



Agenda
Indianapolis Airport Authority
December 16, 2011
8:30 AM

- I. Call to Order
- II. Approval of Minutes of the Pre-Board and Regular Meeting of November 18, 2011
- III. Ordinances, Resolutions and Public Hearings
 - a) Public Hearing on General Ordinance No. 3-2011 concerning the 2012 Rates & Charges.
 - b) Consider for approval the adoption of General Ordinance No. 3-2011 approving the 2012 Rates & Charges.
 - c) Consider for approval the adoption of Resolution 11-2011 concerning the transfer of amounts between budget line item classifications from the 2011 appropriations of the Indianapolis Airport Authority System Fund, as outlined in Appendix A.
 - d) Consider for approval the adoption of Resolution 12-2011 Delegated Authority to Adopt and Make Official Intent
- IV. Board Reports
 - a) President's Report
- V. Official Actions
 - a) Introduction of the IAA Consent Calendar dated December 16, 2011.
 - b) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated December 16, 2011.
- VI. Staff Reports
 - a) CEO Report – *John D. Clark, III*
 - b) Super Bowl Update – *Marsha Stone*
 - c) Financial Report – *Marsha Stone*



Indianapolis Airport Authority

VII. Other Reports/Update

- a) Recognition of the Greater Indianapolis Foreign Trade Zone Board Members

VIII. Adjourn

DELEGATED AUTHORITY SCHEDULE

MONTH/YEAR	OTHER PARTY	TYPE OF DOCUMENT	TERM (YEARS)	REVENUE	INITIALS	COMMENTS
October 2011	Premier Fall Protection	Contract Renewal	2 years	n/a	J. Clark	Amount of Renewal is \$3,675.00 for fall arrest systems inspection and certification
Oct-11	Indianapolis Aviation Partners LLC d/b/a Million Air	Airport Use Permit	4 years	8% of gross monthly sales	J. Clark	The Authority grants to Million Air the right to use International for the conduct of its business. Million Air does commercial airline refueling, deicing, and ground handling services
Oct-11	Alt & Witzig	Contract for Construction Services	6 months	n/a	J. Clark	This is for testing for airline cargo building ramp expansion in the amount of \$4,129.00
Oct-11	FedEx Smartpost, Inc.	Airport Use Agreement	3 months	\$27,000.00	J. Clark	FedEx offers services to customers who need to ship to a high volume of small packages to residential customers
Oct-11	Industry Safe	Master Subscription Agreement	month-to-month	n/a	J. Clark	License fee per year is \$170,925.00 for 40 users
Oct-11	Woolpert, Inc.	Contract for Professional Services	6 months	n/a	J. Clark	This is for the Aerial Acquisition Survey in Support of Master Plan Update in the amount of \$64,631.00
Oct-11	Hawker Beachcraft	Land and Building Lease Agreement	5 years	Total rental of \$238,632.65	J. Clark	This is to provide additional facility support to their Maintenance and Repair Operation Business
Oct-11	Loftus Engineering, Inc.	Contract for Design Services	3 months	n/a	J. Clark	This is for a generator replacement at Firehouse 2 in the amount of \$31,191.00
Oct-11	Cyrotech Deicing Technology	Quantity Purchase Agreement	1 year	n/a	J. Clark	This is for deicing chemicals: bio fluid
Oct-11	Starfish Office Solutions	Contract for Services	1 month	n/a	J. Clark	This is for the office moves from the program office to new building. Amount is \$11,400.00
Oct-11	NGC Corporation	Contract Amendment	same as original agreement	n/a	J. Clark	This is for Rehab SE Apron at Eagle Creek Airport in the amount of \$37,905.00
Oct-11	United Parcel Service	Amendment	same as original agreement	n/a	J. Clark	This is regarding the drop box agreement
Oct-11	PCS Engineers	Contract Amendment	1 year	n/a	J. Clark	This is for the Wildlife Fence Construction Phase 1. Amount is \$15,855.00
Oct-11	Fitzgerald & Fitzgerald	Contract for Construction Services	5 days	n/a	J. Clark	This is for the construction services for taxiway N Repair. Amount is \$54,290.00

DELEGATED AUTHORITY SCHEDULE

Oct-11	World Trade Center-Miami	Exhibit Space Application and Contract	3 days	n/a		J. Clark	This is for Chris Matney to have a booth at this air service conference for \$7,500.
Oct-11	Comlux America LLC	Aircraft Apron Lease Agreement	11 months		\$73,000.00	M. Medvescek	
Oct-11	Major Restaurant	Airport Use Permit	2 years		\$1,480.00	M. Medvescek	This is for food delivery service
Oct-11	Mezzetta, Inc.	Contract for Services	2 months	n/a		J. Clark	This is to repair the garage stairwells and landing repair and associated painting activities in the amount of \$17,500.00
Oct-11	Elite Transportation	Baggage Delivery Lease and Concession Agreement	2 years		\$10,616.00	J. Clark	This is for baggage services at International
Oct-11	Edge Document Solutions, LLC	Contract Renewal	2 years	n/a		J. Clark	Amount of Renewal is \$450.00. This is for our check printing system
Oct-11	Estes Lakeshore News, LLC	Amendment to Short Term Use Agreement	1 year (extending for 6 months)	n/a		J. Clark	We are extending this Agreement for 6 months
Oct-11	Mohamed Hersi d/b/a Juba International Café	Airport Use Permit	1 year		\$420.00	J. Clark	This permit is for food service concessionaire
Oct-11	The Andersons Agricultural Group	Quantity Purchase Agreement	1 year	n/a		J. Clark	This is for deicing chemicals:Urea
Oct-11	Evens Time	Contract Renewal	2 years	n/a		J. Clark	Amount of this renewal is \$125,057.00
Oct-11	Wieden & Kennedy	Permission for Use	n/a	n/a		J. Clark	This is for ESPN to advertise at International
Oct-11	Electronic Strategies, Inc.	Contract for Miscellaneous Technology Equipment	1 year and 5 months	n/a		J. Clark	This is also for professional information technology services related to storage area network implementation in the amount of \$124,591.00
Oct-11	ET Energy Solutions	Letter of Intent	3 months	n/a		J. Clark	This is setting forth the terms under which parties will proceed to execute the solar farm lease agreement
Oct-11	Grissom Air Reserve Base	Memorandum of Agreement	month-to-month	n/a		J. Clark	This is for training at the old terminal parking garage
Oct-11	Estes Lakeshore News, LLC	Amendment to Short Term Use Agreement	6 months	n/a		J. Clark	We are extending this Agreement for 6 months
Oct-11	Comlux America LLC	Addendum to Lease of Temporary Hanger	1 year	n/a		J. Clark	This letter permits Comlux to move forward, and if Comlux does not timely obtain necessary variances from the City, then Comlux will remove the temporary hangar
Oct-11	Ross & Baruzziini, Inc.	Contract Amendment	8 months	n/a		J. Clark	This is for professional services for access control system in the amount of \$20,400.00

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 9:01 a.m., November 18, 2011, in the Airport's 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
Jean Wojtowicz, Member
Alex M. Azar II, 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, Chief Legal Officer
Beverly Terlaje, Executive Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Ms. Wojtowicz, seconded by Mr. Azar and unanimously passed, approval was given to the Minutes of both the Pre-Board and Regular Meetings of October 21, 2011.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

President Michael Stayton introduced General Ordinance No. 3-2011 concerning the Authority's 2012 Rates and Charges. A public hearing on General Ordinance No. 3-2011 is scheduled to occur on December 16, 2011.

BOARD REPORTS

President Stayton had no reports, but he recognized IAA Executive Director/CEO John D. Clark, III, for being named the "Airport Director of the Year" in the "small" airport category by Airport Revenue News.

OFFICIAL ACTIONS

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

APPROVAL OF INDIVIDUAL ITEMS LISTED ON THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR DATED November 18, 2011: Upon a motion by Mr. Flynn, seconded by Ms. Cochran and unanimously passed, approval was given to accept each of the individual items listed on the IAA's Consent Calendar, dated November 18, 2011.

STAFF REPORTS

CEO Report

Mr. John Clark, IAA's Executive Director/CEO, asked Mr. Mike Medvescek, IAA's Chief Operating Officer, to address the recognition that the Indianapolis International Airport recently received from the Federal Aviation Administration ("FAA"). Mr. Medvescek reported that the FAA recently conducted the required "Part 139" safety and compliance inspection for the Indianapolis International Airport, and, for the 12th consecutive year, found no discrepancies and that the Airport was in full compliance with FAA requirements. This is a significant achievement, and speaks to the IAA's continued dedication to safety in the airport environment.

In connection with the foregoing, Mr. Medvescek publicly recognized and thanked all of the IAA employees involved in this process for their outstanding efforts, including the following: Ben William, Brian Booth and Mike Kiel from the IAA's Fire Department; Bill Abell, Operations Manager 2; Mark Summers from the IAA's Building Maintenance; Steven Beavers, Terry Hill and Jacob Bryan from IAA's Airfield Maintenance.

CFO Report

Ms. Marsha Stone, IAA's Chief Financial Officer, reported that she recently attended the World Economics Committee for ACI in Dallas, Texas, which was attended by approximately 25 senior airport executives from around the world. Ms. Stone is the

representative on this group for North America. The group is working towards preparing for a global air transport conference in 2013, through the International Civil Aviation Organization ("ICAO").

With respect to air service in Indianapolis, Ms. Stone reported that enplanements for October 2011 decreased 3.14% but were still up 0.85% year-to-date, performing slightly above prior year. Ms. Stone indicated that seat capacity decreased about 4.5% for the month and decreased 3.7% versus prior year, primarily due to the consolidation of Southwest Airlines and Air Tran.

Ms. Stone also gave a brief financial update.

CCO Report

Ms. Patzetta Trice, IAA's Chief Communications Officer, provided a brief overview of the 3rd quarter ASQ results, DKMA's recommendations, next steps as discussed at IAA's Board Retreat on October 25th & 26th, social media blitz, and earned media coverage.

Other Reports/Update

President Stayton publicly recognized IAA Board Member Jean Wojtowicz for recently receiving the "2011 Business Leader of the Year" award from the Indiana Chamber of Commerce.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:40 a.m.

INDIANAPOLIS AIRPORT AUTHORITY*

Michael Stayton, President

Alfred R. Bennett, Secretary

Date: _____

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



Indianapolis Airport Authority

Board Memo – 2012 Rates and Charges

To: IAA Board of Directors
From: Joseph R. Heerens, IAA Chief Legal Officer
Date: November 27, 2011
Board Date: December 16, 2011
Subject: 2012 Rates & Charges Ordinance

Scope

Annually, the IAA Board of Directors adopts an ordinance in order to implement a schedule of rates and charges for the use of Airport facilities. This proposed Ordinance sets forth rates, both current and those proposed to be changed, that will go into effect on January 1, 2012.

On November 18, 2011, the attached General Ordinance No. 3-2011 was first *introduced* at the public meeting of the IAA's Board. Pursuant to statutory requirements, proper public notice was published by IAA in several newspapers in order to inform the general public of this Ordinance and its introduction for public consideration.

The next step in the statutory process is for this Ordinance to receive a public hearing where the general public may testify and offer their comments on the Ordinance. That public hearing is scheduled to occur at the IAA Board meeting on December 16, 2011.

The following represents a summary of the changes that have been made from the current Rates & Charges Ordinance in effect for calendar year 2011:

1. Section I:
 - a. Definition of "Airport" has been more clearly defined.
 - b. Definition of "Ground Transportation Provider" has been expanded to include additional types of commonly used vehicles.
 - c. Definition of "Aircraft Remote Parking Areas" has been modified to more accurately reflect actual scope of operations.

2. Section III:

- a. Landing fee per 1,000 pounds of Certified Gross Landing Weight has been updated, as per the appropriate calculation.
- b. Annual space rental charge(s) per square foot have been updated, as per the terms of the 2010-2015 Airline Use Agreement.
- c. Fees for international processing, inspection area, and reboarding lounge have been changed to provide a "not to exceed" amount, as follows: (a) for international processing, from \$300 up to \$400 per flight or \$4 per person processed, whichever is greater; (b) for the inspection area, from \$100 up to \$200 for special events or functions; and (c) for the reboarding lounge, from \$100 up to \$300 for special purpose or function.

3. Section IV:

- a. Ground transportation fee by an owner/operator who does not have an IAA operating agreement and is in connection with a special event or convention has been changed from \$50 up to \$100 per vehicle per trip.
- b. New section added which requires a 10% fee of any amounts collected from a customer for electrical vehicle charging at the Airport.
- c. New section added allowing IAA to impose a penalty fee (\$100 for first violation, and \$500 for failure to remedy within 30 days after written notice from IAA) if a person or entity fails to timely provide an insurance certificate to IAA as required by a contractual obligation.
- d. New section added allowing IAA to charge a fee when a person or entity requests IAA to prepare/approve documents beneficial to said person or entity (or to a transaction to which said person or entity is a party), but which are not initiated by IAA and are in the nature of an "accommodation" to said person or entity, such as temporary rights-of-entry and temporary easements. This fee is intended to help defray the costs incurred by IAA's staff in accommodating said request. Fee determined based on three tiers: if less than 5 hours of work, \$750; if between 5 and 10 hours of work, \$1,500; and if greater than 10 hours of work, \$2,250.
- e. New section added allowing IAA to charge a \$200 fee per occurrence when a truck enters the airside on a public apron area at the Airport.

4. Section V:

- a. Deletion of a \$35 fee per month for alarm system monitoring.
- b. For changes to existing Airport ID badges, addition of new \$10 fee.

5. Section VII:

- a. Establishment of new video conferencing fees charged to tenants and licensees who request or elect to use this new service from IAA.

This proposed Ordinance has not been changed or modified in any way since its introduction at last month's Board meeting held on November 18, 2011.

Schedule

November 18, 2011	Introduction of General Ordinance No. 3-2011
December 16, 2011	Public Hearing/Consideration for Adoption of said Ordinance

Revenue and/or Operating Cost Implications

The Rates and Charges Ordinance is the principal document to impose fees and charges for the use of Airport facilities in support of the 2012 approved operating and capital budgets of the IAA.

Diversity Participation

Not applicable.

Recommendation

IAA Management recommends approval of the 2012 Rates & Charges Ordinance which is attached hereto.

GENERAL ORDINANCE 3-2011

WHEREAS, the Indianapolis Airport Authority Board (the "Authority"), pursuant to Indiana Code §8-22-3-11, is authorized to adopt a schedule of rates and charges, and to collect same from all users of Authority's airport facilities;

WHEREAS, the Authority desires to enact reasonable rates for the use of its airport facilities and services, commencing January 1, 2012;

WHEREAS, the Authority has considered a number of factors in determining reasonable landing fees and space rental rates, including the following: the projected revenues, expenses, and need for capital projects and comparisons with the rates of other airports; and

WHEREAS, representatives of the Authority have held discussions with representatives of many of the airline companies serving the Indianapolis International Airport (the "Airport") regarding such factors, and have received the advice and comments of all airline companies serving the Airport.

NOW, THEREFORE, be it ordained by the Authority's Board:

Section I. The following terms are hereby defined as follows:

A. Air Carrier

A person, company, corporation or other entity operating a commercial air transportation system by aircraft for the purpose of carriage of persons, cargo, mail or other property.

B. Aircraft Remote Parking Areas

A portion of the passenger terminal apron and other remote apron areas at the Airport, designated for the parking of diverted,

overnight, passenger, cargo, and other types of aircraft and operations.

C. Airport

The "Airport" means the Indianapolis International Airport, which generally includes, by way of example and not of limitation, all of the real property owned by the Authority and located west of Interstate 465, south of Washington Street, north of State Road 67, and east of State Road 267.

D. Airport Terminal Building

The Colonel H. Weir Cook terminal building at the Airport.

E. Certificated Air Carrier

A person, company, corporation or other entity operating a commercial air transportation system pursuant to the provisions of Federal Aviation Regulation Part 119, Part 121, or Part 129.

F. Certificated Gross Landing Weight

The maximum certificated gross landing weight in 1,000 pound units as approved by the Federal Aviation Administration ("FAA") for landing of an aircraft.

G. Commuter Air Carrier

A person, company, corporation or other entity operating a commercial air transportation system pursuant to the provisions of Federal Aviation Regulation Part 119 and Part 135 on a regular published schedule of aircraft arrivals and departures utilizing the

Airport Terminal Building or the International Arrivals Building located at 7001 Pierson Drive.

H. Contract Day

The term "Contract Day" shall mean each twenty-four (24) hour period, or fraction thereof, for which an RAC (hereinafter defined) rents an automobile to a customer.

I. Customer Facility Charge or CFC

The term "Customer Facility Charge" or "CFC" shall mean the charge to be collected by each RAC and remitted to the Authority pursuant to Section IV(K) hereof.

J. Customer Rental Transaction

The term "Customer Rental Transaction" shall mean a single rental transaction with a customer for a consecutive number of Contract Days.

K. Deplaned Passenger

"Deplaned Passenger" (or "Deplaning Passenger") shall mean a person arriving at the Airport by aircraft as a paying or non-revenue passenger.

L. Enplaned Passenger

"Enplaned Passenger" (or "Enplaning Passenger") shall mean a person departing the Airport by aircraft as a paying or non-revenue passenger, but not including a passenger on an intermediate stop at the Airport.

M. Executive Director/CEO

The person appointed by the Authority as Executive Director & Chief Executive Officer, or the Executive Director/CEO's designee, responsible for the operation, maintenance, and management of the Authority's various airport facilities.

N. General Aviation Aircraft

All civil aircraft, except that of Scheduled Air Carriers, Non-Scheduled Air Carriers, and Commuter Air Carriers.

O. Ground Transportation Provider

A company, entity or person, other than taxi operators, that provides ground transportation services for hire from the Airport Terminal Building or International Arrivals Building, utilizing a limousine-sedan, van, mini-bus, SUV (sport utility), charter bus, or other similar type of vehicle.

P. International Arrivals Building

The building located at 7001 Pierson Drive at the Airport.

Q. Landing

The term "landing", as used herein, shall mean the termination of flight of an aircraft upon an Airport runway.

R. Military Aircraft

All aircraft operated by any branch of the Armed Forces of the United States.

S. Non-Based Employee

The term "Non-Based Employee" shall mean an employee employed by a tenant of the Authority who resides in the Indianapolis metropolitan area, but whose primary employment base is a city located outside of the State of Indiana.

T. Non-Scheduled Air Carrier

An Air Carrier that does not operate aircraft on a regular, published arrival and departure schedule.

U. Non-Signatory Air Carrier

The term "Non-Signatory Air Carrier" shall mean an Air Carrier providing air transportation of passengers or property by air to and from the Airport which has not executed the Authority's 2010 form of "Agreement and Lease of Premises", for the use of, and for occupancy of, space and/or facilities at the Airport.

V. General Ordinance

The term "General Ordinance" shall mean this General Ordinance 3-2011.

W. RAC

The term "RAC" shall mean any auto rental company which leases office space, counter space, buildings, or real property for the operation of a rental car business at the Airport.

X. Scheduled Air Carrier

An Air Carrier that operates aircraft on a regular, published arrival and departure schedule.

Y. Signatory Air Carrier

The term "Signatory Air Carrier" shall mean an Air Carrier providing air transportation of passengers or property by air to and from the Airport, which has executed Authority's 2010 form of "Agreement and Lease of Premises", for the use of, and for occupancy of, space and/or facilities at the Airport.

Section II. The following schedule of rates, fees, and charges is hereby created and established for operators of aircraft using Hendricks County Airport, Eagle Creek Airpark, Metropolitan Airport, Indianapolis Regional Airport, and the Downtown Heliport:

- A. General Aviation Aircraft not operating on a regular schedule shall pay a fuel flowage fee of \$0.06 per gallon of fuel delivered into the fuel tanks of such aircraft.
- B. Military Aircraft shall pay a fuel flowage fee of \$0.06 per gallon of fuel delivered into the fuel tanks of such aircraft.
- C. Charges for removal of disabled aircraft by Authority:

If pilots, owners or agents of General Aviation Aircraft request that Authority employees remove disabled aircraft from runways, ramps, taxiways, or other operational or other areas on any of the General Aviation Airport or heliport, the cost of

the use of the Authority's equipment (whether owned or leased) and Authority personnel shall be charged to the owner. As a condition to providing this service, the owner shall fully release and discharge the Authority from any and all liability related to the removal of aircraft.

Section III. The following schedule of rates, fees, and charges is hereby created and established for operators of aircraft using the Airport:

- A. General Aviation Aircraft, Military Aircraft, and Non-Scheduled Air Carrier
1. General Aviation Aircraft not operating on a regular schedule shall pay a fuel flowage fee of \$0.07 per gallon of fuel delivered into the fuel tanks of such aircraft.
 2. Military Aircraft shall pay a fuel flowage fee of \$0.07 per gallon of fuel delivered into the fuel tanks of such aircraft.
 3. Operators of Non-Scheduled Air Carrier aircraft operating under Federal Aviation Regulation Part 119, Part 121, or Part 129 shall pay a landing fee of \$2.85 per 1,000 pounds of Certificated Gross Landing Weight for each aircraft for each landing.
 4. Operators of large aircraft, as defined in Federal Aviation Regulation Part 125, shall pay a landing fee of \$2.85 per 1,000 pounds of Certificated Gross Landing Weight for each aircraft for each landing.

5. Aircraft operated by carriers pursuant to Federal Aviation Regulation Part 91, Part 119, or Part 135, on a regular schedule and pursuant to an Airport Use Agreement, shall pay a basic fee of \$150.00 per month per aircraft and a fuel flowage fee of \$0.07 per gallon of fuel delivered into the tanks on such aircraft. In the event that the total Certificated Gross Landing Weight for each aircraft operated by such carrier shall average 250,000 or more pounds per month, such carrier may petition Authority to pay the rates and charges established by Section III(A)(3) in lieu of the charges established by this subparagraph.

B. Scheduled Certificated Air Carrier and Commuter Air Carrier Space Rentals

1. Annual Space Rental

An annual space rental charge per square foot of area is hereby levied upon all Signatory Scheduled Air Carriers, Signatory Commuter Air Carriers, Non-Signatory Scheduled Air Carriers, and Non-Signatory Commuter Air Carriers, for occupancy of space in and near the Airport Terminal Building, as follows:

	<u>Signatory</u>	<u>Non-Signatory</u>
A. Terminal	\$92.80	\$139.20
B. Office or Club Room	\$92.80	\$139.20
C. Hold Rooms	\$92.80	\$139.20
D. Operations Space	\$92.80	\$139.20

E. Baggage Make-up/Bag Claim	\$92.80	\$139.20
F. Ticket Counter	\$92.80	\$139.20
G. Aircraft Apron	\$ 0.57	\$ 0.86

One-twelfth (1/12) of an annual rental charge shall be due and payable monthly on the first (1st) day of each calendar month, in advance. The Authority or its Executive Director/CEO may assign such space to the airlines, from time to time and in the exercise of reasonable judgment, and in accordance with their needs.

2. Baggage Claim, Baggage Make-Up, and Inbound Baggage Set-Off

(a) Twenty percent (20%) of total bag space square footage (including baggage claim, baggage make-up, and inbound baggage set-off) shall be allocated equally among the following: Signatory Airlines using the baggage system and non-signatory airlines with two percent (2%) or more of total enplaned passengers. Such charges shall be determined based on the number of airlines meeting the above criteria each December 1 for the following calendar year. Should the number of airlines meeting these criteria increase or decrease after December 1, an adjustment will be made accordingly for the remainder of the year.

(b) Eighty percent (80%) of total bag space square footage (including baggage claim, baggage make-up, and

inbound baggage set-off) shall be allocated to each airline (both signatory and non-signatory) using the baggage system. All signatory airlines and non-signatory airlines with two percent (2%) or more of total enplaned passengers shall pay based on their percentage share of total enplaned passengers forecasted at Airport for calendar year for which rates will be set. Non-signatory airlines with less than 2% of total enplaned passengers shall pay a fee per enplaned passenger of \$6.53.

3. Landing Fees

There are hereby established and levied landing fees upon each Non-Signatory Air Carrier using the Airport, a landing fee of \$2.85 per 1,000 pounds of Certificated Gross Landing Weight of each aircraft for each landing. Signatory Air Carriers shall pay a landing fee of \$1.90 per 1,000 pounds of Certificated Gross Landing Weight of each aircraft for each landing. Each Air Carrier subject to the landing fee provisions of Section III of this General Ordinance shall electronically provide to the Executive Director/CEO, on or before the fifteenth (15th) day of each month, an accurate verified report of landed weight, as prescribed by the Executive Director/CEO, and concurrently with transmittal of said report, tender payment in the amount of landing fees

for that Air Carrier's operations at the Airport during the preceding month. Landing fee charges shall be due on the first (1st) of the month and payable no later than the fifteenth (15th) day of each month for the preceding calendar month of operations. The report submitted by Air Carriers shall include, but shall not be limited to: (1) Air Carrier's total number of landings by type and model of aircraft and Certificated Gross Landing Weight of each type and model of aircraft; (2) the total number of Enplaning Passengers and Deplaning Passengers; and (3) the amount in pounds of freight, mail, and other cargo carried or transported by the Air Carrier for such month. Such reports shall be subject to review and audit by the Authority, and Air Carrier's records with respect to such reports shall be retained for five (5) years after the creation thereof.

4. Passenger Records

Each Air Carrier shall maintain a daily record of the number of passengers departing by its aircraft from the Airport. Within thirty (30) days following the close of each calendar month, each Air Carrier shall submit to the Authority a report of passenger embarkation for the prior month. Such reports shall be subject to the Authority's review and audit,

and Air Carrier's records with respect to such reports shall be retained for at least five (5) years after the creation thereof.

5. International Arrivals Building and Ramp located at 7001 Pierson Drive

(a) International Processing Fee: Users shall pay a minimum service facility fee not to exceed \$400.00 per flight (as approved by the Executive Director/CEO), or not to exceed \$4.00 per person processed (as approved by the Executive Director/CEO), whichever is greater, for use of the inspection area and reboarding lounge in the International Arrivals Building.

(b) Inspection Area: When used separately to accommodate special events or functions, the user shall pay a fee not to exceed \$200.00 (as approved by the Executive Director/CEO).

(c) Reboarding Lounge: When used separately to accommodate deplaning or enplaning passengers or for special purpose or function, the user shall pay a fee not to exceed \$300.00 (as approved by the Executive Director/CEO).

(d) International Arrivals Ramp: A parking fee of \$200.00 per twenty-four (24) hour period (or fraction thereof)

shall be paid by aircraft operators who utilize the International Arrivals Ramp for overnight parking or extended aircraft parking.

6. International Arrivals at Airport Terminal Building

- (a) A ramp fee of \$200.00 for each turn flight.
- (b) A parking fee of \$200.00 per twenty-four (24) hour period (or fraction thereof) shall be paid by aircraft operators who utilize the International Arrivals Ramp for overnight parking or extended aircraft parking.

7. Aircraft Remote Parking Areas

Aircraft operators parking aircraft in the designated overflow apron areas shall pay \$200.00 per twenty-four (24) hour period (or fraction thereof).

8. Gate Use Fee

Air Carriers using aircraft gates and/or associated facilities for passenger handling and/or aircraft operations shall pay the following fees per flight:

(a) <u>Terminal Facilities</u>	<u>Up to 3 hours</u>	<u>More than 3 hours but less than 9 hours</u>
<u>NON-SIGNATORY AIR CARRIER</u>		
Hold Room & Loading Bridge	\$300.00	\$600.00
Aircraft Apron	\$100.00	\$200.00
Operations Space	\$ 65.00	\$130.00

	Ticket Counter and Public Address System	\$ 65.00	\$130.00
		<u>More than 9 hours but less than 18 hours</u>	<u>18 hours to 24 hours</u>
	Hold Room & Loading Bridge	\$1,300.00	\$2,800.00
	Aircraft Apron	\$ 200.00	\$ 200.00
	Operations Space	\$ 260.00	\$520.00
	Ticket Counter and Public Address System	\$ 260.00	\$520.00
(b)	<u>Terminal Facilities</u>	<u>Up to 3 hours</u>	<u>More than 3 but less than 9 hours</u>
	<u>SIGNATORY AIR CARRIER</u>		
	Hold Room & Loading Bridge	\$150.00	\$200.00
	Aircraft Apron	\$ 50.00	\$200.00
	Operations Space	\$ 65.00	\$130.00
	Ticket Counter and Public Address System	\$ 65.00	\$130.00
		<u>More than 9 hours but less than 18 hours</u>	<u>18 hours to 24 hours</u>
	Hold Room & Loading Bridge	\$ 600.00	\$1,400.00
	Aircraft Apron	\$ 200.00	\$200.00
	Operations Space	\$ 190.00	\$380.00
	Ticket Counter and Public Address System	\$ 190.00	\$380.00
9.	<u>Charges for Removal of Disabled Aircraft by Authority</u>		

If pilots, owners or agents of Air Carriers (the "Responsible Party" or "Responsible Parties") request that Authority employees remove disabled aircraft from runways, ramps, taxiways or other operational or other areas on the Airport, the cost of the use of the Authority's equipment (whether owned or leased) and Authority personnel shall be charged to the owner or Air Carrier. As a condition to providing this service, the Responsible Party shall fully release and discharge the Authority from any and all liability related to the removal of aircraft.

Section IV. With respect to ground transportation, concession and other fees at the Airport:

A. Taxicabs/Operating Agreement and Concession Fees

1. Taxicab owners or operators must have an operating agreement with the Authority and pay a fee not to exceed \$1,000.00 (as approved by the Executive Director/CEO), in advance, for each six (6) month period that their operating agreement is in force.
2. Taxicab owners or operators shall pay a concession fee not to exceed \$2.50 (as approved by the Executive Director/CEO), per loading operation of passengers at the Airport. Taxicab owners or operators may assess a

maximum pickup charge to Airport passengers of \$0.50 per loading operation at the Airport.

3. The minimum taxi fare for trips originating at the Airport shall be \$15.00.

B. Ground Transportation Agreement Fees

1. Fees. Any person, company or other entity operating a business, an integral part of which involves persons or baggage being regularly transported between the Airport and a motel, hotel, parking lot, or auto rental office situated off Airport property, in vehicles owned or operated by the person, company or other entity providing the service (or subcontractor thereof), shall pay the following fees and charges, and, at the discretion of the Executive Director/CEO, said fees and charges may be prorated to a convenient calendar date:

(a) Hotel and Motel Vehicles

(i) An annual registration fee not to exceed \$1,000.00 (as approved by the Executive Director/CEO), per vehicle.

(ii) A trip fee not to exceed \$2.50 (as approved by the Executive Director/CEO), per vehicle used for transportation of customers from the Airport.

(b) Off-Airport Car Parking Companies

A fee of ten percent (10%) of all sales and fees for the parking of automobiles, courtesy vehicle shuttle transportation, valet parking services, and automobile services, as follows:

- 1) washing and waxing
- 2) detailing or interior cleaning
- 3) oil, lube and filter
- 4) bulb repair or replacement

for its customers arriving, departing or using Airport.

(c) Off-Airport Auto Rental Companies

A fee of ten percent (10%) of all sales and fees for the rental of automobiles and services, as follows:

- 1) time and mileage
- 2) unused voucher revenue
- 3) CDW allocated inclusive
- 4) loss damage waiver
- 5) personal accident insurance
- 6) extended liability protection
- 7) personal effects coverage
- 8) protection plus
- 9) fuel service option
- 10) fuel recharge
- 11) intercity fees
- 12) coupons
- 13) baby seat revenue
- 14) navigational systems
- 15) additional driver
- 16) under age driver
- 17) ski racks
- 18) cellular phone commission
- 19) change of equipment
- 20) miscellaneous vehicle revenue
- 21) airport fees

for its customers arriving, departing or using Airport.

2. Audit. Any person, company or other entity, by acceptance and use of a Ground Transportation Agreement issued by the Authority, agrees that the Authority shall have the right to inspect and audit such person's, company's, or entity's books of account and other records pertaining to its business operations in connection with the Airport, which books of account and other records shall be retained by such person, company or entity for a period of not less than five (5) years.
3. Termination of Ground Transportation Agreement. The Executive Director/CEO may terminate a Ground Transportation Agreement for failure to allow an audit as provided in Section IV(B)(2) above, or for violation of any rule, regulation, or ordinance of the Authority or of any federal, state or local law or ordinance, upon the failure of the person, company or other entity to comply with or correct said violation, within seven (7) days after receipt of written notice from the Executive Director/CEO or his designee.

C. Scheduled Bus Service

Scheduled bus owners or operators shall pay a negotiated fee per month on inter-city routes.

D. Other Ground Transportation Providers

1. Ground Transportation Providers shall pay a trip fee for transportation from the Airport (as approved by the Executive Director/CEO), not to exceed the fees specified in the following table:

Vehicle Type	Per trip not to exceed fees
Limo-Sedan, including SUV (sport utility)	\$2.50
Van	\$5.00
Mini Bus	\$10.00
Charter Bus	\$50.00

2. Limousine owners and operators must have an operating agreement with the Authority and pay an annual fee (as approved by the Executive Director/CEO), not to exceed \$1,000.00.

E. Special Events

Any operator or owner who does not have an operating agreement with the Authority that is providing ground transportation for a special event or convention shall pay a fee, as approved by the Executive Director/CEO, not to exceed \$100.00 per vehicle per trip at the Airport.

F. Ground Transportation Booth Fees

A monthly fee, as approved by the Executive Director/CEO, not to exceed \$95.00 per square foot for use of booths in the Ground Transportation Center located adjacent to Airport's parking garage.

G. Automatic Vehicle Identification

Any operator or owner operating commercial motor vehicles at the Airport and subject to the fees of this Section IV shall, prior to operating at the Airport, equip such motor vehicles with Automatic Vehicle Identification Transponders (the "Transponder") provided by the Authority and pay a \$50.00 deposit therefor, which deposit shall be refunded upon the return of such Transponder in good condition. Any operator or owner of commercial motor vehicles required to be equipped with a Transponder shall be subject to a penalty of \$1,000.00 per day for each violation for failure to install on and operate a commercial motor vehicle with the Transponder provided by the Authority.

H. Conference and Meeting Rooms

The Executive Director/CEO shall have the authority to set fees for the use of the Airport's conference rooms.

I. General Concession & Service Fees

Any person, firm, partnership, corporation, limited liability company, or any other business entity providing services or concessions on the Airport shall be required to obtain a Use Permit

or other written agreement from the Authority and to pay the appropriate fees specified in said Use Permit or Agreement for the service or concession to be provided.

J. Public and Employee Parking

1. The Executive Director/CEO shall have the authority to set fees for the use of the Airport's parking garage and parking lots, in a daily amount to not exceed \$22.00.

2. The Executive Director/CEO shall have the discretion to develop and implement discounts, incentives, and other special programs for the Airport's parking garage or lots that may have the effect of reducing the daily rates set forth under Section IV(J)(1).

3. The Executive Director/CEO shall have the authority to set fines for violations of the Authority's parking policies, in an amount not to exceed \$250.00 per violation.

K. Customer Facility Charge

1. Each RAC shall pay a fee for each Customer Rental Transaction, and the Executive Director/CEO shall have the authority to set the fee in an amount not to exceed \$4.00 per rental car Contract Day, for a maximum of fourteen (14) Contract Days.

2. The Customer Facility Charge shall be shown as a separately itemized charge on each customer contract for such RAC and

described as "Customer Facility Charge" or "CFC", with a footnote approved by the Authority explaining the abbreviation.

3. Each RAC must hold the CFC revenues collected by it, in trust, in a fiduciary capacity for the Authority. All of the CFC revenues collected and held will be considered the Authority's property and will not be considered gross revenues of the RAC. Each RAC shall hold CFC revenue collections in a custodial capacity, in which the RAC has no interest other than that of custodian, and shall not hold or have either an ownership or equitable interest in said CFC revenues collected.

4. Each CFC shall be collected from all customers of the RAC, including customers receiving complimentary or discounted auto rentals from the RAC and without regard to whether that customer is using the Airport's facilities.

5. Each RAC shall maintain records and controls that are sufficient to demonstrate the accuracy of the CFC revenues collected and the amount of CFC revenue collections remitted. These accounting records must be made available for inspection and examination at all reasonable times by the Authority or its duly authorized representative(s). Should travel to an RAC's out-of-state offices be required in order to conduct such an examination or inspection, all reasonable costs incurred by the Authority or its duly

authorized representative(s), including, but not limited to, airfare, meals, lodging and local transportation, shall be paid by such RAC.

6. Each RAC shall provide to the Executive Director/CEO, no later than October 1st of each calendar year, a statement showing such RAC's projected Contract Days for the forthcoming year.

7. The Authority reserves the right to adjust the amount of the CFC, at such times as it deems necessary or appropriate, upon at least sixty (60) days prior written notice to each RAC.

8. No RAC shall be entitled to any rights of offset or other reduction in the requirements herein, and shall remit all CFC revenues collected to the Authority regardless of any amounts that may be owed or due to such RAC by the Authority.

9. It is understood and agreed that all CFC revenues required to be collected by an RAC may be pledged for, or dedicated to, the payment of airport bonds or other obligations pursuant to the applicable bond documents, and such other costs as agreed to by the Authority.

10. Each RAC shall remit the CFC revenues collected to the Authority at the address provided in the current RAC Agreement, and shall pay such revenues in U.S. dollars without exchange for foreign currency. Each RAC shall timely remit its CFC revenue collections to the Authority.

11. Within ninety (90) days after the end of each calendar year, RAC shall employ a certified public accountant (the "CPA"), who shall provide an unqualified written statement to the Authority stating whether, in the CPA's opinion, the CFC revenues collected by the RAC, and the number of Customer Rental Transactions and Contract Days during the preceding year pursuant to this Agreement, were remitted and provided to the Authority in accordance with the terms of this Ordinance. Such statement shall contain a list, by month, of the CFC revenues collected, the number of automobile rental days, and number of Contract Days as shown on the books and records of the RAC that were used to determine the payments made to the Authority during the period covered by the statement. An electronic copy of the annual CFC report shall be submitted to the Authority with the annual CFC statement. Each RAC shall make payment of any additional amount due as reflected in the CPA statement to the Authority at the time the CPA statement is provided to the Authority.

12. Each RAC shall furnish to the Authority, on or before the fifteenth (15th) day following each complete calendar month, a statement certified by such RAC and prepared in a manner satisfactory to the Authority, of the CFC revenues collected, and the number of Customer Rental Transactions and Contract Days that occurred during the previous calendar month. The CFC revenues

collected shall be remitted by the RAC to the Authority by the 15th day of each month for the preceding calendar month of operations during the year.

L. Electric Vehicle Charging

Any person or entity operating a business at the Airport which involves, in any respect, the electrical charging of vehicles for its customers, may be required to pay a fee of ten percent (10%) of all of its sales or charges therefor.

M. Insurance Certificates

The following fees may be charged by the Authority to persons and entities which have a contractual obligation to provide the Authority with an insurance certificate naming the Authority as an additional insured and/or certificate holder, and said person or entity fails to timely perform its obligation to keep said insurance certificate current or up-to-date with the Authority as required: \$100.00 fee for the first violation, which shall increase to \$250.00 for each and every additional violation in any subsequent years. Notwithstanding the foregoing, with respect to any violation during any year that is not fully remedied within thirty (30) days after written notice thereof from the Authority, said person or entity shall be subject to an additional fee of \$500.00 for each thirty (30) day period thereafter in which the violation continues.

N. Requested Document Preparation or Approval Fees

In connection with a request made by a person or entity for the Authority to prepare and/or approve documents that are beneficial to said person or entity (or to a transaction to which said person or entity is a party), but which are not initiated by the Authority and are in the nature of an "accommodation" to said person or entity (e.g., easements, consents to assignment of leases, consents to subleases, temporary rights-of-entry, etc.), then, in such event, said person or entity shall pay a fee to help defray the costs incurred by the Authority's staff in accommodating said request, which fee shall be determined based on the amount of work required of the Authority's staff pursuant to the following tiers:

Tier I – Requires less than 5 hours of work, \$750.00;

Tier II – Requires between 5-10 hours of work, \$1,500.00; or

Tier III – Requires more than 10 hours of work, \$2,250.00.

O. Airside Semi-Truck Access

Truck owners or operators shall pay an access fee not to exceed \$200.00 per loading operation (as approved by the Executive Director/CEO) which occurs airside on the public apron area at the Airport.

Section V. With respect to public safety fees:

A. Fingerprinting and Criminal Records Check

A fee of \$50.00 shall be paid by each person requesting issuance of an Airport identification badge that requires fingerprinting the person and conducting a criminal record background check of such person.

B. Alarm System False Alarm Fees

1. The following fees may be charged for more than one (1) false alarm in a calendar year:

(a) For a first false alarm in a calendar year, a written warning shall be issued from the Airport Police Department or Airport Fire Department.

(b) For a second false alarm received in the same calendar year subsequent to the issuance of the written warning, a fee of \$25.00 will be charged.

(c) For a third or fourth false alarm received in the same calendar year subsequent to the issuance of the written warning, a fee of \$75.00 will be charged.

C. Badge Replacement Fees

The following fees may be charged for the replacement of badges issued by the Airport's Badging Office:

1. For damaged badges -- \$10.00
2. For lost or misplaced badges -- \$75.00

3. For changes to existing badge (e.g., name change) by the badgeholder or his/her employer -- \$10.00

Section VI. With respect to copying fees:

- A. As permitted under Indiana Code §5-14-3-8, the Authority may charge \$0.10 per page for photocopies.
- B. As permitted under Indiana Code §9-29-11-1, the Airport Police Department may collect a fee of \$5.00 per report for copies of motor vehicle accident reports. The fees collected for motor vehicle accident reports shall be deposited into a training fund for police officers.

Section VII. With respect to telecommunications, internet, networking, and related IT services:

The following fees may be charged for the services indicated below performed by the Authority's Information Technology Department at the request of any tenant or licensee of Authority:

A. TELECOMMUNICATIONS	Tenant Rate
Digital handset with dial tone	\$25/mo. per phone
Analog circuit for fax lines	\$25/mo. per line
Data jack/cabling (new service activations only)	\$250 (per jack; 1x fee)
Long distance service	\$.05/minute
Directory Assistance and collect calls will be charged back to tenant	At cost

B. INTERNET CONNECTIVITY & BANDWIDTH	Tenant Rate
Data jack/cabling (new service activations only)	\$250 (per jack; 1x fee)
Network configuration for wired/wireless	\$95 (per port; 1x fee)
Internet access setup	
Wired/wireless Internet connectivity:	

1.5 Mbs bandwidth	\$50/month
3 Mbs bandwidth	\$100/month
5 Mbs bandwidth	\$167/month
5+ Mbs bandwidth	Call for quote
Router/Firewall (NAT Addressable)	\$10/month

C. NETWORKING	Tenant Rate
Virtual Local Area Network (VLAN); up to five static IP addresses	\$95 per VLAN (1x fee)
Switched port access; patching/adding VLAN port(s)	\$7/month (per port)
Equipment cabinet in tenant communication room	\$10/month (per unit)
Additional inter-building fiber pairs (between buildings)	\$500/pair (per month) \$300/ea. add'l. pair (per month)
Additional intra-building fiber pairs to link terminal, concourse, Ground Transportation Center (GTC), or Garage Communication Room (GCR)	\$65/pair per month
Additional Cat 6 cables beyond base terminal build-out (cables from Comm. Room to tenant space)	\$19.95/cable per month
Additional Cat 3 cables beyond base terminal build-out (cables from Comm. Room to tenant space)	\$19.95/cable per month
Coax cable for cable TV	\$19.95/month per port

D. MISCELLANEOUS	Tenant Rate
Configure, move, add or change hardware/software	\$75/hour (1 hour minimum)
IT project consultation, management, design coordination	\$100/hour (1 hour minimum)

E. VIDEO CONFERENCING	Tenant Rate
Standard videoconferencing setup fee	\$95 per scheduled meeting
Standard videoconferencing (minimum of 2 sites, 1 hour)	\$45/site/hour
Additional videoconferencing options (added to standard rates and fees)	
-Encrypted data stream	\$30/site/hour
-Emergency meeting fee (startup w/i one hr	\$35/site

of reservation)	
-Linked-line dial in (includes toll-free number in N. America	\$20/participant/hour
-Cancellation fee (applies with less than 24-hr notice)	25% of scheduled charges
-International connectivity	Call for quote

Section VIII.

Nothing contained herein shall prevent or restrict the Authority from entering into a use agreement with any airline company that provides for a credit or assessment in the event that actual income or expenses fall short of projected levels.

Section IX.

As a condition precedent to the right of any aircraft operator to use the Airport, it shall comply with all the reporting and payment requirements hereinabove set forth. Any such aircraft operator failing to comply with said requirements shall be barred from the use of any of the Authority's airport facilities.

Section X.

For all payments due to the Authority pursuant to the provisions of this Ordinance, other agreements with Authority, or any funds payable to the Authority, there shall be added interest computed at the rate of 1½% per month from the due date of such payment, same to be assessed whenever any payment shall become thirty (30) days overdue and provided that the aggregate monthly interest for such overdue account exceeds Ten Dollars (\$10.00).

Section XI.

The rates, fees, and charges herein established are subject to review and modification by the Authority from time to time, to properly reflect the costs of the construction, operation, maintenance and expansion of the Authority's airport facilities.

Section XII.

The provisions of this Ordinance shall be severable, and, if any of the provisions hereof shall be held to be unconstitutional, invalid or illegal by a court of competent jurisdiction, such decision shall not affect the validity of any of the remaining provisions of this Ordinance.

Section XIII.

Any ordinances or parts thereof, of the Authority that is inconsistent with the terms of this General Ordinance, are hereby superseded.

Section XIV.

This General Ordinance shall be in full force and effect as of January 1, 2012.

ENACTED on this _____ day of _____, 2011.

INDIANAPOLIS AIRPORT AUTHORITY*

By _____
Michael B. Stayton, President

By _____
Alfred R. Bennett, Secretary

*Signed under authority of IAA Board Resolution #10-2009.

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

I, Alfred R. Bennett, the duly elected and qualified Secretary of the Indianapolis Airport Authority, Indianapolis, Indiana, do hereby certify that the foregoing is a full, true, and complete copy of an Ordinance adopted by the Indianapolis Airport Authority's Board at a regular/special meeting of said Board held at its offices at the Indianapolis International Airport on December ____, 2011, and that said Ordinance has not been amended, rescinded or revoked.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE INDIANAPOLIS AIRPORT AUTHORITY on this _____ day of _____, 2011.

Alfred R. Bennett, Secretary



Board Memo – Resolution

To: IAA Board of Directors
From: Marsha Stone, Chief Financial Officer
Date: December 2, 2011
Board Date: December 16, 2011
Subject: 2011 Budget Appropriation Transfer – Resolution No. 11-2011

Scope

The Indianapolis Airport Authority has an approved 2011 budget appropriation for the Airport System Fund of \$190,980,706. This resolution is required by Indiana Code section 6-1.1-18-6. This statute requires the Board to officially authorize a transfer between the major budget line item classifications included in the Authority's annual budget ordinance if a particular classification is expected to exceed the budgeted amount.

A reclassification of \$600,000 to the Supplies & Materials budget line is required for an increase in fuel cost, higher snow/ice chemical due to severe winter weather in the first quarter, and various vehicle repair parts (primarily for shuttle buses). A reclassification of \$375,000 to the Other Services and Charges budget line is required for professional fees associated with coverage of open positions in Information Technology, and various strategic initiatives related to Communications and Marketing and Human Resources. An additional \$475,000 will be allocated to the Capital Outlay budget line for tenant improvements and various replacement vehicles in order to maintain safe and reliable vehicles. Transfers increasing the aforementioned budget classifications are being made from the Personal Services budget line.

The Authority is not required to seek approval for this transfer from either the City-County Council or the Department of Local Government Finance, as this transfer does not result in expenditures in total greater than the budget appropriation amount originally published and approved, and has no tax levy impact.

The Airport Authority has cash balances available to cover all approved Airport System Fund expenditures within the 2011 appropriation level. There are no business risks, revenue and/or additional operating cost implications with the transfer of funds between budget line items. Supplier Diversity Participation is not applicable to this request.

Recommendation

Consider for approval the transfer of amounts between budget line item classifications from the 2011 appropriations of the Indianapolis Airport Authority System Fund, as outlined in Appendix A, Resolution 11-2011.

INDIANAPOLIS AIRPORT AUTHORITY

RESOLUTION NO. 11-2011

A Resolution to transfer by budget classification, certain amounts from the appropriations of the Indianapolis Airport Authority, Marion County, Indiana, Airport System Fund for the calendar year of 2011.

Section I - That for the calendar year of 2011, budgeted expenditure amounts from the appropriations of the Indianapolis Airport Authority may be transferred by the Board of the Indianapolis Airport Authority, under Indiana Code section 6-1.1-18-6, from one major budget classification to another, at any regular meeting without prior notice and without approval from the Department of Local Government Finance, provided such transfer does not necessitate expenditure of more money than was set out in detail in the published budget.

Section II - That for the calendar year of 2011, hereby transfer the following sums of money from the budget classifications of the Airport System Fund of said Indianapolis Airport Authority as follows:

	2011 Published Budget Ordinance No. 1-2010 <i>(IAA Board approved 8/20/10)</i>	2011 Budget <u>Resolution No. 11-2011</u>
Personal Services	\$ 30,041,841	\$ 28,591,841
Supplies & Materials	4,537,365	5,137,365
Other Services and Charges	165,135,500	165,510,500
Capital Outlay	<u>266,000</u>	<u>741,000</u>
Total Airport System Fund	\$199,980,706	\$199,980,706

Within the underlying detail of the Airport System Fund, it is anticipated that certain disbursements for the budget classifications for Supplies & Materials, Other Services and Charges and Capital Outlay will exceed the amount projected in Resolution 1-2010. It is also anticipated that the existing appropriation for Personal Services has un-obligated balance that will not be expended. It is further resolved that a transfer be made from the Personal Services classification to the Supplies & Materials, Other Services and Charges and Capital Outlay classifications as noted above.

This Resolution shall be in full force and effect upon its adoption.

Adopted by the Board on December 16, 2011.

INDIANAPOLIS AIRPORT AUTHORITY*

By _____
Michael B. Stayton, President

By _____
Alfred R. Bennett, Secretary

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

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 Resolution 11-2011, that said Resolution was passed by the Board of the Indianapolis Airport Authority on the 16th day of December, 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 16th
day of December, 2011

Jeremiah Wise
Treasurer
Indianapolis Airport Authority



Board Memo Delegation of Authority to Adopt and Make Official

To: IAA Board of Directors

From: Marsha Stone, Chief Financial Officer

Date: December 2, 2011

Board Date: December 16, 2011

Subject: Delegation of Authority for Treasurer to Adopt and Make Official Intentions

Background

As part of the Authority's general process to issue municipal bonds, the Authority must adopt resolutions to make an official intent to reimburse capital expenditures with municipal bond proceeds. During the construction of the Midfield project, these resolutions were adopted concurrently with other required documents as part of the authority's ongoing debt issuance program.

Current Status

With the conclusion of the Midfield project, the Authority does not issue municipal bonds on a regular schedule. However, it is still prudent to identify projects that may be bond financed in the future as part of a standard general airport revenue bond issuance or as part of a special program, such as the State Revolving Fund or Midwest Disaster Tax Relief Act. Projects must be identified within certain timeframes, per IRS guidelines, to be eligible for reimbursement. This resolution would allow the Treasurer of the Authority to identify capital projects for potential future reimbursement with bond proceeds with a reduced risk of those capital expenditures being ineligible because of time-limiting factors. Any future bond issuance would need to be approved by the Authority Board.

Recommendation

The Authority staff recommends the Board take action to adopt Resolution 12-2011, delegating authority to the IAA Treasurer to Adopt and Make Official Intentions.

The Authority's staff has reviewed this item with the Finance and Audit Committee.

RESOLUTION NO. 12-2011
OF THE
INDIANAPOLIS AIRPORT AUTHORITY
AUTHORIZING TREASURER TO
ADOPT AND MAKE OFFICIAL INTENTS

Recitals

WHEREAS, the Indianapolis Airport Authority (the "Authority") is a regular issuer of tax-exempt bonds, both bonds payable from its own revenues ("Bonds") and bonds payable by certain lessees ("Lessees") of airport facilities ("SF Bonds"); and

WHEREAS, the Authority desires to assure that the Authority or the Lessees will be reimbursed from proceeds of Bonds or SF Bonds, as applicable, for any and all expenditures for capital improvements and related costs and expenses incurred for the financed facilities prior to the date of the Bonds or the SF Bonds, as applicable, are issued, without regard to the timing of Authority board meetings;

WHEREAS, Section 1.150-2(e) of the United States Treasury Regulations (the "Treasury Regulations") permits the Authority to delegate to an authorized person the power to make an official intent on behalf of the Authority regarding the issuance of the Bonds or SF Bonds; and

WHEREAS, the Authority has determined that delegation of authority to its Treasurer (the "Treasurer") to adopt and make official intents as required for reimbursements under the Treasury Regulations is convenient and will create efficiencies; and

NOW, THEREFORE, THE INDIANAPOLIS AIRPORT AUTHORITY RESOLVES THAT:

Section 1. The foregoing recitals are incorporated herein by reference.

Section 2. In accordance with Indiana Code §8-22-3 and Treasury Regulation Section 1.150-2, the Authority's Board authorizes and directs the Treasurer of the Authority to adopt and make, by and on behalf of the Authority, official intents for reimbursements of any and all such prior original expenditures described in the recitals above.

Section 3. In adopting and making such official intents, the Treasurer shall comply with Treasury Regulation Section 1.150-2, and may rely on the advice of bond counsel with respect thereto.

Section 4. This Resolution shall be in full force and effect immediately upon its adoption by the Authority.

Duly adopted by a vote of the Indianapolis Airport Authority on this _____ day of December, 2011.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Michael B. Stayton, President

Attest: _____
Alfred R. Bennett, Secretary

*Signed under authority of IAA Board Resolution #10-2009.

STATE OF INDIANA)

COUNTY OF MARION) SS:

I, Alfred R. Bennett, the duly elected and qualified Secretary of the Indianapolis Airport Authority, Indianapolis, Indiana, do hereby certify that the foregoing is a full, true, and complete copy of Resolution No. 12-2011, adopted by the Indianapolis Airport Authority's Board at a regular meeting of said Board held at its offices at the Indianapolis International Airport on December 16, 2011, and that said Resolution has not been amended, rescinded or revoked.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE INDIANAPOLIS AIRPORT AUTHORITY on this _____ day of December, 2011.

(SEAL)

Alfred R. Bennett, Secretary

IAA Board Meeting
Consent Calendar Agenda
December 16, 2011

Consider for approval:

A) General Business

BP2011-12-1 The Land and Building Lease Agreement with JLA IND, LLC d/b/a Jet Linx Aviation.

BP2011-12-2 The 2012 Strategic Initiatives

BP2011-12-3 The 2012-2017 IAA Strategic Plan

B) Capital

BP2011-12-4 The issuance of a purchase order to Best Equipment Co., Inc. for High Speed Runway Sweeper Truck Purchase, Project # I-11-002, in a not-to-exceed amount of \$204,222. Best Equipment Co., Inc. was the lowest responsive and responsible bidder. MBE 0% and WBE 0%

BP2011-12-5 A Change Order with Fitzgerald and Fitzgerald Company, Inc. for Project #I-150, Water Main Improvements, in an amount not-to-exceed \$50,775.

C) Real Estate

BP2011-12-6 The purchase of Stephen E. Duckworth's property, as shown on the attached schedule



Board Memo – Lease Agreement

To: IAA Board of Directors

From: Marsha Stone, Chief Financial Officer

Date: November 21, 2011

Board Date: December 16, 2011

Subject: Land and Building Lease Agreement with JLA IND, LLC d/b/a Jet Linx Aviation (Jet Linx)

Background

Jet Linx operates a private aircraft charter company which operates light, midsize and heavy luxury jets which are available for charter to the general public. Jet Linx, has operated at IND since 1982. The leasehold consists of two (2) hangars, Hangar 28 which was built in the early 1980's and Hangar 28A which was built in the mid 1990's. Hangar 28 reverted to the Authority in 1996 and Hangar 28A reverted to the Authority in 2011.

The current lease expired by its own terms in April 2011 and has been operating on a month-to-month basis while the Authority and Jet Linx continued to negotiate a new lease.

Jet Linx has agreed to a new six (6) year term, retroactive to May 1, 2011 and terminating April 30, 2017. As is the case with previous land lease reversions, the Authority works with the particular tenant on necessary improvements to the reverted facility that will be accomplished by the tenant over the new lease term. Jet Linx has agreed to invest \$250,000 into both hangar facilities over a four (4) year period. Improvements will consist of: replacement of a portion of the roof, siding, HVAC and lighting within Hangar 28 and other miscellaneous improvements to both facilities. In recognition of Jet Linx's investment, the Authority will provide rental credits at \$.50 cents on the dollar of those improvements over the initial term, totaling \$125,000 or \$20,833.33 per year.

Scope

To execute a new Land and Building Lease Agreement with Jet Linx. The lease is effective retroactive to May 1, 2011 and terminates on April 30, 2017. Jet Linx will have one (1) additional option term of four (4) years.

Schedule

December 16, 2011: Approval of Land and Building Lease Agreement with JLA IND, LLC d/b/a Jet Linx Aviation.

Revenue and/or Operating Cost – Capital Cost Implications

Revenue:

Annual gross revenue will increase from \$114,843.78 to \$162,581 effective with the new term.

During the option term, the leased premises will be reappraised and Authority Staff will negotiate a new annual rental structure.

Operating Costs:

Jet Linx is responsible for all operating costs associated with this lease.

Supplier Diversity Participation

Not applicable.

Recommendation

The IAA Staff recommends the Board consider for approval the Land and Building Lease Agreement with JLA IND, LLC d/b/a Jet Linx Aviation.



Board Memo Adoption of 2012 Strategic Initiatives

To: IAA Board of Directors
From: Al Stanley, IAA Chief Information Officer
Date: December 6, 2011
Board Date: December 16, 2011
Subject: Approval of IAA's 2012 strategic initiatives

Background

During the IAA Board retreat in October, IAA staff presented its recommended five-year strategic plan as well as its 2012 strategic initiatives for discussion. The 2012 strategic initiatives, a collaborative effort by IAA staff and IAA Board are included in board packet and are being recommended to the board for adoption.

The 2012 strategic initiatives focus on four primary key drivers:

1. Air Trade Development
2. Operational Excellence
3. Customer Service
4. People Development

Each of the above areas contains an overarching strategy with defined initiatives and short-term (12 to 24 months) objectives.

Recommendation

IAA Management recommends approval of the 2012 Strategic Initiatives which is attached hereto.

2012 STRATEGIC INITIATIVES: APPROVAL DOCUMENT

Submitted to IAA Board for approval: December 16, 2011

1. AIR TRADE DEVELOPMENT

- a. Given the prolonged national economic challenges and ongoing airline industry consolidation, IAA will endeavor to maintain current passenger and cargo levels by:
 - i. Ranking in top half against regional airports (Cincinnati, Louisville, Chicago-Midway, Columbus, St. Louis, Dayton, and Chicago O'Hare) for the following Air Service performance measures:
 - 1. % growth in O&D (Origination & Destination) passengers vs. previous year;
 - 2. % growth in new domestic flights vs. previous year;
 - 3. % growth in scheduled domestic capacity vs. previous year; and
 - 4. % growth in passenger catchment capture (reduce leakage) vs. previous year.
 - ii. Increasing % of Indiana air exports using IND by 1% vs. previous year.

2. OPERATIONAL EXCELLENCE

- a. AIRLINE RATES
 - i. Decrease total airline cost per enplaned passenger below targets established in AUA.
- b. REVENUE DIVERSIFICATION
 - i. Exceed 2012 non-airline revenue budget and budgeted amount/growth in non-passenger sensitive revenues.
- c. LAND USE
 - i. Select a developer for Gateway Zone and develop business plan out to 2017;
 - ii. Execute the Logistics Center of Excellence business plan (developed December 2011), including budget and staffing;
 - iii. Define future use of USPS facility by 12/31/2012; and
 - iv. Complete a guide for all Financing vehicles available to spur growth (capital sources, abatement opportunities, grant sources, etc) by 12/31/2012.
- d. DEBT SERVICE
 - i. Reduce 2012 total debt service costs by 2% below currently scheduled debt service.

3. CUSTOMER SERVICE

- a. Positive reaction to IND's overall impact on Super Bowl as measured by results on Indiana University Purdue University Indianapolis (IUPUI) post Super Bowl survey;
- b. Achieve global recognition by being in top 5% ranking among our panel airports in the Airport Service Quality (ASQ) Survey; and
- c. Achieve ASQ targets for cleanliness and overall customer service by airport staff.

4. PEOPLE DEVELOPMENT

- a. Deploy an “Employee Engagement Survey” and demonstrate improvement over baseline Survey results;
- b. Implement 2012 elements of IAA’s comprehensive health and wellness program;
- c. Develop partnerships with local educational institutions as part of the continued development of the IAA University concept; and
- d. Develop outreach and monitoring programs to sustain and grow diversity initiatives and results from a recruitment and talent management perspective.

APPENDIX 1 – 2012 STRATEGIC INITIATIVES

2012 ANNUAL ALL EMPLOYEE BONUS OPPORTUNITY – THRESHOLD MEASURES FOR BONUS ACHIEVEMENT

- Achieve an Operating Margin of \$70,900,000; and
- Achieve aggregate ASQ customer service scores that are higher than 2011 scores.



Board Memo Adoption of 2012-17 Strategic Plan

To: IAA Board of Directors

From: Al Stanley, IAA Chief Information Officer

Date: December 6, 2011

Board Date: December 16, 2011

Subject: Approval of IAA's five-year strategic plan as presented at October 2011 board retreat

Background

During the IAA Board retreat in October, IAA staff presented its recommended five-year strategic plan for discussion. The strategic plan, included in the board packet, is a collective staff and IAA Board effort developed to provide a strategic way-forward for 2012-2017. It is being recommended that the board take formal action in adopting the strategic plan.

The plan contains guiding principles based on defined values, vision, mission, and culture. It focuses on four primary key drivers:

1. Air Trade Development
2. Operational Excellence
3. Customer Service
4. People Development

Each of the above areas contains an overarching strategy with defined initiatives and short-term (12 to 24 months) and long-term (three to five years) objectives.

Staff will present their recommendations for specific organizational goals and objectives, with defined outcomes, in each of the four key areas annually to the HR Committee for approval, which is in accordance with that committee's charter.

Recommendation

IAA Management recommends approval of the 2012-2017 IAA strategic plan which is attached hereto.

STRATEGIC PLAN:

2012–17 BUSINESS AGENDA

*Meeting new challenges & achieving new synergies
to become the Airport System of Choice*



FROM THE CEO

As the Indianapolis Airport Authority (IAA) continues to advance its five-year strategic plan, it is clear that both the progress we have made under it and our ability to proactively adapt it amid the challenges of an ever evolving industry are critical to our continued success.

In the three years since the landmark Midfield Terminal opened, the Indianapolis International Airport (IND) and the IAA staff have garnered a succession of prestigious awards that reflect the vision, mission, and values outlined in our strategic plan; from the IAA's commitment to sustainability inherent in the Midfield Terminal's LEED certification to our 12th consecutive year of zero discrepancies with the FAA's annual safety inspection. We add to that our recognition for excellence in customer service by being named number one in North America and number three in the world by Airports Council International and our recognition by JD Power as a Customer Service Champion, our second from JD Power. Additionally, IAA received the Certificate of Excellence in Financial Reporting: 27 consecutive years for its Comprehensive Annual Financial Report (CAFR).

While on some fronts we remain in transition, we continue shifting our decades-long priority of developing a new terminal complex to forging new partnerships to strengthen IND's role as the economic development engine of an entire region even as the aviation industry continues to face a myriad of economic challenges.

Just as a regional effort was required to ensure our entire community was prepared to successfully host the Super Bowl, a regional effort is required to ensure the benefits IND offers Central Indiana reach their full potential. To that end, the IAA has identified the IND Aerotropolis as the strategy for aviation and non-aviation land use and future development, and is working closely and proactively with its surrounding communities to implement.

Meanwhile, IND's airline partners enjoy the benefits of an unprecedented Airline Use Agreement (AUA) that creates a favorable lease structure which will actually lower their costs at IND over its five-year term. Offering competitive, predictable rates to airlines is also a key component of our strategic plan and supports continued growth of airline competition at IND, which enables residents of Central Indiana to enjoy some of the lowest fares in the country, another manifestation of the regional economic benefit created by the airport.

Next year, we will mark the IAA's 50th anniversary. We will continue to work closely with the IAA Board of Directors to ensure our guiding principles and strategies are clearly defined and tailored for success over the next 50 years. I thank you for joining us on our journey of becoming the airport system of choice for our airlines, our passengers, and the residents of the Indianapolis region.

John D. Clark, III
Executive director / CEO
Indianapolis Airport Authority



ASSESSMENT

The Indianapolis Airport Authority operates and manages a six-facility commercial passenger, air cargo, and general aviation airport system.

- Indianapolis International Airport (IND) | Located in Marion County; served nearly 8 million commercial business and leisure travelers in 2010; one of the largest air cargo facilities in North America; state and regional center for commercial and general aviation aircraft maintenance, repair, and overhaul
- Indianapolis Regional Airport (MQJ) | Located in Hancock County; home of one of the Midwest’s largest annual air shows; serves business and general aviation users
- Hendricks County Airport (2R2) | Located in Hendricks County; the newest facility in IAA’s system; serves business and recreational general aviation users
- Metropolitan Airport (UMP) | Located in Hamilton County; serves business, recreational, and other general aviation users
- Eagle Creek Airpark (EYE) | Located in Marion County; serves business and recreational general aviation users
- Downtown Heliport (8A4) | Located in the heart of downtown Indianapolis; helipad with instrument approach; hangars for local law enforcement, news media, corporate, and business helicopters

Collectively, the system creates a substantial annual economic impact by fostering new businesses, jobs, consumer spending, and generating city and state tax revenues. IND was ranked in 2010 by Airport Councils International–North America (ACI-NA) as 52nd in the nation for commercial passenger traffic and 8th in the nation for air cargo.

Airport	Direct and indirect impact of facility expenditures	Induced impact of airport expenditures	Transportation cost savings	Total economic impact of facility
1. IND	\$2,045,784,992	\$807,946,730	\$482,745,678	\$3,336,477,400
2. MQJ	\$13,770,469	\$4,253,104	\$1,978,679	\$20,002,252
3. UMP	\$10,315,011	\$4,591,848	\$856,697	\$15,763,556
4. EYE	\$10,294,124	\$3,918,111	\$636,281	\$14,848,516
5. 8A4	\$6,559,455	\$6,094,221	\$40,725	\$12,694,401
6. 2R2	\$3,481,254	\$1,005,566	\$370,584	\$4,857,404

Source: Aviation Association of Indiana, 2007 data.



GUIDING PRINCIPLES

The IAA Strategic Plan sets forth the IAA’s Guiding Principles, critical strategies, and key drivers/results needed to achieve our primary business goal of growing domestic and international passenger, and cargo air trade service; these are shown in the graph below.

Core Values:
RESPECT INTEGRITY TRUST EXCELLENCE

Vision:
IAA’s vision for the future is to:

- Achieve national and international recognition by being excellent in all areas of customer service, operational, and financial performance
- Maximize utilization and continued development of airport assets to grow aviation and non-aviation business
- Create a diverse, forward-thinking, and innovative organization with the culture, workforce structure and skill sets needed to achieve its mission

Mission:
Sustain and enhance a safe, customer-friendly, and competitive aviation-based transportation system that supports and improves quality of life and economic development in Central Indiana and the surrounding region.

Key Drivers:





GOALS AND INITIATIVES

IAA will drive its vision forward by focusing on air trade development, achieving operational excellence, delighting customers, and elevating IAA as a premier employer of choice in Central Indiana.

GOALS

INITIATIVES

AIR TRADE DEVELOPMENT

- Diversify and expand Air Trade operations from both cargo and passenger airlines
- 2013-2017 Strategic Measures**
 - Provide 40 non-stop destinations vs. current 34 (returning to 'pre-2008 recession' levels of air service)
 - Rank #1 in average position of all benchmark air service performance measures over 2012-2017 period (Midwest Airport of Choice)
 - Benchmark Airports are (Louisville, Cincinnati, Dayton, Columbus, St. Louis, Chicago Midway, Chicago O'Hare)
 - Benchmark Measures:
 1. % growth in O&D (Origin & Destination) passengers vs. previous year;
 2. % growth in new domestic flights vs. previous year;
 3. % growth in scheduled domestic capacity vs. previous year; and
 4. % growth in passenger catchment capture (reduce leakage) vs. previous year.
 - Provide scheduled air cargo flights to 3 strategic international regions (Europe, Asia & Latin America)
 - Increase % of Indiana air exports using IND by 5% over 2012.



OPERATIONAL EXCELLENCE

- Deliver competitive airline rates and reduce Airline cost per enplanement
- Further develop and diversify non-aeronautical revenue
- Implement IND Aerotropolis Land Use Plan
- Restructure debt service to align debt amortization with strategic goals and drive down costs at IND

2013-2017 Strategic Measures

- **AIRLINE RATES**
 - Achieve cost per enplanement target below median level of regional competitive set (Cincinnati, Louisville, Chicago-Midway, Columbus, St. Louis, Dayton, and Chicago O'Hare).
- **REVENUE DIVERSIFICATION**
 - 2015 AUA non-airline vs airline revenue anticipates non-airline revenue being 69% of total. By 2017 this amount should be 70% given a new AUA.
- **LAND USE**
 - Achieve \$4M incremental revenue from new land leases (above 2012 levels)
 - Achieve measurable targets identified through the IND AeroVision (Aerotropolis) Committee.
- **DEBT SERVICE**
 - Reduce total annual gross debt service costs to \$80 million and move toward the industry median in debt service expenses per enplaned passenger.

CUSTOMER SERVICE

- Obtain ASQ world ranking based on annual survey
- Develop and implement initiatives that achieve business partners alignment with IAA's excellence in customer service philosophy.

2013-2017 Strategic Measures

- Achieve global recognition by being in top 5% ranking among our panel airports in the Airport Service Quality (ASQ) Survey.
- Excellence in customer service is integrated throughout the entire airport system by introducing (and gaining agreement) on improvement related key indicators with 100% of IAA business partners.



PEOPLE DEVELOPMENT

- Become an “Employer of Choice” in Central Indiana.
- Development of a high-performance culture capable of driving world-class business results for IAA.
- Employee engagement, loyalty and commitment to the values, ideals and business goals of IAA.

2013-2017 Strategic Measures

- Achieve recognition as an “Employer of Choice.”
- Achieve 2% improvement in the top four EEO categories (and overall) in categories in which we are not reflective of the Central Indiana Standard Metropolitan Statistical Area (SMSA) or equivalent.
- Determine and implement strategy / site to house maximum number of IAA employees in one location. This will promote enhanced teamwork across the IAA, continued culture development, and enhanced communication.
- Achieve a healthier workforce, lower (relative) overall healthcare costs, reduction in worker’s compensation claims / experience, etc.



The executive team is committed to working with IAA's Board of Directors to execute its 5-year plan with Respect, Integrity, Trust and Excellence.



Board Memo – Bid Award

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: November 10, 2011

Board Date: December 16, 2011

Subject: Award of Bid to Best Equipment Co., Inc. for High Speed Runway Sweeper Truck Purchase, Project # I-11-002

Background

This sweeper truck is a replacement of a fifteen year old (1996) high speed runway vacuum sweeper truck that has exceeded its useful life of 8-10 years. This equipment is used to remain in compliance with Federal Aviation Administration (FAA) Part 139 regulations for removal of glycol, sand, and foreign object debris (FOD).

The Invitation to Bid was issued August 11, 2011 with bids received September 7, 2011. Two (2) bids were received, one for \$188,743 and the other for \$207,600. Neither bid fully met the specifications.

The lowest bidder was Best Equipment Co., Inc. in the amount of \$188,743.00 for a standard manufactured unit. To fully meet the specifications; thus, providing the same functionality of the unit being replaced, \$15,479.00 of options included with the bid submitted have been added to the Best Equipment Co. Inc. base bid, bringing their bid to a total of \$202,822. The Best Equipment Co. Inc. bid, with added options, is still less than the other bid received and within budget. Therefore, the lowest responsive and responsible bidder is Best Equipment Co., Inc.

Scope

This project is for the replacement of a 1996 high speed runway sweeper truck.

Budget

The project was budgeted for \$274,540 as a 2011 purchase and is funded by 100% Airport Cash funds.

The Hurdle Rate Policy was not applied to this project because it involves the replacement of essential safety equipment that has no additional utility.

Schedule

Upon notice to proceed, the delivery time of the completed vehicle is expected within 180 days of order.

Supplier Diversity Participation

The Director of Supplier Diversity has determined that due to the nature of scope of work, there will be no M/WBE participation on this contract. MBE 0% and WBE 0%

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval the issuance of a purchase order to Best Equipment Co., Inc. for High Speed Runway Sweeper Truck Purchase, Project # I-11-002, in a not-to-exceed amount of \$204,222. Best Equipment Co., Inc. was the lowest responsive and responsible bidder. MBE 0% and WBE 0%



Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: November 17, 2011

Board Date: December 16, 2011

Subject: Final and Balancing Change Order for Project # I-150, Water Main Improvements (Double Check Valves), with Fitzgerald and Fitzgerald Company, Inc.

Background

To comply with state and federal drinking water regulations, the Indianapolis Airport Authority (IAA) was required to install two (2) double check valves (backflow prevention devices) at the water meter point of delivery between the water main lines owned by the IAA and the water main lines to be owned by Citizens Water. This project is required in order to complete the transfer of ownership of certain water main lines constructed during the Midfield project to Citizens Water, formerly the Indianapolis Department of Waterworks.

On April 15, 2011, the Board approved a contract for Midfield Project #I-150, Water Main Improvements (Double-Check Valves) with the lowest responsive and responsible bidder, Fitzgerald and Fitzgerald Company, Inc. IAA has worked with the Indianapolis Department of Waterworks since completion of the Midfield project to resolve all outstanding items relating to eventual transfer of ownership of certain water mains to Citizens Water. This project is the key construction item that is outstanding and its completion will facilitate completion of the transfer process. IAA scheduled this work as soon as approval was obtained from the Department of Waterworks on the location and specific devices to be installed.

Change Order Summary

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

This Final and Balancing Change Order revises the contract by adding \$50,775 to include five items that are attributable to Unforeseen Circumstances as summarized in Attachment 1.

The major change (\$32,385 of \$50,775) relates to 69 feet of additional piping required in order to make the proper connection because the original as-built drawings relied upon did not accurately depict the location for connection of the double-check valves. On virtually any large scale, multi-year construction project inconsistencies in as-builts can arise unless there is a large scale and expensive process administered to manage data. It is especially challenging when the completed infrastructure is underground. In this case, the water lines were installed in an early utilities package and two years later the final grades were established when the public parking lots were built.

In addition, several delays were encountered in obtaining Veolia Water (on behalf of Department of Waterworks) or Citizens' verification, approval or information as needed on complications involving provision of water services that arose during construction. IAA will work with Citizens, the new owner of water services in the City of Indianapolis, to avoid such delays on any projects in the future by ensuring mutual timely communications. Attachment 1 provides additional information on each item included in this change order.

<u>Revised Construction Contract Amount</u>	
Original Construction Contract Amount	\$264,340
Previous Change Order 1 and 2 Amount	\$ 22,456 (8.50% of Contract)
Current Change Order #3	<u>\$ 50,775</u> (19.21% of Contract)
New Construction Contract Total	\$337,571
 <u>Project Budget</u>	
Design & Soft Costs	\$ 56,178
Construction Contract Amount	<u>\$337,571</u>
Estimated Total Project Cost	\$393,749

The revised contract with the Change Order included is within the approved Midfield project cash flow and budget.

Schedule

There is no change in the schedule for completion of contract work.

Supplier Diversity Participation

If the change order is approved by the Board, the XBE participation on this project will be affected in the following way:

FIRM	CLASSIFICATION	ORIGINAL AMOUNT	ORIGINAL %	AFTER CO AMOUNT	AFTER CO %
Distribution One, LLC	MBE	\$54,000	20.43%	\$54,000	16.06%
CMG Trucking, Inc.	WBE	\$13,500	5.11%	\$13,500	4.01%
Totals	MBE	\$54,000	20.43%	\$54,000	16.04%
	WBE	\$13,500	5.11%	\$13,500	4.01%

This information was approved by the Director of Supplier Diversity.

Recommendation

The IAA staff has reviewed the Final & Balancing Change Order and recommends that the Board consider for approval a Change Order with Fitzgerald and Fitzgerald Company, Inc. for Project #I-150, Water Main Improvements, in an amount not-to-exceed \$50,775.

ATTACHMENT 1
FINAL AND BALANCING CHANGE ORDER – PROJECT #1-150

1. Additional Pipe to Avoid Valve and Sanitary Line	
69' additional 12" pipe at bid unit price	\$ 31,947.00
11' unused pipe from 20' sections and disposal (accounted separately to avoid installation costs in unit price)	\$ 438.48
2. Payment for Extra Force Account Work	
Equipment rental and dewatering while awaiting confirmation from Veolia on dual water service to terminal	\$ 5,997.25
3. Additional Temporary Water	
16,000 gallons additional temporary water for taxicab facility while awaiting delayed Citizens' lab results required to restart water service	\$ 9,186.00
4. Cap Pipe while Leaking	
A faulty Citizen's valve required the contractor to utilize additional equipment and labor to cap a 20" line while water was flowing	\$ 1,629.55
5. Surety Payment for Extra Force Account Work	
Per specifications, payment for additional surety costs of change order work	<u>\$ 1,576.39</u>
Total	\$ 50,774.67



Board Memo Property Acquisition

To: IAA Board of Directors
From: Joseph R. Heerens, IAA Chief Legal Officer
Date: November 27, 2011
Board Date: December 16, 2011
Subject: Property Acquisition – Stephen E. Duckworth

Background

The Indianapolis Airport Authority (“IAA”) has had an active land acquisition program since 1973. Between 1973 and 1987, the land program acquired the majority of the land which comprises the current Airport layout and footprint. In 1987, the IAA began its land acquisition program in support of its Part 150 Noise Compatibility Plan (NCP). Phase I of this program ran from 1987-1992, Phase II ran from 1992-1997, and Phase III was initiated in 1998 and also includes holdout property owners that are remaining from Phases I and II. In 1997, an additional program was added to acquire single family residences located within the IAA’s Indiana Bat and Wetland Mitigation Area, and in 1999, land acquisition began for the future third parallel runway.

Scope

The residential property being acquired from Stephen E. Duckworth, as shown on the attached schedule, is included within the IAA’s land acquisition Phase II Program. The Purchase Agreement under consideration is based on an appraised value of One Hundred Seventy Thousand Dollars (\$170,000).

Schedule

December 16, 2011: Approval of the Purchase Agreement with Stephen E. Duckworth. The closing will occur as soon as practicable thereafter.

Funding

This acquisition is currently funded from the 2011 Capital Improvement Fund. The property will be eligible for federal grant reimbursement as an element of the IAA’s Noise Compatibility Plan.

Recommendation

The IAA Staff recommends the purchase of Stephen E. Duckworth’s property, as shown on the attached schedule.

DELEGATED AUTHORITY SCHEDULE

MONTH/YEAR	OTHER PARTY	TYPE OF DOCUMENT	TERM (YEARS)	REVENUE	INITIALS	COMMENTS
November 2011	CSX	Encroachment Agreement	As provided in the Agreement	n/a	M. Stone	This is required for installation of fiber optic cable necessary for the staff relocation from the program office to the ATA campus building
Nov-11	Envirotech Construction Corporation	Building Lease Agreement	5 years	\$140,885.00	M. Stone	Envirotech will lease Unit "A" of Building #239 for office and warehouse support space to support their cold storage container construction business
Nov-11	Harvest Land Coop	Lease Agreement	5 years	\$13,900.00	M. Stone	Indianapolis Regional Airport for an agricultural ammonia supply depot
Nov-11	Global Parking Systems of Indiana, Inc.	Shared Tenant Services Agreement	1 year	n/a	M. Stone	Total set up for this service is \$170.00. The monthly rates and charges is \$85.00
Nov-11	Relay and IND, LLC d/b/a USA Today	Amendment No. 5 to Concession Agreement	Same as provided in original Agreement	n/a	M. Stone	MAC is \$20,000.00 payable in 6 monthly installments of \$3,333.33
Nov-11	Relay and IND, LLC d/b/a Relay	Amendment No. 5 to Concession Agreement	Unchanged from original Agreement	n/a	M. Stone	MAC is \$45,000.00 payable in 6 monthly installments of \$7,500.00
Nov-11	Miracle Ride Foundation ll, d/b/a Indianapolis Air Show	Lease Agreement	3 years	\$40,014.00	M. Stone	This is for Agriculture Production
Nov-11	Analytics8, LLC	Mutual Non-Disclosure Agreement	5 years	n/a	M. Stone	
Nov-11	Brian Rutledge	Lease Agreement	3 years	\$1,950.00	M. Stone	
Nov-11	Duke Energy Indiana, Inc.	Right of Entry	n/a	n/a	M. Stone	Duke is in the process of replacing utility poles and it has been determined necessary to clear and trim overhanging branches from trees
Nov-11	Travel Leaders	Contract Renewal #2	1 year	n/a	M. Stone	This is for our travel agency that assists us with travel planning.
Nov-11	Purdue University	Memorandum of Understanding	2 years	n/a	J. Clark	This is for the electric charging stations
Nov-11	State Department of Transportation	Grant Agreement	1 year	n/a	J. Clark	This is for the use of temporary air traffic control towers for 2012 superbowl. The state will reimburse IAA \$66,000.00
Nov-11	CTL Engineering, Inc.	Contract for Construction	1 month	n/a	J. Clark	This is for construction materials testing and inspection services for southeast apron rehab, eagle creek airport in the amount of \$10,625.00
Nov-11	Nature's Way	Contract Renewal #2	3 years	n/a	J. Clark	This is for the plant maintenance at International

DELEGATED AUTHORITY SCHEDULE

Nov-11	Federal Aviation Administration	Non-Federal Reimbursable Agreement	5 years	n/a	J. Clark	This is for the FAA to provide temporary air traffic control towers during the 2012 superbowl
Nov-11	New Cingular Wireless PCS, LLC (AT&T)	Amendment No. 1 to Airport Use and Occupancy Permit	Unchanged from original Agreement	\$60,000.00 annually	J. Clark	This is for an indoor DAS at International. The DAS provides the basic infrastructure for wireless service providers such as User to provide wireless voice and data services to wireless voice and data customers located within the terminal building
Nov-11	Sprint	Mutual Non-Disclosure Agreement	1 month	n/a	J. Clark	Sprint desires to enter into a temporary permit with IAA for use of the distributed antenna system for the super bowl time period
Nov-11	ITT Corporation	Software License Agreement	3.5 years	n/a	J. Clark	This agreement provides IAA with software license for its airscente version R6 packageso that up to five IAA staff members may utilize the software. Maintenance of the software is also included in the total price
Nov-11	USO of Indiana, Inc.	Shared Tenant Services Agreement	1 year	n/a	J. Clark	The USO is a non profit organization that delivers its programs and services to the members of the U.S. armed forces
Nov-11	A+M Management Systems, LLC	Airport Use Permit	5 years	\$90,000.00	J. Clark	GSRX provides vehicle maintenance and repair services for various airlines ground equipment at the Airport
Nov-11	United Air Lines, Inc.	Shared Tenant Services Agreement	2 years	\$17,820.00	J. Clark	This is for United Air Lines and IAA to share the IT equipment
Nov-11	RPM Company	Contract for Services	1 year	n/a	J. Clark	This contract is for our snow removal services
Nov-11	Earth Exploration	Contract for Construction	1 month	n/a	J. Clark	This is for the belly cargo GSE maintenance building project. Total cost is \$8,075.00
Nov-11	Span Systems, Inc.	Contract Amendment	Unchanged from original Agreement	n/a	J. Clark	This is for the garage atrium canopy replacement.
Nov-11	F&G Engineers	Contract for Construction	1 month	n/a	J. Clark	This is for the hangar rehabilitation phase 3 (elevator) at the heliport
Nov-11	Arelco, Inc.	Settlement Agreement and Release	n/a	\$40,000.00	J. Clark	This is to resolve the dispute between the IAA and Arelco regarding the audit and monies owed. Arelco is to pay the IAA by December 15, 2011
Nov-11	Old World Industries, LLC	Quantity Purchase Agreement	1 year	n/a	J. Clark	This is for the decaying chemicals:fluid-for the runways and taxiways

DELEGATED AUTHORITY SCHEDULE

Nov-11	A2504 Architecture	Contract for Services	9 months	n/a	J. Clark	This contract is to extend the time to complete the construction administration for Building 2 associated with the final change order
Nov-11	IAA	Write-Off Approval	n/a	n/a	J. Clark	Write off approval for \$50,115.66 owed by Indianapolis Diversified Machine; deemed uncollectible
Nov-11	IAA	Write-Off Approval	n/a	n/a	J. Clark	Write off approval for \$33,859.77 owed by Verified Identity Pass; deemed uncollectible
Nov-11	Security/Point Media, LLC	Agreement for Services	5 years	15% of gross media fees	J. Clark	This is for Bin Advertising within Security Checkpoints
Nov-11	International Business Resources	Contract for Professional Services	6 months	n/a	J. Clark	This is for the development potential of Aerotropolis business partnerships in Latin America in the amount of \$24,000.00
Nov-11	Artur Silva	Contract for Display	7 months	n/a	J. Clark	This gives Artur Silva the right to display Indiana/American themed art work up at the terminal
Nov-11	SuperBowl Host Committee	Suite Contract	during superbowl	n/a	J. Clark	Cost of \$58,600.00 to be recovered by the IAA from sales of tickets
Nov-11	Consulting Management Inspection	Amendment #3	3 years	n/a	M. Stone	This is for Engineering and Energy Consulting Services. This is a time only contract extension
Nov-11	General Service Administration	Supplemental Lease Agreement	10 years	\$211,305.60	M. Stone	This is just adjusting the rent rate. We are still operating under the same terms and conditions
Nov-11	NFL	Airport Use Agreement	1 weekend	\$10,000.00	M. Stone	This is for the NFL to shuttle respective workers from the parking lots to Lucas Oil Stadium