



Indianapolis Airport Authority

Agenda  
Indianapolis Airport Authority  
August 19, 2011  
8:30 AM

- I. Call to Order
- II. Approval of Minutes of the Pre-Board and Regular Meeting of July 15, 2011
- III. Ordinances, Resolutions and Public Hearings
  - a) Final Hearing on General Ordinance No. 2-2011 approving the 2012 Indianapolis Airport Authority Budget.
  - b) Consider for approval the adoption of General Ordinance No. 2-2011 as approved and recommended by the Finance & Audit Committee.
- IV. Board Reports
  - a) President's Report
- V. Official Actions
  - a) Introduction of the IAA Consent Calendar dated August 19, 2011.
  - b) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated August 19, 2011.
- VI. Staff Reports
  - a) CEO Report – *John D. Clark, III*
  - b) Financial Report – *Marsha Stone*
  - c) Communications & Marketing Report – *Patzetta Trice*
- VII. Other Reports/Update
- VIII. Adjourn

## MINUTES OF PRE-BOARD MEETING

The Pre-Board Meeting of the Indianapolis Airport Authority Board took place at 7:52 A.M. on Friday, July 15, 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  
Alfred R. Bennett  
Alex M. Azar, II  
Mary Moses Cochran  
Jean L. Wojtowicz

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

Mike Medvescek briefed the Board on the employees who had spoken negatively about the work environment at the airport in the May, 2011 meeting. He indicated that three of those individuals were no longer working for the Airport Authority, and all had been operating engineers. One was appealing the dismissal.

John D. Clark, III, briefed the Board on the relationship that the Airport Authority has pursued with the Indianapolis Colts and the Indiana Pacers. He indicated this was a \$60,000 budget item which involved four tickets for each game with the Colts and four tickets for each game with the Pacers. He stated that this relationship had existed for the last two years and involved more than just ticket purchasing. Jean L. Wojtowicz suggested that as tickets were renewed, a schedule ought to be provided to the Board to show how each ticket was used. Pursuant to a proposal by Alex M. Azar, II, the Board directed the staff to provide a written policy in the near future for Board consideration relevant to how the tickets for the Colts and Pacers would be used. It was pointed out that there was no on-going relationship involving the purchase of tickets for either the

Indianapolis Motor Speedway or the Indianapolis Indians Minor League professional baseball team.

Board member Alfred R. Bennett briefed the Board on the Greater Indianapolis Foreign Trade Zone, which was created in 1979 and is involved with international cargo. Al Bennett has been on that board for more than a year, having taken over for Kelly Flynn. He told the Board that four positions were up on the eleven member GIFTZ Board as of December 31, 2011, and indicated that new GIFTZ Board members ought to be versed in logistics. The GIFTZ Board meets four times a year and has the ability to select members from 38 surrounding counties in central Indiana.

Robert Thompson spoke on the retirement scenario for public safety officers and how his committee was moving forward on that issue.

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

The Airport Authority Board concluded its Pre-Board Meeting at 8:32 A.M.

ALL OF WHICH IS STATED THIS \_\_\_ DAY OF AUGUST, 2011.

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MICHAEL B. STAYON, President

DELEGATED AUTHORITY SCHEDULE

MONTH/YEAR	OTHER PARTY	TYPE OF DOCUMENT	TERM (YEARS)	REVENUE	INITIALS	COMMENTS
June 2011	Safari Restaurant	Airport Use Permit	2 years	\$500.00	J. Clark	This restaurant specializes in ethnic foods and provides delivery services to the taxi can staging area
Jun-11	Lamar Advantage G.P. LLC	Land Lease Agreement	4 years	\$133,876.00	J. Clark	This lease provides for Lamar to relocate the billboard improvements to Authority land located west of the current location
Jun-11	Lamar Advantage G.P. LLC	Lease Termination Agreement	n/a	n/a	J. Clark	This agreement terminates the lease agreement for one of the billboard sites due to roadway construction and this stipulates that Lamar has 90 days to relocate the billboard structure to other IAA land nearby
Jun-11	Woolpert, Inc.	Contract for Design Services	2 years and 7 months	n/a	J. Clark	Authority agrees to pay contractor \$17,331.00. This is for the T-Hangar taxiplanes Phase 1 at Metropolitan Airport
Jun-11	Comlux America, LLC	1st Amendment for Aircraft Jacks Lease Agreement	1 year	\$7,875.00	J. Clark	Comlux will be extending the lease of 4 aircraft jacks for the term of 12 months
Jun-11	Durham Engineering, Inc.	Contract for Engineering Services	1 year		J. Clark	For rehabilitate airport roads in the amount of \$70,248.00
Jun-11	Management Inspection Design, Inc.	Amendment No. 2 for Consultant Services	Through December 31, 2011	n/a	J. Clark	This Amendment is expanding the scope of work to provide additional services towards energy reduction
Jun-11	Moody-Nolan, Inc.	Contract for Design Services	1 year	n/a	J. Clark	This is for Heliport Exterior Renovation in the amount of \$39,000.00
Jun-11	Areas USA IND, LLC	Shared Tenant Services Agreement	4 years	n/a	J. Clark	This is to provide additional fiber pairs, coax and/or CAT 6 cabling. Authority is to pay \$65.00 per month for 8 fiber pairs and \$19.95 per line.
Jun-11	Comlux America, LLC	1st Amendment for Aircraft Maintenance Access Stand lease	1 year	\$1,890.00	J. Clark	Comlux will be extending the lease of one aircraft maintenance access stand for the term of 12 months
Jun-11	Ken Edmondson d/b/a Double R Farm	Lease Amendment	2 1/2 years	\$99,750.00	J. Clark	Lease Amendment for Agriculture Production. Tenant is investing \$58,501.50 in improvements to drainage tile, and is receiving a rate reduction of \$16/acre for years 2011-2013
Jun-11	Motorola	Contract for Services	1 year	n/a	J. Clark	Contract amount is \$10,721.79. This contract is for preventative and current maintenance of monitors at AOC.

DELEGATED AUTHORITY SCHEDULE

Jun-11	Lexington Insurance Company	Agreement for Joint Prosecution of Claims	For duration of legal claim	n/a	J. Clark	Purpose of Agreement is to allow IAA to join the insurance company's lawsuit and have a chance to recover IAA's \$100,000.00 deductible in connection with canopy collapse
Jun-11	Sease Gerig & Associates	First Amendment to extend Contract	1 additional year	n/a	J. Clark	This is to extend the contract for one (1) additional year at same rate.
Jun-11	Clear Channel Outdoor for Site 9	Land Lease Agreement	4 years and 7 months	\$49,750.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Clear Channel Outdoor for Site 6031	Land Lease Agreement	4 years and 7 months	\$147,604.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures have expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Clear Channel Outdoor for Site 718	Land Lease Agreement	4 years and 7 months	\$100,270.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Clear Channel Outdoor for Site 4	Land Lease Agreement	4 years and 7 months	\$139,583.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Clear Channel Outdoor for Site 3	Land Lease Agreement	4 years and 7 months	\$139,583.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures have expired and have been operating on a month to month basis

DELEGATED AUTHORITY SCHEDULE

Jun-11	Clear Channel Outdoor for Site 2	Land Lease Agreement	4 years and 7 months	\$139,583.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Clear Channel Outdoor for Site 7	Land Lease Agreement	4 years and 7 months	\$172,250.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Clear Channel Outdoor for Site 6	Land Lease Agreement	4 years and 7 months	\$101,833.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Clear Channel Outdoor for Site 8	Land Lease Agreement	4 years and 7 months	\$139,583.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Clear Channel Outdoor for Site 6034	Land Lease Agreement	4 years and 7 months	\$147,604.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate

DELEGATED AUTHORITY SCHEDULE

Jun-11	Clear Channel Outdoor for Site 5	Land Lease Agreement	4 years and 7 months	\$139,583.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Clear Channel Outdoor for Site 1	Land Lease Agreement	4 years and 7 months	\$106,919.00	J. Clark	Clear is in the business of billboard advertising and currently has 11 billboard structures on IAA property. The leases covering the 11 billboard structures had expired and were on a month to month basis and this is a renewal at twice the old rate
Jun-11	Hunt Smoot	Contract for Consulting Services	2 months	n/a	J. Clark	Contract for Consulting Services for mediation with Jungclaus Campbell; cost approximately \$6,500.00
Jun-11	Span Systems	Contract for Work on Canopy	5 days	n/a	J. Clark	Contract for temporary work on the canopy in the amount of \$16,100.00
Jun-11	Department of Transportation (FAA)	Contract for Reimbursable Agreement	n/a	n/a	J. Clark	FAA will reimburse IAA with federal grant monies for relocation of localizer
Jun-11	Cogent Systems	Settlement Agreement	n/a	\$99,500.00 to be paid to IAA for Settlement	J. Clark	Cogent failed to pay its rent under its Concessionaire agreement to operate the lqueue program for a number of months.
Jun-11	Shrewsberry & Associates	Contract for Consulting Services	7 months	n/a	J. Clark	Authority agrees to pay consultant \$15,000.00. This is for the environmental remediation former gas station at 2501 South High School Road
Jun-11	Duke Energy Indiana, Inc.	Grant of Easement	n/a	n/a	J. Clark	For relocation of a utility pole and wires

DELEGATED AUTHORITY SCHEDULE

Jun-11	U.S. Government	Lease for Real Property	1 month	\$5,546.00	J. Clark	The U.S. Army and other branches of the Military will be conducting a joint training exercise at Camp Atterbury during the month of August and the Military will fly in about 7,000.00 troops to IND via commercial airlines and about 30 charter flights
Jun-11	Halogen Software	Subscription Software and License Services Agreement	2 years	n/a	A. Stanley	The total of this contract is \$29,128.00 for the first year and \$23,000 for the second year.
Jun-11	BHMM	Letter of Intent	n/a	n/a	M. Stone	Letter addresses certain changes that both the IAA and BHMM agree to change in the forthcoming amendment to agreement
Jun-11	Kone, Inc.	Addendum to Contract for Elevator, Escalator & Power Walk Maintenance	n/a	n/a	M. Stone	Reduction of fees from original agreement. The contract amount is reduced by \$87,820.00 per year than original contract.
Jun-11	Sabre ADI Data Service	Renewal of Agreement	1 year	n/a	J. Clark	This is a renewal for the use of database used for air services reserach
Jun-11	Jungclaus Campbell	Change Order	n/a	n/a	J. Clark	Change Order for fin-tube work completed during mid-field terminal work

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., July 15, 2011, in the Airport's Board Room at the Indianapolis International Airport.

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

Mike 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  
Patzetta Trice, Chief Communications and Marketing Officer  
Joseph Heerens, General Counsel  
Carmen Cardwell, Executive Assistant/Recording Secretary

At the commencement of the meeting, Mr. Stayton requested that the participants in the IAA's Summer Intern Program be introduced. Mr. Clark called on Ms. Ginger Thomas, HR Generalist, to introduce the interns participating in this year's program.

The interns identified themselves and provided background and other information on their internships at the IAA.

#### APPROVAL OF MINUTES

Upon a motion by Ms. Wojtowicz, seconded by Mr. Bennett and unanimously passed, approval was given to the Minutes of both the Pre-Board and Regular Meetings of June 17, 2011.

#### ORDINANCES, RESOLUTIONS, AND PUBLIC HEARINGS

Mr. Stayton announced that the Public Hearing regarding the 2012 Indianapolis Airport Authority Budget would be opened after the presentation by Robert Thomson, Sr. Director of Finance. During the presentation, Mr. Stayton clarified for the Board, the budgetary number related to the 2012 Super Bowl being held in Indianapolis. Upon conclusion of the presentation, which reviewed the various components of the Budget process, Mr. Stayton opened the public hearing. There being no comments, Mr. Stayton then closed the public hearing and announced that the Final Hearing would be held on August 19, 2011.

#### BOARD REPORTS

Mr. Stayton announced that he had no report and the meeting would move directly into Official Actions.

#### OFFICIAL ACTIONS

Mr. Stayton announced that he would like to set aside, and consider separately, one of the items on the Consent Calendar. He further stated that the discussion related to this separate item, Board Paper 2011-07-2, delegation of authority for the IAA's Executive Director/CEO to approve the Comlux transaction, would begin with a presentation. Mr. Stayton asked Eric Anderson, Director of Properties, to present information related to the Comlux matter. Mr. Anderson briefly reviewed the history and associated costs of the Comlux proposal and updated the Board on this matter. The Board is familiar with the Comlux transaction, as there have been previous presentations and information shared with the Board on this subject. Mr. Stayton then offered further comment and recommendation of this project; and he also asked for a point of clarification to confirm that the delegation of authority to the IAA's Executive Director/CEO to execute the Lease Agreement and related Purchase Agreement would be confined to the terms and conditions of the transaction as generally described in the Board Paper. Upon confirmation, Mr. Stayton called for a motion to approve. Upon a

motion by Mr. Bennett, seconded by Ms. Cochran and unanimously passed, approval was given to Board Paper 2011-07-2 and the delegation of authority contained therein.

Mr. Stayton then asked for a motion to introduce the remaining items on the Consent Calendar. Upon a motion by Mr. Azar, seconded by Ms. Wojtowicz and unanimously passed, approval was given to introduce the remaining items on the Consent Calendar.

Mr. Stayton then called for a motion to approve the Consent Calendar. Upon a motion by Mr. Azar, seconded by Mr. Bennett and unanimously passed, approval was given to the remaining items on the Consent Calendar.

## STAFF REPORTS

### CEO Report

Mr. Stayton invited Mr. Clark to present the CEO report. Mr. Clark stated that he had no formal report, but wanted to inform to Board of several things. First, regarding the Land Use Plan and the Aerotropolis concept, it was determined through extensive discussion within the IAA's Executive Team, that the project would benefit from a Project Manager. After determining the need, it was decided that Corey Wilson will serve in that capacity. The project is proceeding, and it is expected that by the time of the Board Retreat in late October, a more detailed report will be presented.

Mr. Clark also reported that, as indicated in Mr. Thomson's presentation, the IAA is developing its employee base with various initiatives, and asked Mr. James Keough, Sr. Director of Human Resources, to further describe some of the actions being taken in this respect. Mr. Keough then described some of the programs currently in process to develop our employee base, including the recent series of Disney Customer Service Training classes, in which 90% of the IAA's staff participated.

### CFO Report

Mr. Stayton next invited Ms. Stone to provide the Financial Presentation. Ms. Stone thanked Mr. Thomson for his Budget presentation and proceeded to review the financial results through the month of June 2011, with a positive overall position.

### CCO Report

Mr. Stayton thanked Ms. Stone for her report and invited Ms. Trice to bring the Board up to date on Communications & Marketing. Ms. Trice provided an overview of: (i) the Airport Service Quality (ASQ) measurement; (ii) earned media for the quarter; and

(iii) customer service. Ms. Trice ended her presentation by introducing Mr. Brian Eckstein, Manager of Guest Services, as a recipient of the Rose Award for outstanding customer service. She also read a letter recently received from a gentleman who had been stopped in his vehicle and given a ticket by Airport police officer Percy Johnson, but who wanted to thank the officer for his courtesy and professionalism while giving him a ticket.

Other Reports/Update

Mr. Stayton then introduced Mr. Corey Wilson, Director of Supplier Diversity and Government Affairs, who then presented an explanation and update on the IAA's overall Diversity Goals and where our organization stands in relation to meeting those goals for this year.

Mr. Stayton thanked Mr. Wilson for his presentation and called for any additional items for discussion, but no additional items were brought forward.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:29 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: July 27, 2011  
Board Date: August 19, 2011  
Subject: 2012 Budget Ordinance 2-2011

Attached is the 2012 Budget Ordinance 2-2011 as approved and recommended by the Finance and Audit Committee. The Budget Ordinance when adopted establishes the maximum appropriation (expenditure) levels for 2012.

The budget process requires an Introduction (completed June 17, 2011), an Initial Hearing and presentation (completed July 15, 2011), and the Final Hearing and adoption of the budget before August 31, 2011. The Board will be asked to adopt or reject the 2012 Budget Ordinance during the August 19, 2011 meeting.

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.

BUDGET SUBMISSION LETTER AND CERTIFICATE

TO THE AUDITOR OF MARION COUNTY, INDIANA:

The undersigned herewith submits two copies of the Budget adopted by the Board of the Indianapolis Airport Authority for the year ending December 31, 2012, for filing and presentation to the County Tax Adjustment Board.

I certify that said copies are true and exact copies of the Budget approved by the Board on August 19, 2011, fixing the appropriations and tax levies for said year.

Dated this 19th day of August, 2011

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Michael B. Stayton  
President of the Board  
Indianapolis Airport Authority

Attest:

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Jeremiah Wise  
Treasurer  
Indianapolis Airport Authority

STATE OF INDIANA, MARION COUNTY  
INDIANAPOLIS AIRPORT AUTHORITY

I, Jeremiah Wise, Treasurer of the Indianapolis Airport Authority, do hereby certify the above and foregoing is a full, true and complete copy of General Ordinance 2-2011, that said Ordinance was passed by the Board of the Indianapolis Airport Authority on the 19th day of August, 2011, and now remains on file and record in the Airport offices.

WITNESS my hand and the Official Seal of  
the Indianapolis Airport Authority this 19th  
day of August, 2011

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Jeremiah Wise  
Treasurer  
Indianapolis Airport Authority

INDIANAPOLIS AIRPORT AUTHORITY

ORDINANCE NO. 2-2011

An Ordinance appropriating monies for the purpose of defraying the expenses of the Indianapolis Airport Authority, Marion County, Indiana, for the calendar year of 2012, including all outstanding claims and obligations, and fixing a time when the same shall take effect.

Section I - Be it ordained by the Board of the Indianapolis Airport Authority, Marion County, Indiana, that for the calendar year of 2012, the following sums of money are hereby appropriated and ordered set apart out of the funds herein named and for the purpose herein specified, subject to the laws governing the same, and subject also to the conditions provided in this Ordinance. Such sums appropriated shall be held to be made during the year, unless otherwise expressly stipulated and provided by law.

Section II - That for said calendar year there is hereby appropriated out of the Airport System Fund of said Indianapolis Airport Authority the following:

Personal Services	\$ 31,179,000
Supplies & Materials	4,625,000
Other Services and Charges	164,012,000
Capital Outlay	<u>165,000</u>
Total Airport System Fund	\$199,981,000

That for said calendar year, there is hereby appropriated out of the Capital Improvement Fund of said Indianapolis Airport Authority the following:

Total Capital Improvement Fund	\$ 64,729,000
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That for said calendar year, disbursements from the appropriations of the Indianapolis Airport Authority may be transferred by the Board of the Indianapolis Airport Authority from one major budget classification to another, at any regular meeting without prior notice and without approval from the State Board of Tax Commissioners, provided such transfer does not necessitate expenditure of more money than was set out in detail in the published budget.

Section III - Said moneys appropriated shall be derived from the following sources:

Airport System Funds on Hand	\$ 178,195,388
Capital Improvement Funds on Hand	45,556,268
Airport Revenues	182,703,992
Federal and State Grants	9,503,115
Transfers	5,100,000
Interest/Federal Payments/Other	9,891,000
Financing	<u>0</u>
	\$ 430,949,763

This Ordinance shall be in full force and effect after its passage. Enacted by the Board, August 19, 2011.

INDIANAPOLIS AIRPORT AUTHORITY\*

\_\_\_\_\_  
Michael B. Stayton, President

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

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

\*Signed under authority of IAA Board Resolution 10-2009

IAA Board Meeting  
Consent Calendar Agenda  
August 19, 2011

Consider for approval:

A) General Business

- BP2011-08-1** The General Purpose Zone Operator Agreement with Magnum Logistics, Inc.
- BP2011-08-2** The Landowner Agreement with the LAUTH Property Group.
- BP2011-08-3** The Landowner Agreement with Duke Realty Limited Partnership.
- BP2011-08-4** A Contract Amendment with Landrum & Brown, Inc. for Project # I-10-099-3065-A in an amount not-to-exceed \$111,284.54.
- BP2011-08-5**
1. To enter into a professional services contract in the amount of \$85,000 plus expenses with Landrum & Brown for the creation of a marketing / educational video in support of the Authority's Land Use Study Strategy for Indianapolis International Airport.
  2. To enter into a professional services contract in the amount of \$25,000 plus expenses with Aerotropolis Business Concepts to further advance the Aerotropolis subject in the surrounding community and throughout the airport industry.
- BP2011-08-6** Delegation of authority to the Executive Director/CEO to approve and execute the Lease Agreement. The Lease Agreement provides for the long-term leasing of the Authority's Program Office.

B) Capital

- BP2011-08-7** Plans and Specifications for Office Moves 2011, as prepared by Synthesis, Inc., and authorize the public bidding process. The Authority staff also recommends the Board consider for approval the delegation of authority to the Executive Director/CEO to approve and execute the Construction Contract with the lowest responsive and responsible bidder for renovation of Building 112 and Building 60.

IAA Board Meeting  
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August 19, 2011

BP2011-08-8

Plans and Specifications for Bid Package I-09-033-C – Airline Cargo Building Ramp Expansion, as prepared by R.W. Armstrong & Associates, and authorize the public bidding process.

BP2011-08-9

An award of contract for H-11-027, Heliport Exterior Renovation, to Advanced Restoration Contractors, Inc. in an amount not-to-exceed \$520,000.00 plus a 3% construction reserve of \$15,600.00 for a total of \$535,600.00. Advanced Restoration Contractors, Inc. was the lowest responsive and responsible bidder. MBE 0% and WBE 14% (Precision Construction Services, Inc.)



## Board Memo–Magnum’s Operator Agreement

To: IAA Board of Directors  
From: Marsha Stone, Chief Financial Officer  
Date: August 4, 2011  
Board Date: August 19, 2011  
Subject: General Purpose Zone (GPZ) Operator Agreement

### 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.

Magnum Logistics, Inc. (Magnum) is a third party logistics provider and warehousing operation based in Plainfield, IN. Magnum provides warehousing, freight management, land transportation, and third party logistics services to a number of multinational clients throughout the United States and Canada. On April 1, 2011, Magnum began providing third party logistics services to a client who imports inventory from Brazil.

Magnum requested Alternative Site Framework (ASF) sponsorship as a GPZ Operator on March 10, 2011, to gain access to FTZ program benefits. The GIFTZ Board endorsed sponsorship on May 10, 2011.

A GPZ Operator Agreement legally binds and defines the responsibilities and actions of both the operator and the grantee.

Companies are reviewed by the GIFTZ Board to ensure granting access to the program benefits is in the public’s best interest, supports American trade policies, and does not breach any International Trade Agreements in force with the U.S.

Magnum has requested its site located at 1540 Perry Road, Plainfield, IN be established as a FTZ site:

- Magnum has a 15,000 square foot warehouse that resides on 7 acres, which can be expand to 100,000 square feet, as need dictates.
- Magnum has 74 fulltime employees at its Plainfield location and has an annual payroll of \$3.3 million in addition to \$4.4 million contractor compensation.

Scope

The GIFTZ Board requests the IAA Board execute a GPZ Operator Agreement with Magnum to allow the use of FTZ benefits at its site.

Schedule

August 19, 2011: Execute Magnum's General Purpose Zone Operator Agreement.

Revenue and/or Operating Cost Implications

Revenue:

The GIFTZ Board publishes a public rates and charges document referred to as a Zone Schedule. Revenue for 15,000 square feet of active FTZ space is \$24,000 per annum.

Operating Costs:

GIFTZ will expend approximately \$4,900 per annum; which consists of \$1,400 in NAFTAZ membership dues and \$3,500 for professional/GIFTZ staff to conduct inspections and perform annual audits.

Supplier Diversity Participation

Not Applicable

Recommendation

The IAA staff and GIFTZ Board recommend the IAA Board consider for approval the General Purpose Zone Operator Agreement with Magnum Logistics, Inc.



## Board Memo–LAUTH Landowner Agreement

To: IAA Board of Directors  
From: Marsha Stone, Chief Financial Officer  
Date: August 4, 2011  
Board Date: August 19, 2011  
Subject: LAUTH Property Group Landowner Agreement

### 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.

The purpose of this memo is to gain approval from the Authority Board to execute a Landowner Agreement between IAA and LAUTH Property Group (LAUTH). This execution will complete the legal requirement for LAUTH being a part of the FTZ’s Alternative Site Framework (ASF) program.

The ASF application dated May 21, 2010, was approved by the Foreign Trade Zone Board, Washington, D.C. on March 3, 2011. The LAUTH Site at Eaglepoint consists of approximately 123 acres.

A “Landowner Agreement” legally defines select property parcels, located in the business park described above, as having FTZ designation. This type of agreement contains a provision that requires the landowner to obtain an FTZ Operator within a two (2) year period or agreement is terminated. The business park landowner benefits from the agreement by having a binding document that reflects the new ASF benefits and site designation for their property.

### Scope

The GIFTZ Board requests the IAA Board execute a Landowner Agreement with LAUTH to allow the use of FTZ benefits at their sites. FTZ benefits were approved by the Foreign Trade Zone Board (FTZB), Washington, D.C. on March 3, 2011, as a part of the ASF application.

Schedule

August 19, 2011: Execute a Landowner Agreement with LAUTH.

Revenue and/or Operating Cost Implications

Revenue:

The GIFTZ Board publishes a public rates and charges document referred to as a Zone Schedule. Revenue for LAUTH's 123 acres is \$6,656 per annum. Should LAUTH obtain a "FTZ user" prior to the end of their 24 month period, LAUTH's monthly payment will be terminated and subzone or operator fees will commence with the new FTZ User.

Operating Costs:

The GIFTZ has no ongoing costs associated with the designation.

Supplier Diversity Participation

Not applicable.

Recommendation

The IAA Staff and GIFTZ Board recommends the IAA Board consider for approval the Landowner Agreement with the LAUTH Property Group.



## Board Memo–Duke Landowner Agreement

To: IAA Board of Directors  
From: Marsha Stone, Chief Financial Officer  
Date: August 4, 2011  
Board Date: August 19, 2011  
Subject: Duke Realty Limited Partnership Landowner Agreement

### 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.

The purpose of this memo is to gain approval from the Authority Board to execute a Landowner Agreement between IAA and Duke Realty Limited Partnership (Duke Realty). This execution will complete the legal requirement for Duke Realty being a part of the FTZ’s Alternative Site Framework (ASF) program.

The ASF application dated May 21, 2010, was approved by the Foreign Trade Zone Board, Washington, D.C. on March 3, 2011. The three Duke Realty sites consist of: Park 100 (674 acres), AllPoints Midwest (933 acres), and Lebanon Business Park (503 acres) respectively totaling 2,111 acres.

A “Landowner Agreement” legally defines select property parcels, located in the business parks described above, as having FTZ designation. This type of agreement contains a provision that requires the landowner to obtain an FTZ Operator within a two (2) year period or agreement is terminated. Duke has already satisfied this requirement. The business park landowner benefits from the agreement by having a binding document that reflects the new ASF benefits and site designation for their property.

### Scope

The GIFTZ Board requests the IAA Board execute a Landowner Agreement with Duke Realty to allow the use of FTZ benefits at their sites. FTZ benefits were approved by the Foreign Trade Zone Board (FTZB), Washington, D.C. on March 3, 2011 as a part of the ASF application.

Schedule

August 19, 2011: Execute a Landowner Agreement with Duke Realty.

Revenue and/or Operating Cost Implications

Revenue:

The GIFTZ Board publishes a public rates and charges document referred to as a Zone Schedule. As the property owner has active FTZ sites within the boundary of these particular properties, no fees will be collected. Current FTZ Operator sites are: DB Schenker Logistics, Hellman Logistics, and ZPS America, all of which are located in Park 100.

Operating Costs:

The GIFTZ has no ongoing costs associated with the designation.

Supplier Diversity Participation

Not applicable.

Recommendation

The IAA Staff and GIFTZ Board recommends the IAA Board consider for approval the Landowner Agreement with Duke Realty Limited Partnership.



## Board Memo Landrum & Brown Contract Amendment

To: IAA Board of Directors

From: Marsha Stone, Chief Financial Officer

Date: July 13, 2011

Board Date: August 19, 2011

Subject: Contract Amendment for Project # I-10-099-3065-A for Airport Property Land Use & Development Strategy with Landrum & Brown, Inc.

### Background

A project was undertaken for the Land Use & Development Strategy Study that determined a regional overview for the development and/or redevelopment of available IAA land at International and its Reliever General Aviation System.

Due to the broad reaching nature of this contract and the time involved with this project, it was determined modifications and/or additional needs were required to complete a comprehensive Land Use Study.

The Landrum & Brown (L&B) contract was approved by the Board on March 19, 2010.

### Contract Amendment Summary

Typically, amendment changes fall under one of three categories: Errors/Omissions, Unforeseen Circumstances, or additional Owner requested scope.

The resulting need of this Amendment is due to additional Owner Requested scope. The following work items were accomplished by this Amendment outside of the original scope of the project:

- Expansion of GIS databases from original scope
- Expansion of financial model assumptions & parameters
- Additional IAA Staff presentation support/materials
- Modification to final deliverable Land Use report
- Additional Landrum & Brown presentation February 18, 2011
- Production of three hundred hard cover books of the Study

L&B Revised Amendment Amount

Original Contract Amount	\$1,300,000.00
Current Contract Amendment	<u>\$ 111,284.54</u> (8.56% of Contract)
New Contract Total	\$1,411,284.54

Schedule

There is no extension request to the schedule.

Supplier Diversity Participation

With this Amendment included, final Supplier Diversity Participation on the L&B Contract is noted below:

FIRM	CLASSIFICATION	ORIGINAL AMOUNT	ORIGINAL %	AFTER CO AMOUNT	AFTER CO %
A2SO4	MBE	\$39,000	3%	\$8,233	1%
Shrewsberry & Assoc.	MBE	\$130,000	10%	\$130,000	10%
Keramida	WBE	\$52,000	4%	\$43,200	3%
Reprographics	WBE	\$13,000	1%	\$0	0
Totals	MBE	\$169,000		\$138,233	
	WBE	\$65,000		\$43,200	

The overall budget approved for the Land Use Study was \$2,000,000.00 compared to actual costs of \$1,893,231.24. Final Supplier Diversity Participation and overall project costs are noted on the attached Exhibit "A".

The Supplier Diversity information was approved by the Director of Supplier Diversity on July 20, 2011.

Recommendation

The IAA staff has reviewed the Contract Amendment and recommends the Board consider for approval a Contract Amendment with Landrum & Brown, Inc. for Project # I-10-099-3065-A in an amount not-to-exceed \$111,284.54.

Land Use Project Costs and  
Supplier Diversity Participation

Exhibit "A"			
Firm	Expenses	Supplier Diversity Classification, if Applicable	Supplier Diversity Percent Participation
Landrum & Brown (L&B)	\$1,229,851.54	n/a	n/a
A2SO4, sub of L&B	\$8,233.00	MBE	0.43%
Shrewsbury, sub of L&B	\$130,000.00	MBE	6.87%
Keramida, sub of L&B	\$43,200.00	WBE	2.28%
Dr. Kasarda / Aerotropolis Business Concepts	\$62,929.94	n/a	n/a
Caldwell VanRiper (CVR)	\$333,770.47	WBE	17.63%
L&B, sub of CVR	\$57,222.79	n/a	n/a
Brewer & Associates, sub of CVR	\$23,773.50	MBE	1.26%
Burrell	\$4,250.00	n/a	n/a
Total Project Spend	\$1,893,231.24		
Category	of Total Cost	Actual %	Goal %
MBE	\$162,006.50	8.5%	13%
WBE	\$376,970.47	20%	5%



## Board Memo Land Use & Development Marketing Strategy

To: IAA Board Members  
From: Marsha Stone, Chief Financial Officer  
Date: July 27, 2011  
Subject: Airport Land Use & Development Marketing Strategy (Study)

### Background

This Board Memo will address two (2) professional service contracts both of which are related to the Authority's Land Use Study. More so, the two professional service contracts are related to and will assist in the implementation and marketing aspects of the results of the Study.

With the finalization of the Authority's Land Use Study (Study), early in 2011, the focus shifted to marketing and implementation of facets related to the Study. Subjects such as the Comlux Hangar coming to fruition, solar energy field installation and fuel service station center being developed are proceeding in the analysis, planning or implementation stages accordingly, while the reuse of the east side of the airport and analysis of a fuel pipeline being placed on the airport are in the strategic stage whether related to financial analysis or marketing reuses of property.

IAA Staff is recommending to the Authority Board two professional service contracts as follows:

- Landrum & Brown: Creation of a marketing/educational video.
- Aerotropolis Business Concepts (Dr. John Kasarda): To further advance the Aerotropolis subject in the surrounding community and throughout the airport industry.

The production of the video will result in a multi-facet tool that will have interchangeable modules that will be used by IAA Staff in air cargo development as an example but as well, will serve as a tool to the IAA in the further development of the airport whether for marketing or educational purposes. As well, the video will play a role in City and State applications and most importantly, to the local governmental entities that play a part in the Aerotropolis Community (i.e. Wayne and Decatur Townships, Hendricks County and the Towns of Plainfield and Avon as examples).

### Scope & Deliverables

#### Landrum & Brown Services Contract

Landrum & Brown and Bennett Innovations will work closely together with the IAA Staff to develop a dynamic video that clearly communicates a positive message concerning the future Land Use and collateral growth around the Indianapolis International Airport. Consultants will meet with IAA Staff to determine message and target audiences as well as develop a narrative script to support the defined message. Consultants will develop a detailed storyboard which will define the video, graphics and 3D animation requirements for the production.

Video highlights are as follows:

- The video will be designed, shot, and edited in full high definition (HD).
- The video will include 3D animations of future cargo and logistics development areas.
- Dynamic motion graphics.
- B-roll footage provided by IAA Staff.
- New original HD footage shot onsite.
- Professional voice over and custom scoring for music.
- The final production will be developed in modules for ease of customization to target audiences
- Once completed, alternate foreign language versions can be produced for marketing to other regions of the world.
- Estimated final video will be between 5-7 minutes in length.
  
- Because the video production will be mastered in HD it can be used in many applications at varying resolutions including:
  - o PowerPoint Presentations
  - o Marketing/Press Kit DVD
  - o Web site distribution
  - o Mailer/Trade Show DVD
  - o DVD for trade show loops
  - o Press Releases or Broadcast

### Scope & Deliverables

#### Aerotropolis Business Concepts Services Contract

The focus of the Aerotropolis Business Concepts contract will be as follows:

- Provide assistance to communicate key aspects of the future airport strategy to key stakeholders and community leaders.
- Professionally promote IND through conference presentations, publications, specific articles on IND and selected local, national and international conferences on airport-driven economic development.
- Participate in macro-level analyses of development opportunities based on characteristics of the Aerotropolis concept as it may apply to Indianapolis International Airport (IND) and surrounding areas.

### Budget

Funding for both professional services contracts, will be from the 2011 Capital Budget Program, specifically, Eastside Redevelopment which has a budget of \$500,000 in 2011.

- Landrum & Brown: \$156,000 dollar budget for the production of a multi-module video package. Break down of budget is as follows:
  - Landrum & Brown: \$89,695.00
  - Bennett Innovations: \$67,105.00
- Aerotropolis Business Concepts: \$25,000 dollar budget plus expenses not to exceed \$1,000 per visit to IND or other location as directed by IAA Staff.

### Timeline

The overall Timeline for these facets of the implementation of the Study is as follows:

- Landrum & Brown: Scope of work commencing August 19, 2001 with an estimation of approximately three (3) months for completion.
- Aerotropolis Business Concepts: Dr. Kasarda's contract will commence August 19, 2001 thru January 31, 2012.

### Supplier Diversity Participation

The Director of Supplier Diversity has established the following MBE/WBE participation goals: MBE 18% / WBE 5%.

- Landrum & Brown: Due to the nature of the scope of work for the production of the video, all services will be either in-house to Landrum & Brown or their sub-consultant, Bennett Innovations; therefore, there will not be any MBE/WBE participation.
- Aerotropolis Business Concepts: Due to the nature of this professional services contract, all services will be provided by Dr. Kasarda; therefore, there will not be any MBE/WBE participation.

### Recommendation

IAA Staff is requesting approval from the IAA Board to enter into a professional services contract in the amount of \$85,000 plus expenses with Landrum & Brown for the creation of a marketing / educational video in support of the Authority's Land Use Study Strategy for Indianapolis International Airport.

IAA Staff is requesting approval from the IAA Board to enter into a professional services contract in the amount of \$25,000 plus expenses with Aerotropolis Business Concepts to further advance the Aerotropolis subject in the surrounding community and throughout the airport industry.



## Board Memo – Signature Authority

To: IAA Board of Directors

From: Marsha Stone, Chief Financial Officer

Date: August 5, 2011

Board Date: August 19, 2011

Subject: Executive Director/CEO Signature Authority / FedEx Trade Networks Transport & Brokerage, Inc. / Lease Agreement

### Background

This Authority Board Memo is designed to seek the delegation of authority to the Authority's Executive Director/CEO to execute a Lease Agreement on behalf of the Authority Board with FedEx Trade Networks Transport & Brokerage, Inc. (FedEx) for the leasing of Building #112.

Building #112 is referred to as the "Program Office" located at 2349 Aviation Drive and served as the Midfield Program Office during the Terminal construction project. During the Terminal construction project, the Program Office housed Authority staff such as engineering, environmental and the finance department, as well as outside consultants. As work on the Terminal was completed, the outside consultants departed and only Authority staff remained within the building. The Program Office, consisting of 27,165 sq. ft., is much larger than what is needed to accommodate the approximately thirty two (32) Authority staff positions. Therefore, the Authority, with the assistance of a Commercial Real Estate Brokerage firm, began marketing the building for lease to outside parties.

Over the past several months the Authority has been negotiating with FedEx for the leasing of the Program Office. FedEx currently occupies office space within a multi-tenant, non-Authority building (land lease agreement) on the north side of the Airport. FedEx desires to lease the Program Office as it will allow FedEx to expand their operation and provide exclusivity to their operation.

A separate, but concurrent subject includes provisions for new office space for the Authority staff currently located at the Program Office. The details of the relocation are further described within a separate Board Paper titled "Approval of Plans and Specifications – Renovation of Program Office", which incorporates improvements to

the Program Office related to the proposed FedEx lease, as well as improvements to the facilities to where the Authority staff will be relocated.

### Scope

To approve delegation of authority to the Authority's Executive Director/CEO to execute a Lease Agreement on behalf of the Authority Board with FedEx for the leasing of the Program Office.

This request for delegation is due to the timing of approval of the Lease Agreement with FedEx and the expedited construction timeline of the Program Office. FedEx desires to take occupancy of the Program Office on January 1, 2012.

As part of the terms of the Lease Agreement and as market conditions have dictated, the Authority has recommended the following terms:

- Primary term: Eight (8) years
- Option term: Two (2) terms of three (3) years each
- Primary term rental: \$1,928,778.33
- Authority financed tenant improvements: \$325,000 to \$400,000
- Incentive: Abatement of eight (8) months rental commencing upon occupancy

Note: Examples of tenant improvements include demolition of walls to open up office space, replacement of ceiling tiles, lighting fixtures, floor and wall coverings.

### Operating Revenue Estimates

Total annual revenue throughout the primary term of the lease is \$1,928,778.33. The revenue represents an initial annual rate per sq. ft. commencing at \$8.10, with increases throughout the term and increasing up to \$11.25 towards the end of the primary term.

### Operating Expense Estimates

The Lease Agreement is considered a modified gross lease with the Authority being responsible for facility maintenance. The Authority's operating expenses are estimated to be \$1.90 per sq. ft., totaling \$51,613 annually. The rate of \$1.90 per sq. ft. is considered a base line expense and if operating costs exceed this rate, all additional cost will be passed through to FedEx on an annualized adjustment basis.

Additionally, the Authority will pay a brokerage commission of \$135,014.00 related to this lease as FedEx is being represented by a brokerage firm and Authority has utilized Cassidy Turley to market the Program office.

Note: FedEx is responsible for any taxes and utilities.

Hurdle Rate Analysis

The internal rate of return (IRR) is 12.55% and the overall return on investment (ROI) is 76.8% for this lease transaction. The IRR and ROI include the costs associated with the relocating of Authority staff.

Schedule

August 19, 2011: Approval of Delegation of Authority for the execution of the Lease Agreement with FedEx Trade Networks Brokerage, Inc.

Supplier Diversity Participation

Under separate Board Memo, the renovations to the Program Office and relocation of Authority staff will be managed under the public works process, which shall provide opportunities for supplier diversity 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. The Lease Agreement provides for the long-term leasing of the Authority's Program Office.



## Board Memo Plans & Specifications Approval and Signature Authority

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: August 10, 2011

Board Date: August 19, 2011

Subject: Approval of Plans and Specifications for Office Moves 2011, Authorize the Public Bidding Process and Executive Director/CEO Signature Authority

### Background

The purpose of this Board Memo is to seek approval of Plans and Specification for the renovation of Building 112 (Program Office) and Building 60 (ATA Building #3). It is also to seek the delegation of authority to the Indianapolis Airport Authority's Executive Director/CEO to execute a Construction Contract on behalf of the Authority Board with the lowest responsive and responsible bidder for the renovation of Building 112 and Building 60.

Building 112 is located at 2349 Aviation Drive and served as the Midfield Program Office during the Terminal construction project. Building 112, consisting of 27,165 square feet, is larger than what is needed to accommodate the approximately thirty-two (32) Indianapolis Airport Authority (IAA) staff positions in planning and engineering, environmental and conservation, finance, and internal audit currently located in the building. Therefore, the IAA staff began marketing the building for lease to outside parties.

Over the past several months the IAA staff has been negotiating with FedEx Trade Networks Transport & Brokerage, Inc. (FedEx) for the leasing of the Building 112 and has reached an agreement. Details of this agreement are further described within a separate Board Paper titled "Executive Director / CEO Signature Authority / FedEx Trade Networks Transport & Brokerage, Inc. / Lease Agreement."

As part of the agreement with FedEx, the Authority will make tenant improvements (as described within the Scope section) to Building 112; as well as improvements to Building 60, located at 1910 S. Girls School Road which shall serve as the new offices for the Authority staff currently located within Building 112.

### Scope

The scope of work is renovation of Building 112 and Building 60 and delegation of signature authority to Executive Director/CEO for award of construction contract.

The construction scope of work shall include the demolition and installation of new materials to renovate Building 112 for FedEx, as well as Building 60 to accommodate Authority staff moving from Building 112.

Renovations to the Program Office include:

- Demolition of walls to open up office space,
- Replacement of ceiling tiles,
- Replacement of lighting fixtures, and
- Replacement of floor and wall coverings.

Renovations of Building 60 include:

- Replacement of floor and wall coverings,
- Installation of electrical and data connections at work stations,
- Placement of fiber optic cables from the north vault to Building 60, and
- Relocation of all furnishings and equipment from Building 112.

IAA staff will provide carpet and ceiling tile removal and some wall demolition service to reduce the cost of the project.

Approval of delegation of authority to the Indianapolis Airport Authority's Executive Director/CEO to execute a Construction Contract on behalf of the Authority Board with the lowest responsive and responsible bidder for the renovation of Building 112 and Building 60. This request for delegation is due to the timing of approval of the Lease Agreement with FedEx and the expedited construction timeline of the Program Office. FedEx desires to take occupancy of the Program Office on January 1, 2012.

### Budget

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

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

### Hurdle Rate Analysis

The internal rate of return (IRR) is 12.55% and the overall return on investment (ROI) is 76.8% for this lease transaction. The IRR and ROI include the costs associated with the relocating of Authority staff.

Schedule

This project has an aggressive schedule to meet strategic objectives. The projected schedule may vary by a couple of days to accommodate the project requirements.

Advertisement of Opportunity to Bid: August 26, 2011 and September 2, 2011  
Pre-Bid Meeting: August 30, 2011 10:00 a.m. Program Office, Conf Room 1  
Bid Opening: September 20, 2011 3:00 p.m. Program Office, Conf Room 1

Est. Bid Award September 23, 2011

Work is expected to start September 26, 2011, with a substantial completion date of December 31, 2011.

Supplier Diversity Participation

The Director of Supplier Diversity established the following participation goals:  
MBE 20% and WBE 15%

Recommendation

The Authority staff has reviewed the bid documents and recommends that the Board consider for approval Plans and Specifications for Office Moves 2011, as prepared by Synthesis, Inc., and authorize the public bidding process. The Authority staff also recommends the Board consider for approval the delegation of authority to the Executive Director/CEO to approve and execute the Construction Contract with the lowest responsive and responsible bidder for renovation of Building 112 and Building 60.



## Board Memo Plans & Specifications Approval

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: July 18, 2011

Board Date: August 19, 2011

Subject: Approval of Plans and Specifications for Bid Package I-09-033-C – Airline Cargo Building (formerly known as Belly Cargo/GSE Maintenance Building) Ramp Expansion, and Authorize the Public Bidding Process

### Background

The Airline Cargo Building was completed on August 31, 2010. The building tenants began operating out of the facility on September 1, 2010. During the development of the Airline Cargo Building, the scope of the project was closely coordinated with the tenants.

After moving into the new Airline Cargo Building, the tenants identified unanticipated congestion due to multiple tenants operating in the same area, with a constrained route to South Access Drive, the route used to access the Terminal. At their old locations, the tenant operations opened directly onto the ramp and there were no operational issues regarding storage, maneuverability, or safety, so it was an unforeseen condition at the new building. With experience operating out of the new building, to alleviate the congestion, the building tenants requested the airside apron be expanded.

The project was initiated in 2009 before current Executive Management review process. This ramp expansion is within initial project budget on which the lease rates being paid by the tenants were set.

### Scope

The scope of work for this project will include expanding the apron and establishing drive lanes for the tenants to use to improve their safety and maneuverability.

### Budget

Total construction package is estimated between \$250,000 and \$500,000.

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

The project cost is within the available remaining project budget.

This project commenced before the hurdle rate review process was implemented.

Schedule

Advertisement of Opportunity to Bid: August 12, 2011 and August 19, 2011  
Pre-Bid Meeting: August 23, 2011 1:30 pm Program Office, Conf Room 1  
Bid Opening: September 6, 2011 1:30 pm Program Office, Conf Room 1

Est. Bid Award (Board Mtg) September 16, 2011

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

Supplier Diversity Participation

The Director of Supplier Diversity has established the following participation goals:  
DBE 14%, 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 I-09-033-C – Airline Cargo Building Ramp Expansion, as prepared by R.W. Armstrong & Associates, and authorize the public bidding process.



## Board Memo – Bid Award

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: August 9, 2011

Board Date: August 19, 2011

Subject: Award of Bid Package No. H-11-027, Heliport Exterior Renovation, to Advanced Restoration Contractors, Inc.

### Background

The Indianapolis Downtown Heliport building is covered with an Exterior Finish Insulating System (EFIS). The system is failing in many areas and is in poor condition overall.

In order to prevent water damage to the interior support system, reduce future capital expenditures, avoid possible damage to tenant spaces and equipment, and improve the look of the building, the EFIS must be repaired and the building recoated.

On October 25, 2010, this project was approved for implementation by the Executive Management Team.

On August 8, 2011, the IAA staff received three (3) bids ranging from \$520,000.00 to \$720,000.00.

Advanced Restoration Contractors, Inc. was the lowest responsive and responsible bidder in the amount of \$520,000.00.

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 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

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

This contract is within the overall project budget of \$584,400.00. The total bid plus 3% construction reserve is \$535,600.00.

Project Budget

Contract Amount (including 3% reserve)	\$535,600
Design & Soft Costs	\$ 39,000
Unforeseen Conditions	<u>\$ 9,800</u>
Budget Amount	\$584,400

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

This project was budgeted for Airport cash funding of \$44,000.00 in 2010 and \$540,400.00 in 2011.

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.

Schedule

Work is expected to start September 2011 with a substantial completion date of December 2011.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

FIRM	AMOUNT			%		
	DBE	MBE	WBE	DBE	MBE	WBE
Precision Construction Services, Inc.	0	0	72,800	0	0	14
Totals				0	0	14

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract for H-11-027, Heliport Exterior Renovation, to Advanced Restoration Contractors, Inc. in an amount not-to-exceed \$520,000.00 plus a 3% construction reserve of \$15,600.00 for a total of \$535,600.00. Advanced Restoration Contractors, Inc. was the lowest responsive and responsible bidder. MBE 0% and WBE 14% (Precision Construction Services, Inc.)

DELEGATED AUTHORITY SCHEDULE

MONTH/YEAR	OTHER PARTY	TYPE OF DOCUMENT	TERM (YEARS)	REVENUE	INITIALS	COMMENTS
July 2011	Just Pop In	Amendment No. 2 to Concession Agreement	Same as original agreement	\$1,500.00 per year	J. Clark	This Amendment adds 100 square feet of support space
Jul-11	Hoosier Lottery	Amendment No. 1 to Short Term Use Agreement	3 years	\$1,300.00 each month	J. Clark	This Amendment is changing the use fee
Jul-11	Estes Lakeshore News, LLC d/b/a Bluwire	Amendment for Execution	3 1/2 months	\$800.00 each month	J. Clark	This Changes the term of the agreement. It has been operating on a month to month basis having commenced on December 15, 2010.
Jul-11	Estes Lakeshore News, LLC d/b/a Bluwire	Short Term Use Agreement	3 months	\$800.00 each month	J. Clark	This is for retail space to be used for the display and sale of electronic merchandise and travel accessories
Jul-11	Sabre ADJ Service	Renewal of Agreement	1 year	n/a	J. Clark	This is for the use of database used for air services research
Jul-11	Global Parking Systems of Indiana, Inc.	Concession Agreement	1 year and 7 months	35% of all gross receipts	M. Medvescek	This is a contract for curbside valet services and regular valet services
Jul-11	Walker Parking Consultants	Amendment to Contract	Same as original agreement	n/a	M. Medvescek	This is extending the term of the original contract
Jul-11	Watcon, Inc.	Contract	1 year	n/a	M. Medvescek	This is for water treatment services in the amount of \$247.00 per month
Jul-11	Melshire DFW, L.P.	Concession Agreement	5 years	\$1,395.00 annually	M. Medvescek	This is to lease a small retail space to Auntie Anne's.
Jul-11	R.W. Armstrong	Contract	1 year	n/a	J. Clark	This is for Belly Cargo/GSE Maintenance Building Ramp Expansion in the amount of \$39,285.00
Jul-11	Geiger Engineers, PC	Contract	5 months	n/a	J. Clark	This is for the Garage Atrium Canopy Inspection and Support Services. Authority is to pay contractor \$14,700.00
Jul-11	3D Exhibits	Short Term Use Agreement	9 days	\$2,500.00	J. Clark	This is for the display of a free standing promotional mural
Jul-11	SSP America, Inc.	Shared Tenant Services Agreement	5 years	\$274.00 per month	J. Clark	This fiber pairs and/or CAT6 Cabling above the construction baseline, upon opening of the new terminal.
Jul-11	USO of Indiana	Shared Tenant Services Agreement	7 months	\$225.00 per month	J. Clark	The USO will provide IT equipment, with the IAA providing maintenance and installation support.
Jul-11	JettPro Maintenance	Airport Use Agreement	3 years	\$68,020.59	J. Clark	JettPro is an aircraft and maintenance repair operator and they will pay 8% of their gross revenues to the IAA
Jul-11	In-Ter Space Services, Inc.	Amendment No. 3	No change from original agreement	n/a	J. Clark	This modifies certain terms and conditions of the existing contract; and in particular, makes adjustments to the MAC

DELEGATED AUTHORITY SCHEDULE

Jul-11	Caffe Connection (CooperMoon) Concourse B	Amendment No. 3	No change from original agreement	n/a	M. Stone	No new revenue-adjustment to MAG credits
Jul-11	Caffe Connection (CooperMoon) Concourse A	Amendment No. 4	No change from original agreement	n/a	M. Stone	No new revenue-adjustment to MAG payment schedule
Jul-11	Town of Fishers	Grant of Easement	As provided in original agreement	\$13,200.00	M. Stone	The Town of Fishers is planning an extension to the existing access drive on north side of the lift station by extending their asphalt pad.
Jul-11	Patriot Engineering and Environmental, Inc.	Contract for Consultant Services	5 months	n/a	M. Stone	Authority is to pay contractor a total of \$11,040.00 for water main improvements at International
Jul-11	Dillion's Catering, Inc.	Airport Use Permit	3 years	\$600.00	M. Stone	Dillion's operate a catering truck and has provided mobile catering services at the Airport since 1991.