



City of St. Louis, Missouri

Proposal to RFP to provide City /
Airport Advisory Services in the
potential lease of St. Louis
Lambert International Airport

Ernst & Young Infrastructure Advisors, LLC.
October 20, 2017



Building a better
working world



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Michael Garvin
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Via email: garvinm@stlouis-mo.gov

October 20, 2017

RE: City/ Airport Advisory Services related to a Request for Proposals for a lease of St. Louis Lambert International Airport in accordance with the FAA Airport Privatization Pilot Program

Dear Michael,

Ernst and Young ("EY" or "we") are delighted to submit this proposal to provide advisory services to the City of St. Louis ("City") on a potential lease transaction related to the St. Lambert International Airport ("Airport") in accordance with the FAA Airport Privatization Pilot Program. While the RFP requests a proposal for a broad range of advisory support, inclusive of legal and technical services, the scope of our proposal is limited to the multi-disciplinary services that EY can provide including financial, commercial and other strategic services. We note that the City's responses to questions on the RFP appear to contemplate that subsequent changes or additions to the advisory team following award, and we would be pleased to discuss our proposal further at your convenience.

EY is a global leader in transaction, advisory, tax and assurance services, with more than 240,000 professionals worldwide, 400 of whom are based in our St. Louis office, and more than 500 of whom advise on the financing, leasing and procurement of major infrastructure. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We play a critical role in building a better working world for our people, for our clients and for our communities.

Globally, EY has advised on more than 750 public private partnership (PPP or P3) transactions, more than 300 of which are now closed, and include numerous aviation and airport-related transactions. We have the proven experience and market knowledge to help the City run a timely, transparent and highly competitive solicitation process and to assist in structuring a lease agreement that is commercially appropriate, in the public interest and ultimately successful for the City. For this transaction, EY could not only provide globally awarded truly independent P3 financial advisory, commercial and project management support, but also to the extent required, other transaction support such as sell side diligence, human capital/ workforce consulting, tax and accounting advice. The scale of EY's resources and our combination of local capacity and global reach allow us to support the City in meeting its most expedited timeline.

The potential lease of St. Louis Lambert International Airport represents a transformative initiative for the City, as well as a bellwether transaction in the context of the FAA Airport Privatization Pilot Program. We applaud the Mayor's clear commitment to running a transparent process, and are keenly aware of the spectrum of views in the public arena regarding the merits of the privatization process, as well as the high level of private sector interest in this transaction. It is therefore essential for the people of St. Louis that the City undertake a well-considered, structured and transparent process, and if it ultimately proceeds with a transaction, that it does so on terms that generate best value for taxpayers.

Evidenced by our track record of helping our clients deliver complex projects in the past, we have a depth and breadth of capabilities that is unique in the market to help drive a successful outcome for the City. Our professionals bring infrastructure policy, procurement, commercial and financial advisory and

marquee aviation experience from domestic and global transactions. We know the market and have advised major public sector owners, leading private sector investors and developers on competitive tenders of airport leases.

In our experience, to maximize the potential for success, the City should prioritize the following:

- ▶ **Transparency and fairness** - A robust and transparent process is paramount to ensuring buy-in and support from key stakeholders. A potential lease process that is structured in a transparent and fair manner will increase participation, both from potential investors and from airline and governmental decision makers.
- ▶ **Building trust and developing the public narrative** - Often public-private partnerships fail due to a perceived distrust of the private sector and the objectives of the transaction. The City needs to clearly and publicly outline the objectives and benefits of the transaction. The City should also clearly articulate the planned use of funds arising from the lease proceeds. All public-private transactions have detractors, but in our experience, making information available to stakeholders early and often can build trust and gather momentum for a project. Having known and credible advisors can also help build trust in the market. With independence at the core of our firm, EY's participation can bring additional credibility to the process and bolster both public and market confidence in the potential transaction.
- ▶ **Bringing in the right capabilities to deliver** - The City has identified that it is seeking qualified global advisory firms with a domestic presence, which can provide independent advice and demonstrate experience attracting qualified bidders on a global basis. EY is uniquely qualified to support the City in this respect.
 - ▶ **Leading advisor to owners on infrastructure transactions and public-private partnerships (P3)** - EY is perennially ranked in Infrastructure Journal League tables as top financial advisor globally in terms of project finance transactions, based on transaction value and transaction volume, and our leadership is consistently reflected in the awards we and our clients earn. EY has been named Global Financial Advisor of the Year at the 2017 Partnership Awards and has won similar awards multiple times in recent years. Our experience and level of activity affords us a deep understanding of the market and the players with whom the City will negotiate, and allows us to help clients attract competition, achieve better proposals and reach timely closings. Our experience includes advising owners on more than \$40 billion of closed and active infrastructure transactions in the US, among them several of the largest and most complex undertakings in the country.
 - ▶ We work frequently with public owners who are undertaking their first concession or P3 transactions, helping them to develop balanced deal structures and then driving transaction processes to successfully reach close. Through this, we have also earned the trust of the market and helped owners to maximize competition, resulting in billions of dollars in incremental value. Our recent experience helping governments to conduct transparent, successful and highly competitive procurements may be unparalleled, including nationally significant P3s such as Los Angeles World Airports' LAX Automated People Mover and Consolidated Rental Car Facility projects, the Empire Station Complex (Penn Station/Moynihan Station), the \$4 billion New New York Bridge (Tappan Zee Bridge replacement) and the \$1.5 billion Goethals Bridge Replacement.
 - ▶ **Working with multi-disciplinary teams** - We recognize that the successful completion of major transactions requires the input of professionals from the City and Airport, but also

from a range of diverse disciplines. EY has successfully led teams of specialist consultants including legal advisors, architecture and engineering consultants and we anticipate supporting the City in coordinating its in-house and external professional advisors to seamlessly meet the requirements of this transaction.

- ▶ **Leading airports advisory credentials** - Our team brings deep domestic and global experience in the aviation sector, from both public and private sector perspectives. This will enable the City to access national and global precedents and lessons learned so that it can both engage on equal footing across the table from highly experienced investors and problem solve for its stakeholders. For example, EY was the lead financial advisor to five public authorities selling the Leeds Bradford International Airport in the UK, which was completed in well under a year and sold at a record earnings multiple. Members of our team have supported bidders on recent airport P3 processes in the US, including the current Westchester Airport transaction, LaGuardia Central Terminal and Luis Munoz Marin International Airport, the only airport currently privatized under the FAA Privatization Pilot Program, as well as historically on Stewart Airport. We are currently advising Los Angeles World Airports on the active procurement of P3s for more than \$4 billion of new landside facilities, and advised on the \$2.1 billion Miami Intermodal Center at Miami International Airport. We are also the primary P3 advisor to the Port Authority of New York and New Jersey on its \$30 billion capital plan.
- ▶ **Committed to St. Louis** - EY is an active member of the St. Louis business and civic community, with over 650 employees in Missouri, more than 400 of whom are based in our St. Louis office. We are deeply invested in ensuring that the City achieves an outcome that is successful across multiple critical dimensions and are keenly aware of the sensitive nature of this engagement.

Please note that "EY" refers to the global organization, and may refer to one or more of the member firms of Ernst & Young Global Limited (including Ernst & Young Infrastructure Advisors, LLC, a specialized infrastructure advisory consultancy which is an SEC registered Municipal Advisor).

This proposal constitutes a valid, binding and continuing offer (in accordance with the Proposer Certification) at the prices set forth in the proposal for a period of 60 days from the deadline for acceptance of proposals.

We have included a summary of some of our relevant experience and staff available to support this effort in the following pages, and would be pleased to discuss further at your convenience. Should you require any clarification or additional information, please do not hesitate to contact me.

Sincerely,



Sue Lee
Senior Managing Director, Ernst & Young Infrastructure Advisors, LLC
Telephone: +1-215-448-4096 / E-mail: sue.lee1@ey.com

EY Experience Overview

EY has significant experience assisting public sector clients to leverage public resources, attract private investment in critical public infrastructure and foster economic development. Our team understands the objectives of public sponsors and private investment firms when delivering major projects and uses this insight to facilitate a balanced approach that maximizes value and achieves public policy goals. Our proven track record of helping to bring complex public transactions to fruition is a testament of the effectiveness of our services.

EY's infrastructure advisory practice is experienced in providing practical solutions through sound financial and other advisory services to public sector clients seeking to:

- ▶ Bring innovation, foresight and sound economic stewardship to their major infrastructure assets, projects, programs and investments;
- ▶ Identify and attract the funding and financing required to invest in infrastructure;
- ▶ Rebuild and modernize existing infrastructure; and
- ▶ Invest wisely in new infrastructure to address new and changing needs, enable growth and achieve a higher quality of life for communities.

Our work is focused on transaction advisory services, financial and business planning for large-scale infrastructure projects and P3s, and advising on infrastructure-related policies, programs and initiatives. We have facilitated the delivery of billions of dollars of recent and active infrastructure projects, among them several of the largest and most complex undertakings in the world. Our experience includes advising on more than 750 P3 projects worldwide since 1996, over 300 of which have successfully achieved financial close. Further, EY's complementary project management, financial due diligence, human capital and tax practices work with the infrastructure advisory team to deliver complete support for multidimensional projects.

EY's experience includes advising on the full life-cycle of project delivery phases of airports. We acted as lead financial advisor to five public authorities selling the Leeds Bradford International Airport, which was completed quickly and sold at a record earnings multiple. Our US experience includes advising airport sponsors, such as Los Angeles World Airport (LAWA), where EY is acting as commercial and transaction advisor on LAWA's Landside Access Modernization program, which includes P3 solicitations of the two largest elements of the program, a new \$2.7 billion automated people mover and a new \$1 billion consolidated rent-a-car facility; and the Port Authority of New York and New Jersey, where EY acted as financial advisor on the Goethals Bridge Replacement Project and is the P3 advisor on its \$30B capital program. EY is also engaged by a proposer for buy side diligence and transaction support related to the potential Westchester airport lease transaction.

EY is committed to building high-performing, diverse and inclusive teams within our organization and in the course of client service. EY is proud to have received numerous recognitions for its commitment to diversity and equal opportunity, including recently being named the No. 1 company in the USA – and the No. 1 professional services firm – on Diversity Inc. magazine's 2017 Top Companies for Diversity list.

Select Project Awards (2013 - 2016)

Thomson Reuters/PFI (2016)

- ▶ Americas PPP Deal of the Year
- ▶ Asia-Pacific Transport Deal of the Year

Infrastructure Journal awards

- ▶ PPP Financial Advisor of the Year
- ▶ Transport Financial Advisor of the Year
- ▶ Transport Deal of the Year

P3 Bulletin

- ▶ Best Financial Advisor in 2014 and 2015
- ▶ Project Grand Prix (best overall project)

Project Finance Magazine

- ▶ North American Deal of the Year for PPP
- ▶ North American Deal of the Year for Transport

Top 5 Global Project Finance Advisors Last 3 Years (Jan 2014 - Dec 2016)

Rank	Firm	Transaction Value (\$m)	Transaction Volume	Market Share (%)
1	Ernst & Young	\$ 53,276	83	4.95%
2	KPMG	\$ 32,136	70	2.98%
3	PwC	\$ 48,686	63	4.52%
4	Santander	\$ 22,927	63	2.13%
5	Deloitte	\$ 15,175	46	1.41%

Source: Infrastructure Journal

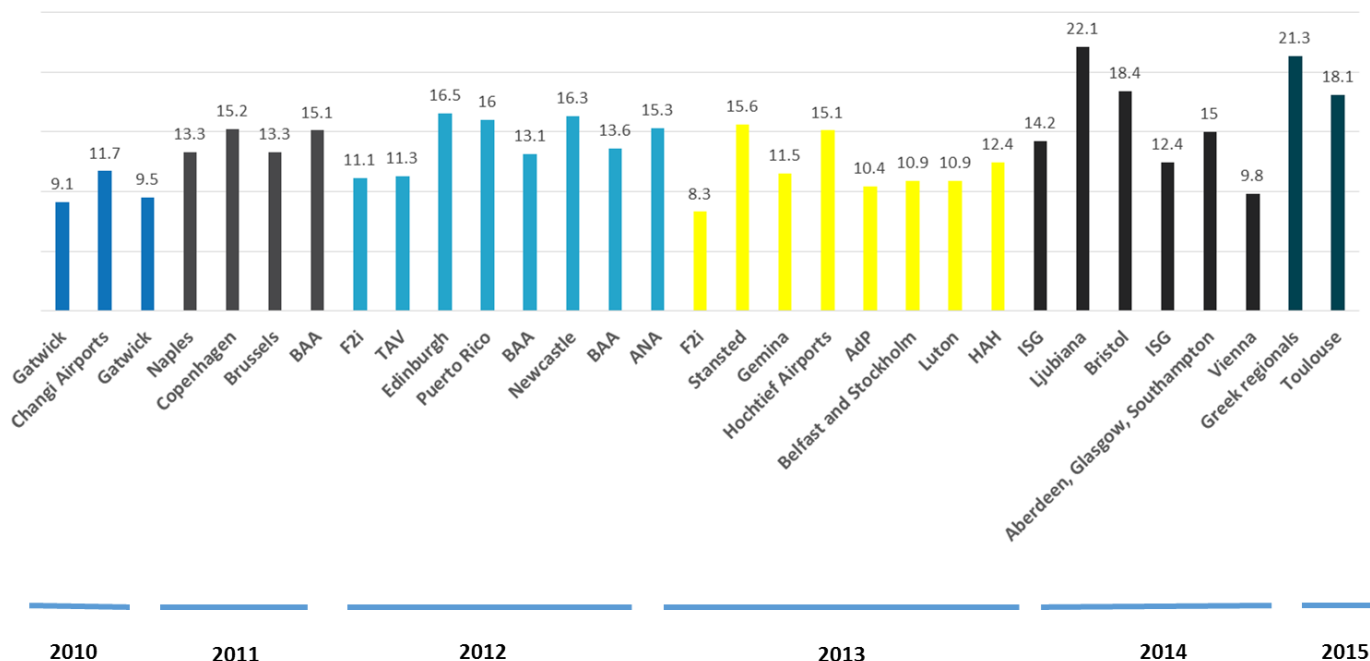
Scope of Services

Overview

Increasingly, owners have turned to EY for assistance in successfully executing complex P3 projects. Our approach will draw on our experience and market knowledge to help the City run a timely, transparent and highly competitive solicitation process and to assist in structuring a lease agreement that is commercially appropriate and in the public interest. However, we recognize that while these skills are essential, they alone will not assure that the City achieves a successful outcome. We appreciate that while achieving an outstanding price and/ or revenue sharing arrangement will be important, this result must be realized in the context of the City character, its objectives and the political environment. Our approach will seek to balance a number of potentially competing objectives, including maximizing proceeds and/ or ensuring that the City equitably participates in future revenue as appropriate to the City's objectives, providing high quality facilities and service, coordinating with carriers and regulators, respecting the community setting of the airport, and broadly acknowledging the impacts on the community and its stakeholders.

We strongly believe in the power of competition to drive value. We will bring our broad perspective and experience to help develop transaction strategies and processes to drive intense competition from potential bidders. We believe that this opportunity, when brought to the market, will be well received by the investor community. Current market appetite from investors for profitable, operational infrastructure assets with growth potential is strong, and the opportunity to invest in US airports has been scarce. Prior airport P3 processes in the US have attracted significant interest from investors. Globally, airport monetizations have delivered attractive multiples to their public sector owners, as shown in the table below. Our approach will involve assisting the City to develop a procurement process and lease agreement to enable it to capture this value.

EBITDA multiples for selected airport transactions¹



¹ RDC Aviation Economics
Ernst & Young Infrastructure Advisors, LLC

Scope of Services and Proposed Approach

We anticipate working in close collaboration with the City and its transaction team. We would expect to perform the scope as part of a multi-disciplinary in-house and external project team, including City legal, financial and technical (capital and operations) counterparts, as well as other City external resources. Given the standalone nature of our proposal, we would be pleased to discuss with the City how we can support it and any other advisors it may select.

EY would be able to support the City and its other advisors by delivering the following services, including but not limited to:

- ▶ Project management capability, to manage the privatization process, bidder interaction and dialogue, including coordination of other advisors (including legal, technical and municipal advisors);
- ▶ Financial and commercial process support, including assistance in developing RFQ and RFP documentation, evaluation criteria and support in undertaking evaluation of SOQs and Proposals. Please note that EY would advise on such matters, but would expect that the City will act as principal and make management decisions related to the process;
- ▶ Undertake due diligence on the Airport information available, as well as development and collation of the dataroom;
- ▶ Development of valuation expectations and a shadow bid model;
- ▶ Analysis of tax and accounting implications of different transaction structures;
- ▶ Support in negotiation with potential bidders;
- ▶ Assist the legal advisors in developing key transaction documents, including Lease Agreement, Airline Use Agreements, and where appropriate, Airport Operating Standards; and
- ▶ Prepare and support key stakeholder briefings, including to City leadership, Board of Aldermen, Board of Estimate and Apportionment, as well as community outreach.

For the purposes of our approach, we assume that the City will assign appropriate staff to the project, and that EY would be supplemented by experienced external counsel, for both regulatory and transactional matters, including the actual drafting of the lease agreement.

Below is a summary outline of our approach to perform some of the required tasks for the project.

Objectives and policy goals for the transaction

The City may leave significant potential value on the table and/or risk protests if adjustments to current passenger restrictions are made post-award that are different from potential scenarios that are communicated during the procurement process. Competition will also be stronger if the market perceives that there is a low risk of failing to reach financial close after award.

Recognizing that the City identified certain objectives in the Preliminary Application and that City leadership has subsequently changed, we will support the City in reviewing, confirming and / or revising key objectives, and undertaking a facilitated dialogue with appropriate stakeholders to determine what decisions can realistically be made and what the reasonable implications of them may be. This will be helpful to ensuring that the process reaches a successful conclusion and that all proposers bring the best prices possible given the same constraints. Even if some decisions cannot or should not be made at this time, the lease agreement could be structured to contemplate any scenario identified, in order to partially mitigate the risk of a concessionaire windfall in the event that revenue increases in the future due to a change in City policy rather than from the concession/market's performance generally.

This process can also be used to confirm key priorities that should drive the structure of the RFP and lease agreement and to discuss potential ways to optimize in order to better achieve them.

Key areas for consideration may include:

- ▶ The rationale for pursuing airport privatization, clarity of basis to proceed or abort the process, and how this is communicated to the public,
- ▶ The City's preference for upfront or periodic payments (or a combination thereof),
- ▶ Use of proceeds and the approach to existing revenue bond debt,
- ▶ Duration of the lease, and
- ▶ Schedule drivers.

Provide assistance to the City in the preparation of the Airport Privatization procurement documents

We recognize that the City has already prepared an RFQ which was submitted as part of the Preliminary Application to the FAA. We have reviewed this document, which represents a solid foundation for the transaction process, and would expect to support the City in refining and finalizing the RFQ for issuance. In particular, we would help the City expand upon the financial qualifications and capacity requirements of the RFQ to a more project specific, and recognizable, format to the bidding market. We understand there to be multiple consortia already formed for this project, and therefore shortlisting to a limited number of teams which can effectively deliver the transaction will be a key step.

We also note that initial consultation with the airlines was anticipated to occur in spring 2017. Understanding the feedback from the initial consultation will also be a key initial activity and, to the extent that this process has been delayed or deferred as the City has considered its approach in recent months, we would suggest that preliminary airline consultation should still be undertaken prior to issuance of the RFQ.

We will also support the City in preparation of the draft RFP for the shortlisted teams. We have significant experience in advising clients in preparing RFPs for a range of different project structures and we can draw on this experience to help the City to develop the documents for the solicitation. However, our work always begins with listening to our client to understand goals, constraints, relative prioritizations, and future plans. We believe that the unique characteristics of our client, the project, market and community should drive the structure of the RFP (and lease) and we will review any draft documents with these in mind.

As applicable, we also can assist the City in clarifying key assumptions and data so that all proposers focus on bringing the best proposals under the true constraints and better ensuring that there is a level playing field. Key among these may be clarity as to any potential amendments to terminal use agreements, which will underpin the proposals.

Once the RFP is released, we can advise on responses to questions received from Proposers relating to the RFP and assist the City in one-on-one meetings with Proposers, to the extent held. We have found that one-on-one meetings during the RFP phase are a valuable means of facilitating dialogue within a competitive framework, and ultimately produce better value for the public sponsor.

As part of the preparation for the RFP phase, we would also anticipate working with the City and other advisors on the following areas:

- ▶ Development of lease agreement for inclusion in RFP - in a P3 concession transaction process, the RFP documents typically include a form of lease agreement (or well-defined termsheet) and a structured process for Proposers' review, so that the RFP and lease may be refined based on feedback from all proposers during the solicitation period. The lease agreement can then be substantially final prior to the submission of proposals, allowing for the owner to receive binding proposals (already diligenced by lenders), with all Proposers bidding on equal terms. However, if the City elects not to include a lease agreement with the RFP, it is still important to clearly outline key terms that will be included in the long-term lease agreement and operating standards. For example, the risk allocation in the lease agreement and operating standards will be particularly important, given the concessionaire will be taking on the operating and maintenance risk associated with a brownfield asset. The inclusion of the lease agreement can lead to a faster post-award closing and also can help mitigate risks of post-award renegotiation that could lead to changes in price, protest or other delays.
- ▶ Preparatory due diligence and data room - as noted above, we can also assist the City in establishing and managing a data room that will be used to share information with bidders, and assist in determining the list of due diligence materials that should be provided to proposers. We will assist in an initial due

diligence of project information to identify key valuation issues relating to matters such as ring-fencing of revenues and costs, normalized earnings adjustments, capital expenditures and associated funding sources and net debt, and assist in coordinating financial information to be provided to proposers. The City should note that poor quality and incomplete information has proved to be a major challenge for other US concessions, adding time to the process and ultimately impacting value received for the asset. Greater clarity and completeness of information will help to avoid risk contingency in proposer pricing. We also note that the current Airport Use Agreement was agreed in 2016 and will expire in 2021, so the concessionaire will have to plan for renegotiation and make assumptions related to this in pricing; similarly clarity about the technical specifications and approach to be taken to the \$170m 5 year CIP would be beneficial. We would strongly suggest that investing adequate time and effort in initial diligence and data collection should be a key initial consideration.

Provide advice in reviewing and analyzing SOQs and proposals received in response to the RFP.

We will provide resources to assist in the City's review and analysis of SOQs and proposals, which could include supporting the City's pass/fail evaluations, qualitative grading and best value determinations, appropriate for each stage. For example, our assistance would focus on the experience and qualifications of the consortia submitting SOQs.

For proposals, we would structure our review and analysis to align with the City's objectives for the process, but would likely include analysis of the quantum and risk related to the upfront receipt and/ or revenue sharing approach (as applicable), the underlying business model and assumptions, the Proposer's approach to the project including operating and capital expenditure plans, key risks, strengths and weaknesses, ability of the proposed approach to meet the goals of the City and key stakeholders, the deliverability of each proposal and/or other bid variables as established by the City. We would provide applicable summaries of information and factual and pro/con analysis to the City. Note that a key consideration in structuring the RFP submittal requirements will be to best enable efficient and illuminating review of proposals.

Financial analysis of proposals

We can assist the City in developing approaches to transparently compare offers including upfront payments and future revenue sharing, and then reflecting the selected approaches in both the RFP submittal requirements and the subsequent financial analysis of proposals.

We also can assist the City in reviewing the financial elements of the proposals, which could include a review of financial statements, evaluation of financing experience, strength of financing commitments, review of financing term sheets, review of financial models, tax assumptions (if applicable) and assessing the deliverability and key risks within the financial plan. Our review and analysis will focus on the key financial elements and understanding the risks to the City. Our MSRB registration also enables us to support your existing municipal advisors in considering the implications of the proposals on existing revenue bond debt, and identifying the optimal course of action.

Assist the City in the negotiations with selected proposer(s)

We will provide advice to the City relating to the key terms of the transaction. EY cannot directly negotiate for the City, nor make management decisions, however we will support the City in its negotiations with Proposers and provide required information and analysis to support its decision-making processes. This process can occur post-award, and/or as part of industry review prior to proposal submission.

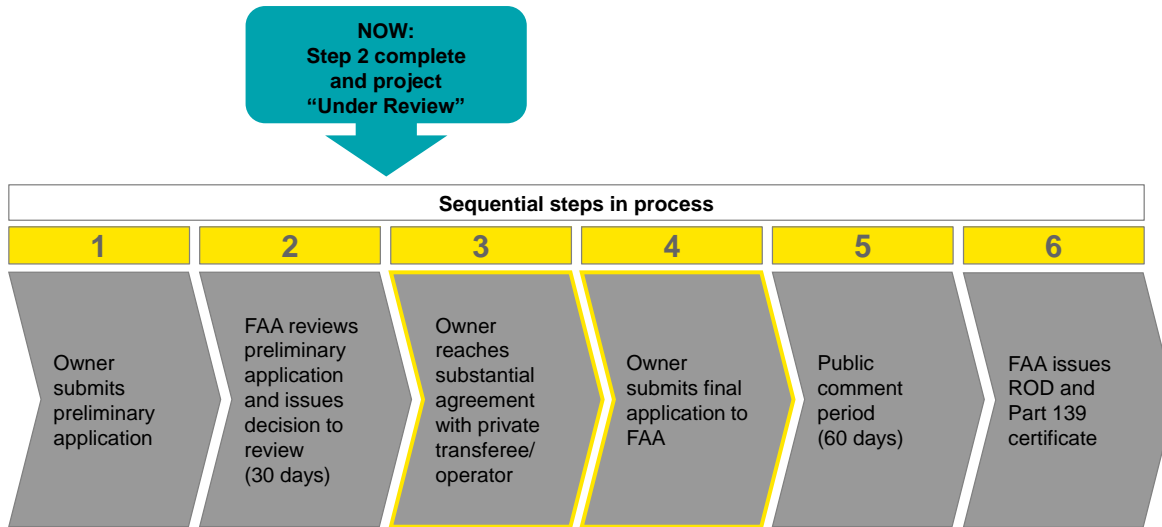
Assist the City and advise in the preparation of the Lease and related documents

In advising on the preparation of the lease and related documents, we will draw on our experience and consider project-specific issues to help the City develop terms for the Project. We will help the City and its legal advisors to analyze and establish key terms such as revenue sharing, risk allocation, O&M performance incentives, performance security, and other key elements.

Assist the City in application submissions to FAA

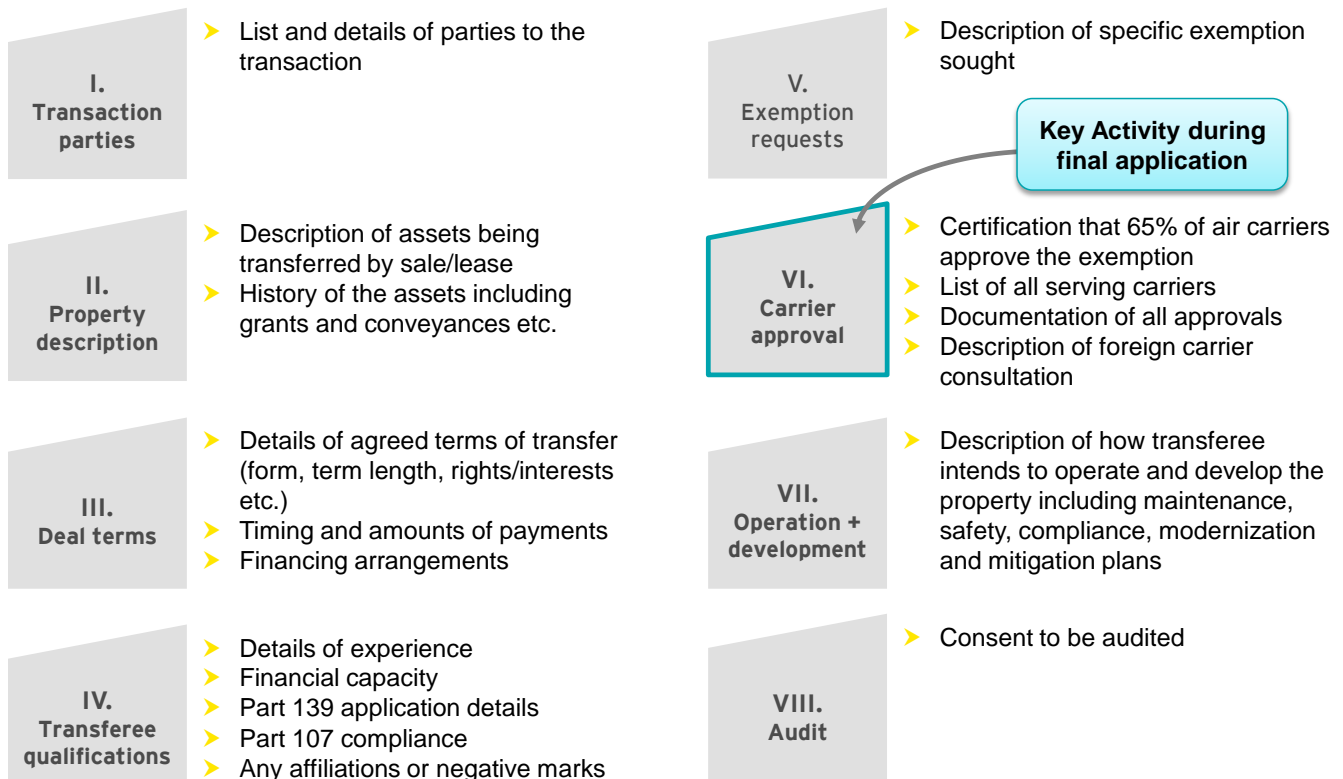
We will work closely with the City, its outside counsel and the selected proposer in preparing the final application submission to FAA under the Airport Privatization Pilot Program. In particular, we will focus on the financial aspects of the application, such as the financial terms of the transaction, financing arrangement and projected impact of the transaction to airport users. We will also work with the City and its counsel to help identify key terms that are required to be included in the transaction in order to receive approval from FAA and incorporated these into the procurement process.

APPP Process Overview



We note that the APPP approval process can be a fairly challenging process, with unpredictable timelines. For example, the Luiz Munoz Marin concession took approximately 12 month from RFQ issuance to award, and 5 months from final application to approval.

Final Application Elements



Experience

The City identified that it is seeking firms with a “global footprint... and have offices within the continental United States along with the ability to demonstrate through prior work, the firm’s ability to attract qualified bidders on a global basis”. EY is uniquely qualified to meet the City’s requirements, combining global resources of more than 240,000 professionals with the local insights drawn from more than 400 staff based in St. Louis. We have summarized some of our relevant national and international experience on the following pages.

US Infrastructure Market Leaders



Financial Advisor on over \$40bn of public-private partnerships and infrastructure in the US alone

Our core competency is acting as financial and commercial advisor on major projects in the US, from market soundings, RFQ and RFP development and release, shortlisting of teams, negotiating of commercial terms, support in evaluation of proposals, selection and reaching financial close

Noteworthy experience of advising public owners on structuring and managing competitive US P3 processes includes:

- Goethals Bridge P3
- Port of Miami Tunnel P3
- I-595 Express Lanes
- Portsmouth Bypass P3
- I-55 HOT Lanes P3

Deep US Airport Experience



Our team has worked across the many facets of major US airport projects

Our team has acted as financial and commercial advisors to airport agencies on P3 procurements as well as provided integrated project management, tax, workforce consulting, financial due diligence, financial model review and valuation advisory services to Proposers

Noteworthy US aviation projects include:

- LAX Landside Modernization Program
- LaGuardia Airport Central Terminal P3
- Westchester Airport Privatization
- Luis Marin Munoz International Airport Concession
- Chicago Midway Airport Privatization

Global Knowledge and Reach



EY has a long history of advising on major airport transactions around the world

We are uniquely positioned to tap subject matter experts and leverage lessons learned across the globe

Noteworthy global projects include:

- Leeds Bradford International Airport Sale
- London Luton Airport Capacity Study
- Queen Alia International Airport Concession
- Montreal Airport Advisory Services
- Vancouver International Airport Expansion
- Billy Bishop Toronto City Airport Concession Sale
- Norwich Airport Concession
- Birmingham International Airport Sale

Selected relevant experience

We have worked on many directly relevant airport and other aviation engagements and have included a representative selection below. We have also included select experience in the competitive procurement of complex infrastructure and P3s nationally and internationally.

Project Name/ Client	Project Description
Select US Qualifications – Airport Related P3s	
Westchester Airport Privatization (USA) Confidential	EY is engaged by a proposer to provide buy side diligence and transaction support related to the potential Westchester airport lease transaction, advancing under the FAA's Airport Privatization Pilot Program
New York LaGuardia Airport Redevelopment (USA) Various Clients	<p>Central Terminal P3 (Terminal B):</p> <ul style="list-style-type: none"> ▶ EY provided tax advisory services to all three bidding teams on the LGA Terminal B Building P3 in connection with the LaGuardia Central Terminal redevelopment project, which the Port Authority of New York and New Jersey is delivering under a P3 structure ▶ EY team member* advised a bidder, providing strategic due diligence and support on consortium management issues <p>Delta Terminal (Terminals C & D):</p> <ul style="list-style-type: none"> ▶ EY provided tax advisory services relating to the \$4bn proposal by Delta Air Lines and Goldman Sachs to design, build, finance, operate and maintain a portion of the Terminal C and D developments, the next phase of the LaGuardia Airport modernization project.
Luis Marin Munoz (LMM) International Airport Concession (Puerto Rico) Confidential Client	<p>P3 Concession Transaction</p> <ul style="list-style-type: none"> ▶ EY team member* led the engagement to provide financial due diligence advisory services to a bidder on its bid for the 40-year concession of LMM International Airport, which included capital improvements, operations, maintenance, facilities and commercial development of the airport, including parking and cargo facilities, and which was privatized under the FAA Privatization Pilot Program. Issues included: <ul style="list-style-type: none"> ▶ Understanding changes in the revenue structure resulting from the revised Use Agreement; ▶ Reconciling existing revenue and cost contracts to financial statements; ▶ Assessing customer collectability issues and normalized bad debt levels; ▶ Understanding the ring-fence of operations versus the government related entity and potential adjustments to include or exclude revenues and costs as appropriate (e.g., utility costs, fuel fees); ▶ Evaluating the additional State and Local taxes to be incurred by the concession post-close; ▶ Assessing other revenue, cost and operational changes of operating privately; and ▶ Assisting with the concession agreement and use agreement negotiations. <p>P3 Concession Stake Sell-Down</p> <ul style="list-style-type: none"> ▶ EY led financial due diligence efforts for a bidder on the purchase of a 50% stake of the LMM International Airport concession
LAX Landside Access Modernization Program (LMP) Los Angeles World Airports (LAWA)	<ul style="list-style-type: none"> ▶ EY is acting as commercial and transactional advisor to LAWA, the entity responsible for managing Los Angeles International Airport, the busiest origin and destination airport in the world. The LMP program includes P3 procurements of the two largest elements of the program: (i) a new \$2.7 billion automated people mover, which will also connect to a new metro station linking the airport to LA's transit system, and (ii) a new \$1 billion consolidated

Project Name/ Client	Project Description
Select US Qualifications – Airport Related P3s	
	rent-a-car facility. EYIA's role includes advising and supporting LAWA for both the projects on procurement strategy, procurement documentation development and implementation, negotiations with bidders, financial close, and general project management and implementation as well as financial modelling and analysis, development of a financial plan, risk analysis and mitigation.
Chicago Midway Airport Financial and Commercial Advisory Services (2008 & 2013) (USA) Confidential client	<ul style="list-style-type: none"> ► EY was retained to provide integrated tax, financial due diligence, financial model review, human capital and valuation advisory services to a private proposer on the Chicago Midway Airport privatization. ► EY team member* led the tax due diligence and structuring workstream on the Midway transaction while employed by a bidder.
Miami Intermodal Center (MIC) Florida Department of Transportation (FDOT)	<p>This \$2 billion development at Miami International Airport is the largest intermodal complex in the US and includes a 6550-car rental car facility, people mover between the airport terminal and the MIC, Metrorail extension to the MIC and MIC Central Station.</p> <p>EY assisted in the procurement of various elements and in financial planning for the project, which incorporated more than a dozen funding sources, including federal loans, with Customer Facility Charges (CFC) from the rental car facility pledged as security. EYIA also assisted in negotiating concession / lease agreements with the 16 rental car companies that now operate from the rental car facility. EY continues to assist with federal reporting requirements, financial model updates and reconciliation.</p>
South Suburban Airport Project (United States) Illinois Department of Transportation (IDOT)	<p>The South Suburban Airport Project is a greenfield development of a new airport to be located southeast of the City of Chicago that is expected to support commercial passenger, air cargo, and general aviation activity.</p> <p>EY has served as financial advisor to IDOT since 2013 to develop potential P3 business plans and project delivery options for the airport. EY led a multidisciplinary team of technical, legal and traffic and revenue advisors to prepare a comprehensive report for IDOT, which laid out several business plan options for the delivery and development of South Suburban Airport and addressed key risks and considerations of each.</p>
Oakland Airport Connector (OAC) Bay Area Rapid Transit (BART)	<p>Challenges with its initial procurement, led BART to engage EY to analyze its revenue forecasts, business plan and P3 delivery structure for the OAC project, a 3.2 mile-long extension of the BART rail system from the Oakland Coliseum station to the Oakland International Airport. With EY's continued financial advice and assistance assembling a new funding plan, and its assistance conducting a highly competitive procurement, BART successfully delivered the \$450 million project under a new design-build-operate-maintain structure. The system is now in operation.</p>

**Experience of EY team member with a previous employer*

Select International Qualifications - Airports	
Leeds Bradford International Airport Sale (United Kingdom) Leeds City Council	<p>EY was the lead financial advisor to the five public authorities selling the Leeds Bradford International Airport. The sale process was completed in an impressive period of six months. The airport was sold for £145.5m, which valued the airport at a record 30.2x EV: EBITDA.</p> <p>EY's role involved designing and executing the competitive sale process, running an effective marketing campaign before and during the process, supporting the negotiating and decision-making process of the five local authorities and working with the clients' legal advisor to structure the transaction contracts with all of the bidders in order to maximize the value generated for vendors.</p> <p>EY helped deliver value to the client by:</p>

Select International Qualifications - Airports

	<ul style="list-style-type: none"> ► Maintaining competitive tension amongst the bidders by managing the information flow and selecting a reserve bidder <ul style="list-style-type: none"> ► Developing the buyers' appetite - strong market interest was generated amongst potential buyers at an early stage and effective informational materials were developed ► Keeping to timetable - keeping the transaction on track and in line with the timetable helped to build confidence in the shareholders' commitment to completing the sale ► A focus on material items in the final negotiations - being prepared to negotiate on the less material items enabled a strong negotiating position for the shareholders for negotiating on the material items ► Retaining control of the process - through keeping bidders well informed of the process, providing necessary access to information and adhering to the sale timetable.
London Luton Airport (LLA) Capacity Study (United Kingdom) Luton Borough Council (LBC)	<p>LLA is owned by a 100% subsidiary of Luton Borough Council ("LBC") and is operated under a 30-year concession (signed in 1998) by London Luton Airport Operations, controlled by Abertis. LBC believes that the airport should be developed to accommodate future demand, which would not be achieved under the current airport development plans.</p> <p>As lead financial advisors to LBC, EY led a consortium of legal and technical advisors, with EY providing commercial and financial advice. This consortium helps LBC with post concession monitoring advising on all matters that arise with the Concessionaire. Over the last several years, EY has advised LBC on the strategic development options generated by the concessionaire for LLA for expanding capacity at the airport. EY assessed the impact of these development options on the current concession framework and analysed the potential financial and commercial consequences for LBC. An agreement was recently signed for additional development at LLA. EY also considered options for terminating and retendering the concession, and developed a transaction strategy and executed a comprehensive market sounding to test investor interest in a new concession. EY's support has helped protect LBC from potential dilution by the concessionaire of its obligations. This is an important issue for LBC (the grantor) as it ultimately bears the risk in a termination event.</p>
Queen Alia International Airport Concession (Jordan) Bidding Consortium (multiple entities)	<p>The Hashemite Government of Jordan executed a 25 year concession agreement for the rehabilitation, expansion and operation of the Queen Alia Airport. EY was the lead financial advisor to the winning consortium. EY's role included developing the bid for the consortium, financial modeling, strategic advice and arranging the financing to fund the expansion. The project was a high profile project, being the largest project finance transaction and one of the first limited recourse transactions in Jordan. EY is currently advising the airport concessionaire in renegotiating their financing during construction.</p>
Montreal Airport Advisory Services (Canada) Aéroports de Montréal (ADM)	<p>EY was retained by ADM to act as their financial and strategic advisor on the development of a 100 acre greenfield real estate project immediately to the West of the Montreal Airport (the "Project"). The 100 acres of property are controlled by ADM as part of a ground lease with Transport Canada that is in effect until 2072.</p> <p>EY firstly acted as a procurement advisor to ADM by going out to the market to source a joint venture development partner to develop the land, with ADM remaining intending to remain as an equity partner in the project. We culminated our process by signing a Letter of Intent to form a joint venture with two real estate developers. EY is now assisting ADM with financial modelling and strategy in relation to the project by building out various financial models and sensitivities to ascertain the highest and best use of the land to better understand what massing strategy would yield the best possible financial returns for ADM, while taking into account the location, size of the project and recent developments in the Montreal real estate market. EY recently crafted a board presentation to brief ADM's board on the project and the projected financial returns.</p>
Vancouver International Airport Expansion (VIAA) (Canada)	<p>EY was engaged as independent financial advisor by YVR in relation to the financing of its \$1.4 billion terminal expansion and related infrastructure program. The EY team acted as the lead financial advisor on the issue of approximately \$500 million senior debentures. EY's scope included reviewing VIAA's strategic direction, business plan and capital projects including terminal expansion; finalizing financial models and conducting sensitivity analyses to establish</p>

Select International Qualifications - Airports

Vancouver International Airport Authority (YVR)	aggregate requirements; developing a confidential information memorandum for potential lenders / investors; identifying appropriate sources of financing and placement agents and running a competitive tender process and evaluating responses received; and proceeding to solicit, negotiate and finalize commitments from financial agents.
Billy Bishop Toronto City Airport Terminal (Canada) Various Clients	EY provided sell-side financial due diligence services to Porter Airlines, which sold its concession right to own and operate the terminal at the airport.
Chinchero International Airport (Peru) OHL and Zurich Airports	EY advised OHL and Zurich Airports on a bid for the Design Build Finance Operate and Maintain (DBFOM) P3 of Chinchero International Airport in Cuzco, Peru. EY provided financial advisory, financial due diligence, tax and accounting services to the bidders on this \$500m+ infrastructure development project.

EY has also advised public clients on a range of other recent US P3 projects, including the following.

Current and recent P3 and innovative delivery advisory engagements for public clients

California Administration Office of the Courts	Long Beach Courthouse P3
City of Denver	P3 Financial Advisor for social infrastructure projects
Empire State Development	Financial advisor for Empire Station Complex development
Fargo-Moorhead Flood Diversion Authority	Fargo Moorhead Diversion P3 Project
Florida Department of Transportation	Port of Miami Tunnel P3
Florida Department of Transportation	I-595 Express Lanes P3
Florida Department of Transportation	Miami Intermodal Center
Illinois Department of Transportation	I-55 HOT Lanes P3
Los Angeles World Airport	LAX Automated People Mover P3
Los Angeles World Airport	LAX Consolidated Rental Facility P3
Massachusetts Bay Transportation Authority	Automated Fare Collection P3 Project
New York State Thruway Authority	Tappan Zee Bridge Replacement
Ohio Department of Transportation	Portsmouth Bypass (Ohio) P3
Port Authority of New York and New Jersey	Capital Program and Goethals Bridge Replacement P3
Texas Department of Transportation	SH-183 Managed Lanes P3
Texas Department of Transportation	Southern Gateway Managed Lanes
University of California	Merced 2020 P3 Project

References

Profile

Proposer details	
a. Proposer name	EY
b. Address	190 Carondelet Plaza, St Louis, MO 63105
c. Year proposer was founded	EY was created by merger in 1989; the predecessor firms were founded in 1906 (Arthur Young & Co) and 1903 (Ernst & Ernst).
d. Total number of employees in Proposer	EY has over 30,000 client-facing professionals and support staff in the U.S. and over 240,000 globally.

Current Client References

Reference Client and Project	Reference Contact Details
Los Angeles World Airports (LAWA) LAX Landside Access Modernization Program EY is acting as commercial and transactional advisor to LAWA with the role involving strategy, transaction documentation development and implementation, negotiations with bidders, financial close, and general project management and implementation as well as financial modelling and analysis, development of a financial plan, risk analysis and mitigation.	Ryan P. Yakubik, CFA Chief Financial Officer 424 646-5251 ryakubik@lawa.org
Port Authority of New York and New Jersey (PANYNJ) Goethals Bridge Replacement Project This work included analyzing and refining potential financing and project delivery approaches, development of commercial aspects of the contract structure, development of RFQ and RFP documents, attracting competition, supporting the evaluation of qualifications and proposals, preparing stakeholder and executive briefing materials, final negotiations, and providing support in reaching financial close. EY continues to support PANYNJ, having recently being appointed as its lead capital financing and business advisor.	Charles Huang 212 435-4458 chuang@panynj.gov
Florida Department of Transportation (FDOT) Miami Intermodal Center (MIC) at Miami Airport EY assisted in the procurement of various elements and in financial planning for the project, which incorporated more than a dozen funding sources, including federal loans and Customer Facility Charges (CFC) from the rental car facility pledged as security. EY also assisted in negotiating concession / lease agreements with the 16 rental car companies that now operate from the rental car facility. EY continues to assist with federal reporting requirements, financial model updates and reconciliation.	Leon Corbett, Project Finance Manager Office of Comptroller 850 414-4421

Past Client References

Reference Client and Project	Reference Contact Details
Empire State Development (ESD) Empire Station Complex EYIA served as the procurement transaction advisor, providing support during the solicitation, including advising on the transaction structure, analysis of proposals, supporting negotiations with development partners and assisting with project management during the procurement effort.	Derek Utter, Director of Finance and Restructuring at the Office of the Governor, New York State 518 402-4012 Derek.Utter@sage.ny.gov

<p>Leeds City Council Leeds Bradford International Airport</p> <p>EY advised the public sponsors on the sale of their interest in the Leeds Bradford International Airport in the UK. EY's role involved designing and executing the competitive sale process, running an effective marketing campaign before and during the process, supporting the negotiating and decision-making process of the five local authorities and working with the clients' legal advisor to structure the transaction contracts with all of the bidders in order to maximize the value generated for vendors.</p>	<p>Martin Farrington, Director of City Development +44 113 224 3816 Email: Martin.Farrington@leeds.gov.uk</p>
<p>New York State Thruway Authority New New York Bridge (Tappan Zee Bridge Replacement Project)</p> <p>EY advised on the financing and procurement of the \$4 billion project to replace the Tappan Zee Bridge. EY provided commercial and financial advice during the procurement and supported the Thruway's development of key terms and financial scoring methodology, and its analysis of proposals and final negotiation processes.</p>	<p>Matt Howard, CFO 518 436-2900 Matt.howard@thruway.ny.gov</p>

Personnel

We bring a unique and diverse multi-disciplinary team of personnel with significant experience in driving competitive transaction processes and providing strategic, financial and commercial advisory relating to infrastructure transactions. While staffing requirements would fluctuate at each stage of the process, we have summarized staffing for the engagement below and would be able to supplement our core team and subject matter resources at key stages or to meet an expedited timeline, as may be required.

Team members	Background and experience
Core Team	
 <p>Sue Lee <i>Senior Managing Director</i> Philadelphia, PA</p> <p>Role: P3 airport lead</p> <p>JD – University of Pennsylvania Law School BA – University of Pennsylvania (magna cum laude)</p>	<p>Sue Lee is a Senior Managing Director with Ernst & Young Infrastructure Advisors, LLC. She provides financial and strategic advisory services related to P3 projects. Prior to joining EYIA, Sue worked in the Banking and Project Finance practices of Milbank, Tweed, Hadley & McCloy LLP and Allen & Overy LLP, where she advised US, international and multilateral agencies, lenders and other financing parties and equity sponsors in connection with a broad range of project finance, infrastructure and corporate transactions.</p> <p>Sue's work includes assisting LAWA, as transactional advisor for LAWA's \$4B P3 projects for automated people mover and consolidated rental car facility at Los Angeles International Airport. She is also assisting Illinois DOT with planning and delivery options for the South Suburban Airport, a proposed greenfield airport south of the Chicagoland area.</p> <p>Further, Sue is Principal-in-Charge for EY's engagement with Missouri Office of Administrative Services on developing a P3 program for capital projects on state building. She also advises Port Authority of New York and New Jersey on its Ports Masterplan and Illinois DOT on its P3 program, including the I-55 P3 concession project.</p>
 <p>Jehan Thind <i>Senior Vice President</i> New York, NY</p> <p>Role: Financial and transaction advice</p> <p>B Com – Accounting and Finance - University of Sydney, Australia CFA Institute Charter holder</p>	<p>Jehan has over 11 years of experience in M&A and capital markets, spanning principal investment (infrastructure and real estate) and investment banking (generalist coverage).</p> <p>His engagement experience with EY includes acting as commercial and transactional advisor to Los Angeles World Airports Authority (LAWA) on the Landside Access Modernization Program, including P3 procurements of the two largest elements of the program, a people mover and consolidated rent-a-car facility.</p> <p>Jehan also completed an investment assessment on a multi-billion dollar brownfields, revenue risk toll project for a U.S. pension fund. Highlighted key risks around capital structure, asset level assumptions, governance issues, competitor landscape, return metrics and performed financial analysis to support the investment decision.</p> <p>Additionally, he acted as financial advisor in the successful procurement of the University of California Merced's \$1bn plus "Project 2020" P3 to expand its campus.</p> <p>Prior to joining EY, Jehan originated and executed buy-side transactions on behalf of listed and unlisted managed funds for Colonial First State Global Asset Management. These included leveraged buyouts and tender processes of global transport, energy, water and global real estate assets. Airport transaction experience included evaluating buy-side opportunities in key Australian airports including Brisbane and Hobart airports.</p> <p>Key infrastructure asset acquisitions included 50% acquisition of UK \$4 billion United Utilities' regulated electricity distribution network (Electricity North West) and leading the consortium take-private of \$14 billion regulated UK water utility Anglian Water. Real estate transactions included complex \$500m+ portfolio/ corporate acquisitions funds funded through simultaneous equity and debt issuances.</p>



Nicole Doheny
Senior Vice President
New York, NY

Role: Financial and transaction advice

MBA – Harvard Business School

BS – Stanford University

Nicole has extensive experience providing infrastructure investment banking and advisory services to both public and private sector clients relating to P3s, including in the transportation sector. With experience serving in advisory and financing capacities, she has been involved in initial transaction development through documentation and execution of financings.

Nicole's experience includes acting as project manager to Empire State Development / Moynihan Station Development Corporation on the Empire Station Complex, and advising the Port Authority of New York and New Jersey on the Goethals Bridge Replacement P3 Project.

Prior to joining EY, Nicole worked at Lehman and latterly Barclays, where her experience included participated in the execution of the private debt financing for the JFK Terminal 2/4 Expansion Project, which included a \$796 million issuance of special project bonds backed by terminal revenues.



Neil Brian Samen
Senior
New York, NY

Role: Financial and transaction advice

MBA – Yale

BS – University of Maryland

Neil joined EY to provide financial advice to sell-side government clients on major infrastructure transactions. He previously worked in Prudential's private placement business, where worked in the infrastructure finance group, focused on direct investments in various sectors, including transportation and aviation.

Previously he had roles with Standard & Poor's (focused on the Transportation, Aerospace and Defense sectors), Deutsche Bank Securities and UBS.



Carmen Alfieri
Executive Director
New York, NY

Role: Sell Side Financial Due Diligence

BS - Carroll School of Management at Boston College

Carmen is an Executive Director in EY's Transaction Support practice. For over 13 years, Carmen has advised large and middle market private equity, infrastructure fund investors and corporate acquirers on their transactions in various industries, with a particular focus on infrastructure.

Carmen's experience includes leading multifunctional teams on complex mergers and acquisitions, carve-out transactions and divestitures. She has successfully advised on more than 50 transactions ranging from \$10M to over \$20B in enterprise value.

Carmen has extensive experience advising investors in a variety of infrastructure subsectors, including airports. Carmen led the financial due diligence efforts for a bidder on the Luis Marin Munoz International Airport P3 concession, including understanding changes in the revenue structure as a result of the revised Use Agreement, understanding the ring-fencing of operations versus the government related entity, evaluating state and local taxes to be incurred by the concession, assessing other revenue, cost and operational changes of operating privately, and assisting with the concession agreement and use agreement negotiations.

Carmen also led due diligence efforts for a potential bidder pursuing the purchase of a 50% interest in the Luis Marin Munoz International Airport concession.

She is currently providing buy side diligence and transaction support services to a proposer on the potential Westchester airport lease transaction, advancing under the FAA's Airport Privatization Pilot Program



Jackie Taylor
Executive Director
New York, NY

Role: Workforce strategy

BS - Mercy College, NY
Certificate in Leadership,
Harvard University Executive
Leadership Program
Certified Senior Professional in
HR

Jackie Taylor is the US leader for People Advisory Services within EY's Government and Public Sector practice. She has over 15 years of experience in assisting global and national organizations, states and local governments on organizational strategy and human capital matters.

She has assisted numerous organizations in aligning strategic human resources service delivery with business goals, including process optimization and technology enablement, job distribution strategy, talent strategy and management programs (succession, performance, compensation), service delivery and shared services.

Jackie joined EY from a Fortune 500 company where she was Head of Global HR systems with the organizational development group.



Neil McMonagle
Senior Managing Director
Washington, DC (relocating to
Chicago, IL in November 2017)

Role: P3 transaction advice

LLB (Hons) - University of
Strathclyde, UK
Institute of Chartered
Accountants of Scotland

Neil McMonagle is a Senior Managing Director in EYIA and has more than 15 years advising on the financing and procurement of major infrastructure projects and public-private partnerships (P3s) in the UK, Europe and North America. He is in the process of relocating from Washington DC to Chicago to focus on advising public authorities on infrastructure transactions in the Midwest.

Neil is currently advising the Port Authority of New York and New Jersey on opportunities for P3s within its \$30B capital program.

He has advised governments on successfully closed P3 transactions for clients including Texas DOT, Ohio DOT, Port Authority of New York and New Jersey, and FirstNet (an independent authority within the U.S. Department of Commerce).

Subject Matter Resources



Dan White

Partner/Principal
Chicago, IL

**Role: Transaction tax/
Stakeholder management**

Dan is a principal in Ernst & Young's Transaction Advisory Services group where he helps clients design and implement tax-efficient methods of achieving their strategic business objectives. He has over 18 years of experience advising private equity firms and multinational corporations on complex business transactions, including cross-border mergers and acquisitions, global restructurings, and foreign and domestic joint ventures.

Dan served for more than 4 years as a Commissioner on the board of St Louis Lambert International Airport, where he focused on finance and revenue matters, including analyzing alternative financing arrangements and P3 concepts



Tuyen Mai

Senior Managing Director
Los Angeles, CA

Role: Financing

MS - University of Paris - X
MCE - French Ecole Nationale
des Ponts et Chaussées

Tuyen has 15 years of experience in structured finance and transportation megaprojects in Europe and North America.

Previously served as project manager on international road and airport private developments for Egis, a major European infrastructure engineering and operations group, including on the development, negotiation, financing and initial construction for the \$800m P3 redevelopment of the Larnaka and Pafos airports in Cyprus. The project was awarded the European Transport Aviation Deal of the Year Award by Project Finance Magazine.

He currently advises LA Metro on its P3 program, and supports EY's P3 engagements with LA World Airports at LAX.



Tom Rousakis

Senior Managing Director
New York, NY

Role: Financing strategy

MPP - Harvard
BA- Harvard

Tom has 20 years of experience in US infrastructure finance and is a recognized authority on the growing US P3 market. Tom joined EY from Goldman Sachs's Public Sector & Infrastructure Banking group, where he was co-head of the national transportation and project finance practice and responsible for strategic planning and execution of its nationwide transportation effort and coverage of Federal transportation policy developments.

He currently advises state and local government clients on financing and delivery of major infrastructure, including acting as Statewide P3 Advisor to Colorado DOT, P3 advisor to City of Denver, advising on the Empire Station Complex (Moynihan/ Penn Station), and supporting LA Metro's P3 program.

He has supported financings for Airport Commission of the City and County of San Francisco, City of Manchester, New Hampshire, Dallas Fort Worth International Airport Facility Improvement Corporation, City of Charlotte, North Carolina and Rhode Island Economic Development Corporation, amongst others.



Michael Doolan
Partner/Principal
 New York, NY

Role: Tax Advisory

BCom/LLB, Masters of Law -
 University of Sydney
 CPA - Licensed in California
**Chartered Accountant –
 Institute of Chartered
 Accountants Australia**

Michael has over 25 years of experience in mergers & acquisitions, international tax and working for and advising private investment funds. His principal focus is on tax planning and structuring for funds and investors in the infrastructure sector. He has worked across a broad range of infrastructure asset classes, including airports.

Michael joined EY in 2011 from Macquarie Group, the global investment bank and asset management firm. At Macquarie, Michael was the Senior Managing Director responsible for tax and structuring in the Americas for Macquarie Infrastructure and Real Assets (MIRA). In this role, Michael led the tax and structuring workstreams for Macquarie on the Midway Airport P3 transactions in 2008 and 2013. At EY, Michael provided tax advisory services on a bidder on the LaGuardia P3 transaction.



Matt Hobby
Senior Vice President
 New York, NY

**Role: Procurement & Financial
 Evaluation**

MBA – Finance – Yale School of
 Management

BA – Wesleyan University

Matt has 15 years of experience in transaction advisory, credit analysis, cash flow forecasting and financial structuring. Matt was previously a Director with Standard & Poor's (S&P) Public Finance and Project Finance infrastructure ratings group, where he focused on the P3 sector. He has significant experience in airports, toll roads, ports, transit and social infrastructure.

Matt's experience includes acting as a key member of the team advising the New York State Thruway Authority on the \$4bn Tappan Zee Replacement project. Matt has also advised the Georgia and Texas Departments of Transportation on the procurement of large-scale infrastructure projects.

His airports credit analysis experience at S&P includes acting as lead analysis for Hartsfield Jackson Atlanta International Airport, Cleveland Hopkins International Airport, Port Columbus International Airport, Kenton County Cincinnati International Airport, Omaha Eppley Airfield, and Albany International Airport, amongst others.



Richard Tollis
Partner
 London, UK


**Role: Senior Aviation Sector
 Specialist**

BSc Economics & Politics -
 University of Bristol,

MSc Economics & Financial
 Economics - University of
 Bristol

Richard is the sector leader for EY's Europe, Middle East, India & Africa ("EMEIA") Infrastructure practice, specializing in providing advisory services for the transportation sector, with an emphasis on airport and highway projects. Richard has experience in many different roles across the infrastructure sector including infrastructure fund management, government, investment banking and lead financial advisory work.

Richard's experience includes advising a bidder on its bid for the La Guardia Airport concession (including strategic due diligence and support on consortium management issues), leading the bid for 3iN on its consortium bid for Gatwick Airport, acting as lead financial advisor to Luton Borough Council on the financing and development of Luton Airport, bid side lead financial advisory on Queen Alia Airport concession (Jordan), sell-side lead financial advisor to local authority owners on the Leeds Bradford International Airport privatization and buy-side lead financial advisory on Manchester Airport's acquisition of East Midlands and Bournemouth Airports.

<p>Manish Gupta <i>Partner/UK Infrastructure Lead</i></p> <p>Role: Global Aviation Sector Specialist (Finance)</p> <p>MBA - Strategy & Finance Engineering – Electronics & Telecommunications</p>	<p>Manish is the head of EY UK's Infrastructure Advisory, Transport group and has over 18 years of relevant UK and international experience and a deep understanding of transport and aviation sectors. Manish has assisted clients in a variety of roles including leading the financial, commercial and economic advisory provided to Transport for London with regards to the Airports Commission, advising Luton Borough Council on the strategic options for expansion of Luton Airport and possible restructuring or retender of the existing Concession Agreement and advising High Speed 2 on delivery, procurement and funding options.</p> <p>Prior to joining EY, Manish had 9 years of experience of infrastructure finance, working both as a sponsor/developer heavily focused on airport development (Alterra Partners and Bechtel Enterprises) and as a banker.</p>
 <p>Marc Brazeau <i>Associate Partner</i> Ottawa, Canada</p> <p>Role: Canada Aviation Sector Specialist (Management & Operations)</p> <p>Masters in Urban Planning and Regional Development - Université Laval</p> <p>Bachelor of Arts - University of Ottawa</p>	<p>Marc is an Associate Partner in EY's Capital and Infrastructure Advisory practice in Canada. He has more than 15 years of experience working in the public sector overseeing infrastructure, transportation, real property and environmental-related areas.</p> <p>In this role, Marc worked on behalf of the Government of Canada to carry out landlord responsibilities relating to the National Airport System and Canadian Port Authorities assets, worth in excess of \$10bn, and led, through five regional offices, the management and operations of 18 regional and remote airports and 45 local ports located across Canada, overseeing 25 - 30 capital projects per year.</p> <p>He has also had responsibility for O&M and Capital budgets of up to \$150 million annually and was responsible for leading up to 300 employees located across Canada. Marc has been responsible for managing several complex infrastructure projects and overseeing large procurement processes, including under P3 and other alternative procurement models, for aviation and other major transit infrastructure projects.</p>

Staff coordination

As a Senior Managing Director in EYIA, Sue Lee will ensure that the City has access to the most appropriate resources for the each phase of the transaction, which will ultimately involve staff from all levels of the firm. Our approach to staff coordination is based on the following principles:

- ▶ *Utilizing multi-disciplinary leaders in the P3 advisory market:* Our team brings personnel with significant experience in P3s and other complex infrastructure transactions.
- ▶ *Deep bench of subject matter resources and support personnel:* The range of experiences of our team's subject matter resources ensures that there are sufficient specialized skills and personnel available to deliver the project scope within required deadlines and avoid any gap in service should any key personnel need to take any other unexpected leave. Further, the breadth and scale of EY, allows us to bring additional value to clients when advising on multi-disciplinary projects, because EY can provide specialists from over 20 competencies, including government & public sector procurement capability, insurance, construction management, real estate advisory, economic analysis, capital markets, restructuring, and environmental finance, as and when needed.
- ▶ *Flexible and efficient staffing:* Our access to senior, experienced staff and deep sector specialists allows us to staff the transaction in manner that is most cost effective for the City, minimizing aimless analysis and "over study", and quickly identifying key transaction drivers and decision points.

Method of Compensation

In accordance with the Proposer Certification, our submission represents an offer to negotiate with the City and is not a bid, and we would therefore welcome the opportunity to further discuss the approach to compensation with the City and stakeholders. As such, we offer the following information:

- ▶ For the full scope of services requested by the City (inclusive of legal, technical and other services not quoted in this proposal), we would anticipate total advisory compensation of **1.5% to 2.5%** of gross lease proceeds and capital improvements (assuming the City seeks a single upfront payment), inclusive of costs and expenses.
- ▶ Recognizing that our proposal does not include all legal counsel or technical advisory services, we estimate that EY's total compensation for the scope elements specifically provided on a transaction of this scale and complexity to amount to **0.4% to 0.9%** of gross lease proceeds and capital improvements (again, assuming the City seeks a single upfront payment), inclusive of costs and expenses.

The RFP and related questions and answers clearly emphasize the City's intention that advisors will only be paid upon closing of the transaction. While the concept of completion or contingent fees can offer some benefits to the City and other stakeholders by sharing risk with its advisors, it is our experience that "success fee" arrangements can create perverse incentives for advisors, as well as potential challenges related to ethics and professional obligations. A payment structure which rewards advisors for earlier achievement of financial close regardless of the substance of the transaction, does not incentivize pursuit of terms which best protect the public interest or maximize value to the public sponsor.

However, we appreciate that the City and other stakeholders wish that the advisors share some risk in the transaction, and believe that there are alternative approaches which can help achieve this in a more balanced manner. As such, we would be willing to:

- ▶ Provide "not-to-exceed" fees for defined phases of the transaction, payable upon completion of each phase, allowing reasonable gating points at which the City and stakeholders can consider whether they wish to continue to proceed with the transaction. We would suggest such gating points may include:
 - issuance of the RFQ;
 - shortlisting of teams to receive the RFP;
 - issuance of the draft and/ or Final RFP;
 - selection of preferred bidder;
 - submission of Final Application;
 - achievement of Financial Close.
- ▶ Provide either a rate card by labor grade or a single blended hourly rate for all grades, consistent with our rates for other comparable services.

We would welcome the opportunity to discuss further with the City and stakeholders.

Forms and Certifications

PROPOSER CERTIFICATION

The undersigned agrees and understands that this proposal and all attachments, additional information, etc. submitted herewith constitute merely an offer to negotiate with the City and is NOT A BID. Submission of this proposal, attachments, and additional information shall not obligate or entitle the proposing entity to enter into a service contract with the City for the required services. The undersigned agrees and understands that the City is not obligated to respond to this proposal nor is it legally bound in any manner whatsoever by the submission of same. Further, the undersigned agrees and understands that any and all proposals and negotiations shall not be binding or valid against the City, its directors, officers, employees, or agents unless a contract is signed by a duly authorized officer of the City Counselor's Office.

It is understood and agreed that the City reserves the right to reject consideration of any and all proposals including, but not limited to, proposals which are conditional or incomplete. It is further understood and agreed that the City reserves all rights specified in the Request for Proposals.

It is represented and warranted by those submitting this proposal that except as disclosed in the proposal, no officer or employee of the City is directly or indirectly a party to or in any other manner interested in this proposal or any subsequent service agreement that may be entered into.

Ernst & Young Infrastructure Advisors LLC

By: 

Name: Sue Lee

Title: Senior Managing Director

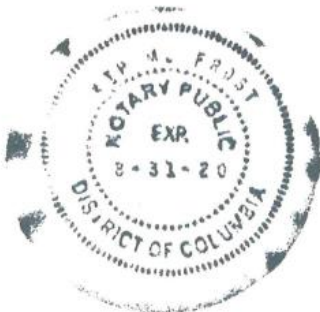
ACKNOWLEDGMENT

DISTRICT OF COLUMBIA____ }
COUNTY OF N/A } ss.:

On this 20th day of October, 2017 before me, the undersigned, personally appeared Sue Lee, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as ~~President and sole officer and director~~ Senior Managing Director of Ernst & Young Infrastructure Advisors, LLC, the corporation described in and which executed the within instrument, and acknowledged that he/she signed the within instrument on behalf of said corporation.


Notary Public

KIP M. FROST
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires August 31, 2020



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