment rate provides another key indicator for national economic conditions. Falling unemployment rates indicate an expanding national economy, while rising unemployment rates indicate a slowing and contracting national economy. Passenger traffic trends track business cycles in the U.S. economy. A negative and statistically significant negative regression coefficient confirms the negative association between the unemployment rate and STL passenger traffic, showing.

Over the next decade, the U.S. unemployment rate is expected to fall as the national economy expands, spurring growth in passenger traffic. According to the forecast by Moody's Analytics, the U.S. unemployment rate is projected to fall from 5.4 percent in CY2021 to 4.2 percent by CY2031.

Real Passenger Yield at STL

According to the theory of consumer demand, the quantity of air travel demand (passenger traffic) is inversely related to the price of air travel. Specifically, holding everything else constant, an increase in price decreases passenger traffic, while a decrease in price increases passenger traffic. Here, economic theory is supported by the data: regression analysis yields a negative and statistically significant regression coefficient on the average real passenger yield at STL. Real passenger yield is calculated as total airline passenger revenues divided by revenue passenger miles, adjusted for inflation. This measure controls trip distance and serves as a better indicator for the price of air travel than average airfare.

Between FY2020 and FY2021, STL's real passenger yield decreased by an annual rate of 22.05 percent as airlines reduced air fares to attract passenger traffic. Compared to this steep decline, the real passenger yield only fell by an average annual rate of 0.2 percent between FY2010 and FY2020. Over the next three years, as demand strengthens, the price of air travel is expected to increase from the recent troughs reached during the pandemic, reversing steep declines. Beyond FY2024, the average real passenger yield at STL resumes a downward trend consistent with the long-term trend since the 1978 airline industry deregulation. The projected trends in average real passenger yield follow those projected by the FAA for the national air traffic forecast.[41]

[41] Source: Federal Aviation Administration, *FAA Aerospace Forecasts*, Fiscal Years 2021-2041.

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. They include the relocation of TWA's headquarter to St. Louis in 1994, the terrorist attack of September 11, 2001, 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. Even though these structural changes occurred in the past, their effects need to be accounted for to better measure the contributions of the economic and price variables to changes in enplanement levels.

3.9.5 | Forecast Results

Figure 50 presents the forecast results from this study and compares them with the March 2022 FAA Terminal Area Forecasts (TAF) for STL. In all three scenarios, the forecasts include the expected increase in air traffic resulting from the introduction of a new route between STL and Frankfurt Airport (FRA) in Frankfurt, Germany.[42] Below is a summary of the enplanement forecasts:

- Scenario 1 (Base) – Annual enplanement is projected to reach 6 million by FY2022, an increase of 72 percent from 3.5 million in FY2021. Passenger traffic continues to grow at a decelerating rate until FY2025, when annual enplanement begins to exceed the FY2019 level (7.92 million). After FY2025, annual enplanement grows at moderate rates around an average annual rate of 1.6 percent, reaching 8.9 million by FY2031. Between FY2021 and FY2031, the compound annual growth rate is 9.8 percent.

- Scenario 2 (High) – Annual enplanement is projected to increase 85.3 percent to 6.5 million in FY2022 and begin exceeding the FY2019 level by FY2023 with 8 million passengers. After FY2023, annual enplanement grows steadily at moderate rates, averaging 2.6 percent annually, and reaches 9.8 million by FY2031. Between FY2021 and FY2031, the compound annual growth rate is 10.8 percent.

- Scenario 3 (Low) – Annual enplanement is projected to reach 5.7 million by FY2022, an increase of 62.7 percent from FY2021. Annual enplanement is projected to reach 7.96 million by FY2026, slightly exceeding the FY2019 level. After FY2026, annual enplanement continues to grow steadily, with an average annual growth rate of 1.3 percent. By FY2031, annual enplanement is projected reach 8.5 million. Between FY2021 and FY2031, the compound annual growth rate is 9.3 percent.

- FAA TAF, March 2022 – The TAF projections are based on the federal fiscal year, which ends on September 30. To make the projections comparable, the TAF forecasts have been converted into STL's fiscal year basis. Compared to this study's forecasts, the TAF projects a slower initial recovery between FY2021 and FY2022 and faster growth after FY2023.

[42] The new international route, which is expected to begin on June 1, 2022, will be operated by Lufthansa three times weekly using Airbus A330-300s with 255 seats.

Despite these differences, the TAF's projected annual enplanements are within three percent of the enplanement forecasts of Scenario 1 (Base) between FY2023 and FY2031.

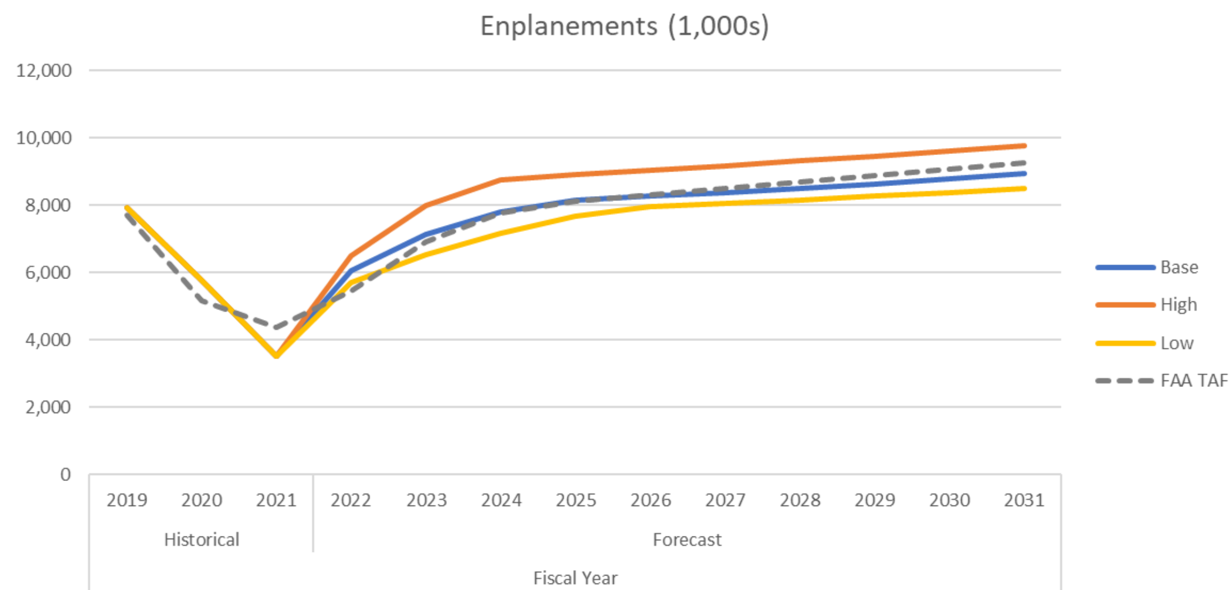
The FY2023 to FY2031 projections of seats and aircraft departures or landings are based on annual enplanement forecasts, along with projections of the average seats per departure and boarding load factors. Generally, flight departures are expected to recover slightly slower than enplanements due to projected 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 85,345 under Scenario 1 (Base), 90,366 under Scenario 2 (High), and 81,426 under Scenario 3 (Low) by FY2031. Aircraft operations will have fully recovered to the FY2019 level (87,457 aircraft departures) only under Scenario 2 (High).

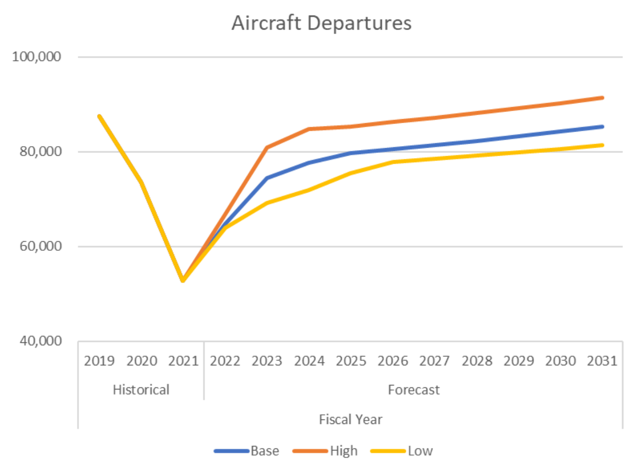
The FY2023 to FY2031 projections of landed weight are derived from aircraft landings, which are equal to aircraft departures. Generally, landed weight increases faster than landings because of projected increases in aircraft size, which raises the average weight per landing. Landed weight fully recovers in FY2026 under Scenario 1 (Base), in FY2023 in Scenario 2 (High), and in FY2028 in Scenario 3 (Low). By the end of the forecast period, annual landed weight is projected to reach 10.12 billion pounds in Scenario 1 (Base), 10.75 billion pounds in Scenario 2 (High), and 9.65 billion pounds in Scenario 3 (Low)—all exceeding the FY2019 level (9.16 billion pounds).

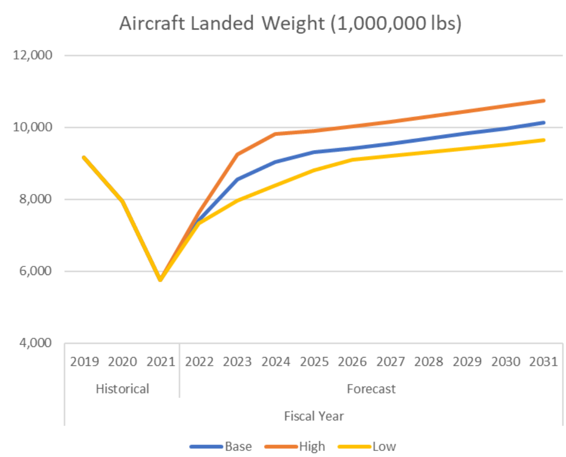
The complete forecast results are presented in 12 summary tables (Table 23 through Table 34).

Table 35 presents the breakdown of annual enplanements into O&D and connecting traffic segments. The O&D share increased from 77 percent in FY2019 to 80 percent in FY2021. It is projected to increase further to 82 percent in FY2022 and then gradually return to the 77 percent by FY2031. Under Scenario 2 (High), the O&D share is projected to decrease to 74 percent, as the connecting share increases with Southwest Airlines routing more connections through STL. Under Scenario 3 (Low), the O&D share returns to 80 percent, the share observed in FY2021.

Figure 50 | Forecast Commercial Aviation Activity at STL







Sources: Unison Consulting, Inc., and FAA Terminal Area Forecasts as of March 2022.

Table 23 | Forecast Enplanements - Scenario 1 (Base) at STL

	Actual			Recovery Phase				Post-Recovery Phase						CAGR	
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**	**2019-2031**
Enplanements (1,000s)															
American	1,195	921	564	1,166	1,504	1,647	1,718	1,746	1,771	1,797	1,825	1,855	1,887	12.8%	3.9%
Delta	845	608	313	624	697	764	797	810	821	833	846	860	875	10.8%	0.3%
Southwest	4,801	3,489	2,161	3,224	3,651	3,998	4,171	4,239	4,298	4,363	4,431	4,503	4,580	7.8%	-0.4%
United	520	378	206	396	460	504	526	534	542	550	558	567	577	10.9%	0.9%
Other Airlines	533	367	258	625	802	878	916	931	944	957	972	987	1,003	14.6%	5.4%
Total - passenger carriers	7,894	5,762	3,502	6,035	7,115	7,789	8,128	8,260	8,375	8,501	8,633	8,772	8,922	9.8%	1.0%
Total - charters	22	8	3	5	6	7	7	7	8	8	8	8	8	10.1%	-7.9%
Total	7,915	5,771	3,505	6,042	7,121	7,796	8,136	8,267	8,383	8,509	8,641	8,780	8,930	9.8%	1.0%
Annual percent change		-27.0%	-39.2%	72.3%	17.9%	9.5%	4.4%	1.6%	1.4%	1.5%	1.6%	1.6%	1.7%		
Enplanement Shares															
American	15.1%	16.0%	16.1%	19.3%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%		
Delta	10.7%	10.5%	8.9%	10.3%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%		
Southwest	60.7%	60.5%	61.7%	53.4%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%		
United	6.6%	6.5%	5.9%	6.6%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%		
Other Airlines	6.7%	6.4%	7.3%	10.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.2%	11.2%	11.2%		
Total - passenger carriers	99.7%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%		
Total - charters	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		

Source: Unison Consulting, Inc.

Table 24 | Forecast Seats and Aircraft Departures – Scenario 1 (Base) at STL

Fiscal Year	Actual			Recovery Phase				Post-Recovery Phase						CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021-2031	2019-2031
Seats (1,000s)															
American	1,447	1,318	774	1,409	1,819	1,991	2,056	2,084	2,113	2,147	2,181	2,213	2,251	11.3%	3.8%
Delta	1,078	887	574	823	864	908	937	950	964	979	994	1,009	1,026	6.0%	-0.4%
Southwest	6,069	5,464	3,778	4,172	4,725	4,955	5,116	5,186	5,258	5,341	5,426	5,507	5,600	4.0%	-0.7%
United	619	509	289	486	564	593	613	621	630	640	650	660	671	8.8%	0.7%
Other Airlines	696	550	434	799	1,020	1,068	1,102	1,116	1,131	1,149	1,166	1,183	1,202	10.7%	4.7%
Total - passenger carriers	9,909	8,728	5,848	7,690	8,992	9,516	9,824	9,958	10,096	10,255	10,418	10,572	10,751	6.3%	0.7%
Aircraft Departures (Landings)															
American	13,134	10,850	6,858	12,118	15,827	17,094	17,590	17,768	17,952	18,173	18,398	18,612	18,869	10.7%	3.1%
Delta	9,804	7,499	5,357	7,048	7,487	7,759	7,986	8,067	8,151	8,251	8,353	8,450	8,567	4.8%	-1.1%
Southwest	39,352	33,921	24,285	26,603	30,497	31,548	32,455	32,781	33,121	33,529	33,945	34,338	34,812	3.7%	-1.0%
United	9,923	8,165	4,759	7,237	8,503	8,815	9,073	9,166	9,261	9,374	9,490	9,601	9,734	7.4%	-0.2%
Other Airlines	13,375	10,943	9,011	8,950	9,380	9,623	9,877	9,970	10,071	10,194	10,318	10,433	10,574	1.6%	-1.9%
Total - passenger carriers	85,588	71,378	50,270	61,956	71,693	74,840	76,980	77,751	78,554	79,521	80,504	81,435	82,555	5.1%	-0.3%
Total - charters	355	182	109	145	167	175	180	181	183	186	188	190	193	5.9%	-5.0%
Total - cargo	1,514	1,957	2,389	2,701	2,545	2,623	2,584	2,604	2,594	2,599	2,596	2,598	2,597	0.8%	4.6%
Total	87,457	73,517	52,768	64,802	74,406	77,638	79,744	80,536	81,332	82,305	83,288	84,222	85,345	4.9%	-0.2%
Annual percent change		-15.9%	-28.2%	22.8%	14.8%	4.3%	2.7%	1.0%	1.0%	1.2%	1.2%	1.1%	1.3%		

Source: Unison Consulting, Inc.

Table 25 | Forecast Enplanement per Departure, Seats per Departure, and Boarding Load Factors - Scenario 1 (Base) at STL

Fiscal Year	Actual			Recovery Phase				Post-Recovery Phase					
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Enplanements per Departure													
American	91	85	82	96	95	96	98	98	99	99	99	100	100
Delta	86	81	58	89	93	98	100	100	101	101	101	102	102
Southwest	122	103	89	121	120	127	129	129	130	130	131	131	132
United	52	46	43	55	54	57	58	58	58	59	59	59	59
Other Airlines	40	34	29	70	85	91	93	93	94	94	94	95	95
Total - passenger carriers	92	81	70	97	99	104	106	106	107	107	107	108	108
Seats per Departure													
American	110	121	113	116	115	116	117	117	118	118	119	119	119
Delta	110	118	107	117	115	117	117	118	118	119	119	119	120
Southwest	154	161	156	157	155	157	158	158	159	159	160	160	161
United	62	62	61	67	66	67	68	68	68	68	68	69	69
Other Airlines	52	50	48	89	109	111	112	112	112	113	113	113	114
Total - passenger carriers	116	122	116	124	125	127	128	128	129	129	129	130	130
Boarding Load Factors													
American	83%	70%	73%	83%	83%	83%	84%	84%	84%	84%	84%	84%	84%
Delta	78%	69%	54%	76%	81%	84%	85%	85%	85%	85%	85%	85%	85%
Southwest	79%	64%	57%	77%	77%	81%	82%	82%	82%	82%	82%	82%	82%
United	84%	74%	71%	82%	82%	85%	86%	86%	86%	86%	86%	86%	86%
Other Airlines	77%	67%	59%	78%	78%	82%	83%	83%	83%	83%	83%	83%	83%
Total - passenger carriers	80%	66%	60%	78%	79%	82%	83%	83%	83%	83%	83%	83%	83%

Source: Unison Consulting, Inc.

Table 26 | Forecast Landed Weight and Average Weight per Landing - Scenario 1 (Base) at STL

	Actual			Recovery Phase				Post-Recovery Phase						CAGR	
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**	**2019-2031**
Landed Weight (1,000,000 lbs.)															
American	1,376	1,207	731	1,311	1,691	1,852	1,912	1,939	1,966	1,997	2,029	2,059	2,094	11.1%	3.6%
Delta	1,022	828	557	787	826	868	896	909	921	936	951	965	981	5.8%	-0.3%
Southwest	5,202	4,489	3,239	3,487	3,949	4,142	4,276	4,334	4,395	4,464	4,536	4,603	4,681	3.7%	-0.9%
United	584	486	314	517	600	630	651	660	669	680	691	701	713	8.6%	1.7%
Other Airlines	559	443	357	650	859	899	926	937	950	964	978	992	1,007	10.9%	5.0%
Total - passenger carriers	8,743	7,454	5,197	6,752	7,926	8,391	8,662	8,779	8,901	9,041	9,184	9,319	9,476	6.2%	0.7%
Total - charters	51	25	23	26	24	26	26	26	27	27	27	28	28	2.1%	-4.8%
Total - cargo	370	454	540	634	606	624	615	620	617	619	618	618	618	1.4%	4.4%
Total	9,164	7,933	5,760	7,412	8,556	9,041	9,303	9,426	9,545	9,686	9,829	9,965	10,122	5.8%	0.8%
Average Weight per Landing (1,000 lbs.)															
American	105	111	107	108	107	108	109	109	109	110	110	111	111		
Delta	104	110	104	112	110	112	112	113	113	113	114	114	115		
Southwest	132	132	133	131	130	131	132	132	133	133	134	134	134		
United	59	60	66	71	71	72	72	72	72	73	73	73	73		
Other Airlines	42	40	40	73	92	93	94	94	94	95	95	95	95		
Total - passenger carriers	102	104	103	109	111	112	113	113	113	114	114	114	115		
Total - charters	143	138	210	183	146	146	146	146	146	146	146	146	146		
Total - cargo	244	232	226	235	238	238	238	238	238	238	238	238	238		
Total	105	108	109	114	115	116	117	117	117	118	118	118	119		

Source: Unison Consulting, Inc.

Table 27 | Forecast Enplanements - Scenario 2 (High) at STL

	Actual			Recovery Phase		Post-Recovery Phase								CAGR	
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**	**2019-2031**
Enplanements (1,000s)															
American	1,195	921	564	1,257	1,669	1,807	1,824	1,837	1,846	1,857	1,868	1,881	1,895	12.9%	3.9%
Delta	845	608	313	670	779	843	852	858	863	868	874	881	888	11.0%	0.4%
Southwest	4,801	3,489	2,161	3,458	4,135	4,546	4,663	4,771	4,870	4,976	5,087	5,203	5,326	9.4%	0.9%
United	520	378	206	425	513	557	564	570	575	580	586	592	598	11.3%	1.2%
Other Airlines	533	367	258	677	871	947	960	972	981	991	1,002	1,013	1,026	14.8%	5.6%
Total - passenger carriers	7,894	5,762	3,502	6,487	7,996	8,731	8,896	9,039	9,166	9,304	9,448	9,601	9,764	10.8%	1.8%
Total - charters	22	8	3	5	6	7	7	7	7	7	8	8	8	9.7%	-8.2%
Total	7,915	5,771	3,505	6,492	8,003	8,738	8,903	9,046	9,173	9,311	9,456	9,608	9,772	10.8%	1.8%
Annual percent change		-27.0%	-39.2%	85.3%	23.3%	9.2%	1.9%	1.6%	1.4%	1.5%	1.6%	1.6%	1.7%		
Enplanement Shares															
American	15.1%	16.0%	16.1%	19.4%	20.9%	20.7%	20.5%	20.3%	20.1%	19.9%	19.8%	19.6%	19.4%		
Delta	10.7%	10.5%	8.9%	10.3%	9.7%	9.7%	9.6%	9.5%	9.4%	9.3%	9.2%	9.2%	9.1%		
Southwest	60.7%	60.5%	61.7%	53.3%	51.7%	52.0%	52.4%	52.7%	53.1%	53.4%	53.8%	54.1%	54.5%		
United	6.6%	6.5%	5.9%	6.5%	6.4%	6.4%	6.3%	6.3%	6.3%	6.2%	6.2%	6.2%	6.1%		
Other Airlines	6.7%	6.4%	7.3%	10.4%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%	10.6%	10.5%	10.5%		
Total - passenger carriers	99.7%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%		
Total - charters	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		

Source: Unison Consulting, Inc.

Table 28 | Forecast Seats and Aircraft Departures – Scenario 2 (High) at STL

	Actual			Recovery Phase		Post-Recovery Phase								CAGR	
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**	**2019-2031**
Seats (1,000s)															
American	1,447	1,318	774	1,459	1,938	2,098	2,118	2,133	2,143	2,156	2,169	2,184	2,200	11.0%	3.6%
Delta	1,078	887	574	849	986	1,024	1,024	1,029	1,035	1,042	1,049	1,056	1,064	6.4%	-0.1%
Southwest	6,069	5,464	3,778	4,305	5,148	5,429	5,513	5,626	5,742	5,871	6,004	6,133	6,278	5.2%	0.3%
United	619	509	289	502	606	658	660	665	670	677	684	690	698	9.2%	1.0%
Other Airlines	696	550	434	831	1,095	1,184	1,188	1,198	1,209	1,222	1,236	1,248	1,263	11.3%	5.1%
Total - passenger carriers	9,909	8,728	5,848	7,946	9,773	10,393	10,503	10,651	10,799	10,968	11,142	11,310	11,502	7.0%	1.2%
Aircraft Departures (Landings)															
American	13,134	10,850	6,858	12,547	16,865	18,006	18,117	18,180	18,204	18,245	18,293	18,357	18,436	10.4%	2.9%
Delta	9,804	7,499	5,357	7,269	8,550	8,756	8,724	8,737	8,752	8,783	8,815	8,839	8,881	5.2%	-0.8%
Southwest	39,352	33,921	24,285	27,455	33,232	34,576	34,981	35,572	36,180	36,867	37,569	38,254	39,033	4.9%	-0.1%
United	9,923	8,165	4,759	7,484	9,139	9,789	9,783	9,826	9,871	9,935	10,000	10,058	10,137	7.9%	0.2%
Other Airlines	13,375	10,943	9,011	9,262	10,057	10,517	10,520	10,592	10,670	10,771	10,873	10,965	11,083	2.1%	-1.6%
Total - passenger carriers	85,588	71,378	50,270	64,017	77,843	81,643	82,125	82,907	83,678	84,602	85,549	86,472	87,571	5.7%	0.2%
Total - charters	355	182	109	145	176	184	186	187	189	191	193	195	198	6.1%	-4.8%
Total - cargo	1,514	1,957	2,389	2,701	2,545	2,623	2,584	2,604	2,594	2,599	2,596	2,598	2,597	0.8%	4.6%
Total	87,457	73,517	52,768	66,863	80,564	84,451	84,894	85,698	86,461	87,392	88,339	89,265	90,366	5.5%	0.3%
Annual percent change		-15.9%	-28.2%	26.7%	20.5%	4.8%	0.5%	0.9%	0.9%	1.1%	1.1%	1.0%	1.2%		

Source: Unison Consulting, Inc.

Table 29 | Forecast Enplanement per Departure, Seats per Departure, and Boarding Load Factors – Scenario 2 (High) at STL

	Actual			Recovery Phase		Post-Recovery Phase							
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Enplanements per Departure													
American	91	85	82	100	99	100	101	101	101	102	102	102	103
Delta	86	81	58	92	91	96	98	98	99	99	99	100	100
Southwest	122	103	89	126	124	131	133	134	135	135	135	136	136
United	52	46	43	57	56	57	58	58	58	58	59	59	59
Other Airlines	40	34	29	73	87	90	91	92	92	92	92	92	93
Total - passenger carriers	92	81	70	101	103	107	108	109	110	110	110	111	111
Seats per Departure													
American	110	121	113	116	115	117	117	117	118	118	119	119	119
Delta	110	118	107	117	115	117	117	118	118	119	119	119	120
Southwest	154	161	156	157	155	157	158	158	159	159	160	160	161
United	62	62	61	67	66	67	67	68	68	68	68	69	69
Other Airlines	52	50	48	90	109	113	113	113	113	113	114	114	114
Total - passenger carriers	116	122	116	124	126	127	128	128	129	130	130	131	131
Boarding Load Factors													
American	83%	70%	73%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%
Delta	78%	69%	54%	79%	79%	82%	83%	83%	83%	83%	83%	83%	83%
Southwest	79%	64%	57%	80%	80%	84%	85%	85%	85%	85%	85%	85%	85%
United	84%	74%	71%	85%	85%	85%	86%	86%	86%	86%	86%	86%	86%
Other Airlines	77%	67%	59%	82%	80%	80%	81%	81%	81%	81%	81%	81%	81%
Total - passenger carriers	80%	66%	60%	82%	82%	84%	85%	85%	85%	85%	85%	85%	85%

Source: Unison Consulting, Inc.

Table 30 | Forecast Landed Weight and Average Weight per Landing – Scenario 2 (High) at STL

	Actual			Recovery Phase		Post-Recovery Phase								CAGR	
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**	**2019-2031**
Landed Weight (1,000,000 lbs.)															
American	1,376	1,207	731	1,357	1,802	1,951	1,970	1,984	1,993	2,005	2,017	2,031	2,046	10.8%	3.4%
Delta	1,022	828	557	812	943	979	979	984	989	996	1,004	1,009	1,017	6.2%	0.0%
Southwest	5,202	4,489	3,239	3,597	4,301	4,537	4,606	4,701	4,798	4,906	5,017	5,125	5,246	4.9%	0.1%
United	584	486	314	533	644	699	701	707	712	719	727	733	741	9.0%	2.0%
Other Airlines	559	443	357	676	920	992	995	1,004	1,012	1,023	1,034	1,044	1,056	11.5%	5.4%
Total - passenger carriers	8,743	7,454	5,197	6,975	8,611	9,158	9,252	9,379	9,505	9,650	9,798	9,942	10,106	6.9%	1.2%
Total - charters	51	25	23	26	26	27	27	27	28	28	28	29	29	2.3%	-4.6%
Total - cargo	370	454	540	634	606	624	615	620	617	619	618	618	618	1.4%	4.4%
Total	9,164	7,933	5,760	7,636	9,243	9,809	9,894	10,026	10,150	10,296	10,445	10,589	10,753	6.4%	1.3%
Average Weight per Landing (1,000 lbs.)															
American	105	111	107	108	107	108	109	109	110	110	110	111	111		
Delta	104	110	104	112	110	112	112	113	113	113	114	114	115		
Southwest	132	132	133	131	129	131	132	132	133	133	134	134	134		
United	59	60	66	71	70	71	72	72	72	72	73	73	73		
Other Airlines	42	40	40	73	91	94	95	95	95	95	95	95	95		
Total - passenger carriers	102	104	103	109	111	112	113	113	114	114	115	115	115		
Total - charters	143	138	210	183	146	146	146	146	146	146	146	146	146		
Total - cargo	244	232	226	235	238	238	238	238	238	238	238	238	238		
Total	105	108	109	114	115	116	117	117	117	118	118	119	119		

Source: Unison Consulting, Inc.

Table 31 | Forecast Enplanements - Scenario 3 (Low) at STL

	Actual			Recovery Phase					Post-Recovery Phase					CAGR	
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**	**2019-2031**
Enplanements (1,000s)															
American	1,195	921	564	1,098	1,382	1,521	1,625	1,688	1,708	1,730	1,753	1,777	1,803	12.3%	3.5%
Delta	845	608	313	589	637	701	749	778	787	797	808	819	831	10.3%	-0.1%
Southwest	4,801	3,489	2,161	3,046	3,338	3,672	3,926	4,076	4,125	4,177	4,233	4,291	4,353	7.3%	-0.8%
United	520	378	206	375	422	465	497	516	522	529	536	543	551	10.3%	0.5%
Other Airlines	533	367	258	588	738	810	865	898	909	920	932	944	957	14.0%	5.0%
Total - passenger carriers	7,894	5,762	3,502	5,697	6,518	7,168	7,662	7,955	8,050	8,152	8,260	8,373	8,494	9.3%	0.6%
Total - charters	22	8	3	5	7	8	8	9	9	9	9	9	9	11.6%	-6.9%
Total	7,915	5,771	3,505	5,702	6,525	7,176	7,670	7,963	8,058	8,161	8,269	8,382	8,504	9.3%	0.6%
Annual percent change		-27.0%	-39.2%	62.7%	14.4%	10.0%	6.9%	3.8%	1.2%	1.3%	1.3%	1.4%	1.5%		
Enplanement Shares															
American	15.1%	16.0%	16.1%	19.3%	21.2%	21.2%	21.2%	21.2%	21.2%	21.2%	21.2%	21.2%	21.2%		
Delta	10.7%	10.5%	8.9%	10.3%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%		
Southwest	60.7%	60.5%	61.7%	53.4%	51.2%	51.2%	51.2%	51.2%	51.2%	51.2%	51.2%	51.2%	51.2%		
United	6.6%	6.5%	5.9%	6.6%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%		
Other Airlines	6.7%	6.4%	7.3%	10.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%		
Total - passenger carriers	99.7%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%		
Total - charters	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		

Source: Unison Consulting, Inc.

Table 32 | Forecast Seats and Aircraft Departures – Scenario 3 (Low) at STL

	Actual			Recovery Phase					Post-Recovery Phase					CAGR	
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**	**2019-2031**
Seats (1,000s)															
American	1,447	1,318	774	1,389	1,749	1,844	1,951	2,021	2,045	2,069	2,096	2,122	2,153	10.8%	3.4%
Delta	1,078	887	574	813	823	867	917	950	961	972	985	997	1,012	5.8%	-0.5%
Southwest	6,069	5,464	3,778	4,118	4,234	4,465	4,724	4,892	4,950	5,010	5,074	5,137	5,211	3.3%	-1.3%
United	619	509	289	480	541	570	603	624	632	639	647	656	665	8.7%	0.6%
Other Airlines	696	550	434	786	952	1,001	1,056	1,092	1,105	1,118	1,132	1,145	1,161	10.4%	4.4%
Total - passenger carriers	9,909	8,728	5,848	7,586	8,298	8,747	9,251	9,579	9,692	9,808	9,934	10,057	10,201	5.7%	0.2%
Aircraft Departures (Landings)															
American	13,134	10,850	6,858	11,945	15,221	15,834	16,693	17,228	17,370	17,518	17,681	17,844	18,045	10.2%	2.7%
Delta	9,804	7,499	5,357	6,958	7,131	7,412	7,812	8,062	8,128	8,197	8,274	8,350	8,444	4.7%	-1.2%
Southwest	39,352	33,921	24,285	26,257	27,325	28,423	29,963	30,922	31,178	31,443	31,736	32,028	32,389	2.9%	-1.6%
United	9,923	8,165	4,759	7,137	8,137	8,461	8,918	9,204	9,280	9,359	9,446	9,533	9,640	7.3%	-0.2%
Other Airlines	13,375	10,943	9,011	8,824	8,689	8,939	9,393	9,682	9,760	9,840	9,929	10,015	10,126	1.2%	-2.3%
Total - passenger carriers	85,588	71,378	50,270	61,120	66,504	69,069	72,778	75,098	75,716	76,357	77,066	77,770	78,643	4.6%	-0.7%
Total - charters	355	182	109	145	157	163	172	178	179	181	182	184	186	5.5%	-5.2%
Total - cargo	1,514	1,957	2,389	2,701	2,545	2,623	2,584	2,604	2,594	2,599	2,596	2,598	2,597	0.8%	4.6%
Total	87,457	73,517	52,768	63,966	69,206	71,856	75,534	77,879	78,489	79,136	79,845	80,552	81,426	4.4%	-0.6%
Annual percent change		-15.9%	-28.2%	21.2%	8.2%	3.8%	5.1%	3.1%	0.8%	0.8%	0.9%	0.9%	1.1%		

Source: Unison Consulting, Inc.

Table 33 | Forecast Enplanement per Departure, Seats per Departure, and Boarding Load Factors - Scenario 3 (Low) at STL

	Actual			Recovery Phase					Post-Recovery Phase				
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Enplanements per Departure													
American	91	85	82	92	91	96	97	98	98	99	99	100	100
Delta	86	81	58	85	89	95	96	96	97	97	98	98	98
Southwest	122	103	89	116	122	129	131	132	132	133	133	134	134
United	52	46	43	53	52	55	56	56	56	56	57	57	57
Other Airlines	40	34	29	67	85	91	92	93	93	93	94	94	95
Total - passenger carriers	92	81	70	93	98	104	105	106	106	107	107	108	108
Seats per Departure													
American	110	121	113	116	115	116	117	117	118	118	119	119	119
Delta	110	118	107	117	115	117	117	118	118	119	119	119	120
Lufthansa	0	0	0	255	252	255	256	257	258	259	260	261	262
Southwest	154	161	156	157	155	157	158	158	159	159	160	160	161
United	62	62	61	67	66	67	68	68	68	68	69	69	69
Other Airlines	52	50	48	89	110	112	112	113	113	114	114	114	115
Total - passenger carriers	116	122	116	124	125	127	127	128	128	128	129	129	130
Boarding Load Factors													
American	83%	70%	73%	79%	79%	82%	83%	84%	84%	84%	84%	84%	84%
Delta	78%	69%	54%	73%	77%	81%	82%	82%	82%	82%	82%	82%	82%
Southwest	79%	64%	57%	74%	79%	82%	83%	83%	83%	83%	83%	84%	84%
United	84%	74%	71%	78%	78%	82%	82%	83%	83%	83%	83%	83%	83%
Other Airlines	77%	67%	59%	75%	80%	83%	84%	84%	84%	84%	84%	84%	84%
Total - passenger carriers	80%	66%	60%	75%	79%	82%	83%	83%	83%	83%	83%	83%	83%

Source: Unison Consulting, Inc.

Table 34 | Forecast Landed Weight and Average Weight per Landing - Scenario 3 (Low) at STL

	Actual			Recovery Phase					Post-Recovery Phase					CAGR	
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**	**2019-2031**
Landed Weight (1,000,000 lbs.)															
American	1,376	1,207	731	1,292	1,627	1,715	1,815	1,880	1,902	1,925	1,949	1,974	2,002	10.6%	3.2%
Delta	1,022	828	557	777	787	829	877	908	919	930	942	954	967	5.7%	-0.5%
Southwest	5,202	4,489	3,239	3,443	3,540	3,732	3,949	4,090	4,138	4,188	4,242	4,294	4,356	3.0%	-1.5%
United	584	486	314	510	574	605	640	663	671	679	688	696	706	8.5%	1.6%
Other Airlines	559	443	357	639	803	843	888	917	927	937	949	960	972	10.5%	4.7%
Total - passenger carriers	8,743	7,454	5,197	6,661	7,330	7,725	8,169	8,458	8,557	8,659	8,769	8,878	9,005	5.6%	0.2%
Total - charters	51	25	23	26	23	24	25	26	26	26	27	27	27	1.7%	-5.1%
Total - cargo	370	454	540	634	606	624	615	620	617	619	618	618	618	1.4%	4.4%
Total	9,164	7,933	5,760	7,321	7,959	8,373	8,809	9,103	9,200	9,304	9,414	9,523	9,650	5.3%	0.4%
Average Weight per Landing (1,000 lbs.)															
American	105	111	107	108	107	108	109	109	109	110	110	111	111		
Delta	104	110	104	112	110	112	112	113	113	113	114	114	115		
Southwest	132	132	133	131	130	131	132	132	133	133	134	134	134		
United	59	60	66	71	71	72	72	72	72	73	73	73	73		
Other Airlines	42	40	40	72	92	94	95	95	95	95	96	96	96		
Total - passenger carriers	102	104	103	109	110	112	112	113	113	113	114	114	114		
Total - charters	143	138	210	183	146	146	146	146	146	146	146	146	146		
Total - cargo	244	232	226	235	238	238	238	238	238	238	238	238	238		
Total	105	108	109	114	115	117	117	117	117	118	118	118	119		

Source: Unison Consulting, Inc.

Table 35 | Forecast Enplanement Composition by O&D and Connecting Air Passenger Traffic at STL

	Actual			Forecast										CAGR	
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**	**2019-2031**
Scenario 1 - Base															
Total enplanement (1,000s)	7,915	5,771	3,505	6,042	7,121	7,796	8,136	8,267	8,383	8,509	8,641	8,780	8,930		
O&D enplanement (1,000s)	6,080	4,463	2,808	4,963	5,809	6,315	6,544	6,602	6,647	6,698	6,752	6,811	6,876	9.37%	1.03%
O&D enplanement share	76.8%	77.3%	80.1%	82.1%	81.6%	81.0%	80.4%	79.9%	79.3%	78.7%	78.1%	77.6%	77.0%		
Annual percent change		-26.59%	-37.10%	76.79%	17.03%	8.72%	3.62%	0.89%	0.68%	0.77%	0.81%	0.87%	0.95%		
Connecting enplanement (1,000s)	1,836	1,307	697	1,079	1,312	1,481	1,592	1,665	1,736	1,811	1,889	1,969	2,054	11.41%	0.94%
Connecting enplanement share	23.2%	22.7%	19.9%	17.9%	18.4%	19.0%	19.6%	20.1%	20.7%	21.3%	21.9%	22.4%	23.0%		
Annual percent change		-28.78%	-46.66%	54.68%	21.63%	12.88%	7.50%	4.58%	4.28%	4.31%	4.28%	4.27%	4.30%		
Scenario 2 - High															
Total enplanement (1,000s)	7,915	5,771	3,505	6,492	8,003	8,738	8,903	9,046	9,173	9,311	9,456	9,608	9,772		
O&D enplanement (1,000s)	6,080	4,463	2,808	5,333	6,502	7,020	7,072	7,104	7,120	7,143	7,168	7,197	7,231	9.92%	1.46%
O&D enplanement share	76.8%	77.3%	80.1%	82.1%	81.2%	80.3%	79.4%	78.5%	77.6%	76.7%	75.8%	74.9%	74.0%		
Annual percent change		-26.59%	-37.10%	89.97%	21.91%	7.97%	0.74%	0.46%	0.23%	0.32%	0.35%	0.40%	0.47%		
Connecting enplanement (1,000s)	1,836	1,307	697	1,159	1,501	1,718	1,831	1,943	2,053	2,168	2,287	2,411	2,541	13.80%	2.75%
Connecting enplanement share	23.2%	22.7%	19.9%	17.9%	18.8%	19.7%	20.6%	21.5%	22.4%	23.3%	24.2%	25.1%	26.0%		
Annual percent change		-28.78%	-46.66%	66.20%	29.51%	14.46%	6.58%	6.09%	5.68%	5.61%	5.50%	5.42%	5.37%		
Scenario 3 - Low															
Total enplanement (1,000s)	7,915	5,771	3,505	5,702	6,525	7,176	7,670	7,963	8,058	8,161	8,269	8,382	8,504		
O&D enplanement (1,000s)	6,080	4,463	2,808	4,684	5,345	5,861	6,246	6,466	6,524	6,587	6,655	6,726	6,803	9.25%	0.94%
O&D enplanement share	76.8%	77.3%	80.1%	82.1%	81.9%	81.7%	81.4%	81.2%	81.0%	80.7%	80.5%	80.2%	80.0%		
Annual percent change		-26.59%	-37.10%	66.85%	14.09%	9.65%	6.58%	3.52%	0.89%	0.98%	1.02%	1.07%	1.14%		
Connecting enplanement (1,000s)	1,836	1,307	697	1,018	1,180	1,315	1,424	1,498	1,535	1,574	1,614	1,656	1,701	9.32%	-0.63%
Connecting enplanement share	23.2%	22.7%	19.9%	17.9%	18.1%	18.3%	18.6%	18.8%	19.0%	19.3%	19.5%	19.8%	20.0%		
Annual percent change		-28.78%	-46.66%	45.98%	15.95%	11.43%	8.28%	5.16%	2.48%	2.55%	2.57%	2.61%	2.67%		

Source: Unison Consulting, Inc.

3.10 | Forecast Risk and Uncertainty

The forecasts are based on information available at the time of the study, measurable factors that drive air traffic, and assumptions about their future trends. Actual results could differ materially from the forecasts if any of the assumptions do not hold or if unexpected events cause traffic to decrease or increase significantly. The Airport operates in a business environment where a variety of 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. In 2020, the COVID-19 pandemic developed to become the greatest threat to the entire aviation industry. It will remain a threat until the spread of the disease is successfully contained. Widespread vaccination is a key factor to containing the spread of the disease, restoring people's confidence in the public health and safety of air travel, and making people comfortable again with being close to other people. The distribution of COVID-19 vaccines has aided in the recovery of air travel and the overall U.S. economy, but new variants of the disease and new waves of infection slow the recovery process and still present uncertainty for the future.

3.10.2 | Economic Conditions

The aviation industry is a pro-cyclical industry. Aviation traffic grows during periods of economic expansion, as consumer and business incomes grow, increasing overall demand, including for air travel. Conversely, aviation traffic declines during periods of economic recession, as consumer and business incomes fall, causing overall demand and the demand for air travel to fall.

Various factors can trigger an economic recession. In 2020, the COVID-19 pandemic and the extreme mitigation measures triggered a global economic recession. The U.S. economy had recovered its pre-COVID-19 output levels in the second quarter of 2021; it is forecast to continue its strong growth in the third quarter. However, the ongoing economic expansion faces threats from flare-ups of COVID-19 cases and new virus variants—a fourth wave in the COVID-19 global pandemic—that could prompt another wave of widespread economic lockdowns. In addition, the U.S. economy faces other sources of economic risks, including inflationary pressures, supply constraints, slowing of population growth, population aging, international trade tensions, continuing geo-political tensions, weakness in certain parts of the global economy, financial market volatility, and the high level of U.S. government and private debt. The federal aid recently provided to individuals and businesses to alleviate the impacts of COVID-19 added substantially to an already high level of federal debt.

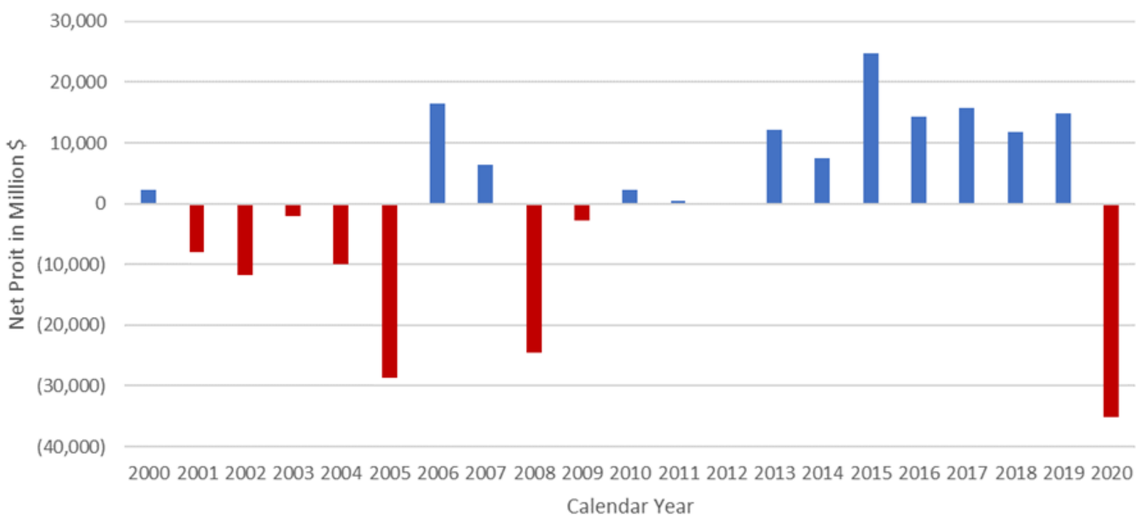
3.10.3 | U.S. Airline Industry Volatility

The U.S. airline industry is extremely volatile. It is vulnerable to many exogenous factors such as economic downturns, increases in oil prices, adverse weather, disease outbreaks, travel restrictions, terrorism threats, and geo-political tensions.

In 21 years from 2000 through 2020, the U.S. airline industry incurred annual net losses in eight years and annual net profits in 13 years, netting a profit of $5.816 billion over the entire 21 year-period (Figure 51). After persistent losses during most of the 2000s, the U.S. airline industry realized net profits in every year during the 2010s. The U.S. airline industry thrived amid the long economic expansion during the 2010s and the sharp decrease in fuel prices, reaping the benefits of business restructuring, capacity restraint, cost-cutting measures, and productivity improvements implemented since the Great Recession. Markedly improved financial performance enabled U.S. airlines to renew their fleets and increase scheduled flights and seats, while maintaining capacity discipline.

In 2020, the U.S. airline industry's outlook took a dramatic downturn with the advent of COVID-19. Passenger air travel came to a near halt in April 2020 and has yet to recover to its pre-pandemic level. In 2020, U.S. passenger airlines incurred a net loss of more than $35 billion, the largest annual loss on record since 1977.

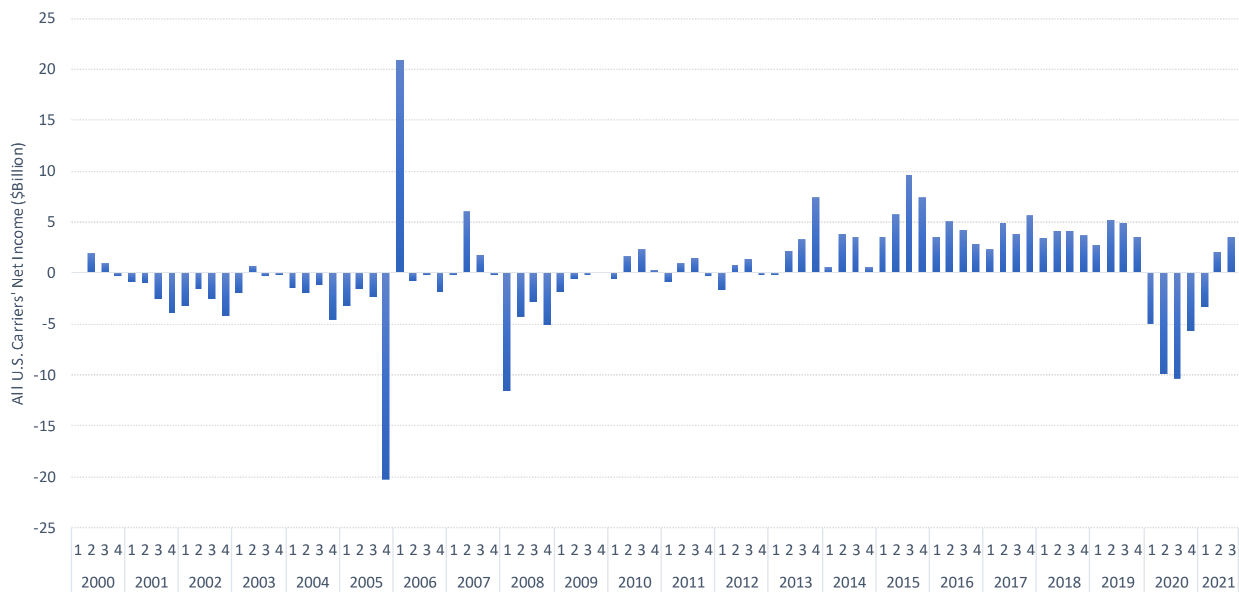
Figure 51 | U.S. Passenger Airlines' Annual Net Profit



Source: U.S. Bureau of Transportation Statistics F41 Schedule P12 data.

Due to the COVID-19 pandemic, Q1 2020 was the first quarter to result in a negative net income for all U.S. carriers in all regions since Q1 2012 (Figure 52). The net income loss only became more severe through 2020's later quarters, reaching a low of -$10.4 billion in Q3 2020. From there, quarterly net income began to recover, and finally reached a positive total of approximately $2 billion in Q2 2021, which continued to grow during the next quarter.

Figure 52 | Net Income for All U.S. Carriers in All Regions (in $ Billions)



Source: U.S. Bureau of Transportation Statistics F41 Schedule P12 data.

To alleviate the negative financial impact of the COVID-19 pandemic on U.S. airlines' finances, the U.S. federal government has 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).

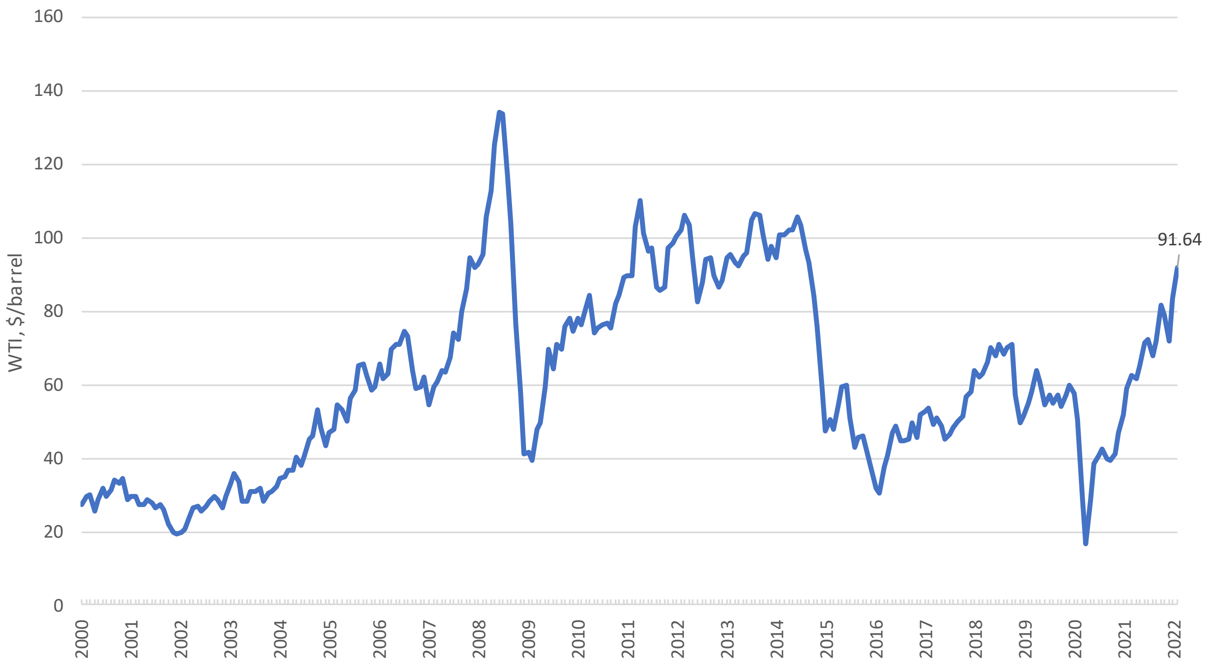
3.10.4 | Volatility of Oil Prices and Implications for Aviation Fuel Cost

Volatility in oil prices have direct implications for aviation fuel cost, a major component of airlines' operating costs. Oil price increases translate directly into higher airline fuel costs. In the 2000s, record oil price increases raised fuel costs and put tremendous pressure on airline finances, contributing to net losses incurred by the U.S. airline industry during that decade. Oil prices have come down from their mid-2000 peak levels due to increased oil production amid a slowing global economy. The resulting decrease in aviation fuel prices contributed to sustained profitability in the U.S. airline industry in the 2010s.

Figure 53 shows the trends in oil prices. In 2020, the global economic recession and the oil supply glut kept oil prices low. Airlines enjoy low aviation fuel prices, which provide some cost relief during the pandemic crisis. In 2021, the global economy recovery begun to push oil prices up. In 2022, the Russia-Ukraine conflict has pushed oil prices even higher—Russia accounts for roughly 10 percent of global oil production. Prospectively, oil prices will continue to be affected by the high production of oil in Russia, the unpredictability of actions taken by the Organization of the Petroleum Exporting Countries (OPEC), and geopolitical tensions that can influence oil production decisions by Russia and OPEC member countries.

Figure 54 shows the trends in aviation fuel cost per gallon, which follow the trends in oil prices. The current increase in oil prices has immediately translated into higher aviation fuel costs for U.S. airlines.

Figure 53 | Spot Crude Oil Price: West Texas Intermediate, $/Barrel, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis, Spot Crude Oil Price: West Texas Intermediate (WTI).

Figure 54 | U.S. Airlines' Aviation Fuel Cost per Gallon, Monthly Average

Source: U.S. Bureau of Transportation Statistics.

3.10.5 | Airline Market Concentration

Airline market concentration raises concern if it could lead to 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 around 62 percent of enplanements in FY2021. Its share is projected to decrease to 51 percent with the expansion of other airlines, including ultra-low-cost carriers, during the pandemic.

Among U.S. airlines, Southwest Airlines had the strongest financial position coming into the pandemic. In 2019, the airlines' financial performance was strong even with the grounding of its Boeing 737 MAX aircraft—at the time of the grounding, Southwest Airlines had 24 MAX 8 aircraft in its fleet. That year Southwest Airlines enjoyed its 47th consecutive year of profitability—a record unmatched by any commercial airline—and ended the year with exceptionally strong liquidity of $5.1 billion.

The COVID-19 pandemic and the resulting economic shock hit all airlines hard. Southwest Airlines reacted by enhancing aircraft cleaning procedures, implementing cost-saving measures, reducing flight schedules, and cancelling/deferring capital projects. Southwest Airlines also enjoyed cost relief from lower fuel prices.

Like other U.S. passenger airlines, Southwest Airlines incurred losses through the pandemic, but compared with its peers, Southwest Airlines has maintained relatively strong liquidity.

3.10.6 | Airline Economics, Competition, and Airfares

Airfares 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 airline operating costs and debt burden, passenger demand, capacity and yield management, market presence and competition.

The traffic forecasts for the Airport assume that, over the long term, annual increases in airfares will not exceed annual inflation. If they do, the increases in airfares would dampen forecast traffic growth.

3.10.7 | Airline Mergers

Responding to competition, cost and regulatory pressures, the airline industry has been consolidating. 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 plays out within a few years—sometimes immediately—following the merger. The impact 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.

Recent 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. After the United-Continental merger, the combined seats of the two airlines at the Airport decreased beginning FY2011, and the decreases persisted through FY2015. Following the American-US Airways merger, their combined seats at the Airport increased each year through FY2016, except in FY2015. The decreases in Southwest's seats at the Airport following Southwest's acquisition of AirTran could not be clearly attributed to the merger, because of other developments affecting Southwest's network decisions at the time.

3.10.8 | Structural Changes in Demand and Supply

In the past, major crises prompted lasting structural changes on both the demand and supply sides in the aviation industry. For example, the 2001 terrorist attacks prompted more stringent airport security measures. More thorough passenger security screening resulted in longer wait times that required passengers to arrive at the airport much earlier than scheduled flight departure times. This reduced, if not eliminated, the time advantage of air travel over ground transportation and decreased the demand for air travel for short-haul trips. The COVID-19 pandemic is also expected to result in lasting structural changes.

On the demand side, COVID-19 could usher in a "new normal" in consumer behavior, social interactions, and ways of conducting business that would permanently alter travel propensities and preferences. Public health safety concerns could cause consumers to favor ground transportation even for longer distances for which they previously preferred traveling by air. For vacation travel, consumers are adapting to the COVID-19 environment by favoring destinations accessible by ground transportation. The accelerated adoption of technology for virtual meetings and conferences could result in a permanent downshift in business travel demand. Such permanent shifts in air travel demand could delay recovery to pre-COVID traffic levels for many years beyond the recovery periods assumed in the recovery scenarios and slow post-recovery traffic growth.

On the supply side, U.S. airlines have taken steps to become smaller—accelerating retirement of old aircraft, deferring new aircraft orders, and cutting workforces. U.S. airlines could take many years to recover from the major financial setback from COVID-19 and to restore service to pre-COVID levels. The aviation industry could see another wave of airline capacity rationalization continuing long after traffic recovery as airlines take measures, including possibly raising fares, to return to profitability, slowing post-recovery traffic growth.

One favorable trend is the accelerated adoption of no-touch technologies by airlines, airports, and the TSA. These new technologies would not only help allay public health safety concerns, but could also speed up passenger processing. By saving passengers time and anxiety waiting in lines, these technologies could help restore the competitiveness of air travel against ground transportation modes and help stimulate traffic recovery and growth.

3.10.9 | Labor Supply Constraints

The COVID-19 pandemic and the resulting recession led to employee layoffs throughout many airlines, and companies went into 2021 with a significantly smaller workforce than they had prior to the pandemic. With the recovery of air traffic, the demand for leisure travel accelerated in the first half of 2021, requiring airlines to build their workforces back up to meet this demand. Insufficient numbers of qualified employees could limit the airlines' ability to provide adequate supply of flights and seats, and by extension, slow overall air traffic recovery and growth. As a result, competition between companies to attract and retain skilled personnel increased, which may continue to intensify if overall industry capacity continues to increase.

3.10.10 | Geopolitical Conflicts and Threat of Terrorism

Geopolitical conflicts and acts of terrorism can disrupt air transportation. The Russian invasion of Ukraine is the latest example of a geopolitical conflict affecting air transportation. 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 U.S. and certain countries.[43]

The terrorist attacks of September 11, 2001, serve as a constant reminder of the serious threat of such acts to the aviation industry. Elevated threat warnings also elevate airport security measures, resulting in more meticulous passenger screening and longer waits at security screening lines. They can result in travel advisories that discourage air travel altogether.

[43] Various news sources. See for example: David Schaper, "A ban of Russian aircraft from U.S. airspace has gone into effect," *NPR*, March 2, 2022; and Allison Sider and Andrew Tangel, "U.S. to Ban Russian Flights from American Airspace," *The Wall Street Journal*, March 1, 2022.

SECTION 4 | AIRPORT USE AND LEASE AGREEMENT

The last Airport Use and Lease Agreement (AULA) expired June 30, 2021. The airlines and Airport Management mutually agreed to extend the terms of the expired AULA through June 30, 2022 and likely for an additional year through June 30, 2023 as all parties are evaluating how the industry will look following the current pandemic. The extended AULA will preserve the underlying rate methodology (Hybrid Compensatory) and rate-making procedures of the expired 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 or rebate 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 the Rented Space in each of the respective Terminal Buildings.

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 and 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 particular 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 Requirement, when applicable, to the respective signatory airline rates (airfield and terminal) in order to meet all requirements in a particular fiscal year. 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, FAA stimulus funds[44], and the annual amount of Rate Mitigation Program credits.

The Additional Airline Requirement may be a positive or a negative number, and will be allocated beginning in FY2019, 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 make credits 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 use of each assigned City-owned passenger loading bridge that was acquired prior to July 1, 2011.

[44] 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 Consultant 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 FY2022–2027. This section also discusses the information and assumptions underlying the financial projections.

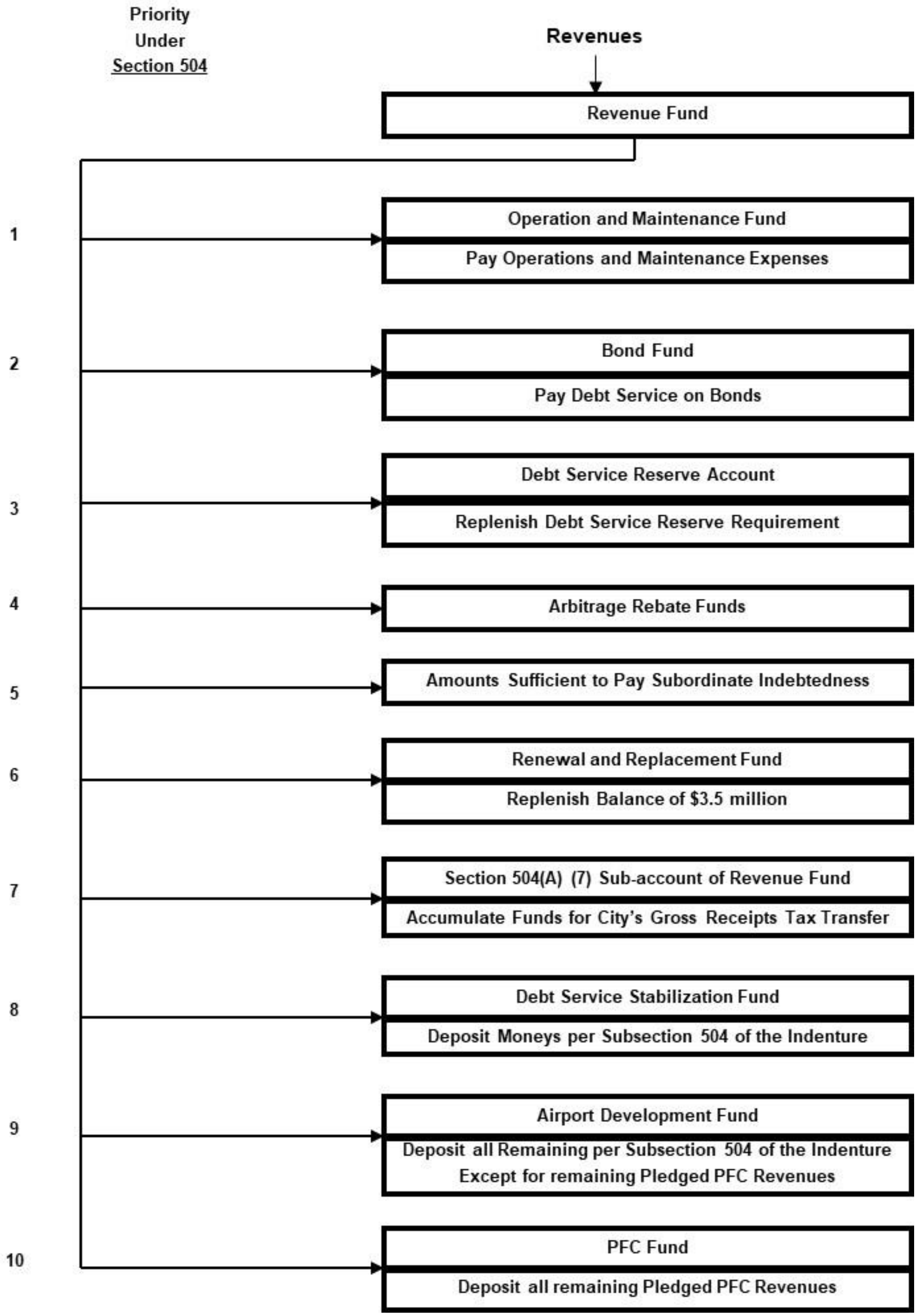
5.1 | The Indenture

The Series 2022A 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 Airport Revenues to various funds and accounts as shown on Figure 55. Airport Revenues are to first be deposited into the Revenue Fund, which then flow to the O&M Fund to pay those expenses. The remaining Revenues are available for deposit, in the following order of priority in the specified funds and accounts of the Airport:

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 Rebate Amount).
4. Amounts sufficient to pay Subordinate Indebtedness in accordance with the authorizing and implementing documents of such Subordinate Indebtedness.
5. The Renewal and Replacement Fund (to maintain a balance of $3.5 million).
6. The City's Sub-Account (to pay the 5 percent gross receipts tax required under Section 504.B of the Indenture).
7. The Debt Service Stabilization Fund pursuant to the calculations set forth in subsection 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[45].

[45] The Series 2022A Bonds do not refund any of the outstanding PFC Pledged Bonds currently outstanding for the Airport.

Figure 55 | 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, 2021 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 36 provides a historical summary of audited actual Airport Revenues for FY2017-2021. It is important to note that due to the Airport's fiscal year ending June 30th only four months of FY2020 was impacted by the COVID-19 pandemic in contrast to FY2021 having the first full year impact. During this period, total Airport Revenues decreased approximately $21.0 million (a decline of 2.9 percent), which was comprised of declines in total Signatory Airline fees of $34.0 million and total Concession Fees of approximately $17.7 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[46] totaling $29.0 million to cover operating expenses resulting from 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.

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[46] 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 Consultant 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 37 presents the Revenue projections for FY2022-2027 period, which is comprised of the Airport's approved budget for FY2022 and Unison's financial projections for the remainder of the forecast period. Total Airport Revenues are projected to increase from $166.2 million in FY2021 to $200.3 million in FY2027, or an average annual growth rate of 3.2 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 36, total Signatory Airline fees fluctuated during the FY2017-2021, resulting in an average annual decline of 13 percent or $34.0 million. Signatory Landing Fees decreased during the period by an average annual decline of 11.6 percent or $23.6 million. The sharpest decline occurred in FY2021 totaling $11.7 million or nearly 46 percent of the decrease over the period. Since this was the first full year of the COVID-19 pandemic impacting the Airport, it was primarily due to a sharp decline in passenger activity, Airport management reduction of selected O&M expenses and the use of a portion of the CARES act funds to help stabilize the landing fees during this time. Terminal rents was the remaining part of the change over the period decreasing approximately $10.3 million with the majority of this decline occurring in FY2021. The decrease was also primarily due to lower O&M expenses, and management applying CARES Act funds to cover a portion of the operating expenses impacted during the COVID-19 pandemic.

Table 36 | Historical Revenues (in Thousands)

AIRPORT REVENUES	Avg. Annual Growth Rate FY '17-'21	2017	2018	2019	2020	2021
Signatory Airlines						
Airfield Landing Fees	-11.6%	$60,810	$54,344	$56,052	$48,832	$37,144
Terminal Rents	-18.0%	$18,870	$12,878	$14,963	$10,044	$8,529
Total	-13.0%	$79,680	$67,222	$71,015	$58,876	$45,673
Concession Fees						
Terminal Concessions	-1.2%	$12,161	$12,740	$13,511	$12,724	$11,592
Public Parking	-18.0%	$23,107	$23,379	$23,737	$16,943	$10,442
Car Rentals	-8.3%	$11,923	$12,308	$12,482	$11,228	$8,436
Space Rental	-11.1%	$1,486	$1,326	$1,423	$965	$929
In-Flight Catering	-28.5%	$309	$309	$309	$255	$81
Other	-13.6%	$407	$564	$690	$421	$227
Total	-10.5%	$49,394	$50,626	$52,152	$42,536	$31,707
Other						
Non-Signatory Landing Fees	12.7%	$1,582	$1,385	$1,627	$2,108	$2,555
Non-Signatory Airlines-Terminal	-53.2%	$182	$146	$553	$19	$9
Total	9.8%	$1,764	$1,531	$2,180	$2,127	$2,563
Airline Revenue Mitigation [2]		$13,728	$13,728	$13,728	$13,728	$13,728
Cargo	54.7%	$482	$568	$619	$2,522	$2,760
Hangars and Other Buildings	-2.6%	$921	$801	$829	$810	$828
Tenant Improvement Surcharge	-0.1%	$372	$372	$371	$371	$371
Terminal EDS Surcharges	2.7%	$2,228	$2,277	$2,241	$2,383	$2,480
Other Miscellaneous	1.6%	$7,768	$11,235	$11,027	$10,801	$8,279
Total Other-Operating	3.3%	$27,262	$30,512	$30,995	$32,742	$31,009
Total Operating Revenue	-8.8%	$156,336	$148,303	$154,162	$134,155	$108,389
Interest Income	-1.8%	$2,546	$2,201	$2,738	$3,504	$2,365
Total GARB Revenues	-8.6%	$158,883	$150,504	$156,899	$137,659	$110,753
CARES ACT funds [3]					$13,562	$28,630
FEMA funds [3]						$291
Pledged PFC Revenue	-1.6%	$28,325	$28,322	$26,276	$25,932	$26,540
Total Revenues	-2.9%	$187,207	$178,826	$183,175	$177,153	$166,214

[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 a portion of the federal stimulus funds the Airport was granted to offset operating losses resulting from COVID-19 pandemic.

The budgeted and projected Signatory Airline revenues for the period FY2022-2027 in Table 37 were developed based on the Airport's approved FY2022 Budget and using the rate methodology discussed earlier in this section, including the assumption that the new AULA will be structured similar to the AULA that expired June 30, 2020. As a result, Signatory Airline revenues are projected to increase from $45.7 million in FY2021 to $78.0 million in FY2027, or an average annual growth rate of 9.3 percent. During the forecast period, the average annual growth in Airfield Landing Fees is 9.5 percent, which is primarily due to O&M expenses allocated to the airfield increasing by inflationary growth factors at an average annual rate of 4.5 percent, coupled with a gradual tapering of federal stimulus funds applied to cover O&M expenses that otherwise would have been applied in the airlines rates. Similarly, the average annual growth in Terminal Rents is projected at 7.6 percent, which is mainly due to O&M expenses allocated to Terminals 1 and 2 increasing by an average annual inflationary growth factor of 4.5 percent as well as gradual tapering of federal stimulus funds.

Table 38 summarizes the actual, budgeted and projected Signatory Airline landing fees and Terminal rental rates for FY2021–2027. The landing fee rates are projected to increase from $6.78 in FY2021 to $6.98 in FY2027. The fluctuations in the landing fee rates during the period are attributable to increased airfield costs and changes in the amount of federal stimulus funds applied. The Terminal 1 rental rates are projected to increase from $22.39 in FY2021 to $40.10 in FY2027, and the Terminal 2 rental rates are projected to increase from $30.58 in FY2021 to $35.43 in FY2027. The Terminal 1 and 2 rental rate fluctuations during the period are primarily due to increased terminal costs and declines in the annual amounts of federal stimulus moneys applied after FY2022.

Table 37 | Projected Revenues (in Thousands)

`	Avg. Annual	Fiscal Years Ending June 30						
	Growth Rate	Actual	Budget	Projected				
AIRPORT REVENUES	FY '21-'27	2021 [1]	2022	2023	2024	2025	2026	2027
Signatory Airlines								
Airfield Landing Fees	9.5%	$37,144	$43,343	$54,059	$55,549	$54,874	$60,181	$64,199
Terminal Rents [2]	7.6%	$8,529	$7,478	$7,807	$5,879	$6,918	$13,707	$13,252
Passenger Loading Bridges	n/a	$0	$0	$382	$378	$411	$479	$510
Total	9.3%	$45,673	$50,821	$62,248	$61,806	$62,203	$74,367	$77,961
Concession Fees								
Terminal Concessions	4.4%	$11,592	$11,254	$11,888	$13,230	$14,059	$14,561	$15,049
Public Parking	18.3%	$10,442	$16,242	$24,581	$27,309	$28,445	$28,606	$28,684
Car Rentals	10.1%	$8,436	$10,514	$12,141	$13,458	$14,218	$14,626	$15,013
Space Rental	2.0%	$929	$600	$971	$990	$1,009	$1,029	$1,049
In-Flight Catering	2.2%	$81	$147	$84	$86	$88	$90	$92
Other	2.1%	$227	$285	$238	$243	$248	$253	$258
Total	11.3%	$31,707	$39,042	$49,903	$55,315	$58,067	$59,164	$60,146
Other								
Non-Signatory Landing Fees	5.1%	$2,555	$1,830	$3,182	$3,180	$3,048	$3,295	$3,453
Non-Signatory Airlines-Terminal	60.3%	$9	$261	$149	$149	$149	$149	$149
Total	5.8%	$2,563	$2,091	$3,330	$3,328	$3,197	$3,444	$3,601
Airline Revenue Mitigation [3]	0.0%	$13,728	$13,728	$13,728	$13,728	$13,728	$13,728	$13,728
Cargo	1.3%	$2,760	$2,755	$2,760	$2,814	$2,869	$2,925	$2,983
Hangars and Other Buildings	0.7%	$828	$635	$839	$844	$849	$855	$861
Tenant Improvement Surcharge	0.0%	$371	$371	$371	$371	$371	$371	$371
Terminal EDS Surcharges	2.3%	$2,480	$2,095	$2,632	$2,684	$2,738	$2,793	$2,849
Other Miscellaneous	5.8%	$8,279	$10,369	$10,616	$10,969	$11,220	$11,406	$11,592
Total Other-Operating	2.5%	$31,009	$32,044	$34,276	$34,739	$34,972	$35,522	$35,985
Total Operating Revenue	8.2%	$108,389	$121,908	$146,427	$151,860	$155,242	$169,053	$174,092
Interest Income [4]	-2.3%	$2,365	$2,400	$2,194	$2,230	$2,322	$2,383	$2,061
Total GARB Revenues	8.0%	$110,754	$124,308	$148,621	$154,090	$157,564	$171,436	$176,153
Federal Relief Proceeds [5]:								
CARES Act funds	n/a	$28,630	$0	$12,646	$5,157	$0	$0	$0
FEMA funds	n/a	$291	$0	$0	$0	$0	$0	$0
CRRSA funds	n/a	$0	$13,582	$1,664	$0	$0	$0	$0
ARPA funds	n/a	$0	$23,000	$0	$8,653	$17,635	$7,000	$0
PFC Pledged Revenue	-1.5%	$26,540	$26,540	$26,541	$26,567	$27,760	$28,961	$24,192
Total Revenues	3.2%	$166,214	$187,430	$189,472	$194,467	$202,959	$207,397	$200,345

[1] Financial information is based on FY2021 Audit.

[2] The fluctuation in terminal rents starting in FY2023 is a result of reduced annual debt service and use of remaining federal funds.

[3] Reflects amounts scheduled to be transferred from the Debt Service Stabilization Fund per the AULA.

[4] Operating interest income only.

[5] Represents the application of federal stimulus funds the Airport was granted to offset operating losses resulting from the COVID-19 pandemic.

Table 38 | Projected Signatory Landing Fee Rates and Terminal Rental Rates (in Thousands)

	For Fiscal Years Ending June 31						
	Actual	Budget	Projected [2,3]				
	2021 [1,2,3]	2022 [2,3]	2023	2024	2025	2026	2027
INITIAL AIRLINE REQUIREMENTS							
Landing Fees	$37,144	$43,343	$54,059	$55,549	$54,874	$60,181	$64,199
Terminal 1	4,822	5,878	8,398	8,475	9,141	10,476	11,328
Terminal 2	2,975	3,481	4,630	4,751	4,699	4,983	4,489
Passenger Loading Bridges	0	0	382	378	411	479	510
	$44,941	$52,701	$67,469	$69,153	$69,125	$76,119	$80,526
TOTAL SIGNATORY AIRLINE REQUIREMENTS							
Initial Requirement	$44,941	$52,701	$67,469	$69,153	$69,125	$76,119	$80,526
Additional Airline Requirement	732	(1,880)	(5,221)	(7,347)	(6,922)	(1,752)	(2,565)
	$45,673	$50,821	$62,248	$61,806	$62,203	$74,367	$77,961
Signatory airline enplaned passengers	3,491	6,300	7,081	7,753	8,089	8,220	8,336
Signatory Airline CPE post Mitigation	**$13.09**	**$8.07**	**$8.79**	**$7.97**	**$7.69**	**$9.05**	**$9.35**
SIGNATORY AIRLINE RATES (including Additional Requirement)							
Landing Fee Rate (per 1,000 pounds)	**$6.78**	**$5.43**	**$6.58**	**$6.39**	**$6.13**	**$6.63**	**$6.98**
Airlines' Terminal Building Rental Rates							
Terminal 1	**$22.39**	**$19.00**	**$20.04**	**$14.16**	**$18.20**	**$38.89**	**$40.10**
Terminal 2	**$30.58**	**$27.72**	**$29.03**	**$23.98**	**$24.72**	**$42.52**	**$35.43**

[1] Financial information is based on FY2021 Audit.
[2] FY2021 Actual and FY2022 Budget include CARES Act, Coronavirus Response & Relief Appropriations (CRRSA), and American Rescue Plan (ARPA) fund contributions in the amounts of $28.6 million, $13.6 million and $23.0 million, respectively. FY2023-FY2026 include the remaining CARES Act, CRRSA, and ARPA fund contributions.
[3] The FY2021 Actual, FY2022 Budget and financial projections for FY2023 through 2027 assume the basic provisions of the expired AULA as of June 30, 2021 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 FY2017-2021 period, total concession fees decreased approximately $17.7 million at an average annual rate of 10.5 percent. The decrease was primarily due to public parking and car rentals declining during the period by approximately $12.6 million and $3.4 million, respectively. The reduced public parking and car rental revenues in FY2020 and FY2021 were the result of a decline in originating passengers and transactions caused by the COVID-19 pandemic.

During the FY2021-2027 period, total concession fees are projected to increase from $31.7 million in FY2021 to $60.1 million by FY2027, which represents an average annual growth rate of 11.3 percent. This growth is supported by the following assumptions:

- Projected higher net parking revenues due to anticipated increases in parking transactions and duration.
- A projected increase in various food and beverage concession revenues and car rental revenues due to forecasted higher O&D enplanements.
- An inflation rate averaging 2.1 percent during the projection period FY2023-FY2027 due to a continued increase in CPI.

Terminal Concessions

The financial projections for food and beverage and merchandising components of terminal concessions does not anticipate the addition of any new concepts during the forecast period due to the Airport's current concession program being under review at the writing of this Report. Food and beverage concessions is the largest category in terminal concessions comprised of approximately $5.5 million or an estimated 47.4 percent of total concession revenues in FY2021. Merchandising is the second largest category in terminal concessions comprised of approximately $4.6 million or an estimated 36.3 percent of terminal concession revenues in FY2021. Both merchandising and food and beverage revenues are projected based on enplaned passenger activity during the forecast period, average trends in historical revenue factors, and the annual inflationary rate. Terminal concessions are projected to increase from $11.6 million in FY2021 to $15.0 million in FY2027, an average annual growth of 4.4 percent. This increase is due to a combination of passenger traffic growth and revenue per enplanement factors escalating by the inflationary rate.

Some of the terminal concession concepts are either scheduled to expire during the forecast period or are in the process of re-negotiating their contracts with the Airport; however, the financial projection anticipates the current minimum annual guarantee (MAG) will remain in place for existing or replacement concession concepts.

Public Parking

SP Plus Corporation became the Airport's public parking management company in March 2021. Under the 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.

Additionally, the Airport collects all parking revenues, and reimburses SP Plus for approved operating and administrative expenses and any expenditures made for capital improvements. Net public parking revenues are projected to increase from $10.4 million in FY2021 to $28.7 million in FY2027, or at an average annual rate of 18.3 percent. The increase during the forecast period is a result of anticipated O&D passenger enplanement growth of approximately 17.0 percent in FY2023 and an average annual increase of 2.0 percent for the remainder of the period, coupled with higher transactions per O&D and duration levels based on historical trends pre-COVID-19 pandemic. The public parking revenue line also includes taxicab fee revenues, which are projected to increase from $0.1 million in FY2021 to $1.1 million in FY2027.

Car Rentals

There are eight car rental companies that currently operate at the Airport; Avis, Budget, Hertz, Enterprise, Thrifty, Alamo, National, and Missouri Rental & Leasing (dba Dollar Rent-A-Car). The current rental car concession agreement, which expires December 31, 2022 was amended in FY2021 to provide the 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. During the FY2017-2021 period, rental car revenues decreased at an average annual rate of 8.3 percent or $3.5 million. The bulk of the decrease occurred in FY2021 and 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 $10.5 million in budgeted FY2022 to $15.0 million in 2027, or at an average annual rate of 7.4 percent. The increase is primarily based on the anticipated growth in O&D passenger enplanements and an annual escalation factor applied to revenue per enplanements based on historical averages pre-COVID-19 pandemic.

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 FY2017-2021 period, Other Operating Revenues increased approximately $3.8 million or at an average annual rate of 3.3 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.

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 are increasing from $1.8 million in FY2017 to $2.6 million in FY2021, primarily due to new charter air service starting in FY2020, resulting in increased non-signatory landing fees paid. Revenues in this category are projected to increase from $2.6 million in FY2021 to $3.6 million in FY2027, or an average annual growth of 5.8 percent.

Cargo Revenues

Cargo revenues include ground rent, building rent, and tenant improvement charges. Cargo revenues increased from $0.5 million in FY2017 to $2.8 million in FY2021, or an average annual growth of 54.7 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. Cargo revenues are forecast to increase from $2.8 million in FY2021 to $3.0 million in FY2027, or an average annual growth of 1.3 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 is the largest revenue item within this category representing approximately 37% of the total other miscellaneous revenues in FY2020. During the period FY2017-2021 ground transportation fees increased from $1.4 million in FY2017 to $3.4 million in FY2018, before declining to $1.3 million in FY2021. The fluctuation was due to new revenues from the Transportation Network Companies (TNCs) beginning in FY2018, then declining in FY2020 and FY2021 as a result of the lower passenger traffic caused by the COVID-19 pandemic. Land rents are the second largest revenue item within this category representing approximately 18% of the total other miscellaneous revenues in FY2020. Land rents remained relatively flat at approximately $2.0 million during the FY2017-FY2020 period. The other miscellaneous category is projected to increase at an average annual growth of 5.8 percent due to anticipated growth in passenger activity resulting in FY2022 being budgeted higher, coupled with an annual escalation factor.

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 decrease from $2.4 million for FY2021 to $2.1 million in FY2027 due to lower investable debt service account balances, resulting from the Series 2019 Refunding Bonds and lower debt service reserves as certain bonds fully mature. The interest income forecast is based on projected balances in each fund and account assuming average annual interest yields of 1.5 percent on the Debt Service and Debt Service Reserve Accounts and less than 1 percent for all other funds held during the forecast period.

5.1.5 | Pledged PFC Revenues

The Airport collected approximately $11.8 million in PFC Revenues (including interest earnings) during the Fiscal Year ended June 30, 2021. The Pledged PFC Revenues for FY2021 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 $1.0 billion in PFC Revenues through November 2026. The Pledged PFC Revenues are projected to decrease to $24.2 million by FY2027 due to a portion of outstanding PFC-backed bonds maturing.

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 and $28.9 million during fiscal years 2020 and 2021, respectively, to cover eligible operating expenses. The remaining balance of CARES Act funds are projected to be applied to FY2022-2024 in order to mitigate any lost revenues and stabilize airline rates.

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. The Airport anticipates applying approximately $23.0 million in FY2022 to cover eligible operating expenses. The remaining balance of ARPA funds are projected to be applied to FY2023-2026 in order to offset losses and 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 the transit industry during the COVID-19 outbreak. The Airport was awarded approximately $15.2 million from the CRRSA Fund in FY2021. The Airport anticipates applying approximately $13.6 million in FY2022 to cover eligible operating expenses and provide concession relief. The remaining balance of CRRSA funds are projected to be applied to FY2023 in order to offset losses and stabilize airline rates.

5.2 | Operation and Maintenance (O&M) Expenses

Table 39 summarizes historical O&M Expenses for the FY2017-2021 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 decreased $5.4 million or an average annual decline rate of 1.7 percent. The decline resulted from a decrease in personnel services of approximately $3.3 million, was primarily initiated prior to the pandemic and was the result of Airport management's 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 decreased from $41.5 million in FY2017 to $38.2 million in FY2021, for an average annual decrease of 2.0 percent. The decrease was primarily due to a decline in fringe benefits paid into the Fireman's Retirement Fund.

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 7.9 percent during FY2017-2021 primarily due to supplies and material expenses excluding de-icing fluids, declining 47.9 percent in FY2021. The decline was primarily a result of management actions to seek cost efficiencies after the COVID-19 pandemic resulting in a decrease in certain supplies and equipment purchases in FY2021.

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 FY2017-2021 period was 0.1 percent or a decrease of $0.1 million. The growth was primarily due to increases in snow removal rental equipment and insurance. The average annual increase for snow removal rental equipment during the historical period was 28.0 percent, which was primarily due to annual winter weather swings. The average annual increase for insurance during the historical period was 14.7 percent, attributable to higher insurance premiums. 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 decreased at an average annual decline rate of 2.6 percent, primarily due to a reduction in required electrical system services, and repairs and maintenance to buildings in FY2021.

Table 39 | Historical O&M Expenses (in Thousands)

	Avg. Annual Growth Rate	*For Fiscal Years Ending June 30* Historical [2]				
	FY '17-'21	2017	2018	2019	2020	2021
Personnel Services						
Salaries & Wages	-1.3%	$26,742	$25,274	$27,143	$26,586	$25,420
Fringe Benefits	-3.5%	$14,759	$14,362	$11,928	$13,285	$12,825
	-2.0%	$41,502	$39,636	$39,071	$39,871	$38,244
Supplies, Materials & Equipment						
Deicing & Misc. Supplies	1.6%	$1,350	$510	$839	$839	$1,437
Other	-10.6%	$5,745	$7,434	$6,785	$7,031	$3,664
	-7.9%	$7,095	$7,944	$7,624	$7,870	$5,101
Contractual Services						
Utilities	-3.5%	$6,557	$6,888	$6,762	$6,066	$5,675
Rental Equipment - Snow Removal	28.0%	$453	$559	$1,224	$934	$1,216
Rental Equipment - Land Maintenance	-100.0%	$113	$118	$0	$0	$0
Cleaning Services	3.3%	$3,916	$4,676	$4,621	$4,751	$4,465
Reimbursement for City Services	1.4%	$1,485	$1,502	$1,665	$1,604	$1,567
Shuttle, Misc., Acoustical	-22.9%	$210	$76	$255	$74	$74
Legal	-17.2%	$271	$186	$266	$323	$127
Security Service	0.7%	$5,192	$6,708	$6,665	$6,410	$5,347
Insurance	14.7%	$1,481	$1,613	$1,817	$2,076	$2,560
Other	-2.6%	$14,699	$16,268	$15,770	$17,055	$13,219
	-0.1%	$34,376	$38,595	$39,045	$39,292	$34,250
Total Operation & Maintenance Expenses [1]	-1.7%	$82,973	$86,175	$85,740	$87,033	$77,595

[1] Excludes 5 percent gross receipts tax, which is not included in the calculation of Net Revenue.
[2] Financial information is based on the FY2021 audited financials.

5.2.1 | Projections of O&M Expenses

Table 40 presents the O&M Expense projections for the period FY2021-2027. The projected O&M Expenses are based on the Airport's FY2022 operating budget, and historical trends in O&M expense growth and inflation factors between 2.3 percent and 4 percent. Table 39 shows O&M Expenses are projected to increase from $77.6 million in FY2021 to $114.9 million in FY2027, which represents an average annual growth of 6.8 percent. The increase over the forecast period is higher than the historical average primarily due to (1) salaries and fringe benefits budgeted in FY2022 at a higher rate than FY2021, to account for vacant positions becoming filled and retirement benefits; (2) snow removal services and de-icing & miscellaneous supplies budgeted in FY2022 at a higher rate than FY2021, to account for normal usage of snow removal and deicing during a typical winter, and (3) the building repairs & maintenance category within Other Contractual Services being budgeted at a higher rate than FY2021. In addition, certain parts of the forecast were developed based on judgments from Airport management and industry trends. The main factors underlying the significant increases in various categories of O&M Expenses are summarized below.

Personnel Services

Salaries and wages are projected to increase from $25.4 million in FY2021 to $34.0 million in FY2027, for an average annual growth of 5.0 percent. The growth during the forecast period is primarily a result of the FY2022 budget increasing 15.3 percent from FY2021, due to planned salary increases and one additional pay period. The remainder of the forecast period FY2023-2027 assumes no additional staff will be hired, and that salaries and wages will generally escalate in line with future inflationary increases averaging 2.5 percent. Fringe benefits are projected to increase from $12.8 million in FY2021 to $17.8 million in FY2027, for an average annual growth of 5.6 percent. The growth in fringe benefits is a result of the FY2022 budget increasing 19.8 percent from FY2021, due to the continued practice of airport management to budget for all full-time employees, including vacant positions.

Contractual Services

Contractual Services are projected to increase from $34.3 million in FY2021 to $55.0 million by FY2027, for an average annual growth of 8.2 percent. The major contractual services categories contributing to this growth are Other Contractual Services, Utilities, Insurance, and Professional Services. Other Contractual Services is projected to grow at an average annual rate of 10.3 percent during the forecast period, primarily due to expected increases to building repairs and electrical maintenance on facilities and grounds required to preserve the Airport facilities. In addition, Insurance is projected to increase based on the FY2022 budget and the inflationary growth factor from $2.6 million in FY2021 to $4.2 million in FY2027, at an average annual growth of 8.4 percent. Professional Services (Legal) are projected to increase from $0.1 million in FY2021 to $1.3 million by FY2027, at an average annual growth of 47.1 percent. The increase in Professional Services is a result of Airport management budgeting legal fees in FY2022 at a higher rate to account for anticipated future legal cases.

Supplies, Materials, and Equipment

This expense category is projected to increase from $5.1 million in FY2021 to $8.1 million in FY2027, for an average annual increase of 8.0 percent. The de-icing & miscellaneous supplies component shows an average growth rate of 6.6 percent, which is mainly a result of FY2021 actual de-icing expenses being low due to a mild winter, and FY2022 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 8.5 percent, also due to FY2022 costs budgeted higher to reflect a normal level of spending.

Table 40 | Projected O&M Expenses (in Thousands)

	Avg. Annual Growth Rate FY '21-'27	For Fiscal Years Ending June 30						
		Actual	Budget	Projected				
		2021 [2]	2022	2023	2024	2025	2026	2027
Personnel Services								
Salaries & Wages	5.0%	$25,420	$29,318	$30,198	$31,104	$32,037	$32,998	$33,988
Fringe Benefits	5.6%	$12,825	$15,373	$15,834	$16,309	$16,799	$17,303	$17,822
	5.2%	$38,244	$44,691	$46,032	$47,413	$48,835	$50,300	$51,809
Supplies, Materials & Equipment								
Deicing & Misc. Supplies	6.6%	$1,437	$1,900	$1,948	$1,986	$2,026	$2,067	$2,108
Other	8.5%	$3,664	$5,014	$5,515	$5,626	$5,738	$5,853	$5,970
	8.0%	$5,101	$6,914	$7,463	$7,612	$7,764	$7,920	$8,078
Contractual Services								
Utilities	6.4%	$5,675	$6,689	$7,024	$7,305	$7,597	$7,901	$8,217
Rental Equipment - Snow Removal	5.6%	$1,216	$1,481	$1,555	$1,586	$1,618	$1,650	$1,683
Cleaning Services	7.0%	$4,465	$5,260	$6,175	$6,299	$6,424	$6,553	$6,684
Reimbursement for City Services	4.2%	$1,567	$1,820	$1,856	$1,893	$1,931	$1,970	$2,009
Shuttle, Misc., Acoustical	5.7%	$74	$91	$96	$98	$100	$102	$104
Professional Services, Legal	47.1%	$127	$1,131	$1,187	$1,211	$1,235	$1,260	$1,285
Security Service	4.9%	$5,347	$5,855	$6,566	$6,698	$6,832	$6,968	$7,108
Insurance	8.4%	$2,560	$3,658	$3,841	$3,918	$3,996	$4,076	$4,157
Other	10.3%	$13,219	$19,610	$21,948	$22,387	$22,836	$23,292	$23,759
	8.2%	$34,250	$45,594	$50,248	$51,393	$52,568	$53,770	$55,005
Total Operation & Maintenance Expenses [1]	6.8%	$77,595	$97,199	$103,742	$106,418	$109,168	$111,991	$114,893

[1] Excludes 5 percent receipts tax, which is not included in the calculation of Net Revenues.
[2] Financial information is based on the FY2021 audited.

5.3 | Application of Revenues

Table 41 shows the application of Revenues forecast to fund accounts under provisions of the Indenture for the FY2021-2027.

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 55, 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 moneys after meeting all requirements of the PFC eligible debt service. Table 41 shows the projected deposits available for transfer to the ADF during the forecast period of FY2021-2027.

As of January 31, 2022, the unaudited unappropriated balance in the Airport's ADF was approximately $16.6 million. 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 41 | Projected Application of Revenues (in Thousands)

	For Fiscal Years Ending June 30						
	Actual	Budget	Projected				
	2021 [1]	2022	2023	2024	2025	2026	2027
Revenues							
GARB Revenues							
Airline revenues (Initial Requirement)	$44,941	$52,701	$67,469	$69,153	$69,125	$76,119	$80,526
Additional Airline Requirement [2]	740	(1,880)	(5,221)	(7,347)	(6,922)	(1,752)	(2,565)
Rate Mitigation Program proceeds	13,728	13,728	13,728	13,728	13,728	13,728	13,728
Airline Incentives Program transfer							
Non-airline revenues and Other Airline Charges	48,980	57,358	70,451	76,326	79,311	80,958	82,402
Interest income	2,365	2,400	2,194	2,230	2,322	2,383	2,061
Pledged PFC Revenues	26,540	26,540	26,541	26,567	27,760	28,961	24,192
CARES Act, FEMA, ARPA, and CRRSA funds	28,921	36,582	14,310	13,810	17,635	7,000	0
	$166,214	$187,430	$189,472	$194,467	$202,959	$207,397	$200,344
Application of Revenues							
Operating and Maintenance Expenses	$77,595	$97,199	$103,742	$106,418	$109,168	$111,991	$114,893
Debt Service Account (Annual Debt Service)							
Outstanding Bonds	$61,708	$60,030	$54,037	$54,029	$59,068	$60,163	$50,893
Future Bonds	0	0	0	1,555	1,555	1,555	1,555
Total Debt Service	$61,708	$60,030	$54,037	$55,583	$60,622	$61,718	$52,448
PFC Debt Service Coverage	5,308	5,308	5,308	5,313	5,552	5,792	4,838
Payment to City (5% of Revenues)	4,386	6,651	6,784	6,919	7,058	7,199	7,343
Subtotal net of Contribution from DSSF	$148,997	$169,188	$169,871	$174,234	$182,400	$186,699	$179,522
Amount Available for Deposit to ADF	**$17,217**	**$18,242**	**$19,601**	**$20,233**	**$20,560**	**$20,698**	**$20,822**
Amount due Airlines at Settlement	**(13,728)**	**(13,728)**	**(13,728)**	**(13,728)**	**(13,728)**	**(13,728)**	**(13,728)**
Amount Available for Deposit to ADF post Settlement	**$3,489**	**$4,514**	**$5,873**	**$6,505**	**$6,832**	**$6,970**	**$7,094**

[1] Based on FY2021 audited financials and Airport records.
[2] Includes Airport Development Fund Deposits.

5.4 | Debt Service Coverage/Airline Cost Per Passenger

Table 42 shows the projected debt service during the forecast period. The Series 2022A Bonds are being issued pursuant to the Indenture. The Series 2022A Bonds are limited obligations of the City secured by and payable solely from GARB 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 FY2021-2027 are reflected on Table 42.

Debt Service Coverage (DSC) is projected to range from 1.44 to 1.63 during the forecast period, showing that the Airport anticipates to continue meeting the DSC requirement of 1.25 under this scenario in all years. The Series 2022A Bonds will be issued as Refunding Bonds under the Indenture, Section 305 (B) 4 (a) states in part: *Refunding Bonds of each Series…shall be authenticated and delivered by the Trustee only upon receipt by it from the City…of…a certificate of an Authorized Officer of the City setting forth…the Aggregate Debt Service and the Aggregate Adjusted Debt Service (as such terms are defined in the Indenture) for the then current and each future Airport Fiscal Year…and…that the Aggregate Debt Service and the Aggregate Adjusted Debt Service set forth for each Airport Fiscal Year [following the issuance of the Refunding Bonds]…are no greater than the corresponding amounts set forth for such Airport Fiscal Year [prior to the issuance of the Refunding Bonds]…*

The cost per enplanement (CPE) is projected to decrease from $13.09 in FY2021 to $9.35 in FY2027 (as seen earlier on Table 38) due to higher non-airline revenues and signatory airline enplanements, along with continued efforts by Airport management to control costs. The Airport's current and projected CPE was compared with the results from the FAA's 2021 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 $17.26. 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 forecasts. However, due to unforeseen events and circumstances actual results may vary from the forecasts.

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 FY2019 levels by FY2026 as discussed in Section 3. Table 44 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 believed to remain reasonable during the forecast period. However, the projected Net Revenues and Debt Service Coverage are minimally affected by the reduced traffic forecast as shown on Table 45, due to the residual nature of the AULA.

Table 42 | Projected Debt Service (in Thousands)

	For Fiscal Years Ending June 30						
	Actual	Projected					
	2021	2022	2023	2024	2025	2026	2027
OUTSTANDING BONDS							
General Airport Revenue Bonds:							
Series 2005 Refunding Bonds	$8,030	$8,030	$8,030	$10,545	$10,546	$10,540	$32,137
Series 2007A Refunding Bonds	$1,791	$1,791	$1,791	$1,791	$11,791	$25,370	$0
Series 2009A-1 Bonds	$0	$0	$0	$0	$0	$0	$0
Series 2012 Refunding Bonds	$2,123	$2,119	$2,118	$2,119	$2,122	$2,115	$2,122
Series 2015 Refunding Bonds	$5,152	$3,966	$2,352	$0	$0	$0	$0
Series 2017A Refunding Bonds	$26,256	$27,330	$22,644	$22,655	$12,651	$702	$2,767
Series 2017B Refunding Bonds [1]	$10,235	$10,344	$9,364	$9,187	$9,186	$7,561	$0
Series 2017C Bonds	$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	$1,330	$1,330
Series 2019A Bonds	$662	$662	$662	$662	$662	$662	$662
Series 2019B Bonds	$772	$770	$771	$767	$767	$771	$769
Series 2019C Refunding Bonds	$3,774	$3,774	$3,774	$3,774	$8,814	$9,912	$9,907
Subtotal Debt Service (prior to Series 2022 Refunding)	$61,709	$61,700	$54,419	$54,414	$59,454	$60,548	$51,279
PROPOSED BONDS							
Series 2012 Debt service refunded	$0	($1,670)	($2,118)	($2,119)	($2,122)	($2,115)	($2,122)
Series 2022 Refunding Debt service	$0	$0	$1,735	$1,735	$1,736	$1,730	$1,737
Subtotal - Series 2022 Refunding Bond Savings	$0	($1,670)	($383)	($385)	($386)	($385)	($385)
Proposed Series 2023 Bond [2]	$0	$0	$0	$1,555	$1,555	$1,555	$1,555
Total Debt Service	$61,709	$60,030	$54,037	$55,583	$60,622	$61,718	$52,448

[1] The FY2027 amount reflects the use of the debt service reserve of approximately $9.3 million to pay the final debt service payment for the Series 2017B bonds.
[2] The future 2023 bond issue assumes 12 months of capitalized interest.

Table 43 | Base Forecast - Projected Debt Service Coverage (in Thousands)

	For Fiscal Years Ending June 30						
	Actual	**Budget**	**Projected [2]**				
	2021 [1,2]	**2022 [2]**	**2023**	**2024**	**2025**	**2026**	**2027**
Total Revenues (including DSSF contribution and Additional Requirement)	$166,214	$187,430	$189,472	$194,467	$202,959	$207,397	$200,344
less: Operation and Maintenance Expenses	77,595	97,199	103,742	106,418	109,168	111,991	114,893
Net Revenues	$88,618	$90,230	$85,729	$88,049	$93,791	$95,407	$85,451
Debt Service							
Outstanding Bonds [3]	$61,708	$60,030	$54,037	$54,029	$59,068	$60,163	$50,893
Future Bonds [4]	$0	$0	$0	$1,555	$1,555	$1,555	$1,555
	$61,708	$60,030	$54,037	$55,583	$60,622	$61,718	$52,448
Debt service coverage ratio	**1.44**	**1.50**	**1.59**	**1.58**	**1.55**	**1.55**	**1.63**

[1] Financial information is based on the FY2021 audit.

[2] The FY2021 Actual, FY2022 Budget and financial projections for FY2023 through FY2027 assume the provisions of the expired AULA will continue to be followed.

[3] Outstanding bond debt service includes debt service for the Series 2022A 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] Future 2023 bond issue assumes 12 months of capitalized interest.

Table 44 | Sensitivity (Low Forecast) - Projected Signatory Landing Fee Rates and Terminal Rental Rates (in Thousands)

	For Fiscal Years Ending June 31						
	Actual	Budget	Projected [2,3]				
	2021 [1,2,3]	2022 [2,3]	2023	2024	2025	2026	2027
INITIAL AIRLINE REQUIREMENTS							
Landing Fees	$37,144	$43,343	$55,146	$58,021	$57,245	$62,275	$66,395
Terminal 1	4,822	5,878	8,221	8,563	9,229	10,476	11,328
Terminal 2	2,975	3,481	4,548	4,792	4,740	4,983	4,489
Passenger Loading Bridges	0	0	382	378	411	479	510
	$44,941	$52,701	$68,297	$71,754	$71,626	$78,213	$82,722
TOTAL SIGNATORY AIRLINE REQUIREMENTS							
Initial Requirement	$44,941	$52,701	$68,297	$71,754	$71,626	$78,213	$82,722
Additional Airline Requirement	732	(1,880)	(1,782)	(2,695)	(3,618)	(270)	(1,136)
	$45,673	$50,821	$66,515	$69,059	$68,008	$77,944	$81,586
Signatory airline enplaned passengers	3,491	6,300	6,486	7,135	7,628	7,919	8,014
Signatory Airline CPE post Mitigation	**$13.09**	**$8.07**	**$10.25**	**$9.68**	**$8.92**	**$9.84**	**$10.18**
SIGNATORY AIRLINE RATES (including Additional Requirement)							
Landing Fee Rate (per 1,000 pounds)	**$6.78**	**$5.43**	**$7.01**	**$7.01**	**$6.57**	**$6.91**	**$7.29**
Airlines' Terminal Building Rental Rates							
Terminal 1	**$22.39**	**$19.00**	**$29.33**	**$28.11**	**$28.21**	**$43.22**	**$44.27**
Terminal 2	**$30.58**	**$27.72**	**$38.28**	**$37.95**	**$34.76**	**$46.85**	**$39.60**

[1] Financial information is based on FY2021 Audit.

[2] FY2021 Actual and FY2022 Budget include CARES Act, Coronavirus Response & Relief Appropriations (CRRSA), and American Rescue Plan (ARPA) fund contributions in the amounts of $28.69 million, $13.6 million and $23.036.6 million, respectively. FY2023-FY2026 include the remaining CARES Act, Coronavirus Response & Relief Appropriations (CRRSA), and remaining ARPA fund contributions.

[3] The FY2021 Actual, FY2022 Budget and financial projections for FY2023 through FY2027 assume the basic provisions of the expired AULA as of June 30, 2021 will continue to be followed.

Table 45 | Sensitivity (Low Forecast) – Projected Debt Service Coverage (in Thousands)

	For Fiscal Years Ending June 30						
	Actual	Budget	Projected [2]				
	2021 [1,2]	2022 [2]	2023	2024	2025	2026	2027
Total Revenues (including DSSF contribution and Additional Requirement)	$166,214	$187,430	$188,947	$193,942	$202,602	$207,215	$200,168
less: Operation and Maintenance Expenses	77,595	97,199	103,742	106,418	109,168	111,991	114,893
Net Revenues	$88,618	$90,230	$85,205	$87,524	$93,434	$95,224	$85,276
Debt Service							
Outstanding Bonds [3]	$61,708	$60,030	$54,037	$54,029	$59,068	$60,163	$50,893
Future Bonds [4]	$0	$0	$0	$1,555	$1,555	$1,555	$1,555
	$61,708	$60,030	$54,037	$55,583	$60,622	$61,718	$52,448
Debt service coverage ratio	**1.44**	**1.50**	**1.58**	**1.57**	**1.54**	**1.54**	**1.63**

[1] Financial information is based on the FY2021 audit.
[2] The FY2021 Actual, FY2022 Budget and financial projections for FY2023 through FY2027 assume the back provisions of the expired AULA will continue to be followed.
[3] Outstanding bond debt service is adjusted for estimated debt serviceincludes debt service for the Series 2022A 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] Future 2023 bond issue assumes 12 months of capitalized interest.

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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, 2021

(With Independent Auditors' Report Thereon)

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Table of Contents

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 Financial Statements

We have audited the accompanying financial statements of St. Louis Lambert International Airport, an enterprise fund of the City of St. Louis, Missouri, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the St. Louis Lambert International Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of St. Louis Lambert International Airport, as of June 30, 2021, and the respective changes in financial position and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 1, the basic financial statements of St. Louis Lambert International Airport present only the financial position and the changes in financial position and cash flows of St. Louis Lambert International Airport, an enterprise fund of the City of St. Louis, Missouri, and do not purport to, and do not, present fairly the financial position of the City of St. Louis, Missouri as of June 30, 2021, the changes in its financial position, or, where applicable, its cash flows, for the year then ended, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis on pages 4 through 14 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise St. Louis Lambert International Airport'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.

The supplementary information included in Schedules I through XII are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information included in Schedules I through XII are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Schedule XIII 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 December 9, 2021 on our consideration of St. Louis Lambert International Airport'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 St. Louis Lambert International Airport'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 St. Louis lambert International Airport's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
December 9, 2021

The following discussion and analysis of the activity and financial performance of St. Louis Lambert International Airport (the Airport) 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, 2021. 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 travel decreased in 2021 when compared to 2020 with enplaned passengers decreasing by 39.3% and aircraft landings and takeoffs decreasing 26.6% from fiscal year 2020. The decline in enplanements is a result of domestic and international travel restrictions due to the Coronavirus (COVID-19) global pandemic. Prior to the outbreak of the virus, St. Louis Lambert International Airport (STL) continued to experience its fifth straight year of passenger growth from July 2019 thru February 2020 then had a sharp decrease from March 2020 through February 2021. However, enplaned passengers continuously grew year over year during March 2021 through June 2021 due to the increase in the availability of COVID-19 vaccinations, relaxed travel restrictions and new air service announcements during Spring 2021. The airlines are flying to 70 nonstop destinations. Activity at the Airport during fiscal years 2021 and 2020, is as follows:

	2021	2020	Change
Enplaned passengers	3,504,890	5,770,686	(39.3)%
Aircraft landings and takeoffs	120,067	163,468	(26.6)
Landed weight (in thousands of pounds)	5,885,489	8,085,868	(27.2)
Mail and cargo (in tons)	104,570	83,929	24.6

Financial Highlights

The following represents the significant financial activity of the Airport in fiscal years 2021 and 2020 and the reasons for any fluctuations between the years:

- Operating revenues decreased 30.2% from $125,589 in fiscal year 2020 to $87,710 in fiscal year 2021. The global pandemic continued to present unique challenges for STL during 2021. STL served 6,985,580 total passengers, nearly 4,576,227 passengers less than in fiscal year 2020 due to ongoing COVID-19 travel restrictions. The passenger decrease contributed to the decline in aviation revenue, terminal revenues and concession sales throughout the Airport and a decrease in transportation network revenues and parking revenues. Cargo, however, saw a 24.6% boost in cargo tonnage with cargo departures continuing to perform well and STL achieving its fifth straight year of increasing cargo totals.

(Dollars in thousands, unless otherwise indicated)

- Operating expenses decreased 5.8% from $146,667 in fiscal year 2020 to $138,133 in fiscal year 2021 primarily due to STL suspending or reducing contractual expenditures and suspending various equipment purchases during the fiscal year to weather the impact of the global COVID-19 pandemic.
- The net result of the impact to operating revenues and expenses, as discussed above, is that operating loss increased 139.2% from $(21,078) in fiscal year 2020 to $(50,423) in fiscal year 2021.
- Nonoperating revenues/(expenses), net, decreased 20.1% from $35,808 in fiscal year 2020 to $28,613 in fiscal year 2021 primarily due to the decrease in the market value of investments offset by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") grant STL was awarded to mitigate the broad disruptive effects of the COVID-19 pandemic.
- Capital contributions received in the form of grants and buildings and improvements from the federal and state governments decreased 6.5% from $11,055 in fiscal year 2020 to $10,338 in fiscal year 2021. The grants received in fiscal year 2021 included various FAA Airport Improvement Program airfield projects and MODOT state grants.
- As a result of the preceding items, net position decreased 1.4% from $1,166,361 in fiscal year 2020 to $1,150,503 in fiscal year 2021.

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 $1,150,503 at June 30, 2021.

A condensed summary of the Airport's net position at June 30, 2021 and 2020 is shown below:

		2021	2020	Dollar change	Percentage change
Assets:					
Current and other assets	$	308,496	335,990	(27,494)	(8.2)%
Capital assets		1,483,582	1,515,591	(32,009)	(2.1)
Deferred outflow of resources		18,431	16,214	2,217	13.7
Total assets and deferred outflow of resources	$	1,810,509	1,867,795	(57,286)	(3.1)%

(Dollars in thousands, unless otherwise indicated)

		2021	2020	Dollar change	Percentage change
Liabilities:					
Long-term liabilities	$	583,278	622,059	(38,781)	(6.2)%
Current liabilities		72,742	74,319	(1,577)	(2.1)
Deferred inflows of resources		3,986	5,056	(1,070)	(21.2)
Total liabilities and deferred inflows of resources	$	660,006	701,434	(41,428)	(5.9)%
Net position:					
Invested in capital assets, net of related debt	$	1,048,339	1,046,079	2,260	0.2 %
Restricted		42,072	64,717	(22,645)	(35.0)
Unrestricted		60,092	55,565	4,527	8.1
Total net position	$	1,150,503	1,166,361	(15,858)	(1.4)%

A portion of the Airport's net position (91.1% at June 30, 2021) 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 (3.7% at June 30, 2021) 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 (5.2% at June 30, 2021) represents its unrestricted investments, less any outstanding indebtedness, which may be used to meet any of the Airport's ongoing obligations.

In fiscal 2021, the decrease in capital assets is attributed to less projects capitalized during fiscal year 2021 compared to the prior fiscal year and current year depreciation expense. The decrease in long-term debt outstanding was attributable to payments made on outstanding debt.

(Continued)

(Dollars in thousands, unless otherwise indicated)

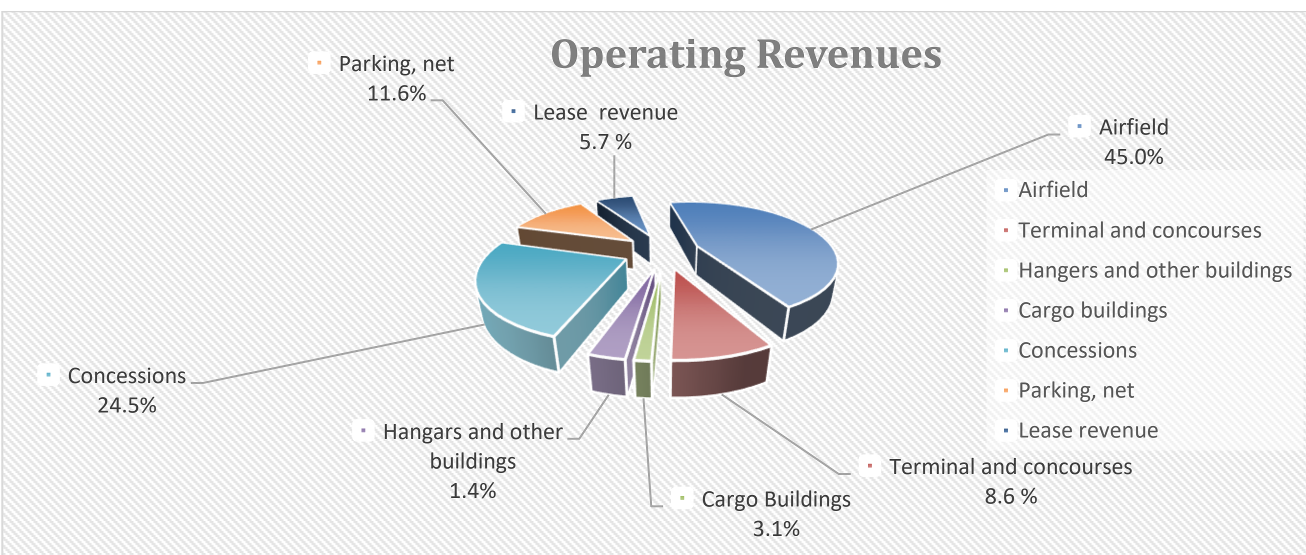
Summary of Revenues, Expenses, and Changes in Fund Net Position

The Airport's revenues, expenses, and changes in fund net position for the fiscal years ended June 30, 2021 and 2020 are summarized as follows:

		2021	2020	Dollar change	Percentage change
Operating revenues	$	87,710	125,589	(37,879)	(30.2)%
Operating expenses		138,133	146,667	(8,534)	(5.8)
Operating (loss)	$	(50,423)	(21,078)	(29,345)	139.2 %
Nonoperating revenues/(expenses), net	$	28,613	35,808	(7,195)	(20.1)%
Income (loss) before capital contributions and transfers, net	$	(21,810)	14,730	(36,540)	(248.1)%
Capital contributions		10,338	11,055	(717)	(6.5)
Transfers out		(4,386)	(6,279)	1,893	(30.1)
Decrease in net position	$	(15,858)	19,506	(35,364)	(181.3)%
Net position, end of year	$	1,150,503	1,166,361	(15,858)	(1.4)%

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, 2021:



(Dollars in thousands, unless otherwise indicated)

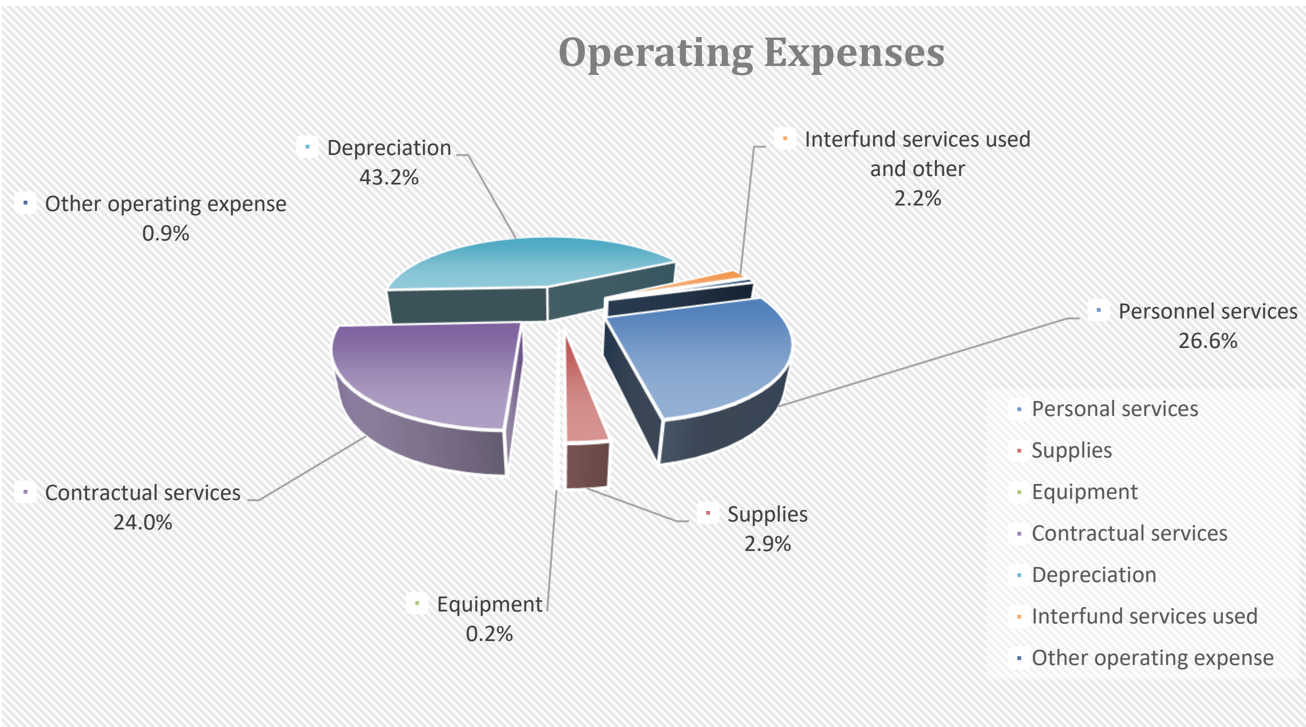
The following table summarizes Airport operating and nonoperating revenues, and their percentage share of total Airport operating and nonoperating revenue, for the year ended June 30, 2021:

	2021	Percentage of total	Dollar change from 2020	Percentage change from 2020
Operating revenues:				
Aviation revenue:				
Airfield	$ 39,499	29.1 %	(11,495)	(22.5)%
Terminal and concourses	7,533	5.6	(12,838)	(63.0)
Hangars and other buildings	1,236	0.9	30	2.5
Cargo buildings	2,760	2.0	238	9.4
Concessions	21,520	15.9	(6,909)	(24.3)
Parking, net	10,190	7.5	(6,753)	(39.9)
Lease revenue	4,972	3.7	(152)	(3.0)
Total operating revenue	87,710	64.7	(37,879)	(30.2)
Nonoperating revenues:				
Intergovernmental revenue	702	0.5	(393)	(35.9)
Passenger facility charges	12,101	8.9	(11,049)	(47.7)
Gain on sale of land	—	—	(308)	(100.0)
Other nonoperating revenue, net	35,216	25.9	14,316	68.5
Total nonoperating revenue	48,019	35.3	2,566	4.7
Total revenues	$ 135,729	100.0 %	(35,313)	(19.6)%

Fiscal year 2021 operating revenues decreased 30.2%, or $(37,879) primarily due to the decrease in enplanements and corresponding lower concession revenues and lower parking revenues from COVID-19 related travel restrictions. In addition, nonoperating revenues, net increased 4.7%, or $2,566 primarily due to an increase in COVID-19 government grant relief funds used to mitigate the impact of the global pandemic.

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, 2021:



(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, 2021:

		2021	Percentage of total	Dollar change from 2020	Percentage change from 2020
Operating expenses:					
Personnel services	$	36,787	23.4 %	(1,858)	(4.8)%
Supplies		4,042	2.6	(705)	(14.9)
Equipment		275	0.2	(434)	(61.2)
Contractual services		33,126	21.0	(4,091)	(11.0)
Depreciation		59,676	37.9	41	0.1
Interfund services used		3,025	1.9	196	6.9
Other operating		1,202	0.8	(1,683)	(58.3)
Total operating expenses		138,133	87.7	(8,534)	(5.8)
Nonoperating expenses:					
Investment loss		717	0.5	10,204	107.6
Interest expense		18,689	11.9	(443)	(2.3)
Total nonoperating expenses		19,406	12.3	9,761	101.2
Total expenses	$	157,539	100.0 %	1,227	0.7 %

Airline Use Rates and Charges

As of June 30, 2021, the Airport was served by 11 signatory airlines, which have use agreements, of which two are cargo carriers. Twenty airlines have operating agreements and 11 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. STL anticipates the option could be executed within the next two months, and also anticipates that another long-term lease agreement of five or more years would be executed subsequent to the one year option. 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.

(Continued)

(Dollars in thousands, unless otherwise indicated)

Capital Acquisitions and Construction Activities

During fiscal year 2021, the Airport expended $24,100 on capital activities related to construction in progress excluding capitalized interest. During 2021, completed projects totaling approximately $30,484 were transferred from construction in progress to their respective capital accounts. The major completed projects were as follows:

Terminal and concourse improvements	$	14,922
Runway improvements		9,806
Roadway improvements		1,129
Airport office building, banshee buildings, and others		4,627
Total	$	30,484

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, 2021, the Airport had the following bond series outstanding:

Revenue Refunding Bonds, Series 2005, dated July 7, 2005, maturing annually from fiscal year 2021 through 2032 with interest coupons of 5.50%

- Balance outstanding at June 30, 2021 – $145,995

Revenue Refunding Bonds, Series 2007A, dated January 23, 2007, maturing annually from fiscal year 2025 through 2027 with interest coupons of 5.25%

- Balance outstanding at June 30, 2021 – $34,105

Revenue Refunding Bonds, Series 2012, dated June 30, 2012, maturing annually from fiscal year 2021 through 2033 with interest coupons ranging from 4.25% to 5.00%

- Balance outstanding at June 30, 2021 – $19,920

Revenue Refunding Bonds, Series 2015, dated June 25, 2015, maturing annually from fiscal year 2021 through 2024 with interest coupon of 5.00%

- Balance outstanding at June 30, 2021 – $10,535

Revenue Refunding Bonds, Series 2017A, dated June 30, 2018, maturing annually from fiscal year 2021 through 2033 with interest coupons of 5.00%

- Balance outstanding at June 30, 2021 – $108,910

Revenue Refunding Bonds, Series 2017B, dated June 30, 2018, maturing annually from fiscal year 2021 through 2028 with interest coupons of 5.00%

- Balance outstanding at June 30, 2021 – $54,205

Revenue Bonds, Series 2017C, dated June 30, 2018, maturing annually from fiscal year 2038 through 2048 with interest coupons of 5.00%

- Balance outstanding at June 30, 2021 – $31,700

Revenue Bonds, Series 2017D, dated June 30, 2018, maturing annually from fiscal year 2028 through 2038 with interest coupons of 5.00%

- Balance outstanding at June 30, 2021 – $26,605

Revenue Bonds, Series 2019A, dated June 30, 2021, maturing annually from fiscal year 2037 through 2050 with interest coupons of 5.00%

- Balance outstanding at June 30, 2021 – $13,235

Revenue Bonds, Series 2019B, dated June 30, 2021, maturing annually from fiscal year 2021 through 2038 with interest coupons of 5.00%

- Balance outstanding at June 30, 2021 – $8,440

(Continued)

Revenue Refunding Bonds, Series 2019C, dated June 30, 2021, maturing annually from fiscal year 2025 through 2035 with interest coupon of 5.00%

- Balance outstanding at June 30, 2021 – $75,470

Credit Ratings

Moody's Investors Service, Inc. (Moody's) assigned a rating of "A2" subsequent to June 30, 2021 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. Domestic and international travel restrictions sharply decreased from March until June 2021. 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 $34.6M of the CARES Act funds in fiscal year 2021. Also, the Airport received reimbursement from FEMA for materials and supplies purchased by STL for cleaning efforts and personal protective equipment necessitated by COVID-19 to protect the health and safety of the public and Airport employees.

The Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSA) 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 $15.2M to assist with continuing pandemic relief, this amount includes $1.6M 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 did not use any CRRSA funds during fiscal year 2021.

To facilitate additional recovery from the pandemic, the U.S. President signed into law the $1.9 trillion American Rescue Plan Act of 2021 (ARPA) on March 11, 2021. STL was awarded $56.2M for pandemic relief and recovery, this amount includes $6.6M for rent and minimum annual guarantees for eligible airport concessions. STL did not use any ARPA funds during fiscal year 2021. There have been no loan defaults or a need to restructure debt to avoid default and STL complies with all bond indenture requirements. STL cannot predict the duration or extent of the COVID-19 pandemic on the aviation industry. STL will continue to asses and implement opportunities to reduce costs and adjust operations to keep the Airport safe and efficient in response to the ongoing effect of the pandemic.

(Continued)

As of November 2021, travel through STL surged towards normalcy during the Thanksgiving holiday season. According to data from the Transportation Security Administration (TSA), the number of passengers who passed through STL security checkpoints was down only 9.1% from 2019. More than 180,000 travelers were screened at security checkpoints from Friday, November 19 through Monday, November 29, 2021. In 2019, 198,649 passengers cleared security compared to just 82,099 in 2020. The highest travel day this year was Sunday, November 18 with 20,571 individuals which compares favorably to the last time TSA screened more 20,000 passengers on December 27, 2019 – 20,855 passengers. Other holidays this year also saw noticeable increases in airport traffic, including the Fourth of July, and the Labor Day holiday weekend.

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, 2021

(Dollars in thousands)

Assets

Current assets:		
Unrestricted assets:		
Cash and cash equivalents	$	36,219
Investments		26,199
Accounts receivable, net		13,835
Supplies and materials		2,781
Other current assets		1,069
Total unrestricted assets		80,103
Restricted assets:		
Cash and cash equivalents		100,745
Accrued interest receivable		15
Passenger facility charges receivable		2,959
Government grants receivable		5,237
Total restricted assets		108,956
Total current assets		189,059
Noncurrent assets:		
Unrestricted:		
Investments		29,201
Restricted:		
Cash and cash equivalents		18,688
Investments		70,123
Capital assets, net		1,483,582
Other assets		1,425
Total noncurrent assets		1,603,019
Deferred outflows of resources-loss on bond refunding		6,142
Deferred outflows of resources-pension related		12,289
Total assets and deferred outflows of resources	$	1,810,509

(Continued)

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Balance Sheet

June 30, 2021

(Dollars in thousands)

Liabilities and Net Position

Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and accrued expenses	$	14,125
Unearned revenue and other current liabilities		495
Due to the City of St. Louis, Missouri		4,522
Total payable from unrestricted assets		19,142
Payable from restricted assets:		
Current maturities of revenue bonds payable		34,475
Accrued interest payable		12,159
Contracts and retainage payable		6,966
Total payable from restricted assets		53,600
Total current liabilities		72,742
Noncurrent liabilities:		
Revenue bonds payable, net		543,481
Net pension liability		30,383
Other long-term liabilities		9,414
Total noncurrent liabilities		583,278
Deferred inflows of resources-gain on bond refunding		1,367
Deferred inflows of resources-pension related		2,619
Total liabilities and deferred inflows of resources		660,006
Net position:		
Invested in capital assets, net of related debt		1,048,339
Restricted:		
Bond reserve funds		30,923
Passenger facility charges		11,149
Unrestricted		60,092
Total net position		1,150,503
Total liabilities, deferred inflows of resources, and net position	$	1,810,509

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, 2021

(Dollars in thousands)

Operating revenue:		
Aviation revenue:		
Airfield	$	39,499
Terminals and concourses		7,533
Hangars and other buildings		1,236
Cargo buildings		2,760
Concessions		21,520
Parking, net		10,190
Lease revenue		4,972
Total operating revenue		87,710
Operating expenses:		
Personnel services		36,787
Supplies		4,042
Equipment		275
Contractual services		33,126
Depreciation		59,676
Interfund services used		3,025
Other		1,202
Total operating expenses		138,133
Operating loss		(50,423)
Nonoperating revenue (expenses):		
Intergovernmental revenue		702
Investment loss		(717)
Interest expense		(18,689)
Passenger facility charges		12,101
Other, net		35,216
Total nonoperating revenues, net		28,613
Loss before capital contributions and transfers		(21,810)
Capital contributions		10,338
Transfers to the City of St. Louis, Missouri		(4,386)
Total capital contributions and transfers		5,952
Decrease in net position		(15,858)
Total net position, beginning of year		1,166,361
Total net position, end of year	$	1,150,503

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, 2021

(Dollars in thousands)

Cash flows from operating activities:	
Receipts from customers and users	$ 79,273
Payments to suppliers of goods and services	(34,552)
Payments to or on behalf of employees	(35,609)
Payments for interfund services used	(3,205)
Net cash provided by operating activities	5,907
Cash flows from noncapital financing activity:	
Receipt of CARES Act funding	34,657
Transfers to other funds of the City of St. Louis, Missouri	(4,386)
Net cash provided by noncapital financing activity	30,271
Cash flows from capital and related financing activities:	
Cash collections from passenger facility charges	11,651
Receipt of federal financial assistance	21,528
Acquisition and construction of capital assets	(31,721)
Principal paid on revenue bond maturities	(32,750)
Interest paid on revenue bonds	(27,764)
Net cash used in capital and related financing activities	(59,056)
Cash flows from investing activities:	
Purchases of investments	(104,837)
Proceeds from sales and maturities of investments	132,525
Investment income	2,863
Net cash provided by investing activities	30,551
Net increase in cash and cash equivalents	7,673
Cash and cash equivalents:	
Beginning of year:	
Unrestricted	15,452
Restricted	132,527
	147,979
End of year:	
Unrestricted	36,219
Restricted	119,433
	$ 155,652
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (50,423)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	59,676
Changes in assets and liabilities:	
Accounts receivable	(5,977)
Supplies and materials	210
Other assets	186
Net pension liabilities/assets	(3,624)
Accounts payable and accrued expenses	2,433
Unearned revenue	(977)
Due to/from the City of St. Louis, Missouri	(20)
Other long-term liabilities	4,423
Total adjustments	56,330
Net cash provided by operating activities	$ 5,907
Supplemental disclosures for noncash activities:	
Unrealized gain on investments	$ (3,569)
Capital assets in contracts and retainage payable	6,966

See accompanying notes to basic financial statements.

(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. CARES funding, interest expense, and financing costs, are reported as nonoperating.

(b) Accounts Receivable

Accounts receivable at June 30, 2021 consist of $13,835 due from air carriers and concessionaires with operations at the Airport. This amount includes a $246 allowance reserve for concessionaire accounts eligible for minimum annual guarantee rent abatements.

(c) 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.

(d) 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

$0.11 (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, 2021 were $2,959. These amounts were collected during July and August of 2021.

(e) Capital Assets, Net

Capital assets are recorded at 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 (note 12). 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.

(f) 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.

(g) Other Assets

Other noncurrent assets, as of June 30, 2021, 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.

(h) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2021 comprise $4,194, of accrued salaries and benefits; $6,274 due to vendors and contractors; and $3,657 of other accrued expenses.

(i) 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 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 $1,414 as of June 30, 2021 and is included in other long-term liabilities.

(Continued)

The vacation liability reflects amounts attributable to employee services already rendered and are cumulative. The liability totaled $2,826 as of June 30, 2021 and is included in accounts payable and accrued expenses.

(j) Capital Contributions, Intergovernmental Revenue, 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.

In April 2020, the Federal Aviation Administration (FAA) awarded the City of St. Louis, the owner and operator of the St. Louis Lambert International Airport, approximately $60,000 pursuant to the CARES Act to be used for Airport purposes due to drastic declines in commercial and domestic travels. Other, net includes $34,657 in CARES funding for which eligibility requirements have been met.

(k) 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.

(l) 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.

(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.

(Dollars in thousands, unless otherwise indicated)

- 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.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2021:

Assets		Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Federal Home Loan Bank	$	7,998	—	7,998	—
Federal National Mortgage Association		28,298	—	28,298	—
Federal Farm Credit Bank		8,560	—	8,560	—
Commercial Paper		28,543	—	28,543	—
U.S. Treasury Bills and Notes		77,701	77,701	—	—
International Bank Notes		19,530	—	19,530	—
Money Market Mutual Funds		81,401	—	81,401	—
	$	252,031	77,701	174,330	—

Investments are recorded at fair value. Fair value for investments is determined by quoted market prices or by using other observable inputs at year-end as reported by the respective investment custodian.

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 noncurrent assets, or are segregated for the liquidation of long-term debts (except for maturing debt that is recorded as a current liability).

(Dollars in thousands, unless otherwise indicated)

As of June 30, 2021, the Airport had the following cash deposits and investments:

Federal Home Loan Bank	$	7,998
Federal National Mortgage Association		28,298
Federal Farm Credit Bank		8,560
U.S. Treasury Bills and Notes		77,701
International Bank Notes		19,530
Money Market Mutual Funds		81,401
Other Cash Deposits		29,144
Commercial Paper		28,543
	$	281,175

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.

(Dollars in thousands, unless otherwise indicated)

The investments had the following maturities on June 30, 2021:

		Investment maturities (in years)		
	Fair value	**Less than 1**	**1 – 5**	**6 – 10**
Federal Home Loan Bank	$ 7,998	5,604	2,394	—
Federal National Mortgage Association	28,298	—	28,298	—
Federal Farm Credit Bank	8,560	8,560	—	—
Commercial Paper	28,543	28,543	—	—
U.S. Treasury Bills and Notes	77,701	38,640	39,061	—
International Bank Notes	19,530	2,449	17,081	—
Money Market Mutual Funds	81,401	81,401	—	—
	$ 252,031	165,197	86,834	—

(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, 2021:

		Investment Ratings (Standard and Poor's)				
	Fair value	**AAA**	**A-1+**	**A-1**	**AA+**	**Not rated**
Federal Home Loan Bank	$ 7,998	—	—	—	7,998	—
Federal National Mortgage Association	28,298	—	—	—	28,298	—
Federal Farm Credit Bank	8,560	—	—	—	8,560	—
Commercial paper	28,543	—	5,249	23,294	—	—
U.S. Treasury Bills and Notes*	77,701	—	—	—	38,138	39,563
International Bank Notes	19,530	17,991	—	—	—	1,539
Money Market Mutual Funds	81,401	—	—	—	—	81,401
	$ 252,031	17,991	5,249	23,294	82,994	122,503

* 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.

(Dollars in thousands, unless otherwise indicated)

(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, 2021, 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, 2021, the concentration of the Airport's investments (excluding cash deposits) was as follows:

Federal National Mortgage Association	11.23 %
Federal Farm Credit Bank	3.40
Commercial paper	11.32
U.S. Treasury bills and notes	30.83
International Bank Notes	7.75
Federal Home Loan Bank	3.17
Money Market Mutual Funds	32.30
	100.00 %

(Dollars in thousands, unless otherwise indicated)

(3) Restricted Assets

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2021:

Airport Bond Fund:		
Debt Service Account	$	100,745
Debt Service Reserve Account		21,403
Airport Renewal and Replacement Fund		3,500
Passenger Facility Charge Fund		8,190
Airport Debt Service Stabilization Fund		38,211
Airport Construction Fund		15,359
Drug Enforcement Agency funds		2,148
	$	189,556

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.

(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.

(Dollars in thousands, unless otherwise indicated)

(4) Capital Assets

Following is a summary of the changes in capital assets for the year ended June 30, 2021:

	Balances, June 30, 2020	Additions	Retirements	Transfers	Balances, June 30, 2021
Capital assets being depreciated:					
Pavings	$ 1,093,875	—	—	13,835	1,107,710
Buildings and facilities	710,656	120	—	16,608	727,384
Equipment	104,909	3,447	(83)	41	108,314
	1,909,440	3,567	(83)	30,484	1,943,408
Less accumulated depreciation:					
Pavings	(629,931)	(33,840)	—	—	(663,771)
Buildings and facilities	(478,653)	(22,226)	—	—	(500,879)
Equipment	(72,962)	(3,610)	83	—	(76,489)
Total accumulated depreciation	(1,181,546)	(59,676)	83	—	(1,241,139)
Total capital assets being depreciated	727,894	(56,109)	—	30,484	702,269
Capital assets not being depreciated:					
Land	750,963	—	—	—	750,963
Construction in progress	33,228	24,100	—	(30,484)	26,844
Easements	3,506	—	—	—	3,506
Total capital assets not being depreciated	787,697	24,100	—	(30,484)	781,313
	$ 1,515,591	(32,009)	—	—	1,483,582

Construction in progress as of June 30, 2021 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.

(Dollars in thousands, unless otherwise indicated)

The estimated useful lives of capital assets are as follows:

	Years
Pavings	5–30
Buildings and facilities	5–30
Equipment	3–20

(5) Change in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2021:

	Balances, June 30, 2020	Additions	Reductions	Balances, June 30, 2021	Due within one year
Revenue bonds payable (note 6)	$ 561,870	—	(32,750)	529,120	34,475
Unamortized discounts and premiums (note 6)	57,565	—	(8,729)	48,836	—
Net pension liability	25,453	4,930	—	30,383	—
Pension Funding Project (note 14)	4,431	—	(150)	4,281	160
Other long-term liabilities	372	—	—	372	—
Accrued vacation, compensatory, and sick time benefits	4,651	3,147	(3,170)	4,628	3,214
Unearned lease revenues	3,787	—	(280)	3,507	—
Total	$ 658,129	8,077	(45,079)	621,127	37,849

(Dollars in thousands, unless otherwise indicated)

(6) Revenue Bonds Payable

Bonds outstanding at June 30, 2021 are summarized as follows:

Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032	$	145,995
Bond Series 2007A, interest rate ranging of 5.25%, payable in varying amounts through 2027		34,105
Bond Series 2012, interest rate ranging from 4.25% to 5.00%, payable in varying amounts through 2033		19,920
Bond Series 2015, interest rate of 5.00%, payable in varying amounts through through 2024		10,535
Bond Series 2017A, interest rate ranging of 5.00%, payable in varying amounts through 2033		108,910
Bond Series 2017B, interest rate of 5.00%, payable in varying amounts through 2028		54,205
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		8,440
Bond Series 2019C, interest rate of 5.00%, payable in varying amounts through 2035		75,470
		529,120
Less:		
Current maturities		(34,475)
Unamortized discounts and premiums		48,836
		14,361
	$	543,481

Interest payments on the above issues are due semiannually on January 1 and July 1.

(Continued)

(Dollars in thousands, unless otherwise indicated)

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, 2021 is presented below:

Debt-Related Deferred Outflow/Inflow of Resources

Deferred outflow of resources – loss on bond refunding	$ 6,142
Deferred inflow of resources – gain on bond refunding	$ (1,367)

Management is not aware of any violations of significant bond covenants with respect to the above issues at June 30, 2021.

As of June 30, 2021, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

	Principal	Interest	Total
Year(s) ending June 30:			
2022	$ 34,475	26,371	60,846
2023	36,190	24,604	60,794
2024	30,720	22,932	53,652
2025	32,250	21,351	53,601
2026	38,915	19,554	58,469
2027–2031	211,235	65,194	276,429
2032–2036	93,060	20,272	113,332
2037–2041	18,345	10,728	29,073
2042–2046	21,220	5,932	27,152
2047–2050	12,710	909	13,619
	$ 529,120	217,847	746,967

(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 expire on June 30, 2021. 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 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:

(Dollars in thousands, unless otherwise indicated)

(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 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 2021, revenues from signatory air carriers accounted for 52.0% 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 nonsignatory air carriers for the year ended June 30, 2021:

		Signatory	Nonsignatory	Total
Airfield	$	28,324	11,175	39,499
Terminal and concourses		14,788	(7,255)	7,533
Hangars and other buildings		540	696	1,236
Cargo buildings		1,930	830	2,760
	$	45,582	5,446	51,028

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. Effective July 1, 2016, the Airport entered into a new long-term Airport Use and Lease Agreement (AUA) with signatory air carriers which expired on June 30, 2021. Due to COVID-19, the agreement was 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. 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.

(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 29.6% of the Airport's total operating revenues and 57.0% of total revenues from participating air carriers for the fiscal year ended June 30, 2021. Accounts receivable at June 30, 2021 contained $620 relating to amounts due to the Airport by Southwest. These amounts include $178 of unbilled amounts due to the Airport at June 30, 2021.

American provided 7.7% of the Airport's total operating revenues and 14.8% of total revenues from signatory air carriers for the fiscal year ended June 30, 2021. Accounts receivable at June 30, 2021 contained $1,478 relating to amounts due to the Airport by American. These amounts include $79 of unbilled aviation credits at June 30, 2021.

(9) Operating Leases

The Airport leases facilities and land with varying renewal privileges to various nonsignatory air carriers, concessionaires, and others. These leases, for periods ranging from 1 to 50 years, require the payment of minimum annual rentals. The following is a schedule by year of minimum future rentals on noncancelable operating leases, other than leases with signatory airlines, pursuant to long-term use agreements:

(Dollars in thousands, unless otherwise indicated)

Year(s) ending June 30:		
2022	$	18,845
2023		15,352
2024		11,540
2025		8,142
2026		6,296
2027–2031		15,631
2032–2036		9,751
2037–2041		1,880
Thereafter		1,862
Total minimum future rentals	$	89,299

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to $37,808 for the year ended June 30, 2021.

Unearned lease revenues included in other long-term liabilities in the amount of $3,507 as of June 30, 2021 represent the upfront lease revenues received by the Airport for the lease of certain land.

The Airport leases computer and other equipment under noncancelable arrangements. Expenses for operating lease agreements were $56 for the year ended June 30, 2021. Future minimum payments are as follows:

Year(s) ending June 30:		
2022	$	47
2023		32
2024		23
2025		16
Total minimum future payments	$	118

(10) Concessions Revenues

During fiscal year 2021, revenues from concessionaires accounted for 24.5% of total Airport operating revenues.

(Dollars in thousands, unless otherwise indicated)

Following is a summary of revenues received by type of concession for the year ended June 30, 2021:

Advertising	$	725
Transportation services		4,649
Automobile rental		8,436
General merchandise sales		1,267
Food and catering services		5,573
Other		870
	$	21,520

(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, 2021 as follows:

Parking revenues	$	17,750
Parking expenses		(7,560)
Parking revenues, net	$	10,190

(12) Impairment of Capital Assets

Airport management performed an evaluation of capital assets, including whether prominent events or changes in circumstances affecting capital assets occurred, which may be indicative of impairment. As a result of evaluation of capital assets performed, and subsequent measurement of potential impairment losses, the Airport did not identify any impairments of capital assets during the year ended June 30, 2021.

(13) Related-Party Transactions

During the year ended June 30, 2021, the City charged the Airport $1,567 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, 2021, gross receipts tax amounted to $4,386 and is reflected as transfers to the City of St. Louis, Missouri in the accompanying basic financial statements. As of June 30, 2021, $1,778 remains unpaid.

(14) 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)

(Continued)

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, 2020 FRS financial statements and the October 1, 2020 actuarial valuation. The valuation as of October 1, 2020, reflects the changes 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% within 10 years.

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 $3,737 for its proportionate share of the net pension liability as of June 30, 2021. The net pension liability was measured as of September 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020. The Airport's proportion of the net pension liability was based on the Airport's share of contributions to FRS relative to the contributions of all FRS.

(Dollars in thousands, unless otherwise indicated)

(d) Actuarial Methods and Assumptions (FRS)

Significant actuarial assumptions used in the valuation of the FRS are as follows:

Method:	
Date of actuarial valuation	October 1, 2020
Actuarial cost method	Entry Age – Normal
Actuarial assumptions:	
Investment rate of return	7%, net of investment expenses of 0.25%
Long-term municipal bond rate	2.75%
Rate of payroll growth	Benefits frozen as of February 1, 2013; therefore, no salary increases have been assumed
Consumer price inflation	2.50%
Mortality	Post-retirement ordinary – Pub-2010 Public Safety Healthy Annuitant Mortality Table, sex distinct
	Pre-retirement – Pub-2010 Public Safety Employee Mortality Table, sex distinct
	Post-disability – Pub-2010 Public Safety disabled Retiree Mortality Table, sex distinct

The actuarial assumptions used in the October 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period October 2014 to October 2018 which was performed to compare actual demographic and economic experience with the actuarial assumptions used in the actuarial valuation.

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, 2020, these best estimates are summarized in the following table:

(Dollars in thousands, unless otherwise indicated)

Asset class	Target allocation	Long-term expected real rate of return
Core bonds	5 %	2.60 %
Core plus	22	2.87
Absolute return	3	4.25
US large cap equity	18	7.14
US small cap equity	8	8.43
International developed equity	17	8.14
Emerging market equity	5	9.48
Long/Short equity	7	5.46
Core real estate	10	6.73
Value add real estate	5	8.23
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 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, 2020 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, 2021 for the Airport is as follows:

	Discount rate	Net pension liability
1% decrease	6.00 %	8,113
Current rate	7.00	3,737
1% increase	8.00	21

(Dollars in thousands, unless otherwise indicated)

(e) Pension Expense (FRS)

For the fiscal year ended June 30, 2021, the Airport recognized pension expense of $480. 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, 2021, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

		Deferred outflow of resources	Deferred inflow of resources
Difference between expected and actual liability experience	$	—	161
Net difference between projected and actual earnings on pension plan investments		2,224	—
Changes in assumptions		732	—
Total	$	2,956	161

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 on 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:		
2022	$	856
2023		992
2024		724
2025		223
	$	2,795

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

(Continued)

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 $3,828 for its proportionate share of the net pension liability as of June 30, 2021. The net pension liability was measured as of September 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020. The Airport's proportion of the net pension liability was based on the Airport's share of contributions to FRP relative to the contributions of all FRP.

(Continued)

(Dollars in thousands, unless otherwise indicated)

(d) Actuarial Methods and Assumptions (FRP)

The following were some of the significant actuarial assumptions used in the valuation of the Firefighter's Plan:

Method:	
Date of actuarial valuation	October 1, 2020
Actuarial cost method	Entry Age – Normal
Actuarial assumptions:	
Investment rate of return	7.25%, net of investment expenses
Rate of payroll growth	Varies based on Participants' years of service
Consumer price inflation	2.75%
Mortality	Pre-retirement: RP-2014 Blue Collar Employee Table adjusted to 2006, with generational mortality improvement using MP-2017 Healthy post-retirement: 115% of the RP-2014 Blue Collar Healthy Annuitant Table adjusted to 2006, with generational mortality improvement using MP-2017 Disabled post-retirement: RP-2014 Disabled Retiree Mortality adjusted to 2006, with generational mortality improvement using MP-2017

The actuarial assumptions used in the October 2020 actuarial valuation were based on the results of an actuarial experience study performed for the period October 2013 through September 2017.

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, 2020, these best estimates are summarized in the following table:

(Dollars in thousands, unless otherwise indicated)

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	20 %	2.90 %
Domestic large cap equity	30	6.00
Domestic mid cap equity	15	8.20
Domestic small cap equity	5	7.30
Real estate	5	5.70
Foreign equity	20	3.80
Foreign equity – emerging markets	5	9.10
Total	100 %	

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 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, 2020 actuarial valuation, a 7.25% 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, 2021 for the Airport is as follows:

	Discount rate	Net pension liability
1% decrease	6.25 %	5,757
Current rate	7.25	3,828
1% increase	8.25	2,194

(e) Pension Expense (FRP)

For the fiscal year ended June 30, 2021, the Airport recognized pension expense of $837. 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.

(Dollars in thousands, unless otherwise indicated)

(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, 2021, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

		Deferred outflow of resources	Deferred inflow of resources
Net difference between projected and actual earnings on pension plan investments	$	—	42
Change in assumptions		555	984
Differences between expected and actual experience		712	739
Total	$	1,267	1,765

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 on 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:		
2022	$	(28)
2023		89
2024		(181)
2025		(275)
2026		(26)
Thereafter		(77)
	$	(498)

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.

(Dollars in thousands, unless otherwise indicated)

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, 2021 were $2,569.

(c) Net Pension Liability (ERS)

The Airport reported a liability of $22,818 for its proportionate share of the net pension liability as of June 30, 2021. The net pension liability was measured as of September 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020. 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, 2020, the Airport's collective proportion was 8.04%, which was a decrease of 0.45% from its proportion measured as of September 30, 2019.

(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, 2020
Actuarial cost method	Entry age normal
Inflation	2.50%
Long-term rate of return	7.25%
Projected Salary increases	3% plus merit component based on employee's years of service
Mortality	Active: 135% of the Pub-2010 General Employee below-median income mortality table 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 table 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 table for males and 110% for females projected with generational mortality improvements from 2010 using Scale MP-2019

(Dollars in thousands, unless otherwise indicated)

The actuarial assumptions used in the October 1, 2020 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, 2020, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Large cap	25.00 %	7.27 %
Mid cap	7.50	7.60
Small cap	7.50	7.90
International large cap	12.00	7.47
Emerging markets	3.00	8.10
Bank loans	5.00	6.10
Fixed income	10.00	3.30
International fixed income	5.00	5.80
Core real estate	10.00	6.60
Infrastructure	5.00	7.50
Private equity	5.00	10.80
Hedge funds	5.00	6.70
Total/Average	100.00 %	

(Dollars in thousands, unless otherwise indicated)

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, 2020 actuarial valuation, a 7.25% 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, 2021 for the Airport is as follows:

	Discount rate	Net pension liability (NPL)
1% decrease	6.25 %	31,647
Current rate	7.25	22,818
1% increase	8.25	15,305

(e) Pension Expense (ERS)

For the fiscal year ended June 30, 2021, the Airport recognized pension expense of $3,535. 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.

(Dollars in thousands, unless otherwise indicated)

(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, 2021, the Airport reported deferred outflows of resources and inflows of resources related to pensions from the following sources as follows:

	Deferred outflow of resources	Deferred inflow of resources
Differences between expected and actual experience	$ 358	—
Net difference between projected and actual earnings on pension plan investments	3,309	—
Changes in assumptions	2,431	—
Changes in proportion	—	693
Airport contributions subsequent to the measurement date	1,968	—
Total	$ 8,066	693

The $1,968 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, 2021.

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 on 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:

	Recognition
Years ended June 30:	
2022	$ 1,752
2023	2,345
2024	1,066
2025	242
Total	$ 5,405

(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 $4,281 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.

(15) Commitments and Contingencies

At June 30, 2021, the Airport had outstanding commitments amounting to approximately $26,399 resulting primarily from contracts for construction projects. In addition, the Airport has $75,245 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.

(16) 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 Public Facilities Protection Corporation (PFPC), an internal service fund of the City of St. Louis, Missouri. The purpose of PFPC 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 PFPC. The Airport reimburses PFPC for workers' compensation claims on a cost-reimbursement basis. During the year ended June 30, 2021, expenses related to the Airport's participation in PFPC amounted to $1,458 and are reflected as interfund services used in the accompanying basic financial statements. At June 30, 2021, the Airport owed PFPC $2,741 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.

(17) Pledged Revenues

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of $529,120 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, 2021, the total principal and interest remaining to be paid on the bonds is $746,967. Principal and interest paid was $61,708 for the year ended June 30, 2021. The pledged net revenue recognized for the year ended June 30, 2021 was $38,546.

(18) Subsequent Events

In connection with the preparation of the basic financial statements, STL evaluated subsequent events through December 8, 2021, which was the date the basic financial statements were issued. On Monday, November 15, 2021, the U.S. President signed into law a $1 trillion infrastructure bill designed to create jobs across the country by dispersing billions of dollars to state and local governments to fix crumbling bridges and roads and expanding broadband internet access to millions of Americans. Also, this bill includes $25 billion for airports and $5 billion for air traffic control towers. This funding will help make much needed improvements to runways, terminals, and air traffic control towers to benefit passengers, workers, and the business community across the country. STL will work closely with the Federal Aviation Administration (FAA) to understand the federal legislation guidance for utilizing the funds and optimize the use of such funds.

Schedule I

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, 2021

(Dollars in thousands)

	Unrestricted			Unrestricted funds designated		Restricted held by trustee bond fund		Restricted other restricted funds					
	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	Total
Balance at June 30, 2020	$ 8,700	4,191	194	74,350	3,490	111,456	23,124	3,500	19,981	38,211	15,359	2,214	304,770
Cash deposited with City Treasurer	92,285	—	—	—	—	—	—	—	11,565	—	—	—	103,850
Cash receipts	(67)	—	—	74	(4,012)	920	232	—	263	—	—	65	(2,525)
Transfer in accordance with ordinance	(80,599)	4,386	78,440	(13,618)	—	49,249	(1,949)	—	(23,619)	—	—	—	12,290
Vouchers and requisitions paid	(6,287)	—	(78,561)	—	—	—	—	—	—	—	—	(131)	(84,979)
Interest	—	—	—	—	—	(28,130)	(4)	—	—	—	—	—	(28,134)
Redemption of bonds	—	—	—	—	—	(32,750)	—	—	—	—	—	—	(32,750)
Payments to the City of 5% of gross receipts	—	(2,821)	—	—	—	—	—	—	—	—	—	—	(2,821)
Receipts from FAA, TSA, and MoDOT	—	274	—	42,631	—	—	—	—	—	—	—	—	42,905
Capital expenditures	—	—	—	(31,431)	—	—	—	—	—	—	—	—	(31,431)
Balance at June 30, 2021	$ 14,032	6,030	73	72,006	(522)	100,745	21,403	3,500	8,190	38,211	15,359	2,148	281,175

See accompanying independent auditors' report.

Schedule II

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2005 Revenue Refunding Bonds Payable

June 30, 2021

(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.

Schedule III

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2007A Revenue Refunding Bonds Payable

June 30, 2021

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2025	5.25 %	$ 10,000
2026	5.25	24,105
		$ 34,105

See accompanying independent auditors' report.

Schedule IV

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2012 Revenue Refunding Bonds Payable

June 30, 2021

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2021	5.00 %	$	1,165
2022	5.00		1,220
2023	5.00		1,280
2024	5.00		1,345
2025	4.00		1,415
2026	5.00		1,465
2027	4.25		1,545
2028	5.00		1,610
2029	4.25		1,690
2030	—		—
2031	—		—
2032	5.00		7,185
		$	19,920

See accompanying independent auditors’ report.

Schedule V

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2015 Revenue Refunding Bonds Payable

June 30, 2021

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2021	5.00 %	$ 4,625
2022	5.00	3,670
2023	5.00	2,240
		$ 10,535

See accompanying independent auditors' report.

Schedule VI

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2017A Revenue Refunding Bonds Payable

June 30, 2021

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2021	5.00 %	$	20,810
2022	5.00		22,925
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
		$	108,910

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, 2021

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2021	5.00 %	$ 7,525
2022	5.00	8,010
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
		$ 54,205

See accompanying independent auditors' report.

Schedule VIII

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2017C Revenue Bonds Payable

June 30, 2021

(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.

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2017D Revenue Bonds Payable

June 30, 2021

(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.

Schedule X

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2019A Revenue Bonds Payable

June 30, 2021

(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, 2021

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2021	5.00 %	$	350
2022	5.00		365
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
		$	8,440

See accompanying independent auditors’ report.

Schedule XII

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2019C Revenue Refunding Bonds Payable

June 30, 2021

(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.

Schedule XII

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of Insurance – Unaudited

June 30, 2021

(Dollars in thousands)

Insurer	Amount	Expiration date	Character of coverage
Starr Aviation	$ 350,000	10/1/2021	Airport Owners and Operators Liability
Swiss Re	750,000	10/1/2021	Property Damage and Time Element
ACE American Insurance Company	7,000	10/1/2021	Public official's and employee's liability
Granite States Insurance Company	1,000	10/1/2021	Liability
Lexington	30,011	10/1/2021	Inland Marine/Property equipment
Nationwide Mutual	100	11/1/2021	Surety Bond US Customs
Harleysville	5,410	11/1/2021	Property for Bridgeton Army Guard location
Certain Underwriters	5,000	3/15/2022	Cyber Liability
Chubb	25	3/15/2022	Crime Policy
Mitsui	100,000	10/1/2021	Excess Property Damage (includes Terrorism Coverage)
Landmark	100,000	10/1/2021	Excess Property Damage (includes Terrorism Coverage)
Homeland	50,000	10/1/2021	Excess Property Damage (includes Terrorism Coverage)
Landmark	25,000	10/1/2021	Excess Earthquake
Axis	15,000	10/1/2021	Excess Earthquake
Evanston	10,000	10/1/2021	Excess Earthquake

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-Fifth Supplemental Indenture of Trust (the "***25th 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:

"***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 2022A 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.

"***Bondholder,***" "***Bondowner,***" "***Holders of the Series 2022A Bonds***" or "***Owner***" or any similar term means any person who shall be the registered owner of any Bond or Bonds.

"***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.

"***Bond Fund***" means the Airport Bond Fund established pursuant to the Indenture.

"***Bond Purchase Agreement***" means the Bond Purchase Agreement entered into by the City with the purchaser or purchasers of the Series 2022A 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 2022A 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.

"***Depositary***" 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 depositary 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.

"***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 (1) 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.

"***Interest Payment Date***" means July 1 and January 1 of each year beginning January 1, 2023, with respect to the Series 2022A 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.

“***Principal Payment Date***” means July 1 of each year beginning July 1, 2023.

“***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 2022A Bond, the amount payable upon redemption thereof pursuant to the 25th Supplemental Indenture.

“***Refunded Bonds***” means the Series of Bonds being defeased and refunded pursuant to the 25th 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 2022A Bonds***” means the Airport Revenue Refunding Bonds, Series 2022A (AMT) (St. Louis Lambert International Airport).

“***Series 2022A Bonds Accounts***” means the subaccounts by that name established pursuant to the 25th Supplemental Indenture.

"***Series 2022A Costs of Issuance Sub-Account***" means the subaccount by that name established pursuant to 25th Supplemental Indenture.

"***Series 2022A 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 2022A Bonds, (b) the maximum annual principal and interest requirements on the Series 2022A Bonds, or (c) 125% of the average annual Debt Service Reserve Requirements for the Series 2022A Bonds.

"***Series 2022A Debt Service Reserve Sub-Account***" means the subaccount by that name established pursuant to the 25th Supplemental Indenture.

"***Series 2022A Debt Service Sub-Account***" means the subaccount by that name established pursuant to the 25th Supplemental Indenture.

"***Series 2022A Refunding Sub-Account***" means the subaccount by that name established pursuant to the 25th 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 2022A 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

(i) The following sub-accounts are created within the specified Accounts established pursuant to the 25th Supplemental Indenture:

(1) the Series 2022A Costs of Issuance Sub-Account (the "***Series 2022A Costs of Issuance Sub-Account***") to be held by the Trustee and used to pay the Costs of Issuance of the Series 2022A Bonds, with any balance remaining after one hundred twenty (120) days after the date of issuance of the Series 2022A Bonds to be transferred to the Revenue Fund;

(2) the Series 2022A Debt Service Reserve Sub-Account (the "***Series 2022A Debt Service Reserve Sub-Account***") of the Debt Service Reserve Account of the Airport Bond Fund;

(3) the Series 2022A Debt Service Sub-Account (the "***Series 2022A Debt Service Sub Account***") of the Debt Service Account of the Airport Bond Fund; and

(4) the Series 2022A Refunding Sub-Account (the "***Series 2022A Refunding Sub-Account***") of the Debt Service Account of the Airport Bond Fund.

The sub-accounts created pursuant to the 25th Supplemental Indenture are hereinafter referred to collectively as the ***"Series 2022A Bonds Accounts.***" Each of the Series 2022A 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 2022A 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 Series 2022A 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 Series 2022A Bonds Accounts shall be separately made and maintained. The investment earnings of any of the Series 2022A Bonds Accounts shall be transferred to the Revenue Fund as provided in the Indenture.

(ii) The City and the Trustee, as the case may be, may eliminate any of the aforementioned Series 2022A 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 2022A 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 2022A Debt Service Reserve Sub-Account of the Debt Service Reserve Account, (ii) Series 2022A Debt Service Sub-Account of the Debt Service Account, and (iii) Series 2022A Refunding Sub-Account of the Debt Service Account of the Airport Bond Fund;

(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) For Airport Fiscal Year ending June 30, 2011, to the Debt Service Stabilization Fund and the Development Fund for the times and in the amounts and pursuant to the calculations set forth below:

(a) To the Debt Service Stabilization Fund any amounts withdrawn therefrom during Airport Fiscal Years ending June 30, 2006 through 2010 and not previously replenished; and then

(b) To the Debt Service Stabilization Fund and the Development Fund a total of up to $5,725,000, with 87.25% of each such transfer to the Debt Service Stabilization Fund and 12.75% of each such transfer to the Development Fund;

(9) 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).

(10) The remaining GARB Revenues in the Revenue Fund will be deposited into the Development Fund; and

(11) 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 ($1/12^{th}$) 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.

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.

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.

APPENDIX D

Summary of Certain Provisions of the Use Agreements and the Operating Agreements

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The following is a summary of certain provisions 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. 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.

The term of the current Use Agreement began on July 1, 2016. Prior to the expiration of the original Use Agreements on June 30, 2021, each Signatory Airline executed a First Amendment to the Use Agreement, which extended the term of the original agreements by one year, provided a renewal option for an additional year, and adjusted the Signatory Commitments for the extended term(s). The term of the Use Agreements, as extended, is set to expire on June 30, 2022. The renewal option allows Signatory Airlines to extend the term of their Use Agreement to June 30, 2023. All but one of the Signatory Airlines have exercised the renewal option. The outstanding Signatory Airline has expressed its intent to exercise the renewal option. The City may terminate a Use Agreement for non-performance by a Signatory Airline. 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.

Signatory Airlines. Signatory Airlines committed to pay the City a minimum amount in landing fees throughout the term of their respective Use Agreements. The minimum landing fee commitment was $1,000,000 for Signatory Airlines with Use Agreements that began on July 1, 2016. Signatory Airlines were permitted to include affiliate airline fees in the commitment test and the landing fee commitment was prorated in Use Agreements that began after July 1, 2016. In the First Amendment to the Use and Lease Agreement, Signatory Airlines committed to pay the City a minimum landing fee of $1,200,000 for the term between July 1, 2021 and June 30, 2022. The minimum landing fee will be $1,400,000 for the renewal option term between July 1, 2022 and June 30, 2023.

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 unenclosed 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 mark

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 2022A Bonds. The Series 2022A 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 2022A 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 2022A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022A 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 2022A 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 2022A Bonds, except in the event that use of the book-entry system for the Series 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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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May 24, 2022

The City of St. Louis, Missouri
City Hall, Room 200
1200 Market Street
St. Louis, Missouri 63103

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, New York 10281

Re: $14,335,000 The City of St. Louis, Missouri Airport Revenue Refunding Bonds, Series 2022A (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 $14,335,000 Airport Revenue Refunding Bonds, Series 2022A (AMT) (St. Louis Lambert International Airport) (the "***Series 2022A 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-Fifth Supplemental Indenture of Trust dated as of May 1, 2022 (the "***Twenty-Fifth 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-Fifth Supplemental Indenture, is collectively referred to herein as the "***Indenture.***"

We have reviewed the transcript of proceedings related to the issuance of the Series 2022A 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. 71472, adopted by the Board of Aldermen on March 4, 2022 and, approved by the Mayor on March 23, 2022, the Indenture, the Tax Compliance Agreement between the City and the Trustee dated as of the date hereof relating to the Series 2022A Bonds (the "***Tax Compliance Agreement***") 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 2022A Bonds and on a continuing basis subsequent to the issuance of the Series 2022A Bonds in order for interest on the Series 2022A 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 Agreement, 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 2022A Bonds from federal income tax, (ii) that it will comply with the provisions and procedures set forth in the Tax Compliance Agreement, 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 2022A 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 Agreement and the other financing documents delivered in connection with the Series 2022A 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 2022A 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 2022A 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 2022A Bonds.

2. The Twenty-Fifth 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 2022A Bonds is excluded from the gross income of the owners of the Series 2022A Bonds for federal income tax purposes. No opinion is expressed as to the status of interest on any Series 2022A Bonds for any period that such Series 2022A Bonds are held by a "substantial user" of the facilities refinanced by the Series 2022A Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Interest on the Series 2022A 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 2022A 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 2022A Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022A Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Series 2022A 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 2022A 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 2022A 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 2022A 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 2022A Bonds including, but not limited to, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2022A 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 2022A 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 2022A 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 May 1, 2022

by and between

THE CITY OF ST. LOUIS, MISSOURI

and

UMB BANK, N.A.,
as Dissemination Agent

$14,335,000
The City of St. Louis, Missouri
Airport Revenue Refunding Bonds, Series 2022A (AMT)
(St. Louis Lambert International Airport)

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT dated as of May 1, 2022 (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 $14,335,000 Airport Revenue Refunding Bonds, Series 2022A (AMT) (St. Louis Lambert International Airport) (the "*Series 2022A 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-Fifth Supplemental Indenture of Trust, dated as of May 1, 2022, 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 2022A 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 2022A 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 2022A Bonds (including persons holding Series 2022A Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2022A 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.

"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 12, 2022, relating to the issuance and sale of the Series 2022A Bonds.

"Participating Underwriter" means any of the original underwriter(s) of the Series 2022A Bonds required to comply with the Rule in connection with the offering of the Series 2022A 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, 2022, 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" comparable in substance to the table contained in the Official Statement in the section "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 in the section "THE AIRPORT –Passenger Enplanements";

(4) A table reflecting "Annual Enplanements of Four Largest Carriers" and Market Share 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 the table in the Official Statement under the caption "REPORT OF THE AIRPORT CONSULTANT - Projected Airport Revenues";

(6) A table reflecting "Trends in Scheduled Service at STL, by Calendar Year" comparable in substance to Table 16 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 23 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 24 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 26 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 38 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 43 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 2022A 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 2022A Bonds, or other material events affecting the tax status of the Series 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A Bonds, does not materially impair the interests of the Bondholders or Beneficial Owners of the Series 2022A 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 2022A 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 2022A 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 2022A 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: Kelley Anderson, Esq., Special Assistant to the Comptroller 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 2022A 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:	$14,335,000 The City of St. Louis, Missouri Airport Revenue Refunding Bonds, Series 2022A (AMT) (St. Louis Lambert International Airport) (the "Series 2022A Bonds")
Date of Issuance:	May 24, 2022

NOTICE IS HEREBY GIVEN that the City has not filed an Annual Report with respect to the above-named Series 2022A Bonds as required by the Continuing Disclosure Agreement dated as of May 1, 2022, 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 $7 5 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 $11.8 million in PFC Revenues (including investment earnings) for the Fiscal Year ended June 30, 2021.

As of December 31, 2021, the FAA has authorized the City to collect up to $1.1 billion in PFCs through 2026, of which approximately $878.7 million has been collected, plus an additional $53.4 million of interest earned totaling $932.1 million of PFC Revenues. From this total, $913.8 million has been expended, leaving a PFC Account balance of approximately $18.3 million.

APPENDIX I

Build America Mutual Assurance Company and Municipal Bond Debt Service Reserve Insurance Policy

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APPENDIX I

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM does not guarantee the market price or liquidity of bonds (including the Bonds), nor does it guarantee that the rating on bonds (including the Bonds) will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2022 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $466.8 million, $172.1 million and $294.7 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM 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 BAM, supplied by BAM and presented above.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM 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 BAM, supplied by BAM and presented in this Appendix I and under the heading "**THE SERIES 2022A BONDS -- Security and Sources of Payment –** ***Municipal Bond Debt Service Reserve Insurance Policy."***

BAM

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

ISSUER: [NAME OF ISSUER]

Policy No: __________

MEMBER: [NAME OF MEMBER]

Effective Date: ____________

BONDS: [Bonds]

Risk Premium: $___________

Member Surplus Contribution: $___________

Total Insurance Payment: $___________

MAXIMUM POLICY LIMIT: $__________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, 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.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed 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 BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

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 and to the extent of 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 (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance 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 (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**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 BAM 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 made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "**Notice**" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "**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, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "**Policy Limit**" means the lesser of (i) Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund (or the portion thereof) required to be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement applicable to the Bonds, as provided in the Security Documents. "**Security Documents**" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the Termination Date. "**Termination Date**" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) **__________** [date].

BAM 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 BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM 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 BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM 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, 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. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: ________________________________
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. ________ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_________, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: ________________________________
Name:
Title:

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