



Agenda  
Indianapolis Airport Authority  
March 21, 2014  
8:30 AM

- I. **Call to Order**
- II. **Approval of Minutes of the Pre-Board and Regular Meeting of February 21, 2014**
- III. **Ordinances, Resolutions and Public Hearings**
  - a) Final Public Hearing on **General Ordinance No. 2-2014** concerning certain revisions to, and modifications of, the IAA Smoking Ordinance.
  - b) Consider for approval **Resolution No. 3-2014** concerning certain Indianapolis Airport Authority NFL Assurances.
  - c) Consider for approval **Resolution No. 4-2014** concerning the 2<sup>nd</sup> Amendment of the IMC Lease Agreement with the Greater Indianapolis Foreign Trade Zone, Inc.
- IV. **Board Reports**

President's Report
- V. **Official Actions**

Consider for approval the individual items listed on the IAA General Agenda dated March 21, 2014.
- VI. **Staff Reports**

Executive Director Report
- VII. **Other Reports/Update**
- VIII. **Board Communications**

*Next Meeting: Friday, April 18, 2014 @ 8:30 a.m.*
- IX. **Adjourn**

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

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 8:41 a.m., February 21, 2014, in the Airport's Board Room at Indianapolis International Airport.

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

Michael W. Wells, President  
Kelly J. Flynn, Vice President  
Alfred Bennett, Secretary  
Jean Wojtowicz, Member  
Jack T. Morton, Jr., Member  
David C. Lewis, Member  
Karen Caswelch, Member  
Philip C. Borst, Member  
Lynn T. Gordon, Advisory Member

Rex M. Joseph, IAA Board Counsel

**IAA executive staff attending:**

Robert A. Duncan, Executive Director  
Mike Medvescek, Sr. Director of Operations  
Marsha Stone, Sr. Director of Commercial Enterprise  
Joseph Heerens, General Counsel  
Shannetta Griffin, Sr. Director of Planning & Development  
Robert Thomson, Sr. Director of Finance  
Jamie Leap, Sr. Administrative Assistant/Recording Secretary

**APPROVAL OF MINUTES**

Upon a motion by Mr. Flynn, seconded by Mr. Lewis and unanimously passed, approval was given to the Minutes of both the Pre-Board and Regular Meetings of January 17, 2014.

**ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS**

President Wells introduced General Ordinance No. 2-2014, concerning the revision and modification of the IAA Smoking Ordinance.

President Wells next described Resolution No. 1-2014, granting the Executive Director, or his authorized representative, authorization to apply for, and accept, Offers extended to it by the FAA, TSA, or INDOT. Upon a motion by Mr. Morton, seconded by Ms. Caswelch and unanimously passed, approval was given to Resolution No. 1-2014.

President Wells next described Resolution No. 2-2014, authorizing, extending or amending existing swap agreements. Upon a motion by Mr. Flynn, seconded by Ms. Wojtowicz and unanimously passed, approval was given to Resolution No. 2-2014.

President Wells next described the Declaration of Emergency pertaining to the recent canopy failure at the IAA's Parking Garage, which directs IAA's Management to take all reasonable and necessary steps to protect public safety, health and welfare, to obtain bids or quotes for the repair and/or replacement thereof, and to execute any necessary contracts for these purposes. Upon a motion by Ms. Wojtowicz, seconded by Mr. Bennett and unanimously passed, approval was given to the Declaration of Emergency.

## **BOARD REPORTS**

### **President's Report**

President Wells congratulated the entire IAA Staff for all their efforts that resulted in Indianapolis International Airport being recognized as the Best Airport in North America for the third time in the past four years. He noted the collaborative effort of everyone involved in obtaining such a prestigious honor.

### **Annual Report – Finance & Audit Committee**

Committee Chair, Ms. Jean Wojtowicz, provided a summary of accomplishments related to the Finance & Audit Committee for calendar year 2013. Ms. Wojtowicz also noted that, in December 2013, the IAA received its 31<sup>st</sup> consecutive Certificate of Achievement for Excellence in Financial Reporting.

### **Annual Report – Human Resources Committee**

Committee Chair, Mr. Lynn Gordon, provided a summary of accomplishments related to the Human Resources Committee during calendar year 2013.

### **Annual Report – Reliever Airport Committee**

Committee Chair, Mr. Al Bennett, provided a summary of accomplishments related to the Reliever Airport Committee during calendar year 2013. Mr. Bennett also noted that, for the 13<sup>th</sup> consecutive year, all the IAA's Reliever Airports received a 100% non-discrepancy Inspection under DOT safety and compliance regulation.

## **OFFICIAL ACTIONS**

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED February 21, 2014: President Wells introduced and then verbally described each of the individual items listed on the General Agenda, after which he asked for separate motions of approval, as follows:

**BP2014-02-1**. Upon a motion by Mr. Flynn, seconded by Ms. Caswelch and unanimously passed, approval was given to BP2014-02-1.

**BP2014-02-2.** Upon a motion by Ms. Caswelch, seconded by Mr. Bennett and unanimously passed, approval was given to BP2014-02-2.

**BP2014-02-3.** Upon a motion by Ms. Wojtowicz, seconded by Mr. Morton and unanimously passed, approval was given to BP2014-02-3.

**BP2014-02-4.** Upon a motion by Mr. Borst, seconded by Mr. Flynn and unanimously passed, approval was given to BP2014-02-4.

**BP2014-02-5.** Upon a motion by Mr. Lewis, seconded by Mr. Flynn and unanimously passed, approval was given to BP2014-02-5.

**BP2014-02-6.** Upon a motion by Mr. Morton, seconded by Mr. Borst and unanimously passed, approval was given to BP2014-02-6.

**NOTE:** Prior to the Board's vote on BP2014-02-4, President Wells recognized Mr. Brian Shapiro, who expressed opposition to the proposed transactions described therein. His comments were presented and considered prior to the vote on BP2014-02-4.

## **STAFF REPORTS**

### **Executive Director Report**

Mr. Duncan recognized the 2013 4th Quarter RITE award winners, including Mr. Kyle Elliott of the IAA Operations Department for the core value of "Respect", Ms. Janice Richardson of IAA Guest Services for the core value of "Trust", Mr. Gerald Guise of the IAA Fire Department for the core value of "Excellence", Mr. Ricky Seconds of the IAA Police Department for "Customer Service Excellence", the IAA Building Maintenance Department (including Mr. Phil Robinson, Mr. Dennis Roembke, Mr. John Derringer, Mr. Thomas Hotsinpillar, Mr. Aaron Lockerman, Mr. Tyler Spears, Mr. Anthony Shew, Mr. Robert Summers and Mr. Gary Standish) for being "Unsung Heroes", and Mr. Reid Goldsmith of the IAA Information Technology Department for "Leadership Excellence".

Mr. Duncan next introduced Mr. Chris Matney, IAA's Air Service Director, who shared a short video regarding the "cool chain" cargo facility operated by Cargolux at the Indianapolis International Airport.

### **Annual Report – Finance**

Mr. Robert Thomson, IAA's Sr. Director of Finance, provided an annual financial report for 2013.

### **Annual Report – Diversity**

Ms. Holli Harrington, IAA's Director of Diversity, provided an annual diversity report for 2013.

## **ADJOURNMENT**

President Wells announced that the next IAA Board meeting is scheduled for March 21, 2014.

There being no further business, the meeting was adjourned at 9:42 a.m.

INDIANAPOLIS AIRPORT AUTHORITY\*

\_\_\_\_\_  
Michael W. Wells, President

\_\_\_\_\_  
Alfred R. Bennett, Secretary

Date: \_\_\_\_\_

\*Signed under authority of IAA Board Resolution #6-2013

DRAFT



## BOARD MEMO – AMENDED SMOKING ORDINANCE

To: IAA Board of Directors

From: Robert Duncan, Executive Director  
Joseph Heerens, General Counsel

Date: March 4, 2014

Board Date: March 21, 2014

Subject: Final Hearing: Revision & Modification of IAA Smoking Ordinance

### **Background**

In 1995, the Indianapolis Airport Authority (the “IAA”) adopted a Smoking Ordinance (General Ordinance No. 1-1995), which was subsequently amended and modified by the adoption of General Ordinance Nos. 3-2007 and 6-2007 (hereinafter referred to collectively as the “2007 Smoking Ordinance”). The IAA determined it was desirable to protect the public health by regulating smoking on airport properties, to ensure the right of non-smokers to breathe smoke-free air, and to recognize that the need to breathe smoke-free air should have priority over the desire to smoke.

In an effort to further address smoking and smoking-related products at IAA airports, certain changes are being proposed which are reflected in General Ordinance No. 2-2014 (“2014 Smoking Ordinance”). The 2014 Smoking Ordinance revises and modifies the 2007 Smoking Ordinance in the following ways:

- (i) Deletes numerous provisions of the 2007 Smoking Ordinance that have expired or are no longer applicable at this time;
- (ii) Expands the definition of “smoking” to include not only lighted cigarettes, cigars, pipes and other lighted smoking equipment, *but also* the use of smoking-related equipment commonly known as “electronic cigarettes”, “vapor pens” and other similar devices;
- (iii) Clarifies that “smoking” does not include the chewing of tobacco or snuff;
- (iv) Specifies, consistent with the laws of the State of Indiana, that smoking is prohibited within eight (8) feet of any public entrance to any public place and place of employment at any of the IAA’s airports;
- (v) Expands the list of individuals authorized to issue citations for violations from the Executive Director, the IAA Police Department, the IAA Fire

Department and the IAA Duty Managers, *to now also include* the IAA Senior Directors, IAA Directors, and managers and supervisors of the IAA Parking Department; but also removes the IAA Public Safety Officers from this list due to the elimination of this group of employees in 2012; and

- (vi) Modifies the penalties for violations by eliminating the written warning for a first-time offense and the escalating fines that reset on an annual basis, with a simplified approach that establishes a \$75.00 fine for any offense, whether first-time or otherwise.

For ease of reference, attached hereto is a marked-up (red-lined) copy of the Ordinance, as well as a clean copy which incorporates all of the proposed changes.

Pursuant to statutory requirements, the 2014 Smoking Ordinance was *introduced* at last month's public meeting of the IAA's Board held on February 21, 2014. The next step in the statutory process is for the 2014 Smoking Ordinance to receive a *final hearing* at a subsequent public meeting of the IAA's Board, where the general public may testify and offer their comments. That public hearing is scheduled to occur on March 21, 2014.

Also, the public notices regarding the 2014 Smoking Ordinance which are necessary for this step in the process have been timely published in the newspapers, as required by applicable law.

**Diversity Participation**

Not applicable.

**Schedule**

February 21, 2014

Introduction of General Ordinance No. 2-2014

March 21, 2014

Public Hearing/Consideration for Adoption of said Ordinance

**GENERAL ORDINANCE 2-2014**

**Revising and Modifying**

**GENERAL ORDINANCE 6-2007**

**WHEREAS**, smoking is a cause of annoyance, discomfort and physical irritation to non-smokers;

**WHEREAS**, the federal government, acting through the Environmental Protection Agency, the Center for Disease Control and Prevention, and the Department of Health and Human Services, has determined that second-hand tobacco smoke is a carcinogen hazardous to non-smokers, contributes to the risk of acute myocardial infarction and coronary heart disease;

**WHEREAS**, the Board of the Indianapolis Airport Authority (“IAA”) previously adopted General Ordinance 1-1995, General Ordinance 3-2007 and General Ordinance 6-2007 (collectively, the “2007 Ordinance”), regulating smoking at its Airport Facilities (hereinafter defined);

**WHEREAS**, the IAA has determined that the 2007 Ordinance needs to be further amended and revised with respect to smoking restrictions at the Airport Facilities, in order to: (1) protect the public health and welfare by regulating smoking at all Airport Facilities; (2) ensure the right of non-smokers to breathe smoke-free air; and (3) recognize that the need to breathe smoke-free air shall have priority over the desire to smoke; and

**WHEREAS**, the 2007 Ordinance is hereby amended and revised, and, from and after the Effective Date (hereinafter defined), the Smoking Ordinance shall hereafter read as follows:

### **SECTION 1 – DEFINITIONS**

(a) *“Airport Facility”* or *“Airport Facilities”* means the Indianapolis International Airport, Hendricks County Airport-Gordon Graham Field, Eagle Creek Airpark, Indianapolis Regional Airport, Indianapolis Metropolitan Airport, the Indianapolis Downtown Heliport, and the IAA’s Habitat Conservation Areas.

(b) *“Employee”* means a person who is employed by an entity in consideration for direct or indirect monetary wages or profit, and a person who volunteers his or her services.

(c) *“Employer”* means a person or entity that employs the services of one or more individual employees.

(d) *“Executive Director”* means the person so designated by the IAA’s Board.

(e) *“Smoking Ordinance”* means this General Ordinance 2-2014.

(f) *“Smoking”* means the carrying or holding of a lighted cigarette, cigar, pipe, or any other lighted smoking equipment, the use of an electronic cigarette (also known as an “e-cigarette”), vapor pens or other similar devices, or the inhalation or exhalation of smoke from any lighted smoking equipment. However, the term *“smoking”* does not include the burning of incense, or the chewing of tobacco or snuff.

### **SECTION 2 – SMOKING RESTRICTIONS**

The following buildings and areas under the IAA’s jurisdiction are declared smoke-free and subject to the following smoking restrictions:

(a) No smoking is permitted within any building or structure on any Airport Facility.

(b) Smoking is prohibited at any time within or on any IAA-owned or operated motor vehicle or motorized equipment of any type.

(c) An Employer shall have the discretion to authorize or prohibit smoking within or on motor vehicles or other motorized equipment owned or operated by the Employer, provided that such motor vehicles or equipment are only operated outdoors.

(d) No smoking is permitted on any air operation area, fuel farm, and those areas defined in General Ordinance 1-1986, Rules and Regulations for the Use of the Airports and their Facilities, Section 3.9(d), or any other area designated by the Executive Director for fire safety reasons at any Airport Facility.

(e) Notwithstanding anything herein to the contrary, smoking is, and shall at all times, be prohibited within eight (8) feet of any public entrance to any public place and place of employment on any Airport Facility.

### **SECTION 3 – AUTHORIZED SMOKING AREAS**

(a) Smoking may be permitted outdoors *only* in specifically marked designated “smoking areas” if, and to the extent, approved, in writing, by the Executive Director.

(b) Smoking is permitted within privately-owned vehicles while on an Airport Facility.

### **SECTION 4 – PROHIBITION OF SMOKING**

Smoking is prohibited within any building or structure on any Airport Facility, except as may be otherwise authorized by the terms of this Smoking Ordinance. In

addition, notwithstanding anything herein to the contrary, smoking is, and shall at all times, be prohibited within eight (8) feet of any public entrance to any public place and place of employment on any Airport Facility.

#### **SECTION 5 – ADDITIONAL REQUIREMENTS**

No smoking shall be permitted in any area of any Airport Facility without the written permission of the Executive Director. No ashtrays or other smoking paraphernalia shall be permitted by the owner, operator, manager, or other person or entity having control of an area where smoking is prohibited by this Smoking Ordinance.

#### **SECTION 6 – NON-RETALIATION**

No person or Employer shall discharge, refuse to hire, or in any manner retaliate against an Employee, applicant for employment, or customer because that Employee, applicant, or customer exercises any rights afforded by this Smoking Ordinance, or reports, or attempts to prosecute, a violation of this Smoking Ordinance.

#### **SECTION 7 – ENFORCEMENT**

(a) This Smoking Ordinance shall be enforced by the following IAA personnel, who are hereby authorized and empowered to issue citations for the violation of this Smoking Ordinance: (i) IAA's Executive Director, Senior Directors, and Directors; (ii) IAA Police Department; (iii) IAA Fire Department; (iv) IAA Duty Managers; and (v) managers and supervisors of the IAA Parking Department.

(b) An owner, manager, operator, or Employee of a public place or place of employment regulated by this Smoking Ordinance on an Airport Facility shall inform

persons violating this Smoking Ordinance of the appropriate provisions hereof, and shall ask those persons to refrain from smoking.

### **SECTION 8 – VIOLATIONS AND PENALTIES**

A person who smokes anywhere where smoking is prohibited by this Smoking Ordinance, and who fails to comply with the provisions of this Smoking Ordinance, may be issued either a written warning or a written citation for violating this Smoking Ordinance. A written violation citation shall be subject to payment of a civil penalty in the amount of Seventy Five and No/100 Dollars (\$75.00). The aforesaid civil penalties and this Smoking Ordinance shall be enforced pursuant to Indiana Code § 34-28-5.

### **SECTION 9 – SIGNAGE**

Appropriate signage shall be posted by the IAA, informing the public of no smoking on any Airport Facility.

### **SECTION 10 – SMOKING CESSATION ASSISTANCE**

The Executive Director, or his/her designee, may take reasonable actions to develop and implement a smoking cessation assistance educational program, to include appropriate materials and incentives, and to seek available grants and other funding opportunities in support of such programs.

### **SECTION 11 – REPEAL**

Any ordinances (or parts thereof) that are inconsistent with the terms of this Smoking Ordinance (including, but not limited to, General Ordinance 6-2007), are hereby superseded, to the extent of any such inconsistency, for the period from and after the Effective Date (hereinafter defined).

**SECTION 12 – EFFECTIVE DATE**

Notwithstanding anything herein to the contrary, this Smoking Ordinance shall be effective from and after April 1, 2014 (the “Effective Date”).

**ADOPTED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**INDIANAPOLIS AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Michael Wells, President

By: \_\_\_\_\_  
Alfred R. Bennett, Secretary

\*Signed under authority of IAA Board Resolution #6-2013



## BOARD MEMO – NFL ASSURANCES

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: March 7, 2014

Board Date: March 21, 2014

Subject: Commitment to Support the Super Bowl Host Committee's Bid to Host Super Bowl LII in 2018 in Indianapolis

### **Background**

In February 2012, the Indianapolis Airport Authority (IAA) successfully executed airport operations in support of Super Bowl XLVI, hosted by the city of Indianapolis. The recognized success of the airport's handling of attendees and event operations resulted from many man-hours and resources committed by the airport in collaboration with the event coordinators.

On the Monday following Super Bowl XLVI, the airport handled a record 24,574 passengers through Col. H. Weir Cook Terminal and an additional 2,600 charter passengers at other operational locations. 528 personal aircraft were parked at Indianapolis International during the game and hundreds more were supported at our reliever airports. Ground Transportation coordinated a 631% increase in taxi activity, 4,000 limousine rides and 2,000 rental car returns.

The airport also generated approximately \$1 million in Super Bowl merchandise sales and benefitted from media coverage valued at nearly \$2.5 million.

Through the current efforts of the Super Bowl Host Committee, Indianapolis is one of three city finalists competing for the right to host Super Bowl LII in 2018.

### **Scope**

IAA Staff is requesting IAA Board adoption of Resolution No. 3-2014, confirming commitment of airport staff and resources in support of the Super Bowl Host Committee's bid to NFL owners that Indianapolis host Super Bowl LII in 2018. A similar action was taken by this board on March 7, 2008 when Resolution 2-2008 was adopted in expressing IAA's support for Super Bowl XLVI.

### **Schedule**

In May 2014, the Super Bowl Host Committee will make their bid presentation to NFL owners in support of Indianapolis hosting Super Bowl LII in 2018, which will include the airport's resolution in support of providing resources for the event.

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

### **Revenue:**

Approximately \$700,000 in total revenue was recognized by IAA associated with 2012 Super Bowl activities. 2018 Super Bowl revenues are not currently estimable.

### **Operating Costs:**

IAA spent approximately \$845,000 in total on 2012 Super Bowl activities. 2018 Super Bowl costs are not currently estimable, however, 2012 costs should represent a reasonable comparison. In 2012, IAA incurred costs associated with construction of two temporary control towers at Indianapolis Regional Airport and Eagle Creek Airpark. The State of Indiana contributed \$66,000 in grant funding, which was included in the total revenue numbers above, in support of construction of those towers. Temporary control tower requirements, including costs and funding sources, for Super Bowl LII in 2018 are not currently known and subject to further review.

## **Supplier Diversity Participation**

The NFL has established the Emerging Business Program to ensure that minority- and women-owned firms in Super Bowl host cities are involved in the procurement process. According to the NFL, the purpose of this program is to:

- Inform minority and woman-owned businesses of available opportunities surrounding the Super Bowl.
- Provide business development education, training and programming that reflects the needs of the local business community.
- Work with minority and woman-owned businesses to forge local connections benefiting business development and growth in connection with the 2012 Super Bowl and beyond.

For the Indianapolis Super Bowl alone, 880 businesses representing 10 states applied for the program and over 400 Indiana-based firms qualified. In support of hosting Super Bowl related initiatives, contributions by diversity suppliers will be pursued.

## **Recommendation**

Consider for approval Resolution No. 3-2014 concerning the commitment of airport staff and resources in support of the Super Bowl Host Committee's bid to NFL owners that Indianapolis host Super Bowl LII in 2018.

## **RESOLUTION NO. 3-2014**

### **INDIANAPOLIS AIRPORT AUTHORITY NFL ASSURANCES**

**WHEREAS**, the National Football League (the "League") owns, produces and controls the annual professional football championship game known as the "Super Bowl", the largest national annual sporting event held in this country; and NFL Properties LLC ("NFLP" or, together with the League, the "NFL") owns, produces and controls the "NFL Experience", and along with other NFL Affiliates owns, produces and controls certain other events associated with the Super Bowl ("Official Events"); and

**WHEREAS**, the City of Indianapolis is desirous of hosting Super Bowl LII and has been requested by the NFL to provide various organizational, financial and promotional assurances to accommodate, stage and conduct Super Bowl LII and its related Official Events and activities; and

**WHEREAS**, as an element of the formal bid of the City of Indianapolis to be designated as a site for Super Bowl LII and related Official Events, and in anticipation of accommodating arriving Super Bowl visitors should the City of Indianapolis be so designated, the Indianapolis Airport Authority has been requested to provide certain commitments and assurances to the NFL during the period commencing two weeks prior to the Super Bowl through one week following the Super Bowl; and

**WHEREAS**, the Federal Aviation Administration and Department of Homeland Security have responsibility for providing against unsafe airspace congestion and for establishment of flight restrictions of aircraft over Super Bowl stadium sites ("Stadium"); and

**WHEREAS**, sightseeing, media, advertising and other aircraft flying over the Stadium pose a risk to public safety and interfere with enjoyment of the Stadium and Super Bowl by participants, spectators, radio and television audiences;

**NOW, THEREFORE, BE IT RESOLVED** by the Indianapolis Airport Authority that:

1. The Indianapolis Airport Authority will permit the NFL to establish information booths to be identified by appropriate signage at mutually agreeable locations at no cost, expense or liability to the NFL or the two participating Teams (the "Teams"); and
2. The Indianapolis Airport Authority will furnish to the NFL, a room or other enclosed area of approximately 1,200 square feet at a mutually agreeable location to be used by the NFL and the Teams at no cost, expense or liability to the NFL or the Teams for at least two (2) weeks prior and one (1) week following the event.

3. The Indianapolis Airport Authority will cooperate with those needing special services in connection with the Super Bowl, including arrival/departure of team charters, private planes, special fan charters, or other special services that may be needed at Indianapolis International Airport.
4. Upon designation of the City of Indianapolis as the site for Super Bowl LII, and at all times thereafter, the Indianapolis Airport Authority shall request and use its best efforts to encourage the Federal Aviation Administration and the Department of Homeland Security to designate temporary flight restrictions ("TFRs") to include, without limitation, the restriction of sightseeing, media, advertising, and other aircraft over and around the Stadium within its jurisdiction. The TFRs should be in effect within a ten (10) nautical mile radius of the Stadium at and below 18,000 feet Mean Sea Level and should be in effect from four (4) hours prior to starting time until two (2) hours after the conclusion of Super Bowl LII.
5. The Indianapolis Airport Authority agrees that neither the NFL nor the Teams, nor any director, shareholder, officer, agent, employee or other representative of the NFL or the Teams shall be held accountable for or incur any financial responsibility or liability of any kind or nature whatsoever in connection with the temporary flight restrictions planned and/or provided for Super Bowl LII.

This Resolution 3-2014 shall be effective on the date of its adoption. Adopted this 21<sup>st</sup> day of March 2014.

**INDIANAPOLIS AIRPORT AUTHORITY**

\_\_\_\_\_  
Michael W. Wells, President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Alfred R. Bennett, Secretary

Signed under authority provided in IAA Resolution 6-2013



## BOARD MEMO – LEASE AGREEMENT

To: IAA Board of Directors

From: Robert A. Duncan, Executive Director

Date: February 14, 2014

Board Date: March 21, 2014

Subject: 2nd Amendment to Lease Agreement with Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ) at the Indianapolis Maintenance Center

### **Background**

In February 2013 under Resolution No. 2-2013, the GIFTZ operation was strategically relocated to space within the Indianapolis Maintenance Center (IMC) to better support future air cargo development opportunities at the former USPS Eagle Hub and IMC.

In October 2013 under Resolution No. 8-2013, the GIFTZ Leasehold was expanded to include a cargo container storage yard in the IMC courtyard providing a more secure location for short term storage of in-transit cargo containers.

In continuation with these strategies the GIFTZ Lease is being extended for another one-year Term and a Flex-Space Option is being added. The Flex-Space Option is designed to provide incremental increases of warehouse space on an as-needed basis to capitalize on warehousing opportunities, typically of short-term durations, that arise on an infrequent basis. Flex space is contingent upon footprint availability and provided on a month-to-month basis at the current GIFTZ rental rate.

### **Scope**

IAA Staff is requesting IAA Board adoption of Resolution No. 4-2014, authorizing a 2<sup>nd</sup> Amendment to the IMC Lease Agreement with GIFTZ extending the Term for one year and adding a Flex-Space Option to the lease. The Term commencement is retroactive to February 1, 2014.

### **Schedule**

March 21, 2014: Execution of the 2nd Amendment to IMC Lease Agreement with the Greater Indianapolis Foreign Trade Zone, Inc.

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

#### Revenue:

7,200 sq. ft. of warehouse space @ \$5.25 psf = \$37,800.00 per annum (an increase of \$0.25 psf).

79,358 sq. ft. of container storage yard @ \$0.08 psf = \$6,348.64 per annum.

Operating Costs:

No additional costs are incurred to support this amendment.

**Supplier Diversity Participation**

Not applicable.

**Recommendation**

Consider for approval Resolution No. 4-2014 concerning the 2<sup>nd</sup> Amendment of the IMC Lease Agreement with the Greater Indianapolis Foreign Trade Zone, Inc.

**RESOLUTION NO. 4-2014**

**RESOLUTION OF THE  
INDIANAPOLIS AIRPORT AUTHORITY  
APPROVING A LEASE AMENDMENT TO GIFTZ LEASE**

WHEREAS, the Indianapolis Airport Authority (the "Authority") owns the Indianapolis Maintenance Center (the "IMC") at the Indianapolis International Airport (the "Airport") which was partially financed with the proceeds of Indianapolis Airport Authority Special Facility Revenue Bonds, Series 1995 (United Airlines, Inc.--Indianapolis Maintenance Center Project) (the "Bonds"); and

WHEREAS, since May 9, 2003, when United Airlines vacated the IMC and turned over possession of the IMC to the Authority, the Authority has been operating and maintaining the IMC in order to protect the IMC and maintain it in a leaseable condition; and

WHEREAS, the Authority has worked diligently since 2003 to evaluate the best reuse of the IMC including use of outside marketing professionals, evaluated the potential tenants that might be compatible with such reuse, evaluated the state of the market for the various facilities comprising the IMC, analyzed the rental rates currently borne by those markets and conducted a thorough search for new tenants; and

WHEREAS, the Authority Staff has reported to the members of the Board of the Authority on the progress of various efforts to relet the IMC and have updated the Board throughout the negotiations with Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ or the "Tenant"); and

WHEREAS, the Authority and Tenant entered into a Lease Agreement dated February 1, 2013, providing for Tenant's occupancy of a portion of the warehouse space at the IMC; and

WHEREAS, the Authority and Tenant executed a 1<sup>st</sup> Amendment to the Lease Agreement, dated October 1, 2013, adding vacant land to the Tenant's Leasehold at the IMC; and

WHEREAS, the Authority has come to agreement on the terms for amending the Lease Agreement with Tenant at the IMC; and

WHEREAS, the terms of the Lease Amendment are consistent with the range of rents for similar space located in the IMC and market rates, demonstrating to the Authority that the Authority should not expect to negotiate a significantly more favorable lease for such space with any tenant than that negotiated with the GIFTZ;

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANAPOLIS AIRPORT AUTHORITY AS FOLLOWS:

1. The Authority hereby finds that the Authority has used reasonable efforts to relet the applicable portion of the IMC for rentals equal to the full rental due from United Air Lines

for such space and with terms and provisions substantially similar to those contained in the lease with United Air Lines, but the Authority has found no tenant or tenants who are willing to lease the entire IMC, who are willing and able to pay the full rental paid by United and who are willing to pay the full operating cost of the IMC. Therefore, the Authority hereby finds that no United-like lease or leases can be executed.

2. The Authority has used its reasonable efforts to negotiate for the best available lease (for the portion of the IMC covered by the Lease, as amended) for generating projected total net rentals in light of then-prevailing market conditions and without materially reducing the expected total rentals over the term of the lease in return for commitments from Tenant for job creation or other concessions.

3. The Authority has determined that proceeding with a Lease Amendment is a far superior option compared to continuing to fund operating expenses without a tenant in such space.

4. It is hereby found that the execution of the Lease Amendment, as presented to this meeting, complies with the essential and governmental purposes and provisions of the Act and would be in the best interests of the Authority, the holders of the Bonds and the community of Indianapolis and Marion County.

5. The Authority hereby authorizes and directs the President, Vice President and/or the Secretary or the Assistant Secretary of the Authority to execute all collateral documents required for execution of the Lease Amendment on behalf of the Authority.

6. If any provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining provisions of this Resolution.

Remainder of page intentionally left blank.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

INDIANAPOLIS AIRPORT AUTHORITY\*

---

Michael W. Wells, President

---

Alfred R. Bennett, Secretary

\*Signed under authority provided in IAA Board Resolution 6-2013.

CERTIFICATE OF AUTHENTICITY

I, Alfred R. Bennett, Secretary of the Indianapolis Airport Authority Board of Directors, hereby certify that the foregoing is a true and correct copy Resolution No. 4-2014 adopted by the Indianapolis Airport Authority Board on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

---

Alfred R. Bennett, Secretary

INDIANAPOLIS AIRPORT AUTHORITY

IAA Board Meeting  
General Agenda  
March 21, 2014

General:

- BP2014-03-1** Consider for approval the ATM Concession License Agreement with JPMorgan Chase Bank, N.A.
- BP2014-03-2** Consider for approval an amendment to the contract with Indiana State University for the final three (3) years of the required bat monitoring and reporting in an amount not-to-exceed \$653,538.00 (fees) and \$103,770.00 (expenses) for a total not-to-exceed amount of \$757,308.00. D/M/W/VBE 0%

Capital Program:

- BP2014-03-3** Consider for approval Plans and Specifications for Project # I-13-030, Terminal Water Softening System at Indianapolis International Airport, as prepared by L'Acquis Consulting Engineers, and authorize the public bidding process
- BP2014-03-4** Consider for approval increasing the budget amount to \$393,000.00 and award of contract for CEP – Install Variable Speed Drive on Chiller No. 2 at the Indianapolis Maintenance Center at the Indianapolis International Airport, Project # I-14-030, to Johnson Controls, Inc. in an amount not-to-exceed \$379,955.00 plus a 3% construction reserve of \$11,399.00 for a total of \$391,354.00. Johnson Controls was the lowest responsive and responsible bidder. DBE 0.00%, MBE 0.39% (PKS Construction, Inc., WBE 0%, and VBE 0%
- BP2014-03-5** Consider for approval Change Order No. 4 with Veit & Company, Inc. for Demolition of Old Terminal and Associated Structures at Indianapolis International Airport, Project # I-13-026, in an amount not-to-exceed \$17,477.61.00. MBE 0%, WBE 0%, and VBE 0%
- BP2014-03-6** Consider for approval Change Order No. 1 with J.C. Ripberger Construction Corporation for Building 7 Rehabilitation at Indianapolis International Airport, Project # I-13-028, in an amount not-to-exceed \$76,736.75. MBE 11.32%, WBE 0%, and VBE 0%



## **BOARD MEMO – CONCESSION AGREEMENT**

To: IAA Board of Directors  
From: Marsha Stone, Sr. Director of Commercial Enterprise  
Date: February 24, 2014  
Board Date: March 21, 2014  
Subject: ATM Concession License Agreement

### **Background**

IAA Staff issued a Request for Letters of Interest (RLI) for the operation of ATM services at the international terminal complex on August 8, 2013. The deadline for responses was September 9, 2013. Only one (1) response was received from JPMorgan Chase Bank, N.A. The proposal met the requirements of the RLI and discussions commenced regarding the new concession agreement.

JPMorgan Chase is the current provider of ATM services at the international terminal.

### **Scope**

This agreement provides for the operation and maintenance of seven (7) ATMs and one (1) after-hours depository.

### **Budget**

JPMorgan Chase will pay the Authority a minimum annual guarantee (MAG) of \$150,000 for each year of the term as well as 42% of surcharge fees collected from ATM users (these are the same terms as the previous agreement). Chase will also pay the Authority a promotion fee of \$50,000 during the initial term at a rate of \$10,000 per year.

Total guaranteed revenue: \$800,000 over five (5) years.

### **Schedule**

The initial term of this agreement is from January 1, 2014 through December 31, 2018 with one (1) option to renew for an additional two (2) years at the Authority's discretion.

### **Supplier Diversity Participation**

There is no direct MBE/WBE/VBE/ACDBE participation since there are no certified business enterprises involved in the installation and operation of ATMs. JPMorgan Chase will use good faith efforts to utilize minority and women-owned businesses through its procurement of services related to this agreement.

**Recommendation**

The IAA staff recommends that the Board consider for approval the ATM Concession License Agreement with JPMorgan Chase Bank, N.A.



## **BOARD MEMO – AMENDMENT**

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: February 10, 2014

Board Date: March 21, 2014

Subject: Approval of Amendment 5 for Professional Services with Indiana State University for Bat Monitoring and Reporting

### **Background**

The realignment of I-70, a new interchange in the vicinity of Six Points Road, the continued development of Ameriplex, the Indianapolis International Airport facility expansion and other local development necessitated coordination among city, state, county and federal officials to address environmental impacts of these efforts. The I-70 project required an environmental review under federal requirements because these activities are located in Indiana Bat habitat, a federally endangered species.

In 2002, an Interagency Task Force composed of the Federal Highway Administration, Indiana Department of Transportation, the Indianapolis Airport Authority, the Indianapolis Department of Public Works, the Indianapolis Department of Metropolitan Development, and the Hendricks County Board of County Commissioners applied for a permit with the U.S. Fish and Wildlife Service under the Endangered Species Act of 1973 and submitted a plan for off-setting habitat impacts for the Indiana Bat with specific actions required by the Interagency Task Force.

Because of impacts associated with current and future aviation-related development in the vicinity of Indianapolis International Airport, a Habitat Conservation Plan (HCP) was authorized under the IAA U.S. Fish and Wildlife Permit (Permit) on May 10, 2002, addressing habitat impacts for the federally endangered Indiana Bat. The program has been on-going since receipt of the Permit. Bat Monitoring and Reporting requirements apply through 2016 as outlined in the Permit.

Indiana State University (ISU) has been involved in the coordination with the respective federal agencies and the Indiana Bat habitat on behalf of the IAA since the early 1990s. IAA's selection of ISU for the current contract represented a significant cost reduction relative to previous contractors and ISU has unique expertise in Indiana and the Midwest relative to the Indiana Bat. The current contract with ISU began April 16, 2004. ISU and its staff are an internationally recognized bat research authority and have successfully performed bat monitoring and reporting activities for the IAA in

support of the Habitat Conservation Plan and the Permit issued by the U.S. Fish and Wildlife Service throughout the contract period.

Under the contract, ISU has annually conducted the Indiana Bat monitoring and reporting program in accordance with the Habitat Conservation Plan and the U.S. Fish and Wildlife Permit. IAA is required to prepare an Annual Report for the Habitat Conservation Plan, including a summary of the bat monitoring and reporting, and submit the report to the U.S. Fish and Wildlife Service as required by the Permit. This Amendment to the ISU contract will complete the bat monitoring and reporting for the remaining three (3) years of IAA's bat monitoring responsibilities per the U.S. Fish & Wildlife Service permit (2014-2016). At this time, no further monitoring responsibilities are anticipated beyond this contract amendment unless there is a future change in the designated permanently protected area.

### **Scope & Budget**

Bat monitoring and reporting includes mist net surveys, capture and radio tracking of bats and emergence dusk counts consistent with the Habitat Conservation Plan and U.S. Fish and Wildlife Permit requirements.

The contract amendment for the final three (3) years of bat monitoring and reporting (2014, 2015, 2016) is for an annual fee of \$217,846.00 with reimbursable expenses authorized at \$34,590.00 annually for a total of \$252,436.00 annually and \$757,308.00 for the three year period. The annual cost is equivalent to the annual cost for the previous Amendments 3 and 4. The scope remains the same as in the previous years. The final report for the 2016 bat monitoring season is due by February 2017 and any necessary adjustments will be completed by April 2017.

The project is included in the 2014 Operating Budget and will be identified in the 2015 and 2016 Operating Budgets.

### **Schedule**

The term of this amendment will begin **April 16, 2014** and conclude **April 15, 2017**.

### **Supplier Diversity Participation**

Indiana State University is a State supported university. This is an institutional research project; therefore, the Director of Supplier Diversity has waived the supplier diversity participation and concluded that there was no D/M/W/VBE participation available for this project.

**Contract Summary to Date**

<b>Contract/ Amendment &amp; Execution Date</b>	<b>Service &amp; Term</b>	<b>Fixed Fee Amount</b>	<b>Reimbursable Amount</b>	<b>Total Amount</b>
Original Contract April 16, 2004	Bat Monitoring & Reporting Services Term: 4/16/04 – 4/16/06	\$398,000.00	\$80,000.00	\$478,000.00
Amendment 1 April 16, 2006	Bat Monitoring & Reporting Services Term: 4/16/06 – 4/16/08	398,000.00	80,000.00	478,000.00
Amendment 2 April 16, 2008	Bat Monitoring & Reporting Services Term: 4/16/08 – 4/16/10	399,512.00	123,848.00	523,360.00
Amendment 3 April 16, 2010	Bat Monitoring & Reporting Services Term: 4/16/10 – 4/16/12	399,512.00	105,360.00	504,872.00
Amendment 4 April 16, 2012	Bat Monitoring & Reporting Services Term: 4/16/12 – 4/16/14	416,726.00	88,146.00	504,872.00
Amendment 5 April 16, 2014	Bat Monitoring & Reporting Services Term: 4/16/14 – 4/15/17	653,538.00	103,770.00	757,308.00
	<b>Revised Contract NTE</b>	<b>\$2,665,288.00</b>	<b>\$581,124.00</b>	<b>\$3,246,412.00</b>

**Recommendation**

The IAA staff recommends that the Board consider for approval an amendment to the contract with Indiana State University for the final three (3) years of the required bat monitoring and reporting in an amount not-to-exceed \$653,538.00 (fees) and \$103,770.00 (expenses) for a total not-to-exceed amount of \$757,308.00. D/M/W/VBE 0%.



## **BOARD MEMO – PLANS & SPECIFICATIONS APPROVAL**

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: February 21, 2014

Board Date: March 21, 2014

Subject: Approval of Plans and Specifications for Project # I-13-030, Terminal Water Softening System at Indianapolis International Airport, and Authorize the Public Bidding Process

### **Background**

The Indianapolis International Airport main terminal facility is supplied with municipal water. The Indianapolis municipal water is classified as hard water. The facility is not equipped with a water softening/conditioning system. As a result, heavy liming of water fixtures and piping has resulted in increased maintenance costs due to removing scale and replacing equipment.

The design of the project was undertaken in phases to identify the most economical long-term solution to treat the hard water.

The project was approved for implementation by the Senior Management Team on January 7, 2013.

L'Acquis Consulting Engineers (L'Acquis) provided an exhaustive technical and financial evaluation of the available water treatment systems on the market and developed preliminary cost estimates of the technically feasible systems. Several meetings were held with Indianapolis Airport Authority (IAA) staff during 2013 reviewing the documents prepared by L'Acquis and discussing the options available for the project.

L'Acquis recommended designing a conventional centralized water softening system for the terminal and the Ground Transportation Center (GTC), and the Senior Management Team was asked to approve combining the 2013 and 2014 budgets for the project in order to allow implementation of the recommendation.

Combining the budgets and designing a conventional water softening system for the terminal and the GTC was approved by the Senior Management Team on November 18, 2013.

### **Scope**

The scope of work includes installing a centralized water softening system for the terminal building, and a separate water softening system for the GTC.

**Budget**

Total construction package is estimated between \$500,000 and \$1,000,000. The range is established per Federal Acquisition Regulation Subpart 36.2.

This project is included in the approved 2014 Capital Budget and funding for this project will be 100% Airport capital improvement funds.

This project is being undertaken to maintain existing infrastructure that is integral to the continued operation of the airport. As a result of the critical nature of the project, this project is exempt under the Authority’s hurdle rate policy and has not been subjected to an internal rate of return calculation.

**Schedule**

Advertisement of Opportunity to Bid: March 25, 2014 and April 1, 2014  
Pre-Bid Meeting: April 8, 2014 2:30 pm EDT Terminal Board Room  
Bid Opening: April 24, 2014 11:00 am EDT Building 60, Conference Room 1

Est. Bid Award (Board Meeting) May 16, 2014

Contract award anticipated May 2014 and the substantial completion date is expected to be September 2014.

**Supplier Diversity Participation**

The Director of Supplier Diversity established the following participation goals: MBE 18%, WBE 5%, and VBE 3%

**Recommendation**

The IAA staff recommends that the Board consider for approval Plans and Specifications for Project # I-13-030, Terminal Water Softening System at Indianapolis International Airport, as prepared by L’Acquis Consulting Engineers, and authorize the public bidding process.



## **BOARD MEMORANDUM – CONTRACT AWARD**

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: February 24, 2014

Board Date: March 21, 2014

Subject: Award of Proposal Package No. I-14-030 to Johnson Controls, Inc. for Central Energy Plant (CEP) – Install Variable Speed Drive on Chiller #2 at the Indianapolis Maintenance Center at the Indianapolis International Airport

### **Background**

Currently, five (5) 2,000-ton chillers provide air-conditioning to the Indianapolis Maintenance Center (IMC) and the Terminal Building at Indianapolis International Airport (IND). In 2012 Chiller No. 2 failed and was repaired in 2013. During the repair a more modern control board was installed that could accept a future variable speed drive. The goal of this project is to install a variable speed drive allowing the chiller's output to adjust to the system demand resulting in reduced electrical consumption and lower operational costs.

A Request for Proposal (RFP) procedure was initiated to obtain competitive prices. The Request for Proposal was issued on February 12, 2014 that was prepared by Indianapolis Airport Authority (IAA) staff.

On March 3, 2014, the IAA staff received one (1) proposal as this is manufacturer specific equipment. The proposal was evaluated by IAA staff from the Engineering Department and IMC Management. The proposal received for this project was \$379,955.00.

The budget amount for this project was based on the 2013 repair project's alternate bid not taken for a variable speed drive. The successful bidder for the 2013 repair project, which is also the 2014 bidder, claimed that an increase in price for the motor is necessary due to adding more insulation than previously estimated in order to improve the motor's survivability with the variable speed drive.

On March 10, 2014, Senior Management Team approved an increase in budget of \$50,000.00, increasing the total project budget to \$393,000.00, which was accommodated within the overall 2014 Capital Budget. The \$50,000.00 increase to the project budget is based on the bid received plus 3% contingency.

In addition to the contract amount, IAA is requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously approved by the Board and successfully implemented for capital projects to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. There are sufficient dollars within this project’s budget to accommodate the funding of the 3% contingency for construction reserve. Any change orders exceeding the contract and construction reserve will be submitted to the Board for approval.

**Scope**

This package provides for the installation of a variable speed drive on Chiller No. 2 at the Central Energy Plant (CEP) of the IMC at the IND.

**Budget**

This contract is within the increased project budget of \$393,000.00. The total proposal price plus 3% construction reserve is \$391,354.00.

**Project Costs**

Contract Amount (including 3% reserve)	\$ 391,354.00
Design & Soft Costs	-
Contingency (0.4%)	1,646.00
<b>Total Anticipated Project Costs</b>	<b>\$ 393,000.00</b>

This project is 100% funded with Airport capital improvement funds and was included in the approved 2014 Capital Budget.

Installation of a variable speed drive on Chiller No. 2 is an energy-efficiency project that will allow for a reduced use of electricity in the production of energy at the CEP. Through the energy cost savings, the project has an expected Internal Rate of Return of 18.06%. After bids were received with additional data available, the Internal Rate of Return was recalculated and increased from the 10.74% in the 2014 Capital Budget.

**Schedule**

Contract award anticipated March 2014 with a substantial completion date of October 2014.

**Supplier Diversity Participation**

The Director of Supplier Diversity has approved the following:

FIRM	AMOUNT				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
PKS Construction, Inc.	\$0	\$1,500	\$0	\$0	0	0.39	0	0
<b>Totals</b>	<b>0</b>	<b>\$1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.39</b>	<b>0</b>	<b>0</b>

**Recommendation**

The IAA staff recommends that the Board consider for approval increasing the budget amount to \$393,000.00 and award of contract for CEP – Install Variable Speed Drive on Chiller No. 2 at the Indianapolis Maintenance Center at the Indianapolis International Airport, Project # I-14-030, to Johnson Controls, Inc. in an amount not-to-exceed \$379,955.00 plus a 3% construction reserve of \$11,399.00 for a total of \$391,354.00. Johnson Controls was the lowest responsive and responsible bidder. DBE 0.00%, MBE 0.39% (PKS Construction, Inc., WBE 0%, and VBE 0%.



## **BOARD MEMO – CHANGE ORDER**

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: February 24, 2014

Board Date: March 21, 2014

Subject: Approval of Change Order No. 4 with Veit & Company, Inc. for Demolition of Old Terminal and Associated Structures at Indianapolis International Airport, Project # I-13-026

### **Background**

The terminal facilities on the east side of the Indianapolis International Airport (“Old Terminal”) have been vacant since the new Midfield Terminal opened in 2008. The Demolition of Old Terminal and Associated Structures project removed the existing terminal, concourses, administration building, and elevated roadways, including all subsurface structures, and performed all required environmental abatement/remediation to ready the site for new development. The project was substantially completed by the end of 2013.

The project was in the approved 2013 Capital Budget as a multi-year project. It was accelerated to a one (1) year project to improve the marketability of the site. On November 12, 2012, this project was approved for implementation by the Senior Management Team as a one (1) year project.

On January 18, 2013, the Board approved plans and specifications for CIP/Project # I-13-026, Demolition of Old Terminal and Associated Structures, and authorized the public bidding process. The Terminal Demolition contract was awarded by the Board on March 15, 2013 to Veit & Company, Inc. in the amount of \$3,872,008.00 for the combination of Base Bid, Alternate 1 and Alternate 2.

### **Change Order Summary**

Contract changes fall under one (1) of three (3) categories: Errors/Omissions, Unforeseen Circumstances, or additional Owner requested scope. Typically, the cost of an error is paid by the designer since this requires redo of work that has been completed. Omissions are items that are corrected before work is done on that item and the designers are typically charged up to 15% of the cost of that item since the item has to be negotiated with the contractor. Unforeseen circumstances are items that could not have been anticipated by the designer and are not charged against the designer.

This Change Order No. 4 is for six (6) unforeseen conditions. The following six (6) items were completed by “Force Account”, a provision in the specifications that allows the Owner to authorize the Contractor to proceed with necessary work on a time and material basis to avoid delays in the project:

**Remove asbestos covered piping** – Asbestos covered piping was discovered in relation to the 2-50,000 gallon and 1-20,000 gallon underground storage tanks slated for removal by this project. The unforeseen condition was corrected by removing the material.

**Plug utility lines** – The project documents instructed the Contractor to plug all underground utility lines that were to be abandoned with flow-able fill. During demolition, the City informed the project team that new rules were in effect that required the sewer and non-pressurized piping lines to be bricked up instead of filled with flow-able fill. The extra cost is to change the method of abandoning thirty-two (32) utility lines.

**Remove contaminated water** – During the last stages of demolition, an oily sludge began to well up from the subgrade in an unexpected area. IDEM rules required that the Contractor vacuum the material and remove it from the site to be disposed of at a licensed facility. The extra cost was to remove the contaminated water and dispose of it properly.

**Remove Transite (asbestos) panels on September 6, 2013 and September 9, 2013** – Transite panels were discovered between the glass panels and structural steel beams between the fifth and sixth floors of the terminal building. The extra cost was to remove the panels and dispose of them properly.

**Remove asbestos covered piping at Concourse “A”** - The Contractor encountered asbestos covered piping extending from the tunnel of Concourse “A” out into the surrounding slab in several areas. The extra cost is to properly remove and dispose of the unexpected material.

**Remove elbows and fittings at Concourse “B”** – Elbows and fittings covered with asbestos were discovered in an area of Concourse “B” that were not shown on the drawings. The elbows and fittings were hidden by the plaster ceilings in that area and only discovered during demolition.

A summary of the previously approved change orders is included as an attachment.

**Revised Construction Contract Amount**

Original Construction Contract Amount	\$ 3,872,008.00
Previous Change Orders (4.27% of Contract)	165,449.91
Current change Order (0.45% of Contract)	<u>17,477.61</u>
<b>New Construction Contract Total</b>	<b>\$ 4,054,935.52</b>

**Project Costs**

Construction Contract (including CO 1-4)	\$4,054,935.52
2012 Phase (Old PARCS Demo & Optimization)	81,034.00
Design & Soft Costs	711,391.00
Construction Manager Services	336,200.00
Testing	86,386.00
AOA Fence Installation	26,480.00
Denney Excavating Hydrant Relocation	19,820.48
Contingency (14.12% of original construction contract)	<u>547,003.00</u>

**Total Anticipated Construction Costs** **\$5,863,250.00**

The original project budget was \$11,335,000.00 in the approved 2013 Capital Budget. The reforecast expected spend is \$6,200,000.00. This change order is within the reforecast expected spend.

**Schedule**

Project was substantially completed on December 31, 2013. Contractor will be returning in spring when weather allows for final site cleanup and punch-list items.

**Supplier Diversity Participation**

There is no increase in supplier diversity spend as a result of this change order. If the Change Order No. 4 is approved by the Board, the supplier diversity participation on this project, including the previous change orders will be:

FIRM	CLASS	ORIGINAL AMOUNT	ORIGINAL %	AFTER CO AMOUNT *	AFTER CO %
Midwest Environmental	MBE	\$125,000	3.22	\$169,449	4.17
Rhino Trucking	WBE	\$637,776	16.47	\$637,776	15.72
Nelson Oil	WBE	\$100,000	2.07	\$139,385	3.43
Leader Corporation	WBE	\$ 15,500	0.40	\$ 15,500	0.38
Argo Consulting Engrs	VBE	\$ 80,350	2.07	\$ 88,487	2.18
GLS, Inc.	MBE	\$ 47,000	1.21	\$ 47,000	1.15
Ward Trucking	MBE	\$113,486	2.93	\$113,486	2.79
<b>Totals</b>	<b>MBE</b>	<b>\$285,486</b>	<b>7.37</b>	<b>\$329,935</b>	<b>8.13</b>
	<b>WBE</b>	<b>\$753,276</b>	<b>19.45</b>	<b>\$792,661</b>	<b>19.54</b>
	<b>VBE</b>	<b>\$ 80,350</b>	<b>2.07</b>	<b>\$ 88,487</b>	<b>2.18</b>
*Also includes additional participation exceeding base contract amount pledged					

**Recommendation**

The IAA staff recommends that the Board consider for approval Change Order No. 4 with Veit & Company, Inc. for Demolition of Old Terminal and Associated Structures at Indianapolis International Airport, Project # I-13-026, in an amount not-to-exceed \$17,477.61.00. MBE 0%, WBE 0%, and VBE 0%.

**ATTACHMENT 1**  
**Previously Approved Change Orders**  
**Demolition of Old Terminal and Associated Structures**

Change Order 1 - \$103,664.30

- **Reestablish Water Service to East Side of Site** - The reestablishment of water service to the east side of the site due to the water cutoff being east instead of west of High School Road when the site was vacated

Change Order 2 - \$ 53,559.11

- **Disconnect gas line** - Locate and disconnect an active natural gas line.
- **Activate, test and repair 6" fire loop to provide water for demolition** - Activate, test, and repair the 6" water line that previously supplied water to the fire hydrant loop around the old building to allow demolition to proceed while the 12" main water line was reestablished (Change Order 1).
- **Removal of Asbestos Containing Material (ACM) fireproofing in Concourse "A" fan room** - Additional ACM fireproofing removal in the Concourse "A" fan room was required for ACM identified during demolition.
- **Removal of transite panels containing ACM on upper level drive.** Additional ACM containing transite panels were identified sandwiched between metal and glass panels on the upper level of Terminal Drive.

Change Order 3 - \$ 8,226.50

- **Car wash work** - A debris pocket was uncovered in the subgrade beneath the car wash excavation area. The unforeseen condition was corrected by removing the material.
- **Construct two (2) concrete collars** - In order to replace a section of 33" concrete pipe without benefit of bell and spigot connections, two (2) concrete collars were constructed.
- **Clean out unknown manhole in Area K** - A manhole not shown on the record drawings was uncovered, but full of debris. It was machine excavated and then further cleaned out by hand.
- **Fill holes left behind during 12" water main reconnection** - The contractor was instructed to leave holes formed by "potholing" to investigate utility locations unfilled during the 12" water main reconnection to provide water to the old terminal for dust control during demolition. These holes were re-filled.

Subtotal Previous Change Orders      \$165,449.91



## **BOARD MEMO – CHANGE ORDER**

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: February 26, 2014

Board Date: March 21, 2014

Subject: Approval of Change Order No. 1 with J.C. Ripberger Construction Corporation for Building 7 Rehabilitation at Indianapolis International Airport, Project # I-13-028

### **Background**

Building 7 was vacated in 2010 upon the opening of the new Airline Cargo Building. The facility was built in the mid 1970's and consists of approximately 81,000 square feet and has not had any major improvement or upgrades since last occupied by Purolator Currier in the mid 1980's. The facility has many years of useful life left, but is in need of upgrades in order to better market the facility to the general public for lease. Currently, FedEx leases 35,168 sq. ft. (43.4%) of the northern portion of the building. Indianapolis Airport Authority (IAA) earns \$109,020 in annual rental from the FedEx lease. A commitment by the IAA to FedEx, within the lease, includes the IAA making capital improvements to the building. This renovation project to make the capital improvements is included in the 2013 Capital Budget.

On December 10, 2012, this project was approved for implementation by the Senior Management Team. The design Request for Proposal (RFP) for this project was initiated on March 28, 2013. The selection of WDI Architecture, Inc. for design services was based on a qualifications based request for proposals (RFP) submittal process.

On July 19, 2013, the Board approved plans & specifications for CIP/Project # I-13-028 - Building 7 Rehabilitation and authorized the public bidding process. J.C. Ripberger Construction Corporation was the lowest responsive and responsible bidder in the amount of \$682,606.00.

On October 14, 2013, Senior Management Team approved an increase in budget of \$262,340.00 increasing total project budget to \$964,600.00, which was accommodated within the overall 2013 Capital Budget. The budget was increased to accommodate all the construction required and the increased potential for unforeseen conditions due to a lack of as-built plans. Also, additional architectural and engineering fees were incurred that were not anticipated due to the nature of the project.

### **Change Order Summary**

Contract changes fall under one (1) of three (3) categories: Errors/Omissions, Unforeseen Circumstances, or additional Owner requested scope. Typically, the cost of an error is paid by the designer since this requires redo of work that has been completed. Omissions are items that are corrected before work is done on that item and the designers are typically charged up to 15% of the cost of that item since the item has to be negotiated with the contractor. Unforeseen circumstances are items that could not have been anticipated by the designer and are not charged against the designer.

This Change Order No. 1 is for the completion of winter work that was executed on the interior/exterior of the building and includes four (4) Unforeseen Circumstances and two (2) Owner Requested items.

### **Owner Requested**

**Garage Doors No. 39, 40, 41, & 42** – The garage doors were found to be rusted out and in need of replacement.

**Additional Painting** – The warehouse was cleaned and given a fresh coat of paint to provide a more attractive structure to potential tenants. The painting was completed by “Force Account”, a provision in the specifications that allows the Owner to authorize the Contractor to proceed with necessary work on a time and material basis to avoid delays in the project.

### **Unforeseen Conditions**

**Exhaust Fans** – It was discovered during renovation of restrooms that the exhaust fans located in the restrooms were not properly installed and were subsequently inadequate. Therefore, they were updated to properly vent the space.

**Roof Repairs** – After removal of the lean-to structure, the remaining overhang structure was found to have penetrations and areas of needed repair.

**Misc. Garage Door Parts** – Garage doors were within scope to be inspected and repaired as needed.

**Garage Doors No. 15 & 15.5**– The garage door openings were to be filled in with refurbished garage door panels from the removed lean-to structure. Upon installation, it was discovered there were several inadequate door panels and could not be used. New panels were purchased to complete these two garage door openings.

**Owner Requested**

Garage Doors 39, 40, 41, & 42	\$ 16,155.00
Additional Painting	7,186.00
<b>Sub-Total</b>	<b>\$ 23,341.00</b>

**Unforeseen Circumstance**

Exhaust Fan's	\$ 2,863.35
Roof Repairs	44,800.00
Misc. Garage door parts	2,028.00
Garage Doors 15 & 15.5	3,704.40
<b>Sub-Total</b>	<b>\$ 53,395.75</b>
<b>Grand-Total</b>	<b>\$ 76,736.75</b>

**Revised Construction Contract Amount**

Original Construction Contract Amount	\$ 682,606.00
Previous Change Orders (0.00% of Contract)	-
Change Order #1 (11.25% of contract)	76,736.75
<b>Total Revised Construction Contract Amount</b>	<b>\$ 759,342.75</b>

**Project Costs**

Design & Soft Costs	\$ 125,060.00
Construction Contract Amount	682,606.00
Previous Construction*	16,153.21
Change Order (11.25%)	76,736.75
Contingency (3.75%)	31,115.90
<b>Total Anticipated Project Cost</b>	<b>\$ 931,671.86</b>

\*Previous construction includes \$2,310.00 for concrete core samples, \$8,480.00 for demolition of lean-to structure and \$5,363.21 for capping of electrical/fire suppression system within lean-to structure were completed before the rehabilitation contract.

This project was included in the 2013 Capital Budget at a total cost of \$702,260.00. On October 18, 2013 the Board approved revised budget for this project, \$964,600.00. While the revised project budget is above the approved project budget, it is within the capacity of the overall 2013/2014 Capital Budget appropriations.

**Schedule**

Substantial Completion is estimated for June 2014.

**Supplier Diversity Participation**

If the Change Order No. 1 is approved by the Board, the supplier diversity participation on this project will be:

FIRM	CLASSIFICATION	ORIGINAL		AFTER CO #1	
		AMOUNT	%	AMOUNT	%
First Electric Supply	MBE	\$ 27,470.00	4.02%	\$ 27,470.00	3.62%
Elite Painting	MBE	41,500.00	6.08%	47,456.00	6.25%
Indiana Sign & Barricade	WBE	11,800.00	1.73%	11,800.00	1.55%
Sexson Mechanical Corp.	MBE	11,900.00	1.74%	14,627.00	1.93%
Totals	<b>MBE</b>	\$ 80,870.00	11.85%	\$ 89,553.00	11.79%
	<b>WBE</b>	\$ 11,800.00	1.73%	\$ 11,800.00	1.55%
	<b>VBE</b>	\$0	0.00%	\$0	0.00%

**Recommendation**

The IAA staff recommends that the Board consider for approval Change Order No. 1 with J.C. Ripberger Construction Corporation for Building 7 Rehabilitation at Indianapolis International Airport, Project # I-13-028, in an amount not-to-exceed \$76,736.75. MBE 11.32%, WBE 0%, and VBE 0%.