

Summary

Board Bill Number 9

Primary Sponsor: Alderman Shane Cohn

April 30, 2021

This ordinance authorizes the transfer of \$13,727,769 from the Airport Debt Service Stabilization Fund to the Airport Revenue Fund to make funds available to mitigate rates in the Fiscal Year beginning July 1, 2020. This is in accordance with the five-year Airport Use and Lease Agreement that commenced on July 1, 2016.

BOARD BILL NUMBER 9 INTRODUCED BY: ALDERMAN SHANE COHN

1 An ordinance recommended and approved by the Airport Commission, the Comptroller
2 and the Board of Estimate and Apportionment, making certain findings with respect to the
3 transfer of up to \$13,727,769 of excess moneys that The City of St. Louis (the “City”), the owner
4 and operator of St. Louis Lambert International Airport® (the “Airport”), intends to transfer
5 from the Debt Service Stabilization Fund to the Airport Revenue Fund during the fiscal year
6 beginning July 1, 2020, to be used to mitigate rates on an annual basis during the term of the
7 Airport Use and Lease Agreement commencing July 1, 2016, which transfer may not exceed
8 \$13,727,769; containing a severability clause; and containing an emergency clause.

9 **WHEREAS**, The City of St. Louis, Missouri (the “City”) is the owner of St. Louis
10 Lambert International Airport® (the “Airport”), which is operated for the City by the City’s
11 Airport Authority, a department of the City;

12 **WHEREAS**, the City entered into a five year Airport Use and Lease Agreement with
13 various airlines for the use of the Airport commencing July 1, 2016 (the “AUA”);

14 **WHEREAS**, implementation of the AUA authorizes the City’s use of a portion of the
15 Debt Service Stabilization Fund (the “DSSF”) under the Lambert-St. Louis International Airport
16 Indenture of Trust between the City, as Grantor, and UMB Bank, N.A., as Trustee, dated October
17 15, 1984, as amended and restated as of July 1, 2009, as amended and supplemented (the
18 “Indenture”), in order to mitigate rates on an annual basis during the term of the AUA and that,
19 in each fiscal year in which the City determines to mitigate rates, the City will withdraw an
20 amount not to exceed Thirteen Million Seven Hundred Twenty-Seven Thousand Seven Hundred
21 Sixty-Nine Dollars (\$13,727,769) from the DSSF and deposit such amount in the Airport
22 Revenue Fund (the “Revenue Fund”), with the expectation that such amount will, pursuant to the

1 flow of funds specified in the Indenture, be re-deposited in the DSSF prior to the end of such
2 fiscal year;

3 **WHEREAS**, pursuant to Section 516.B of the Indenture, the City may withdraw and use
4 amounts on deposit in the DSSF for emergency debt service needs with respect to indebtedness
5 issued for Airport purposes and for Airport operational emergencies;

6 **WHEREAS**, the Airport Commission, the Comptroller and the Board of Estimate and
7 Apportionment have determined that the need to mitigate rates in connection with the AUA in
8 order to maintain and enhance airline operating levels at the Airport constitutes an Airport
9 operating emergency within the meaning of Section 516.B(2) of the Indenture, that the transfer
10 of funds from the DSSF to the Revenue Fund as set forth herein is an appropriate and desirable
11 use of such funds and is essential for the operation of the Airport and that such use is consistent
12 with the requirements of the Indenture;

13 **WHEREAS**, there is a balance in excess of Thirteen Million Seven Hundred Twenty-
14 Seven Thousand Seven Hundred Sixty-Nine Dollars (\$13,727,769) available for transfer from
15 the DSSF into the Revenue Fund established in the Indenture;

16 **WHEREAS**, it is in the best interest of the City and the operation of the Airport to
17 authorize the transfer of funds from the DSSF into the Revenue Fund during the fiscal year
18 beginning July 1, 2020, in an amount not to exceed Thirteen Million Seven Hundred Twenty-
19 Seven Thousand Seven Hundred Sixty-Nine Dollars (\$13,727,769); and

20 **WHEREAS**, this Ordinance, authorizing the transfer of funds in an amount not to exceed
21 Thirteen Million Seven Hundred Twenty-Seven Thousand Seven Hundred Sixty-Nine Dollars
22 (\$13,727,769), as set out herein, is recommended and approved by the City's Airport
23 Commission, the Comptroller and the City's Board of Estimate and Apportionment.

1 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

2 **SECTION ONE.** The Board of Aldermen for The City of St. Louis, Missouri (the
3 “City”) hereby adopts and incorporates herein the foregoing recitals as findings.

4 **SECTION TWO.** There is hereby authorized a transfer of funds during the fiscal year
5 beginning July 1, 2020, in an amount not to exceed Thirteen Million Seven Hundred Twenty-
6 Seven Thousand Seven Hundred Sixty-Nine Dollars (\$13,727,769) from the Airport Debt
7 Service Stabilization Fund into the Airport Revenue Fund in accordance with Section 516.B of
8 the Lambert-St. Louis International Airport Indenture of Trust between the City, as Grantor, and
9 UMB Bank, N.A., as Trustee, dated as of October 15, 1984, as amended and restated as of July
10 1, 2009, as amended and supplemented, for the purpose of making funds available to mitigate
11 rates on an annual basis during the term of the City’s Airport Use and Lease Agreement
12 commencing July 1, 2016.

13 **SECTION THREE.** It is hereby declared to be the intention of the Board of Aldermen
14 that each and every part, section, and subsection of this Ordinance will be separate and severable
15 from each and every other part, section, and subsection hereof and that the Board of Aldermen
16 intends to adopt each said part, section, and subsection separately and independently of any other
17 part, section, and subsection. In the event that any part, section, or subsection of this Ordinance
18 will be determined to be or to have been unlawful or unconstitutional, the remaining parts,
19 sections, and subsections shall be and remain in full force and effect, unless the court making
20 such finding will determine that the valid portions standing alone are incomplete and are
21 incapable of being executed in accordance with the legislative intent.

22 **SECTION FOUR.** This being an ordinance making an appropriation for current
23 expenses of the City government, it is hereby declared to be an emergency measure as defined in

- 1 Article IV, Section 20 of the Charter of the City and will become effective immediately upon its
- 2 approval by the Mayor of the City.

BOARD BILL NUMBER 9

FISCAL NOTE

Preparer's Name Rochelle Pruitt

Phone Number or Email Address (will be available publicly) rapruitt@flystl.com

Bill Sponsor Alderwoman Marlene Davis

Bill Synopsis:	Appropriation of funds to make funds available to mitigate rates in the Fiscal Year beginning July 1, 2020, in accordance with the Airport Use and Lease Agreement that commenced on July 1, 2016.
Type of Impact:	\$13,727,769 Transferred from Debt Stabilization Fund to the Airport Revenue Fund
Agencies Affected:	Airport Authority

SECTION A

Does this bill authorize:

- An expansion of services which entails additional costs beyond that approved in the current adopted city budget? ___Yes X_No
- An undertaking of a new service for which no funding is provided in the current adopted city budget? ___Yes X_No
- A commitment of city funding in the future under certain specified conditions? ___Yes X_No
- An issuance of bonds, notes and lease-purchase agreements which may require additional funding beyond that approved in the current adopted city budget? ___Yes X_No
- An execution or initiation of an activity as a result of federal or state mandates or requirements? ___Yes X_No
- A capital improvement project that increases operating costs over the current adopted city budget? ___Yes X_No
- A capital improvement project that requires funding not approved in the current adopted city budget or that will require funding in future years? ___Yes X_No

If the answer is yes to any of the above questions, then a fiscal note must be attached to the board bill. Complete Section B of the form below.

SECTION B

- Does the bill require the construction of any new physical facilities? ____Yes ____No

- If yes, describe the facilities and provide the estimated cost:

- Is the bill estimated to have a direct fiscal impact on any city department or office? ____Yes ____No

- If yes, explain the impact and the estimated cost:

- Does the bill create a program or administrative subdivision? ____Yes ____No

- If yes, then is there a similar existing program or administrative subdivision?

- ____Yes ____No

- If yes, explain the how the proposed programs or administrative subdivisions may overlap:

- Describe the annual operating, equipment, and maintenance costs that would result from the proposed bill, as well as any funding sources:

Complete the chart below to list the total estimated expenditures required of the City resulting from the proposed board bill and any estimated savings or additional revenue.

Financial Estimate of Impact on General Fund			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures	NA	NA	NA
Additional Revenue	NA	NA	NA
Net	NA	NA	NA
Financial Estimate of Impact on Special Funds			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures	NA	NA	NA
Additional Revenue	NA	NA	NA
Net	NA	NA	NA

- Describe any assumptions used in preparing this fiscal note:

- List any sources of information (including any City officials, agencies, or departments) used in preparing this fiscal note:

- Have the financial estimates of this bill been verified by the City Budget Division?
 Yes No

○ If yes, by whom? _____ .