



BOARD MEMO – LAND AUCTION

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: October 14, 2015

Board Date: October 16, 2015

Subject: Land Use Initiative – Real Estate Divestiture via Land Auction

Background

This Board Memo will address the forthcoming land auction scheduled for November 21, 2015, at The Palms Conference Center located in Plainfield, IN. More specifically, the addition of 11.659 acres of IAA land into the auction process. The land auction is being coordinated by Colliers International, with Schrader Auction Company serving as the auctioneer.

In the case of this 11.659 acres, the IAA Board approved a purchase agreement with Browning Real Estate Properties, LLC (Browning) during the March 20th Board Meeting. With respect to the appraised value of this land and during the “inspection period”, Browning identified natural encumbrances (wetland) that they felt made the property less desirable. Therefore, and per terms of the purchase agreement, Browning has backed away from the land transaction and IAA Staff now desires to place this land into the Land Auction as mentioned above.

Perpetual Land Sale & Use Restrictions

The conveying of the land to the particular high bidder will also include and contain the following perpetual land use restrictions (including noise disclosures and waivers, and avigation easement), which will run with the land at all times:

- The land will not be used for, or permit thereon, any type of paid parking for any types of vehicles, or as a taxi staging area;
- The land will not be used for, or permit thereon, any type of plant, utility, or other type of operation that emits, to any extent, smoke, fumes, vapors, or other similar gases;

- The title to the land will contain a "noise disclosure statement", an "avigation easement", as well as a waiver and release of all claims, actions, damages and liabilities, with respect to any and all noise, vibrations, particulates, or any other matters pertaining in any way, directly or indirectly, to the operation of an airport and/or aircraft; and
- No building or other structure shall be constructed or maintained at any time upon the land which exceeds the height restrictions designated or established by federal, state, or local laws, rules or regulations, or by avigation easement.
- This 11.659 acres will have an additional covenant that no residential structures can be placed on the property.

Scope

To authorize the sale of 11.659 acres of land to be included in the Land Auction. As provided by Indiana law, the IAA procures appraisals for the land and then determines a minimum bid for the land based on the appraisals and the IAA's knowledge of the land. Public notices about this Land Auction are issued in accordance with Indiana law.

Schedule

October 16, 2015: Authorization by IAA Board of the sale of land via a Land Auction.

November 21, 2015: Land Auction – The Palms facility located in Plainfield, IN

Revenue and/or Operating Cost Implications

Revenue:

Total sale proceeds from the auction will not be known until completion of the auction on November 21, 2015. Should a particular parcel not achieve the minimum bid, the parcel will not be sold.

Operating Costs:

Operating costs are a function of sales proceeds wherein Colliers / Schrader will receive ten percent (10%) of auctions proceeds.

Supplier Diversity Participation

Not Applicable

Recommendation

The IAA staff recommends that the Board consider, for approval, and authorize IAA Staff to sell at a public auction that's conducted in compliance with Indiana law, the above-referenced 11.659 acres of land, along with the 329 acres of land approved for sale by auction last month by the IAA Board (as described in BP2015-09-1), all of which shall occur at a land auction on November 21, 2015, at The Palms Conference Center located in Plainfield, Indiana.