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MAYOR EMANUEL AND AIRLINES SIGN HISTORIC \$8.5 BILLION AGREEMENT TO TRANSFORM CHICAGO O'HARE INTERNATIONAL AIRPORT

City and airlines execute agreement to grow O'Hare's terminals, creating tens of thousands of new jobs and steady long-term economic growth for the City and its residents

Mayor Rahm Emanuel today joined airline and City officials at a signing ceremony to execute the historic \$8.5 billion plan to modernize Chicago O'Hare International Airport. Following approval by the City Council, the City of Chicago and leadership from United, American, Delta and Spirit airlines entered into a new agreement to expand and elevate O'Hare to transform the airport into a modern, 21st century global gateway.

The new use and lease agreement between the City and its airline partners will launch the largest capital expansion of the airport's history and will be developed over the next eight years. The O'Hare 21 terminal redevelopment program creates 60,000 construction jobs and tens of thousands of permanent jobs, spurring long-term economic growth and opportunities for the city.

"The O'Hare transformation is a boarding pass to a brighter future for Chicago," said Mayor Rahm Emanuel. "We are creating tens of thousands of jobs across our city for years to come, injecting billions of dollars into our economy and positioning O'Hare as the gold standard for airports around the world. Even by the sky-high standards of a city famous for making no little plans, the O'Hare expansion is a big deal for Chicago's future."

In addition to increasing connectivity and reducing delays, the plan to expand O'Hare's facilities will create 25 percent more gate capacity, new state-of-the-art security and technology, and a series of infrastructure improvements to increase airline performance and deliver a seamless experience to customers. The plans enable growth for the airport and its airline partners, and are expected to increase healthy competition for customers.

"We are investing in capacity, technology, and modern facilities that will elevate the customer experience and significantly improve operational efficiencies with our historic \$8.5 billion expansion plan so that O'Hare remains a top global hub and strong competitor

in today's growing commercial aviation sector," said Chicago Department of Aviation Commissioner Ginger S. Evans. "Working together with our airline partners, we will ensure O'Hare is positioned to grow and better serve its customers with new modern amenities, while providing a myriad of new opportunities for Chicagoans to participate in O'Hare's growth and economic power."

O'Hare 21 includes long-term redevelopment and expansion of the Airport's terminal core. O'Hare's first major terminal improvements in more than 25 years will begin with construction next year. By 2026, the Terminal Area Plan (TAP) will completely redevelop O'Hare's existing terminals, with expanded gates and facilities at Terminal 5, the redevelopment of Terminal 2 into a new fully integrated O'Hare Global Terminal to serve international and domestic passengers, and renovations and expanded concourses to Terminals 1 and 3.

These changes will expand terminal capacity to drive a wide range of improvements to the overall passenger experience:

- Increased gates will enhance airline performance, reduce flight delays, and expand travel options for customers;
- New comprehensive security screening upgrades to enhanced security and further reduce wait times for passengers;
- New self-service technologies will allow passengers to quickly check-in for their flight and drop-off their bags
- State-of-the-art baggage systems will streamline baggage connectivity;
- Spacious concourse will provide concessions, departure lounges and public amenities.

"On behalf of the 15,000 United members who live, work and raise their families in the Chicago area, we fully support this ambitious plan for a future O'Hare that ensures the Second City has an airport second to none," said Oscar Munoz, CEO of United Airlines. "As Chicago's hometown airline, we commend the mayor and his team for reaching an agreement that ensures O'Hare gives Chicago a competitive edge long into the future and provides our great city the world-class airport it deserves."

Many of the terminal investments are geared toward making O'Hare a more attractive gateway for international travel. The centerpiece of the new O'Hare plan is a new world-class international terminal, called the O'Hare Global Terminal, which will deliver a larger arrival facility and improvements to customs and immigration processing using new and advanced technologies to deliver a seamless experience for connecting passengers.

"Signing this lease today serves as a renewal of our commitment to serving the people of Chicago," said Stephen Johnson, American Airlines Executive Vice President – Corporate Affairs. "We are thrilled to support this transformational agreement because it is what is

best for the city of Chicago, our Chicago team members and our customers. We look forward to growing at O'Hare in the years to come."

Combined with the new Global Terminal, the extension of Terminal 5 will better integrate all domestic and international airline operations at O'Hare, helping millions of passengers each year to avoid the hassle of long transfer times between Terminal 5 and the terminal core. O'Hare will also soon become home to the first Global Alliance Hub in North America and one of only 5 in the world, where each of the three international airline alliance partners operate within a single terminal facility to make connecting flights more seamless and convenient for passengers.

"Delta's ties to the Chicago market go back to the early days of commercial aviation, more than 90 years ago," said Wayne Aaron, Delta Airlines Senior Vice President of Properties and Facilities. We are excited about the opportunity to move to Terminal 5, where co-locating with our Sky team Partners in a modern and spacious facility will improve our ability to connect passengers--making Chicago a more attractive destination for both Delta and SkyTeam flights in the future."

O'Hare is expected to serve nearly 100 million passengers by 2026, up from nearly 80 million served today. As O'Hare adds gates and improves its terminals, passenger volumes are expected to keep pace with a strong demand for air travel worldwide. To prepare for future passenger volumes, the plan includes a mechanism for continued development beyond the first phase of the program so that O'Hare can flexibly manage the demand forecasted by the industry.

"Spirit Airlines is committed to growing our operation at Chicago O'Hare, and this agreement will do just that," said John Bendoraitis, Executive Vice President and Chief Operations Officer for Spirit Airlines. "We are excited to move forward with the City of Chicago on this well-planned evolution that will make way for much needed competition in the market and ultimately provide more options and competitive pricing to travelers in Chicago and beyond."

In addition to an abundance of construction jobs, O'Hare's redevelopment is expected to spur the creation of new permanent jobs for Cook County once the TAP is complete. The projected 60,000 additional annual jobs includes 35,000 permanent tourism-related jobs, and 25,000 new jobs for the airport, airlines, and supporting industries. With O'Hare 21 and TAP, the airport will contribute an additional \$16 billion per year to the county economy, compared to today's \$39 billion, with new economic activity associated with jobs and resources needed to operate and supply a significantly larger terminal complex.

"The plans to modernize O'Hare will ensure the City of Chicago has the world-class airport it deserves, while fueling good paying jobs for the community," said Chairman Michael Zaleski, 23rd Ward alderman. "I want to applaud the leadership by my colleagues of the

City Council today on advancing these plans. We look forward to working together with the Department of Aviation on building a modern new airport and ensuring that the plans for O'Hare 21 and the terminal expansion include opportunities for a wide range of residents and businesses representing our city."

The Chicago Department of Aviation (CDA) has committed to seeking all available opportunities for Chicagoans to participate in new contracting and employment opportunities made by possible by the historic terminal expansion program. Through new contract provisions and participation in the new interagency Construction Advisory Committee, the CDA will work to build capacity across all O'Hare 21 projects to ensure meaningful participation by MBE and WBE firms is achieved and that O'Hare's ongoing redevelopment creates new opportunities for residents in every corner of the city.

In addition to setting forth a historic capital plan, the Use and Lease agreement establishes a modern business arrangement to provide governance over airport operations for O'Hare's 61 airline users. The agreement is aligned with current industry standards and includes provisions to ensure continuity in terms across all of O'Hare's aeronautical leases, and that the City of Chicago can recover the full cost of operating the airport through its anticipated growth. O'Hare's new Use and Lease agreement will go into effect on May 12, 2018, upon expiration of the current 35-year-old lease.

The agreement signed today is another step forward for Mayor Emanuel's O'Hare 21 vision to build a modern O'Hare. O'Hare 21 calls for a dramatically elevated travel experience, better access and amenities for customers, capacity to accommodate today's fast-growing commercial aviation industry, and the foundation to fuel Chicago's leading international connectivity. The terminal expansion program follows key O'Hare 21 projects underway today, including: the Terminal 3 (L stinger) concourse expansion; the hotel redevelopment; construction on the new Multimodal Facility; and the new Runway 9C/27C.

For more on O'Hare 21 and TAP, please visit the new website created to provide regular updates on the program, ORD21.com.

<https://youtu.be/-MK83kT8Ci4>

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