



Indianapolis Airport Authority
IAA Board of Directors Meeting Agenda
December 11, 2020
8:00 AM
Virtual Meeting via Zoom

- I. **Call to Order**
- II. **Approval of Minutes of the IAA Board’s Virtual Meeting of November 20, 2020.**
- III. **Ordinances, Resolutions and Public Hearings**
 - a) **Public Hearing regarding General Ordinance No. 3-2020** the Indianapolis Airport Authority’s 2021 Rates and Charges Ordinance to implement a schedule of rates and charges for the use of the Airport’s facilities and services in support of the 2021 approved Operating and Capital Budgets, as more particularly described in BP2020-12-01.
 - b) **Consider, for approval and adoption, General Ordinance No. 3-2020** the Indianapolis Airport Authority’s 2021 Rates and Charges Ordinance to implement a schedule of rates and charges for the use of the Airport’s facilities and services in support of the 2021 approved Operating and Capital Budgets, as more particularly described in BP2020-12-01.
 - c) **Consider, for approval and adoption,** the Finance and Audit Committee’s following **Resolutions** as more particularly described in BP2020-12-02:
 - i. **Resolution No. 19-2020** amending and replacing the existing Investment Policy, effective December 11, 2020.
 - ii. **Resolution No. 20-2020** amending and replacing the existing Business Expense and Travel Policy, effective December 11, 2020.
 - iii. **Resolution No. 21-2020** amending and replacing the existing Post Issuance Compliance Policy, effective December 11, 2020.
 - iv. **Resolution No. 22-2020** amending and replacing the existing Defined Contribution Retirement Plan Fiduciary Committee Policy, effective December 11, 2020.
 - v. **Resolution No. 23-2020** amending and replacing the existing Internal Controls Policy, effective December 11, 2020.
 - d) **Consider, for approval and adoption, Resolution No. 24-2020** of the Indianapolis Airport Authority pledging \$38,435,937.38 of funding drawn in 2020, from the CARES Act funded grants used to pay certain operating expenses and debt service, as Gross Revenues, as more particularly described in BP2020-12-03

- e) **Consider, for approval, [Resolution No. 25-2020](#)**, the Amended and Restated Lease Agreement with AAR Aircraft Services Inc., therein combining attributes of the Extended Lease and Supply Lease and incorporating newly negotiated lease terms into a single Amended and Restated Lease Agreement, as more particularly described in [BP2020-12-04](#).
- f) **Consider, for approval, [Resolution No. 26-2020](#)**, the Fifth Amendment to Lease Agreement with Accredo Health Group, Inc. d/b/a Express Scripts to extend the Lease Term by thirty (30) months through December 31, 2023 and add the option of an Extension Term for an additional twenty four (24) months, as more particularly described in [BP2020-12-05](#).

IV. **Board Reports**

- a) Board President's Report

V. **Official Actions**

Consider, for approval, the individual items on the [IAA General Agenda, dated December 11, 2020](#).

VI. **Staff Reports**

Executive Director's Report

- i. FAA's Part 139 Airport Certification Inspection of the Indianapolis International Airport – Keith Berlen
- ii. IND's Airport Health Accreditation certified by Airports Council International (ACI) – Keith Berlen
- iii. American Academy of Environmental Engineers & Scientists 2020 Grand Prize Design Award (IAA's Stormwater and Deicing Capacity Projects) – Todd Cavender
- iv. American Council of Engineering Companies (ACEC) 2020 National Recognition Award (IAA's Stormwater and Deicing Capacity Projects) – Todd Cavender
- v. Wayne Township Community Partnership Update – Bill Stinson

VII. **Other Reports/Update**

- a) **Board Communications: *Next Meeting: Friday, January 15, 2021, at 8:00 AM***

MEETING MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority (IAA) Board was called to order at 8:00 am, on November 20, 2020, via Zoom.

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

Barbara Glass, President
Steve Dillinger, Vice President
Mamon Powers, Secretary
Kathy Davis, Board Member
Jeff Gaither, Board Member
Toby McClamroch, Board Member
Brett Voorhies, Board Member
Kurt Schleter, Board Member
Matt Whetstone, Board Member
Tamika Catchings, Board Member
Brian Tuohy, IAA Board Legal Counsel

IAA Executive Staff attending as panelists viaZoom:

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

Other Guests attending as a panelist via Zoom:

Scott A. Fadness, Mayor, City of Fishers, Indiana

Board President Meeting Introduction:

President Glass asked Ms. Lisa Bierman, to perform roll call for the record.

APPROVAL OF MINUTES

President Glass asked for a motion to approve the Board Meeting Minutes of October 16, 2020. Ms. Davis made the first motion for approval; Mr. McClamroch seconded the motion. Board Members unanimously passed and approved the Meeting Minutes for the IAA Board Meeting held on October 16, 2020.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARING

President Glass called upon Ms. Tenley Drescher-Rhoades, General Counsel, who introduced **General Ordinance No. 3-2020**, the Indianapolis Airport Authority's 2021 Rates and Charges Ordinance to implement a schedule of rates and charges for the use of the Airport's facilities and services, as more particularly described in **BP2020-11-01**. No vote was taken as this was only an introduction of the 2021 rates and charges, and Ms. Drescher-Rhoades stated that a vote would occur at the December 2020 Board Meeting.

Next, President Glass called upon Ms. Marsha Stone, Sr. Director of Commercial Enterprise, who introduced **BP2020-11-02** regarding a Real Estate Sale Agreement with Scannell Properties, LLC, for the sale of approximately 38.17 acres of land, all located in the northeast corner of Masters Road and 96th Street in Fishers, Indiana, for a total sale amount of \$4,198,700. Next, President Glass asked if there were any comments. Vice President, Steve Dillinger, commented that the transaction was exemplary and one of the most cooperative and smooth transactions with all parties working together, which he had not seen occur in his 40 years of service. He believes this will be a good thing for the people.

President Glass opened the public hearing regarding BP2020-11-02. Ms. Drescher-Rhoades, IAA's General Counsel, reported for the record that no comments were emailed to website publiccomment@ind.com. Mr. McClamroch asked how the IAA handles public comments. Ms. Bierman explained the legal public notices include an email address for public comments and this notice is posted on the IAA website. Ms. Drescher-Rhoades further explained the public comment email address goes to her inbox and reported that no emailed comments have been received at this point in time .

Next, Mr. Brian Touhy, IAA Board Counsel, disclosed for the record he has legally represented Scannell Properties, LLC in the past in zoning transactions. Next, Mr. Jeff Gaither, IAA Board Member announced he will abstain from voting due to the firm he is engaged with has provided legal representation with Scannell Properties, LLC.

Next, Mayor Scott Fadness was able to join the public meeting. He commented that this transaction is a significant opportunity for the City of Fishers and the IAA to put land back on the tax rolls and provide employment. Mayor Fadness gave thanks to everyone for the start of a great opportunity and collaborative process.

Next, Ms. Drescher-Rhoades noted that in the chat function tool we received a question on the public meeting link which inquired where to find an aerial map of the real estate property. Ms. Stone replied via the chat function tool that a map can be found on the IAA public website with the other board documents. Also, Ms. Drescher-Rhoades noted another public comment received congratulated the airport for this move, and also stated access for the chat tool and public meeting was easy.

Next, President Glass asked if Ms. Stone had any further information to add. Ms. Stone replied she did not. President Glass called upon a motion for approval by Ms. Catchings, and seconded by Mr. Whetstone, approval was given for the Real Estate Sale Agreement with Scannell Properties, LLC., for the sale of approximately 38.17 acres of land, all located in the northeast corner of Masters Road and 96th Street in Fishers, Indiana, for a total sale amount of \$4,198,700 and authorizing IAA Staff to complete the associated sale transaction. Mr. Gaither abstained from voting.

BOARD REPORTS President Glass gave thanks to Mario Rodriguez who has volunteered to assist the Biden-Harris transition team in in the area of air transportation and FAA.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA DATED November 20, 2020: President Glass introduced and then verbally described each of the individual items listed on the General Agenda.

BP2020-11-03 Upon a motion by Mr. Schleter, seconded by Mr. Voorhies and unanimously passed, approval was given to **BP2020-11-03**.

BP2020-11-04 Upon a motion by Mr. Powers, seconded by Mr. Dillinger and unanimously passed, approval was given to **BP2020-11-04**.

BP2020-11-05 Upon a motion by Ms. Davis, seconded by Mr. McClamroch and unanimously passed, approval was given to **BP2020-11-05**.

BP2020-11-06 Upon a motion by Ms. Catchings, seconded by Mr. Gaither and unanimously passed, approval was given to **BP2020-11-06**.

BP2020-11-07 Upon a motion by Mr. Whetstone, seconded by Mr. Schleter and unanimously passed, approval was given to **BP2020-11-07**.

STAFF REPORTS

Executive Director's Report

Mr. Mario Rodriguez, Executive Director, introduced Robert Thomson, Sr. Director of Finance, who gave a brief update regarding the Indianapolis Airport Authority's Recovery Model and Budget. Next, Mr. Thomson, presented an update in the Indianapolis Airport Authority's Community Apiary.

Next, Mr. Rodriguez introduced Mr. Todd Cavender, Director of Environmental and Sustainability, who announced the receipt of the 2020 Airport Going Green Award for the outstanding sustainability program.

Next, Mr. Rodriguez, introduced David Shaw, Director of Air Service, who gave an update regarding the IAA's concessions.

Next, Mr. Rodriguez, introduced, Ms. Rachel Stevens, Sr. Director of Human Resources, who explained the IAA's association and participation in the Modern Apprenticeship Program for High School Students.

Other Reports/Updates

President Glass announced that the next Indianapolis Airport Board meeting is scheduled for December 11, 2020.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:59 am.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Barbara Glass, President

DATED: _____

By: _____
Mamon Powers III, Secretary

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

The November 20, 2020 Indianapolis Airport Board of Directors meeting is available to stream from this link:

https://zoom.us/rec/share/0u8w6r0ispjO0urUjRVtqUYKq2WPjjPVM-tVlnJSHQH4cTfm_8fYMs3r2VvAbK8.c9DHHBIOk1z74kMF

Access Passcode: b5@2&m#Y



Indianapolis Airport Authority

Board Memo – 2021 Rates & Charges Ordinance

To: IAA Board of Directors
From: Tenley Drescher-Rhoades, General Counsel
Date: December 4, 2020
Board Date: December 11, 2020
Subject: 2021 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 were 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, 2021). The following represents a summary of changes from the prior year’s ordinance (shown on the attached copy of the proposed Ordinance). Additions and/or changes made after the introduction of the Ordinance in November are highlighted:

1. In Section I, the definition of RAC is amended by deleting “BlueIndy, LLC”.
2. Consistent with the terms of the AUA, the following changes were made to reflect the 2021 rates for airlines:
 - In Section III(B)(2)(a), landing fees for Signatory Airlines increased from \$2.09 to \$2.30 per 1000 pounds of landing weight, and for Non-Signatory Airlines, the rate increased from \$3.14 to \$3.45.
 - In Section III(B)(3)(b), annual terminal space rental rates per square foot of area increased from \$90.37 to \$112.57 for Signatory Airlines, and from \$135.56 to \$168.86 for Non-Signatory Airlines. Rental rate for aircraft apron increased from \$0.48 to \$1.51 for Signatory Airlines and from \$0.72 to \$2.27 for Non-Signatory Airlines.
 - In Section III(B)(4), the joint use space fee per enplaned passenger increased from \$6.54 to \$11.58.
 - In Section III(B)(9)(a) the Common Use Gate Fees (per flight) were increased as follows:

For Signatory Airlines:

Up to 3 hours -- increased from \$146.32 to \$171.25
More than 3 hours, less than 9 hours -- increased from \$219.48 to \$256.87
9 or more hours, less than 18 hours -- increased from \$438.96 to \$513.74
18-24 hours -- increased from \$877.92 to **\$1027.48**.

For Non-Signatory Airlines:

Up to 3 hours -- increased from \$220.00 to \$257.00
More than 3 hours, less than 9 hours -- increased from \$330.00 to \$386.00
9 or more hours, less than 18 hours -- increased from \$531.00 to \$659.00
18-24 hours -- increased from \$1,317.00 to \$1,542.00

3. In Sections IV(A)(1) the Operating Agreement/Permit fee for Taxicab owners was reduced from \$500.00 per six (6) month period to \$250.00 per six (6) month period.
4. In Section IV(L), Electric Vehicle Charging, language regarding fees for customers for charging their vehicles has been deleted.

Schedule

November 20, 2020	General Ordinance No. 3-2020 was introduced at the IAA Board Meeting
December 11, 2020	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 2021 approved Operating and Capital Budgets of the IAA.

Recommendation

Staff recommends approval and adoption of the attached General Ordinance No. 3-2020.



BOARD MEMO – IAA POLICY UPDATES

To: IAA Board of Directors

From: Toby McClamroch, Chair, Finance and Audit Committee

Date: November 20, 2020

Board Date: December 11, 2020

Subject: Updates to existing policies reviewed and recommended by Finance and Audit Committee (FAC)

IAA Investment Policy

Background

The IAA Investment Policy was adopted by the Indianapolis Airport Authority (IAA) Board of Directors on December 13, 2019, Resolution No. 06-2019. On November 20, 2020, the Finance and Audit Committee (FAC) completed the required annual review of the policy, and recommended updates for consideration and approval by the Board.

Scope

Updates were made to the policy to reflect the following changes:

- The FAC will annually review and propose changes to Board when necessary
- The FAC may extend the policy for a term not to exceed four years from date of adoption

IAA Business Expense and Travel Policy

Background

The IAA Business Expense and Travel Policy was adopted by the IAA board April 19, 2019, Resolution No. 01-2019. On November 20, 2020, the Finance and Audit Committee completed the required annual review of the policy, and recommended updates for consideration and approval by the Board.

Scope

Updates were made to the policy to reflect the following changes:

- The FAC will annually review and propose changes to Board when necessary
- Revised verbiage of all references to “Forms” to “Reports” due to process change
- Revised Travel Coordinator process for booking travel utilizing Concur

IAA Post Issuance Compliance Policy

Background

The IAA Post Issuance Compliance Policy was adopted by the IAA board January, 18, 2013, Resolution No. 01-2013. On November 20, 2020, the Finance and Audit Committee completed a review of the policy, and recommended updates for consideration and approval by the Board.

Scope

Updates were made to the policy to reflect the following changes:

- The policy was updated to include post issuance compliance for Governmental Bonds
- The FAC will annually review and propose changes to Board when necessary
- Policy name updated

IAA Defined Contribution Retirement Plan Fiduciary Committee Policy

Background

The IAA Defined Contribution Retirement Plan Fiduciary Committee Policy was adopted by the IAA board June 19, 2009, Resolution No. 09-2009. On November 20, 2020, the Finance and Audit Committee completed a review of the policy, and recommended updates for consideration and approval by the Board.

Scope

Updates were made to the policy to reflect the following changes:

- The FAC will annually review and propose changes to Board when necessary
- Policy name updated

IAA Internal Controls Policy

Background

The IAA Internal Controls Policy was adopted by the IAA board January, 17, 2020, Resolution No. 02- 2020. On November 20, 2020, the Finance and Audit Committee completed the required annual review of the policy, and recommended updates for consideration and approval by the Board.

Scope

Updates were made to the policy to reflect the following changes:

- Eliminated materiality threshold amount to adhere to State Board of Accounts requirement
- Added Investment Accounting Process to list of significant cycles
- Added “Concur” to the Purchasing Card Process cycle

RECOMMENDATION: ACTION

The Finance and Audit Committee recommends that the IAA Board consider for approval adoption of the following:

- Resolution No. 19-2020** amending and replacing the existing Investment Policy, effective December 11, 2020.
- Resolution No. 20-2020** amending and replacing the existing Business Expense and Travel Policy, effective December 11, 2020.
- Resolution No. 21-2020** amending and replacing the existing Post Issuance Compliance Policy, effective December 11, 2020.
- Resolution No. 22-2020** amending and replacing the existing Defined Contribution Retirement Plan Fiduciary Committee Policy, effective December 11, 2020.
- Resolution No. 23-2020** amending and replacing the existing Internal Controls Policy, effective December 11, 2020.



BOARD MEMO – CARES ACT FUNDED GRANT REVENUE PLEGGED AS GROSS REVENUE

To: IAA Board of Directors

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

Date: November 30, 2020

Board Date: December 11, 2020

Subject: Adoption of Resolution No. 24-2020

Background

The Indianapolis Airport Authority Treasurer asks the Board to adopt Resolution No. 24-2020 (the “Resolution”), pledging CARES Act funded grant revenues of \$38,435,937.38 drawn during 2020 as Gross Revenues. Gross Revenues are defined in IAA’s Master Bond Ordinance (No. 5-2014) and are the security and source of payment for all outstanding IAA Revenue Bonds. To remove any technical challenge to the inclusion of CARE Act funded grant revenues drawn during 2020 as Gross Revenues in the Authorities debt service coverage calculation, external bond counsel has advised that an official Board action to pledge such revenues as Gross Revenues is necessary.

Recommendation

IAA staff recommends that the IAA Board consider for approval adoption of Resolution 24-2020 pledging \$38,435,937.38 of funding drawn in 2020, from the CARES Act funded grants used to pay certain operating expenses and debt service, as Gross Revenues.



BOARD MEMO- AMENDED AND RESTATED LEASE AGREEMENT – IMC

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: December 1, 2020

Board Date: December 11, 2020

Subject: Amended and Restated Lease Agreement with AAR Aircraft Services, Inc.

Background

AAR Aircraft Services, Inc. (AAR) entered into a new Lease Agreement in December 2014 (the “Extended Lease”), for the continuation of their aircraft maintenance, repair and overhaul services (“MRO”). AAR has performed these services at the Indianapolis Maintenance Center (IMC) facility since June 2004.

Events during the Extended Lease timeframe include a Second Amendment being executed in April 2018 providing for a reduced rental rate on specific hangars (Hangars 2A, 2B and 3A) associated with the Navy Poseidon P-8 program; a bidding process with AAR being awarded one of two contracts. Secondly, in May 2019, AAR provided a notice of termination to vacate the Composite Shop, Interior Shop and a significant portion of the Machine shop (collectively known as the “Back Shops”); returning a total of 161,231 square feet.

A third amendment to the Extended Lease was in the process of being drafted to consider the reduction of the Back Shop space. Before staff and AAR were able to finalize this amendment, the COVID-19 pandemic came to prominence dramatically impacting the MRO industry and AAR began looking for additional ways to further reduce costs which have included measures of AAR staff reductions and the deactivation of 5 hangars (Hangars 1A, 1B, 2A, 2B, and 3A).

Coterminous to the Extended Lease, AAR occupies a portion of the IMC’s Supply Building via a Supply Building Lease (“Supply Lease”) for its shipping, receiving and parts distribution operations.

Due to the COVID-19 pandemic and its effects on the MRO industry, AAR sought to renegotiate the Extended Lease.

The Amended and Restated Lease Agreement

Rather than amend both lease agreements (Extended Lease & Supply Lease), IAA and AAR agreed to combine these two agreements into an Amended and Restated Lease Agreement (“Restated Lease”). The Restated Lease combines, amends and restates the Extended Lease and Supply Lease in their entirety and incorporates the cumulative amendments thereto while adding new negotiated terms as noted below.

The Term of the Restated Lease is for a period ending on February 28, 2025, which is currently the end date of AAR’s contractual relationship with the US Navy. This end date could change in order to coincide with the fulfillment of AAR’s contractual obligations to the US Navy by a matter of a month(s). The goal being to

accommodate the late arrival or extended maintenance to a Navy aircraft associated with the US Navy's P-8 program.

AAR's desire is to reduce the per square foot rental rates by 50%. The ability for the IAA to achieve percentage rent remains unchanged to include a percentage share of AAR net profits above 9.25%.

In exchange for the reduction of the rental rates, the Restated Lease: 1) reduces the AAR hangar space to 5 hangars (Hangars 3B, 5A, 5B, 6A and 6B) to which AAR is required to lease full-time, 2) eliminates the hangar activation/deactivation process, 3) eliminates the use of an "On-Call Bay", 4) no opportunity for AAR to use rental credits for any improvements to the IMC, and 5) air conditioning the hangar bays during the summer months is eliminated. The goal of the IAA is to minimize operating expenses while AAR utilizes the IMC as the primary location for the Navy P-8 program. A further change within the Restated Lease is noted below.

A carryover from the Extended Lease, the Restated Lease also provides two extension term options, the first for a period of six (6) consecutive years beginning March 1, 2025, followed by a second option for a period of four (4) consecutive years. In the Extended Lease, AAR had the option to extend the Lease Term at their sole discretion; however, in the Restated Lease, the option to extend the Lease is by mutual agreement.

The Restated Lease provides AAR with up to one hundred fifty thousand dollars (\$150,000.00) in rent credits for the purpose of relocating the Navy P-8 operations from Hangars 2A, 2B and 3A into their full-time leasehold hangars. The credit includes costs associated with the consolidation of AAR's IT network communications. These rent credits will be applied to the Past Due Rents owed to the IAA and expire if not used before October 1, 2021.

Lastly, as a pre-condition to the full execution of this Restated Lease, AAR agrees to pay prior to the execution by the IAA Board an amount equal to fifty percent (50%) of AAR's total Past Due Rents for 2020 and AAR agrees further to pay the remaining fifty percent (50%) of Past Due Rents, with interest, in nine (9) equal installments beginning on January 1, 2021.

Scope

Staff requests the IAA Board execute the Amended and Restated Lease Agreement with AAR.

Schedule

December 11, 2020 (prior to): Receipt of AAR payment equal to 50% of total 2020 Past Due Rents.

December 11, 2020: IAA Board approval of the Amended and Restated Lease Agreement with AAR.

January 1, 2021: AAR's nine (9) monthly payments begins, with interest, on remaining balance of 2020 Past due Rents.

Revenue and/or Operating Cost Implications Revenue

Revenue:

AAR will pay the following annual rental rates for hangar, shop, warehouse and office support space located at the IMC:

Base Rent for Leased Premises (other than Machine shop and Supply Building):

- 366,181 square feet @ \$1.00 per square foot = \$366,181.00 per annum.

Additional Rent for Leased Premises (other than Machine shop, Supply Building and Hangar 4 Offices)

- 341,584 square feet @ \$3.10 per square foot = \$1,058,910.40 per annum.

Rental Structure for Machine Shop and Supply Building:

- Machine Shop – 30,415 square feet @ \$2.90 per square foot = \$88,203.50 per annum.
- Supply Building – 34,216 square feet @ \$2.90 per square foot = \$99,226.40 per annum.

Total annual revenue equals \$1,612,521.30 of fixed rent (not including percentage rent).

Operating Cost:

Rental credit in the amount of one hundred fifty thousand dollars (\$150,000.00) to be utilized no later than October 1, 2021. Rent credits will be applied to Past Due Rents.

As with all IMC tenants, Authority is responsible for utilities, all structural maintenance, repairs and replacements, and all air conditioning, electrical, heating, mechanical and plumbing systems as well as maintenance, repair, and recalibration of IAA owned tooling and equipment.

Supplier Diversity Participation

N/A

Recommendation

The IAA staff recommends the IAA Board consider for approval the Amended and Restated Lease Agreement with AAR Aircraft Services Inc., therein combining attributes of the Extended Lease and Supply Lease and incorporating newly negotiated lease terms into a single Amended and Restated Lease Agreement.



BOARD MEMO- FIFTH AMENDMENT TO LEASE AGREEMENT – IMC

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: December 1, 2020

Board Date: December 11, 2020

Subject: Fifth Amendment to Lease Agreement with Accredo Health Group, Inc. d/b/a Express Scripts (“Express Scripts”)

Background

The Express Scripts leasehold situated at the original main entrance into the Indianapolis Maintenance Center (“IMC”) consists of 110,896 square feet of office and administrative space along with 15,520 square feet of adjacent warehouse space. This area of the IMC, commonly referred to as the Commons Building, was first leased in December 2006 to Anthem Prescription Management, LLC (“Anthem”) to support their specialty pharmacy program. Since then, the Commons Building has been continuously occupied by Express Scripts who assumed the Lease Agreement from Anthem in September 2013. Express Scripts, being purchased by Cigna in December 2018, is seeking to remain at the IMC and has agreed to terms with the IAA as stated in the Fifth Amendment to Lease Agreement.

The Fifth Amendment to Lease Agreement with Express Scripts extends their occupancy at the IMC for 30 months to December 31, 2023, and includes an Extension Term that, if exercised, will add another 24 months through December 31, 2025. This length of term falls in line with other IMC tenant’s length of terms.

Other attributes of the Fifth Amendment provide for an escalation of Rents of 2% on an annual basis, an agreed upon number of unreserved parking spaces available to Express Scripts and an upgrade of the front entrance landscaping.

As Cigna is represented by a commercial broker on all transactions for their company, the IAA will pay a commission on rental revenue for the 30-month period extension. This first commission payment to CBRE, Cigna’s broker, is equal to 4% of the rental revenue associated with the thirty (30) month Term extension and is due within 180 days of the full execution of the Fifth Amendment. Upon the exercising of the 24-month Extension Term, a second commission payment to CBRE will be paid for the 24-month Extension Term and being due within 180 days of Express Scripts exercise of the Extension Term of the Fifth Amendment.

Scope

Staff requests the IAA Board execute the Fifth Amendment to Lease Agreement with Express Scripts.

Schedule

December 11, 2020: IAA Board approval of Fifth Amendment to Lease Agreement with Express Scripts.

June 9, 2021: Broker commission to CBRE due on or before this date.

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

Express Scripts will pay the following annual rental rates for administrative, call center and warehouse space located at the IMC:

Term

- July 1, 2021 – June 30, 2022: \$165,189.97 per month (\$1,982,279.66 annually).
- July 1, 2022 – June 30, 2023: \$168,474.31 per month (\$2,021,691.68 annually).
- July 1, 2023 – Dec 31, 2023: \$171,863.97 per month (\$1,031,183.84 six months).

Extended Term

- Jan 1, 2024 – June 30, 2024: \$171,863.97 per month (\$1,031,183.84 six months).
- July 1, 2024 – June 30, 2025: \$175,346.05 per month (\$2,104,152.64 annually).
- July 1, 2025 – Dec 31, 2025: \$178,828.14 per month (\$1,072,968.84 six months).

Total revenues through Term and Extension Term equal \$9,243,460.50

Operating Cost:

First Broker commission payment to CBRE in the amount of \$201,406.21 being due within 180 days of full execution of the Fifth Amendment.

If Extension Term is exercised, Second Broker commission payment to CBRE in the amount of \$168,332.21 being due within 180 days.

As with all IMC tenants, Authority is responsible for utilities, structural maintenance, repairs and replacements, and all air conditioning, electrical, heating, mechanical and plumbing systems. The rental rate is reflective of these IAA responsibilities.

Supplier Diversity Participation

N/A

Recommendation

The IAA staff recommends the IAA Board consider for approval, the Fifth Amendment to Lease Agreement with Accredo Health Group, Inc. d/b/a Express Scripts to extend the Lease Term by thirty (30) months through December 31, 2023 and add the option of an Extension Term for an additional twenty four (24) months.

**IAA Board Virtual Meeting
General Agenda
December 11, 2020**

General:

None

Capital:

- BP2020-12-06** **Consider for approval,** Change Order No. 1 with CIPPlanner Corporation in an amount not-to-exceed \$10,500 fees and expenses resulting in a revised contract total of \$1,079,189.
- BP2020-12-07** **Consider for approval,** Amendment No. 2 to the contract with Hanson Professional Services Inc. for the Tug Road – Relocate and Widen South of Runway 14-32 at Indianapolis International Airport in an amount not-to-exceed \$66,003.10.
- BP2020-12-08** **Consider for approval,** Change Order No. 5 with J.C. Ripberger Construction Corporation for Consolidated Snow Removal Equipment (SRE) and Materials Storage Facility, Phase I at Indianapolis International Airport in an amount not-to-exceed \$25,273.00. Supplier diversity participation for Change Order No. 5 is MBE 61.25% (Sexson Mechanical).



Indianapolis Airport Authority

BOARD MEMO – CHANGE ORDER

To: IAA Board of Directors

From: Reid Goldsmith, Sr. Director of Information Technology

Date: November 25, 2020

Board Date: December 11, 2020

Subject: Change Order No. 1 with CIPPlanner Corporation for Capital Program - Project Lifecycle Management Software

Background

In 2010, after the transition of IND to the new midfield terminal, IAA's Planning and Development department adopted the software used to manage the terminal construction to manage all future capital construction projects. While the software proved useful at the time, Planning and Development's needs in terms of software functionality have evolved and, as a result, the decision was made to evaluate other capital program management software and explore alternatives.

In 2018, a capital budget item was created and approved and IAA staff issued a Request for Information (RFI) for Capital Program Project Management Software. There were 7 respondents and after multiple rounds of software demonstrations and in-depth interviews, IAA staff selected CIPPlanner Corporation's CIPAce Software for recommendation to the board. The project is 100% airport cash funded.

On January 20, 2020, the IAA Board approved a contract with CIPPlanner Corporation for this project valued at \$1,068,689. Year one of the project will be completed in January of 2021 and the IAA will have a functional Program Management system.

Change Order No. 1

Contract changes are for added scope and for one month's added time, requested by the Authority.

1. Project, Contract, and Reporting for diverse spending information will be added to the system for simpler tracking of project and contract diversity participation. In addition, a program report will be produced to more quickly identify issues.
2. Staff Augment contract functionality will be improved. These contracts have traditionally only been tracked within IAA's financial system. This new tool adds Staff Augment capabilities to this Program Management tool. A staff augment contract will be tracked throughout the CIPAce system and this functionality will automate linking of Staff Augment contracts into relevant projects.

3. Project Workflow management will be modified to include project and contract details requested by Project Managers.
4. Prompt payment verification will be added to invoice items to track each subcontractor's payments by line. The prime contractor will indicate payment in the system and the IAA can contact the subcontractor to verify payment has been made by the prime. This is an FAA requirement for airport capital programs.
5. Production of a report to ensure each contract has a Notice to Proceed provided prior to construction.
6. Automate the creation of a calendar invitation sent from the system for warranty walkthrough on the date and time selected.

Budget

The revised CIPPlanner Corporation contract amount will be \$1,079,189.

Cost Items	Year 1	Year 2	Year 3	Total
Program Management (Excluding Planning and Budgeting) Service Cost	\$380,972			\$380,972
Capital Planning and Budgeting System Implementation Service Cost		\$126,991		\$126,991
Program Management (Excluding Planning and budgeting) SaaS	\$129,700			\$129,700
Program Management (Including Planning and Budgeting) SaaS		\$178,013	\$178,013	\$356,026
Expenses (not-to-exceed)	\$37,500	\$37,500		\$75,000
Change Order No. 1	\$10,500			
Total	\$595,672	\$305,004	\$178,013	\$1,079,189

Schedule

Phase I is now expected to be completed in January 2021. The revised functionality in this change order will be available at the completion of Phase 1.

Supplier Diversity Participation

The 2018 RFI solicitation process included efforts to identify MBE, WBE, and/or VBE contractors for capital program/project lifecycle management vendors prior to awarding a contract to CIPPlanner. CIPPlanner is the software creator and performs implementations of their software therefore, no supplier diversity participation is possible for this contract.

Recommendation

IAA staff recommends the IAA Board consider for approval Change Order No. 1 with CIPPlanner Corporation in an amount not-to-exceed \$10,500 fees and expenses resulting in a revised contract total of \$1,079,189.



BOARD MEMO – AMENDMENT

To: IAA Board of Directors

From: Jarod Klaas, P.E., Senior Director of Planning & Development

Date: December 1, 2020

Board Date: December 11, 2020

Subject: Approve Amendment No. 2 with Hanson Professional Services Inc. for Tug Road – Relocate and Widen South of Runway 14-32 at Indianapolis International Airport (Project No. I-19-061)

Background

As part of the rehabilitation of Runway 14-32, the tug road around the southern end of the runway was relocated and widened. To facilitate the relocating and widening of the tug road, the localizer which is associated with Runway 14 was also moved. In addition to the relocation, both the localizer and the glideslope associated with Runway 14-32 were upgraded. The existing tug road has been left in place.

On May 17, 2019, the Indianapolis Airport Authority (IAA) Board approved a contract with Hanson Professional Services Inc. (Hanson) for the Additional Design & Construction Phase Services for Runway 32 Glide Slope and Localizer.

On October 10, 2020, the IAA Executive Director approved Amendment No. 1 for a Time Only Extension to March 31, 2021.

Scope

Amendment No. 2 adds additional design for Runway 32 Glide Slope and Localizer and construction administration services.

Budget

The Hanson amendment is \$66,003.10, which is within the approved 2021 Capital Budget for Tug Road - Relocate and Widen South of Runway 14-32.

This project will be funded by IAA Capital Funds and tenant reimbursements.

Schedule

This amendment does not change the term of the contract. The contract with Hanson expires on March 31, 2021.

Supplier Diversity Participation

There is no supplier diversity participation in this amendment.

Contract Summary to Date

Contract/Amendment & Execution Date	Service & Term	Amount	Diversity Participation %			
			DBE	MBE	WBE	VBE
Original Contract 5/17/19	Professional Services 5/17/19 - 9/30/20	\$ 266,154.00	6.69%	0.00%	6.60%	0.00%
Amendment No. 1 (TOE) 10/1/20	Professional Services 9/30/20 - 3/31/21	\$ -	0.00%	0.00%	0.00%	0.00%
Amendment No. 2	Professional Services No Change in Term	66,003.14	0.00%	0.00%	0.00%	0.00%
Revised Contract NTE		\$ 332,157.14	5.36%	0.00%	5.36%	0.00%

Recommendation

The IAA staff recommends the IAA Board of Directors consider for approval Amendment No. 2 to the contract with Hanson Professional Services Inc. for the Tug Road – Relocate and Widen South of Runway 14-32 at Indianapolis International Airport in an amount not-to-exceed \$66,003.10.



BOARD MEMO – CHANGE ORDER

To: IAA Board of Directors

From: Jarod Klaas, P.E., Senior Director of Planning & Development

Date: December 1, 2020

Board Date: December 11, 2020

Subject: Approve Change Order No. 5 with J.C. Ripberger Construction Corporation for Consolidated Snow Removal Equipment (SRE) and Materials Storage Facility, Phase I at Indianapolis International Airport (Project No. I-15-031)

Background

The Snow Removal Equipment (SRE) for the Indianapolis International Airport is currently stored in four aging buildings spread across the northeast corner of the airport: Storage Buildings 5 and 6, and Hangars 100 and 105. Additionally, several pieces of equipment are stored in Building 2 despite its primary function being a maintenance shop. The current project is to develop a consolidated SRE storage building to store all the SRE equipment, including recently acquired MB Multi-Tasking Snow Removal Vehicles which are too large to fit inside any building other than hangars.

A Delegation of Authority for the Award of a contract with J.C. Ripberger Construction Corporation by the IAA Executive Director was approved by the IAA Board of Directors on September 20, 2019 (Reference BP2019-09-06).

On September 30, 2019, the IAA Executive Director approved the contract with J.C Ripberger Construction Corporation for Consolidated Snow Removal Equipment and Materials Storage Facility, Phase I.

Change Orders Nos. 1 through 4, which were all below the 5% contingency, were approved by the Senior Director of Planning & Development.

Change Order No. 5 Summary

Contract changes fall under one of three categories: Errors/Omissions, Unforeseen Circumstances, or additional Owner requested scope. Typically, the cost of an error is paid by the designer as the error may require work already completed to be redone. Omissions are items that are corrected before work is performed and for which the designers are typically charged up to 15% of the cost because the item may have to be negotiated with the contractor. Unforeseen circumstances are items that could not reasonably be anticipated by the designer and

therefore are not charged against the designer. Owner requested scope changes occur when, during construction, the Owner identifies, and directs the contractor to complete additional work which benefits the Owner. This change order addresses thirteen (13) items that include Unforeseen Circumstances, Owner requested scope, and Errors/Omissions.

Unforeseen Circumstances

Unsuitable Soils: Unsuitable soils were discovered in the northwest area of the building slab, requiring stone to stabilize the subgrade. Compaction tests confirmed the modified subgrade now has the appropriate bearing capacity.

Storm Line Reroute: During excavation for new storm piping, an existing storm line was encountered. This work will tie the existing pipe into one of the new storm structures.

Remove Old Water Meter Vault: An abandoned water meter vault was uncovered during excavation. This work will dispose the old vault and fill the hole.

Owner Requested Scope

Deduct for Column Protectors: Upper column protectors were in conflict with storm drain piping on certain columns.

Deduct for Angle Supports: The precast concrete wall panel supplier devised an alternate method to brace the precast panels; therefore, structural steel angle braces that were designed into the system can be eliminated.

Add Bollards: Add protective bollards at the Fire Department Connection (FDC).

Modify Roof Insulation: Simplify the roof drainage and eliminate built-up insulation.

Change Floor Hardener: Identified more economical product.

Error/Omission (IAA will seek compensation from the Design Engineer for reimbursement of these costs)

Crane Beam/Overhead Door Conflict: The support of the crane beams at the exterior walls require modification to properly accommodate the overhead doors.

Trench Drain Piping: The trench drain piping along column line 11 requires modification to avoid column footings.

Fire Alarm Fiber: An additional fiber line must be installed to achieve Class A network system.

Additional Circuit for Heat Trace: An additional electrical circuit must be installed to support the length of heat trace needed for the domestic water piping.

Piping Connections at Structure 110: Modify the plans to detail the connection of two existing storm pipes into new storm structure 110.

Budget

Revised Construction Amount

Original Construction Contract Amount	\$ 13,844,800.00
Previous Change Orders (4.94% of contract)	683,567.00
Current Change Order No. 5 (0.18% of contract)	25,273.00
New Construction Contract Total	\$ 14,553,640.00

Project Costs

Design (including survey and geotechnical)	\$ 609,711.23
Advertisements for Bid	896.00
Other Services	331,997.00
Inspection	725,279.00
Construction Contract Amount	13,844,800.00
Previous Change Orders	683,567.00
Current Change Order No. 5 (0.18%)	25,273.00
Revised Total Anticipated Project Cost	\$ 16,221,523.23

The J.C. Ripberger Change Order No. 5 is \$25,273.00 and is within the approved 2021 Capital Budget for Consolidated Snow Removal Equipment (SRE) and Materials Storage Facility, Phase I. The funding for this project is 61% Federal Aviation Administration (FAA) grant funds and 39% Airport cash funded.

This project is being undertaken to increase efficiency, reduce operational costs and preserve existing assets. Without these improvements, operational costs will continue to escalate and inefficiencies in snow removal efforts will impact our airline partners. Therefore, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

The contract term will be extended by Change Order No. 5 to January 5, 2021 to incorporate the additional work and account for lost time due to permitting issues.

Supplier Diversity Participation

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
J.C. Ripberger	-	-	-	(15,743.00)	0.00%	0.00%	0.00%	-62.29%
Sexson Mechanical	\$ -	\$ 15,480.00	\$ -	\$ -	0.00%	61.25%	0.00%	0.00%
Eagle Mechanical	-	-	-	4,712.00	0.00%	0.00%	0.00%	18.64%
Totals	\$ -	\$ 15,480.00	\$ -	\$ (11,031.00)	0.00%	61.25%	0.00%	-43.65%

Contract Summary to Date

Contract/Amendment & Execution Date	Service & Term	Amount	Diversity Participation %			
			DBE	MBE	WBE	VBE
Original Contract September 20, 2019	Contract Term to 10/26/20	\$ 13,844,800.00	0.00%	7.63%	3.07%	43.67%
Change Order 1	Contract Term to 11/8/20	\$ 48,622.00	0.00%	90.29%	0.00%	9.71%
Change Order 2	No Change in term	\$ 186,434.00	0.00%	0.00%	3.25%	26.84%
Change Order 3	Contract Term to 11/21/20	\$ 267,570.00	0.00%	34.66%	0.00%	21.19%
Change Order 4	No Change in term	\$ 180,941.00	0.00%	23.05%	0.00%	11.65%
Change Order 5	Contract Term to 1/5/21	25,273.00	0.00%	61.25%	0.00%	-43.65%
Revised Contract NTE		\$ 14,553,640.00	0.00%	8.59%	2.96%	42.38%

Recommendation

The IAA staff recommends the IAA Board consider for approval Change Order No. 5 with J.C. Ripberger Construction Corporation for Consolidated Snow Removal Equipment (SRE) and Materials Storage Facility, Phase I at Indianapolis International Airport in an amount not-to-exceed \$25,273.00. Supplier diversity participation for Change Order No. 5 is MBE 61.25% (Sexson Mechanical).