



## Indianapolis Airport Authority

**Agenda**  
**Indianapolis Airport Authority**  
**October 18, 2019**  
**8:00 AM**

- I. **Call to Order**
- II. **Approval of Minutes of the IAA Board's Regular Meeting of September 20, 2019.**
- III. **Ordinances, Resolutions and Public Hearings**
  - a) **Public Hearing and adoption of General Ordinance No. 05-2019**, concerning the Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Refunding Revenue Bonds" to refund a portion of the Authority's outstanding revenue bonds and to fund other projects planned for debt financing in IAA's approved 2020 capital budget, as more particularly described in said BP2019-10-01.
  - b) **Introduction of General Ordinance No. 06-2019**, concerning the 2020 Rates and Charges Ordinance, as more particularly described in said BP2019-10-02.
  - c) **Consider for approval Resolution No. 12-2019**, concerning the authorization of union elections, as more particularly described in said BP2019-10-03.
  - d) **Public Hearing on BP2019-10-05**, regarding a certain acceptance of offer with City of Indianapolis, for the sale of approximately 0.011 acres of fee simple land and 0.009 acres of existing right-of-way land located at Hanna Avenue Indianapolis, Indiana, for a total sale amount of \$1,110.00 as more particularly described in said BP2019-10-05.
  - e) **Consider, for approval, BP2019-10-05**, regarding a certain acceptance of offer with City of Indianapolis, for the sale of approximately 0.011 acres of fee simple land and 0.009 acres of existing right-of-way land located at Hanna Avenue Indianapolis, Indiana, for a total sale amount of \$1,110.00 and authorizing IAA Staff to consummate sale transaction.
  - f) **Public Hearing on BP2019-10-06**, regarding a certain Real Estate Sale Agreement with SCP Acquisitions LLC, for the sale of approximately 17.336 acres of land located at Metropolis Woods, Plainfield, Indiana, for a total sale amount of \$494,076.00, as more particularly described in said BP2019-10-06.

- g) **Consider, for approval, [BP2019-10-06](#)**, regarding a certain Real Estate Sale Agreement with SCP Acquisitions LLC, for the sale of approximately 17.336 acres of land located at Metropolis Woods, Plainfield, Indiana, for a total sale amount of \$494,076.00 and authorizing IAA Staff to consummate sale transaction.
- h) **Consider for approval and adoption [Resolution No. 13-2019](#)**, concerning the Delegations of Authority Resolution (extension of 11-2017), as more particularly described in said [BP2019-10-04](#).

#### IV. **Board Reports**

- a) Board President's Report

#### V. **Official Actions**

Consider, for approval, the individual items on the IAA General Agenda, dated October 18, 2019.

#### VI. **Staff Reports**

- a) **Executive Director's Report**

- i. IAA received more than \$18 million in federal and state grants
- ii. Awards and Staff Acknowledgements
  - Condé Nast Traveler Best Airport in the United States
  - J.D. Power Best Medium-Sized Airport in North America
  - GLC-AAAE Commercial Airport, Project of the Year
  - Holli Harrington Supplier Diversity Advocate of the Year, Central Indiana Supply Chain Awards
  - David Shaw accepted into Class 44 of the Stanley K. Lacy Executive Leadership Series

#### VII. **Other Reports/Update**

- a) **Board Communications** *Next Meeting: Friday, November 15, 2019 @ 8:00 a.m.*

**MINUTES**  
**Board of Directors Meeting**  
**Indianapolis Airport Authority**

The Regular Meeting of the Indianapolis Airport Authority (IAA) Board was called to order at 8:08 a.m., on September 20, 2019, in the Airport's Board Conference Room at Indianapolis International Airport.

**Present at commencement of the meeting and comprising a quorum were:**

Barbara Glass, President  
Steve Dillinger, Vice President  
Mamon Powers, Secretary  
Kurt Schleiter, Member  
Jeffrey Gaither, Member  
Matthew Whetstone, Member  
Toby McClamroch, Member  
Kathy Davis, Member  
Ryan Goodwin, Member  
Tamika Catchings, Member  
Brian Tuohy, IAA Board Counsel

**IAA Executive Staff attending:**

Mario Rodriguez, Executive Director  
Keith Berlen, Sr. Director of Operations and Public Safety  
Marsha Stone, Sr. Director of Commercial Enterprise  
Robert Thomson, Sr. Director of Finance  
Jarod Klaas, Sr. Director, Engineering, Planning & Development  
Lisa Bierman, Sr. Executive Assistant  
Maria Wiley, Sr. Director of Audit, Compliance & Procurement  
Reid Goldsmith, Sr. Director of Information Technology  
Rachel Stevens, Sr. Director of Human Resources  
Bill Stinson, Sr. Director of Public Affairs  
Tenley Drescher-Rhoades, General Counsel

**APPROVAL OF MINUTES**

Upon a motion by Ms. Davis, seconded by Mr. Powers and unanimously passed, approval was given to the Meeting Minutes of the IAA Board Meeting of August 16, 2019.

**ORDINANCES, RESOLUTIONS AND PUBLIC HEARING**

President Glass introduced Mr. Robert Thompson, Sr. Director of Finance, who introduced **General Ordinance No. 5-2019**, concerning the Indianapolis Airport Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Refunding Revenue Bonds" to refund a portion of the Authority's outstanding revenue bonds and/or to remarket one or more series, and to fund other projects planned for debt financing in IAA's approved capital budget, as more particularly described in **BP2019-09-01**.

Next, President Glass introduced Ms. Marsha Stone, Sr. Director of Commercial Enterprise, who discussed consideration for approval and adoption of **Resolution No. 11-2019**, the Third Amendment to Lease Agreement with Schenker, Inc. as more particularly described in **BP2019-09-02**. Upon a motion by Mr. McClamroch and seconded by Mr. Gaither and unanimously passed, approval was given to **Resolution No. 11-2019**.

Next, President Glass opened a Public Hearing regarding **BP2019-09-03**, -concerning a certain Real Estate Sale Agreement with Pace Property Holding LLC, for the sale of approximately 48.092 acres of land, as more particularly described in said **BP2019-09-03** There being no comments or discussion from the public, the hearing was closed. Upon a motion by Mr. Dillinger and seconded by Mr. McClamroch and unanimously passed, approval was given to **BP2019-09-03**.

### **BOARD REPORTS**

President Glass recognized Mr. Mario Rodriguez, Executive Director, for his Congressional Record Recognition by Congressman Andre' Carson for his exceptional leadership at the IAA and his involvement in the community.

### **OFFICIAL ACTIONS**

**INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA DATED September 20, 2019**: President Glass introduced and then verbally described each of the individual items listed on the General Agenda.

**BP2019-09-04**. Upon a motion by Mr. Gaither, seconded by Mr. Powers and unanimously passed, approval was given to **BP2019-09-04**.

**BP2019-09-05**. Upon a motion by Mr. Goodwin, seconded by Ms. Davis and unanimously passed, approval was given to **BP2019-09-05**. Mr. McClamroch asked to describe the strategy with respect to fencing for the airport. Mr. Jarod Klaas, Sr. Director of Planning and Development, explained that fencing is a priority in the Airport Improvement Plan (AIP) which is a subset of the capital program. The AIP is compiled every year and submitted with priorities for grant funding. Mr. Klaas mentioned how the upgrading of fencing is a progressive initiative and the upgrades occur to meet current security and wildlife standards. Mr. Mario Rodriguez, Executive Director briefly explained that safety, security and capacity are FAA priorities and how the improvement of the fence focuses on these FAA priorities. Mr. Schleter asked if the fence was being relocated. Mr. Klaas explained that this is the design phase of the project and that sometimes there may be some realignment and that is discussed in the design process. Mr. Klaas explained how typically the fence is not relocated significantly but if there is a need to relocate the fence it will be identified in the design process.

**BP2019-09-06**. Upon a motion by Mr. Schleter, seconded by Mr. McClamroch and unanimously passed, approval was given to **BP2019-09-06**.

**BP2019-09-07 Action 1 and Action 2**. Upon a motion by Ms. Davis, seconded by Mr. McClamroch and unanimously passed, approval was given to **BP2019-09-07 Action 1 and Action 2**.

**BP2019-09-08.** Upon a motion by Mr. Gaither, seconded by Mr. McClamroch and unanimously passed, approval was given to **BP2019-09-08.**

**STAFF REPORTS**

**Executive Director’s Report**

Mr. Jarod Klaas, Sr. Director of Planning and Development, gave a brief presentation regarding the IAA/FedEx project update.

Ms. Marsha Stone, Sr. Director of Commercial Enterprise, gave a presentation providing an update about Air Service Development and Concessionaires.

Mr. Bill Stinson, Sr. Director of Public Affairs, showed an Indianapolis Art’s Council video recognizing Tea’s Me Café, owned by Ms. Tamika Catchings, as the recipient of the 2019 ARTI Awards/ Small Business Award for their contribution to the art community.

**Other Reports/Updates**

No other reports or updates.

**ADJOURNMENT**

President Glass announced that the next IAA Board meeting is scheduled for October 18, 2019. There being no further business, the meeting was adjourned at 8:57 a.m.

**INDIANAPOLIS AIRPORT AUTHORITY \***

By: \_\_\_\_\_  
Barbara Glass, President

By: \_\_\_\_\_  
Mamon Powers III, Secretary

DATED: \_\_\_\_\_

\* Signed under authority of IAA Board Resolution #13-2017



## Board Memo – Introduction of Bond Ordinance

To: IAA Board of Directors

From: Robert B. Thomson, Sr. Director of Finance/Treasurer

Date: October 1, 2019

Board Date: October 18, 2019

Subject: Adoption of General Ordinance No. 05-2019

The Indianapolis Airport Authority is hereby presenting General Ordinance No. 05-2019 ("Ordinance").

IAA's Finance and Audit Committee has recommended the Ordinance for approval.

General Ordinance No. 05-2019 is a supplement to the IAA's Master Bond Ordinance (5-2014) of the Indianapolis Airport Authority concerning the Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Refunding Revenue Bonds" to refund a portion of the Authority's outstanding revenue bonds and to fund other projects planned for debt financing in IAA's approved capital budget. IAA will use the Indianapolis Local Public Improvement Bond Bank as the conduit issuer.

The TEFRA (Tax Equity and Fiscal Responsibility Act) hearing and the final public hearing on the adoption of the above-referenced Ordinance will be conducted as a combined hearing at the October 18, 2019 IAA Board meeting.



## Board Memo – 2020 Rates & Charges Ordinance

To: IAA Board of Directors

From: Tenley Drescher-Rhoades, General Counsel

Date: October 11, 2019

Board Date: October 18, 2019

Subject: 2020 Rates & Charges Ordinance

### Scope

The Board of the Indianapolis Airport Authority (“IAA”) annually adopts an ordinance in order to implement a schedule of rates and charges for the use of the Airport’s facilities and services. All public notices about the introduction and public hearing of this proposed Ordinance have been properly published in the local newspapers, as required by Indiana law.

This proposed Ordinance sets forth rates that, if approved, will go into effect at the beginning of next year (January 1, 2020). The following represents a summary of changes from the prior year’s ordinance (shown on the attached copy of the proposed Ordinance):

1. Because negotiations with the airlines occurred earlier this year, and a new Airline Use Agreement (“AUA”) was executed, the Rates & Charges Ordinance for 2019 (General Ordinance 7-2018) was amended on May 17, 2019 with General Ordinance 3-2019 to reflect the new agreed-upon rates and charges, including language referencing a “Transitional Rate Agreement.” With the new AUA in place, such language has been stricken from this proposed General Ordinance 6-2019.
2. In Section I, the definition of RAC is amended to include BlueIndy, LLC as well as a peer to peer vehicle sharing program as defined in I.C. 24-4-9.2-4.
3. Consistent with the terms of the new AUA, the following changes were made to reflect the 2020 rates for airlines:
  - In Section III(B)(2)(a), landing fees for Signatory Airlines increased from \$1.71 to \$2.09 per 1000 pounds of landing weight, and for Non-Signatory Airlines, the rate increased from \$2.57 to \$3.14.
  - In Section III(B)(3)(b), annual terminal space rental rates per square foot of area increased from \$77.95 to \$90.37 for Signatory Airlines, and from \$116.93 to \$135.56 for Non-Signatory Airlines. A rental rate for aircraft apron, which had

been inadvertently not included in General Ordinance 3-2019, was added back in with a decrease from \$1.16 to \$0.48 for Signatory Airlines and from \$1.74 to \$0.72 for Non-Signatory Airlines.

- In Section III(B)(4), the Joint Use Space Fee was increased from \$5.89 to \$6.54 per enplaned passenger.
- In Section III(B)(8)(a) the Common Use Gate Fees (per flight) were increased as follows:

For Signatory Airlines:

Up to 3 hours -- increased from \$118.00 to \$146.32

More than 3 hours, less than 9 hours -- increased from \$177.00 to \$219.48

9 or more hours, less than 18 hours -- increased from \$354.00 to \$438.96

18-24 hours -- increased from \$708.00 to \$877.92

For Non-Signatory Airlines:

Up to 3 hours -- increased from \$177.00 to \$220.00

More than 3 hours, less than 9 hours -- increased from \$266.00 to \$330.00

9 or more hours, less than 18 hours -- increased from \$531.00 to \$659.00

18-24 hours -- increased from \$1062.00 to \$1317.00

- Also in Section III(B)(8)(a), the Aircraft Apron Fees (per flight) for Non-Signatory Airlines for more than 3 hours, less than 9 hours decreased from \$255.00 to \$225.00.
- In Sections II(A) and III(A), a \$675 annual fuel dispensing fee was added for aircraft at both IND and the reliever airports.

### **Schedule**

October 18, 2018                      General Ordinance No. 6-2019 will be introduced at the IAA Board Meeting

November 15, 2019                  Public Hearing/Consideration for Adoption of said Ordinance

### **Revenue and/or Operating Cost Implications**

The annual Rates & Charges Ordinance is the principal document to impose fees and charges for the use of the Airport's facilities and services in support of the 2020 approved Operating and Capital Budgets of the IAA.

### **Recommendation**

The IAA staff recommends the IAA Board consider for approval and adoption of the attached General Ordinance No. 6-2019.



## Board Memo – Authorization of Union Elections

To: IAA Board of Directors

From: Tenley Drescher-Rhoades, General Counsel

Date: October 11, 2019

Board Date: October 18, 2019

Subject: Authorization of Union Elections

### Scope

On May 17, 2019, the Board of the Indianapolis Airport Authority (“IAA”) adopted General Ordinance No. 2-2019, establishing a system to permit representation of public safety employees by employee organizations (unions) for purposes of limited collective bargaining. The Ordinance sets forth the required procedures for selection and recognition of unions for sworn full-time Airport Police Department (“APD”) and sworn full-time Airport Fire Department (“AFD”) employees. Pursuant to the requirements of the Ordinance, both Indianapolis Professional Firefighters Union, Local 416, and International Union of Police Associations, AFL-CIO have submitted to the Executive Director a roster of its current officers and representatives, a copy of its current constitution and by-laws, and a statement of its objectives, as well as a sufficient number of authorization cards signed by sworn full-time employees of both AFD and APD, respectively, to warrant a secret ballot election.

Upon Board approval of Resolution No. 12-2019, the Executive Director, or his/her designee, will go forward with holding simultaneous elections for both unions, with the elections to be conducted by the Indiana Department of Labor. Voting times are currently scheduled for October 23<sup>rd</sup> and 24<sup>th</sup> from 5am to 8am and 1pm to 3pm on both days to accommodate all shifts of both police and fire department employees.

The Resolution also provides for the Board’s delegation of authority to the Executive Director, or his/her designee, to officially recognize either or both unions, should they receive the required majority vote of eligible employees, and to represent the Board in any collective bargaining contract negotiations. Any proposed contract must come before the Board for approval

### Schedule

October 18, 2019 Introduction and consideration of Resolution No. 12-2019.

October 23 & 24, 2019 Union elections.

### Recommendation

The IAA staff recommends the IAA Board consider for approval and adoption of the attached Resolution 12-2019.



## **BOARD MEMO – REAL ESTATE SALE AGREEMENT**

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: October 2, 2019

Board Date: October 18, 2019

Subject: “Acceptance of Offer” with the Consolidated City of Indianapolis and Marion County, Indiana by and through its Department of Public Works.

### **Background**

Staff have been approached by the Consolidated City of Indianapolis and Marion County, Indiana by and through its Department of Public Works for the sale of certain IAA land located on Hanna Avenue adjacent to Dollar Hide Creek. The acquisition is a fee simple transaction for 0.011 acres of land and 0.009 acres of current Right-of-Way land (under Hanna Avenue) as shown on the attached aerial(s).

The City of Indianapolis DPW has commissioned plans undertaking a project to replace the culvert over Dollar Hide Creek starting just west of S. Glen Arm Road and running approximately 200 feet east. The need for this improvement is based upon the deterioration of the current culvert and the restricted water flow.

Governed by law of the State of Indiana on such land transactions, the City used the Direct Sales Comparison Method. The sale price for this transaction exceeds the average of the five comparable values and represents a Fair Market Value (FMV) transaction based upon a valuation of \$100,000.00 per acre. Due to the size of the land associated with this transaction, (approx. 1/100<sup>th</sup> of an acre), the IAA accepted this appraisal method, land valuation and offer in lieu of procuring its own appraisals.

### **FAA Land Release Approval**

As this land does not fall within the “aeronautical uses” of the Airport Layout Plan (ALP), Staff is not required to submit information to the FAA to receive a land release.

### **Scope**

To execute an Acceptance of Offer with the Consolidated City of Indianapolis and Marion County, Indiana by and through its Department of Public Works for 0.011 acres of land and 0.009 acres of current Right-of-Way land all located at Hanna Avenue in Indianapolis, Indiana.

**Schedule**

October 18, 2019	Upon approval, IAA Board execution of the Acceptance of Offer for real estate with the City of Indianapolis.
January 16, 2019	Within ninety (90) days of the Acceptance of Offer, IAA is to deliver an executed Quit Claim Deed (executable by the IAA Treasurer)

**Revenue and/or Operating Cost Implications**

Revenue:

\$1,110.00

Operating Costs:

There are no operating costs for this transaction.

**Supplier Diversity Participation**

There is no operating cost associated with this transaction

**Recommendation**

**Public Hearing** on **BP2019-10-05**, regarding a certain acceptance of offer with City of Indianapolis, for the sale of approximately 0.011 acres of fee simple land and 0.009 acres of existing right-of-way land located at Hanna Avenue Indianapolis, Indiana, for a total sale amount of \$1,110.00 as more particularly described in said **BP2019-10-05**.

**Consider, for approval, BP2019-10-05**, regarding a certain acceptance of offer with City of Indianapolis, for the sale of approximately 0.011 acres of fee simple land and 0.009 acres of existing right-of-way land located at Hanna Avenue Indianapolis, Indiana, for a total sale amount of \$1,110.00 and authorizing IAA Staff to consummate sale transaction.



## BOARD MEMO – REAL ESTATE SALE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: October 2, 2019

Board Date: October 18, 2019

Subject: IAA Land Use Initiative – Real Estate Sale Agreement with SCP Acquisitions, LLC

### Background

As a direct attribute of the IAA Land Use Initiative, IAA Staff have been diligently pursuing the sale of certain IAA land located east of The Shops at Perry Crossing, previously known as Metropolis) in the Northeast quarter of Section 30, Township 15 North, Range 2 East in Plainfield, Indiana referred to as “Metropolis Woods”. The wooded land to be sold totals 17.336 +/- acres and is shown on the attached aerial.

Governed by law of the State of Indiana on such land transactions, the IAA procured two separate appraisals for the acreage to be sold to SCP Acquisitions, LLC. These appraisals are then averaged and that dollar amount becomes the minimum price the IAA may sell land in any transaction. The sale price for this transaction meets and exceeds the average of the two appraisal amounts and represents a Fair Market Value (FMV) transaction as guided by the FAA and State of Indiana.

### Land Sale Restrictions

The conveying of the land to SCP Acquisitions, LLC will also include, but not limited to, the following perpetual land use restrictions (including noise disclosures and waivers, and aviation easement), which will run with the land at all times:

- Indianapolis Airport Authority will retain a perpetual easement and right-of-way (“Airspace Easement”) for the free and unobstructed passage of aircraft in, through and across the airspace which lies above the surface of the property Purchaser will not construct any structure or other obstructions which exceeds the height restrictions designated or established by federal or state laws, rules or regulations, or ordinances, including, but not limited to, 14 CFR Part 77 and the Town of Plainfield Airspace Ordinance.
- Purchaser agrees to file a notice consistent with requirements of 14 CFR FAR Part 77 (FAA Form 7460-1) prior to constructing any facility, structure, or other item on the herein described real property.

- Purchaser agrees it will not use, nor permit, the property to be used in such a manner as to create a potential for attracting birds and other wildlife which may pose a hazard to aircraft.
- Purchaser agrees the property will not be used for paid public parking for any types of vehicles, or as a taxi staging area or other “for hire” transportation of the traveling public.
- Purchaser agrees the property will not be used for any type of utility operation, asphalt plant, or other business or facility that emits, to any extent, smoke, fumes, vapors, or other gases that constitute a hazard to aircraft as determined by the Federal Aviation Administration.

**FAA Land Release Approval**

As this land does not fall within the “aeronautical uses” of the Airport Layout Plan (ALP), Staff is not required to submit information to the FAA to receive a land release.

**Scope**

To execute a Real Estate Sale Agreement with SCP Acquisitions, LLC for the sale of 17.336 +/- acres of land all located at Metropolis Woods, Plainfield, Indiana.

**Schedule**

October 18, 2019	Upon approval, IAA Board execution of the Real Estate Sale Agreement with SCP Acquisitions LLC.
October 23, 2019	Within five (5) days of the execution of the Sale Agreement the Buyer is to deliver earnest money in the amount of \$50K as designated within the Sale Agreement.
February 15, 2019	Buyer has ninety (90) days from the execution of the Sale Agreement as an Inspection Period. Closing of the land sale is to occur within thirty (30) days after Inspection Period.

**Revenue and/or Operating Cost Implications**

Revenue:

\$494,076.00 or \$28,500 per acre.

Operating Costs:

Operating costs for this transaction will not exceed \$12,500 and are generally made up of appraisal, survey and environmental fees, recording fees, title work and closing costs.

**Supplier Diversity Participation**

Estimated WBE spend is \$2,500 or 20% (Royal Title Services) of the total estimated dollar amount noted above.

**Recommendation**

**Public Hearing** on **BP2019-10-06**, regarding a certain Real Estate Sale Agreement with SCP Acquisitions LLC, for the sale of approximately 17.336 acres of land located at Metropolis Woods, Plainfield, Indiana, for a total sale amount of \$494,076.00, as more particularly described in said **BP2019-10-06**.

**Consider, for approval, BP2019-10-06**, regarding a certain Real Estate Sale Agreement with SCP Acquisitions LLC, for the sale of approximately 17.336 acres of land located at Metropolis Woods, Plainfield, Indiana, for a total sale amount of \$494,076.00 and authorizing IAA Staff to consummate sale transaction.



## BOARD MEMO – DELEGATIONS OF AUTHORITY

To: IAA Board of Directors

From: Tenley Drescher-Rhoades, General Counsel

Date: October 11, 2019

Board Date: October 18, 2019

Subject: Temporary Delegations of Authority for Critical Infrastructure Projects supporting FedEx and airfield expansion

### **Background**

Pursuant to Indiana Code § 8-22-3, the Board of the Indianapolis Airport Authority (“IAA”) has certain executive and legislative powers, including, without limitation, the power to: (i) adopt rules and procedures; (ii) determine matters of policy regarding internal organization and operations; (iii) supervise internal affairs; and (iv) employ personnel necessary to carry out the duties, functions and powers of the Board.

On September 15, 2017, the IAA Board approved and adopted Resolution No. 13-2017 (“the Current Resolution”) which details various delegations of authority to the Executive Director. A copy of this Resolution is attached (Attachment A) for convenience.

IAA is responsible for providing airfield infrastructure which enables passenger and cargo airline operations. Growth in operations (requiring additional pavement or other non-porous material) at IND necessitates expanded stormwater and at times, deicing capacity. The IAA currently leases to Federal Express Corporation (“FedEx”) certain real property and the improvements thereon (the “Premises”) at the Indianapolis International Airport (the “Airport”) pursuant to the Amended and Restated Lease Agreement, dated July 1, 2012, as heretofore amended (the “Lease”). The IAA and FedEx signed an amendment to the Lease on February 17, 2017 related to an expansion of their Premises (the “Expansion”) and are considering future amendments to the Lease to provide for further Expansion. The Expansion may include actions which are conducted in connection with, or result in, improvements to any of the IAA’s property that may affect FedEx or any other use of the Airport (the “Expansion Related Actions”).

In recognition of the needs described above, the IAA Board granted temporary delegations of authority to the Executive Director via Resolution No. 11-2017, which relate to the Premises, the Expansion or the Expansion Related Actions. This temporary delegation was paramount to

facilitate the expediency of completion of the Expansion and the Expansion Related Actions and to achieve accelerated timetables necessary for the success of the program. Given the continued growth and expansion of FedEx, as well as the significant infrastructure projects in various stages of completion, staff requests a two (2) year extension of the temporary delegations via this Resolution No. 13-2019. As originally summarized for the approval of Resolution No. 11-2017 in 2017, the sections below outline the ways in which the temporary delegations of authority differ from Resolution No. 13-2017 described above. Additionally, the temporary delegations sought by this approval are applicable only to documents related to the Premises, Expansion, and Expansion Related Actions as defined above. The differences include:

1. **Section 1:** The differences in this section would provide the Executive Director the authority to enter into any of the documents listed therein, without limitation as to duration or cost, subject to the limitations under federal and Indiana law and the other limitations set forth in the New Resolution. Under the Current Resolution, Section 1, the limitations are a maximum initial or additional term of three years and a maximum annual value of \$250,000.
2. **Section 2:** The differences in this section would provide the Executive Director the authority to enter into any of the documents listed therein, without limitation as to duration or cost, subject to the limitations under federal and Indiana law and the other limitations set forth in the New Resolution. Under the Current Resolution, Section 2, the limitations are \$250,000 and the requirement that the approval of the Board's President and Vice President be provided for any such contract between \$150,000 and \$250,000.
3. **Section 3:** The difference in this section would provide the Executive Director the authority to enter into public work contracts without limitation as to cost, subject to the limitations under federal and Indiana law and the other limitations set forth in the New Resolution. Under the Current Resolution, Section 4, the limitation is a maximum of \$100,000 per contract.
4. **Section 4:** The difference in this section would provide the Executive Director the authority to enter into a software license or hardware agreement, without limitation as to cost, subject to the limitations under federal and Indiana law and the other limitations set forth in the New Resolution. Under the Current Resolution, Section 3, the limitation is a maximum annual value of less than \$150,000.
5. **Section 5:** The difference in this section would provide the Executive Director the authority to amend or extend the term of any document,

contract or agreement specified in the New Resolution, without limitation as to duration, scope, or cost, subject to the limitations under federal and Indiana law and the other limitations set forth in the New Resolution. Under the Current Resolution, Section 12, the limitation is three years and only when there is no change in the contract amount.

6. **Section 6**: This Section adds to Section 13 of the Current Resolution a provision that General Counsel or the Executive Director will provide the Board details regarding documents executed by the Executive Director under authority of this New Resolution where time was of the essence requiring expedited action.
7. **Section 7**: This Section states the Current Resolution (Resolution 13-2017) remains in full force and effect.
8. **Section 8**: This Section provides the Executive Director authority to take any and all additional or other actions necessary to effectuate the authority expressly delegated in this New Resolution.
9. **Section 9**: This Section makes the New Resolution effective upon passage by the Board.

**Diversity Participation**

Not applicable.

**Recommendation**

The IAA staff recommends the IAA Board consider for approval and adoption of Resolution No. 13-2019, Delegations of Authority.

**IAA Board Meeting  
General Agenda  
October 18, 2019**

**General:**

- BP2019-10-07**     **Consider, for approval** a contract with BKD LLP for the audit of the Indianapolis Airport Authority's financial statements for the year ended December 31, 2019 in an amount not to exceed \$139,500. Supplier diversity participation on this contract is MBE 12% (Thomas & Reed LLC).
- BP2019-10-08**     **Consider, for approval** the agreement between the Authority and McDonald's USA, LLC. Supplier diversity participation ACDBE 100% with Huston-Lynn Enterprises, Inc.
- BP2019-10-09**     **Consider, for approval** the award of contract via Amendment #1 to Hudson Retail Group for the IND Concessions Retail Package #03. Supplier diversity participation is WBE (enRoute) 12% and MBE (OHM) 3% for a total of 15% ACDBE participation.

**Capital:**

**NONE**



## Board Memo - Contract 2019 External Audit

To: IAA Board of Directors

From: Toby McClamroch, Chair, Finance and Audit Committee

Date: September 13, 2019

Board Date: October 18, 2019

Subject: Contract with BKD LLP for the audit of the Indianapolis Airport Authority’s financial statements for the year ended December 31, 2019

### Background

In 2017 BKD LLP (“BKD”) provided audit services fee commitments for 2017-2019 audit years:

2017	\$131,500
2018	\$135,400 (represents a 3% fee increase)
2019	\$139,500 (represents a 3% fee increase)

The Finance and Audit Committee has reviewed and discussed the fee proposal for all three years and recommends the fee proposals be accepted.

### Scope

Approve a not-to-exceed contract for financial auditing services of the Indianapolis Airport Authority’s 2019 financial statements and associated internal control and compliance reports as required under the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of IAA’s major federal award programs.

### Schedule

Interim work for the 2019 audit will begin in November 2019, while final field work for the audit is expected to begin early February 2020 and continue through March 2020.

BKD LLP is committed to ensuring staff continuity on the IAA engagement, to providing partner oversight with airport audit experience and expertise, and to providing staff at all levels with governmental auditing experience.

**Supplier Diversity Participation**

The Diversity of Supplier Director has approved the following:

FIRM	AMOUNT				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
Thomas & Reed LLC	\$ -	\$ 16,740.00	\$ -	\$ -	0.00%	12.00%	0.00%	0.00%
<b>Totals</b>	<b>\$ -</b>	<b>\$ 16,740.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>12.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**Recommendation**

The Finance and Audit Committee recommend the IAA Board consider for approval a contract with BKD LLP for the audit of the Indianapolis Airport Authority’s financial statements for the year ended December 31, 2019 in an amount not to exceed \$139,500. Supplier diversity participation on this contract is MBE 12% (Thomas & Reed LLC).



## **BOARD MEMO – MCDONALD’S USA, LLC.**

To: IAA Board of Directors  
From: Marsha Stone, Sr. Director of Commercial Enterprise  
Date: September 20, 2019  
Board Date: October 18, 2019  
Subject: Concession Agreement with McDonald’s USA, LLC.

### **Background**

On December 31, 2018, Concession Agreements for 43 Food & Beverage, Retail and Service locations at the Indianapolis Airport (IND) expired. In anticipation of this expiration date, the IAA released a “Request for Information” (RFI) solicitation on April 16, 2018 to procure the services of companies who were interested in operating either Food & Beverage, Retail and/or Service concession at IND. Companies were given until July 20, 2018 to submit responses to the Authority in order to be considered for one of the packages included in the RFI.

The Authority did not receive any responses for Food & Beverage Package #08, which was the McDonald’s location in Civic Plaza, and was defined in the RFI as a national or local brand quick service restaurant with a burger concept or open to proposer.

Knowing that the Agreement would expire on the McDonald’s space at the end of 2018, the Authority and McDonald’s USA, LLC. (McDonald’s) executed a Second Amendment to the Concession Agreement on November 8, 2018. Conditions of the Agreement were changed with this Amendment, such as Term and Percentage Rent Fee. The Authority and McDonald’s desired these conditions to keep the store operational until the Authority decided how to proceed with the space.

Due to the history, culture and popularity of McDonalds in serving both passengers and employees, the Authority approached McDonalds to negotiate a new Concession Agreement, given no responses to the RFI were received. McDonald’s is a globally recognized brand that will add value and diversity to the Authority’s Concessions Program. McDonald’s offers a variety of food and beverage items in a timely fashion and at a price-point that is unmatched by most other concessionaires.

The Terms of the Concession Agreement are for a seven (7) year term with a three (3) year renewal period that would result in a total of a ten (10) year agreement. A Percentage Rent Fee of ten percent (10%) of gross sales would be owed to the Authority along with a three percent (3%) common use fee. This Agreement would require McDonald’s to refurbish the customer area of the store which would include new cabinetry, millwork, monitors and a self-ordering kiosk.

The franchisee operator for McDonald’s will be Huston-Lynn Enterprises, Inc., who is the current operator and a 100% ACDBE certified local company. The Authority has had a long-standing partnership with Huston-Lynn Enterprises, Inc., of over twenty (20) years.

The Authority has presented this package to the Terminal Optimization Committee who is supportive of the approval of a new Concession Agreement with McDonalds.

**Quick Facts**

MAG/Annual Rent:	10% of Gross Sales
Lease Term:	Seven (7) Years from completion of refurbishment
Renewal Term:	Three (3) Years
ACDBE Participation:	100% Huston-Lynn Enterprises, Inc.
Headquarters:	Chicago, IL

**Revenue**

The Concession Agreement between the Authority and McDonald’s is a percentage rent fee of ten percent (10%) of gross sales. The total estimated sales for the duration of the ten (10) year Agreement, which includes the Renewal Term, and assumes a 1.5% year-over-year increase, is projected to be in excess of \$21 million. The estimated revenue to the IAA for the duration of the Agreement is anticipated to be in excess of \$2.1 million.

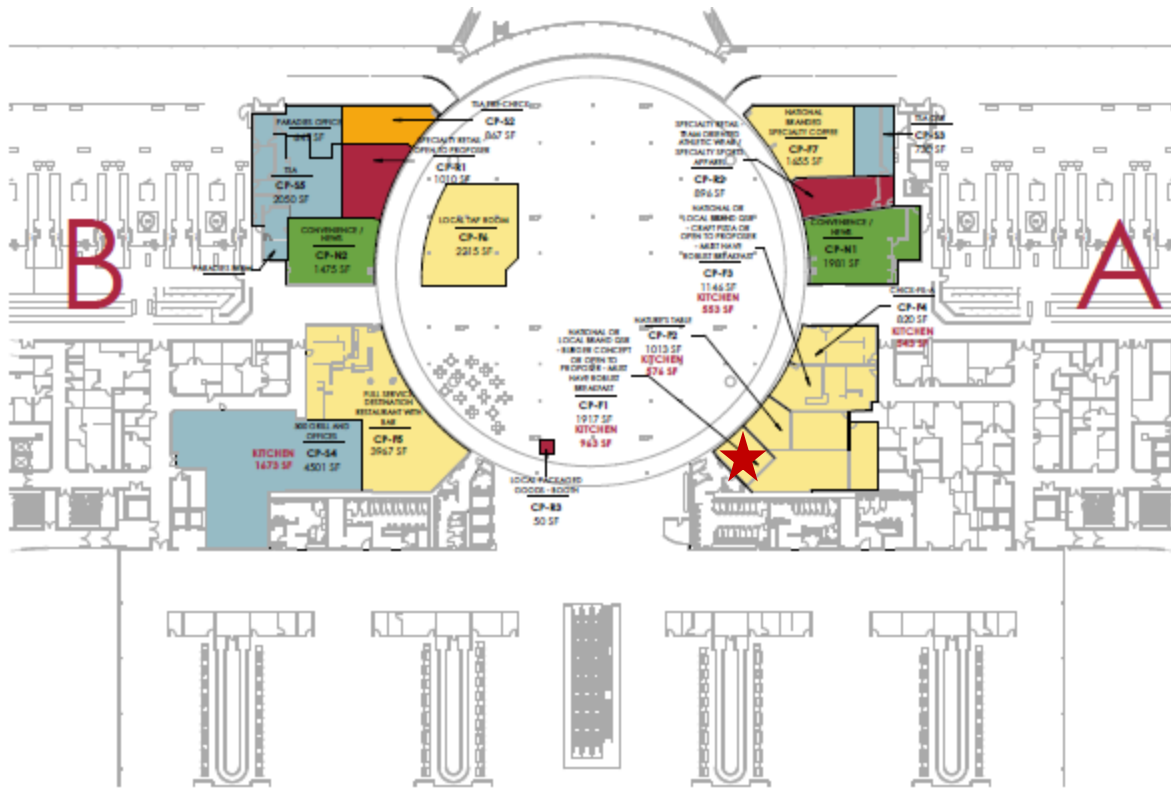
**Supplier Diversity Participation**

McDonalds has a franchisee partnership with Huston-Lynn Enterprises, Inc. (Huston-Lynn) which represents a 100% ACDBE participation in the IAA Supplier Diversity Program. Ms. Elizabeth Henry and Ms. Laurie Henry are the local owners of Huston-Lynn and are certified ACDBE/WBE/MBE operators.

**Recommendation**

The IAA staff recommends that the IAA Board consider for approval the agreement between the Authority and McDonald’s USA, LLC. Supplier diversity participation ACDBE 100% with Huston-Lynn Enterprises, Inc.

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2 PROPOSED FLOOR PLAN - CIVIC PLAZA



## **BOARD MEMO – HUDSON RETAIL GROUP**

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: September 19, 2019

Board Date: October 18, 2019

Subject: Retail Package #03 Recommendation – Concession Agreement with Hudson Retail Group

### **Background**

On December 31, 2018, Concession Agreements for 43 Food & Beverage, Retail and Service locations at the Indianapolis Airport (IND) expired. In anticipation of this expiration date, the IAA released a “Request for Information” (RFI) solicitation in April 2018 to procure the services of companies who were interested in operating either Food & Beverage, Retail and/or Service concession at IND.

In January of 2019 the Board awarded two contracts for packages R01 and R02, which included all but one of the retail locations included in the RFI. Staff has continued to negotiate the terms for package R03 and the one remaining retail space.

The location included in Retail Package R03 was defined within the RFI as a Specialty Retail store offering team logoed athletic wear and sports apparel including, but not limited to, officially-licensed and branded college and professional team jerseys, t-shirts, sweatshirts and headwear. Due to the broad and diverse passenger base at IND, the sales associates should also provide in-depth product knowledge about the line of goods sold in the store and offer unique, personalized items.

The Authority has presented this package to the Terminal Optimization Committee who is supportive of the approval of a new Concession Agreement and is recommending “Hudson Retail Group” (Hudson) to be awarded Retail Package #03.

For over 30 years, Hudson has provided travelers across the continental United States and Canada with all their retail travel needs and boasts a vast portfolio of internationally and nationally known and trusted brands. Hudson was founded in 1918 when the company began distributing newspapers in New York and New Jersey and incorporated as a company in 1926. Hudson has grown into one of the largest independent wholesalers of printed material. Hudson operates more than 970 stores throughout North America and has locations in 24 of the 25 busiest airports in the United States. With a strong commitment to product availability and a dedication to customer service, Hudson has established themselves as “The Travelers’ Best Friend.”

The Agreement which was executed in January with Hudson will be amended to include this additional location, which is in Civic Plaza. This store will be adjacent to a location that is being repurposed as a new Starbucks location. The location offers travelers the opportunity to support local, Indiana teams and venues while giving passengers a unique and immersive sports apparel experience.

**Quick Facts (inclusive of ALL Hudson locations, including R03)**

MAG/Annual Rent: \$880,712 or 17% of sales – whichever the greater  
 Lease Term: 10 years from completion of entire package construction build-out  
 ACDBE Participation: 15%  
 Headquarters: East Rutherford, NJ

**Revenue**

Upon execution of Amendment #1 to the Hudson agreement, financial terms are the greater of the Minimum Annual Guarantee (MAG), of \$880,712, or the total sales percentage rent fee of seventeen percent (17%). Hudson’s MAG will increase by \$36,035 following execution of Amendment #1. During each Agreement Year, the MAG will be readjusted annually at 85% of the percentage rent fee and will never be adjusted lower than the previous Agreement Year’s MAG. The total estimated sales for the duration of the ten (10) year Agreement, with an estimated 1.5% year-over-year increase is projected to be in excess of \$130 million. The estimated revenue to the IAA for the duration of the Agreement is projected to be in excess of \$22 million.

**Supplier Diversity Participation**

Hudson Retail Group has a JV partnership with enRoute Massage & Spa (enRoute) and OHM Concessions (OHM, both are ACDBE certified in Indiana for 15% ACDBE participation (sharing 3% OHM and 12% enRoute). The package goal is 12% participation.

**Recommendation**

The IAA staff recommends that the IAA Board consider for approval the award of contract via Amendment #1 to Hudson Retail Group for the IND Concessions Retail Package #03. Supplier diversity participation is WBE (enRoute) 12% and MBE (OHM) 3% for a total of 15% ACDBE participation.

