



OFFICE OF THE MAYOR
CITY OF CHICAGO

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**CITY OF CHICAGO MIDWAY PILOT APPLICATION APPROVED BY FAA AND REQUEST
FOR QUALIFICATIONS NOW AVAILABLE ONLINE FOR POTENTIAL BIDDERS**

*City Posting RFQ Online Today to Test Market Conditions and Possible Revenue Generation
from Potential Lease of Midway Airport*

The United States Federal Aviation Administration (FAA) has approved the City of Chicago's preliminary application to its privatization pilot program, allowing the City to move forward with issuing a Request for Qualifications (RFQ) for potential interested bidders in Midway Airport and test market interest, conditions and revenue generation possibilities for the potential lease of Midway.

"Our responsibility is to the taxpayers of Chicago and the first step is to gain a complete understanding of the revenue and market opportunities available to us," said Lois Scott, Chief Financial Officer of the City. "We must evaluate fully if this could be a win for Chicagoans and ensure that certain conditions and criteria are met, including a direct benefit to taxpayers and a Travelers' Bill of Rights. The city's process and approach will be thorough and open, in stark contrast to the lease deals of the past."

The RFQ was met with support from the airline industry, specifically from Southwest Airlines. Midway is Southwest's largest airline in terms of flights and passengers. The airline supports efforts to understand the market opportunities at the facility, with a focus on the potential of locking in long-term, low-cost facilities. Southwest believes that a potential lease of Midway could have positive implications on service expansion and pricing of travel.

Additional guidelines detailed in the RFQ include:

- Long-term lease of fewer than 40 years – The length of the lease will be less than 40 years – significantly shorter than other transactions.



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- Long-term cash flow stream for long-term capital needs – Any transaction must be structured to provide an ongoing source of funds for capital needs.
- Revenue share – Initial proceeds will be used to pay off debt issued by the City dating back to 1996 to rebuild the new Midway Airport. The City will retain ownership of Midway Airport and receive a percentage fee that will grow over time, ensuring taxpayers share in the financial success of the airport.

Last week Mayor Emanuel named a Midway Advisory Panel comprised of representatives from the City Council along with business, labor and civic leaders. The Panel will select an independent financial advisor to review all aspects of the transaction, including the competitive procurement process, key terms of the transaction, impact on labor and traveling public, and valuation. The Panel will deliver a written report prior to Council consideration and to present their report to the public. City Council will be encouraged to give this Panel specific areas to review during the process. In addition, the City has committed that City Council will have at least 30 days to fully review any potential lease of Midway Airport.

This RFQ allows prospective bidders to formally express their interest and qualifications to potentially bid on an agreement for Midway. Interested bidders are asked to respond to the RFQ no later than 4:00 pm CT on February 22, 2013. Based on the RFQ submissions, the City will determine those interested parties that are qualified to move forward in the process.

The RFQ is available online in PDF form here:

<http://www.cityofchicago.org/content/dam/city/depts/fin/Midway/ChicagoMidwayInternationalAirportRFQ.pdf>

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