



Agenda
Indianapolis Airport Authority
March 11, 2011
8:30 AM
Radisson Hotel – Winner’s Circle Ballroom

- I. Call to Order
- II. Approval of Minutes of the Regular Meeting of February 18, 2011
- III. Resolutions
 - a) Consider for approval **Resolution No. 6-2011** granting the Executive Director/CEO, or his authorized appointee, authorization to apply for, and accept Offers extended to it by the Federal Aviation Administration, Transportation Security Administration or the Indiana Department of Transportation.
 - b) Consider for approval **Resolution No. 7-2011** authorizing the Minor Boundary Modification Extension Application for Redcats USA, Inc.
- IV. Board Reports
 - a) President’s Report
 - b) Secretary’s Report
- V. Official Actions
 - a) Introduction of the IAA Consent Calendar dated March 11, 2011.
 - b) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated March 11, 2011.
- VI. Adjourn

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 9:00 a.m., February 18, 2011, in the Airport Board Room at the Indianapolis International Airport.

Present and comprising a quorum were:

Michael Stayton, President
Lacy Johnson, Vice President
Al Bennett, Secretary
Alex M. Azar II, Member
Jean Wojtowicz, Member
Kelly Flynn, Member
Mary Moses Cochran, Member

Advisory Members attending:
Lynn Gordon
Jack Morton

Rex Joseph, IAA Counsel

IAA executive staff attending:

John D. Clark III, Executive Director/CEO
Marsha Stone, Chief Financial Officer
Mike Medvescek, Chief Operations Officer
Al Stanley, Chief Information Officer
Patzetta Trice, Chief Communications Officer
Joseph Heerens, General Counsel
Beverly Terlaje, Executive Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Ms. Wojtowicz, seconded by Mr. Flynn and unanimously passed, approval was given to the Minutes of the Pre-Board and Regular Meeting of January 21, 2011.

Election of Officers of the IAA Board

With respect to this item, President Stayton called for nominations for officers of the 2011 IAA Board of Directors as well as appointees for certain other IAA key positions.

Mr. Azar made a motion that: (1) the following IAA Board members be elected to the following officer positions on the Board: (a) Michael B. Stayton as President; (b) Kelly Flynn as Vice President; and (c) Alfred Bennett as Secretary; and (2) that the following individuals be appointed to the following positions with the IAA: (w) Jeremiah Wise as Treasurer; (x) Marsha A. Stone as Assistant Treasurer; (y) Joseph R. Heerens as Assistant Secretary; and (z) Rex Joseph as Board Counsel. Mr. Azar's motion was seconded by Mr. Johnson, and unanimously passed.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

President Stayton provided an introduction of IAA General Ordinance 1-2011 concerning the repeal of IAA General Ordinance No. 9-2008, and announced that a public hearing on said ordinance will be held at the next IAA Board meeting scheduled on March 11, 2011.

Next item is to consider for approval Resolution No. 1-2011 authorizing Entry into A Swap Agreement or Extending or Amending Existing Swap Agreements. Finance & Audit Committee ("FAC") Chair Ms. Wojtowicz stated that Resolution No. 1-2011 has been reviewed by the FAC, which recommends its adoption by the Board. This resolution would allow the IAA to monetize the value of certain existing swap agreements by deferring them beyond the current July 2012 date. Depending on certain factors, this deferral could generate as much as a \$3,000,000 benefit to the IAA.

Upon a motion by Mr. Bennett, seconded by Ms. Moses Cochran and unanimously passed, approval was given to Resolution No. 1-2011 authorizing Entry into A Swap Agreement or Extending or Amending Existing Swap Agreements.

Next item is to consider for approval Resolution No. 2-2011 concerning IAA Hurdle Rate Policy.

FAC Chair Ms. Wojtowicz stated that Resolution No. 2-2011 and the Hurdle Rate Policy have been reviewed by the FAC, which recommends their adoption of both by the Board. President Stayton stated that the important part of the policy is that it sets the guidelines that provide an annual review to the recommended Hurdle Rate. Ms. Wojtowicz agreed and stated that many of these projects come forward with an anticipated return, and we will now have an annual review of those projects to determine if the hurdle rate was actually achieved. Going forward, this information will help determine if the hurdle rate should be revised in the future. President Stayton indicated that it would be the FAC's obligation to present any appropriate revisions or extensions arising therefrom.

Upon a motion by Mr. Flynn, seconded by Mr. Azar and unanimously passed, approval was given to Resolution No. 2-2011 concerning the IAA Hurdle Rate Policy.

Next item is to consider for approval Resolution No. 3-2011 concerning IAA Business Travel & Expense Reimbursement Policy.

FAC Chair Ms. Wojtowicz stated that Resolution No. 3-2011 has been reviewed by the FAC, which recommends its adoption by the Board. In October 2010, an interim policy was established for travel and expense reimbursement. This final policy has been developed and compared to other travel & entertainment policies in both the private sector as well as other airports in the United States.

Upon a motion by Mr. Azar, seconded by Mr. Flynn and unanimously passed, approval was given to Resolution No. 3-2011 concerning IAA Business Travel & Expense Reimbursement Policy.

Next item is to consider for approval Resolution No. 4-2011 concerning IAA Land Use Plan. President Stayton indicated that the IAA has been working diligently on this project for over a year and that it has been fully vetted not only by IAA staff and consultants, but also by various stakeholders and other interested parties, including those in close proximity to the Airport and others in the Indianapolis area.

Ms. Berta Fernandez, Executive Vice President of Landrum & Brown ("L&B") which was hired to conduct the Land Use Study (the "Study"), announced that the process has concluded and that the last twelve (12) months have been very productive. A brief summary of the Land Use Plan (the "Plan") and introduction of the proposed action plan for 2011 was presented by Ms. Fernandez and Mr. Mark Hedegard. President Stayton asked Mr. Flynn, as Chairperson of the IAA Land Use Committee, if he had any comments he wished to share with the Board. Mr. Flynn recognized everyone on the team for all of their hard work on this process and stated that they did an excellent job. Mr. Flynn stated that the Study represents IAA's commitment to a thirty (30) year plan to develop our land resources in the best way possible. The comprehensive and exhaustive process of the last year included significant efforts to involve a wide variety and diversity of stakeholders, including business leaders, local governments within and across the Marion County lines, developers, chambers of commerce, community groups, planners, and all interested individuals to create our Indianapolis version of an "Aerotropolis". Mr. Flynn further stated that the end result will create economic growth and jobs in this region and it will also be for the betterment for our airport system.

After the conclusion of the presentation and the comments by Mr. Flynn, President Stayton called for a motion.

Upon a motion by Mr. Bennett, seconded by Ms. Wojtowicz and unanimously passed, approval was given to Resolution No. 4-2011 concerning IAA Land Use Plan.

Next item is to consider for approval Resolution No. 5-2011 concerning a limited delegation of authority to IAA's Executive Director/CEO to approve contracts for "minor" public works projects estimated to cost less than \$50,000 each.

President Stayton asked why this item was not included in previous delegations, or was it specifically excluded. Mr. Heerens responded by stating that there had been several delegations of authority in previous years and this was not included in any of them and probably was an oversight. Ms. Wojtowicz asked that any actions taken under this additional delegated authority be included within the monthly Delegated Authority Schedule provided to the Board.

Upon a motion by Mr. Flynn, seconded by Mr. Bennett and unanimously passed, approval was given to Resolution No. 5-2011 concerning delegation of authority to IAA's Executive Director/CEO to approve contracts for "minor" public works projects estimated to cost less than \$50,000 each.

BOARD REPORTS

President's Report

President Stayton stated that he did not have a formal report but commented that approval of the Land Use Study was the most significant item that was accomplished today. This Study will allow the IAA to unlock the value of its land, and the numbers shown in today's presentation illustrate that it will help the IAA keep the Indianapolis International Airport in a strong position to provide superior customer service and leverage our land for the benefit of the Central Indiana area.

Finance & Audit Committee Report

FAC Chair Ms. Wojtowicz indicated that the FAC Charter calls for an annual report to the Board on the FAC's activities and accomplishments. Ms. Wojtowicz provided the following report.

Ms. Wojtowicz indicated that one accomplishment involves a new cash flow report. The FAC realizes the importance of liquidity and, with input from FAC members, it developed a cash flow report which provides better clarity to FAC members with respect to the liquidity position.

Another accomplishment involved training for the Board on airport finance, as well as the process of vetting the financials assumptions that were part of the new Airline Use & Lease Agreements.

Ms. Wojtowicz continued her report by indicating that, as the IAA focuses on debt reduction which allows the IAA to remain a competitive airport, the IAA has developed a strong mantra on no new debt. Any new debt will have to undergo a fairly significant review process in order to ensure that it truly adds value for the organization going forward. Additionally, in that process for 2010, we were pleased to be able to reduce and payoff \$36,000,000 of debt for the IAA this year that was not part of the original plan.

Ms. Wojtowicz also indicated that they have provided the IAA executive team with guidelines for finding creative ways to generate additional cash, as the IAA just did by adopting Resolution No. 1-2011 which extended a particular swap agreement that could result in the generation of \$3,000,000 of additional cash and further help the IAA in its effort to reduce its debt load.

With respect to financial and other pertinent oversight, Ms. Wojtowicz reported that the very first FAC Charter was approved in 2010, which clearly established the responsibilities of the FAC going forward.

The FAC is also actively engaged in the annual audit process, and, through diligent efforts, the IAA was able to reduce its annual audit fees by \$25,000 and also found new ways to leverage the IAA staff in support of the audit activities of the external auditor.

The FAC also performs budget reviews before recommendations are presented to the Board, and the FAC reviewed and approved a new and comprehensive Travel & Expense Reimbursement Policy for the organization.

Lastly, Ms. Wojtowicz reported that the FAC continued to make progress in 2010 on issues involving healthcare and the costs associated with it. The FAC also provided additional guidance in connection with the IAA's procurement activities.

Human Resources Committee Report

Human Resources Committee ("HRC") Chair Alex Azar reported that the HRC has a similar obligation its Charter to provide an annual report to the Board of its activities and accomplishments. Mr. Azar provided the following report.

Mr. Azar reported that the HRC had a very ambitious agenda for 2010, and thanked the IAA executive team and staff as well as members of the HRC for devoting so

much time and effort to the large number of projects, issues and accomplishments that were achieved.

Mr. Azar continued his report by indicating the HRC accomplished the following in 2010. The IAA approved the very first Charter for the HRC, which established the responsibilities of the HRC going forward. In addition to the Charter, the HRC was actively engaged in the development and approval of a business continuity plan for the IAA, which specifically addressed senior management continuity and operational business continuity; thereby reducing risks presented by unexpected developments.

The HRC also reviewed and contributed to a compensation and benefit study for the entire IAA organization, performed by an external consultant known as FlashPoint, including establishment of an incentive program and updated employee benefits. This process was completed in 2010, and then implemented in January 2011.

Mr. Azar further reported that the HRC was actively engaged with the IAA executive team in developing and adopting a Compensation & Benefits Policy which provided guiding principles for pay and benefits for all IAA employees.

The HRC also established organizational performance principles and standards so the IAA senior management team is able to measure its progress against key goals on a weekly basis. Since August, 2010, the IAA Board has received a monthly "dashboard report" indicating the status of progress against the IAA's key strategic goals.

Mr. Azar concluded by indicating that 2010 was a year of key accomplishments.

OFFICIAL ACTIONS

APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR, DATED February 18, 2011: Upon a motion by Ms. Wojtowicz, seconded by Mr. Bennett and unanimously passed, approval was given to the IAA Consent Calendar, dated February 18, 2011.

APPROVAL OF INDIVIDUAL ITEMS LISTED ON THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR, DATED February 18, 2011:

Upon a motion by Ms. Wojtowicz, seconded by Mr. Flynn and unanimously passed, approval was given to accept each of the individual items listed on the IAA Consent Calendar, dated February 18, 2011.

STAFF REPORTS

President Stayton indicated that he was adding two (2) reports to today's Agenda, and asked Ms. Wiley (IAA Internal Audit Department) to provide an internal update,

and Mr. Medvescek (IAA Chief Operating Officer) to provide a weather update on recent events.

Internal Audit Update

Maria Wiley, IAA Audit & Compliance Director, provided a fourth (4th) quarter internal audit summary report for 2010, and stated that there were five completed audits in addition to assisting the external auditors in their pre-audit work. Three of the audits were minor adjustments that needed to be made to National Car Rental, Airfield Maintenance Audit, and the IMC 2010 Auction; a Fixed Asset Audit was completed which is required every two (2) years to receive federal funds; an audit was conducted on the Indiana Market Place retailer for calendar year 2009 and no findings were noted. Ms. Wiley also provided a brief update on a rental car audit, including recent actions taken by the IAA Legal Department to collect amounts due.

Severe Weather Update

Mr. Medvescek, IAA Chief Operating Officer, provided a brief report on the severe winter weather that has occurred between December 2010 through February 18, 2011. He noted the unusually large amount of snowfall this year. With respect to the most recent ice storm, the IAA's goal was to keep at least one (1) runway at the Indianapolis International Airport open and in safe condition during the ice storm, which was accomplished through the hard work and dedication of many employees. Mr. Medvescek reported that the IAA saved over \$300,000 in chemical use by keeping only one (1) runway open during the ice storm, and that this strategy did not hamper operations or flights. President Stayton thanked Mr. Medvescek and the entire IAA team for a job well done, and applauded their achievement.

Mr. Medvescek also provided a brief update on the canopy collapse in the terminal's parking garage.

CEO Report

Mr. Clark had no reports.

CFO Report

Ms. Stone provided a brief financial update, and also reported the IAA is in the midst of its annual audit, and the external auditors were on-site.

Ms. Stone also provided a brief report on Air Service for January 2011. She reported that the IAA is continuing to see positive performance in enplanement activities, which were up 1.9% in January. Seat capacity projections for 2011 are down by 1.3%. Air Tran pulled back on service from BWI, LaGuardia, and reduced several

frequencies to Florida. The IAA continues conversations with multiple carriers about additional service. The numbers will continue to fluctuate throughout the year.

Communications & Marketing Report

Ms. Trice, IAA Chief Communications Officer, provided a communications & marketing update. She reported on the employee customer service initiative, QSM & ASQ report, and what the Authority has earned in media to date. Ms. Trice also shared that Airports Council International announced earlier in the week that the Indianapolis International Airport ranked first (1st) in North America for customer service and also third (3rd) worldwide for best airport by size of 5 to 15 million passengers. Additionally, JD Power & Associates notified IAA that the Indianapolis International Airport was recognized for achieving customer service excellence, and earned the recognition of 2011 Customer Service Champion.

Other Reports/Update

President Stayton recognized and thanked Ms. Renee Watson and Mr. Kent Roy of Wells Fargo for sponsoring today's board refreshments.

ADJOURN

There being no further business, the meeting was adjourned at 10:05 a.m.

INDIANAPOLIS AIRPORT AUTHORITY*

Michael B. Stayton, President

Alfred R. Bennett, Secretary

Date: _____

*Signed under authority of IAA Board Resolution 10-2009



Board Memo

To: IAA Board of Directors
From: Marsha A. Stone, Chief Financial Officer
Date: March 4, 2011
Board Date: March 11, 2011
Subject: Resolution No. 6-2011

Resolution Number 6-2011 authorizes the Executive Director/CEO of the Indianapolis Airport Authority, Indianapolis, Indiana, or his designee, to apply for airport development assistance and to accept on behalf of the Indianapolis Airport Authority, any and all Offers that may be extended to it on or before December 31, 2011 by the Administrator of the Federal Aviation Administration (FAA), the Transportation Security Administration (TSA), or the Indiana Department of Transportation (INDOT).

Federal and State agencies often allow a very short amount of time when extending Offers. This blanket resolution is a proactive measure taken by the Authority to ensure it will be able to respond in a timely manner to potential Offers extended by any of the governmental agencies included in this resolution. The board has approved similar blanket resolutions in previous years which have allowed the Authority to take advantage of funding sources it would otherwise not have had the opportunity to utilize.

Recommendation

IAA staff recommends that the Board approve resolution 6-2011 granting the Executive Director/CEO, or his authorized representative, authorization to apply for, and accept Offers extended to it by the FAA, TSA, or INDOT.

Consider for approval adoption of Resolution 6-2011 authorizing the Executive Director/CEO or his designee to apply for airport development assistance, accept, adopt and execute offers that are scheduled to expire on or before December 31, 2011 from the Administrator of the Federal Aviation Administration, the Transportation Security Administration, or the Indiana Department of Transportation constituting Agreement between the United States or the State of Indiana and the Indianapolis Airport Authority.

RESOLUTION NO. 6-2011

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR/CEO OR HIS DESIGNEE TO APPLY, ACCEPT, ADOPT AND EXECUTE OFFER(S) THAT ARE SCHEDULED TO EXPIRE ON OR BEFORE DECEMBER 31, 2011 FROM THE ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION, THE TRANSPORTATION SECURITY ADMINISTRATION, OR THE INDIANA DEPARTMENT OF TRANSPORTATION CONSTITUTING GRANT AGREEMENT BETWEEN THE UNITED STATES OR THE STATE OF INDIANA AND INDIANAPOLIS AIRPORT AUTHORITY

INDIANAPOLIS, INDIANA

WHEREAS, the Administrator of the Federal Aviation Administration, the Transportation Security Administration, or the Indiana Department of Transportation for and on behalf of the United States or State of Indiana, will extend to the Indianapolis Airport Authority, Indianapolis, Indiana, formal Offers pursuant to Applications of the Indianapolis Airport Authority, Indianapolis, Indiana, relating to the development of the Indianapolis International Airport or other Authority owned facilities; and

WHEREAS, pursuant to and for the purposes of carrying out the provisions of Title 49 United States Code, it is necessary that said Grant Offers be duly and formally accepted by the Indianapolis Airport Authority, Indianapolis, Indiana, and

WHEREAS, such Offers and such acceptance thereof, duly executed together shall constitute the Grant Agreements between the Indianapolis Airport Authority, Indianapolis, Indiana, and the United States or the State of Indiana relating to said airport development projects;

NOW, THEREFORE, upon consideration of said Offers and all of the terms, provisions, conditions, and exhibits therein and thereto, BE IT, AND IT IS HEREBY RESOLVED BY THE BOARD OF THE INDIANAPOLIS AIRPORT AUTHORITY, INDIANAPOLIS, INDIANA, AS FOLLOWS:

1. That the Executive Director/CEO of the Indianapolis International Airport, Indianapolis, Indiana, or his designee, is authorized to apply for airport development assistance and accept on behalf of the Indianapolis Airport Authority any and all Offers that may be extended to it on or before December 31, 2011 by the Administrator of the Federal Aviation Administration, the Transportation Security Administration, or the Indiana Department of Transportation for and on behalf of the United States or the State of Indiana to be duly executed in its name and for and on its behalf.
2. That Applications executed and submitted to the Federal Aviation Administration, the Transportation Security Administration, or the Indiana Department of Transportation by the Indianapolis Airport Authority, Indianapolis, Indiana, pursuant to this resolution relating to AIP and Other Projects including all the statements, representations, warranties, covenants and agreements contained therein, be and the same is hereby ratified and adopted.
3. That to accomplish the foregoing, the Executive Director/CEO, or his designee, be and is hereby authorized and directed to execute for and on behalf of the Indianapolis Airport Authority, Indianapolis, Indiana, the said Acceptance of all Offers, and that the Treasurer, or his representative, be and is hereby authorized and directed to attest said execution and to impress thereon the Official Seal of the Indianapolis Airport Authority, Indianapolis, Indiana.

APPROVED this 11th day of March, 2011*

Michael B. Stayton, President

Alfred R. Bennett, Secretary

*Signed under authority provided in IAA Board Resolution 10-2009.

CERTIFICATE

I, Alfred R. Bennett, the duly elected, qualified, and Secretary of the Indianapolis Airport Authority, Indianapolis, Indiana, do hereby certify that the foregoing and attached extract from the Minutes of the Meeting of the Board of the Indianapolis Airport Authority, Indianapolis, Indiana, held on March 11, 2011 is a true and correct copy of a Resolution duly adopted on said date and at said meeting; that said Resolution in the foregoing form was duly entered of record in the original Minutes of the Proceedings of the Board of the Indianapolis Airport Authority, Indianapolis, Indiana, and is now in full force and effect.

WITNESS my hand and the Official Seal of the Indianapolis Airport Authority the 11th day of March 2011.

(SEAL)

Alfred R. Bennett, Secretary



Board Memo – Redcats USA, Inc.

To: IAA Board of Directors
From: Marsha Stone, Chief Financial Officer
Date: February 22, 2011
Board Date: March 11, 2011
Subject: Redcats USA, Inc. Temporary Minor Boundary Modification Extension Application

Background

The Authority is the Foreign Trade Zone (FTZ) “grantee” representing central Indiana communities. In 1981, the Authority created a separate company, the Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ), a not-for-profit 501C (6), to administer the FTZ program.

Redcats USA, Inc. (Redcats) Minor Boundary Modification Extension (MBME) is set to expire March 31, 2011. The MBME received initial approval by the Foreign Trade Zones Board in Washington, D.C. on March 18, 2010. Redcats has requested an MBME extension for their sites at 2300 Southeastern Avenue, Indianapolis and 3003 Reeves Road, Plainfield, Indiana, until such time as the Alternate Site Framework (ASF) is granted approval by the Foreign Trade Zones Board in Washington, D.C. The GIFTZ Board approved sponsorship on July 20, 2010.

Redcats is a major textile and goods distributor currently located in two distribution warehouse sites, both in Indianapolis and Plainfield, Indiana. Redcats USA, Inc. is an active temporary usage-driven site employing approximately 830 individuals and generates an annual payroll of approximately \$32 million.

Scope

The GIFTZ Board is requesting the IAA Board approve the Redcats USA, Inc. Minor Boundary Modification Extension Application to allow the continued use of FTZ benefits, at their sites.

Schedule

March 11, 2011: Approve Redcats USA, Inc. Minor Boundary Modification Extension
March 31, 2011: Tentative activation date, based on Redcats USA, Inc. projected expiration date for Minor Boundary Modification

Revenue and/or Operating Cost Implications

Revenue:

Revenue for the two sites of active FTZ space is \$48,000 per annum.

Operating Costs:

The GIFTZ expends approximately \$4,900 per annum to provide established support services to Redcats.

Diversity Participation

Relative to the approval of this MBME application, this section is not applicable; however, the GIFTZ will seek out diversity participation whenever applicable.

Recommendation

IAA staff recommends the Board consider for approval adoption of Resolution 7-2011 concerning the Minor Boundary Modification Extension Application for Redcats USA, Inc.

RESOLUTION NO. 7-2011
GRANTEE RESOLUTION FOR A TEMPORARY MINOR BOUNDARY MODIFICATION
FOREIGN TRADE ZONE # 72

WHEREAS, the Indianapolis Airport Authority, as Grantee, deems it desirable to make application to the Foreign Trade Zones Board to establish a Minor Boundary Modification Extension of Foreign Trade Zone # 72 on behalf of Redcats USA, Inc. to create new services and economic opportunities for the company;

NOW, THEREFORE, BE IT

RESOLVED, that the Indianapolis Airport Authority does hereby ratify and approve the application to establish the Minor Boundary Modification Extension of Foreign Trade Zone # 72 as submitted to this Grantee; and

FURTHER RESOLVED, that the President of the Indianapolis Airport Authority be, and hereby is, authorized and directed on behalf of the Grantee, Indianapolis Airport Authority, to do and perform all acts and to execute and deliver all instruments and documents necessary or convenient for the submission of the Minor Boundary Modification Extension application on behalf of Redcats USA, Inc, to the Executive Secretary of the Foreign Trade Zones Board, Department of Commerce, Washington, D.C. and take such further action as deemed appropriate incident to securing the approval by the Foreign Trade Zones Board with respect to said Minor Boundary Modification Application Extension.

APPROVED this 11th day of March, 2011, at the regularly convened meeting of the Indianapolis Airport Authority.

INDIANAPOLIS AIRPORT AUTHORITY*

By _____
Michael B. Stayton, President

By _____
Alfred R. Bennett, Secretary

*Signed under authority provided in IAA Board Resolution 10-2010

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 of Resolution No. 7-02011 adopted by the Indianapolis Airport Authority Board on the 11th day of March, 2011.

Alfred R. Bennett
Secretary, IAA

IAA Board Meeting
Consent Calendar Agenda
March 11, 2011

Consider for approval:

A) Capital Program

- BP2011-03-1** An award of contract for Package IMC-11-001 - IMC Air Cargo Modifications, Phase I - Restroom, Phase II - Fence, and Phase III – Overhead and Walk Doors to Dallman Contractors, LLC in amount not-to-exceed \$105,248.00 plus a 3% construction reserve of \$3,157.44 for a total of \$108,405.44. Dallman Contractors, LLC was the lowest responsive and responsible bidder. MBE 12.07% (Sexson Mechanical Corporation) and WBE 15.42% (Cassady Electrical Contractors, Inc.)
- BP2011-03-2** A contract with Earth Exploration, Inc. for Material Testing and Construction Observation Services for Cargo Apron Expansion Phase IV, Project # I-11-014, in amount not-to-exceed \$176,000.00. MBE 18.18% (GeoSolutions, Inc.) and WBE 5.11% (Eilts Consulting Services)
- BP2011-03-3** A contract with Harmon Construction, Inc. for Construction Management Services for Cargo Apron Expansion Phase IV, Project # I-11-014, in amount not-to-exceed \$298,800.00. MBE 35.94% (Harmon Construction, Inc.) For the continuity of the project oversight and the mentoring opportunity, there are only two (2) staff positions on this project. No opportunity for meaningful WBE participation was identified without adding unnecessary scope to the contract.
- BP2011-03-4** An amendment to the contract with Shrewsberry & Associates, LLC for Construction Administration Services for Cargo Apron Expansion Phase IV in an amount not-to-exceed \$298,000.00. MBE 45.75% (Shrewsberry & Associates, LLC) and WBE 5.18% (Eilts Consulting Services, Inc.)
- BP2011-03-5** An award of contract for CIP/Project # I-11-014, Cargo Apron Expansion Phase IV to Gradex, Inc. in an amount not-to-exceed \$6,161,406.75 plus a 3% construction reserve of \$184,843.25 for a total of \$6,346,250.00. Gradex, Inc. was the lowest responsive and responsible bidder. MBE 8.75% (USI Consultants, Inc., Affordable Building Supplies, LLC, Harmon Steel, Inc., and Oatts Trucking, Inc.) and WBE 3.34% (White Security, Slusser's Green Thumb, Inc., AJ's Tool Rental, Inc., and Lynn Trucking, Inc.)



Board Memo – Bid Award

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: February 9, 2011

Board Date: March 11, 2011

Subject: Award of Package IMC-11-001 - Indianapolis Maintenance Center (IMC) Air Cargo Modifications, Phase I - Restroom, Phase II - Fence, and Phase III – Overhead and Walk Doors to Dallman Contractors, LLC

Background

The project is being implemented for the Properties Department in order to provide Supply Building improvements to support Air Cargo service operations. It consists of the three phases listed above. The fencing will divide a very large un-leased area into more easily leased spaces. The addition of the doors will provide access to a newly created lease space. The new restroom will serve the new spaces that are created by the project.

On January 21, 2011, the Board approved plans & specifications for Package IMC-11-001 - IMC Air Cargo Modifications, Phase I – Restroom, Phase II – Fence, and Phase III – Overhead and Walk Doors and authorized the public bidding process.

On February 24, 2011, the IAA staff received nine (9) bids ranging from \$105,248.00 to \$198,000.00. Dallman Contractors, LLC was the lowest responsive and responsible bidder in the amount of \$105,248.00.

In addition to the contract amount, the 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 to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. There are sufficient dollars within this project's allocation 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 construction package will install a new restroom that can be accessed from the common area across from the dock doors on the north side of the building, divide lease areas with a series of floor to roof-deck fences and gates to provide optimal flexibility for the existing and future leaseholds, and install on the east end of the building a new overhead door with opener and a walk door with card access.

Budget

The construction cost of this package is \$105,248.00.

The funding for this project is within the approved operating budget of the Properties Department.

Schedule

Work is expected to start in April 2011 with a substantial completion date of July 2011.

Supplier Diversity Participation

The Director of Supplier Diversity approved the following MBE/WBE participation on February 25, 2011:

FIRM	CLASSIFICATION	AMOUNT	%
Sexson Mechanical Corp.	MBE	\$12,700	12.07
Cassady Electrical Contractors	WBE	\$16,225	15.42
Totals	MBE	\$12,700	12.07
	WBE	\$16,225	15.42

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract for Package IMC-11-001 - IMC Air Cargo Modifications, Phase I - Restroom, Phase II - Fence, and Phase III – Overhead and Walk Doors to Dallman Contractors, LLC in amount not-to-exceed \$105,248.00 plus a 3% construction reserve of \$3,157.44 for a total of \$108,405.44. Dallman Contractors, LLC was the lowest responsive and responsible bidder. MBE 12.07% (Sexson Mechanical Corporation) and WBE 15.42% (Cassady Electrical Contractors, Inc.)



Board Memo - Contract

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: February 10, 2011

Board Date: March 11, 2011

Subject: Contract with Earth Exploration, Inc. for Material Testing and Construction Observation Services for Cargo Apron Expansion Phase IV, Project # I-11-014

Background

In recent years, FedEx and the Indianapolis Airport Authority (IAA) have completed three (3) expansion projects of the FedEx Hub apron, known as Phases I, II and III which accommodated FedEx's growth at IND. FedEx is now seeking approval to embark on Phase IV of their apron expansion which will net approximately 400,000 additional square feet of apron space and accommodate four (4) additional parking positions for widebody aircraft and a 10,000 square foot snow pad. The expanded apron development includes drainage improvements, site preparation, concrete pavement construction, pavement marking, hydrant fueling system expansion, high mast apron lighting, and ground power units and nose tethers at the parking positions.

The Board approved plans and specifications and authorized public bidding for the Cargo Apron Expansion Phase IV on January 21, 2011. On the same date, the Board also approved an amendment to the FedEx lease for expansion in conjunction with Phase IV. Bids were received on February 22, 2011 and construction is anticipated to begin in April 2011.

In the January 21, 2011 memo regarding the approval of the plans and specifications for Phase IV, it was also identified that contracts for construction phase professional services would require Board approval at a future Board meeting. These contracts include: a contract for construction management services, a contract for materials testing and construction observation services, and an amendment for construction administration services from the designer. This memo presents for Board consideration only the contract for material testing and construction observation services. The other contract and amendment are presented in separate Board memos.

This project was approved for implementation by the Executive Management Team on July 29, 2010.

Scope

The scope of work covers material testing and construction observation services for the Cargo Apron Expansion Phase IV project for IND. Earth Exploration, Inc. (EEI) shall provide the following services: perform materials testing in accordance with the plans and specifications, perform compaction testing and construction observation of backfill material, perform soil testing and moisture content, perform concrete testing, and reporting the test results. The results of the material testing are used by both the designer in construction administration and construction manager to assess performance of work in accordance with construction documents and by the construction manager in measuring work accomplished per construction documents.

Budget

The amount of this contract is not-to-exceed \$176,000.00 and is within the Design & Soft Costs element of the project budget.

Project Budget

Contract Amount (including 3% reserve)	\$ 6,346,250
Design & Soft Costs	\$ 1,156,060
CM Fees	\$ 298,800
Unforeseen Conditions	\$ 739,400
Unallocated Budget	<u>\$ 3,953,090</u>
Budget Amount	\$12,493,600

The funding for this project is within the approved cash flow for the Capital Improvement Program. The full cost of the project will be offset through rentals from a lease with FedEx executed by the Board on January 21, 2011.

Schedule

The term of this contract is from March 11, 2011 through December 31, 2011, consistent with the schedule for the construction work on this project.

Supplier Diversity Participation

The Director of Supplier Diversity approved the following MBE/WBE participation on February 18, 2011:

FIRM	CLASSIFICATION	AMOUNT	%
GeoSolutions, Inc.	MBE	\$32,000	18.18
Eilts Consulting Services	WBE	\$ 9,000	5.11
Totals	MBE	\$32,000	18.18
	WBE	\$ 9,000	5.11

Recommendation

The IAA staff has reviewed the proposal and recommends that the Board consider for approval a contract with Earth Exploration, Inc. for Material Testing and Construction Observation Services for Cargo Apron Expansion Phase IV, Project # I-11-014, in amount not-to-exceed \$176,000.00. MBE 18.18% (GeoSolutions, Inc.) and WBE 5.11% (Eilts Consulting Services)



Board Memo - Contract

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: February 10, 2011

Board Date: March 11, 2011

Subject: Contract with Harmon Construction, Inc. for Construction Management Services for Cargo Apron Expansion Phase IV, Project # I-11-014

Background

In recent years, FedEx and the Indianapolis Airport Authority (IAA) have completed three (3) expansion projects of the FedEx Hub apron, known as Phases I, II and III which accommodated FedEx's growth at Indianapolis International Airport (IND). FedEx is now seeking approval to embark on Phase IV of their apron expansion which will net approximately 400,000 additional square feet of apron space and accommodate four (4) additional parking positions for widebody aircraft and a 10,000 square foot snow pad. The expanded apron development includes drainage improvements, site preparation, concrete pavement construction, pavement marking, hydrant fueling system expansion, high mast apron lighting, and ground power units and nose tethers at the parking positions.

The Board approved plans and specifications and authorized public bidding for the Cargo Apron Expansion Phase IV (Phase IV) on January 21, 2011. On the same date, the Board also approved an amendment to the FedEx lease for expansion in conjunction with Phase IV. Bids were received on February 22, 2011 and construction is anticipated to begin in April 2011.

In the January 21, 2011 memo regarding the approval of the plans and specifications for Phase IV, it was also identified that contracts for construction phase professional services would require Board approval at a future Board meeting. These contracts include: a contract for construction management services, a contract for materials testing and construction observation services, and an amendment for construction administration services from the designer. This memo presents for the Board consideration only the contract for construction management services. The other contract and amendment are presented in separate Board memos.

This project was approved for implementation by the Executive Management Team on July 29, 2010.

Scope

Harmon Construction, Inc. (Harmon), an MBE firm, shall lead the construction team and also provide construction management (CM) services for the Cargo Apron Expansion Phase IV. Harmon has experience with airport projects and Prolog/Encompass software for project management. To increase the depth of their team's experience with airfield pavement projects, Harmon has teamed with Turner Construction of Indiana (Turner). In addition to providing the IAA with strong expertise for this project, this teaming relationship also provides an opportunity for Turner to mentor Harmon.

CM services are needed because this project requires full time construction management oversight and current IAA engineering resources are assigned to other 2011 projects. As a short-term project, contracting provides the IAA with the necessary representation to manage this project without a long-term commitment to additional IAA staff. Also, the IAA staff does not have the same level of experience on projects of this magnitude to manage the schedule, quality, and costs to meet the aggressive delivery schedule required by the tenant.

Budget

The construction management (CM) contract with Harmon Construction, Inc. is not-to-exceed \$292,040.00 (hourly fees) and \$6,760.00 (expenses) for a total not-to-exceed amount of \$298,800.00 which is within the project budget.

Project Budget

Contract Amount (including 3% reserve)	\$ 6,346,250
Design & Soft Costs	\$ 1,156,060
CM Fees	\$ 298,800
Unforeseen Conditions	\$ 739,400
Unallocated Budget	<u>\$ 3,953,090</u>
Budget Amount	\$12,493,600

The funding for this project is within the approved cash flow for the Capital Improvement Program. The full cost of the project will be offset through rentals from a lease with FedEx executed by the Board on January 21, 2011.

Schedule

The term of this contract is from March 11, 2011 through March 31, 2012, consistent with the schedule for the construction and post construction work on this project.

Supplier Diversity Participation

The Director of Supplier Diversity approved the following MBE/WBE participation on February 15, 2011:

FIRM	CLASSIFICATION	AMOUNT	%
Harmon Construction, Inc.	MBE	\$104,960	35.94
Totals	MBE	\$104,960	35.94

Recommendation

The IAA staff has reviewed the proposal and recommends that the Board consider for approval a contract with Harmon Construction, Inc. for Construction Management Services for Cargo Apron Expansion Phase IV, Project # I-11-014, in amount not-to-exceed \$298,800.00. MBE 35.94% (Harmon Construction, Inc.) For the continuity of the project oversight and the mentoring opportunity, there are only two (2) staff positions on this project. No opportunity for meaningful WBE participation was identified without adding unnecessary scope to the contract.



Board Memo – Amendment

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: February 10, 2011

Board Date: March 11, 2011

Subject: Approval of Amendment #2 with Shrewsberry & Associates, LLC for Cargo Apron Expansion Phase IV, Project # I-11-014

Background

In recent years, FedEx and the IAA have completed three (3) expansion projects of the FedEx Hub apron, known as Phases I, II and III which accommodated FedEx's growth at Indianapolis International Airport (IND). FedEx is now seeking approval to embark on Phase IV of their apron expansion which will net approximately 400,000 additional square feet of apron space and accommodate four (4) additional parking positions for widebody aircraft and a 10,000 square foot snow pad. The expanded apron development includes drainage improvements, site preparation, concrete pavement construction, pavement marking, hydrant fueling system expansion, high mast apron lighting, and ground power units and nose tethers at the parking positions.

The Board approved plans and specifications and authorized public bidding for the Cargo Apron Expansion Phase IV on January 21, 2011. On the same date, the Board also approved an amendment to the FedEx lease for expansion in conjunction with Phase IV. Bids were received on February 22, 2011 and construction is anticipated to begin in April 2011.

In the January 21, 2011 memo regarding the approval of the plans and specifications for Phase IV, it was also identified that contracts for construction phase professional services would require Board approval at a future Board meeting. These contracts include: a contract for construction management services, a contract for materials testing and construction observation services, and an amendment for construction administration services from the designer. This memo presents for Board consideration only the amendment for construction administration services from the designer. The other contracts are presented in separate Board memos.

Shrewsberry & Associates, LLC has led the design team for the Cargo Apron Expansion Phase IV. The initial contract and Amendment #1 funded the design services through the bid phase. The design services were authorized under a contract and amendment to allow the design process to begin as quickly as possible to meet an aggressive delivery date required by the tenant. This amendment funds construction administration services for the Cargo Apron Expansion Phase IV.

This project was approved for implementation by the Executive Management Team on July 29, 2010.

Scope

Provide construction phase services including construction administration, regular site visits and observation of construction, and post construction phase services to protect the Owner's interests that the completed work will conform to the contract documents and that the integrity of the concept as a functioning portion of the completed project has been implemented. The IAA staff recommends the designer for these construction administration services because the designer is intimately familiar with the intent of the design. Also, the IAA engineering staff does not have the capacity to provide the designer construction administration services on this project with the other 2011 capital project responsibilities. As a short-term project, contracting provides the IAA with the necessary construction administration services on this project without a long-term commitment to additional IAA staff.

Budget

The amendment for the construction phase services for Shrewsberry & Associates, LLC is not to exceed \$289,600.00 (hourly fees) and \$8,400.00 (expenses) for a total not-to-exceed amount of \$298,000.00 and is within the project budget.

Project Budget

Contract Amount (including 3% reserve)	\$ 6,346,250
Design & Soft Costs	\$ 1,156,060
CM Fees	\$ 298,800
Unforeseen Conditions	\$ 739,400
Unallocated Budget	<u>\$ 3,953,090</u>
Budget Amount	\$12,493,600

The funding for this project is within the approved cash flow for the Capital Improvement Program. The full cost of the project will be offset through rentals from a lease with FedEx executed by the Board on January 21, 2011.

Schedule

The term of this amendment is expected to begin March 11, 2011 and conclude December 31, 2012 to encompass the 10 month post construction inspection before the one (1) year project warranty expires.

Supplier Diversity Participation

The Director of Supplier Diversity approved the following MBE/WBE participation on February 15, 2011:

FIRM	CLASSIFICATION	AMOUNT	%
Shrewsberry & Associates	MBE	\$132,500	45.75%
Eilts Consulting Services	WBE	\$15,000	5.18%
Totals	MBE	\$132,500	45.75%
	WBE	\$15,000	5.18%

Contract Summary to Date

Contract/Amendment & Execution Date	Service & Term	Amount	Supplier Diversity Participation %	
			MBE	WBE
Original Contract September 17, 2010	Professional Services & Expenses Term: 9/17/10 – 1/31/12	\$250,000	41.00%	4.78%
Amendment 1 October 15, 2010	Professional Services Term: 10/15/10 – 1/31/12	\$372,000	41.00%	4.78%
Amendment 2 March 11, 2011	Professional Services Term: 3/11/11 - 12/31/12	\$298,000	45.75%	5.18%
	Revised Contract NTE	\$920,000		

Recommendation

The IAA staff has reviewed the proposal and recommends that the Board consider for approval an amendment to the contract with Shrewsberry & Associates, LLC for Construction Administration Services for Cargo Apron Expansion Phase IV in an amount not-to-exceed \$298,000.00. MBE 45.75% (Shrewsberry & Associates, LLC) and WBE 5.18% (Eilts Consulting Services, Inc.)



Board Memo – Bid Award

To: IAA Board of Directors
From: Mike Medvescek, Chief Operating Officer
Date: February 9, 2011
Board Date: March 11, 2011
Subject: Award of CIP/Project # I-11-014, Cargo Apron Expansion Phase IV to Gradex, Inc.

Background

In recent years, FedEx and the Indianapolis Airport Authority (IAA) have completed three (3) expansion projects of the FedEx Hub apron, known as Phases I, II and III which accommodated FedEx's growth at Indianapolis International Airport (IND). FedEx is now seeking approval to embark on Phase IV of their apron expansion which will net approximately 400,000 additional square feet of apron space and accommodate four (4) additional parking positions for widebody aircraft and a 10,000 square foot snow pad. The expanded apron development includes drainage improvements, site preparation, concrete pavement construction, pavement marking, hydrant fueling system expansion, high mast apron lighting, and ground power units and nose tethers at the parking positions.

On July 29, 2010, this project was approved for implementation by the Executive Management Team.

On January 21, 2011, the Board approved plans & specifications for CIP/Project # I-11-014, Cargo Apron Expansion Phase IV and authorized the public bidding process. The Board also approved a lease amendment with FedEx on the same date for the expansion of the FedEx leasehold in conjunction with the Phase IV development.

On February 22, 2011, the IAA staff received six (6) bids ranging from \$6,161,406.75 to \$7,512,978.35.

Gradex, Inc. was the lowest responsive and responsible bidder in the amount of \$6,161,406.75.

In addition to the contract amount, the 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 to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances.

There are sufficient dollars within this project's allocation 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 construction of Phase IV of the cargo apron at the Indianapolis International Airport.

Budget

This contract is within the overall project budget of \$12,493,600.00. The total bid plus 3% construction reserve is \$6,346,250.00.

<u>Project Budget</u>	
Contract Amount (including 3% reserve)	\$ 6,346,250
Design & Soft Costs	\$ 1,156,060
CM Fees	\$ 298,800
Unforeseen Conditions	\$ 739,400
Unallocated Budget	<u>\$ 3,953,090</u>
Budget Amount	\$12,493,600

The funding for this project is within the approved cash flow for the Capital Improvement Program. The full cost of the project will be offset through rentals from a lease with FedEx executed by the Board on January 21, 2011.

Schedule

Work is expected to start April 2011 with a substantial completion date of October 2011.

Supplier Diversity Participation

In addition to supplier diversity participation on this construction services contract, the design for Cargo Apron Expansion Phase IV has been led by Shrewsberry & Associates, LLC (MBE) and a contract for construction management services to be led by Harmon Construction, Inc. (MBE) is also being presented to the Board for consideration on March 11, 2011.

The Director of Supplier Diversity approved the following MBE/WBE participation for this contract on March 1, 2011:

FIRM	CLASSIFICATION	AMOUNT	%
USI Consultants, Inc.	MBE	\$ 40,000	0.65
Affordable Building Supplies, LLC	MBE	\$345,000	5.60
Harmon Steel, Inc.	MBE	\$ 19,000	0.31
Oatts Trucking, Inc.	MBE	\$135,000	2.19
White Security	WBE	\$ 8,000	0.13
Slusser's Green Thumb, Inc.	WBE	\$ 32,000	0.52
AJ's Tool Rental, Inc.	WBE	\$116,000	1.88
Lynn Trucking, Inc.	WBE	\$ 50,000	0.81
Totals	MBE	\$539,000	8.75
	WBE	\$206,000	3.34

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract for CIP/Project # I-11-014, Cargo Apron Expansion Phase IV to Gradex, Inc. in an amount not-to-exceed \$6,161,406.75 plus a 3% construction reserve of \$184,843.25 for a total of \$6,346,250.00. Gradex, Inc. was the lowest responsive and responsible bidder. MBE 8.75% (USI Consultants, Inc., Affordable Building Supplies, LLC, Harmon Steel, Inc., and Oatts Trucking, Inc.) and WBE 3.34% (White Security, Slusser's Green Thumb, Inc., AJ's Tool Rental, Inc., and Lynn Trucking, Inc.)