



Agenda
Indianapolis Airport Authority
July 15, 2011
8:30 AM

I. Call to Order

II. Introduction

- a) 2011 IAA Interns – *James Keough/Ginger Thomas*

III. Approval of Minutes of the Pre-Board and Regular Meeting of June 17, 2011

IV. Ordinances, Resolutions and Public Hearings

- a) Public Hearing on **General Ordinance No. 2-2011** concerning the 2012 Indianapolis Airport Authority Budget. Final Hearing to be held August 19, 2011.

- i. Presentation of 2012 Budget – *Marsha Stone*

V. Board Reports

- a) President's Report

VI. Official Actions

- a) Introduction of the IAA Consent Calendar dated July 15, 2011.
- b) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated July 15, 2011.

VII. Staff Reports

- a) CEO Report – *John D. Clark, III*
- b) Financial Report – *Marsha Stone*
- c) Communications & Marketing Report – *Patzetta Trice*
- d) Supplier Diversity Report – *Corey Wilson*

VIII. Other Reports/Update

IX. Adjourn

MINUTES OF PRE-BOARD MEETING

The Pre-Board Meeting of the Indianapolis Airport Authority Board took place at 7:50 A.M. on Friday, June 17, 2011, in the North Administrative Conference Room (Room 09.T.422) in the Main Terminal Building at the Indianapolis International Airport.

The following members of the Indianapolis Airport Authority Board were present:

Michael B. Stayton
Kelly J. Flynn
Alfred R. Bennett
Alex M. Azar, II
Mary Moses Cochran
Jean L. Wojtowicz

Also present were Advisory Board members Lynn Gordon and Jack Morton.

Marsha Stone gave a status report on IAA's 2011 Strategic Initiative. Upon motion made by Alex M. Azar, II, and seconded by Kelly J. Flynn, the Airport Authority Board confirmed the 2011 Strategic Initiative.

Mike Medvescek and Greta Hawvermale updated the Board on the High School Road improvement project as it pertains to the land surrounding the old terminal.

It was decided to defer to the July, 2011 meeting the relationship that the Airport Authority will have in the future with the Indianapolis Colts and the Indiana Pacers.

Al Stanley was asked to talk to the Board about the computer replacement program, and he indicated that more information would be provided in the near future.

The Delegated Authority Schedule submitted to the Board for May, 2011, is attached hereto.

The Airport Authority Board concluded its Pre-Board Meeting at 8:34 A.M.

ALL OF WHICH IS STATED THIS ___ DAY OF JULY, 2011.

MICHAEL B. STAYON, President

DELEGATED AUTHORITY SCHEDULE

MONTH/YEAR	OTHER PARTY	TYPE OF DOCUMENT	TERM (YEARS)	REVENUE	INITIALS	COMMENTS
May-11	PCS Engineers	Contract for Design Services	8 months	n/a	J. Clark	For the wildlife fence construction Phase 1 at Hendricks County Airport
May-11	Clear Channel Outdoor, Inc.	Second Amendment to Land Lease	Month to Month	\$120,000	J. Clark	This Amendment makes changes to conform the Lease to recent developments, including a reduction in total billboards due to sales of land for 1465 expansion and a corresponding reduction in total rental
May-11	Quality Environmental Professionals	Contract Amendment No. 1	1 additional year	n/a	J. Clark	This is replacing contract term conclusion date of December 31, 2010 with contract term conclusion date of December 31, 2011. This is a "time only" extension of an existing agreement
May-11	Keramida, Inc.	Contract Amendment No. 1	8 months	n/a	J. Clark	This is extending contract term conclusion date from December 31, 2010 to December 31, 2011. This is for required wetland and archeological assessment pertaining to the solar farm project
May-11	Moore Transportation	Land and Building Lease Agreement	3 years	\$103,869.42	J. Clark	This will utilize Building #31 and associated parking lot for the purposes of storing sea containers, semi-trailers and office space
May-11	Lynn Trucking, Inc.	Contract Renewal	same as provided in original agreement	n/a	J. Clark	This is for snow removal under the same terms and conditions of the original contract-amount for \$205,000.00 for the 2011-2012 season
May-11	RTM Indianapolis LLC	Second Amendment to Land Lease	same as provided in original agreement	\$22,443.75	J. Clark	RTM leases land for additional parking for their restaurant chain known as Arby's located at 6801 W. Washington Street
May-11	Ross & Baruzzini	Contract for Design Services	14 months	n/a	J. Clark	For Water Main Improvements-amount is \$34,480.00
May-11	Butler, Fairman & Seufert, Inc.	Contract for Bidding and Construction	8 months	n/a	J. Clark	This is for the downtown heliport rehabilitation project-amount \$11,953.00
May-11	Durham Engineering, Inc.	Contract for Design Services	1 year and 2 months	n/a	J. Clark	This is for wildlife fence construction phase 1 at Metropolitan Airport-amount \$984.00

DELEGATED AUTHORITY SCHEDULE

May-11	Ross & Baruzzini	Contract for Design Services	8 months	n/a	J. Clark	This is for the Access Control System Consolidation at International-amount \$80,815.00
May-11	Tom Wood Management	Short Term Use Permit	15 days	n/a	J. Clark	For display in Civic Plaza
May-11	Butler, Fairman & Seufert, Inc.	Contract for Consultant Services	7 months	n/a	J. Clark	Contract for Site Analysis of Zone 1, Site 111-A (Travel Plaza Study) in the amount of \$31,812.00
May-11	Hanson Professional Services	Contract for Construction Administration	7 months	n/a	J. Clark	for Rehab of R/W 14-32 and Foxtrot Lane in the amount of \$322.00
May-11	Enginuity Management & Consulting	Contract For Design of Deicing Materials	1 year	n/a	J. Clark	Total cost for project is \$134,130.00. This is for the Storage Building at Indianapolis International
May-11	Global Baggage Protection Systems, Inc. d/b/a Secure Wrap and IAA	Contract for Baggage Wrapping Services	3 years	n/a	J. Clark	Monthly percentage fee for the 1st year, 13% the second year and 14% the 3rd year
May-11	Junglicaus Campbell	Approval of Settlement Agreement	n/a	n/a	J. Clark	After board approval of the mediated settlement, document signed for the \$180,00 change order.

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 8:35 a.m., June 17, 2011, in the Airport Board Room at the Indianapolis International Airport.

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

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

Advisory Members attending:

Jack Morton, Jr.
Lynn Gordon

Rex Joseph, IAA Counsel

IAA executive staff attending:

John D. Clark, III, Executive Director/CEO
Marsha Stone, Chief Financial Officer
Mike Medvescek, Chief Operating Officer
Al Stanley, Chief Information Officer
Joseph Heerens, General Counsel
Robert A. Duncan, Special Advisor
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 both the Pre-Board and Regular Meetings of May 20, 2011.

ORDINANCES, RESOLUTIONS, AND PUBLIC HEARINGS

President Michael Stayton asked for a motion to consider for approval General Ordinance No. 1-2011, concerning the repeal of General Ordinance No. 9-2008.

Upon a motion by Mr. Bennett, seconded by Ms. Cochran and unanimously passed, approval was given to General Ordinance No. 1-2011.

President Stayton introduced General Ordinance No. 2-2011 concerning the 2012 Indianapolis Airport Authority Budget. Mr. Stayton announced that the initial hearing on this ordinance will be held on July 15, 2011.

BOARD REPORTS

President's Report

President Stayton stated he did not have a formal report, but that he wanted to say a few words about the vote that the Board just took on General Ordinance No. 1-2011.

President Stayton stated that, as the governing body of the Authority, the Board has a number of constituents, including the employees who are very important to the Authority, the traveling public, and the airlines; and that the Board needs to consider these constituencies when developing policies for the Authority. He further indicated that the Board took this matter and the testimony provided by employees at last month's public hearing on General Ordinance No. 1-2011 very seriously. He also indicated that some of the employee comments were serious enough to warrant an independent investigation to determine the merits of them.

President Stayton stated that a well-respected Indianapolis law firm was hired by the Board to perform an independent review of certain comments made during last month's public hearing so that board members could have a good factual basis to assist in properly evaluating this matter. The independent reviewer's final report was completed and submitted to each board member on June 13, 2011.

President Stayton also indicated that the Board's decision on General Ordinance No. 1-2011 was not about voting against collective bargaining, but rather about giving IAA's Management the opportunity to continue implementing changes and improvements to the Authority through various initiatives and programs beneficial to the organization, its work environment, and its employees.

President Stayton concluded by acknowledging that the IAA's employees are valued and that they have been instrumental in the accomplishments and achievements of the Authority, including the awards that have been won.

The following IAA Board member entered the meeting at this point:

Lacy Johnson, Member

OFFICIAL ACTIONS

APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR DATED JUNE 17, 2011: Upon a motion by Mr. Flynn, seconded by Mr. Azar and unanimously passed, approval was given to the IAA's Consent Calendar, dated June 17, 2011.

APPROVAL OF INDIVIDUAL ITEMS LISTED ON THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR, DATED JUNE 17, 2011: Upon a motion by Mr. Flynn, seconded by Ms. Wojtowicz and unanimously passed, approval was given to accept each of the individual items listed on the IAA's Consent Calendar, dated June 17, 2011.

STAFF REPORTS

CEO Report

Mr. John Clark, IAA's Executive Director/CEO, had no reports but conveyed to the Board that IAA Management is on track as we progress through the Strategic Initiatives, and also stated that IAA's Management will keep the Board apprised on any pertinent developments involving the airline mergers and how they may impact the IAA.

CFO Report

Ms. Stone, IAA's Chief Financial Officer, provided a brief report on Air Service for May 2011, as well as year-to-date; she reported that May 2011 enplanements were up 2.71% vs. the same period in 2010, which puts the enplanements up by 1.31% year-to-date. Ms. Stone also gave a brief financial update.

Other Reports/Update

President Stayton recognized and thanked Mr. Brian Crowley of Securitas Inc., for sponsoring today's board refreshments.

President Stayton recognized, read, and presented a formal Proclamation of the Indianapolis Airport Authority to Mr. Robert "Bob" Duncan, who is retiring after 38 years of employment with, and service to, the Authority. During his career, Bob had held various positions, including General Counsel, Chief Operating Officer, and Special Advisor to the CEO.

Mr. Duncan thanked the Board and the Authority for the Proclamation, and stated that he has enjoyed his career with the Authority, has been privileged to be part of this organization, and he is looking forward to moving on to the next phase in his life.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:00 a.m.

INDIANAPOLIS AIRPORT AUTHORITY*

Michael Stayton, President

Alfred R. Bennett, Secretary

Date:_____

*Signed under authority of IAA Board Resolution 10-2009



Board Memo – 2012 Budget Ordinance 2-2011

To: IAA Board
From: Marsha Stone, Chief Financial Officer
Date: June 22, 2011
Board Date: July 15, 2011
Subject: 2012 Budget Ordinance 2-2011

Attached is the draft template of the 2012 Budget Ordinance 2-2011. At this time staff is still working through the final details of the 2012 Budget. This Budget Ordinance when adopted will set the maximum appropriation (expenditure) levels for 2012.

The budget process requires an Introduction, an Initial Hearing and presentation, and the Final Hearing and adoption of the Budget by August 31, 2011. The July 15, 2011 Board meeting will be the Initial Public Hearing on the Budget and a presentation will be given to the IAA Board at this time.

The 2012 Capital Improvement Fund Budget assumptions were reviewed in detail with the Finance and Audit Committee on June 17, 2011 at a meeting directly following the Board meeting. The Airport System Fund Budget (which includes the Operating Budget) will be reviewed in detail with the Finance and Audit Committee on July 13, 2011. The Final Hearing on the 2011 Budget will be held on August 19, 2011, at which time the Board will vote to accept or reject the 2012 Budget Ordinance.

The Indianapolis City-County Council (Council) requires the Board to accept the 2012 Budget Ordinance by August 31, 2011. The Council Municipal Corporations Committee will hold a hearing on September 27, 2011 to review the 2012 Budget and the Council will vote on the budget on October 17, 2011.

IAA Board Meeting
Consent Calendar Agenda
July 15, 2011

Consider for approval:

A) General Business

BP2011-07-1 A contract with BKD LLP for the audit of the Indianapolis Airport Authority's financial statements for the year ended December 31, 2011 in an amount not to exceed \$110,00 (MBE 12% Thomas & Reed LLC) WBE 0%.

BP2011-07-2 Delegation of authority to the Executive Director/CEO to approve and execute the Lease Agreement and separately a Purchase Agreement with Comlux America, LLC. The Lease Agreement provides for the long-term leasing of the IAA's Building #21 Site wherein Comlux America, LLC will construct a new aircraft hangar.

B) General Business

BP2011-07-3 Plans and Specifications for Bid Package H-11-027 – Heliport Exterior Renovation, as prepared by Moody-Nolan, Inc., and authorize the public bidding process.

BP2011-07-4 Plans and Specifications for CIP/Project # I-11-019 – Deicing Materials Storage Facility, as prepared by Enginuity Management & Consulting Corporation, and authorize the public bidding process.



Board Memo Contract – 2011 External Audit

To: IAA Board of Directors

From: Jean Wojtowicz, Chair, Finance and Audit Committee

Date: June 22, 2011

Board Date: July 15, 2011

Subject: Contract with BKD LLP for the audit of the Indianapolis Airport Authority's financial statements for the year ended December 31, 2011

Background

On November 19, 2010, the IAA Board approved the contract with BKD LLP for the audit of the Indianapolis Airport Authority's financial statements for the year ended December 31, 2010. This contract has an option to renew for 2011, 2012 and 2013 at the same not-to-exceed price of \$110,000.

Scope

Exercise the option to renew the \$110,000 not-to-exceed contract for financial auditing services of the Indianapolis Airport Authority's financial statements and associated internal control and compliance reports as required under the U.S. Office of Management and Budget (OMB) Circular A-133 (Single Audit).

The IAA Internal Audit Department will provide at least 200 hours of assistance in areas of the audit.

The negotiated fee of \$110,000 will remain the same for the 2011 audit as 2010.

Schedule

Interim work for the 2011 audit is scheduled to begin in October 2011, while final field work for the audit is scheduled to begin early February 2012 and continue through March 2012. BKD LLP has committed to utilize a partner with airport audit experience to plan the 2011 audit and to provide staff at all levels of this engagement with governmental auditing experience, and with the expectation that most (if not all) of the staff on this engagement also have previous experience in auditing the Indianapolis Airport Authority.

Supplier Diversity Participation

The Diversity Director has approved the following:

FIRM	AMOUNT			%		
	DBE	MBE	WBE	DBE	MBE	WBE
Thomas & Reed LLC		\$13,200		0	12%	0

Recommendation

The Finance and Audit Committee recommends the Board consider for approval a contract with BKD LLP for the audit of the Indianapolis Airport Authority's financial statements for the year ended December 31, 2011 in an amount not to exceed \$110,00 (MBE 12% Thomas & Reed LLC) WBE 0%.



Board Memo – Signature Authority

To: IAA Board of Directors

From: Marsha Stone, Chief Financial Officer

Date: June 20, 2011

Board Date: July 15, 2011

Subject: Executive Director/CEO Signature Authority / Comlux Realty, LLC / Lease Agreement

Background

This Authority Board Memo is designed to bring to closure the subject of a long term Lease Agreement, construction of a new hangar, financing arrangement procured by Comlux and ultimately the purchase of the new hangar facility by the IAA and seeks the delegation of authority to the IAA's Executive Director/CEO to execute the Lease Agreement and Purchase Agreement on behalf of the Authority Board. The request for this delegation is due to the timing of City of Indianapolis Bond financing and execution of documents in early August which is the catalyst for the project to commence.

Over the past fifteen months IAA Staff has presented information on the subject of Comlux America, LLC, Comlux Completions, LLC, and/or Comlux Realty, LLC (Comlux) to the Authority Board in Executive Sessions or Pre-Board Meetings including the desire of Comlux for the IAA to participate in the financing and construction of an aircraft hangar. Several locations at Indianapolis International have been contemplated.

The final location of the hangar to be constructed is the Building #21 Site which sits between the Eli Lilly Hangar and the Simon Aviation Hangar both of which sit adjacent to Interstate 465. The new hangar will be capable of housing up to four Boeing 737 type aircraft making it the largest hangar footprint on the airport. Support shops, inventory space and office space are also included in the design. To make available the necessary land for this project, the IAA's Building #21 will be demolished (by Comlux). Building #21 is an early 1960's building originally built by TWA as their cargo building and subsequently bought and relocated to its present site by the IAA decades ago.

IAA Staff recommends entering into an agreement with Comlux Realty, LLC for a ten year primary term with three five-year option terms as defined in the Offer Sheet dated November 1, 2010. Estimated Comlux cost of the new structure is \$16,000,000. Comlux

America, LLC and Comlux Aviation Services, LLC will guaranty the obligations of Comlux Realty, LLC under the Lease Agreement and Purchase Agreement.

To accommodate the necessary parking spaces needed for the Comlux employees, IAA Staff have worked with Comlux and Hertz Rent-A-Car for the ability of Comlux to sub-lease a Hertz leased parking lot (not in use at this time) adjacent/north of the Eli Lilly Hangar. A sidewalk will be created as part of the overall project joining the Hertz Parking Lot to the Building #21 Site to which Eli Lilly is agreeable.

Lastly, this project conforms and supports the IAA's Land Use Plan for this area which is included in Zone #2 of the Land Use Plan.

Financing Arrangement

Total capital expenditure by IAA is \$4,500,000. These funds will be utilized to purchase the new facility once construction is complete and payable back to the IAA at seven percent (7%) interest.

The \$4.5M dollars are included in the IAA's Five-Year Capital Program in year 2012.

Prior to the closing of any financing or the execution of a Lease Agreement by the IAA related to this transaction, Comlux will be required to provide either (a) audited 2010 financials with the "going concern" statement removed or (b) interim 2010 financial statements prepared by Comlux's Chief Financial Officer, accompanied by an independent audit firm's signed Agreed Upon Procedures report which identifies the circumstances that give rise to any "going concern" statement being eliminated, as affirmed in such independent audit report.

As mentioned above, total Comlux expenditure for the project is estimated at \$16M to which IAA is a contributor of \$4.5M. The remaining funds are from various sources with one source being secured at \$5.0M and provided by an unnamed outside investor. As this outside investor (OI) is desirous of a secured position. IAA Staff recommends the following in case of an uncured default or early termination related to Comlux:

- OI is obligated to pay IAA land rent. IAA/OI search for new aviation related tenant. Once found, new tenant pays IAA land rent. Subsequent facility rent paid by tenant will be split 70% to IAA / 30% to OI. Or,
- If OI does not pay IAA land rent, OI's secured position is void and OI debt is no longer secured by the facility.

Operating Revenue Estimates

Total annual revenue is as follows:

- | | | |
|---|---|---------------------|
| • Annual Land Rent (years 1 thru 10) | = | \$100,000.00 |
| Land rent for years 11 thru 25 will be based on fair market value currently at \$.58 per square foot) | | |
| • Annual Facility Rent (years 1 thru 25) | = | <u>\$386,147.00</u> |

Total annual revenue (years one thru ten) \$486,147.00

Operating Expense Estimates

There are no IAA operating expenses related to this transaction. As mentioned above the IAA will expend \$4.5M in capital funds to purchase the hangar facility.

Hurdle Rate Analysis

This project is being undertaken to purchase an equity interest in an aircraft hangar designed for aircraft interior completions. The revenue from the Lease Agreement associated with this project is anticipated to be derived from two sources: (1) facility rent that is based on the IAA's purchase price for the facility and (2) land rent. The assumed asset life of these improvements is twenty-five (25) years which aligns with the Lease Agreement.

With respect to both facility rent and land rent, the internal rate of return for this project is 10.6% over the twenty-five (25) year term. Including only facility rent, the internal rate of return for this project over the twenty-five year period is 7.0% both of which are assuming no interruption in lease payments over the lease term. The payback period of the project is twelve (12) years and seven (7) months, inclusive of receiving both facility rent and land rent.

Schedule

July 15, 2011: Approval of Delegation of Authority for the execution of the Lease Agreement and a Purchase Agreement with Comlux Realty, LLC.

July 15, 2011: Final draft of Lease Agreement and Purchase Agreement due to IAA.

July 18, 2011: City-County Council meeting to vote on City of Indianapolis bond issue.

Aug 8, 2011 (week of): Pre-closing and closing of Bond Bank notes.

Aug 8, 2011 (week of): Execution of IAA Lease Agreement and Purchase Agreement.

Supplier Diversity Participation

Due to the nature of this agreement there will be no D/M/WBE participation.

Recommendation

The IAA Staff recommends the Board consider for approval the delegation of authority to the Executive Director/CEO to approve and execute the Lease Agreement and separately a Purchase Agreement with Comlux Realty, LLC. The Lease Agreement provides for the long-term leasing of the IAA's Building #21 Site wherein Comlux Realty, LLC will construct a new aircraft hangar.



Board Memo – Plans & Specifications Approval

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: June 20, 2011

Board Date: July 15, 2011

Subject: Approval of Plans and Specifications for Bid Package H-11-027 – Heliport Exterior Renovation, and Authorize the Public Bidding Process

Background

The Indianapolis Downtown Heliport building was built by the Indianapolis Heliport Corporation in 1982. The exterior is covered with an Exterior Insulation and Finishing System (EIFS). EIFS consists of 2-inch thick polystyrene foam board insulation fastened to the building's framing. The insulation is covered with reinforcing fiberglass mesh and finished with an acrylic coating. The EIFS at the Heliport is failing in many areas and is in poor condition overall (see the attached exhibit).

The Indianapolis Airport Authority (IAA) took over maintenance of the Heliport building on January 1, 1997. The IAA purchased the heliport building on May 4, 1998. The EIFS was re-caulked and re-coated in 1998. In order to prevent water damage to the insulation and the interior support system, this work should be done every 7-10 years. Maintenance of the EIFS reduces possible damage to tenant spaces and equipment, and improves the look of the building.

This project was approved for implementation by the Executive Management Team on October 25, 2010. On March 9, 2011, Moody-Nolan, Inc. submitted a fee proposal and on June 7, 2011, an engineering contract with Moody-Nolan, Inc. was approved.

Hurdle Rate Analysis

This project is being undertaken to repair an existing facility due to degradation of the building that has created significant health and safety issues, such as a crumbling facade. As a result of the health and safety issues, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Scope

The scope of work provides for the repair of significant cracking that has occurred to large sections of the east and north sides of the building. Replacement of the system will be necessary in those areas. All of the exterior's caulk joints will be routed out and re-caulked and the building EIFS will be covered with an acrylic coating with fiber reinforcement.

Budget

Total construction is estimated between \$500,000 and \$1,000,000.

Funding for this project is anticipated to be 100% Airport cash funding.

This project was budgeted for Airport cash funding of \$584,000 in 2011.

Schedule

Advertisement of Opportunity to Bid: July 19, 2011 and July 26, 2011

Pre-Bid Meeting: July 28, 2011 3:00 p.m. Program Office, Conf Room 1

Bid Opening: August 8, 2011 3:00 p.m. Program Office, Conf Room 1

Est. Bid Award (Board Mtg) August 19, 2011

Work is expected to start August 2011 and substantial completion date is expected to be November 2011.

Supplier Diversity Participation

The Director of Supplier Diversity established the following MBE/WBE participation goals on June 15, 2011: MBE 18%, and WBE 5%

Recommendation

The IAA staff has reviewed the bid documents and recommends that the Board consider for approval Plans and Specifications for Bid Package H-11-027 – Heliport Exterior Renovation, as prepared by Moody-Nolan, Inc., and authorize the public bidding process.

Exhibit A



Indianapolis Heliport



Example of damage to EFIS due to water penetration.



Board Memo – Plans & Specifications Approval

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: June 15, 2011

Board Date: July 15, 2011

Subject: Approval of Plans and Specifications for CIP/Project # I-11-019 – Deicing Materials Storage Facility, and Authorize the Public Bidding Process

Background

The construction of the new midfield terminal campus at Indianapolis International Airport (IND) shifted the terminal operation from the northeast corner of IND to Midfield. In addition to shifting the center of operations to the midfield terminal campus, it created nineteen (19) new lane miles of exterior roadway, six (6) new lane miles of tug roads, 4,134,880 square feet of apron, and 5,185 feet of 100-foot wide taxiway. While the terminal operations moved, the storage for deicing materials remained at Building #2 in the northeast corner. This results in an increase of a 9 mile landside round trip and almost a 5 mile airside round trip to deliver chemicals to the terminal areas.

To increase safety by reducing runway and taxiway crossings by snow equipment and efficiency by reducing response time and driving distance, this project is the construction of a Deicing Materials Storage Facility northeast of the new Airline Cargo Building on the midfield campus. (See Exhibit A) It will provide deicing material storage in the vicinity of the new terminal campus and the primary runway during snow and ice operations.

This project was approved for implementation by the Executive Management Team on March 21, 2011.

Hurdle Rate Analysis

This project is being undertaken to improve safety and create operational efficiencies and is anticipated to be seventy-five percent (75%) funded with federal grants. As a result of the anticipated grant funding, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation. If grant funding is not received for this project, the project will be deferred.

Scope

The scope of work provides for the construction of a dual use (airside and landside) deicing materials storage facility and the aprons, access drives, landscaping, and infrastructure needed for the site which is to be located northeast of the existing Airline Cargo Building at IND. (See Page 3 of 3)

Budget

Total construction is estimated between \$500,000 and \$1,200,000.

Funding for this project is anticipated to be 75% AIP grant funding and 25% Airport cash funding. Construction will proceed only if grant funding is obtained.

This project was budgeted for Airport cash funding of \$310,000 in 2011.

Schedule

Advertisement of Opportunity to Bid:	July 5, 2011 and July 12, 2011
Pre-Bid Meeting:	July 12, 2011 11:00 am Program Office, Conf. Room 1
Bid Opening:	August 2, 2011 10:00 am Program Office, Conf. Room 1

Est. Bid Award (Board Mtg) (August 19, 2011)

Work is expected to start September 2011 and the substantial completion date is expected to be February 2012.

Supplier Diversity Participation

The Director of Supplier Diversity established the following DBE/MBE/WBE participation goals on May 13, 2011: DBE 14%, MBE 18%, and WBE 8%

Recommendation

The IAA staff has reviewed the bid documents and recommends that the Board consider for approval Plans and Specifications for CIP/Project # I-11-019 – Deicing Materials Storage Facility, as prepared by Enginuity Management & Consulting Corporation, and authorize the public bidding process.

