

Summary
Board Bill Number 173
Introduced by Alderman Shane Cohn
January 28, 2022

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 Fiscal Year 2021-2022.

BOARD BILL NUMBER 173 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 findings respecting the transfer of a
3 maximum of \$13,727,769 of excess moneys that The City of St. Louis (the “City”), the owner and
4 operator of St. Louis Lambert International Airport® (the “Airport”), intends to transfer from the
5 Debt Service Stabilization Fund to the Airport Revenue Fund during fiscal year 2022, to mitigate
6 rates on an annual basis during the term of the Airport Use and Lease Agreement commencing
7 July 1, 2016; containing a severability clause and an emergency clause.

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

11 **WHEREAS**, pursuant to Ordinance Number 70273, approved May 25, 2016, the City
12 entered into a five year Airport Use and Lease Agreement with various airlines for the use of the
13 Airport commencing July 1, 2016 (the “AUA”);

14 **WHEREAS**, pursuant to Ordinance Number 71295, approved February 11, 2021, the City
15 and the airline signatories to the AUA entered into a First Amendment to the AUA, extending the
16 expiration date of the of the AUA by one (1) year, from June 30, 2021 to June 30, 2022, and
17 providing a one (1) year renewal option that, if exercised, will extend the expiration date of the
18 AUA by an additional year to June 30, 2023;

19 **WHEREAS**, implementation of the AUA, as amended, authorizes the City’s use of a
20 portion of the Debt Service Stabilization Fund (the “DSSF”) under the Lambert-St. Louis
21 International Airport Indenture of Trust between the City, as Grantor, and UMB Bank, N.A., as
22 Trustee, dated October 15, 1984, as amended and restated as of July 1, 2009, as amended and

1 supplemented (the “Indenture”), in order to mitigate rates on an annual basis during the term of
2 the AUA, as amended, and that, in each fiscal year in which the City determines to mitigate rates,
3 the City will withdraw an amount not to exceed Thirteen Million Seven Hundred Twenty-Seven
4 Thousand Seven Hundred Sixty-Nine Dollars (\$13,727,769) from the DSSF and deposit such
5 amount in the Airport Revenue Fund (the “Revenue Fund”), with the expectation that such amount
6 will, pursuant to the flow of funds specified in the Indenture, be re-deposited in the DSSF prior to
7 the end of such fiscal year;

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

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

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

21 **WHEREAS**, it is in the best interest of the City and the operation of the Airport to
22 authorize the transfer of funds from the DSSF into the Revenue Fund during the fiscal year

1 beginning July 1, 2021, in an amount not to exceed Thirteen Million Seven Hundred Twenty-
2 Seven Thousand Seven Hundred Sixty-Nine Dollars (\$13,727,769); and

3 **WHEREAS**, this Ordinance, authorizing the transfer of funds in an amount not to exceed
4 Thirteen Million Seven Hundred Twenty-Seven Thousand Seven Hundred Sixty-Nine Dollars
5 (\$13,727,769), as set out herein, is recommended and approved by the City’s Airport Commission,
6 the Comptroller and the City’s Board of Estimate and Apportionment.

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

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

10 **SECTION TWO.** There is hereby authorized a transfer of funds during the fiscal year
11 beginning July 1, 2021, in an amount not to exceed Thirteen Million Seven Hundred Twenty-
12 Seven Thousand Seven Hundred Sixty-Nine Dollars (\$13,727,769) from the Airport Debt Service
13 Stabilization Fund into the Airport Revenue Fund in accordance with Section 516.B of the
14 Lambert-St. Louis International Airport Indenture of Trust between the City, as Grantor, and UMB
15 Bank, N.A., as Trustee, dated as of October 15, 1984, as amended and restated as of July 1, 2009,
16 as amended and supplemented, for the purpose of making funds available to mitigate rates on an
17 annual basis during the term of the City’s Airport Use and Lease Agreement commencing July 1,
18 2016.

19 **SECTION THREE.** It is hereby declared to be the intention of the Board of Aldermen
20 that each and every part, section, and subsection of this Ordinance will be separate and severable
21 from each and every other part, section, and subsection hereof and that the Board of Aldermen
22 intends to adopt each said part, section, and subsection separately and independently of any other
23 part, section, and subsection. In the event that any part, section, or subsection of this Ordinance

1 will be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections,
2 and subsections shall be and remain in full force and effect, unless the court making such finding
3 will determine that the valid portions standing alone are incomplete and are incapable of being
4 executed in accordance with the legislative intent.

5 **SECTION FOUR.** This being an ordinance making an appropriation for current expenses
6 of the City government, it is hereby declared to be an emergency measure as defined in Article IV,
7 Section 20 of the Charter of the City and will become effective immediately upon its approval by
8 the Mayor of the City.

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? _____ .