



Agenda
Indianapolis Airport Authority
December 19, 2014
8:30 AM

I. **Call to Order**

II. **Approval of Minutes of the Pre-Board and Regular Meeting of November 21, 2014**

III. **Ordinances, Resolutions and Public Hearings**

- a) Final Public Hearing on **General Ordinance No. 7-2014**, outlining the 2015 Rates and Charges for Use of IAA (Airport) Facilities and Services.
- b) Consider, for approval, the adoption of **General Ordinance No. 7-2014**, outlining the 2015 Rates and Charges for Use of IAA (Airport) Facilities and Services.
- c) Final Public Hearing on **General Ordinance No. 8-2014**, amending General Ordinance No. 6-2014 which authorized the issuance and sale of one or more series of revenue bonds designated as 'Indianapolis Airport Authority Refunding Airport Revenue Bonds, Series 2014'.
- d) Consider, for approval, the adoption of **General Ordinance No. 8-2014**, amending General Ordinance 6-2014 which authorized the sale and issuance of one or more series of revenue bonds designated as 'Indianapolis Airport Authority Refunding Airport Revenue Bonds, Series 2014'.
- e) Consider, for approval, **Resolution No. 13-2014**, concerning Budget Appropriation Transfer.
- f) Consider, for approval, **Resolution No. 14-2014**, concerning a certain Lease Agreement with AAR Aircraft Services, Inc.
- g) Consider, for approval, **Resolution No. 15-2014**, concerning a certain Supply Building Lease Agreement with AAR Aircraft Services, Inc.
- h) Consider, for approval, **Resolution No. 16-2014**, concerning the IAA's ACDBE Program.

IV. **Board Reports**

President's Report

V. **Official Actions**

Consider, for approval, the individual items listed on the IAA General Agenda, dated December 19, 2014.

VI. **Staff Reports**

Executive Director Report

VII. **Other Reports/Update**

VIII. **Board Communications**

Next Meeting: Friday, January 16, 2015 @ 8:30 a.m.

IX. **Adjourn**

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 8:32 a.m., November 21, 2014, in the Airport's Board Room at the Indianapolis International Airport.

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

Michael W. Wells, President
Kelly J. Flynn, Vice President
Alfred Bennett, Secretary
Jean Wojtowicz, Member
Jack T. Morton, Jr., Member
Karen Caswelch, Member
Dr. Philip C. Borst, Member
Brett Voorhies, Member
Steve C. Dillinger, Member

Rex M. Joseph, Jr., IAA Board Counsel

IAA executive staff attending:

Mario Rodriguez, Executive Director
Robert A. Duncan, Deputy Executive Director
Mike Medvescek, Sr. Director of Operations
Marsha Stone, Sr. Director of Commercial Enterprise
Joseph Heerens, General Counsel
Shannetta Griffin, Sr. Director of Planning & Development
Robert Thomson, Sr. Director of Finance
Jamie Leap, Sr. Executive Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Mr. Flynn, seconded by Ms. Wojtowicz and unanimously passed, approval was given to the Minutes of both the Pre-Board and Regular Meetings of October 17, 2014.

BOARD REPORTS

President's Report

President Wells congratulated the IAA's Management on the recent addition of several new non-stop flights (as it relates to Air Service) and the progress that's being made in this regard.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED NOVEMBER 21, 2014: President Wells introduced and then verbally described each of the individual items listed on the General Agenda, after which he asked for separate motions of approval, as follows:

BP2014-11-1. Upon a motion by Ms. Caswelch, seconded by Mr. Dillinger and unanimously passed, approval was given to BP2014-11-1.

BP2014-11-2. Upon a motion by Mr. Flynn, seconded by Mr. Morton and unanimously passed, approval was given to BP2014-11-2.

BP2014-11-3. Upon a motion by Mr. Bennett, seconded by Dr. Borst and unanimously passed, approval was given to BP2014-11-3.

BP2014-11-4. Upon a motion by Ms. Wojtowicz, seconded by Ms. Caswelch and unanimously passed, approval was given to BP2014-11-4.

STAFF REPORTS

Executive Director Report

Mr. Rodriguez provided a brief report regarding a recent project involving McClelland Elementary School, where a group of art students painted a snow plow blade that will be used by the IAA Operations Team during the 2014-2015 snow season. This project received positive media coverage not only locally, but also around the country.

Mr. Rodriguez next announced that the IAA's Art Program was recently recognized by the Indy Chamber for a temporary display of artwork (in the Airport Terminal) called "Happiness". This artwork received a merit award at the Indy Chamber Monumental Awards ceremony in November 2014.

Lastly, Mr. Rodriguez announced the 3rd Quarter RITE award winners, including: (1) Lindy Parrish, of Terminal Services, for the core value of "Integrity"; (2) Denise Davis, of Guest Services, for the core value of "Trust"; (3) Nic Farnsworth, of the Information Technology Department, for the core value of "Excellence"; (4) Agostos Nyemah, of Terminal Services, for "Customer Service Excellence Award"; (5) Anthony Pennington & Tyler Frankel, of the IAA Police, for the "Unsung Hero Award"; and (6) Dave Latham, of the Parking Department, for "Leadership Excellence".

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

President Wells introduced General Ordinance No. 7-2014, outlining the 2015 Rates and Charges.

President Wells next introduced General Ordinance No. 8-2014, amending General Ordinance No. 6-2014 which authorized the issuance and sale of one or more series of revenue bonds designated as "Indianapolis Airport Authority Refunding Airport Revenue Bonds, Series 2014".

President Wells next described Resolution No. 12-2014, concerning the IAA Land Use Initiative, after which Mr. Rodriguez provided a presentation on said Land Use Initiative and announced that the IAA is proposing to divest (sell) and lease a significant portion of its land holdings, while preserving essential land for future airport/terminal expansion and other core functions. It is anticipated that this initiative will generate significant new revenues for the IAA, as well as new tax revenues for the benefit of surrounding communities. President Wells then opened the public hearing and asked if anyone would like to offer comments on this initiative. The following individuals made public comments: Mr. Robert Lutz (Indianapolis City-County Councillor), Mr. Adam Collins (Indianapolis Deputy Mayor of Economic Development), Mr. Vop Osili (Indianapolis City-County Councillor), Mr. Matt Whetstone (Hendricks County Commissioner), and Mr. Tim Currens (President, IND AeroVision Committee); and all of these individuals were supportive, made positive comments and spoke in favor of the initiative. President Wells then called for a motion. Upon a motion by Mr. Flynn, seconded by Mr. Bennett and unanimously passed, approval was given to Resolution No. 12-2014.

ADJOURNMENT

President Wells announced that the next IAA Board meeting is scheduled for December 19, 2014. There being no further business, the meeting was adjourned at 8:48 a.m.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Michael W. Wells, President

DATED: _____

By: _____
Alfred R. Bennett, Secretary

* Signed under authority of IAA Board Resolution #6-2013



BOARD MEMO – 2015 RATES AND CHARGES

To: IAA Board of Directors
From: Joseph R. Heerens, General Counsel
Date: December 2, 2014
Board Date: December 19, 2014
Subject: 2015 Rates & Charges Ordinance

Scope

The Board annually adopts an ordinance in order to implement a schedule of rates and charges for the use of Airport facilities. This proposed Ordinance (2015) was introduced last month at the meeting of the Board of the Indianapolis Airport Authority on November 21, 2014. The Ordinance sets forth rates/charges (both current and those proposed to be changed) that will go into effect on January 1, 2015.

The following represents a brief summary of changes that have been made since the IAA Board adopted the current “rates and charges ordinance” last year; and the proposed changes are shown by red-lining in the marked-up copy of the 2015 Rates & Charges Ordinance which is included with this Board Memo:

1. Section III:
 - a. Updates the landing fee per 1,000 pounds of Certified Gross Landing Weight, as per the appropriate calculation (increased from \$2.82 up to \$2.88).
 - b. Updates the annual space rental charge(s) per square foot (for Signatory Airlines, such rental has been increased from \$91.68 up to \$95.11, and for Non-Signatory Airlines, such rental has been increased from \$137.52 up to \$142.67). With respect to Aircraft Apron, rental has been lowered from \$0.34 down to \$0.27 for Signatory Airlines, and lowered from \$0.51 down to \$0.41 for Non-Signatory Airlines.
 - c. Updates the “per enplaned passenger fee” paid by non-signatory airlines having less than 2% of the total enplaned passengers at the Airport, from \$7.02 up to \$7.23.
2. Section IV:
 - a. Updates the “per trip” fee to be paid by hotel and motel vehicles at the rate of \$0.75 per trip to/from the Airport.

- b. Establishes that the “per trip” fee to be paid by off-Airport parking operators will remain at \$7.50 per trip to/from the Airport (was originally set at \$8.50 per trip last year, but was subsequently reduced to \$7.50 by the Executive Director as permitted by the language in the current ordinance).
 - c. Updates the language in the “audit” section of the ordinance to reflect and be consistent with other changes made elsewhere in the ordinance.
 - d. Makes minor changes to several of the “per trip” fees of the other ground transportation providers.
3. Section V:
- a. Expands the section on airport badges to also include a fee for badges that are not returned as required by policy.
4. Section VI:
- a. As allowed by Indiana law, this section establishes certain fees that may be charged by a local governmental entity (such as the IAA) in connection with responding to public records requests, such as photocopying costs (\$0.10 per page), certification of documents (\$5.00 each), and direct costs of searching databases or record systems.

Schedule

November 21, 2014	Introduction of General Ordinance No. 7-2014
December 19, 2014	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 2015 approved Operating and Capital Budgets of the IAA.

GENERAL ORDINANCE NO. 7-2014

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 and services;

WHEREAS, the Authority desires to enact reasonable rates and charges for the use of its airport facilities and services, commencing as of January 1, 2015;

WHEREAS, the Authority considered a number of factors in determining reasonable rates and charges relative to landing fees, space rentals, and other uses of the Airport's facilities and services, including, but not limited to, 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 or 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 or 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 or 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

The person appointed by the Authority as the Executive Director, or the Executive Director’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 person or entity, 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 No. 7-2014.

W. RAC

The term "RAC" shall mean any auto rental entity 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.

Z. Test Flight

The term "Test Flight" shall mean the flight of an aircraft occurring at the Airport, wherein the primary purpose of the flight is to test some aspect of the aircraft's operational capability rather than to transport people, cargo, mail or property to some destination.

AA. Ramp

The term "Ramp" shall mean the apron areas at the Airport.

BB. Effective Date

The term "Effective Date" shall mean January 1, 2015, as more particularly described in Section XIV hereof.

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 \$0.08 per gallon of fuel delivered into the fuel tanks of such aircraft.

B. Military Aircraft shall pay a fuel flowage fee of \$0.08 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.

D. All t-hangar tenants who request and obtain a relocation to another t-hangar unit prior to the end of their current t-hangar lease, shall pay an administrative service fee of \$250 to Authority in connection therewith.

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 \$0.08 per gallon of fuel delivered into the fuel tanks of such aircraft.
2. Military Aircraft shall pay a fuel flowage fee of \$0.08 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 ~~\$2.82~~ \$2.88 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 ~~\$2.82~~ \$2.88 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 \$0.08 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	\$91.68 <u>\$95.11</u>	\$137.52 <u>\$142.67</u>
B. Office or Club Room	\$91.68 <u>\$95.11</u>	\$137.52 <u>\$142.67</u>
C. Hold Rooms	\$91.68 <u>\$95.11</u>	\$137.52 <u>\$142.67</u>
D. Operations Space	\$91.68 <u>\$95.11</u>	\$137.52 <u>\$142.67</u>
E. Baggage Make-up/Bag Claim	\$91.68 <u>\$95.11</u>	\$137.52 <u>\$142.67</u>
F. Ticket Counter	\$91.68 <u>\$95.11</u>	\$137.52 <u>\$142.67</u>
G. Aircraft Apron	\$0.34 <u>\$0.27</u>	\$0.51 <u>\$0.41</u>

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

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 ~~\$7.02~~ \$7.23.

3. Landing Fees

There are hereby established and levied landing fees upon each Non-Signatory Air Carrier using the Airport, a landing fee of ~~\$2.82~~ \$2.88 per 1,000 pounds of Certificated Gross Landing Weight of each aircraft for each landing. Signatory Air Carriers shall pay a landing fee of ~~\$1.88~~ \$1.92 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, on or before the fifteenth (15th) day of each month, an accurate verified report of landed weight, as prescribed by the Executive Director, 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. Notwithstanding the foregoing, if a flight operated by an Air Carrier returns to the Airport within thirty (30) minutes after departure due to a medical emergency or mechanical problem, said Air Carrier will not be obligated to pay landing fees for its return to the Airport. Aircraft operators will not be obligated to pay landing fees for any Test Flight occurring at the Airport.

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: All Air Carriers shall pay a minimum service facility fee not to exceed \$200.00 per flight (as approved by the Executive Director), or not to exceed \$2.00 per person processed (as approved by the Executive Director), 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).

(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).

(d) International Arrivals Ramp: A parking fee of \$300.00 per twenty-four (24) hour period (or fraction thereof) shall be paid by Air Carriers who utilize the

International Arrivals Ramp for aircraft parking. A parking fee of \$50.00 per twenty-four (24) hour period (or fraction thereof) shall be paid by General Aviation Aircraft operators of "Group I" and "Group II" aircraft who utilize the International Arrivals Ramp for aircraft parking.

6. International Arrivals at Airport Terminal Building

(a) A parking fee of \$300.00 per twenty-four (24) hour period (or fraction thereof) shall be paid by aircraft operators who utilize the International Arrivals Ramp for aircraft parking.

(b) All Certificated Air Carriers shall pay a service facility fee of \$200.00 per flight (as approved by the Executive Director) for use of the "Federal Inspection Station", Hold Room & Loading Bridge at the Airport Terminal Building.

7. Aircraft Remote Parking Areas

Any user parking aircraft in apron areas that are maintained by Authority shall pay a fee of \$300.00 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:

	<u>Up to 3 hours</u>	<u>More than 3 hours but less than 9 hours</u>
(a) <u>Terminal Facilities</u>		
<u>NON-SIGNATORY AIR CARRIER</u>		
Hold Room & Loading Bridge	\$200.00	\$300.00
Aircraft Apron	\$300.00	\$400.00
Operations Space	\$130.00	\$260.00
Ticket Counter and Public Address System	\$130.00	\$260.00
	<u>More than 9 hours but less than 18 hours</u>	<u>18 hours to 24 hours</u>
Hold Room & Loading Bridge	\$1,200.00	\$2,800.00
Aircraft Apron	\$ 400.00	\$ 400.00
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	\$250.00
Aircraft Apron	\$ 100.00	\$300.00
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	\$ 300.00	\$ 300.00
Operations Space	\$ 190.00	\$ 380.00
Ticket Counter and Public Address System	\$ 190.00	\$ 380.00

9. Charges for Removal of Disabled Aircraft by Authority

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/Permit, and Fees

1. Taxicab owners or operators must have an Operating Agreement/Permit with the Authority, and pay a fee not to exceed \$500.00 (as approved by the Executive Director), in advance, for each six (6) month period that their Operating Agreement/Permit is in force. Notwithstanding the foregoing, the approved fee, as of the Effective Date, shall be \$500.00 for each six (6) month period.
2. Taxicab owners or operators shall pay a fee not to exceed \$2.50 (as approved by the Executive Director), per loading operation of passengers at the Airport. Notwithstanding the foregoing, the approved fee, as of the Effective Date, shall be \$1.00 per trip. 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/Permit, and Fees

1. Fees. Any person or 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 the Airport's property, in vehicles owned or operated by the person or entity providing the service (or any contractor and/or

subcontractor thereof), shall sign the Authority's Ground Transportation Agreement/Permit and pay the following fees and charges (and, at the discretion of the Executive Director, 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), per vehicle. Notwithstanding the foregoing, there shall be no annual registration fee for the period from and after January 1, ~~2014~~ 2015.

(ii) This Section IV(B)(1)(a)(ii) applies to hotels and motels which do not engage in, permit or allow, for fee or other remuneration, off-Airport car parking of vehicles owned or operated by Non-Guests (as hereinafter defined). A fee not to exceed \$2.50 (as approved by the Executive Director) for each trip by a hotel/motel vehicle to or from the Airport. Notwithstanding the foregoing, the approved fee, commencing as of the Effective Date, shall be ~~\$1.00~~ \$0.75 per trip to or from the Airport. The term "Non-Guests" means a person who requires transport to the Airport but who does not pay for a room and spend

at least one (1) night sleeping at the hotel or motel where the person's car is parked immediately before being transported to the Airport in a hotel/motel vehicle.

(iii) This Section IV(B)(1)(a)(iii) applies to hotels and motels which engage in, permit or allow, for fee or other remuneration, off-Airport car parking of vehicles owned or operated by Non-Guests. A fee not to exceed \$10.00 (as approved by the Executive Director) for each trip by a hotel/motel vehicle to or from the Airport. Notwithstanding the foregoing, the approved fee, commencing as of the Effective Date, shall be ~~\$8.50~~ \$7.50 per trip to or from the Airport.

(b) Persons or Entities Engaged in Off-Airport Car Parking

(i) A fee of ten percent (10%) of all sales and fees for the parking of automobiles and other vehicles, courtesy vehicle shuttle transportation, valet parking services, and automobile services, including, but not limited to, the following:

- 1) washing and waxing
- 2) detailing or interior cleaning
- 3) oil, lube and filter
- 4) bulb repair or replacement
- 5) parking fees or charges
- 6) other miscellaneous vehicle revenue

for its customers arriving, departing or using Airport (the "Parking Gross Revenue Fee"). Notwithstanding the foregoing, there will be no Parking Gross Revenue Fee for the period from and after the Effective Date, except, however, for any person or entity engaged in both off-Airport auto rental and off-Airport car parking (for fee or other remuneration) where such car parking accounts for less than thirty percent (30%) of the aggregate of all of the sales and fees (of such person or entity) which are described in Sections IV(B)(1)(b)(i) and IV(B)(1)(c) (hereinafter referred to as a "Hybrid Auto Rental Operator"). With respect to any such Hybrid Auto Rental Operator, the foregoing Parking Gross Revenue Fee shall continue for the period from and after the Effective Date.

(ii) From and after the Effective Date, there shall be a fee not to exceed \$10.00 (as approved by the Executive Director) for each trip to or from the Airport. Notwithstanding the foregoing, the approved fee, commencing as of the Effective Date, shall be ~~\$8.50~~ \$7.50 per trip to or from the Airport. This fee does not apply to any Hybrid Auto Rental Operator.

(c) Persons or Entities Engaged in Off-Airport Auto Rental

A fee of ten percent (10%) of all sales and fees for the rental of automobiles and services, including, but not limited to, the following:

- 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) other miscellaneous vehicle revenue
- 21) rental fees or charges & airport fees

for its customers arriving, departing or using Airport.

~~(d) — Entities Engaged in Multiple Activities~~

~~(i) — For entities operating hotel or motel vehicles and also engaging in off-Airport car parking, they shall: (i) pay the fees described in both Section IV(B)(1)(a) and Section IV(B)(1)(b) above; and (ii) maintain accurate books of account and other records of its business operations involving the Airport,~~

~~including keeping separate records of any and all off-Airport car parking sales and fees under Section IV(B)(1)(b).~~

~~(ii) — Section IV(B)(1)(d) shall be void with respect to the period from and after the Effective Date.~~

2. Audit. Any person or entity engaged in off-Airport auto rental (including, but not limited to, any Hybrid Auto Rental Operator), by acceptance and use of a Ground Transportation Agreement/Permit issued by the Authority, agrees that the Authority shall have the right to inspect and audit such person's or entity's books of account and other records pertaining to its business operations in connection with the Airport, ~~for the period prior to the Effective Date,~~ which books of account and other records shall be retained by such person or entity for a period of not less than five (5) years. ~~Notwithstanding the foregoing, the Authority shall continue to have the right to inspect and audit, for the period from and after the Effective Date, the books of account and other records of any person or entity engaged in off-Airport auto rental (including, but not limited to, any Hybrid Auto Rental Operator) pertaining to its business operations in connection with the Airport.~~

3. Termination of Ground Transportation Agreement/Permit.

The Executive Director may terminate a Ground Transportation Agreement/Permit 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 or entity to comply with or correct said failure or violation within seven (7) days after receipt of written notice from the Executive Director or his/her 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 fee (as approved by the Executive Director) for each trip to or from the Airport, not to exceed the fees specified in the following table:

Vehicle Type	Per trip not-to-exceed fees
Limo-Sedan, including SUV (sport utility), <u>and private vehicles for hire (e.g., Lyft/Uber-x)</u>	\$2.50 <u>\$3.00</u>
Van*	\$5.00 <u>\$7.50</u>
Mini Bus**	\$10.00
Charter Bus	\$50.00

Notwithstanding the foregoing, ~~the fees that have been in effect for the period prior to the Effective Date are: \$1.95 for Limo-Sedan, including SUV (sport utility); \$2.20 for Van; \$2.40 for Mini Bus; and \$10.50 for Charter Bus. However,~~ commencing on as of the Effective Date, the approved fees for each trip to or from the Airport shall be: \$2.50 for Limo-Sedan, including SUV (sport utility) and private vehicles for hire (e.g., Lyft/Uber-x); \$5.00 for Van; \$8.50 for Mini Bus; and \$15.00 for Charter Bus.

*The term "Van" means a vehicle with a maximum occupancy of 14 passengers and which does not require a commercial driver's license for operation.

**The term "Mini Bus" means a vehicle with an occupancy greater than 14 passengers and which requires a commercial driver's license for operation.

2. Limousine owners and operators must have an Operating Agreement/Permit with the Authority and pay an annual fee (as approved by the Executive Director) not to exceed \$1,000.00. Notwithstanding the foregoing, any and all Ground Transportation Providers described in Section IV(D)(1), from and after the Effective Date, must have signed Authority's Operating Agreement/Permit, but, there shall be no annual fee for the period from and after January 1, ~~2014~~ 2015.

E. Special Events

Any operator or owner who does not have an Operating Agreement/Permit with the Authority that is providing ground

transportation for a special event or convention shall pay a fee, as approved by the Executive Director, not to exceed \$100.00 per vehicle per trip at the Airport.

F. Ground Transportation Booth and Fees

A monthly fee, as approved by the Executive Director, 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 System

From and after the Effective Date, any operator or owner operating a motor vehicle(s) at the Airport and subject to any of the trip fees of this Section IV (excluding private vehicles for hire such as Lyft/Uber-x), shall, at all times, equip such motor vehicle(s) with, and properly maintain therein, an Automatic Vehicle Identification Transponder (the "Transponder") provided by the Authority and pay a fee not to exceed \$50.00 (as approved by the Executive Director) for the purchase of each Transponder. Any such operator or owner of a motor vehicle(s) who fails to timely equip its motor vehicle(s) with the required Transponder(s) shall be subject to a penalty of \$1,000.00 per day, per vehicle, until such violation is corrected. No owner or operator of such a motor vehicle(s) shall, at any time, tamper with, or intentionally alter, modify, change or damage, the Transponder(s) in any way.

H. Conference and Meeting Rooms

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

I. General Concession & Service Fees

Any person or entity providing services or concessions at the Airport shall be required to obtain and sign a Use Permit or other written agreement from the Authority, and to pay the appropriate fees (as approved by the Executive Director) specified in said Use Permit or Agreement for the service or concession to be provided.

J. Public and Employee Parking

1. The Executive Director shall have the authority to set fees for the use of the Airport's parking garage and parking lots, in a daily amount not to exceed \$22.00; however, for the designated hourly area on the third floor of the parking garage, the daily amount will not exceed \$48.00.

2. The Executive Director 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 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 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, 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 or~~ such other costs as ~~agreed to~~ specified 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 General 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 in the parking garage attached to the Airport Terminal Building, 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) which occurs airside on the public apron area at the Airport; provided, however, the foregoing shall not apply if said truck owners or operators are providing services for a Signatory Air Carrier during this loading operation.

P. Film Crews

In connection with a request made by a person or entity for access or permission to film, videotape, or otherwise capture images at the Airport (the "Film Crew"), in the event said request is granted, the Authority may charge an access fee to the Film Crew to help defray the costs incurred by the Authority's staff in accommodating said request. The access fee shall be determined based on the total number of Authority staff accompanying the Film Crew while at the Airport (one Authority staff person for each six members of the Film Crew) and the total hours incurred by Authority staff in connection therewith; and the rate for each member of Authority's staff shall not be less than \$100.00 per hour. The foregoing provision and access fee shall not apply to the news media or reporters.

Q. Motor Vehicles in GTC

The Executive Director, including his/her designee, shall have the right to establish and enforce rules and restrictions pertaining to the amount of time that vehicles may park or "dwell" along the

main road through the Ground Transportation Center (“GTC”) for pick-up or drop-off purposes.

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 or non-returned 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~~ certain fees and costs in connection with providing photocopies (\$0.10 per page for non-color copies and \$0.25 per page for color copies); certification of documents (\$5.00 per document); enhanced access; and duplicates of computer tapes, computer discs, microfilm, or similar or analogous record systems (the "direct cost" thereof, as defined in Indiana Code § 5-14-3 et. seq.).
- 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 by Authority to any tenant or other user of the "Computerized Maintenance Management System" (CMMS) Infor EAM (replacement for the MP2 and Maximo

systems): One-time fee of \$2,250 per license, and \$775.00 annual maintenance fee.

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

A. TELECOMMUNICATIONS	<i>Tenant Rate</i>
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	<i>Tenant Rate</i>
Data jack/cabling (new service activations only)	\$250 (per jack; 1x fee)
Network configuration for wired/wireless Internet access setup	\$95 (per port; 1x fee)
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	<i>Tenant Rate</i>
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	\$65/pair per month

Room (GCR)	
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	<i>Tenant Rate</i>
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	<i>Tenant Rate</i>
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 of reservation)	\$35/site
-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 entity 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 person or entity under this General Ordinance (including, but not limited to, aircraft operators) to use the Airport, said person or entity shall comply with all of the reporting and payment requirements hereinabove set forth. Any such person or entity failing to comply with said requirements shall be barred from the use of any of the Authority's airport facilities and/or services.

Section X.

For all payments due to the Authority pursuant to the provisions of this General Ordinance, other agreements with Authority, or any funds payable to the Authority, there shall be added interest computed at the rate of 1.5% 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 established in this General Ordinance 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 General 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 General Ordinance.

Section XIII.

Any ordinances (or parts thereof) of the Authority that are inconsistent with the terms of this General Ordinance ~~(including, but not limited to, the Second Amended Ordinance)~~, are hereby superseded, to the extent of any such inconsistency, for the period from and after the Effective Date.

Section XIV.

Notwithstanding anything herein to the contrary, this General Ordinance shall be effective on ~~October 1, 2014~~ January 1, 2015 (the "Effective Date").

ENACTED on this _____ day of _____, ~~2014~~ 2015.

INDIANAPOLIS AIRPORT AUTHORITY*

By: _____
Mike Wells, President

By: _____
Alfred R. Bennett, Secretary

*Signed under authority of IAA Board Resolution #6-2013.

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 General Ordinance No. 7-2014 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 19, 2014, and that said General Ordinance No. 7-2014 has not been amended, rescinded or revoked.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE INDIANAPOLIS AIRPORT AUTHORITY on this _____ day of _____, 2014.

Alfred R. Bennett, Secretary



BOARD MEMO – ADOPTION OF BOND ORDINANCE

To: IAA Board of Directors
From: Robert B. Thomson, Sr. Director of Finance/Treasurer
Date: November 24, 2014
Board Date: December 19, 2014
Subject: Final Hearing on General Ordinance No. 8-2014

The Indianapolis Airport Authority introduced General Ordinance No. 8-2014 on November 21, 2014 at the Authority's Board Meeting.

General Ordinance No. 8-2014 is an Amendatory Ordinance, amending General Ordinance 6-2014, which authorized the sale and issuance of the Authority's 2014A Revenue Bonds to refund the 2004A Revenue Bonds. This ordinance will make changes to the definition of "2014 Debt Service Reserve Requirement" in order to make such definition consistent throughout the appendices to the 2014A Official Statement.

The final public hearing on the adoption of the above-referenced Ordinance as well as the adoption of the Ordinance will occur at the IAA Board meeting scheduled for December 19, 2014.

GENERAL ORDINANCE NO. 8-2014

AMENDING GENERAL ORDINANCE NO. 6-2014

An Ordinance of the Indianapolis Airport Authority,
Amending a Supplemental Ordinance of the Indianapolis Airport Authority Concerning
the Authority's Issuance of One or More Series of Additional Revenue Bonds Designated
"Indianapolis Airport Authority Refunding Revenue Bonds, Series 2014" to Refund a Portion of
the Authority's Outstanding Revenue Bonds and Other Matters Related Thereto.

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GENERAL ORDINANCE NO. 8-2014

AMENDING GENERAL ORDINANCE NO. 6-2014

An Ordinance of the Indianapolis Airport Authority (the “Authority”) amending a Supplemental Ordinance of the Indianapolis Airport Authority Concerning the Authority’s Issuance of One or More Series of Additional Revenue Bonds Designated “Indianapolis Airport Authority Refunding Revenue Bonds, Series 2014” to Refund a Portion of the Authority’s Outstanding Revenue Bonds and Other Matters Related Thereto.

WHEREAS, the Board of the Indianapolis Airport Authority (the “Board”) adopted General Ordinance No. 5-2014 on August 15, 2014 (the “Master Ordinance”), which consolidated and restated General Ordinance No. 4-2002, as so amended, which ordinance provides that the outstanding revenue bonds and the supplemental ordinances authorizing such bonds shall be governed by the provisions of the Master Ordinance; and

WHEREAS, the Board adopted General Ordinance No. 6-2014 on August 15, 2014 (the “Supplemental Ordinance” and together with the Master Ordinance, the “Ordinance”), which supplemented the Master Ordinance by authorizing the issuance of 2014 Authority Bonds (as defined in the Supplemental Ordinance); and

WHEREAS, pursuant to Article IX of the Master Ordinance, the Authority may make certain amendments to the Ordinance; and

WHEREAS, the Board desires to approve this General Ordinance No.8-2014 for the purpose of adopting the amendment set forth in Section 1.01;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF THE INDIANAPOLIS AIRPORT AUTHORITY:

ARTICLE I

AMENDMENT PURSUANT TO ARTICLE IX OF THE MASTER ORDINANCE

SECTION 1.01. Amendment to Section 1.2 of the Supplemental Ordinance.

The definition of “2014 Debt Service Reserve Requirement” in Section 1.2 of the Supplemental Ordinance is amended to read as follows:

“2014 Debt Service Reserve Requirement means, if the 2014 Authority Reserve Account is created as provided in Section 4.8 hereof, the least of the following: (1) the maximum annual principal and interest due on the 2014 Authority Bonds in any future calendar year; (2) 125% of the average annual principal and interest payments due on the 2014 Authority Bonds; and (3) 10% of the principal amount of the 2014 Authority Bonds, which shall be calculated by an Authorized Airport Representative and communicated to the Trustee. In the event there are Secured Bonds elected by an Authorized Airport Representative, the 2014 Debt Service

Requirement shall be redefined by the Authorized Airport Representative to measure parts (1)-(3) above based upon all of the Secured Bonds.”

ARTICLE II

MISCELLANEOUS

SECTION 2.01. Further Procedures. Any Authorized Airport Representative and any other appropriate officials of the Authority, are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this ordinance.

SECTION 2.02. Limitation of Liability of Members of the Board and Officers of the Authority. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member of the governing body, officer, employee or agent of the Authority in his respective individual capacity. No member of the governing body, officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this ordinance or the Act, provided such member, officer, employee or agent acts in good faith and with due diligence.

SECTION 2.03. Construction and Severability. If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be inconsistent with the Master Ordinance or Supplemental Ordinance, invalid or unenforceable, the inconsistency, invalidity or unenforceability of such section, paragraph, clause or provision shall not affect the terms of the Master Ordinance, Supplemental Ordinance, or any of the remaining provisions of this ordinance.

SECTION 2.04. Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith, are hereby repealed to the extent of such inconsistency.

SECTION 2.05. Effective Date. Pursuant to the provisions of Article IX of the Master Ordinance, the amendment to the Ordinance identified in Article I hereof shall be in full force and effect upon the issuance of the 2014 Authority Bonds.

[Remainder of Page Intentionally Left Blank]

Adopted this _____ day of _____, 2014.

INDIANAPOLIS AIRPORT AUTHORITY

Michael W. Wells, President

Kelly J. Flynn, Vice-President

Alfred R. Bennett, Secretary

Philip C. Borst, Member

Karen Caswelch, Member

Steven Dillinger, Member

Jack Morton, Member

Jean Wojtowicz, Member

Brett Voorhies, Member



BOARD MEMO – BUDGET APPROPRIATION

To: IAA Board of Directors
From: Robert Thomson, Sr. Director of Finance
Date: December 3, 2014
Board Date: December 19, 2014
Subject: 2014 Budget Appropriation Transfer – Resolution No. 13-2014

Scope

The Indianapolis Airport Authority has an approved 2014 budget appropriation for the Airport System Fund of \$197,319,000. 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 as a result of the extreme weather in the 1st quarter related to snow operations (fuel cost, snow vehicle repair parts and snow/ice chemicals). An additional \$1,200,000 will be allocated to the Other Services & Charges budget line relating to 1st quarter snow operations (contracted snow removal services, increased natural gas, and pipe freeze damages), garage canopy repairs, retexturing runway 5L-23R, removal of dead trees, and grease trap remediation. A reclassification of \$300,000 is required to the Capital Outlay budget classification for one vehicle and two mower replacements, gator with plow, trash/recycle containers for terminal and terminal doors. 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 2014 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 2014 appropriations of the Indianapolis Airport Authority System Fund, as outlined in Appendix A, Resolution 13-2014.

INDIANAPOLIS AIRPORT AUTHORITY

RESOLUTION NO. 13-2014

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 2014.

Section I - That for the calendar year of 2014, 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 2014, hereby transfer the following sums of money from the budget classifications of the Airport System Fund of said Indianapolis Airport Authority as follows:

	2014 Budget Ordinance No. 2-2013 <i>(IAA Board approved 8/16/13)</i>	2014 Budget <u>Resolution No. 13-2014</u>
Personal Services	\$ 29,028,000	\$ 26,928,000
Supplies & Materials	5,512,000	6,112,000
Other Services and Charges	162,403,000	163,603,000
Capital Outlay	<u>376,000</u>	<u>676,000</u>
Total Airport System Fund	\$197,319,000	\$197,319,000

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 Ordinance No. 2-2013. 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 19, 2014.

INDIANAPOLIS AIRPORT AUTHORITY*

By _____
Michael Wells, President

By _____
Alfred R. Bennett, Secretary

* Signed under authority of IAA Board Resolution #6-2013.

STATE OF INDIANA, MARION COUNTY
INDIANAPOLIS AIRPORT AUTHORITY

I, Robert Thomson, Treasurer of the Indianapolis Airport Authority, do hereby certify the above and foregoing is a full, true and complete copy of Resolution 13-2014, that said Resolution was passed by the Board of the Indianapolis Airport Authority on the 19th day of December, 2014, and now remains on file and record in the Airport offices.

WITNESS my hand and the Official Seal of
the Indianapolis Airport Authority this 19th
day of December, 2014

Robert Thomson
Treasurer
Indianapolis Airport Authority



BOARD MEMO – LEASE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: November 3, 2014

Board Date: December 19, 2014

Subject: Lease Agreement with AAR Aircraft Services, Inc.

Background

AAR Aircraft Services, Inc. (AAR) is engaged in the aviation and aerospace business, including providing aircraft maintenance, repair and overhaul services ("MRO"). AAR has performed such services at the Indianapolis Maintenance Center (IMC) facility since entering into a lease agreement dated June 14, 2004 (the "current lease") which has been amended on four (4) occasions to expand the Leased Premises and update other terms and conditions of the lease. Upon the execution of the new Lease Agreement, the current lease dated June 14, 2004 will terminate.

Regarding the current lease, AAR by letter dated October 30, 2013, exercised its option term to the current lease and requested the current lease be renegotiated as AAR as well as the IAA had particular interest in modifying terms and/or updating lease language. Final lease language was agreed upon with the execution of the new Lease Agreement by AAR in late November 2014.

The new Lease Agreement will encompass over 900,000 sq. ft. of hangar, shop, warehouse and office space at the IMC. AAR, as in the current lease, will continue to have the ability to activate/deactivate hangar bays; however, per lease terms, AAR has a minimum amount of space they cannot go below which consists of four (4) hangar bays, machine and composite shops and office/support space which constitutes approximately \$3.2M in annual revenue to the IAA. It should be noted, out of the ten (10) hangar bays, AAR has averaged 9.2 hangar bays being active during the past four years.

Other highlights of the new Lease Agreement include:

- AAR will hold a Right of First Refusal to the other IMC space whether vacant or leased to another entity (upon vacancy by the other tenant),
- AAR will share in the form of a reduced rental rate if operating expenses together with qualifying capital expenses (defined as a capital project that has an operating expense savings) drop below \$7M annually.
- AAR will have the right to demolish the interior of the remaining five (5) hangar bays that have docking structures located within them. The IAA will share in the

cost of this demo project in the form of rental credits based on 50% of cost of demolition to a maximum of \$600K per hangar bay or a total of \$3M in the aggregate. The rental credits will be issued as follows: 1st Bay: \$600K issued at Lease commencement over an eighteen (18) month period. Remaining four Bays: \$600K each issued at construction project inception spread over a thirty six (36) month period. It should be noted the \$600K issued for the first hangar bay does not have a timeframe associated with it in terms of when AAR will be required to accomplish the first demolition; however, regarding all subsequent hangar bay demolitions, the rental credits will not commence until As-Builts drawings and Construction Costs for the previous demolition are received and approved by the IAA.

Scope

To execute a new Lease Agreement with AAR. The lease term is for ten (10) years commencing on December 1, 2014 and terminating on November 30, 2024. The lease also provides for two (2) option terms; the first option term is for six (6) years and the second option term is for four (4) years.

Schedule

December 19, 2014: Execution of the Lease Agreement with AAR Aircraft Services, Inc. for the leasing of hangars, shop, and support office space at the IMC.

Revenue and/or Operating Cost Implications

Revenue:

- Fixed Revenue over the ten (10) year term for the Hangar Bays and Office Space will continue to be charged at \$8.20 p.s.f.
- Fixed Revenue for the Machine & Composite Shops will be charged as follows:

<u>Timeframe</u>	<u>Monthly Base Rental</u>
12-1-14 thru 11-30-17	\$70,833.33
12-1-17 thru 11-30-19	\$76,079.42
12-1-19 thru 11-30-24	\$80,806.33
- Percentage Rent, as in the current lease will continue with the IAA sharing in 33% of net profits above a threshold of 9.25%.

Providing for an estimate of AAR annual revenues is difficult due to the hangar bay activation/deactivation process as well as the unknown on AAR profitability; however, to provide a range, AAR has to pay the IAA at least \$3.2M annually due to the minimum rent structure as noted previously in this Board Memo. Conversely, in using hangar bay activation averages over the last four (4) years (9.2 bays) as noted above, along with Machine and Composite Shops rents, and rental credits for dock demolition, the IAA could receive AAR revenues in the area of \$5.9M annually.

Operating Costs: Annual operating costs to operate the entire IMC campus were \$7.9M for 2013 and will be approximately \$7.5 for 2014. Operating costs will continue to be paid from total revenues (including AAR and other tenant revenues) generated at the

IMC. Operating costs have been trending downwards for the past several years and that trend is expected to continue through a number of cost savings initiatives introduced by IAA staff as well as through partnering with IMC tenants to find cost savings through process improvements. Expected operating costs for 2015 will be approximately \$7.1M.

Supplier Diversity Participation

Not applicable.

Recommendation

IAA Staff recommends the Board consider for approval a Lease Agreement with AAR Aircraft Services Inc., for the leasing of ten (10) hangar bays, machine and composite shops and office space for a period of ten (10) years commencing December 1, 2014 and terminating November 30, 2024, with option periods up to an additional ten (10) years.

RESOLUTION NO. 14-2014

**RESOLUTION OF THE
INDIANAPOLIS AIRPORT AUTHORITY
APPROVING A LEASE AGREEMENT WITH AAR AIRCRAFT SERVICES, INC.**

WHEREAS, the Indianapolis Airport Authority (the "Authority") has entered into a Lease Agreement with AAR Aircraft Services, Inc. ("AAR") dated as of June 14, 2004, regarding certain portions of the Indianapolis Maintenance Center (the "IMC") at the Indianapolis International Airport (the "Airport") that expired November 30, 2014; and

WHEREAS, the Authority and AAR have negotiated in good faith and have come to terms and agreed to execute a new Lease Agreement for a new term of ten (10) years (the "Lease"); and

WHEREAS, the Authority has continued to work diligently with the tenants to increase the overall revenue received from the IMC; and

WHEREAS, IAA Staff has reported to the members of the Board of the Authority on the progress of efforts to work with the IMC tenants to fill the space of the IMC and have updated the Board regarding discussions with AAR; and

WHEREAS, the terms of the Lease Amendment are consistent with the range of rents for similar space located in the IMC and market rates, demonstrating to the Authority that the Authority should not expect to negotiate a significantly more favorable lease for such space with any tenant than that negotiated with AAR;

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANAPOLIS AIRPORT AUTHORITY AS FOLLOWS:

1. The Authority hereby finds that the Authority has used reasonable efforts to relet the applicable portion of the IMC for rentals equal to the full rental due from United Air Lines for such space and with terms and provisions substantially similar to those contained in the lease with United Air Lines, but the Authority has found no tenant or tenants who are willing to lease the entire IMC, who are willing and able to pay the full rental paid by United and who are willing to pay the full operating cost of the IMC. Therefore, the Authority hereby finds that no United-like lease or leases can be executed.

2. The Authority has used its reasonable efforts to negotiate for the best available lease (for the portion of the IMC covered by the Lease) for generating projected total net rentals in light of then-prevailing market conditions and without materially reducing the expected total rentals over the term of the Lease in return for commitments from AAR for job creation or other concessions.

3. The Authority has determined that proceeding with a new Lease is a far superior option compared to funding operating expenses without a tenant in such space.

4. It is hereby found that the execution of the Lease, as presented to this meeting, complies with the essential and governmental purposes and provisions of the Act and would be in the best interests of the Authority, the holders of the Bonds and the community of Indianapolis and Marion County.

5. The Authority hereby authorizes and directs the President, Vice President and/or the Secretary or the Assistant Secretary of the Authority to execute all collateral documents required for execution of the Lease on behalf of the Authority.

6. If any provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining provisions of this Resolution.

Remainder of page intentionally left blank.

Adopted this _____ day of _____, 2014.

INDIANAPOLIS AIRPORT AUTHORITY*

Michael W. Wells, President

Alfred R. Bennett, Secretary

*Signed under authority provided in IAA Board Resolution 6-2013.

CERTIFICATE OF AUTHENTICITY

I, Alfred R. Bennett, Secretary of the Indianapolis Airport Authority Board of Directors, hereby certify that the foregoing is a true and correct copy Resolution No. 14-2014 adopted by the Indianapolis Airport Authority Board on the _____ day of _____, 2014.

Alfred R. Bennett, Secretary

INDIANAPOLIS AIRPORT AUTHORITY



BOARD MEMO – SUPPLY BUILDING LEASE AGREEMENT

To: IAA Board of Director

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: November 3, 2014

Board Date: December 19, 2014

Subject: Second Amendment to Supply Building Lease Agreement with AAR Aircraft Services, Inc.

Background

A secondary portion of the overall AAR Aircraft Services, Inc. (AAR) lease negotiation is the above titled Supply Building Lease Agreement. AAR holds a separate agreement with the IAA as it is a different division of AAR Corporation; Allen Asset Management (AAM). AAM provides value-added supply chain solutions, with services ranging from airframe and engine parts and support to parts distribution and complete supply chain management programs.

In addition to AAR's Maintenance, Repair and Overhaul (MRO) services, which is the lease for IMC hangar bays, offices and support shops (the "Hangar Lease"), AAR expanded their presence at the Indianapolis Maintenance Center (IMC) in March 2007, under a separate lease agreement (the "Supply Building Lease Agreement"), with the addition of warehouse space for the storage of aircraft parts and materials. This Supply Building Lease Agreement was amended on May 20, 2011, adding additional warehouse space to support their growth at the IMC.

Scope

To execute a Second Amendment to the Supply Building Lease Agreement with AAR. The lease term is for an additional ten (10) years commencing December 1, 2014 and terminating November 30, 2024. The lease also provides for two (2) option terms; the first option term is for six (6) years and the second option term is for four (4) years. The dates associated with the Term and Option Terms of this Second Amendment coincide with the term dates of the Hangar Lease.

Schedule

December 19, 2014: Execution of the Second Amendment to the Supply Building Lease Agreement with AAR Aircraft Services, Inc.

Revenue and/or Operating Cost Implications

Revenue:

Years one (1) thru five (5):

Annual Revenue is \$186,819.36 (34,216 sq. ft. @ \$5.46 p.s.f.)

Years six (6) thru ten (10):

Annual Revenue is \$198,110.64 (34,216 sq. ft. @ \$5.79 p.s.f.)

1st Option Term:

The square foot rental rate is increase \$.35 p.s.f. a 6.1% increase.

2nd Option Term:

The rental structure is to be negotiated.

Operating Costs:

As the rental stream is a gross rent structure, the Operating Costs will continue to be paid from total revenues generated at the IMC.

Supplier Diversity Participation

Not applicable.

Recommendation

IAA Staff recommends the Board consider for approval the Second Amendment to the Supply Building Lease Agreement with AAR Aircraft Services Inc. for a period of ten (10) years commencing December 1, 2014 and terminating November 30, 2024 with option periods up to an additional ten (10) years.

RESOLUTION NO. 15-2014

**RESOLUTION OF THE
INDIANAPOLIS AIRPORT AUTHORITY
APPROVING A LEASE AMENDMENT TO AAR LEASE (SUPPLY BUILDING)**

WHEREAS, the Indianapolis Airport Authority (the "Authority") has entered into a Lease Agreement with AAR Aircraft Services, Inc. ("AAR") dated as of March 23, 2007, regarding certain portions of the Supply Building in the Indianapolis Maintenance Center (the "IMC") at the Indianapolis International Airport (the "Airport"); and

WHEREAS, the Authority and AAR executed a First Amendment to the Supply Building Lease Agreement, dated May 20, 2011, adding additional floor space at the IMC Supply Building; and

WHEREAS, the Authority has continued to work diligently with the tenants to increase the overall revenue received from the IMC; and

WHEREAS, IAA Staff has reported to the members of the Board of the Authority on the progress of efforts to work with the IMC tenants to fill the space of the IMC and have updated the Board regarding additional discussions with AAR; and

WHEREAS, the Authority and AAR have come to agreement on a Second Amendment to the Supply Building Lease Agreement (the "Second Amendment" and with the Lease Agreement and First Amendment, the "Supply Lease Agreement") extending the length of term to coincide with the hangar lease (a separate transaction); and

WHEREAS, the terms of the Supply Lease Agreement are consistent with the range of rents for similar space located in the IMC and market rates, demonstrating to the Authority that the Authority should not expect to negotiate a significantly more favorable lease for such space with any tenant than that negotiated with AAR;

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANAPOLIS AIRPORT AUTHORITY AS FOLLOWS:

1. The Authority hereby finds that the Authority has used reasonable efforts to relet the applicable portion of the IMC for rentals equal to the full rental due from United Air Lines for such space and with terms and provisions substantially similar to those contained in the lease with United Air Lines, but the Authority has found no tenant or tenants who are willing to lease the entire IMC, who are willing and able to pay the full rental paid by United and who are willing to pay the full operating cost of the IMC. Therefore, the Authority hereby finds that no United-like lease or leases can be executed.

2. The Authority has used its reasonable efforts to negotiate for the best available lease (for the portion of the IMC covered by the Lease, as amended) for generating projected total net rentals in light of then-prevailing market conditions and without materially reducing the

expected total rentals over the term of the lease in return for commitments from AAR for job creation or other concessions.

3. The Authority has determined that proceeding with a Second Amendment to Supply Lease Agreement is a far superior option compared to continuing to fund operating expenses without a tenant in such space.

4. It is hereby found that the execution of the Second Amendment to Supply Lease Agreement, as presented to this meeting, complies with the essential and governmental purposes and provisions of the Act and would be in the best interests of the Authority, the holders of the Bonds and the community of Indianapolis and Marion County.

5. The Authority hereby authorizes and directs the President, Vice President and/or the Secretary or the Assistant Secretary of the Authority to execute all collateral documents required for execution of the Second Amendment on behalf of the Authority.

6. If any provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining provisions of this Resolution.

Remainder of page intentionally left blank.

Adopted this _____ day of _____, 2014.

INDIANAPOLIS AIRPORT AUTHORITY*

Michael W. Wells, President

Alfred R. Bennett, Secretary

*Signed under authority provided in IAA Board Resolution 6-2013.

CERTIFICATE OF AUTHENTICITY

I, Alfred R. Bennett, Secretary of the Indianapolis Airport Authority Board of Directors, hereby certify that the foregoing is a true and correct copy Resolution No. 15-2014 adopted by the Indianapolis Airport Authority Board on the _____ day of _____, 2014.

Alfred R. Bennett, Secretary

INDIANAPOLIS AIRPORT AUTHORITY



BOARD MEMO – ACDBE POLICY

To: IAA Board of Directors

From: Holli Harrington, Director of Supplier Diversity

Date: December 1, 2014

Board Date: December 19, 2014

Subject: Objectives & Policy Statement for Airport Concession Disadvantaged Business Enterprise Policy

Background

As a recipient of federal funding, the Indianapolis Airport Authority (“IAA”) established a certain Airport Concession Disadvantaged Business Enterprise Program (the “ACDBE Program”) in accordance with regulations of the U.S. Department of Transportation (“USDOT”), 49 CFR Part 23. The Indianapolis International Airport is a primary airport and has received federal funds authorized for airport development after January 1988 (authorized under Title 49, United States Code). In addition, the IAA signs “grant assurances” from time to time that require it to comply federal laws and regulations, including 49 CFR Part 23 (ACDBE).

As an operator of a medium-hub primary airport (Indianapolis International Airport), the IAA is required by law to implement and administer an ACDBE Program. Furthermore, as a condition of eligibility for FAA financial assistance, the IAA must submit its ACDBE Program (and overall goals) to the FAA every three (3) years.

With the assistance of a consultant that has expertise in this area, the IAA has developed a “Policy Statement” and related materials which are attached as “Exhibit A” to IAA Resolution No. 16-2014 and incorporated therein (the “ACDBE Policy Statement”), which declare and set forth certain objectives and policies of the IAA pertaining to its ACDBE Program, including, but not limited to, ensuring equal opportunity and nondiscrimination in the award and administration of concession opportunities at the Indianapolis International Airport.

Recommendation

IAA Management recommends that the Board approve and adopt Resolution No. 16-2014, pertaining to the IAA’s ACDBE Program.

RESOLUTION NO. 16-2014

OBJECTIVES & POLICY STATEMENT FOR IAA AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

WHEREAS, the Indianapolis Airport Authority (“IAA” or “Authority”) is a municipal corporation established under Indiana Code § 8-22-3 *et seq.*, with authority, among other things, to own and operate public airports, lands and facilities, including, but not limited to, the Indianapolis International Airport;

WHEREAS, the IAA is empowered, by virtue of Indiana Code § 8-22-3-11, with the power to, *inter alia*: (i) adopt administrative procedures, rules and regulations; and (ii) determine matters of policy and operating procedures;

WHEREAS, the IAA’s Board (“Board”) is empowered, pursuant to Indiana Code § 8-22-3-3, to exercise the executive and legislative powers of the Authority;

WHEREAS, the IAA has established an Airport Concession Disadvantaged Business Enterprise Program (“ACDBE Program”) in accordance with regulations of the United States Department of Transportation (“USDOT”), 49 CFR Part 23;

WHEREAS, the IAA has developed a “Policy Statement” and related materials which are attached hereto as “Exhibit A” and incorporated herein (“ACDBE Policy Statement”), which declare and set forth certain objectives and policies of the IAA pertaining to its ACDBE Program, including, but not limited to, ensuring equal opportunity and nondiscrimination in the award and administration of concession opportunities at the Indianapolis International Airport (which receives financial assistance from USDOT); and

WHEREAS, the Board now desires to formally approve and adopt the ACDBE Policy Statement for the IAA.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD, in and pursuant to the exercise of its powers, as follows:

1. The ACDBE Policy Statement is approved and adopted.
2. Any and all policies of the IAA, or parts thereof, that are inconsistent, or in conflict, with the terms or provisions of the ACDBE Policy Statement, are, to the extent of such inconsistency or conflict, hereby repealed.
3. This Resolution shall take effect immediately upon passage.

APPROVED AND ADOPTED on this _____ day of _____, 2014, at the regularly convened meeting of the Board of the Indianapolis Airport Authority.

INDIANAPOLIS AIRPORT AUTHORITY*

By: _____
Michael W. Wells, President

Attest: _____
Alfred R. Bennett, Secretary

*Signed under authority of IAA Board Resolution No. 6-2013

CERTIFICATE OF AUTHENTICITY

I, Alfred R. Bennett, the duly elected and qualified Secretary of the Indianapolis Airport Authority, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 16-2014, adopted by the Board of the Indianapolis Airport Authority at a regular meeting of said Board held at its offices at Indianapolis International Airport on December 19, 2014.

By: _____
Alfred R. Bennett, Secretary
INDIANAPOLIS AIRPORT AUTHORITY

**Airport Concession Disadvantaged
Business Enterprise Program**

FY 2015-2017

Prepared - September 2014

Indianapolis Airport Authority

for the

**Indianapolis International
Airport**

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US Department of Transportation Federal Aviation Administration
Airport Concession Disadvantaged Business Enterprise Program
49 CFR Parts 23
Indianapolis International Airport

POLICY STATEMENT

The Indianapolis Airport Authority (“the Airport Authority”), on behalf of the Indianapolis International Airport, has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 23. Indianapolis International Airport is a primary airport and has received federal funds authorized for airport development after January 1988 (authorized under Title 49 of the United States Code). The Airport Authority has signed airport grant assurances that it will comply with 49 CFR Part 23.

It is the policy of the Airport Authority to ensure that ACDBEs, as defined in Part 23, have an equal opportunity to receive and participate in concession opportunities. It is also our policy:

1. To ensure nondiscrimination in the award and administration of opportunities for concessions by airports receiving DOT financial assistance;
2. To create a level playing field on which ACDBEs can compete fairly for opportunities for concessions;
3. To ensure that our ACDBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet this part’s eligibility standards are permitted to participate as ACDBEs at the airport;
5. To help remove barriers to the participation of ACDBEs in opportunities for concessions at the airport; and
6. To provide appropriate flexibility to the airport in establishing and providing opportunities for ACDBEs.

Holli Harrington, Director of Supplier Diversity, Indianapolis Airport Authority, 7800 Col. H. Weir Cook Memorial Drive, Indianapolis IN 46241; Phone: (317) 487-5374; Email:

hharrington@indianapolisairport.com has been designated as the ACDBE Liaison Officer (ACDBELO). In that capacity, **the Director of Supplier Diversity** is responsible for implementing all aspects of the ACDBE program. Implementation of the ACDBE program is accorded the same priority as compliance with all other legal obligations incurred by the Airport Authority in its financial assistance agreements with the US Department of Transportation.

The Airport Authority will place this policy statement on the Airport’s website. This statement will also be distributed in the following manner:

1. This policy statement will be prepared as a handout, and made available at concession pre-proposal conferences and outreach meetings conducted by the Airport Authority.
2. Copies of the policy statement will be mailed to all of the agencies/organizations consulted during the development of the ACDBE goal methodology. The Airport Authority will distribute this statement to ACDBE and non-ACDBE concessionaire communities in the local area.

Executive Director, Indianapolis Airport Authority

Date

SUBPART A – GENERAL REQUIREMENTS

Section 23.1 Objectives

The objectives are found in the policy statement on the first page of this program.

Section 23.3 Definitions

The Airport Authority will use terms in this program that have the meaning defined in Section 23.3 and Part 26 Section 26.5 where applicable.

Section 23.5 Applicability

The Indianapolis International Airport is a medium-hub primary airport and the sponsor of federal airport funds authorized for airport development after January 1988 that was authorized under Title 49 of the United States Code.

Section 23.9 Non-discrimination Requirements

The Airport Authority will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any concession agreement, management contract or subcontract, purchase or lease agreement or other agreement covered by 49 CFR Part 23 on the basis of race, color, sex, or national origin.

In administering its DBE program, the Airport Authority will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the ACDBE program with respect to individuals of a particular race, color, sex, or national origin.

The Airport Authority acknowledges these representations are also in accordance with obligations contained in its Civil Rights, DBE and ACDBE Airport grant assurances.

The Airport Authority will include the following assurances in all concession agreements and management contracts it executes with any firm:

- (1) This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

- (2) The concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

Section 23.11 Compliance and Enforcement

The Airport Authority will comply with and is subject to the provisions of 49 CFR Part 26 (§§ 26.101 and 26.105 through 26.107).

The Airport Authority will comply with this part or be subject to formal enforcement action under §26.105 or appropriate program sanctions, such as the suspension or termination of Federal funds, or refusal to approve projects, grants or contracts until deficiencies are remedied. Program sanctions may include actions consistent with 49 U.S.C. §§ 47106(d), 47111(d), and 47122.

The Airport Authority's compliance with all requirements of this part is enforced through the procedures of Title 49 of the United States Code, including 49 U.S.C. 47106(d), 47111(d), and 47122, and regulations implementing them.

Compliance reviews: The FAA may review the Airport Authority's compliance with this part at any time, including but not limited to, reviews of paperwork, on-site reviews, and review of the Airport Authority's monitoring and enforcement mechanism, as appropriate. The FAA Office of Civil Rights may initiate a compliance review based on complaints received.

Any person who knows of a violation of this part by the Airport Authority may file a complaint under 14 CFR Part 16 with the Federal Aviation Administration Office of Chief Counsel.

The following enforcement actions apply to firms participating in the Airport Authority's ACDBE program:

- (a) For a firm that does not meet the eligibility criteria of subpart C of this part and that attempts to participate as an ACDBE on the basis of false, fraudulent, or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty, the Department of Transportation (DOT) or the Federal Aviation Administration (FAA) may initiate suspension or debarment proceedings against the firm under 49 CFR Part 29.
- (b) For a firm that, in order to meet ACDBE goals or other DBE program requirements, uses or attempts to use, on the basis of false, fraudulent or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty, another firm that does not meet the eligibility criteria of subpart C of this part, DOT or FAA may initiate suspension or debarment proceedings against the firm under 49 CFR Part 29.

- (c) In a suspension or debarment proceeding brought under paragraph (a) or (b) of this section, the FAA may consider the fact that a purported ACDBE has been certified. However, such certification does not preclude DOT from determining that the purported ACDBE, or another firm that has used or attempted to use it to meet ACDBE goals, should be suspended or debarred.
- (d) DOT may take enforcement action under 49 CFR Part 31, Program Fraud and Civil Remedies, against any participant in the ACDBE program whose conduct is subject to such action under 49 CFR Part 31.
- (e) DOT may refer to the Department of Justice, for prosecution under 18 U.S.C.§§ 1001 or other applicable provisions of law, any person who makes a false or fraudulent statement in connection with participation of an ACDBE in the Airport Authority's ACDBE program or otherwise violates applicable Federal statutes.

SUBPART B – ACDBE Programs

Section 23.21 ACDBE Program Updates

Since the Indianapolis International Airport is a medium-hub primary airport, the Airport Authority is required to have an ACDBE program. As a condition of eligibility for FAA financial assistance, the Airport Authority will submit its ACDBE program and overall goals to FAA according to the following schedule:

Type of Airport	Previous Goal submitted	Next Goal Due	Subsequent Goals Due
Large/Medium Hub Primary	October 1, 2011	October 1, 2014	Every 3 years on October 1
Small Hub Primary	October 1, 2012	October 1, 2015	
Non-hub Primary	October 1, 2013	October 1, 2016	

This ACDBE program will be implemented at the Indianapolis International Airport. When the Airport Authority makes significant changes to its ACDBE program, the Airport Authority will provide the amended program to the FAA for approval prior to implementing the changes.

Section 23.23 Administrative Provisions

Policy Statement: The Airport Authority is committed to operating its ACDBE program in a nondiscriminatory manner. The Airport Authority's policy statement is described on the first page of this program.

ACDBE Liaison Officer (ACDBELO): The Airport Authority has designated the following individual as the ACDBELO:

Holli Harrington, Director of Supplier Diversity
Indianapolis Airport Authority
7800 Col. H. Weir Cook Memorial Drive
Indianapolis IN 46241
Phone: (317) 487-5374
Email: hharrington@indianapolisairport.com

In that capacity, the ACDBELO is responsible for implementing all aspects of the ACDBE program and ensuring that the Airport Authority complies with all provision of 49 CFR Part 23. The ACDBELO has direct, independent access to the Executive Director of the airport concerning ACDBE program matters. An organizational chart displaying the ACDBELO's position in the organization is found in **Attachment 1** to this program.

The ACDBELO is responsible for developing, implementing and monitoring the ACDBE program, in coordination with other appropriate officials. The ACDBELO is assisted, as may be required, by appropriate members of the Airport staff as well as the Airport Authority's legal counsel to assist in the administration of the program. The duties and responsibilities include the following:

1. *Gathering and reporting statistical data and other information as required by FAA or DOT.*
2. *Reviewing third party contracts and purchase requisitions for compliance with this program.*
3. *Working with all departments to set overall triennial goals.*
4. *Ensuring that bid notices and requests for proposals are available to ACDBEs in a timely manner.*
5. *Identifying contracts and procurements so that ACDBE goals are included in solicitations (both race-neutral methods and contract specific goals)*
6. *Analyzing the Airport Authority's progress toward attainment and identifies ways to improve progress.*
7. *Attending pre-bid/pre-proposal meetings.*
8. *Advising the Executive Director of the airport on ACDBE matters and achievement.*
9. *Chairing the ACDBE Advisory Committee, when formed.*
10. *Providing ACDBEs with information and assistance in preparing bids, obtaining bonding, financing, and insurance; acts as a liaison to the OSDBU-Minority Resource Center (MRC).*
11. *Planning and participating in ACDBE training seminars.*
12. *Acting as liaison to the Uniform Certification Program in Indiana.*
13. *Providing outreach to ACDBEs and community organizations to advise them of opportunities.*

Directory: The Indiana Unified Certification Program (UCP), via the Indiana Department of Transportation's Division of Economic Opportunity, maintains a directory identifying all firms eligible to participate as ACDBEs. The Directory lists the firm's name, address, phone number, date of the most recent certification, and the type of work the firm has been certified to perform as an ACDBE. The UCP revises the Directory weekly. The Directory is available at <http://www.in.gov/indot/2674.htm>. Sample pages from the directory may be found in Attachment 2 to this program document.

Section 23.25 Ensuring Nondiscriminatory Participation of ACDBEs

The Airport Authority will take the following measures to ensure nondiscriminatory participation of ACDBEs in concession, and other covered activities (23.25(a)):

- The Airport Authority will follow all federal, state and local nondiscrimination laws, as well as comply with all of the Airport Authority's policies and procedures designed to ensure nondiscrimination. These laws, policies and procedures include but are not limited to Title VI and the regulations found at 49 CFR Parts 23 and 26.
- The Airport Authority will seek ACDBE participation in all types of concession activities, rather than concentrating participation in one category or a few categories to the exclusion of others (23.25(c)).
- The Airport Authority's overall goal methodology, along with a description of the race-neutral measures it will take to meet the goals, are described in Section 23.25 and **Attachment 4 and 5** of this plan. The goals are set consistent with the requirements of Subpart D (23.25(b), (d)).
- If the Airport Authority projects that race-neutral measures, standing alone, are not sufficient to meet an overall goal, it will use race-conscious measures as described in Section 23.25 (e) (1-2) and **Attachment 4 and 5** of this plan (23.25(e)).
- The Airport Authority will require businesses subject to ACDBE goals at the airport (except car rental companies) to make good faith efforts to explore all available options to meet goals, to the maximum extent practicable, through direct ownership arrangements with ACDBEs.
- The Airport Authority will not use set-asides or quotas as a means of obtaining ACDBE participation (23.25 (f)(g)).

Section 23.27 Reporting

The Airport Authority will retain sufficient basic information about its ACDBE program implementation, ACDBE certification and the award and performance of agreements and contracts to enable the FAA to determine compliance with Part 23. This data will be retained for a minimum of three years following the end of the concession agreement or other covered contract.

The Airport Authority will submit to the FAA Regional Civil Rights Office an annual ACDBE participation report on the form in Appendix A of Part 23.

Section 23.29 Compliance and Enforcement Procedures

The Airport Authority will take the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 23:

1. The Airport Authority will bring to the attention of the US Department of Transportation any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 26.107.
2. The Airport Authority will consider similar action under its own legal authorities, including responsibility determinations in future contracts. The Airport Authority has listed the regulations, provisions, and contract remedies available in the event of non-compliance with the ACDBE regulation by a participant in procurement activities (see **Attachments 3 and 9**).
3. The Airport Authority will also implement a monitoring and enforcement mechanism to ensure that work committed to ACDBEs at contract award is actually performed by the ACDBEs. This mechanism will provide for a running tally of actual ACDBE attainments (e.g., payment actually made to ACDBE firms), including a means of comparing these attainments to commitments. This will be accomplished by the following:
 - The Airport Authority will utilize the legal instrument of a contract clause to ensure compliance with the bid specifications. After award of the contract, the ACDBELO will conduct such audits and reviews as necessary to ensure the Airport that the concessionaire is in compliance.
 - Prime concessionaires must also report to the ACDBELO when an ACDBE is terminated for any reason.
 - The ACDBELO will make prompt compliance determinations regarding its prime concessionaires. Documentation of noncompliance will include the specific areas in which the concessionaire/ sub-concessionaire failed to comply. In these instances, appropriate legal action consistent with the DBE and other contract provisions will be taken.
 - The Airport Authority will require quarterly ACDBE participation reports.
 - The ACDBELO will perform periodic on-site visits that will include interviewing key employees on management, ownership and control of the concessions.
4. In the reports of ACDBE participation to FAA, the Airport Authority will show both commitments and attainments, as required by the DOT reporting form.

SUBPART C – CERTIFICATION AND ELIGIBILITY

Section 23.31 Certification Standards and Procedures

The Airport Authority is a member of a Unified Certification Program (UCP), administered by the Indiana Department of Transportation's Division of Economic Opportunity, which will make certification decisions on behalf of the Airport Authority for ACDBEs. The UCP will use the procedures and standards of Part 26, except as provided in 23.31, for certification of ACDBEs to participate in the Airport Authority's concessions program and such standards are incorporated herein.

The UCP will treat a firm as a small business eligible to be certified as an ACDBE if its gross receipts, averaged over the firm's previous three fiscal years do not exceed \$56.42 million. The size standard for banks and other financial institutions is \$1 billion in assets, for car rental companies it is \$75.23 million as adjusted by USDOT for inflation every two years from April 3, 2009; and for pay telephone companies, the standard is 1,500 employees (23.33.)

The UCP will presume that a firm that is certified as a DBE under Part 26 is eligible to participate as an ACDBE. However, before certifying such a firm, the UCP will ensure that the disadvantaged owners of a DBE certified under Part 26 are able to control the firm with respect to its activity in the Airport Authority's concessions program. The UCP is not obligated to certify a Part 26 DBE as an ACDBE if the firm does not do work relevant to the concessions program (23.37).

The UCP recognizes that the provisions of Part 26, sections 26.83(c) (2-6) do not apply to certifications for purposes of part 23. The UCP will obtain resumes or work histories of the principal owners of the firm and personally interview these individuals. The UCP will analyze the ownership of stock of the firm, if it is a corporation. The UCP will analyze the bonding and financial capacity of the firm. The UCP will determine the work history of the firm, including any concession contracts or other contracts it may have received. The UCP will compile a list of the licenses of the firm and its key personnel to perform the concession contracts or other contracts it wishes to receive. The UCP will obtain a statement from the firm of the types of concessions it prefers to operate or the type of other contracts it prefers to perform. The UCP will ensure that the ACDBE firm meets the applicable size standard (23.39(a)(b)).

The UCP acknowledges that a prime contractor includes a firm holding a prime contract with an airport concessionaire to provide goods or services to the concessionaire or a firm holding a prime concession agreement with a recipient. The UCP recognizes that the eligibility of Alaska Native Corporations (ANC) owned firms for purposes of part 23 is governed by part 26 section 26.73(h). (23.39(c)(d)).

The UCP will use the certification standards of part 23 to determine the ACDBE eligibility of firms that provide goods and services to concessionaires (23.39(i)).

In instances when the eligibility of a concessionaire is removed after the concessionaire has entered into a concession agreement because the firm exceeded the size standard or the owner has exceeded the PNW standard, and the firm in all other respects remains an eligible DBE, the Airport Authority may continue to count the concessionaire's participation toward ACDBE goals during the remainder of the current concession agreement. The Airport Authority will not count the concessionaire's participation toward ACDBE goals beyond the termination date for the concession agreement in effect at the time of the decertification (23.39(e)).

The UCP will use the Uniform Application Form found in Appendix F to Part 26 with additional instruction as stated in 23.39(g).

SUBPART D – GOALS, GOOD FAITH EFFORTS, AND COUNTING

Section 23.41 Basic Overall Goal Requirement

The Airport Authority will establish two separate overall ACDBE goals; one for car rentals and another for concessions other than car rentals. The overall goals will cover a three-year period and the Airport Authority will review the goals annually to make sure the goal continues to fit the Airport Authority's circumstances. The Airport Authority will report any significant overall goal adjustments to the FAA.

If the average annual concession revenues for car rentals over the preceding 3 years do not exceed \$200,000, the Airport Authority need not submit an overall goal for car rentals. Likewise, if the average annual concession revenues for concessions other than car rentals over the preceding 3 years do not exceed \$200,000, the Airport Authority need not submit an overall goal for concessions other than car rentals. The Airport Authority understands that "revenue" means total revenue generated by concessions, not the fees received by the airport from concessionaires.

The Airport Authority's overall goals will provide for participation by all certified ACDBEs and will not be subdivided into group-specific goals.

Section 23.43 Consultation in Goal Setting

The Airport Authority will consult with stakeholders before submitting the overall goals to the FAA. Stakeholders will include, but not be limited to, minority and women's business groups, community organizations, trade associations representing concessionaires currently located at the airport, as well as existing concessionaires themselves, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the Airport Authority's efforts to increase participation of ACDBEs.

When submitting the overall goals, the Airport Authority will identify the stakeholders who were consulted and provide a summary of the information obtained from the stakeholders.

Section 23.45 Overall Goals

The Indianapolis International Airport is a **medium-hub primary** airport. As a condition of eligibility for FAA financial assistance, the Airport Authority will submit its overall goals according to the following schedule:

Type of Airport	Previous Goal submitted	Next Goal Due	Subsequent Goals Due
Large/Medium Hub Primary	October 1, 2011	October 1, 2014	Every 3 years on October 1
Small Hub Primary	October 1, 2012	October 1, 2015	
Non-hub Primary	October 1, 2013	October 1, 2016	

If a new concession opportunity arises at a time that falls between the normal submission dates above and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, the Airport Authority will submit an appropriate adjustment to the overall goal to FAA for approval at least 90 days before executing the new concession agreement.

The Airport Authority will establish overall goals in accordance with the 2-step process as specified in Section 23.51. After determining the total gross receipts for the concession activity, the first step is to determine the relative availability of ACDBEs in the market area, "base figure". The second step is to examine all relevant evidence reasonably available in the Airport Authority's jurisdiction to determine if an adjustment to the Step 1 "base figure" is necessary so that the goal reflects as accurately as possible the ACDBE participation the Airport Authority would expect in the absence of discrimination. Evidence may include, but is not limited to past participation by ACDBEs, a disparity study, evidence from related fields that affect ACDBE opportunities to form, grow, and compete (such as statistical disparities in ability to get required financing, bonding, insurance; or data on employment, self-employment, education, training and union apprenticeship).

A description of the methodology to calculate the overall goal for concessions other than car rentals, the goal calculations, and the data upon which the Airport Authority relied can be found in **Attachment 4** to this program.

A description of the methodology to calculate the overall goal for car rentals, the goal calculations, and the data upon which the Airport Authority relied can be found in **Attachment 5** to this program.

Projection of Estimated Race-Neutral & Race-Conscious Participation (23.45(f), 23.25(d-e))

The breakout of estimated race-neutral and race-conscious participation can be found with the goal methodologies in **Attachments 4 and 5** to this program. This section of the program will be reviewed annually when the goal calculation is reviewed under 23.41(c).

Concession-specific Goals (23.25 (c)(e)(1)(iv))

The Airport Authority will use concession-specific goals to meet any portion of the overall goals it does not project being able to meet using race-neutral means. Concession-specific goals are established so that, over the period to which the overall goals apply, they will cumulatively result in meeting any portion of the overall goal that is not projected to be met through the use of race-neutral means.

The Airport Authority will establish concession-specific goals only on those concessions that have direct ownership arrangements (except car rentals), sublease, or subcontracting possibilities. *The Airport Authority will require businesses subject to ACDBE goals at the airport (except car rental companies) to make good faith efforts to explore all available options to meet goals, to the maximum extent practicable, through direct ownership arrangements with DBEs (23.25 (f)). Car rental firms are not required to change their corporate structure to provide for direct ownership arrangements. In the case of a car rental goal, where it appears that all or most of the goal is likely to be met through the purchases by car rental companies of vehicles or other goods or services from ACDBEs, one permissible alternative is to structure the goal entirely in terms of purchases of goods and services.)*

The Airport Authority need not establish a concession-specific goal on every such concession, and the size of concession-specific goals will be adapted to the circumstances of each such concession (e.g., type and location of concession, availability of ACDBEs.)

If the objective of a concession-specific goal is to obtain ACDBE participation through direct ownership with an ACDBE, the Airport Authority will calculate the goal as a percentage of the total estimated annual gross receipts from the concession (23.25(e)(1)(i))

If the concession-specific goal applies to purchases and/or leases of goods and services, the Airport Authority will calculate the goal by dividing the estimated dollar value of such purchases and/or leases from ACDBEs by the total estimated dollar value of all purchases to be made by the concessionaire (23.25(e)(1)(ii))

Good Faith Efforts on Concession-specific Goals (23.25(e)(1)(iii), (iv))

To be eligible to be awarded a concession that has a concession-specific goal, bidders/offerors must make good faith efforts to meet the goal. A bidder/offeror may do so either by obtaining enough ACDBE participation to meet the goal or by documenting that it made sufficient good

faith efforts to do so. (23.25(e)(1)(iv)). Examples of good faith efforts are found in Appendix A to 49 CFR Part 26. The procedures applicable to 49 CFR Sections 26.51 and 26.53, regarding contract goals apply to the Airport Authority's concession-specific goals.

Demonstration of good faith efforts (26.53(a) & (c))

The following person is responsible for determining whether a concessionaire who has not met the concession-specific goal has documented sufficient good faith efforts to be regarded as responsive.

Holli Harrington, Director of Supplier Diversity
Indianapolis Airport Authority
7800 Col. H. Weir Cook Memorial Drive
Indianapolis IN 46241
Phone: (317) 487-5374
Email: hharrington@indianapolisairport.com

The Airport Authority will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before the Airport Authority commits to the concession agreement with the bidder/offeror.

Information to be submitted (26.53(b))

The Airport Authority treats bidder/offeror's compliance with good faith effort requirements as a matter of responsiveness.

Each solicitation for which a concession-specific goal has been established will require the concessionaires to submit the following information:

1. *The names and addresses of ACDBE firms or ACDBE suppliers of goods and services that will participate in the concession;*
2. *A description of the work that each ACDBE will perform;*
3. *The dollar amount of the participation of each ACDBE firm/supplier participating;*
4. *Written and signed documentation of commitment to use a ACDBE whose participation it submits to meet a contract goal;*
5. *Written and signed confirmation from the ACDBE that it is participating in the concession as provided in the prime concessionaire's commitment and*
6. *If the contract goal is not met, evidence of good faith efforts.*

Administrative reconsideration (26.53(d))

Within ten (10) days of being informed by the Airport Authority that it is not responsive because it has not documented sufficient good faith efforts, a concessionaire may request administrative

reconsideration. The concessionaire should make this request in writing to the following reconsideration official:

**Joseph R. Heerens, General Counsel
Indianapolis Airport Authority
7800 Col. H. Weir Cook Memorial Drive
Indianapolis IN 46241**

The reconsideration official will not have played any role in the original determination that the concessionaire did not document sufficient good faith efforts.

As part of this reconsideration, the concessionaire will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The concessionaire will have the opportunity to meet in person with our reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The Airport Authority will send the concessionaire a written decision on reconsideration, explaining the basis for finding that the concessionaire did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is **not** administratively appealable to the US Department of Transportation.

Good Faith Efforts when an ACDBE is replaced on a concession (26.53(f))

The Airport Authority will require a concessionaire to make good faith efforts to replace an ACDBE that is terminated or has otherwise failed to complete its concession agreement, lease, or subcontract with another certified ACDBE, to the extent needed to meet the concession-specific goal. The Airport Authority will require the concessionaire to notify the ACDBELO immediately of the ACDBEs inability or unwillingness to perform and provide reasonable documentation.

In this situation, the Airport Authority will require the concessionaire to obtain our prior approval of the substitute ACDBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts. If the concessionaire still fails to comply, the contracting officer may issue a termination for default proceeding.

Sample Proposal/Bid Specification:

The requirements of 49 CFR Part 23, regulations of the U.S. Department of Transportation, applies to this concession. It is the policy of the Airport Authority to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit bids/proposals. Award of this concession will be conditioned upon satisfying the requirements of this proposal/bid specification. These requirements apply to all concessions firms and suppliers, including those who qualify as an ACDBE. An ACDBE concession-specific goal of ___ percent of has been established for this concession. The concession firm shall make good faith efforts, as defined in Appendix A, 49 CFR Part 26, to meet the concession-specific goal for ACDBE participation in the performance of this concession.

The concession firm will be required to submit with its proposal the specific percentage of ACDBE participation. If the firm is ranked first after being interviewed the firm will then be required to submit the following information within 10 business days of notification: (1) the names and addresses of ACDBE firms and suppliers that will participate in the concession, (2) A description of the work that each ACDBE will perform; (3) The dollar amount of the participation of each ACDBE firm participating; (4) Written and signed documentation of commitment to use a ACDBE whose participation it submits to meet a contract goal; (5) Written and signed confirmation from the ACDBE that it is participating in the concession as provided in the prime concessionaire's commitment; and (6) If the contract goal is not met, evidence of good faith efforts

Section 23.53 Counting ACDBE Participation for Car Rental Goals

The Airport Authority will count ACDBE participation toward overall goals other than car rental as provided in 49 CFR 23.53.

Section 23.55 Counting ACDBE Participation for Concessions Other than Car Rentals

The Airport Authority will count ACDBE participation toward overall goals other than car rental as provided in 49 CFR 23.55.

Section 23.57 Goal Setting and Accountability

If the awards and commitments shown on the Airport Authority's Uniform Report of ACDBE Participation at the end of any fiscal year are less than the overall applicable to that fiscal year, the Airport Authority will:

1. Analyze in detail the reason for the difference between the overall goal and the actual awards/commitments;
2. Establish specific steps and milestones to correct the problems identified in the analysis; and
3. Maintain a copy of the plan on file for at least three (3) years.

Section 23.61 Quotas or Set-asides

The Airport Authority will not use quotas or set-asides as a means of obtaining ACDBE participation.

SUBPART E – OTHER PROVISIONS

Section 23.71 Existing Agreements

The Airport Authority will assess potential for ACDBE participation when an extension or option to renew an existing agreement is exercised, or when a material amendment is made. The Airport Authority will use any means authorized by part 23 to obtain a modified amount of ACDBE participation in the renewed or amended agreement.

Section 23.73 Privately-Owned or Leased Terminal Buildings

The Airport does not have any privately-owned or leased terminal buildings.

Section 23.75 Long-Term Exclusive Agreements

The Airport Authority will not enter into a long-term exclusive agreement for concessions without prior approval of the FAA Regional Civil Rights Office. The Airport Authority understands that a “long-term” agreement is one having a term of longer than 5 years. The Airport Authority understands that an “exclusive” agreement is one in which an entire category of a particular business opportunity is limited to a single business entity. If special, local circumstances exist that make it important to enter into a long-term and exclusive agreement, the Airport Authority will submit detailed information to the FAA Regional Civil Rights Office for review and approval.

Section 23.77 State and Local Law

In the event that the Airport Authority discovers that a state or local law differs from Part 23, the Airport Authority will take steps to comply with Part 23 and the actions required in 23.77.

Section 23.79 Geographic Preferences

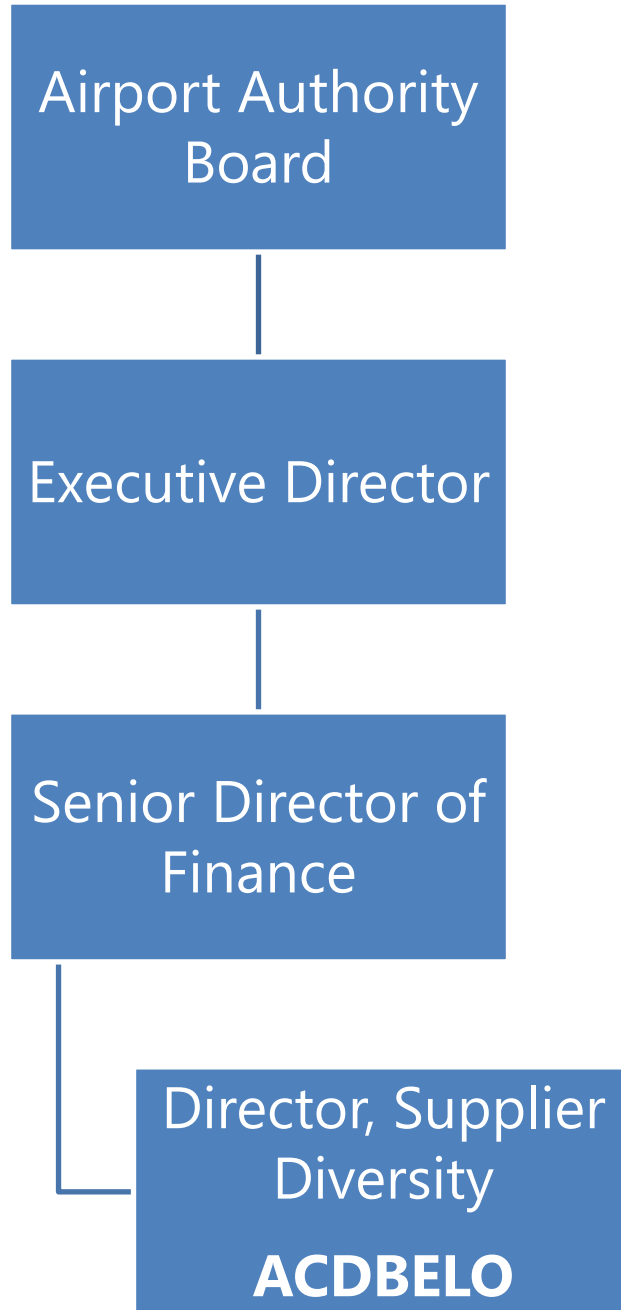
The Airport Authority will not use a “local geographic preference”, i.e., any requirement that gives an ACDBE located in one place (e.g., *the local area*) an advantage over ACDBEs from other places in obtaining business as, or with, a concession at the airport.

ATTACHMENTS

- Attachment 1 Indianapolis International Airport Organizational Chart
- Attachment 2 Sample pages from the Indiana UCP DBE Directory
- Attachment 3 Monitoring and Enforcement Mechanisms (26.37)
- Attachment 4 Overall Goal Calculations for Concessions Other Than Car Rentals
- Attachment 5 Overall Goal Calculations for Car Rentals
- Attachment 6 Form 1 & 2 for Demonstration of Good Faith Efforts
- Attachment 7 Certification Application Forms
- Attachment 8 Procedures for Removal of ACDBEs Eligibility
- Attachment 9 Regulations: 49 CFR Parts 23
- Attachment 10 Goals and Elements for Privately-Owned or Leased Terminal Buildings (**/NA**)

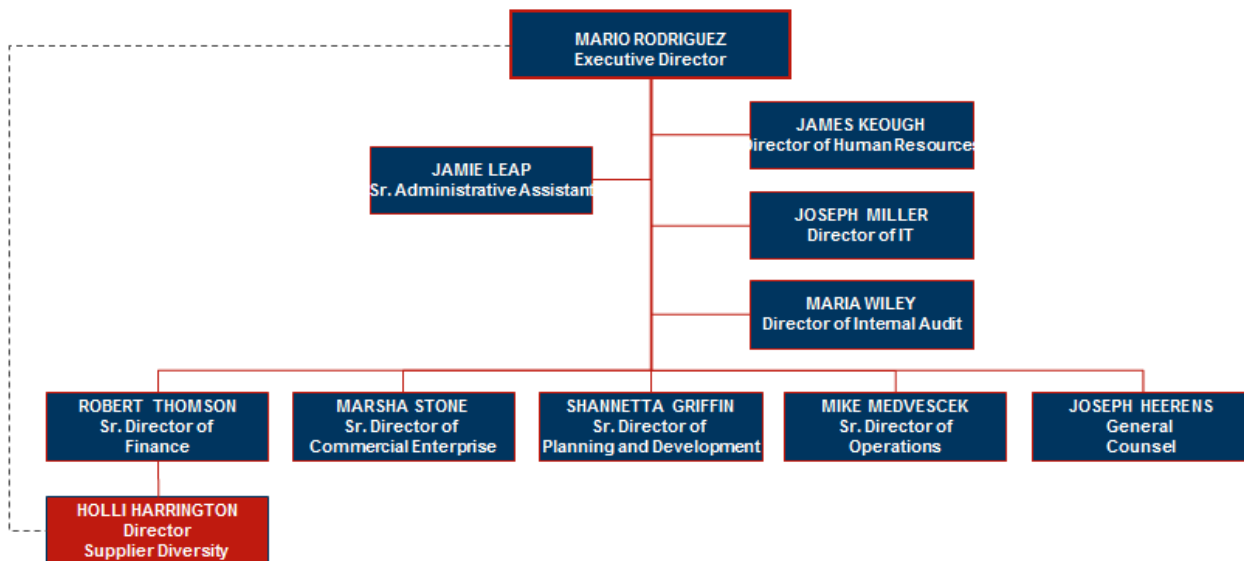
ATTACHMENT 1

Organizational chart





Indianapolis Airport Authority



ATTACHMENT 2

ACDBE DIRECTORY

The DBE Directory for the State of Indiana may be found at
<http://www.in.gov/indot/2674.htm>.

ATTACHMENT 3

Monitoring and Enforcement Mechanisms

The Airport Authority has available several remedies to enforce the ACDBE requirements contained in its contracts, including, but not limited to, the following:

1. Breach of contract action, pursuant to the terms of the contract.

In addition, the federal government has available several enforcement mechanisms that it may apply to firms participating in the ACDBE program, including, but not limited to, the following:

1. Suspension or debarment proceedings pursuant to 49 CFR part 23;
2. Enforcement action pursuant to 49 CFR part 31; and
3. Prosecution pursuant to 18 USC 1001.

The Airport Authority will implement various mechanisms to monitor program participants to ensure they comply with Part 23, including, but not limited to the following:

1. The Airport Authority will insert the following provisions into concessions agreements and management contracts at the next lease renewal:
 - A. The ACDBELO will conduct reviews of attainments versus commitments, on an as-needed basis. This review will ensure the actual attainments of the ACDBE, as committed at contract award.
2. The Airport Authority will implement the following additional monitoring and compliance procedures, consistent with concession contract provisions:
 - A. The Airport Authority has the right to inspect books and records of the ACDBE concerning operations at the Airport Authority, directly or indirectly, at the discretion of the Airport Authority.
3. The Airport Authority will implement its compliance and monitoring procedures as follows:
 - A. All concessions will be required to submit, to the Airport Authority, quarterly revenue reports. Concessionaires will submit the ACDBE Attainment Reports annually.

ATTACHMENT 4

Section 23.45: Overall Goal Calculation for Concessions Other Than Car Rentals

I. Amount of Goal

The Indianapolis Airport Authority's overall goal for concessions other than car rental (i.e. non-car rental) during the period beginning October 1, 2014 and ending September 30, 2017 is the following: **9.92%** of the total gross receipts for concessions at the Airport. The following are not included in the total gross receipts for concessions:

- (a) The gross receipts of car rental operations
- (b) The dollar amount of a management contract or subcontract with a non-ACDBE
- (c) The gross receipts of business activities to which a management contract or subcontract with a non-ACDBE pertains, and
- (d) Any portion of a firm's estimated gross receipts that will not be generated from a concession.

At this time, no new concession opportunities are expected over the next three years. However, if new concession opportunities were to arise prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, the Airport Authority will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 90 days before executing the new concession agreement (23.45(i)).

The Airport has determined that its market area is **Marion County**. This is the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms receive a substantial majority of concessions-related revenues are located.

A. Projected Concessions Opportunities: October 1, 2014 – September 30, 2017

Concessions revenue opportunity for the three-year period is based upon the gross receipts for the preceding three years. The table below describes the gross receipts of non-car rental concessions for that period.

APPENDIX A

Table 1: Gross Receipts for “All Other” (Non-Car Rental Concessions) for FY 2011-2013

Fiscal Year	All Concessions (excluding car rentals)
FY 2011	\$43,597,657
FY 2012	\$46,410,634
FY 2013	\$44,521,069
TOTAL	\$134,529,360

Source: Airport; compiled by KWA

Based on the information provided in the table above, the total gross receipts for the preceding three (3) year period for “all other” (non-car rental) concessions is **\$134,529,360**.

Table 2: Enplanements at Indianapolis International Airport – FY 2010-FY 2013

FISCAL YEAR	ENPLANEMENTS	% CHANGE
FY 2010	3,728,698	
FY 2011	3,670,396	-1.59%
FY 2012	3,586,422	-2.34%
FY 2013	3,535,579	-1.44%

Source: http://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/index.cfm

Enplanements at the airport have decreased slightly over the past three years, but gross receipts have remained relatively flat. So the base number for gross receipts of non-car rental concessions at the Airport will remain at **\$134,529,360** for the purposes of goal setting.

II. Methodology used to Calculate Overall Goal

A. Goods and Services

The Airport Authority can meet the percentage goal by counting the purchase from ACDBEs of goods and services used in non-car rental concessions business conducted at the Airport Authority. The Airport Authority, and the non-car rental concessionaires at the Airport Authority, should make good faith efforts to explore all available options to achieve, to the maximum extent practicable, compliance with the goal through direct ownership arrangements, including joint ventures and franchises. The dollar value from purchases of goods and services from ACDBEs may be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator.

APPENDIX A

B. Management Contract or Subcontract

The Airport Authority can meet the percentage goal by counting any non-car rental concessions operated through a management contract or subcontract with an ACDBE. The Airport Authority, and the concessionaires at the Airport Authority, will add the dollar amount of a management contract or subcontract with an ACDBE to the total participation by ACDBEs in Airport Authority concessions (both the numerator AND the denominator) and to the base from which the Airport Authority's percentage goal is calculated. However, the dollar amount of a management contract or subcontract with a non-ACDBE and the gross revenue of concession activities to which the management contract or subcontract pertains will not be added to this base in either the numerator or denominator. While the Airport Authority realizes that this appears to go against the normal rules and rationale for goal-setting, the Airport Authority understands that this method is nevertheless required by statute.

C. Step 1: 23.51 (c)

The Airport Authority determined the base figure for the relative availability of ACDBEs other than car rentals. The base figure was calculated as follows:

The Step 1 DBE base figure was determined by dividing the number of ACDBE firms available by the total number of firms available to determine the relative availability of ACDBEs for each concession type. That relative availability was multiplied by the percentage of total estimated revenue to determine the weighted availability of ACDBEs in the Airport Authority's market area for each concession type as indicated in **Table 3** below.

Table 3: Determination of Relative Availability of ACDBEs (Non-Car Rental)

Concession activity	NAICS codes	ACDBE firms	All firms	Relative Availability	Ratio of Estimated Gross Receipts	Weighted Availability
Gas/Conv. Center	447110	0	280	0.0%	0.16	0.00%
News & Gift	451212	0	6	0.0%	0.12	0.00%
Retail Shops	453220	29	457	6.3%	0.15	0.95%
Vending	454210	2	29	6.9%	0.02	0.11%
Phone; Wi-fi	517210	0	58	0.0%	0.00	0.00%
Currency Exchange	523130	2	29	6.9%	0.04	0.26%
Advertising	841510	12	61	19.7%	0.02	0.44%
Food & Bev	722513, 722515	12	60	20.0%	0.48	9.51%
Sundry/Personal Services	811430, 812111	718	1930	37.2%	0.00	0.11%
Valet Parking	812930	2	80	2.5%	0.02	0.04%
WEIGHTED STEP 1 BASE FIGURE =						11.43%

Source:

1. [2012 County Business Patterns](#), U.S. Census Bureau, May 2014.
2. Indiana UCP Directory, July 2014.
3. Indiana Department of Administration Certified Business Directory, July 2014.

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The Step 1 base goal for “all other” (i.e. non-car rental) ACDBEs is **11.43%**.

D. Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, the Airport Authority examined evidence to determine whether or not the base figure needs to be adjusted in order to arrive at the overall goal.

The data used to determine the adjustment to the base figure were:

1. Past participation

The Airport Authority evaluated the current capacity of ACDBEs to perform work in the concessions program by measuring the volume of work ACDBEs have performed in the past.

The historical ACDBE accomplishments at the Airports in recent years were examined relative to the above consideration (i). Specifically, the annual “Uniform Report of ACDBE Participation” for each of the reporting periods listed below was assessed. Notice the annual ACDBE percent accomplishment for each year reported, and the total amount of ACDBE participation for the three-year period.

**Table 4: Indianapolis Airport Authority
ACDBE Accomplishments for FY 2011—FY 2013**

FISCAL YEAR	ACDBE goal	ACDBE achievement	Over/under
FY 2011	15.50%	10.61%	-4.89%
FY 2012	15.50%	8.41%	-7.09%
FY 2013	15.50%	7.55%	-7.95%
	MEDIAN	8.41%	-7.09%

Source: Uniform Report of ACDBE Participation, Indianapolis Airport Authority (FY 2011-2013)

The median ACDBE accomplishment for the previous three-year reporting period as shown above is **8.41%**, compared to the Step 1 DBE base figure for the airport of **11.43%**.

2. Disparity Study

A disparity study was conducted in 2010 for the State of Indiana that included agencies such as the Indiana Department of Transportation (INDOT), the Indiana Department of Administration and several colleges and universities in Indiana. The disparity discussed the findings of several court cases that dealt with challenges to the DBE program and to MWBE programs. The study focused on procurements of the above-mentioned agencies. The Airport Authority was not included in the data

APPENDIX A

collected for this disparity study, so the data from the disparity will not be utilized to adjust the ACDBE goal.

E. Adjustment of the Step 1 Goal

The reason the Airport chose to adjust the base figure using these data was because past participation by ACDBEs indicated that the step 1 goal underestimates ACDBE capacity at the Airport. In order to reflect as accurately as possible the ACDBE participation the Airport would expect in the absence of discrimination, the Airport has adjusted the base figure of 11.43%. The overall goal for non-car rental concessions is **9.92%** (11.43% + 8.41% = 19.84% / 2 = **9.92%**).

Since the projected amount of non-car rental concession gross receipts over the next three years is approximately **\$134,529,360**, this means that the Airport proposes to achieve approximately **\$13,345,313** in ACDBE gross receipts over the next three years.

III. Consultation with Stakeholders (23.43)

Prior to submitting this goal to the FAA Civil Rights office, the Airport Authority conducted a stakeholders meeting on July 31, 2014 at the Airport's board room. Questions and answers are provided as an attachment to this document (see Appendix A).

Breakout of Estimated Race-Neutral & Race-Conscious Participation

Section 23.51

The Airport Authority will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport Authority uses the race-neutral measures below to increase ACDBE participation. The Airport Authority understands that it will be expected to actually take these steps, and this is not merely a paper exercise.

1. Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23;
2. Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;
3. When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
4. Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;
5. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;

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6. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and
7. Establishing a business development program (see 49 CFR Part 26:35); technical assistance program or taking other steps to foster ACDBE participation in concessions.

The Airport Authority estimates that it will meet the overall goal of **9.92%** through race-conscious measures. The reason for this is that the Airport Authority did not meet its goal in the previous three years.

In order to ensure that the ACDBE program will be narrowly tailored to overcome the effects of discrimination, if the Airport uses concession-specific goals, it will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and will track and report race-neutral and race conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not necessarily limited to the following:

- ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures
- ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goal
- ACDBE participation on a prime contract exceeding a concession specific goal
- ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE in making the award.

The Airport will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

INDIANAPOLIS INTERNATIONAL AIRPORT



ACDBE STAKEHOLDERS' MEETING – FY 2015-FY 2017 OVERALL GOAL (DRAFT)

Thursday, July 31, 2014

Attendance:

1. Holli Harrington
2. Kevin Weeden
3. Kenneth Weeden
4. Lisa Voelpel, Erwin Pearl
5. Jason Paltzer, IAA
6. Bill Shrewsbury, Shrewsbury, Inc.
7. Hal Derring, DRE Retail, LLC
8. Deborah D. Oatts, Nubian Constr. Corp.
9. Jim Pickens, Putnam Industries
10. Eric Gray, LS Travel
11. Archie Carper, IAA

The meeting was opened by Ms. Holli Harrington, Director of Compliance, IAA. She introduced herself, and asked each attendee to introduce themselves, including project consultants from Ken Weeden & Associates, Inc. (Kevin D. Weeden, and Kenneth Weeden).

Kevin Weeden provided a detailed overview of the basics of the ACDBE program's purpose, objectives, and requirements. He then walked through the two-step goal setting methodology. This led to several questions, listed below.

Questions:

1. What happens to an Airport, if they DON'T meet a goal? What does the FAA do?

- a. Beginning in 2012, airports that do not meet their overall goal in any year of the three years covered by that goal must conduct a corrective analysis concerning the shortfall. This analysis must contain an analysis of why the goal was not met, and a corrective action plan to achieve the goals the next year.

2. Does the FAA consider the meeting of, or not meeting of, goals in the funding decisions to Airports?

- a. The meeting of goals is certainly a compliance issue in which non-compliance can lead to a hold-up of annual AIP funds to the airport, until compliance is evident. However, the meeting of, or not meeting of, goals does not affect the national funding formula for particular airports.

3. Did the "old", prior ACDBE goal, i.e. 15.5% reflect reality, or was there something missing?

- a. Kevin Weeden: The raw numbers we had initially, were not complete?

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4. How about a Retail Shop; would they have to reach that overall?

- a. Ken Weeden: There is an overall ACDBE goal for non-car rental concessions, but the airport may opt to have concession-specific goals. So the ACDBE goal for retail shops may be different than the overall goal.

5. Does this program also include MWBE firms?

- a. If the MWBE firms are ACDBE-certified, yes. But they must be ACDBE-certified in order to have their participation counted.

6. Are ACDBE certifications "transferable"? Can I use my certification in Chicago?

- a. Kevin: The certification is not necessarily transferable. But you can take the application from the Indiana certification and present it to Illinois to become certified as an ACDBE to be able to have your participation count in Chicago. We will send, via email, the web link to clarifying information on interstate certifications.
- b. Ken: Gave a summary of the interstate certification process.

7. Does this program apply to reliever airports?

- a. Kevin: No. This only applies to primary commercial service airports.

8. As a leasing company, if someone leases cars, etc., from me, does it count for ACDBE participation?

- a. As long as your company is certified as an ACDBE in Indiana, the participation counts.

9. Badging Issues?

- a. Holli:

Holli summarized the next steps, toward finalization. Archie also thanked the people for attending the meeting.

ATTACHMENT 5

Section 23.45: Overall Goal Calculation for Car Rentals

I. Amount of Goal

The Indianapolis Airport Authority's overall car rental goal for the period beginning October 1, 2013 and ending September 30, 2016 is the following: **1.45%** of the total gross receipts of car rental operations at the Indianapolis International Airport.

If a new car rental concession opportunity arises prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, the Airport will submit an appropriate adjustment to the overall goal. This will be submitted to the Federal Aviation Administration (FAA) Civil Rights office for approval at least 90 days before executing the new concession agreement (23.45(i)).

The Airport Authority has determined that its market area for car rental concessions is the State of Indiana. The market area is usually the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms which receive a substantial majority of concessions related revenues are located. However, because of the unique nature of car rental concessions, the Airport Authority is proposing to use alternative rationale as indicated in section B of this attachment.

A. Projected Concessions Opportunities: October 1, 2014 - September 30, 2017

Concessions revenue opportunity for the 3-year period is based upon the gross receipts for the preceding three years. The table below describes the gross concession receipts for that period.

**Table 1: Gross Receipts for Car Rental Concessions
for FY 2011 to FY 2013**

Fiscal Year	Car Rental Concessions Revenue
FY 2011	\$78,375,364
FY 2012	\$97,762,511
FY 2013	\$80,859,249
Total	\$256,997,124

Source: Airport, compiled by KWA

Based on the information provided in the table above, the total gross receipts for the three (3) year period for car rental concessions is \$256,997,124.

Table 2: Enplanements at Indianapolis International Airport – FY 2010-FY 2013

FISCAL YEAR	ENPLANEMENTS	% CHANGE
FY 2010	3,728,698	
FY 2011	3,670,396	-1.59%
FY 2012	3,586,422	-2.34%
FY 2013	3,535,579	-1.44%

Source: http://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/index.cfm

Enplanements at the airport have decreased slightly over the past three years, but gross receipts have remained relatively flat. So the base number for gross receipts of car rental concessions at the Airport will remain at **\$256,997,124** for the purposes of goal setting.

B. Determination of Market area

The market area is defined by the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms which receive the substantial majority of concessions-related revenues are located.

The Airport Authority believes that, although the car rental agencies that are currently doing business with the airport are located nationally, ACDBEs that would most likely participate would be regional, especially for the purchase of goods and services. Therefore, the Airport Authority is proposing to use the state of Indiana as the market area.

II. Methodology used to Calculate Overall Goal

A. Goods and Services

The Airport Authority can meet the percentage goal by including the purchase from ACDBEs of goods and services used in business at the airport. The dollar value from purchases of goods and services from ACDBEs may be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator.

B. Management Contract or Subcontract

The Airport Authority can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The Airport Authority, and the businesses at the airport, will add the dollar amount of a management contract or subcontract with an ACDBE to the total participation by ACDBEs in airport concessions (both the numerator AND the denominator) and to the base from which the airport’s percentage goal is calculated. However, the dollar amount of a management contract or

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subcontract with a non-ACDBE and the gross revenue of business activities to which the management contract or subcontract pertains will not be added to this base in either the numerator or denominator. While the Airport Authority realizes that this appears to go against the normal rules and rationale for goal-setting, the Airport Authority understands that this method is nevertheless required by statute.

C. Step 1: 23.51 (c)

The Airport Authority determined the base figure for the relative availability of car rental ACDBEs. The base figure was calculated as follows:

In order to determine the relative availability of ACDBEs in the area of car rental concessions, the availability of DBE car rental concessions in the market area must be compared to the overall availability of all car rental concessions in the market area.

Table 3: Determination of Relative Availability of ACDBEs (Car Rental)

Concession Type	NAICS Codes	Activity	ACDBE Firms	All Firms
Car Rentals	238210	Sign installation	40	1230
	423850	Janitorial supplies	5	98
	488410	Towing services	0	169
	524298	Insurance consultants	3	42
	561622	Key replacement	0	59
	811198	General car repair	0	62
				48
		STEP 1 BASE GOAL =	48/1660 = 2.89%	

Source:

1. 2012 County Business Patterns database, U.S. Census Bureau, May 2014.
2. Indiana UCP DBE Directory, July 2014.

The Step 1 base goal for car rental ACDBEs is **2.89%**.

D. Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, the Airport Authority examined evidence to determine whether or not the base figure needs to be adjusted in order to arrive at the overall goal.

The data used to determine the adjustment to the base figure was:

1. **Past participation** – The Airport Authority evaluated the current capacity of ACDBEs to perform work in car-rental concessions program by measuring the volume of work ACDBEs have performed in the past.

**Table 4: Indianapolis International Airport
ACDBE Accomplishments for FY 2011-FY 2013**

Report Period	Goal	Accomplishment	Over/Under
FY 2011	3.27%	0.00%	-3.27%
FY 2012	3.27%	0.96%	-2.31%
FY 2013	3.27%	0.00%	-3.27%
MEDIAN		0.00%	-3.27%

Source: Airport, compiled by KWA

The median ACDBE accomplishment for the reporting period as shown above is **0.00%**, compared to the Step 1 DBE base figure for the airport of **2.89%**. This may indicate that the Step 1 base figure overestimates ACDBE capacity at the Airport.

2. Disparity Study

A disparity study was conducted in 2010 for the State of Indiana that included agencies such as the Indiana Department of Transportation (INDOT), the Indiana Department of Administration and several colleges and universities in Indiana. The disparity discussed the findings of several court cases that dealt with challenges to the DBE program and to MWBE programs. The study focused on procurements of the above-mentioned agencies. The Airport Authority was not included in the data collected for this disparity study, so the data from the disparity will not be utilized to adjust the ACDBE goal.

E. Adjustment of the Step 1 Base Figure

The Airport will adjust the Step 1 DBE base figure of 2.89% by adding it to the median percentage of achievement (0.00%), and averaging the figures together, for an overall goal of **1.45%**.

III. Consultation with Stakeholders (23.43)

Prior to submitting this goal to the FAA Civil Rights office, the Airport Authority conducted a stakeholders meeting on July 31, 2014 at the Airport’s board room. Questions and answers are provided as an attachment to this document (see Attachment 4, Appendix A).

**Breakout of Estimated Race-Neutral & Race-Conscious Participation
Section 23.51**

The Airport Authority will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport Authority uses the race-neutral measures listed below to increase ACDBE participation. The Airport Authority understands that it will be expected to actually take these steps, and this is not merely a paper exercise.

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1. Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23;
2. Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;
3. When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
4. Providing technical assistance to ACDBEs in overcoming limitations.
5. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
6. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

The Airport Authority estimates that, in meeting its overall goal of 1.45%, it will obtain 0.0% from race-neutral participation and 1.45% through race-conscious measures. The reason for this projected split is that the median amount by which the Airport Authority over/under achieved its goals over the preceding three (3) year period as shown in Table 4 is -3.27%. Therefore, the Airport Authority expects to meet its overall goal using race-conscious means.

In future years, the Airport Authority will seek to meet the maximum feasible portion of its goal using race-neutral measures. If the Airport Authority projects that race-neutral measures, standing alone, are not sufficient to meet an overall goal, it will use the following race-conscious measures to meet the overall goal:

1. Establish concession-specific goals for particular concession opportunities;
2. Negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession; and
3. Utilize, with prior FAA approval, other methods that take a competitor's ability to provide ACDBE participation into account in awarding a concession.

In order to ensure that the ACDBE program will be narrowly tailored to overcome the effects of discrimination, if the Airport Authority uses concession-specific goals, it will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and the Airport Authority will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not necessarily limited to the following:

- ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures

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- ACDBE participation through a subcontract on a prime contract that does not carry an ACDBE goal
- ACDBE participation on a prime contract exceeding a concession specific goal
- ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE in making the award.

The Airport Authority will maintain data separately on ACDBE achievements in those contracts with and without concession-specific goals, respectively.

ATTACHMENT 6

FORM 1: AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) UTILIZATION

The undersigned bidder/offeror has satisfied the requirements of the bid specification in the following manner (please check the appropriate space):

____ The bidder/offeror is committed to a minimum of ____ % ACDBE utilization on this contract.

____ The bidder/offeror (if unable to meet the ACDBE goal of ____%) is committed to a minimum of ____% ACDBE utilization on this contract and has submitted documentation demonstrating good faith efforts.

Name of bidder/offeror's firm: _____

State Registration No. _____

By _____
(Signature) Title

FORM 2: LETTER OF INTENT

Name of bidder/offeror's firm: _____

Address: _____

City: _____ State: _____ Zip: _____

Name of ACDBE firm: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____

Description of work to be performed by ACDBE firm:

The bidder/offeror is committed to utilizing the above-named ACDBE firm for the work described above. The estimated dollar value of this work is \$ _____.

Affirmation

The above-named ACDBE firm affirms that it will perform the portion of the contract for the estimated dollar value as stated above.

By _____
(Signature) (Title)

If the bidder/offeror does not receive award of the prime contract, any and all representations in this Letter of Intent and Affirmation shall be null and void.

(Submit this page for each ACDBE subcontractor.)

ATTACHMENT 7

Certification Application Forms

The certification application forms for the State of Indiana may be found at <http://www.in.gov/indot/2674.htm>.

ATTACHMENT 8

I. Procedures for removing a DBE's eligibility.

A. Ineligibility complaints.

1. Any person may file with the Indiana Department of Transportation (INDOT) a written complaint alleging that a currently-certified firm is ineligible and specifying the alleged reasons why the firm is ineligible. Confidentiality of complainants' identities will be protected. However, general allegations or anonymous complaints will not be accepted.
2. INDOT will review its records concerning the firm, any material provided by the firm and the complainant, and other available information. INDOT may request additional information from the firm or conduct any other investigation that it deems necessary.
3. If INDOT determines, based on this review, that there is reasonable cause to believe that the firm is ineligible, it will provide written notice to the firm that INDOT proposes to find the firm ineligible, setting forth the reasons for the proposed determination. If INDOT determines that such reasonable cause does not exist, it will notify the complainant and the firm in writing of this determination and the reasons for it. All statements of reasons for findings on the issue of reasonable cause must specifically reference the evidence in the record on which each reason is based.

B. INDOT-initiated proceedings. If, based on notification by the firm of a change in its circumstances or other information that comes to your attention, INDOT determines that there is reasonable cause to believe that a currently certified firm is ineligible, INDOT will provide written notice to the firm that it proposes to find the firm ineligible, setting forth the reasons for the proposed determination. The statement of reasons for the finding of reasonable cause will specifically reference the evidence in the record on which each reason is based.

C. Hearing. When INDOT notifies a firm that there is reasonable cause to remove its eligibility, as provided in paragraph (A) or (B) of this section, INDOT will give the firm an opportunity for an informal hearing, at which the firm may respond to the reasons for the proposal to remove its eligibility in person and provide information and arguments concerning why it should remain certified.

1. INDOT will maintain a complete record of the hearing, by any means acceptable under state law for the retention of a verbatim record of an administrative hearing.
2. The firm may elect to present information and arguments in writing, without going to a hearing.

D. Separation of functions. INDOT will ensure that the decision in a proceeding to remove a firm's eligibility is made by an office and personnel that did not take part in actions leading to or seeking to implement the proposal to remove the firm's eligibility and are not subject, with respect to the matter, to direction from the office or personnel who did take part in these actions.

1. INDOT's method of implementing this requirement will be made part of its DBE program.
2. The decision-maker will be an individual who is knowledgeable about the certification requirements of your DBE program and this part.

E. Grounds for decision. INDOT will not base a decision to remove eligibility on a reinterpretation or changed opinion of information available to INDOT at the time of its certification of the firm. Rather, such decision will be based on one or more of the following:

1. Changes in the firm's circumstances since the certification of the firm by INDOT that render the firm unable to meet the eligibility standards of this part;
2. Information or evidence not available to INDOT at the time the firm was certified;
3. Information that was concealed or misrepresented by the firm in previous certification actions by INDOT;
4. A change in INDOT's certification standards or requirements since the firm was certified; or
5. A documented finding that INDOT's determination to certify the firm was factually erroneous.

F. Notice of decision. Following INDOT decision, INDOT will provide the firm written notice of the decision and the reasons for it, including specific references to the evidence in the record that supports each reason for the decision. The notice must inform the firm of the consequences of INDOT's decision and of the availability of an appeal to the United States Department of Transportation shown below in Section II. INDOT will send copies of the notice to the complainant in an ineligibility complaint.

G. Status of firm during proceeding.

1. A firm remains an eligible DBE during the pendency of your proceeding to remove its eligibility.
2. The firm does not become ineligible until the issuance of the notice provided for in paragraph (F) of this section.

H. Effects of removal of eligibility. When INDOT removes a firm's eligibility, INDOT will take the following action:

1. When a prime contractor has made a commitment to using the ineligible firm, or INDOT has made a commitment to using a DBE prime contractor, but a subcontract or contract has not been executed before INDOT will issue the decertification notice provided for in paragraph (F) of this section, the ineligible firm does not count toward the contract goal or overall goal. Prime contractor are directed to meet the contract goal with an eligible DBE firm or demonstrate to INDOT that it has made a good faith effort to do so.
2. If a prime contractor has executed a subcontract with the firm before INDOT has notified the firm of its ineligibility, the prime contractor may continue to use the firm on the contract and may continue to receive credit toward its DBE goal for the firm's work. In this case, or in a case where you have let a prime contract to the DBE that was later ruled ineligible, the portion of the ineligible firm's performance of the contract remaining after INDOT issued the notice of its ineligibility shall not count toward INDOT's overall goal, but may count toward the contract goal.
3. Exception: If the DBE's ineligibility is caused solely by its having exceeded the size standard during the performance of the contract, INDOT may continue to count its participation on that contract toward overall and contract goals.

I. Availability of appeal. When INDOT makes an administratively final removal of a firm's eligibility under this section, the firm may appeal the removal to the United States Department of Transportation in accordance with Section II of this document.

II. USDOT Certification Appeals Process

- A.** If you are a firm which is denied certification or whose eligibility is removed by the INDOT, you may make an administrative appeal to the USDOT.
- B.** If you are a complainant in an ineligibility complaint to the INDOT (including the concerned operating administration in the circumstances provided in paragraph (C), you may appeal to the USDOT if the INDOT does not find reasonable cause to propose removing the firm's eligibility or, following a removal of eligibility proceeding, determines that the firm is eligible.
- C.** Send appeals to the following address:

United States Department of Transportation
Office of Civil Rights
400 7th Street SW, Room 2401
Washington DC 20590

ATTACHMENT 9

49 CFR Part 23

The federal regulations, Title 49
Code of Federal Regulations
Part 23, may be found at
www.ecfr.gov.

ATTACHMENT 10

Goals and Elements for Privately-Owned or Leased Terminal Buildings

(N/A)

IAA Board Meeting
General Agenda
December 19, 2014

General:

BP2014-12-1 Consider for approval the Eli Lilly and Company Foreign Trade Subzone Agreement Amendment and Minor Boundary Modification

BP2014-12-2 IAA Staff recommends the Board consider for approval a Letter of Intent with SCP Developers, LLC for the purchase of 22.1 acres of land in the northwest corner and 58.784 acres in the southeast corner of Ronald Reagan Parkway and Stafford Road for a total of 80.884 acres.

Capital Program:

BP2014-12-3
APPROVAL #1 Consider for approval Amendment No. 2 to the contract with CHA Consulting, Inc. for Rehabilitate Runway 5L-23R and Taxiway A at Indianapolis International Airport, Project # I-14-003, in an amount not-to-exceed \$90,510.00 (fees). Supplier diversity participation on this amendment is DBE 18.17% (Infrastructure Engineering, Inc., CAD-Vantage, Inc.), MBE 9.72%, (Infrastructure Engineering, Inc.), WBE 22.85% (CAD-Vantage, Inc., White Security, Reprographix, Inc.), and VBE 0%

APPROVAL #2 Consider for approval a professional services contract with Hanson Professional Services, Inc. for Rehabilitate Taxiway B at Indianapolis International Airport, Project # I-14-002, in an amount not-to-exceed \$162,974.00. Supplier diversity participation on this contract is DBE 19.64% (Infrastructure Engineering, Inc.), MBE 19.64% (Infrastructure Engineering, Inc.), WBE 2.52% (White Security), and VBE 4.30% (B&R Consulting, LLC)

BP2014-12-4 Consider for approval Change Order No. 1 (Final and Balancing) with Milestone Contractors, L.P. for Rehabilitate Taxiway D at Indianapolis International Airport, Project # I-14-001, in an amount not-to-exceed \$146,753.96. Supplier diversity participation for this Change Order No. 1 is DBE 10.19% (The Hoosier Company, C.E. Hughes Milling, Inc., Oatts Trucking), MBE 13.02% (Fox Contractors Corp., Oatts Trucking, Harmon Construction), and WBE 21.85% (The Hoosier Company, C.E. Hughes Milling, Inc., Protection Plus), and VBE 0%

BP2014-12-5

Consider for approval Amendment No. 4 to the contract with Shrewsberry & Associates, LLC for Metropolitan Airport, Airport Layout Plan Update at Metropolitan Airport, Project # M-11-097, in an amount not-to-exceed \$4,874.02 (fees) plus \$600.00 (expenses) for a total not-to-exceed amount of \$5,474.02. Supplier diversity participation on this amendment is DBE 100% (Shrewsberry & Associates, LLC), MBE 100% (Shrewsberry & Associates, LLC), WBE 0%, and VBE 100% (Shrewsberry & Associates, LLC)

BP2014-12-6

Consider for approval the revised budget and award of contract for Heliport HVAC Replacement at the Downtown Indianapolis Heliport, Project # H-15-036, to Dallman Contractors, LLC in an amount not-to-exceed \$541,743.00 plus a 3% construction reserve of \$16,252.29 for a total of \$557,995.29. Dallman Contractors, LLC was the lowest responsive and responsible bidder. Supplier diversity participation on this contract is MBE 0.00%, WBE 3.23% (JMH Roofing Company), and VBE 0%



BOARD MEMO– ELI LILLY AND COMPANY MINOR BOUNDARY MODIFICATION AND FOREIGN TRADE SUBZONE AGREEMENT AMENDMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: November 19, 2014

Board Date: December 19, 2014

Subject: Eli Lilly and Company - Minor Boundary Modification (MBM) and Operating Agreement Amendment

Background

The Indianapolis Airport Authority (IAA) is the Foreign Trade Zone (FTZ) “Grantee” representing central Indiana communities. In 1980, IAA created a separate company, the Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ), a not-for-profit 501C (6), to administer the FTZ program.

Eli Lilly and Company is a subzone approved on July 26, 1985 by the Foreign Trade Zone Board, Washington, D.C. Eli Lilly and Company is requesting a Minor Boundary Modification to expand its Subzone 72B located at Lilly Corporate Center in Indianapolis, IN to include its distribution facility located at 2222 Stanley Road in Plainfield, IN.

The Minor Boundary Modification will allow Eli Lilly and Company to effectively compete with foreign based operations by utilizing its existing U.S. facilities to conduct its research, development, and manufacturing activity.

Scope

The GIFTZ Board concurred with the request from Eli Lilly on October 28, 2014 and recommends the Amendment be executed by the IAA Board.

Schedule

December 19, 2014: IAA approval of Eli Lilly and Company Minor Boundary Modification and Amendment to Foreign Trade Subzone Agreement.

Revenue and/or Operating Cost Implications

Revenue:

Revenue impact is unchanged at \$60,000/annum.

Operating Costs:

The GIFTZ has no additional costs associated with the execution of the Amendment and Minor Boundary Modification.

Supplier Diversity Participation

Not applicable.

Recommendation

IAA Staff recommends the Board consider for approval the Eli Lilly and Company Foreign Trade Subzone Agreement Amendment and Minor Boundary Modification.



BOARD MEMO – PURCHASE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: November 3, 2014

Board Date: December 19, 2014

Subject: IAA Land Use Initiative - Purchase Agreement with SCP Developer, LLC

Background

As a direct attribute of the IAA Land Use Initiative, IAA Staff has been diligently pursuing the sale of certain IAA lands along Ronald Reagan Parkway. This Board Memo will describe the sale of a total of 80.884 acres (22.1 acres of land in the northwest corner, and 58.784 acres in the southeast corner, of Ronald Reagan Parkway and Stafford Road) to SCP Developers, LLC (SCP). SCP is a local developer with a large presence in Plainfield, Indiana, particularly in the Ronald Reagan Parkway vicinity. This property is the first section of land to be sold from the IAA's Land Use Initiative inventory.

Governed by the laws of the State of Indiana on such land transactions, the IAA has to procure two separate appraisals for each section of land to be sold. These appraisals are then averaged and that dollar amount becomes the minimum price the IAA may sell land in any transaction. The purchase price of the 80.884 acres meets and exceeds the appraisal amount.

Land Sale Restrictions

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

- The land will not be used for, or permit thereon, any type of paid parking for any types of vehicles, or as a taxi staging area;
- The land will not be used for, or permit thereon, any type of plant, utility, or other type of operation that emits, to any extent, smoke, fumes, vapors, or other similar gases;
- The title to the land will contain a "noise disclosure statement", an "avigation easement", as well as a waiver and release of all claims, actions, damages and liabilities, with respect to any and all noise, vibrations, particulates, or any other matters pertaining in any way, directly or indirectly, to the operation of an airport and/or aircraft; and

- No building or other structure shall be constructed or maintained at any time upon the land which exceeds the height restrictions designated or established by federal, state or local laws, rules or regulations, or by avigation easement.

In addition, SCP will work with the IAA on design of the sites as it relates to wildlife attractants including stormwater detention and types of landscaping.

Scope

To execute a Purchase Agreement with SCP Developers, LLC for the sale of 80.884 acres of land along Ronald Reagan Parkway.

Schedule

December 19, 2014:	Execution of Letter of Intent to execute Purchase Agreement with SCP Developers, LLC.
TBD	From execution of Purchase Agreement, SCP will have thirty (30) days in which to file a rezoning petition.
TBD	From the date of filing the rezoning petition, SCP will have one hundred twenty (120) days in which to receive approval of rezoning. SCP Inspection Period will run parallel with this timeframe covering standard due diligence matters as is common in commercial real estate transactions.
TBD	Closing of the sale of land is to occur within thirty (30) days after Inspection Period.

Revenue and/or Operating Cost Implications

Revenue:

The negotiated sale of the 80.884 acres of land is at \$100,000.00 per acre, for a total sale price of eight million eighty eight thousand four hundred dollars (\$8,088,400.00).

Operating Costs:

N/A

Supplier Diversity Participation

Not applicable.

Recommendation

IAA Staff recommends that the Board consider, for approval, a Letter of Intent with SCP Developers, LLC for the purchase of 22.1 acres of land in the northwest corner and 58.784 acres in the southeast corner of Ronald Reagan Parkway and Stafford Road, for a total of 80.884 acres.



BOARD MEMO – AMENDMENT & CONTRACT

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: December 9, 2014

Board Date: December 19, 2014

Subject: Approval of Amendment No. 2 with CHA Consulting, Inc. for Rehabilitate Runway 5L-23R and Taxiway A at Indianapolis International Airport, Project # I-14-003, and Approval of Professional Services Contract with Hanson Professional Services, Inc. for Rehabilitate Taxiway B at Indianapolis International Airport, Project # I-14-002

Background

Runway 5L-23R at Indianapolis International Airport (IND) was constructed in 1996 and localized rehabilitation was completed in 2002 and 2008. Taxiway A was constructed in phases between 1985 and 1996. Localized rehabilitation was completed in 2003 and 2007. The results of a 2012 IND Airfield Pavement Evaluation and Management Plan indicated rehabilitation is needed in localized areas on Runway 5L-23R and Taxiway A.

Rehabilitating Runway 5L-23R and Taxiway A is consistent with the strategic plan to maintain Indianapolis Airport Authority (IAA) properties at a serviceable level, and it is consistent with Title 14 Code of Federal Regulations (CFR) Part 139 requirements to maintain pavement available to air carriers.

Rehabilitate Runway 5L-23R and Taxiway A was originally programmed for construction in 2014. Due to an unfavorable single bid, rejected by the Board on August 15, 2014, the project is being re-phased and rebid in 2015.

Rehabilitate Runway 5L-23R and Taxiway A are included as separate projects in the approved 2015 Capital Budget for Federal Aviation Administration (FAA) grant funding purposes and the quantities for each will be tracked separately, but the projects will be executed as a single project.

Taxiway B is the south parallel taxiway to Runway 5L-23R at Indianapolis International Airport and serves the north side of the terminal ramp. Taxiway B was constructed in phases between 1996 and 2005.

Taxiway B pavements are exhibiting premature failures in certain longitudinal joints. In February 2012, the Board approved a design contract with Hanson Professional

Services, Inc. (Hanson) to investigate the pavement failures and design an appropriate rehabilitation strategy. Preliminary investigation was inconclusive, and a temporary patching project was implemented while the FAA reviewed the investigation data. The FAA requested further investigation be conducted before a determination on funding would be made.

In August 2013, the Executive Director approved a professional services contract with Hanson to further investigate the failures employing additional pavement core sampling and petrographic analysis of the Portland Cement Concrete Pavement (PCCP). Results of this additional investigation identified a material flaw in the dowel bar epoxy. This was confirmed during the second round of temporary patching efforts along Taxiway B. During demolition, samples of the dowel bar epoxy were obtained. These samples were still in the plastic (pliable) state when removed and return to the plastic state whenever wet.

With the cause of the distress in Taxiway B identified and the taxiway having reached half of its design life, IAA staff has coordinated with the FAA Airports District Office (ADO) on the design for rehabilitation for Taxiway B. While the ADO still needs to coordinate with their headquarters on the percent of grant funding, to meet the 2015 construction season the ADO recommended including Taxiway B with the Runway 5L-23R and Taxiway A project as two bid alternates. The first bid alternate will be the first phase of Taxiway B rehabilitation. The second bid alternate is the balance of the Taxiway B rehabilitation, currently programmed for 2016 and 2017 construction to identify the potential savings due to economy of scale that may allow the entire project to be completed in one year if favorable pricing is received and additional grant funding can be obtained.

Since CHA and Hanson were each selected via a qualifications based request for proposal processes and have completed portions of the design for their respective projects, IAA staff has coordinated with CHA and Hanson to prepare a combined bid package. They have agreed to work together to coordinate plans, specifications and bid proposal (bid documents) for the rebid of Rehabilitate Runway 5L-23R and Taxiway A combining in Rehabilitate Taxiway B.

Scope

CHA Amendment No. 2

This contract Amendment No. 2 will provide for the services needed from CHA to prepare revised bid documents for their portion of the scope and provide bid phase services.

CHA will produce bid documents associated with the rehabilitation of Runway 5L-23R and Taxiway A in conjunction with Hanson's bid documents for Rehabilitate Taxiway B as two bid alternates to IAA Project # I-14-003, Rehabilitate Runway 5L-23R and Taxiway A, and provide bid assistance for base bid items.

Hanson Contract

Hanson was selected in 2012 for the rehabilitation of Taxiway B. However, at that time the FAA determined the project was not eligible for grant funding. Hanson has prepared the design of repairs to Taxiway B to keep it operational until eligible for grant funding and conducted the analysis of the premature failure that provided the necessary data for the FAA to determine the rehabilitation of Taxiway B to now be grant eligible.

A new contract is being executed with Hanson for this grant eligible design work. Hanson will produce plans for replacement of the two pilot lanes of Taxiway B at IND from Taxiway B-12 to Taxiway R along with localized filler lane panels, and provide bid assistance for alternate items. The field survey and initial geotechnical investigation from their 2012 contract are valid for the current design effort so the IAA will be seeking grant reimbursement for those portions of the 2012 Hanson contract.

Once bids are received and the scope of the project to be constructed based on pricing and grant funding is known, an amendment for construction phase professional services with each firm is anticipated.

Project Cost

CHA Amendment No. 2

The CHA Consulting, Inc. contract Amendment No. 2 is \$90,510.00, which is within the approved 2015 Capital Budget for Rehabilitate Runway 5L-23R and Taxiway A.

Hanson Contract

The Hanson Professional Services, Inc. contract is \$162,974.00, which is within the approved 2015 Capital Budget for Rehabilitate Taxiway B.

The funding for this project is expected to be 75% FAA grant funds and 25% Airport cash funded. Rehabilitate Runway 5L-23R and Taxiway A are anticipated to be funded with 2015 IND entitlement funds. Rehabilitate Taxiway B is anticipated to compete for discretionary grant funds, thus its inclusion as alternates. A 2014 grant was received for the 2014 design for Rehabilitate Runway 5L-23R.

The project is being undertaken to rehabilitate existing infrastructure that is integral to the continued safe operations of the airport and is anticipated to be grant funded. As a result of the critical nature of the repairs and the anticipated grant funding, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

CHA Amendment No. 2

The CHA contract term will be extended by Amendment No. 2 to December 31, 2016 to accommodate construction, warranty period and project closeout.

Hanson Contract

The Hanson contract award anticipated December 19, 2014 with a completion date of December 31, 2016 to accommodate construction warranty period and project closeout. If all the Taxiway B construction cannot be accomplished in 2015, a contract extension will be required.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

CHA Amendment No. 2:

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
Infrastructure Eng., Inc.	\$ 8,800.00	\$ 8,800.00	\$ -	\$ -	9.72%	9.72%	0.00%	0.00%
CAD-Vantage, Inc.	7,644.00	-	7,644.00	-	8.45%	0.00%	8.45%	0.00%
White Security	-	-	672.00	-	0.00%	0.00%	0.74%	0.00%
Reprographix, Inc.	-	-	12,364.00	-	0.00%	0.00%	13.66%	0.00%
Totals	\$16,444.00	\$ 8,800.00	\$ 20,680.00	\$ -	18.17%	9.72%	22.85%	0.00%

Hanson Contract:

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
Infrastructure Eng., Inc.	\$ 32,000.00	\$ 32,000.00	\$ -	\$ -	19.64%	19.64%	0.00%	0.00%
B&R Consulting, LLC	-	-	-	7,000.00	0.00%	0.00%	0.00%	4.30%
White Security	-	-	4,100.00	-	0.00%	0.00%	2.52%	0.00%
Totals	\$ 32,000.00	\$ 32,000.00	\$ 4,100.00	\$ 7,000.00	19.64%	19.64%	2.52%	4.30%

Contract Summary to Date

CHA Amendment 2:

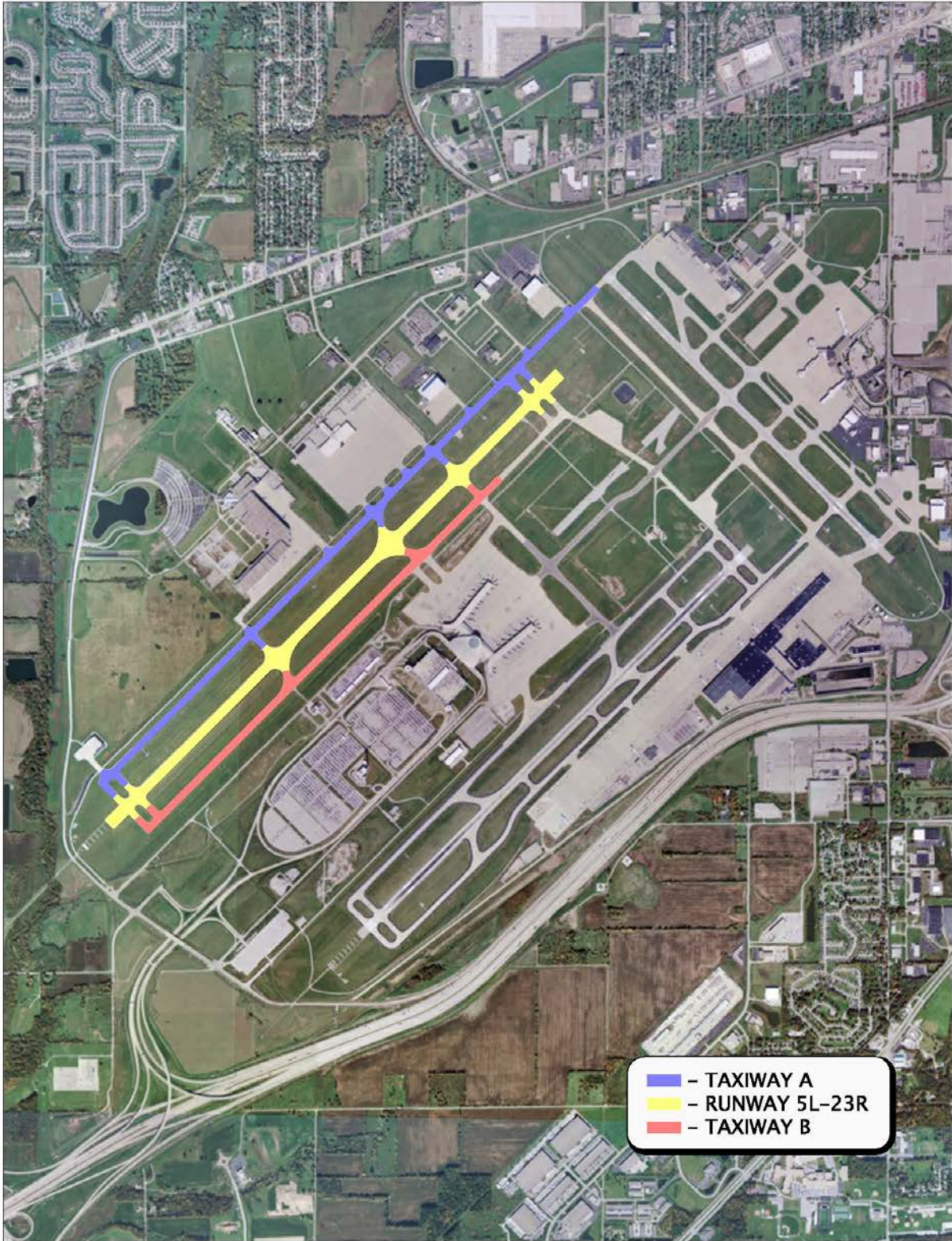
Contract/Amendment & Execution Date	Service & Term	Amount	DBE	MBE	WBE	VBE
Original Contract November 25, 2013	Professional Services Term: 11/11/13 - 12/31/2015	\$148,950.00	24.21%	32.45%	17.98%	0.00%
Amendment No. 1 December 20, 2013	Professional Services Term: No Change	\$412,440.51	31.85%	25.48%	7.24%	7.19%
Amendment No. 2 This Amendment	Professional Services Term Extended: 12/31/2016	\$90,510.00	18.17%	9.72%	22.85%	0.00%
Revised Contract NTE		\$651,900.51	28.22%	24.85%	11.83%	4.57%

This is a new contract for Hanson, as such; there are no previous contracts to summarize.

Recommendations

The IAA staff recommends that the Board consider for approval Amendment No. 2 to the contract with CHA Consulting, Inc. for Rehabilitate Runway 5L-23R and Taxiway A at Indianapolis International Airport, Project # I-14-003, in an amount not-to-exceed \$90,510.00 (fees). Supplier diversity participation on this amendment is DBE 18.17% (Infrastructure Engineering, Inc., CAD-Vantage, Inc.), MBE 9.72%, (Infrastructure Engineering, Inc.), WBE 22.85% (CAD-Vantage, Inc., White Security, Reprographix, Inc.), and VBE 0%.

The IAA staff recommends that the Board consider for approval a professional services contract with Hanson Professional Services, Inc. for Rehabilitate Taxiway B at Indianapolis International Airport, Project # I-14-002, in an amount not-to-exceed \$162,974.00. Supplier diversity participation on this contract is DBE 19.64% (Infrastructure Engineering, Inc.), MBE 19.64% (Infrastructure Engineering, Inc.), WBE 2.52% (White Security), and VBE 4.30% (B&R Consulting, LLC).





BOARD MEMO – CHANGE ORDER

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: December 9, 2014

Board Date: December 19, 2014

Subject: Approval of Change Order No. 1 (Final & Balancing) with Milestone Contractors, L.P. for Rehabilitate Taxiway D at Indianapolis International Airport, Project # I-14-001

Background

Taxiway D at Indianapolis International Airport (IND) was constructed in 1989 and rehabilitated in 2003. The results of a 2012 IND Airfield Pavement Evaluation and Management Plan indicated rehabilitation was needed in localized areas on the taxiway. Limited localized rehabilitation of Taxiway D was performed in 2013 between Runway 14-32 and Taxiway D-1. The limited 2013 Taxiway D work was performed as a part of Rehabilitate Runway 5R-23L and Taxiway N project in anticipation of Taxiway D work in 2014 to provide airfield connectivity for aircraft needing access from the northwest side of the airfield during the 2014 construction. This project completed pavement rehabilitation work on Taxiway D to extend the useful life of the pavements that are 20+ years old.

Originally presented as part of a larger, single project for both Taxiways A & D in the approved 2014 Capital Improvement Program (CIP), this project was extracted as a standalone project for purposes of operational coordination. Executing this project as a standalone provided the IAA staff more control over construction activities in order to minimize impacts on tenants. The Senior Management Team approved increasing the project budget to \$4,817,300.00 on April 8, 2014 to accomplish all the necessary rehabilitation scope.

On February 21, 2014, the Board approved plans and specifications for Rehabilitate Taxiway D, and authorized the public bidding process. The project contained a base bid and no alternates. On April 18, 2014, a contract was awarded to Milestone Contractors, L.P., the lowest responsive and responsible bidder in the amount of \$3,870,000.00.

Construction for Rehabilitate Taxiway D was substantially complete on October 2, 2014.

Change Order Summary

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 Change Order No. 1 addresses three items related to final as-built quantities due to unforeseen conditions.

Both Portland Cement Concrete Paving (PCCP) and asphalt paving quantities saw increases resulting in a total increase of \$180,041.42. Degradation of the already damaged PCCP panels and asphalt shoulders from winter operations and constant traffic was accounted for in design. However, the abnormally harsh 2013/2014 winter exceeded anticipated conditions resulting in more damage than predicted quantities. Expansion joint PCCP panels in FedEx Point 3 and 4 accounted for some of the final quantity increases. Historical as-builts for these panels showed a thickened edge. Once removed, no thickened edge was present. Additional quantity was needed to establish these thickened edges as they are crucial to the performance of the pavements.

The adjustment to the final as-built quantities for the other items netted a \$38,264.24 decrease.

PCCP pavements around an electrical structure in FedEx Point 3 required additional subgrade and substrate treatment. Once removed, an unforeseen condition of ground water flowing beneath the substrate of the panel, the adjacent panel to the southwest and the taxiway shoulder was observed. Additional pavement removal, subgrade and substrate treatment and underdrain installation was required. The additional subgrade and substrate work was included in associated final quantities. The underdrain installation totaled \$4,976.78.

Paving Increase	\$ 180,041.42
Final Quantities Adjustment	(38,264.24)
Electrical Structure Repairs	<u>4,976.78</u>
Total Change Order No. 1	\$146,753.96

Revised Construction Amount

Original Construction Contract Amount		\$ 3,870,000.00
Current Change Order No. 1 (F&B)	(3.79% of contract)	<u>146,753.96</u>
New Construction Contract Total		\$ 4,016,753.96

Schedule

Project Costs

Design (including survey and geotechnical)	\$ 386,386.26
Advertisements for Bid	649.00
Material Testing	124,649.00
Inspection	56,768.76
Construction Contract Amount	3,870,000.00
Current Change Order No. 1 (3.79%)	<u>146,753.96</u>
Revised Total Anticipated Project Cost	\$ 4,585,206.98

This final and balancing change order has no schedule impact.

Supplier Diversity Participation

If Change Order No. 1 is approved by the Board, the supplier diversity participation on this project will change as follows:

Recommendation

FIRM	CLASSIFICATION	ORIGINAL AMOUNT	ORIGINAL %	AFTER CO AMOUNTS	AFTER FINAL CO %
Protection Plus	WBE	\$ 158,000.00	4.08%	\$ 177,311.25	4.41%
Fox Contractors	MBE	231,500.00	5.98%	243,874.19	6.07%
The Hoosier Company	DBE/WBE	70,000.00	1.81%	75,978.51	1.89%
Indiana Sign & Barricade, Inc.	DBE/WBE	3,500.00	0.09%	3,500.00	0.09%
C.E. Hughes Milling, Inc.	DBE/WBE	48,000.00	1.24%	54,778.60	1.36%
AJ's Tool Rental, Inc.	DBE/WBE	40,000.00	1.03%	40,000.00	1.00%
Oatts Trucking	DBE/MBE	100,000.00	2.58%	102,191.50	2.54%
CMG Trucking	DBE/MBE	90,000.00	2.33%	90,000.00	2.24%
Harmon Construction	MBE	57,000.00	1.47%	61,547.58	1.53%
Totals	DBE	\$ 351,500.00	9.08%	\$ 366,448.61	9.12%
	MBE	\$ 478,500.00	12.36%	\$ 497,613.27	12.39%
	WBE	\$ 319,500.00	8.26%	\$ 351,568.36	8.75%
	VBE	\$ -	0.00%	\$ -	0.00%

The IAA staff recommends that the Board consider for approval Change Order No. 1 (Final and Balancing) with Milestone Contractors, L.P. for Rehabilitate Taxiway D at Indianapolis International Airport, Project # I-14-001, in an amount not-to-exceed \$146,753.96. Supplier diversity participation for this Change Order No. 1 is DBE 10.19% (The Hoosier Company, C.E. Hughes Milling, Inc., Oatts Trucking), MBE 13.02% (Fox Contractors Corp., Oatts Trucking, Harmon Construction), and WBE 21.85% (The Hoosier Company, C.E. Hughes Milling, Inc., Protection Plus), and VBE 0%.



BOARD MEMO – AMENDMENT

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: December 9, 2014

Board Date: December 19, 2014

Subject: Approval of Amendment No. 4 with Shrewsberry & Associates, LLC for Metropolitan Airport (UMP) Airport Layout Plan (ALP) Update at Metropolitan Airport, Project # M-11-097

Background

An Airport Layout Plan (ALP) provides a graphic representation of the long-term development plan for an airport. Keeping the ALP current is a requirement for the Federal Aviation Administration (FAA) grant assurances. The existing ALP for Metropolitan Airport (UMP) was approved in 1985. Due to the age of this document, an update to the ALP is required to depict current FAA design standards and future aviation needs. The future aviation needs must be documented before the FAA will consider a land release for non-aviation development.

Shrewsberry & Associates, LLC was selected by a qualifications based Request for Proposal and the Board approved their contract on October 21, 2011. On April 29, 2013 the Executive Director approved Amendment No. 1, a time only extension to allow for FAA review/comment and to align property data with IAA database format. On December 20, 2013 the Board approved Amendment No. 2, a scope, fee and time increase to allow for obstruction removal and runway coordinate verification. On June 19, 2014 the Executive Director approved Amendment No. 3, a time only extension to allow for further FAA review/comment.

The proposed budget increase for Amendment No. 2 was approved by the Senior Management Team on December 2, 2013 and for Amendment No. 4 by the Executive Management Team on December 5, 2014.

Scope

This Amendment No. 4 will extend the contract time to allow for final FAA review/comment and increase the fee to allow for incorporation of minor changes based on FAA comments and submission of the final approved ALP copies to FAA and Indiana Department of Transportation (INDOT). The ALP is currently in the FAA's airspace review process. The FAA has advised the IAA that it does not anticipate the review being completed until at least first quarter 2015.

Project Cost

The Shrewsberry Contract Amendment No. 4 is \$5,474.02. The Metropolitan Airport (UMP) Airport Layout Plan (ALP) Update, Project # M-11-097, is reforecast in the approved 2015 Capital Budget. The amendment is within the revised budget approved by the Executive Management Team.

A current ALP is an FAA requirement. As a project that is required by regulation by an outside regulatory agency, and more than 75% grant funded, this project is exempt under the Authority’s hurdle rate policy and has not been subject to an internal rate of return calculation.

Schedule

The contract term will be extended by Amendment No. 4 to December 31, 2015 to allow for FAA review/comment and any required changes, Board approval of the ALP, and submission of final documents to the agencies.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Contract Summary to Date		Amount				%			
Firm		DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE*
Contract/Amendment	Service & Term	Amount				Minority Participation			
Shrewsberry & Associates, LLC	Professional Services Term: 10/29/11-4/30/13	\$5,474.02	\$5,474.02	\$0.00	\$5,474.02	100.00%	100.00%	0.00%	100.00%
Totals		\$5,474.02	\$5,474.02	\$0.00	\$5,474.02	46.72%	41.84%	5.08%	100.00%
Original Contract October 31, 2011	4/30/13								
Amendment No. 1 April 29, 2013	Professional Services Term: Extended to 12/31/13			\$0.00		0.00%	0.00%	0.00%	0.00%
Amendment No. 2 December 20, 2013	Professional Services Term: Extended to 6/30/14			\$6,001.25		100.00%	100.00%	0.00%	100.00%
Amendment No. 3 June 19, 2014	Professional Services Term: Extended to 12/31/14			\$0.00		0.00%	0.00%	0.00%	0.00%
Amendment No. 4 December 19, 2014	Professional Services Term: Extended to 12/31/15			\$5,474.02		100.00%	100.00%	0.00%	100.00%
Revised Contract NTE				\$191,762.08		49.91%	45.13%	10.76%	5.98%

*At the time the initial contract was executed, VBE participation was not being tracked.

Recommendation

The IAA staff recommends that the Board consider for approval Amendment No. 4 to the contract with Shrewsberry & Associates, LLC for Metropolitan Airport, Airport Layout Plan Update at Metropolitan Airport, Project # M-11-097, in an amount not-to-exceed \$4,874.02 (fees) plus \$600.00 (expenses) for a total not-to-exceed amount of \$5,474.02. Supplier diversity participation on this amendment is DBE 100%

(Shrewsberry & Associates, LLC), MBE 100% (Shrewsberry & Associates, LLC), WBE 0%, and VBE 100% (Shrewsberry & Associates, LLC).



BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: December 9, 2014

Board Date: December 19, 2014

Subject: Award of Construction Contract for Heliport HVAC Replacement at the Downtown Indianapolis Heliport, Project # H-15-036, to Dallman Contractors, LLC

Background

The Downtown Indianapolis Heliport opened in 1969 as a private use heliport under the name Beeline Heliport and in December 1978 it became a public use facility. In 1983 the Federal Aviation Administration (FAA) selected the heliport to be part of its National Prototype Demonstration Heliport Program, and as a result it received considerable funding for improvements and expansion.

The existing heating, ventilation, and air conditioning (HVAC) systems were installed during that expansion. The systems have received regular maintenance since then, but they are no longer able to provide adequate heating and cooling to the tenant spaces. Temperatures in the building during the 2013-14 winter season were sometimes in the low 60s; in the summer the temperatures were often in the 80s. These indoor temperatures are outside of the parameters of the lease agreements with each tenant.

On December 7, 2014, the Executive Management Team approved a budget increase to allow construction to proceed with the lowest responsive and responsible bidder plus allowing a contingent amount to cover the cost of possible additional work that might be required to maintain comfortable conditions for customer service to the tenants during construction.

This project includes installing new ductwork and HVAC units on the roof. A new base for the roof's antenna arrays is included in this project, as the FAA recently notified the IAA that fall protection or antenna relocation is required. To increase the margin of safety, and to prevent the need to add fall protection around most of the roof, the antenna array is designed to be constructed at the roof's center beneath and around the new ductwork being installed as part of this project.

On October 17, 2014, the Board Approved plans and specification for Heliport HVAC Replacement at the Downtown Indianapolis Heliport, Project # H-15-036, and authorized the public bidding process.

On November 18, 2014, the IAA staff received three bids. The project contained a base bid and four alternate bids. Alternate 4 removes the insulation on the underside of the garage roof that was included in the Base Bid amount. To align the work with the revised budget, this contract consists of the Base Bid less Alternate 4. The bids for base bid less Alternate 4 ranged from \$541,743.00 to \$616,300.00.

Dallman Contractors, LLC was the lowest responsive and responsible bidder in the amount of \$541,743.00 for the Base Bid amount of \$625,243.00 less the Alternate 4 amount of (\$83,500.00).

In addition to the contract amount, IAA is requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously approved by the Board on other projects and successfully implemented to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. There are sufficient dollars within this project's revised budget to accommodate the funding of the 3% contingency for construction reserve. Any change orders exceeding the contract and construction reserve will be submitted to the Board for approval.

One other contract approval associated with the project is with CMID, Inc., in the amount of \$66,780.00, approved on August 6, 2014 by the Executive Director and an amendment for design of the antenna array anticipated in December 2014 for \$5,600.00.

Scope

The scope of work for this contract includes the full replacement of the HVAC units, installation of zone controls, replacement or repair of damaged insulation on ductwork and in exterior walls, and construction of a platform to support FAA and IAA antennas.

Project Cost

The construction contract is \$541,743.00, which is within the revised 2015 Capital Budget for Heliport HVAC Replacement.

<u>Heliport HVAC Replacement</u>	
Contract Amount (including 3% reserve)	\$ 557,995.29
Design	72,380.00
Advertisements for Bid	<u>250.00</u>
Total Anticipated Project Cost	\$630,625.29

This project will be 100% Airport cash funded.

This project is being undertaken to repair an asset currently leased to a third-party tenant. Without these improvements, the facility will be unsuitable for its current use. As a result of the critical nature of the repairs, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

Contract award anticipated December 19, 2014 and the substantial completion date is expected to be July 2015.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
JMH Roofing Company	\$ -	\$ 17,500.00	\$ -	0.00%	3.23%	0.00%
Totals	\$ -	\$ 17,500.00	\$ -	0.00%	3.23%	0.00%

Recommendation

The IAA staff recommends that the Board consider for approval the revised budget and award of contract for Heliport HVAC Replacement at the Downtown Indianapolis Heliport, Project # H-15-036, to Dallman Contractors, LLC in an amount not-to-exceed \$541,743.00 plus a 3% construction reserve of \$16,252.29 for a total of \$557,995.29. Dallman Contractors, LLC was the lowest responsive and responsible bidder. Supplier diversity participation on this contract is MBE 0.00%, WBE 3.23% (JMH Roofing Company), and VBE 0%.