



## LAMBERT - ST. LOUIS INTERNATIONAL AIRPORT

### AIRPORT PROGRAM MANAGEMENT & FINANCIAL PLANNING

#### Company profile

- Established in 1989, as Unison Consulting Group
- Became UNISON-MAXIMUS, a wholly owned subsidiary of Maximus 1999
- Acquired in 2008 by UCG Associates now doing business as Unison Consulting
- More than 100 airport clients have benefited from our firm's consultant expertise
- Experienced senior staff with more than 150 years of industry experience
- Firm's senior staff have held management positions with airports, airlines, the FAA, government consulting firms and other national aviation consulting firms
- Professional consultants are experts in economics, finance, retail concessions, airport planning, information technology, and airport management

#### Challenge

Faced with a \$1.1 billion runway project and its largest carrier was facing bankruptcy for the third time, Airport management found themselves questioning their ability to complete the runway without further burdening its troubled HUB carrier. The Airport had gone too far in the construction of its new runway to stop. Several hundred homes had been purchased and almost \$400 million in bonds had been sold. The Airport engaged Unison Consulting (Unison), formerly UNISON-MAXIMUS, as its financial consultant on this matter and later hired Unison as its General Advisory Services Consultant to assist in implementing the new runway.

To date, Unison continues to provide program oversight of the Airport's Capital Improvement Program. This oversight includes structure and systems development and implementation, financial planning, program cost and budget control including change order management. We also oversaw the planning, design and construction of the new \$1.1 billion runway program. This included managing the extensive acquisition, relocation program and demolition activities. Unison also assisted in the development of the collateral land use program and acted as a liaison between the FAA, airport and contractors to ensure the requirements and goals of all parties were achieved.



### **Solution**

Unison developed a comprehensive financial plan, which took advantage of non-airline funding opportunities. The financing plan first identified available equity funding resources such as AIP, PFC and the airport discretionary fund. The primary goal of the Airport was to develop a financing plan that met the financial requirements of the runway, while controlling the cost impact on the airlines. We knew that in order to achieve the Airport's goals we would have to be innovative in the manner in which we sought financial solutions. Therefore, we assisted the Airport in obtaining a \$141 million letter of intent from the FAA to be paid out over eight years, which was amended and increased to \$191 million and then further increased to \$201 million. The Airport was approved by the FAA to raise its PFC rate to \$4.50. The financial plan included issuing additional debt financings and essentially leveraging the PFC revenues. Every source of eligible funds was either expended directly or is being used to pay debt service. We also sold a LOI leveraged bond. This allowed us to get the full use of the LOI proceeds during the construction phase of the project.

### **Results**

- The Airport successfully completed its \$1.1 million runway with less than 30% of the costs impacting the airline rates and charges
- The project successfully acquired 1,781 houses, 82 businesses, six churches, four schools and one cemetery to accumulate the land required to build the runway
- The Airport has received over 15 awards to date related to the overall Airport Expansion Program managed by Unison
- The new runway was completed on schedule and under budget
- Unison was recently hired to assist the Airport in completing a new master plan