

Notice of Meeting and Agenda

**Business Services & Economic Development Committee
Friday, October 16, 2015, 8:00 a.m.**

**Headquarters - Board Room, 6th Floor
211 N. Broadway, Suite 650 - St. Louis, Missouri 63102**

This location is accessible to persons with disabilities. Individuals with disabilities needing information or communication accommodations should call Bi-State Development at (314) 982-1400; for TTY access, call Relay 711. Sign language interpreter services or other accommodations for persons with hearing or speech disabilities will be arranged if a request for such service is made at least two days in advance of the meeting. Large print material, Braille material or other formats will also be provided upon request.

Agenda	Disposition	Presentation
1. Call to Order	Approval	Chair Holman
2. Roll Call	Quorum	S. Bryant
3. Public Comment	Information	Chair Holman
4. Business Services & Economic Development Committee Open Session Minutes: March 20, 2015	Approval	Chair Holman
5. Fuel Hedging Program Statement of Policy and Strategy	Information	K. Klevorn/T. Fulbright/ J. LeMunyon
6. Revision to Board Policy, Chapter 30, Section 30.070, Hedging	Approval	K. Klevorn/T. Fulbright
7. Contract Modification: Jefferson National Expansion Memorial Motor-Generator Sets Replacement – Additional Design by Maida Engineering	Approval	C. Baragary/J. Nixon
8. Freight District Overview	Information	J. Nations/M. Lamie
9. Update on Economic Development Projects	Information	J. Langa
10. Update on Downtown Airport Capital Projects Priority	Information	E. Dahl
11. Update on CityArchRiver Project	Information	J. Nixon
12. Unscheduled Business	Information	Chair Holman
13. Call of Dates for Future Committee Meetings	Information	S. Bryant
14. Executive Session	Approval	Chair Holman
<i>If such action is approved by a majority vote of The Bi-State Development Agency's Board of Commissioners who constitute a quorum, the Board may go into closed session to discuss legal, confidential, or privileged matters under</i>		

Agenda	Disposition	Presentation
<p><i>§610.021(1), RSMo; leasing, purchase or sale of real estate under §610.021(2); personnel actions under §610.021(3); discussions regarding negotiations with employee groups under §610.021(9); sealed bids, proposals and documents related to negotiated contracts under §610.021(12); personnel records or applications under §610.021(13); records which are otherwise protected from disclosure by law under §610.021(14); records relating to hotlines established for reporting abuse and wrongdoing under §610.021(16); or confidential or privileged communications with the District's auditor, including auditor work products under §610.021(17).</i></p>		

Note: Public comment may be made at the written request of a member of the public specifying the topic(s) to be addressed and provided to the Agency's information officer at least 48 hours prior to the meeting.

Open Session Item

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**BI-STATE DEVELOPMENT AGENCY / METRO
BUSINESS SERVICES & ECONOMIC DEVELOPMENT COMMITTEE
OPEN SESSION MINUTES
MARCH 20, 2015**

Committee Members in Attendance

Missouri

Aliah Holman, Chair
Vincent Schoemehl

Illinois

Michael Buehlhorn (via phone)
Irma Golliday (present @ 8:10 a.m.)
Tadas Kicielinski (via phone)

Other Commissioners in Attendance

None

Staff in Attendance

John Nations, President & CEO
Barbara Enneking, General Counsel/Deputy Secretary
Shirley Bryant, Certified Paralegal/Assistant Secretary
Jenny Nixon, Senior Vice President, Business Enterprises
John Langa, Vice President, Economic Development
John Wagner, Project Manager, Economic Development
Jeff Braun, Director, Real Estate
Kyra Nichols, Administrative Assistant
Lindsey Erb, Marketing Specialist
Justin Struttmann, Director of Operations, Gateway Arch
Larry Jackson, Vice President, Procurement, Inventory Management & Supplier Diversity
Patti Beck, Director, Communications
Mark Vago, Controller
Kathy Klevorn, Senior Vice President, Chief Financial Officer
Thomas Dunn, Director, Gateway Arch Riverboats
Chance Baragary, Project Manager II - Engineering
Michael Gibbs, Accountant, Business Enterprise

Others in Attendance

None

1. **Call to Order**
8:00 a.m. Commissioner Holman called the Open Session Business Services & Economic Development Committee Meeting to order at 8:00 a.m.
2. **Roll Call**
8:00 a.m. Roll call was taken.

3. Public Comment

8:00 a.m. There was no public comment.

4. Minutes of Prior Open Session Business Services and Economic Development Committee Meeting

8:01 a.m. The October 17, 2014, Open Session Business Services and Economic Development Committee Meeting minutes were provided in the Committee packet. A motion to approve the minutes was made by Commissioner Schoemehl and seconded by Commissioner Buehlhorn. **Motion passed unanimously.**

5. Jefferson National Expansion Memorial Presentation

8:01 a.m. The Jefferson National Expansion Memorial Presentation was provided in the Board packet. Jenny Nixon, Vice President Business Enterprises, provided a brief overview. The Jefferson National Expansion Memorial (**JNEM**) is an international iconic symbol in St. Louis with 2.4 million visitors annually. The mission of the National Park Service (**NPS**) is preservation and the JNEM purpose is to commemorate Thomas Jefferson's vision of building a unified continental nation and St. Louis' role as the gateway to the westward expansion during the 19th century. The Gateway Arch (the "**Arch**") is recognized globally as an exceptional mid-20th century modern design. The Old Courthouse was the site of the historic Dred Scott Case and a prime example of mid-19th century Greek revival design. JNEM generates over \$228 million in economic benefit and visitor spending annually and supports 3,883 area jobs. Approximately 80% of visitors are from outside the St. Louis metropolitan area. The park is on 91 acres that includes the Arch grounds, Old Courthouse, Luther Ely Smith Square and some of the surrounding streets; with a \$10 million annual federal operating budget and capital projects totaling approximately \$32 million since 2009. In 2014, over 3 million people participated in park sponsored programs. In addition to the partnership with the Bi-State Development Agency, the JNEM partners with the Jefferson National Parks Association, Great Rivers Greenway, and the City Arch River Foundation. The JNEM mission remains the same, but the partnerships continue to evolve. The CityArchRiver Initiative plans to celebrate the 50th anniversary of the completion of the Arch. The Arch grounds are currently undergoing a \$380 million revitalization with a scheduled completion date of 2017. The 2016 Centennial Commemoration will kick off a second century of stewardship of America's national parks. In preparation, the National Park Service rededicated itself to the stewardship of places that exemplify America's cultural heritage. This report was informational only and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

****8:10 a.m. Commissioner Golliday joined the meeting.**

At the request of John Nations, President & CEO, Ms. Nixon provided an update regarding the capital projects and the bond issuance recently approved by the Board. The bond issuance was approved by the Board to replace the motor generator sets on the north and south tram and to replace the roof over the existing visitor center. The roof project is a joint project because the new museum visitor center roof is being paid for with CityArchRiver funds. Other capital projects that are ongoing are under the project management leadership of Chance Baragary, Project Manager II - Engineering. Mr. Baragary stated that design phase for the motor generator sets is nearing an end. Other capital projects such as the storm water drainage project, the exhibits project, the north and south tram load zones and changes to some of the MetroLink stations (8th and Pine and Laclede's Landing) are funded through the beneficial fund which is also known as the capital improvement fund.

6. Gateway Arch Operations Update

8:15 a.m. A copy of the Gateway Arch Operations Update was provided in the Committee package. Justin Struttman, Director of Operations, Gateway Arch, provided a brief overview. For calendar year 2014, the Tram sales were down 2.9%, primarily because this was the first year that there was major construction in and around the Arch grounds. The CityArchRiver Project has impacted the daily operations of the Gateway Arch, and a large portion of the park grounds are closed to the public. Soon a contract will be issued to renovate the Museum and Visitors Center, and that will require closing the remaining portion of the Arch grounds and multiple components inside the Arch itself. Mr. Struttman's presentation also highlighted the various CityArchRiver 2015 Projects and the estimated duration for each of those projects. The storm drain project is substantially completed, and the south leg of the Arch will open today. The motor generator set project will result in the complete shutdown of the Arch facility for two months, from January to February 2016. That is the only complete shut down that will occur for the entire project, which will allow time to complete safety issues and the restrooms. Maintaining the schedule is vital to the success of this project. For the first time a ticket will be required to enter the Arch. Public space within the facility will be greatly reduced during construction. Due to the reduced space, new ticket centers will be required to sell tickets for admission into the Arch. The new primary location is in the Old Courthouse, and with the opening of the south leg of the Arch facility, three points of sale will be located right next to the south leg. One ticket booth inside the Arch will be maintained for returns or exchanges. There are two points of sale on the Riverboats for the Arch facility and all of the Arch locations can sell tickets for the riverboats.

Some discussion followed regarding the anticipated sales and visitor levels expected after completion of the Arch project. Mr. Struttman stated that during the construction there is expected to be approximately a 10% drop in visitor levels. After completion of this project, a 5% visitor increase or better is expected for the first couple of years, after which it is expected to be 3% or higher. CityArchRiver anticipates a much larger increase, but it will not be a one to one increase because the Agency is only involved in the tram sales. The Arch sells out over 100 days per year on a normal year, so adding more people during those peak times doesn't translate into more revenue. The Arch would experience a substantial level of growth if visitors came during the off peak time. Although the CityArchRiver Project is primarily to better connect the Arch to Downtown St. Louis, the completion of the project will benefit the Arch by bringing more visitors to the Arch grounds. This report was informational only and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

7. Sole Source Contract Modification: Maida Engineering for Engineering/Design Services During Construction for the Replacement of the Arch Transportation System Motor Generator Sets

8:25 a.m. The briefing paper regarding the sole source contract modification for Maida Engineering for Engineering/Design Services during construction for the Replacement of the Arch Transportation System Motor Generator Sets was provided in the Committee packet. No additional presentation was made. A motion to accept and refer to the Board for approval the modification of the current Maida Engineering, Inc. contract for engineering and design services during construction of the replacement of the Arch Transportation System's Motor Generator Sets with variable frequency drives in an amount not to exceed \$430,000, which includes \$25,000 for National Park Service requested Safety Engineering Services and a 12% contingency for potential changes in scope and unforeseen conditions, for a total contract amount of \$1,045,000 was made by Commissioner Schoemehl and seconded by Commissioner Golliday. **Motion passed unanimously.**

8. Unscheduled Business

8:25 a.m. No unscheduled business.

- 9. Executive Session - If such action is approved by a majority vote of the Bi-State Development Agency's Board of Commissioners who constitute a quorum, the Board may go into closed session to discuss legal, confidential, or privileged matters under §610.021(1), RSMo.; leasing, purchase or sale of real estate under §610.021(2); personnel action under §610.021(3); discussions regarding negotiations with employee groups under §610.021(9); sealed bids, proposals and documents related to negotiated contracts under §610.021(12); personnel records or applications under §610.021(13); records which are otherwise protected from disclosure by law under §610.021(14); records relating to hotlines established for reporting abuse and wrongdoing under §610.021(16); or confidential or privileged communications with the District's auditor, including auditor work products under §610.021(17).**

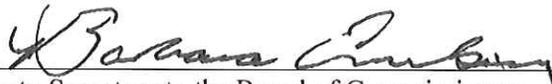
8:25 a.m. Pursuant to the requirements of Section 610.021 (1) and 610.021(2) of the Revised Statutes of Missouri, Commissioner Holman requested a motion to allow the Committee to go into closed session. A motion was made by Commissioner Golliday and seconded by Commissioner Schoemehl. A roll call vote was taken and the Commissioners present, Holman, Schoemehl, Buehlhorn, Golliday and Kicielinski voted to approve this agenda item. **Motion passed unanimously.**

10. Call of Dates for Future Committee Meetings

9:00 a.m. The Finance & Administration Committee/Budget Review Meeting is scheduled for Friday, March 27, 2015, at 8:00 a.m.; the Board meeting is scheduled for Friday, April 24, 2015, at 8:00 a.m.; and the next Business Services & Economic Development Committee meeting is scheduled for Friday, October 16, 2015, at 8:00 a.m.

11. Adjournment

9:00 a.m. A motion to adjourn the Open Session Business Services & Economic Development Committee Meeting was made by Commissioner Schoemehl and seconded by Commissioner Golliday. **Motion passed unanimously.**



Deputy Secretary to the Board of Commissioners
Bi-State Development Agency / Metro

Open Session Item

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**Bi-State Development
Agenda Item
Business Services & Economic Development Committee
October 16, 2015**

From: Kathy S. Klevorn, Sr. Vice President & CFO
Subject: **Fuel Hedging Program Statement of Policy and Strategy**
Disposition: Information
Presentation: Kathy S. Klevorn, Sr. Vice President & CFO; Tammy Fulbright, Director Treasury Services; Jeffrey R. LeMunyon, Principal, Linwood Capital, LLC

Objective:

To inform the Business Services & Economic Development Committee of Bi-State Development's (BSD) Fuel Hedging Program Statement of Policy and Strategy based on current economic conditions.

Board Policy:

Board Policy Chapter 30, Section 30.070 Hedging (effective 2/23/2001)

A. General. Because of the nature of its responsibilities to the St. Louis Metropolitan region, the Bi-State Development Agency (Agency) manages financial risks attributed to the price variability of diesel, electricity and natural gas usage. This risk can be managed effectively through the use of hedging techniques. The purpose of this policy is to outline how the Agency will manage these risks, what techniques will be employed, and the general guidelines to be followed.

Funding Source:

Fuel is funded through the operating budget.

Background:

BSD requires the use of commodities in the practice of its businesses that have the capability of high price volatility. Those commodities includes diesel, electricity and natural gas. BSD engages in the practice of hedging techniques for the purpose of:

- decreasing cost volatility;
- increasing likelihood that actual net cost will remain below the budgeted cost;
- increasing the certainty of future cost;
- seeking to attain a lower overall cost in the long-term;
- seeking to manage year-over-year changes in fuel and electricity cost.

▪ **Program Infrastructure:**

1. **Instruments** – BSD maintains a futures account with a Futures Commission Merchant (**broker**). Through the management and direction of Linwood Capital, LLC, (**advisor**) BSD acquires, holds, and disposes of futures contracts in the operation of its program. The high correlation between the movement of the price that BSD pays for its fuel and the movement of the value of the diesel futures contracts produces the program's effectiveness as a hedge. The volume of each futures contract is 42,000 gallons.
2. **Maximum Hedge Ratio** – The volume of fuel consumption is highly predictable and without significant variability over time. Given this, the recommended maximum hedge

ratio is 95% of forecasted consumption annually although BSD currently hedges 70% of its forecasted consumption .

3. **Maximum Hedge Maturity** - To allow the establishment of cost certainty in current and future budget periods, the maximum maturity of the futures contracts taken in conjunction with the program will be considered up to 36 months forward from the acquisition date.
4. **Exiting Market Positions** – The advisor will exit the futures contracts evenly through time to coincide with the fuel supply contract pricing mechanism. This even liquidation of futures hedges through time and the even purchase of fuel via BSD’s supply process assures the effectiveness of the hedging process. Based on the difference between the hedge price (entry price) and the settlement price (exit price), there will be a realized gain/loss associated with the hedge that will appear in the futures account. Futures contracts will be held to maturity (exited when the corresponding fuel is purchased) and, in the normal operation of the program, there will be no interim trading or early exit allowed. Exceptions to this include situations where the volume of forecasted fuel consumption decreases in which case the hedge position may be adjusted to comply with policy.
5. **Physical Supply:**
The physical supply will be priced according to a floating price determined by the fuel supply contract.
6. **Strategy:**
The Strategy is how the program’s objectives are achieved. The strategy will utilize a process:
 - That addresses market opportunities and market risks;
 - That examines fundamental and technical market factors in the hedge decision-making process;
 - That holds the risk of exceeding budget at or below an acceptable level;
 - That uses historical pricing ranges as pricing parameters;
 - That is continuously applied through time;
 - That will take advantage of the inherent “dollar cost averaging” properties of a continuous hedging program;
 - That mitigates transaction timing risk by making more numerous smaller volume transactions.

These goals will be accomplished by the advisor executing the appropriate transactions at the appropriate times to create the desired effect within the constraints of the policy.

The main purpose of the hedging program is not to make or lose money but to manage risk. This program is not an investment and should not be construed as such. Cash flows produced or consumed by the program will be considered as an element of cost. The BSD Hedging Committee and our Energy Consultant both believe that the economic conditions today warrant a change in our hedging strategy.

Financial Analysis:

Linwood Capital, LLC is BSD's energy price risk management consultant for diesel fuel hedging. Linwood Capital has provided their expertise in mitigating risk within our diesel program since 2004. Through August 2015, the accumulative positive realized hedging gain is \$2.8 million.

Current Economic Conditions:

Today, OPEC is creating a global oversupply of 1.5 to 3 million barrels per day. This imbalance is forecasted to persist through 2016. OPEC production has not slowed as the cartel seeks to drive higher cost producers out of the market. Domestic production is in decline and drilling activity has slowed in the US. Rig count domestically has decreased by more than 50%; however, the purposeful overproduction by OPEC increases inventory and the inventory overhang which is keeping prices low. Another factor for lower prices is the recent strength of the dollar.

These economic conditions create downward price pressure for spot and forward prices. The diesel forward pricing curve is lower and more positively sloped due to the large inventories, lower speculation and higher production. BSD has generally practiced 18-month forward hedging practices. Today's market conditions warrant an extension of maximum hedge maturity up to 36 months. Currently BSD hedges approximately 70% of diesel fuel consumption. As fuel prices reach a bottom, it may be prudent to increase the percentage hedged in future periods to lower costs.

Current fuel prices are hovering between \$40-\$50 per barrel which is down from \$100 a barrel just a year ago. As an example of the volatility of this commodity, in 2008-2009 the spot price dropped from \$140 per barrel down to \$33 per barrel. For a short time in 1999 fuel was \$10 per barrel. BSD works to manage our resources through the hedging program and to modify our strategy as economic conditions dictate.

With current market conditions, BSD can lock in the cost of diesel fuel for FY 2017 and FY 2018 at approximately \$1.80 and \$1.88 respectively which is lower than all fiscal year average prices from FY 2006 through FY 2015.

Committee Action Requested:

None - for informational purposes only.

Attachment:

PowerPoint Presentation

LINWOOD CAPITAL, LLC

ENERGY PRICE RISK MANAGEMENT CONSULTING

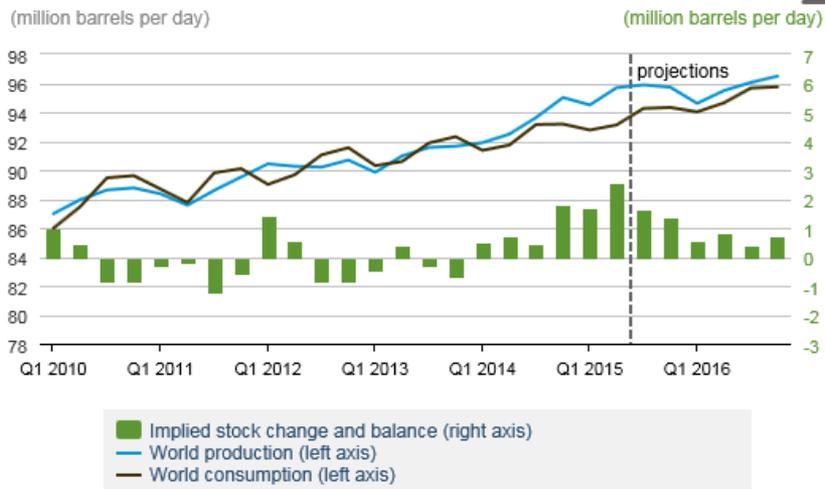
Jeffrey R. LeMunyon, CFA
Principal

Bi-State Development/Metro
Diesel Fuel Hedging Presentation
October 16, 2015

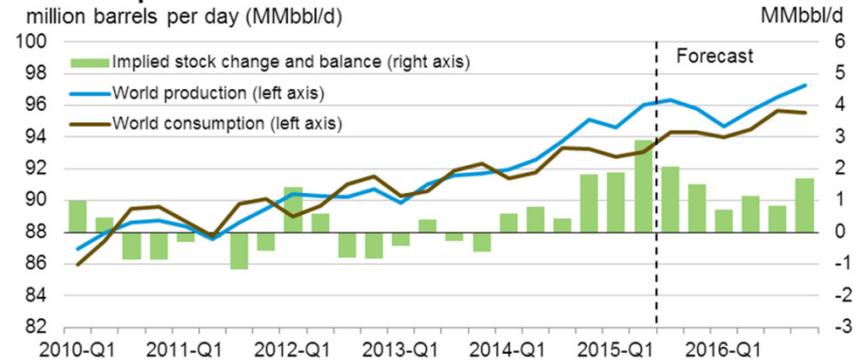
Petroleum Market Conditions – Global Oversupply

- Current global oversupply of oil of 1.5 to 3.0 million barrels per day.
- Current imbalance is now forecasted to persist through 2016.

World Liquid Fuels Production and Consumption Balance



World Liquid Fuels Production and Consumption Balance



Source: Short-Term Energy Outlook, September 2015.

eia Source: Short-Term Energy Outlook, July 2015

July Forecast

September Forecast

Petroleum Market Conditions – Global Oversupply

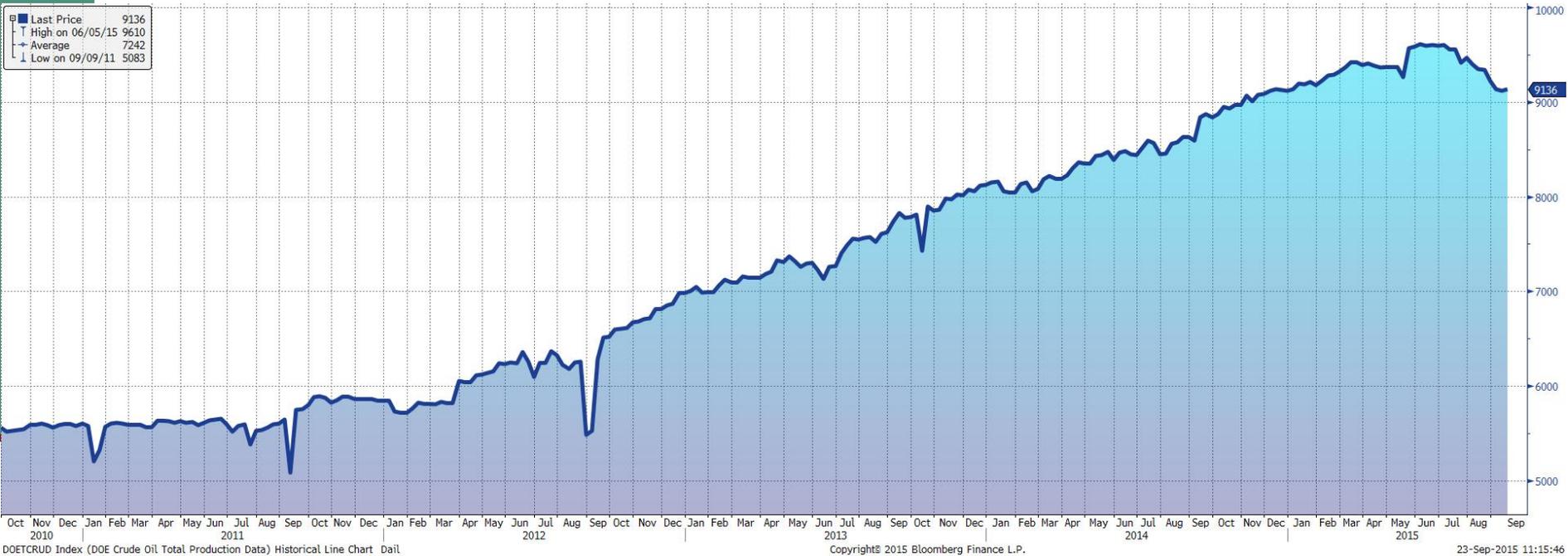
- US inventories peaked in April and have declined slightly. Some of this decrease is seasonal.
- Inventory overhang will keep prices relatively low.



Five year history of domestic inventory

Petroleum Market Conditions – Global Oversupply

- Domestic production peaked in June and has declined since as slower drilling activity is beginning to affect domestic production.



Five year history of domestic production

Petroleum Market Conditions – Global Oversupply

- OPEC production is increasing as the cartel seeks to drive higher cost producers out of the market in order to preserve their own market share.



Five year history of OPEC production

Petroleum Market Conditions – Stabilizing US Dollar

- Dollar Index has stabilized and continues to trade between 100 and 93 which is the range we have seen over the past six months.
- This will likely persist given the outlook of the US economy versus others.
- A stronger Dollar puts downward pressure on price.



Five year history of Dollar Index

Petroleum Market Conditions – Lower Speculation

- Speculation plummets
 - Iranian Deal – OPEC – US Production: More oil on the market
 - Relatively weak demand – concerns about the Chinese economy.



Five year history of speculation

Petroleum Market Conditions – Declining Rig Count Perhaps Ended

- Sharp rig count decline appears to have ended which would lead to expectations of lower US production which we are beginning to see.



Five year history of oil rigs in United States.

Petroleum Market Conditions – Range-Bound Prices

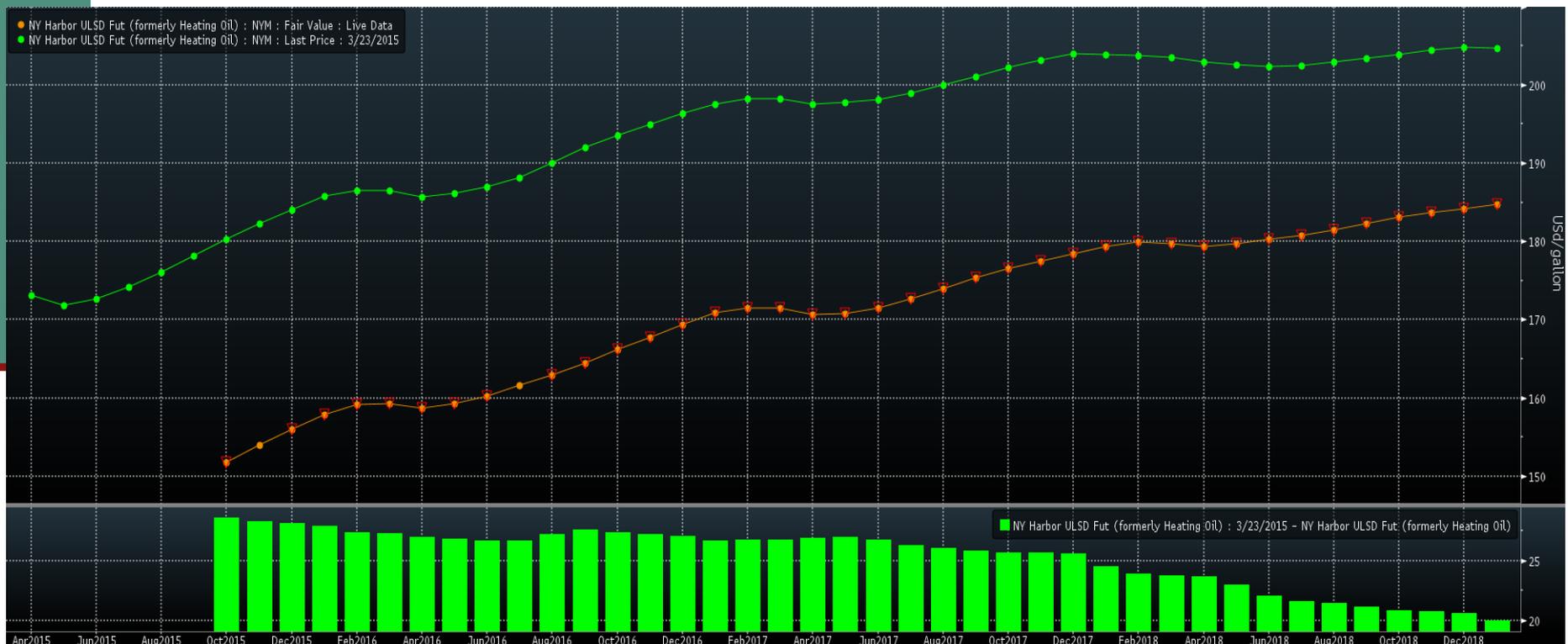
- Prices have moved lower over the past three months.



Five year history of diesel futures prices.

Petroleum Market Conditions – Steeper Forward Pricing Curve

- Forward curves lower and more positively sloped due to large inventories, lower speculation, higher production.
- Over past six months, the spot price is down 28 cents and forward prices down 20 to 25 cents.



3/23/15 and current forward curve.

Strategy

- Continue to hedge for FY 2017 as low-price opportunities present themselves.
- Consider amending hedging policy to a maximum rolling hedge maturity of 36 months forward from the current 18 months forward in order to lock in the current low price environment for FY 2018 and the beginning of FY 2019.
- Consider increasing the weekly hedged amount from 2 to 2.5 contracts per week (84,000 gallons per week to 105,000 gallons per week) This would increase the maximum allowable hedge to increase from approximately 71% to 89%. Again, this change would cause hedging to be more effective and would allow further hedging in the current low priced environment.

Open Session Item

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**Bi-State Development
Agenda Item
Business Services & Economic Development Committee
October 16, 2015**

From: Kathy S. Klevorn, Sr. Vice President & CFO
Subject: **Revision to *Board Policy, Chapter 30, Section 30.070, Hedging***
Disposition: Approval
Presentation: Kathy S. Klevorn, Sr. Vice President & CFO; Tammy Fulbright, Director Treasury Services

Objective:

To present to the Business Services & Economic Development Committee for approval and referral to the Board of Commissioners a revision to *Board Policy Chapter 30, Section 30.070, Hedging*. The objective of the revision is to update the policy and provide greater clarity (see attached redlined amendment).

Board Policy:

Board Policy Chapter 30, Section 30.070, Hedging (effective 2/23/2001)

A. General. Because of the nature of its responsibilities to the St. Louis Metropolitan region, the Bi-State Development Agency (Agency) manages financial risks attributed to the price variability of diesel, electricity and natural gas usage. This risk can be managed effectively through the use of hedging techniques. The purpose of this policy is to generally outline how the Agency will manage these risks, what techniques will be employed, and the general guidelines to be followed.

Funding Source:

No funding source is required to revise the Board Policy.

Background:

Bi-State Development (BSD) requires the use of commodities in the practice of its businesses that have the capability of high price volatility. Those commodities include diesel, electricity, and natural gas. BSD engages in the practice of hedging techniques for the purpose of:

- decreasing cost volatility;
- increasing likelihood that actual net cost will remain below the budgeted cost;
- increasing the certainty of future cost;
- seeking to attain a lower overall cost in the long-term;
- seeking to manage year-over-year changes in fuel and electricity cost.

The main purpose of the hedging program is not to make or lose money but to manage risk. This program is not an investment and should not be construed as such. Cash flows produced or consumed by the program will be considered as an element of cost.

Analysis:

The Board Policy has not been updated since 2001. In a review of the policy, it was determined that the members of the Hedging Committee should be revised, as well as to slightly refine the language related to financial hedge transactions that would be conducted through a financial institution. These changes are minor.

Committee Action Requested:

Management recommends the Committee approve and refer to the Board of Commissioners for approval this revision to *Board Policy Chapter 30, Section 30.070, Hedging* (see attached final version).

Attachments:

1. Redlined Version of Policy Change
2. Final Version of Policy Change

Attachment

1

Section 30.070 Hedging (effective 2/23/2001)

A. General. Because of the nature of its responsibilities to the St. Louis Metropolitan region, the Bi-State Development Agency (Agency) manages financial risks attributed to the price variability of diesel, electricity and natural gas usage. This risk can be managed effectively through the use of hedging techniques. The purpose of this policy is to generally outline how the Agency will manage these risks, what techniques will be employed, and the general guidelines to be followed.

B. Definition. A hedge is a financial tool used to reduce the risk associated with normal business activities of buying diesel, electricity and natural gas as well as financial lending or borrowing activities. Speculation, on the other hand, does not reduce the risk associated with the Agency's normal business activities, and will not be utilized at any time.

C. Instruments. The financial instruments that are available to be used include over-the-counter (OTC) instruments known as options and swaps and the various combinations of such products caps, collars, cost less collars, futures contracts and weather hedges. Exchange traded futures are permissible under this policy.

D. Risk Management. The Agency will engage only in financial hedge transactions that are consistent with prudent risk management practices related to the Agency's principal business, including the operation of diesel buses and vans, LRV electric propulsion and lighting for its facilities; and natural gas for heating and propulsion. Accordingly, only existing assets and liabilities and foreseeable future purchase requirements will be hedged with financial instruments.

Wherever appropriate, the Agency will modify existing practices or establish new approaches as a means of reducing financial risks. When use of external tools is appropriate, the selection of the appropriate hedging tool to be employed will be determined on a case by case basis.

~~When executing financial hedge instruments through a financial institution, the counter party must maintain an investment grade rating for hedge instruments with a duration of less than one year. For hedge instruments with a duration of one year or longer, a high grade credit rating of AA or equivalent is required. As in the case of protective collars, the Agency will not execute long dated (one year or longer) financial hedge instruments with an institution unless the counter party has at least an AA or equivalent credit rating. BSDA will use investment grade rated counter party (s) in executing hedging instruments of less than one year's duration.~~

E. Oversight. A Hedge Committee will oversee the activities of this program. Oversight includes monitoring the economic conditions to determine appropriate strategies for risk mitigation through hedge products, ratio hedged, and length of maturity. The Committee

shall include the [Executive Director of Metro Transit](#), Chief Financial Officer, ~~and/or Controller,~~
~~Director of Treasury Services, Manager of Cash & Investment~~ and the ~~Procurement~~
~~Director~~Vice President of Procurement, Inventory Management & Supplier Diversity or
designee.

The role of the Hedge Committee will be to determine whether a proposed transaction is consistent with this Hedge Policy and review the performance of the hedging activity on a periodic basis. The Hedge Committee will meet no less than quarterly. The Manager of Cash and Investments will provide the Board of Commissioners with a summary of its activity through the monthly Treasurer's Report.

Section 30.070 Hedging (effective 2/23/2001)

A. General. Because of the nature of its responsibilities to the St. Louis Metropolitan region, the Bi-State Development Agency (Agency) manages financial risks attributed to the price variability of diesel, electricity and natural gas usage. This risk can be managed effectively through the use of hedging techniques. The purpose of this policy is to generally outline how the Agency will manage these risks, what techniques will be employed, and the general guidelines to be followed.

B. Definition. A hedge is a financial tool used to reduce the risk associated with normal business activities of buying diesel, electricity and natural gas as well as financial lending or borrowing activities. Speculation, on the other hand, does not reduce the risk associated with the Agency's normal business activities, and will not be utilized at any time.

C. Instruments. The financial instruments that are available to be used include over-the-counter (OTC) instruments known as options and swaps and the various combinations of such products caps, collars, cost less collars, futures contracts and weather hedges. Exchange traded futures are permissible under this policy.

D. Risk Management. The Agency will engage only in financial hedge transactions that are consistent with prudent risk management practices related to the Agency's principal business, including the operation of diesel buses and vans, LRV electric propulsion and lighting for its facilities; and natural gas for heating and propulsion. Accordingly, only existing assets and liabilities and foreseeable future purchase requirements will be hedged with financial instruments.

Wherever appropriate, the Agency will modify existing practices or establish new approaches as a means of reducing financial risks. When use of external tools is appropriate, the selection of the appropriate hedging tool to be employed will be determined on a case by case basis.

When executing financial hedge instruments through a financial institution, the counter party must maintain an investment grade rating for hedge instruments with a duration of less than one year. For hedge instruments with a duration of one year or longer, a high grade credit rating of AA or equivalent is required.

E. Oversight. A Hedge Committee will oversee the activities of this program. Oversight includes monitoring the economic conditions to determine appropriate strategies for risk mitigation through hedge products, ratio hedged, and length of maturity. The Committee shall include the Executive Director of Metro Transit, Chief Financial Officer, and the Vice President of Procurement, Inventory Management & Supplier Diversity.

The role of the Hedge Committee will be to determine whether a proposed transaction is consistent with this Hedge Policy and review the performance of the hedging activity on a periodic basis. The Hedge Committee will meet no less than quarterly. The Manager of Cash and Investments will provide the Board of Commissioners with a summary of its activity through the monthly Treasurer's Report.

Open Session Item

7

**Bi-State Development
Business Services & Economic Development Committee
Agenda Item
October 16, 2015**

From: Jennifer S. Nixon, Senior Vice-President, Business Enterprises
Subject: Contract Modification: Jefferson National Expansion Memorial Motor-Generator Sets Replacement – Additional Design by Maida Engineering
Disposition: Approval
Presentation: Chance Baragary, Manager Gateway Arch Construction

Objective:

To obtain the Business Services & Economic Development Committee's approval to modify the sole source contract to Maida Engineering Inc. to include additional work necessary to complete project design related to replacement of the Arch Transportation System's motor generator sets with variable frequency drives.

Board Policy:

Board Policy Chapter 50 – Purchasing, Section 50.050(C)(1)(b) requires Board approval of all non-competitive Gateway Arch procurements exceeding \$500,000.

Funding Source:

Funding for this project will come from the *2014 Arch Debt MG Set Replacement Project Fund*, which is the \$6,870,000 project fund resulting from the sale of the *2014 Series Arch Tram Revenue Bonds - PNC*.

Background:

The Arch Transportation System (ATS) currently utilizes motor-generator (MG) sets that consists of alternating current motors and direct current (DC) generators to power the DC hoist motors (independent systems for each of north and south trams). This technology has been outdated since the 1980's, so they are being replaced with variable frequency drive (VFD) systems. This replacement will result in a safer, cleaner, and more efficient ATS operation that runs a reduced risk of obsolescence and the extended downtime inherent to the current MG set operation. Updating the ATS to better utilize currently available technology is a multi-phase approach, culminating with the installation of VFD systems.

On March 22, 2013, the Board of Commissioners approved a sole source contract not to exceed \$615,000 to Maida Engineering, Inc. (**Maida**) for the design and engineering services to complete the bid documents for the MG set replacement. This approval and contract award secured Maida for the first three envisioned phases, Preliminary Design, Bid Documents, and Bid Phase Services. It was anticipated at that time that the additional phases of Construction Documents (CD), Systems Integration (SI), and Services During Construction (SDC) would be addressed by future agreements.

Furthermore, on April 24, 2015, the Board of Commissioners approved a sole source contract not to exceed \$430,000 to Maida for additional services leading into and through construction, which will cover the CD and SDC phases.

Near the end of the design process, a decision was made jointly by Bi-State Development (**BSD**), the National Park Service (**NPS**), and Maida, to shift the SI responsibilities to the construction contractor. Plans are to retain Maida under a separate contract to serve in a systems integration support role as needed throughout construction, representing BSD in requested technical review matters associated with the contractor's SI work, but the primary responsibility will belong to the contractor.

Current Issues:

In order to complete the originally intended base design and produce quality bid documents for construction, it was necessary for Maida to undertake efforts that were beyond the original contract scope. These additional efforts can be divided into the following categories:

Development of functional specification:

A primary goal of this project was for the normal operation of the ATS to not be significantly altered. It is important to maintain the standard controls at the operator interfaces, maintain tram speed/acceleration/deceleration, and for the visitor experience to remain unchanged. To accomplish this, a complete functional specification of the existing ATS was necessary. Complete documentation of the existing system was expected to be available, but as design progressed it was learned that the NPS did not possess a complete set of existing system documentation. In fact, even the well-seasoned ATS Mechanics who maintained the system for 20+ years were not 100% sure exactly how every aspect of the system functioned. There were a few documents that contained operational and maintenance information, but nothing for the complete ATS. It became necessary for Maida to develop an initial functional specification, followed by face-to-face meetings and site explorations to verify/correct the specification, and finally to prepare a final functional specification.

Field work to confirm existing conditions:

In addition to confirmation of the ATS functional requirements, confirmation of every existing drawing made available to Maida was necessary, an effort that was not expected at the time of the original contract. The NPS was able to provide some drawings that included interconnection details for various pieces of equipment, some that will stay and some that will be removed, but the drawings were not all correct. Drawings were outdated, and did not show modifications that had been facilitated since original installation. In order to complete the new design and ensure it tied in correctly to existing equipment, it was necessary to verify, and in some instances correct, the existing drawings.

Additionally, the decision to shift the SI responsibilities to the contractor introduced a design component not covered by the original contract. Putting the SI responsibilities on the contractor meant development of a very thorough specification section to address this contract requirement, as well as integration with other pertinent sections to make sure the SI responsibilities necessary for each component of the new system are properly addressed. Given the complexity of the ATS, there was not a template specification that could be used, so it was necessary to develop this section

from scratch. In this section, Maida needed to transfer a large portion of their inherent knowledge of the system via the specification to the chosen contractor, which was not expected to be necessary when it was envisioned that Maida would be filling the SI role. Maida adapted to this change in direction and worked diligently to produce the necessary specification section and the accompanying review/revisions of other sections and drawings necessary.

It should also be noted that the project schedule has been lengthened. The original intent was to complete all construction and replacement of the MG Sets in the coming January/February 2016 Park closure. However, only one bid was received at the June 30, 2015 bid opening, and feedback from potential bidders indicated that the tight project schedule was the primary reason for not bidding. The single bid received exceeded the project budget, so the timeline was adjusted to also include a tram outage December 2016 through February 2017 to allow for completion of work. Additional project funding was also identified in preparation for rebidding the construction contract.

Committee Action Requested:

Management recommends that the Business Services & Economic Development Committee approve and refer to the Board of Commissioners for approval, a modification of the current Maida Engineering, Inc. contract to include the additional efforts necessary to complete the design for the replacement of the Arch Transportation System's motor generator sets with variable frequency drives in an amount not to exceed \$166,550. This contract modification will bring the total authorized amount of the contract with Maida Engineering to \$1,211,550.

Open Session Item

8

**Bi-State Development Agency/Metro
Business Services and Economic Development Committee
Agenda Item
October 16, 2015**

From: John M. Nations, President and CEO
Subject: Freight District Overview
Disposition: Information
Presentation: Mary C. Lamie, Executive Director, Freight District

Objective:

This is an informational item intended to provide an update to the Business Services and Economic Development Committee on the initial efforts of the Regional Freight District (**Freight District**) within the Bi-State Development (**BSD**) framework.

Board Policy:

No Board Policy applies.

Funding Source:

The Freight District is funded by annual contributions from the District's founding organizations, including the East-West Gateway Council of Governments (**East West Gateway**) and the Leadership Council of Southwestern Illinois.

Background:

The Freight District was established as a result of the 2013 publication of East-West Gateway's St. Louis Regional Freight Study. The District's mission is to accelerate regional economic growth by coordinating public and private efforts, optimizing the regional multimodal investment portfolio, and marketing the St. Louis region's multimodal opportunities. Mary Lamie, the Freight District Executive Director started at BSD on July 1, 2015. It is not anticipated that additional staff will be hired during calendar year 2015.

Analysis:

The Freight District Working Group, responsible for oversight of the District's activities, along with BSD President and CEO John Nations, is scheduled to meet on October 23, 2015. The District will propose recommendations for the following:

- Board of Directors for the Freight District;
- Freight District Name, logo and tagline; and
- Strategy map that provides vision, goals and objectives.

The strategy map will provide the framework for a Freight Needs Analysis and Development Plan as well as a Marketing Plan, outlining the vision, goals and objectives that provide the region with the highest economic growth from freight, the greatest employment opportunities resulting from this economic growth, and marketing efforts aimed at recognizing the St. Louis region as a premier freight hub in the Midwest, the nation and the world. Creation of these plans will involve extensive coordination with all elements of the freight industry that include pipeline, roadways, rivers, runways, and rail. AEGIS, who was previously hired by East West Gateway to prepare the Freight

District's organizational structure, has been engaged to develop the Freight Needs Analysis and Development Plan and the Marketing Plan. Please note that the contract with AEGIS is a sole-source contract.

Ahead of AEGIS' work, the Freight District Executive Director has been meeting with public and private sector freight industry leaders through one-on-one meetings and formal presentations. The Freight District has also participated in several media interviews advocating for the region's freight opportunities and the role of the freight district. Table 1 below provides a list of recent and upcoming Freight District events.

A draft strategic map should be available to present to the BSD Board of Commissioners at their November 20, 2015 meeting, in addition to the proposed District name, tagline and logo. The Freight District's website will likely be launched in January 2016.

The Freight District is also in the process of selecting a consultant to research, collect and prepare information and establish criteria to post on the Freight District website and to distribute to regional stakeholders.

Committee Action Requested:

None – This is an informational item intended to provide an update to the Business Services and Economic Development Committee on the initial efforts of the Regional Freight District within the Bi-State Development framework.

Table 1. Recent and upcoming Freight District events.

Sept. 24	Southern Illinois Builders Association in Shiloh – Labor Management Committee. Lunch with 20 attendees.
Sept. 24	Council of Supply chain Management Professionals, St. Louis Chapter in Clayton, Missouri. Dinner with 35 attendees.
Sept. 29	Greater St. Charles County Chamber of Commerce Transportation Summit in St. Charles Convention Center. Morning event with 140 attendees.
Oct. 1	Ports Summit and Committee Hearing by the House Interim Committee on the Development and Improvements of Missouri Ports. Hosted by Missouri Representative Becky Ruth. Mary Lamie testified in the hearing and moderated the Commodities and Port Site Selector Panel Discussion. Held at the Drury Plaza Downtown St. Louis. 150 attendees.
Oct. 2	Bi-State Brokers and Industrial Investors hosted by Tri-Start Properties in Earth City, Missouri. Breakfast with 20 attendees.
Oct. 2	Circle Club (Engineering Organization) at the Westborough Country Club in Webster Groves. Lunch with 20 attendees.
Oct. 9	St. Louis Regional Chamber – Illinois Public Affairs Network Breakfast. Moderate session with IDOT Assistant Secretary Rich Bauer in Collinsville. Breakfast event with 40 attendees.
Oct. 13	Class I RR Briefing at BSD. We are hoping all six (6) Class I RR Executive staff from their corporate offices and the local short line RRs will attend. Invites to several executive Freight Working Group members will also be included. TRRA is hosting the invite. John Nations, Mary Lamie and several other national corporate leaders from our region will be included with the presentations.
Oct. 15	IDOT Statewide Annual Planning and Programing Conference in St. Charles, Illinois. Morning presentation with 150 attendees.
Oct. 21	Tentative Washington, D.C. trip to meet with Federal Delegation. John Nations and Mary Lamie will participate.
Oct. 22	Southwestern Illinois Mayors Association in Collinsville. Dinner event with 65 attendees.
Oct. 23	Freight Working Group Meeting at East West Gateway office. Mary Lamie will provide first update of the Freight District to the Working Group. Agenda will include recommendations for a Board of Directors, Freight name, tag line and logo, If time permits, a strategic map and status of Freight Plan/Marketing Plan. John Nations will participate.
Oct. 28	East West Gateway Board of Directors Meeting; Mary Lamie is tentatively confirmed to provide Freight District Update.
Nov. 5	Riverbend Growth Association (Chamber of Commerce organization) in Godfrey, Illinois. Panel discussion with Leadership Council of Southwestern Illinois, America’s Central Port and Mary Lamie. Lunch event with 50 attendees.

Open Session Item

9

**Bi-State Development
Business Services and Economic Development Committee
Agenda Item
October 16, 2015**

From: John Nations, President & CEO
Subject: Update on Economic Development Projects
Disposition: Informational
Presentation: John Langa, Vice President, Economic Development

Objective:

This is an informational item intended to provide an update to the Business Services and Economic Development Committee on a number of projects involving the Bi-State Development (BSD) Economic Development Department (EDD).

Board Policy:

Board Policy Chapter 40, Section 40.070 addresses economic development, and specifically encourages Bi-State Development to pursue joint development, transit-oriented development, and support strategies related thereto.

Funding Source:

The Economic Development Department is funded by the BSD Annual Operating Budget. The projects are funded through various sources.

Background:

A list of key projects involving the EDD since its establishment is attached as Exhibit A in the form of the EDD Annual Business Plan Brief for FY2016. A PowerPoint presentation of selected representative projects from this list is attached as Exhibit B. These and a number of additional projects will be discussed in some detail at the Committee meeting on October 16.

Analysis:

The number of key projects for the EDD has grown from nine (9) in FY2012 to twenty-three (23) in FY2015 and twenty-one (21) to this point in FY2016. Notable recent projects include the completion of the build-out and move to the new BSD headquarters at Metropolitan Square, and tentatively the subsequent sale of the former headquarters on Laclede's Landing, the incorporation of the Bi-State Development Research Institute and the Transit-Oriented Development project proposed by Beyond Housing the St. Charles Rock Road MetroLink station.

Board Action Requested:

None – This is an informational item intended to provide an update to the Business Services and Economic Development Committee on a number of projects involving the Bi-State Development Economic Development Department.

Attachments:

Exhibit A: Economic Development Department Annual Business Plan Brief, FY 2016
Exhibit B: PowerPoint presentation showing selected EDD projects for FY2016

Open Session Item

10



**ST. LOUIS
DOWNTOWN AIRPORT**

Airport Capital Projects

A Great Approach for St. Louis Business

General Information

- Two primary projects:
 - Replace Taxiway Bravo
 - Construct Engine Run-Up and Compass Rose Facility
- 47 projects from 2015 to 2031:
 - \$36 million total
 - \$6 million in local funds
 - \$381,119 per year in local funds
- Not every project will be funded, some projects will float yearly depending on the availability of funds, and the priority of projects may change over time.
- There is insufficient funds within the airport system to pay for the capital improvement plan.
- Alternate funding must be found for the local share of the plan.

General Information (*Cont.*)

- The Capital Improvement Plan includes projects such as:
 - Large Infrastructure Improvements
 - Small Infrastructure Improvements
 - Road Improvements and Replacements
 - Equipment Replacement or Purchase
 - Hangar Replacement

- The Capital Improvement Plan is divided into three priorities:
 - Priority One: \$4.2 million local funding
 - Priority Two: \$1.3 million local funding
 - Priority Three: \$587,000 in local funding

General Information (*Cont.*)

- Project funding comes from:
 - Federal Entitlements - \$150,000 per year
 - Federal Discretionary - dynamic, not reliable, and never enough
 - State Apportionment - 5% of an AIP Project
 - State Discretionary - \$9 million for the entire state annually
 - Local Funding:
 - 5% of an AIP Project
 - 100% of none AIP Projects
- Primary airports (*10,000 enplaned passengers annually*) receive \$1 million per year in entitlements. To become primary, the airport needs:
 - Increased Charter Operations (*Sports, Air Taxi, etc.*)
 - Moving Helicopter Passengers to Airport Passengers (*Aerial Tours*)

Capital Improvement Plan

2015 to 2031 Fiscal Years (June - July)

Base Fiscal Year	2015
Years Forecasted	16
Inflationary Pressure (InP)	3.00%
Local Project Share (when applicable)	5.00%

Priority One Projects	\$ 4,214,870.00
Priority Two Projects	\$ 1,296,512.50
Priority Three Projects	\$ 586,536.31
Peak Average Priority One Obligation	\$ 263,429.38

Total Local Share	\$ 6,097,918.81
Total Plan Cost	\$ 36,655,026.10
Peak Average Yearly Obligation	\$ 381,119.93
Rolling Average Yearly Obligation	\$ 284,124.62

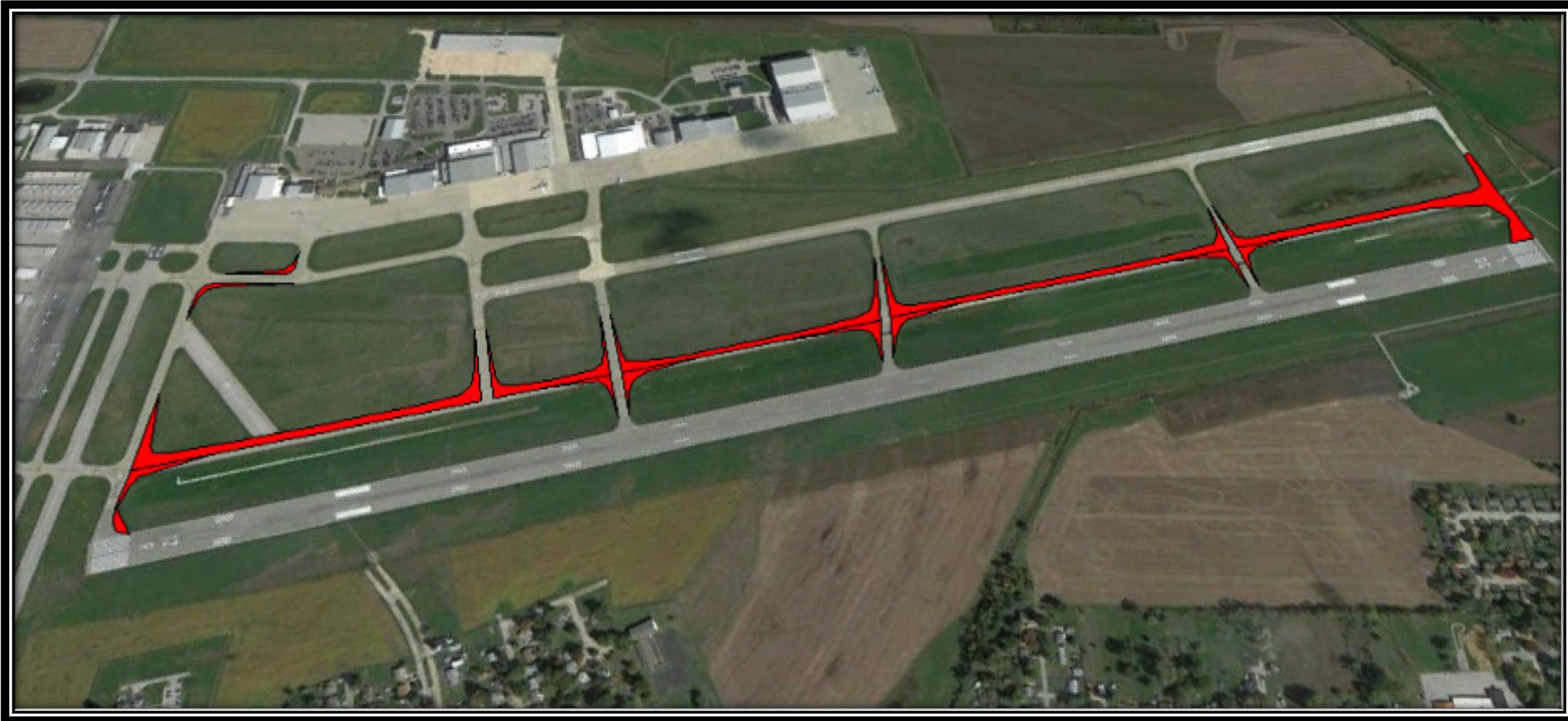
Year	N+	Type		Dep	SubP	Description	Estimated Cost		Funding		Funding Breakdown		Total
		N	R				Raw	Est. (InP)	Local	AIP	Local	AIP	
2015	0		X	AP	1	Runway Turn Around	\$ 150,000.00	\$ 150,000.00		1	\$ 7,500.00	\$ 142,500.00	\$ 150,000.00
2015	0	X		FD	1	Rapid Intervention Vehicle / Equipment	\$ 750,000.00	\$ 750,000.00		1	\$ 37,500.00	\$ 712,500.00	\$ 750,000.00
2016	1		X	AP	1	Taxiway Bravo - Phase 1	\$ 4,500,000.00	\$ 4,635,000.00		1	\$ 231,750.00	\$ 4,403,250.00	\$ 4,635,000.00
2016	1		X	AP	1	A/C Units on Terminal (6200)	\$ 50,000.00	\$ 51,500.00	1		\$ 51,500.00	\$ -	\$ 51,500.00
2016	1	X		AP	2	SW Development Area - North of Runway 5 (350,000 sqr ft.)	\$ 1,225,000.00	\$ 1,261,750.00		1	\$ 63,087.50	\$ 1,198,662.50	\$ 1,261,750.00
2016	1		X	MX	2	80' Man lift	\$ 80,000.00	\$ 82,400.00	1		\$ 82,400.00	\$ -	\$ 82,400.00
2016	1		X	AP	2	Airport Signage and Location Panels	\$ 35,000.00	\$ 36,050.00	1		\$ 36,050.00	\$ -	\$ 36,050.00
2016	1	X		AP	3	Land Acquisition	\$ 4,000,000.00	\$ 4,120,000.00		1	\$ 206,000.00	\$ 3,914,000.00	\$ 4,120,000.00
2016	1		X	AP	3	FBO Parking Lot	\$ 311,870.00	\$ 321,226.10		1	\$ 16,061.31	\$ 305,164.80	\$ 321,226.10
2017	2		X	AP	1	Taxiway Bravo - Phase 2	\$ 4,500,000.00	\$ 4,770,000.00		1	\$ 238,500.00	\$ 4,531,500.00	\$ 4,770,000.00
2017	2	X		AP	1	Drainage Improvements	\$ 1,000,000.00	\$ 1,060,000.00		1	\$ 53,000.00	\$ 1,007,000.00	\$ 1,060,000.00
2017	2		X	MX	2	Zero-Turn Mower	\$ 17,000.00	\$ 18,020.00	1		\$ 18,020.00	\$ -	\$ 18,020.00
2017	2	X		MX	3	100 HP Front Wheel Assist Tractor	\$ 40,000.00	\$ 42,400.00	1		\$ 42,400.00	\$ -	\$ 42,400.00
2018	3	X		AP	1	Wildlife Hazard Assessment	\$ 60,000.00	\$ 65,400.00		1	\$ 3,270.00	\$ 62,130.00	\$ 65,400.00
2018	3		X	AP	1	Taxiway Bravo - Phase 3	\$ 4,500,000.00	\$ 4,905,000.00		1	\$ 245,250.00	\$ 4,659,750.00	\$ 4,905,000.00
2018	3		X	MX	2	Zero-Turn Mower	\$ 17,000.00	\$ 18,530.00	1		\$ 18,530.00	\$ -	\$ 18,530.00
2018	3	X		FD	3	ARFF / Operations Vehicle	\$ 35,000.00	\$ 38,150.00	1		\$ 38,150.00	\$ -	\$ 38,150.00
2019	4		X	AP	1	Rehabilitate West Ramp	\$ 1,200,000.00	\$ 1,344,000.00		1	\$ 67,200.00	\$ 1,276,800.00	\$ 1,344,000.00
2019	4		X	AP	2	Construct Electrical Vault - Backup Generator	\$ 750,000.00	\$ 840,000.00			\$ 42,000.00	\$ 798,000.00	\$ 840,000.00
2019	4		X	MX	2	Tandems Dump Truck with 12' Snow Blade	\$ 196,000.00	\$ 206,000.00			\$ 196,000.00	\$ -	\$ 196,000.00
2019	4	X		AP	2	Runway Guard Light	\$ 300,000.00	\$ 336,000.00	1		\$ 16,800.00	\$ 319,200.00	\$ 336,000.00
2020	5	X		AP	2	Site Development - North - South of Runway 5 (1,000,000 sq ft.)	\$ 700,000.00	\$ 700,000.00			\$ 50,025.00	\$ 950,475.00	\$ 1,000,500.00
2020	5		X	AP	1	Vector Ave. - Phase 1	\$ 400,000.00	\$ 460,000.00	1		\$ 460,000.00	\$ -	\$ 460,000.00
2020	5		X	AP	2	Pavement Project - Location Dependent	\$ 350,000.00	\$ 402,500.00		1	\$ 20,125.00	\$ 382,375.00	\$ 402,500.00
2020	5	X		AP	2	Fuel Farm	\$ 400,000.00	\$ 460,000.00	1		\$ 460,000.00	\$ -	\$ 460,000.00
2020	5	X		MX	1	Build Garage Scaff / Scaff	\$ 150,000.00	\$ 172,500.00	1		\$ 172,500.00	\$ -	\$ 172,500.00
2020	5		X	AP	1	Maintenance Utility Vehicle	\$ 275,000.00	\$ 287,500.00	1		\$ 287,500.00	\$ -	\$ 287,500.00
2020	5	X		AP	2	Run-up Ramp	\$ 2,275,000.00	\$ 2,587,500.00			\$ 129,375.00	\$ 2,458,125.00	\$ 2,587,500.00
2020	5	X		AP	2	Northwest Access Road	\$ 500,000.00	\$ 575,000.00	1		\$ 28,750.00	\$ 546,250.00	\$ 575,000.00
2020	5	X		AP	3	Run-up Enclosure	\$ 500,000.00	\$ 575,000.00	1		\$ 28,750.00	\$ 546,250.00	\$ 575,000.00
2021	6		X	AP	1	Vector Ave. - Phase 2	\$ 400,000.00	\$ 472,000.00	1		\$ 472,000.00	\$ -	\$ 472,000.00
2021	6		X	AP	1	Hangar H - Series	\$ 400,000.00	\$ 472,000.00	1		\$ 472,000.00	\$ -	\$ 472,000.00
2021	6		X	MX	2	Heavy Duty 4x4 Pickup - 250	\$ 35,000.00	\$ 41,300.00	1		\$ 41,300.00	\$ -	\$ 41,300.00
2021	6		X	MX	3	Painter Buggy	\$ 25,000.00	\$ 29,500.00	1		\$ 29,500.00	\$ -	\$ 29,500.00
2022	7		X	MX	1	Tandems Dump Truck with 12' Snow Blade	\$ 175,000.00	\$ 211,750.00	1		\$ 211,750.00	\$ -	\$ 211,750.00
2023	8		X	FD	1	ARFF Truck (Index B)	\$ 750,000.00	\$ 930,000.00		1	\$ 46,500.00	\$ 883,500.00	\$ 930,000.00
2023	8		X	MX	2	Front End Loader	\$ 50,000.00	\$ 62,000.00	1		\$ 62,000.00	\$ -	\$ 62,000.00
2024	9		X	FD	1	ARFF / Operations Vehicle	\$ 35,000.00	\$ 44,450.00	1		\$ 44,450.00	\$ -	\$ 44,450.00
2025	10		X	AP	1	Pavement Project - Location Dependent	\$ 350,000.00	\$ 455,000.00		1	\$ 22,750.00	\$ 432,250.00	\$ 455,000.00
2026	11		X	AP	1	Hangar G-Series	\$ 400,000.00	\$ 532,000.00	1		\$ 532,000.00	\$ -	\$ 532,000.00
2027	12		X	MX	1	Heavy Duty 4x4 Pickup - 150	\$ 35,000.00	\$ 47,600.00	1		\$ 47,600.00	\$ -	\$ 47,600.00
2027	12		X	MX	2	Bobcat Skid Steer	\$ 25,000.00	\$ 34,000.00	1		\$ 34,000.00	\$ -	\$ 34,000.00
2028	13		X	AP	1	Taxiway Papa	\$ 100,000.00	\$ 139,000.00		1	\$ 6,950.00	\$ 132,050.00	\$ 139,000.00
2030	15		X	AP	1	Pavement Project - Location Dependent	\$ 350,000.00	\$ 507,500.00		1	\$ 25,375.00	\$ 482,125.00	\$ 507,500.00
2030	15		X	AP	2	Taxiway Sierra	\$ 300,000.00	\$ 435,000.00		1	\$ 21,750.00	\$ 413,250.00	\$ 435,000.00
2030	15		X	MX	3	Maintenance Supervisor Vehicle	\$ 35,000.00	\$ 50,750.00	1		\$ 50,750.00	\$ -	\$ 50,750.00
2031	16		X	AP	1	Hangar G-Series	\$ 600,000.00	\$ 888,000.00	1		\$ 888,000.00	\$ -	\$ 888,000.00

All projects are important,
Some project are more important than others

Taxiway Bravo

- 2015 AIP Entitlements \$150,000 (\$7,500 local) are dedicated to an iDOT study to determine the need and scope for the taxiway project.
 - Study will look at if the project is required
 - Where the taxiway should be relocated to, if applicable
 - What the design of the taxiway will look like, fillets, shoulders, weight, etc.
- There are two primary goals for the project:
 - Have the taxiway meet all Federal Regulations, such as mandatory separation distance.
 - Make changes to fillet design to allow for larger commercial aircraft such as those flown by the sports charter market.
- After reconstruction the taxiway will accommodate all aircraft up to 757-300s (*excluding 747s*).

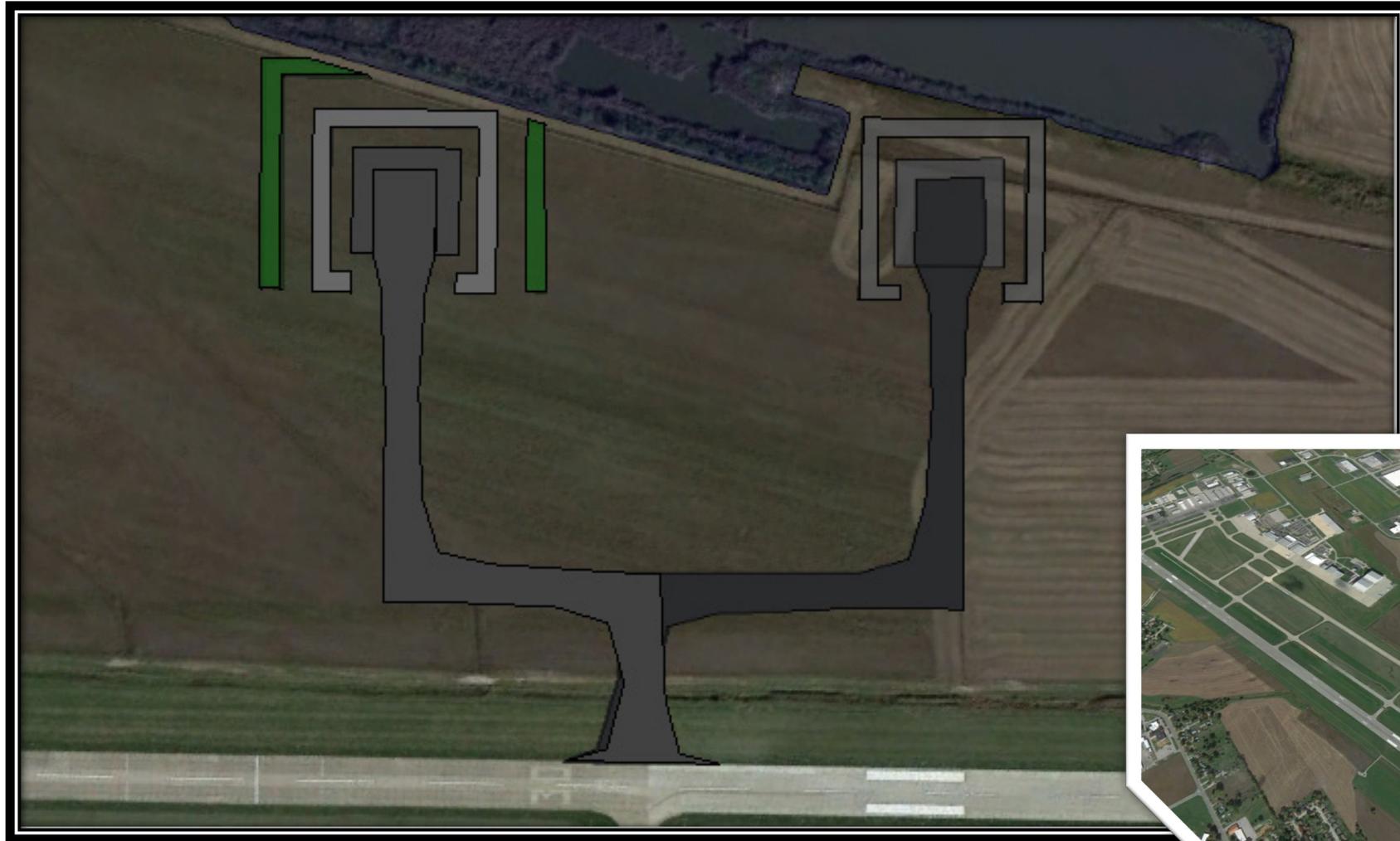
Taxiway Bravo (*Cont.*)



Engine Run-up and Compass Rose

- Roughly 550 engine run-ups every year and expected to grow.
- Aircraft from small single engine to large commercial aircraft would utilize the facility.
- Facility is needed to ensure the longevity and success of Jet Aviation and all maintenance operators at the airport.
- There is no safe place on the airport to do engine run-ups and a solution is needed sooner, not latter.
- Varying designs and locations are currently under consideration.

Engine Run-up (*Cont.*)



Future Developments

- The airport is actively looking for new areas to develop, locating customers, users, and tenants which would benefit from additional space at the St. Louis Downtown Airport.
- There are three current concepts being designed with Requests for Proposals being written:
 - Southwest – West
 - Southwest – East
 - Self-Storage Facilities

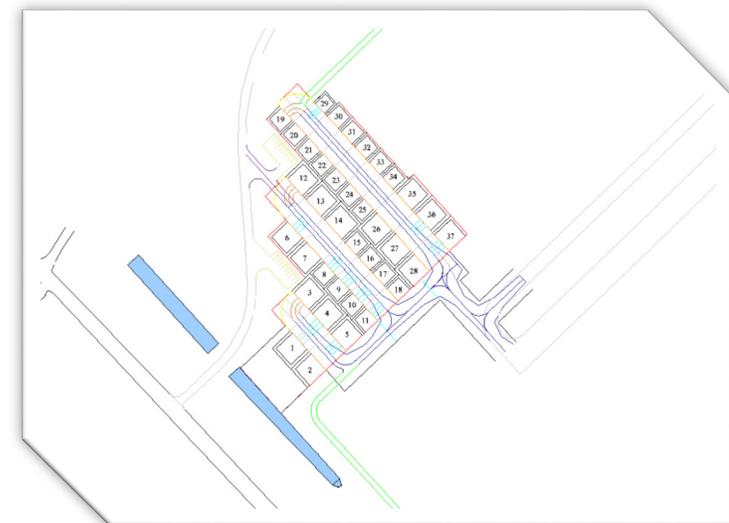
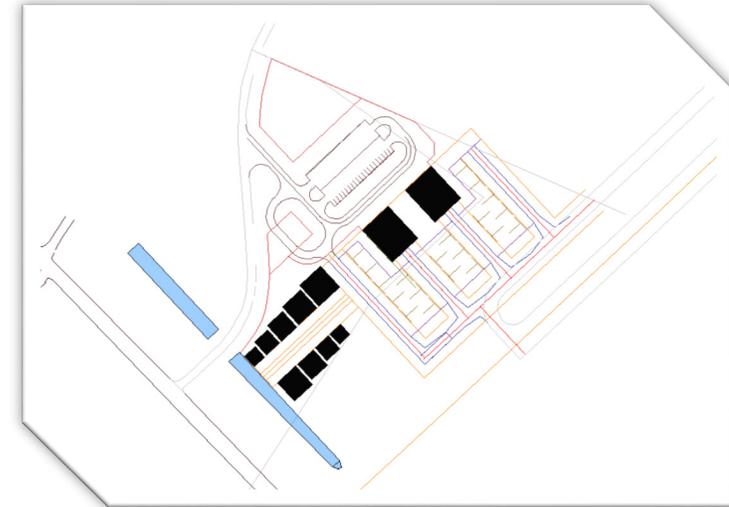
Southwest

- Two distinct areas of development:
 - East of Runway 5/23
 - West of Runway 5/23
- Serve two different types of tenants or users based on access to runways and available land area.
- Mixed use, includes Aeronautical and Non-Aeronautical.



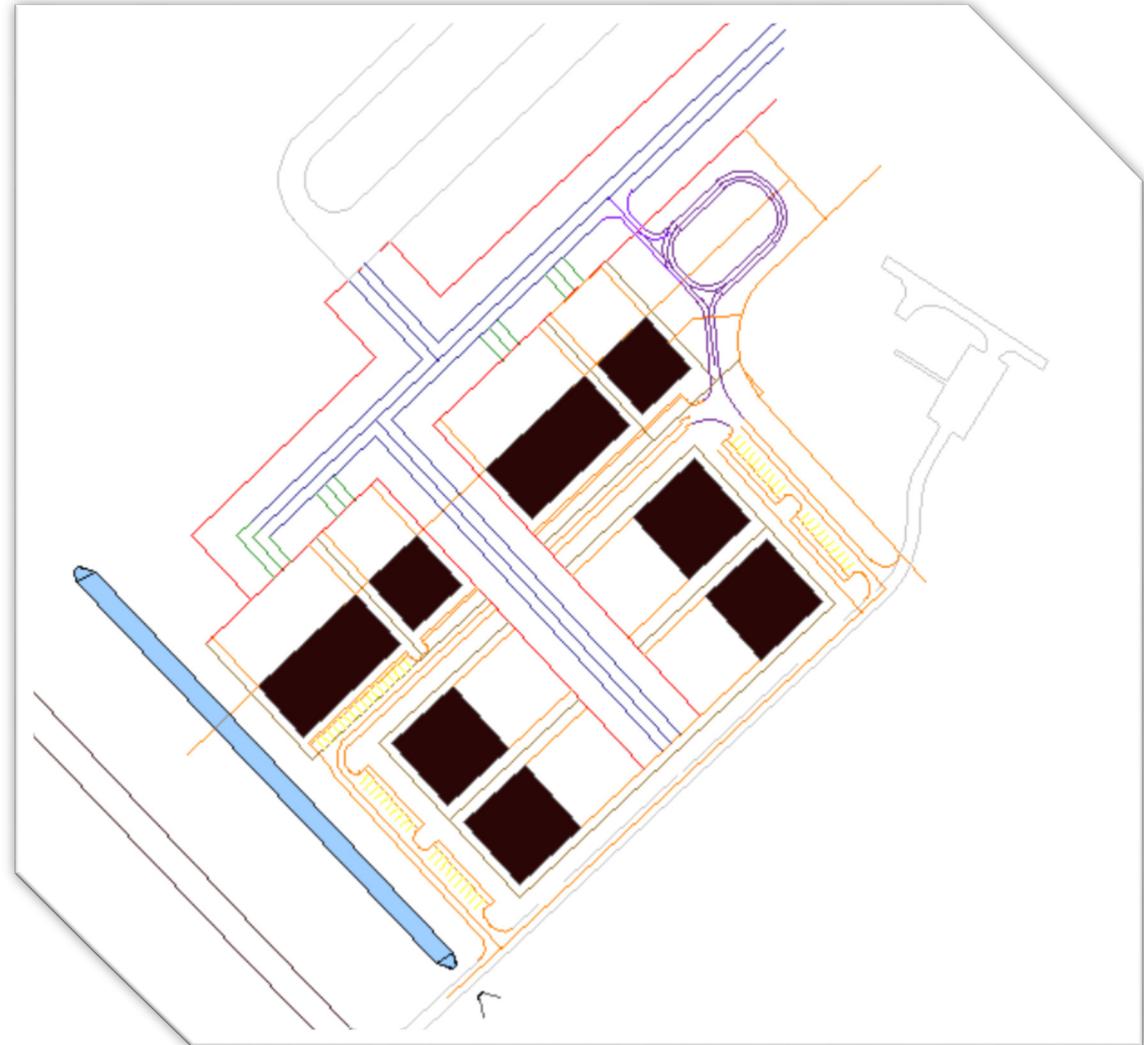
Southwest - West

- The Southwest – West development is being designed for small single engine or twin engine aircraft.
- Two different concepts:
 - Private Hangars
 - Fixed Based Operator
- Final concept will depend on lease negotiation, airport needs, and the desires of our tenants and users.



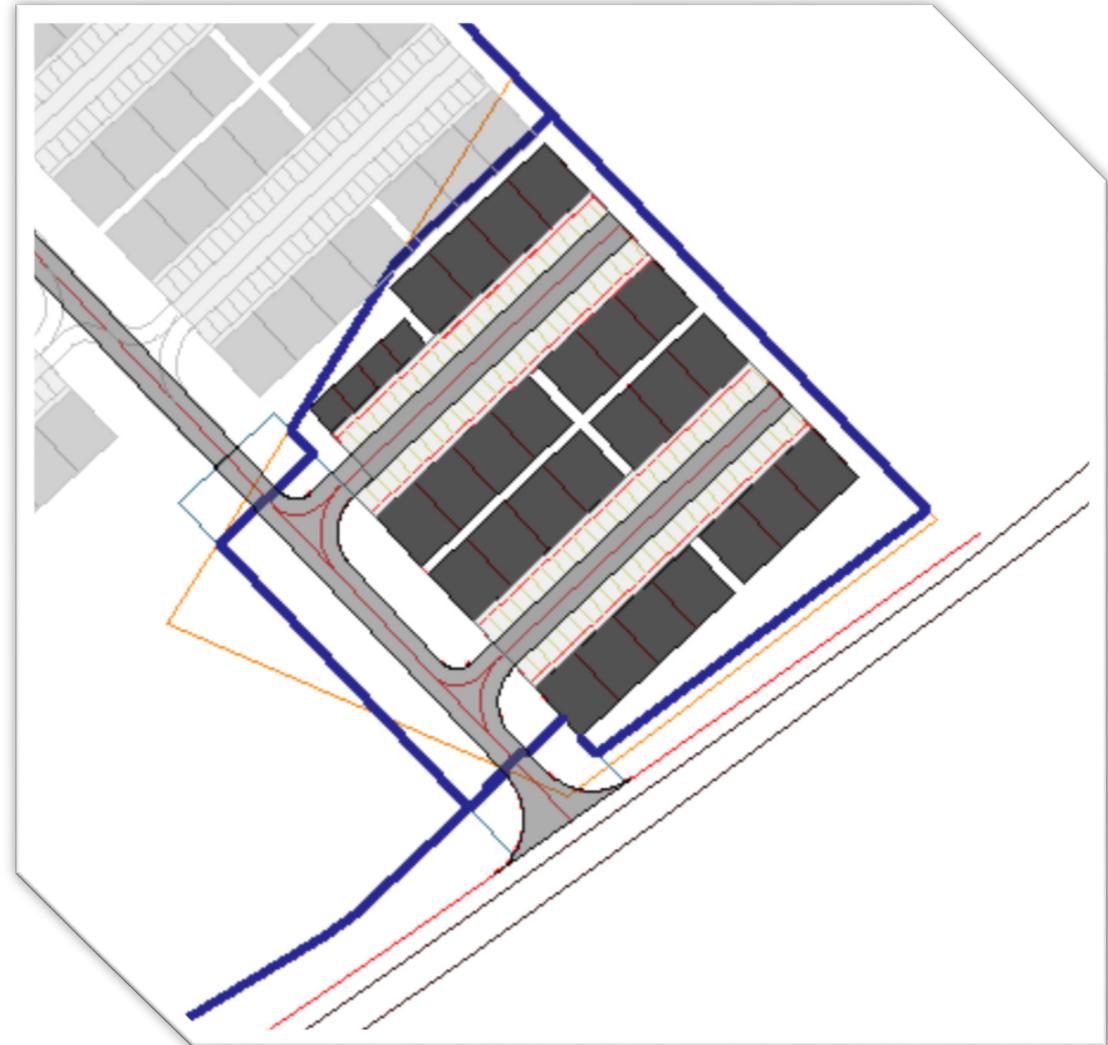
Southwest - East

- The Southwest – East Development is designed for medium sized corporate aircraft.
- Primarily the design is for a Fixed Based Operator with additional private hangars.
- Final concept will depend on lease negotiation, airport needs, and the desires of our tenants and users.



Self-Storage Facilities

- There are seven areas of the airport that have no aeronautical value and would benefit the airport most as Self-Storage Facilities.
- Shown to the right is the largest area, about 3.72 acres located near the Grizzlies Stadium
- Annual revenue would be determined by the Request for Proposal.



Questions ?

A Great Approach for St. Louis Business



BI • STATE DEVELOPMENT

Gateway to growth. On both sides of the river.™



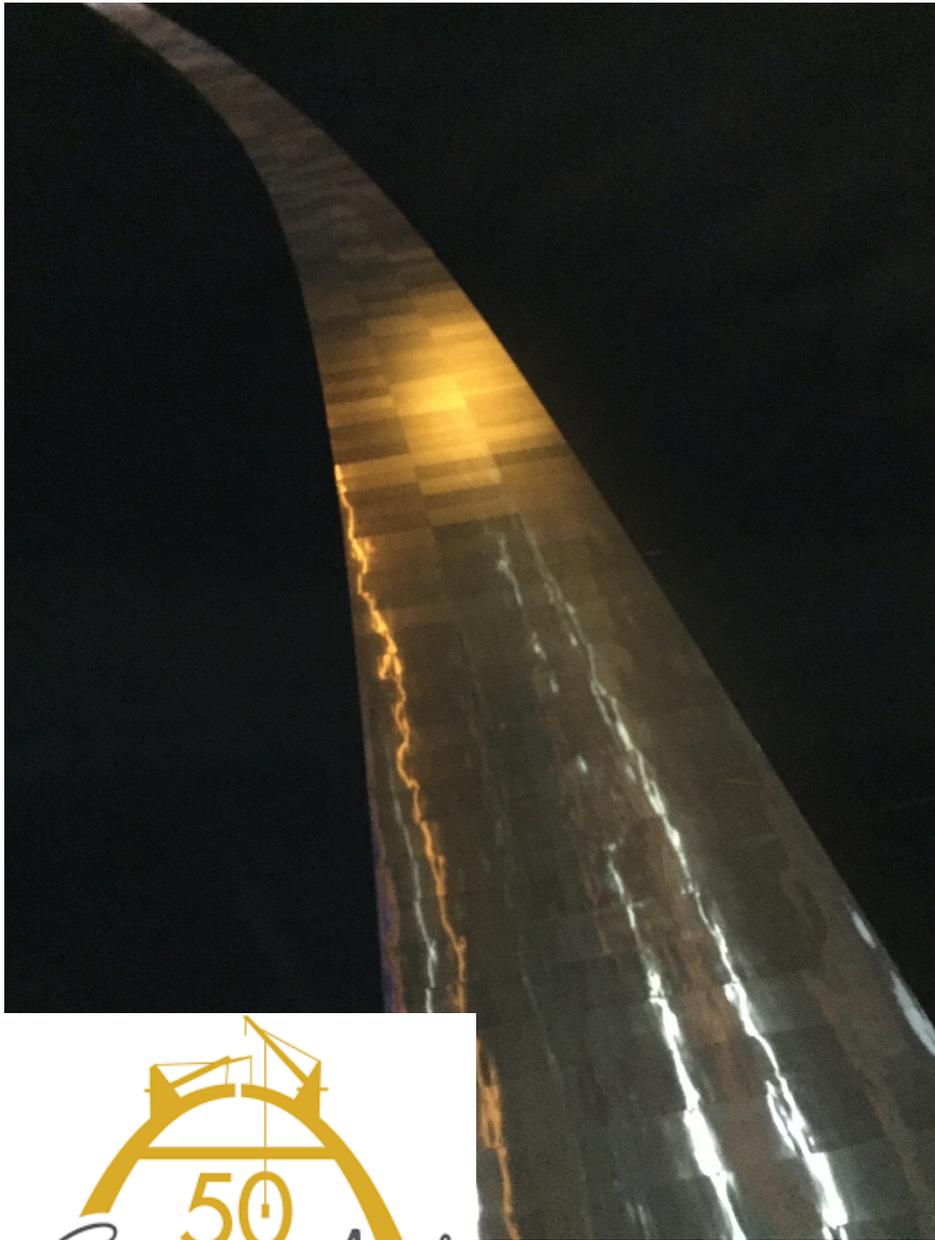
Update on CityArchRiver Project & 50th Anniversary
October 16, 2015

50th Anniversary Celebration

Wednesday, October 28, 2015

\$17,000

- Lighting the Arch Gold
- TODAY Show Live from the Arch
- Spelling out “50” on Old Courthouse Stairs
- Flag raising on Luther Ely Smith Square
- Scott Air Force Base Band
- Anniversary Flags Flying throughout the Community
- Free Cupcakes



Giveaways & Goodies for Visitors

Food Truck Cupcake Giveaway

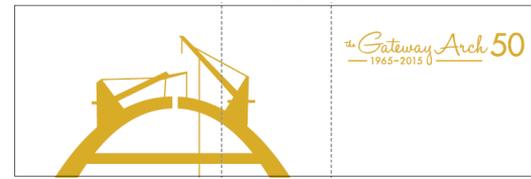
Sarah's Cake Stop



Serving special edition cupcakes to first 1000 visitors



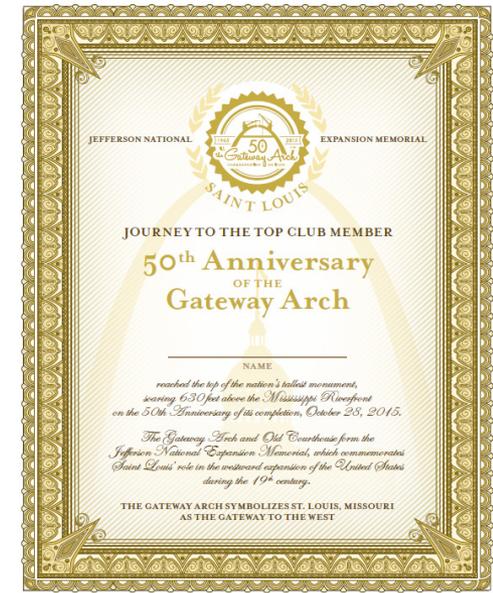
Throwback Pricing | \$1 Tram Tickets



Commemorative Throwback Pin



Special Certificate



Destination Desserts



50th Anniversary Flag Campaign

4' x 6' Anniversary Flag



Delivered to participating locations by October 1



- Letter from Bi-State Development & National Park Service requested community partnership participation
- Approximately 40 participating organizations will be flying the 50th flag during the month of October
- Social Media component invites participants and others around the community to celebrate with us using the hashtag #Arch50



Luther Ely Smith Square Opening

Friday, October 30,
2015



- BSD did not participate financially in this project
- Renovation includes new landscaping, lighting and seating



Park Over the Highway Opening

Friday, October 30,
2015

- BSD did not participate financially in this project
- New bridge structure, landscaping, barrier walls, pedestrian friendly

MP32071

PAINT PANEL
TO MATCH
PMS 3125C;
PAINT WHITE
STRIPE MP32071

PAINT ALL
EXPOSED
STRUCTURE,
PANELING,
AND HARDWARE
MP46017

PAINT BOLLARDS
TO MATCH
EXISTING



Entrance Portal Installation

Thursday, November 26, 2015

- \$ 66,000 funded from the JNEM Beneficial Fund
- Visitor Oriented entrance portal for clear direction to the Arch



Leonor K. Sullivan Boulevard Riverfront Renovations Complete

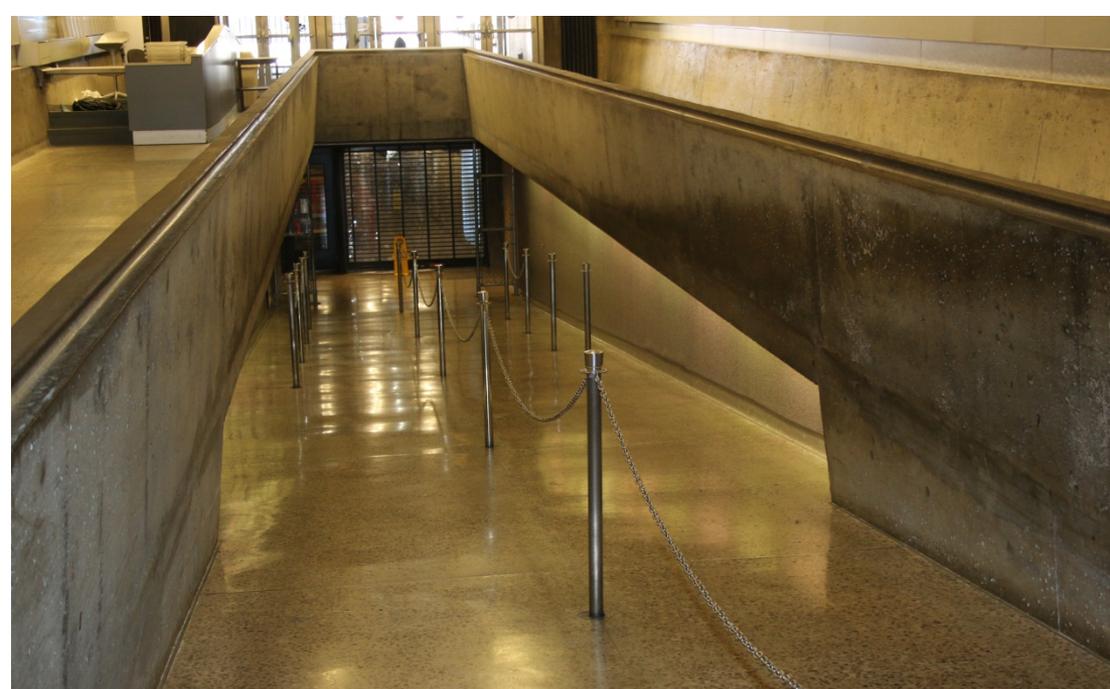
Thursday, December 31, 2015

- \$1,000,000 Grant from Bi-State Development to Great Rivers Greenway
- \$110,000 Gateway Arch Riverboats Gangway Adapter
- Renovated from Chouteau Avenue to Biddle Street (south to north)

Load Zone Exhibits

January 4, 2016 to March 4, 2016

- \$ 4.165 M funded from the JNEM Beneficial Fund
- New exhibits in the north and south load zones
- New visitor experience
- Staging for the motor generator set



South Arch Grounds

Summer, 2016

- BSD did not participate financially in this project
- New accessible, pathways and new landscaping



North Arch Grounds

Summer, 2016

- BSD did not participate financially in this project
- New accessible, pathways and new landscaping



North Gateway

Summer, 2016

- Replaces Arch Parking Garage on north end of park
- New accessible, pathways and new landscaping
- Explorer's Garden
- Elevated walkways



Motor Generator Set Replacement

December, 2016 – February, 2017

- \$7.7M funded from bond proceeds and JNEM Beneficial Fund
- Technological Upgrade to current system



Kiener Plaza

Spring, 2017

- BSD has no financial participation in this project
- New accessible, pathways and new landscaping
- Removes amphitheater
- Retains Runner Statue
- Retains Name



Museum and Visitor Center

Summer, 2017

- \$ 96.5 Million
- BSD bonded to assist with new roof \$2.86M
- New West Entrance
- New Exhibits
- New ticketing center
- Expanded space
- New Store
- New food concession





**BI-STATE
DEVELOPMENT**
Gateway to growth. On both sides of the river.™



Museum and Visitor Center

Summer, 2017