



Indianapolis Airport Authority
IAA Board of Directors Meeting Agenda
May 29, 2020
9:00 AM
Virtual Meeting via Webex

I. **Call to Order**

II. **Approval of Minutes of the IAA Board’s Virtual Webex Meeting of April 24, 2020.**

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

- a) **Introduction of General Ordinance No. 01-2020**, concerning an amendment to the 2020 Rates and Charges Ordinance, as more particularly described in said BP2020-05-01.
- b) **Consider for approval**, adoption of Resolution No. 09-2020 authorizing the lease amendments to Concession and Rental Car Operators, as more particularly described in said BP2020-05-02.

IV. **Board Reports**

- a) Board President’s Report – Recognition of Rick Gentry Retirement and 40 years of service as IAA’s Chief of Fire Department
- b) 2019 Sub-Committee Annual Reports (*Received and filed*)
 - i. Finance & Audit Committee (RAC)
 - ii. Human Resources Committee (HRC)
 - iii. Reliever Airport Committee (RAC)
 - iv. Terminal Optimization Committee (Ad Hoc) (TOC)

V. **Official Actions**

Consider, for approval, the individual items on the IAA General Agenda, dated May 29, 2020.

VI. **Staff Reports**

a) **Executive Director’s Report**

- i. COVID 19 Operations Update
- ii. IAA Awards
 - Airports Council International-North America, Best Airport in North America Award (8th year in a row)
 - ACEC Indiana 2020 Engineering Excellence Awards Competition, Grand Project Award (Project: Stormwater and Deicing Capacity Projects)
 - Greater Indiana, 2020 Clean Air Champion

VII. **Other Reports/Update**

- a) **Board Communications** *Next Meeting: Friday, June 19, 2020*

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority (IAA) Board was called to order at 9:00 am, on April 24, 2020, via virtual webex.

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

Barbara Glass, President
Steve Dillinger, Vice President
Mamon Powers, Secretary
Kathy Davis, Board Member
Matthew Whetstone, Member
Toby McClamroch, Member
Jeffrey Gaither, Member
Tamika Catchings, Member
Kurt Schleiter, Member
Brett Voorhies, Member
Ryan Goodwin, Member
Brian Tuohy, IAA Board Counsel

IAA Executive Staff attending as panelists via Webex:

Mario Rodriguez, Executive Director
Keith Berlen, Sr. Director of Operations and Public Safety
Robert Thomson, Sr. Director of Finance
Lisa Bierman, IAA Board Liaison

APPROVAL OF MINUTES

President Glass asked for a motion to approve the Board Meeting Minutes of February 21, 2020. Mr. Goodwin made the first motion for approval; Mr. McClamroch seconded the motion. Ms. Bierman, Board Liaison, proceeded with a Board roll call for the recorded vote. Mr. Dillinger and Ms. Catchings abstained from voting, as they were not in attendance at the February Board meeting. All other Board Members approved the Meeting Minutes for the IAA Board Meeting held on February 21, 2020.

Board Reports

President Glass recognized William Reardon's retirement from the IAA, and extended appreciation for his 17 years of service as Chief of Police for the IAA Police Department. President Glass also recognized Mr. Rodriguez and the IAA staff who have kept the airport and terminal open. President Glass extended a special thanks and acknowledged the IAA employees who are the front line staff for their hard work to keep the airport open and safe for travelers.

STAFF REPORTS

Executive Director's Report

Mr. Mario Rodriguez, Executive Director, presented a summary of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Mr. Rodriguez provided an overview of the procedures IAA has implemented and explained IAA's continued operations during the shelter-in-place orders. Mr. Rodriguez recapped dates of the time table of events which have occurred: (i) federal proclamation of a national emergency on March 13, (ii) State of Indiana and City of Indianapolis stay-at-home orders issued on March 23, (iii) CARES Act signed into law on March 27, (iv) local stay-at-home order was extended to May 4 (after the meeting, the local order was extended again), and (v) the Secretary of Transportation announces the CARES Act amounts for airports on April 15. To put this into perspective, it has only been six weeks since the federal government declared a national emergency. Mr. Rodriguez presented details on the drop in travel nationwide. Mr. Rodriguez shared details regarding current IAA operations, staffing, and procedures.

Next, Mr. Berlen, Sr. Director of Operations and Public Safety, gave a brief overview of the airport's sanitization procedures and staffing protocols during this COVID crisis and reported that the IAA is following all Marion County Public Health Department recommendations. Mr. Berlen explained we are keeping teams and staff segregated and have implemented work schedules to avoid overlapping of personnel to have a stand-by ready reserve staff at all times to operate the airport and terminal. Mr. Dillinger asked if staff are compensated while they are off. Mr. Rodriguez answered, yes, they are.

Next, Mr. Thomson, Sr. Director of Finance, reported on the cash flow model developed by IAA's finance team and reiterated that the model is based on many assumptions. He also stated that, as we move forward, we will work to understand what trends develop, what kind of passenger return there is, the impact on landed weights, and just how businesses come through this crises.

President Glass asked if there available tests for staff who are currently working at the terminal. Mr. Rodriguez said that the head of public safety, Al Stovall, is presently working to secure testing for the staff.

Next, Mr. McClamroch gave a few remarks and comments regarding IAA's mission of public value, and he stated that after IAA has determined that it is sustainable long-term, with resilience measures in place, we should consider the challenges faced by our partners and their role as employers in central Indiana. Mr. Rodriguez gave a brief reply.

The IAA Board meeting is available to stream under this information:
Indianapolis Airport Authority Board Meeting-20200424 1303-1

Friday, April 24, 2020

5:08 pm | (UTC-04:00) Indiana (East)

[Play recording](#) (29 mins)

Recording password: 77XtupJU

Other Reports/Updates

None.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:30 am.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Barbara Glass, President

DATED: _____

By: _____
Mamon Powers III, Secretary

* Signed under the authority of IAA Board Resolution #13-2017



Board Memo – Amendment to 2020 Rates & Charges

To: IAA Board of Directors

From: Robert Thomson, Sr. Director for Finance

Date: May 22, 2020

Board Date: May 29, 2020

Subject: Amendment to 2020 Rates & Charges Ordinance

Scope

The Board of the Indianapolis Airport Authority (“IAA”) annually adopts an ordinance in order to implement a schedule of rates and charges for the use of the Airport’s facilities and services. General Ordinance 6-2019, establishing the rates and charges for 2020, was passed by the Board on November 15, 2019.

The COVID-19 pandemic has caused a drastic reduction in air travel to the extent that airlines have been forced to park many of their aircraft at various airports, including at Indianapolis International Airport (“IND”). General Ordinance 6-2019 does not provide for a rental fee for long-term parking of aircraft. The proposed General Ordinance 1-2020 would resolve the issue by establishing a fee for long-term parking. All public notices about the introduction and public hearing of this proposed Ordinance will be properly published in the local newspapers, as required by Indiana law.

The long-term parking rate set forth by this proposed General Ordinance 1-2020, if approved, will go into effect immediately and provides for the following to be added to the current rates and charges as set forth in General Ordinance 6-2019:

- In Section III(B), a new paragraph 7 is added to provide for a \$50.00 fee per day, per aircraft, retroactive to March 13, 2020 when a state of emergency was declared by the President, for indefinite long-term parking at Aircraft Remote Parking Areas at IND as a result of the COVID-19 global pandemic and the subsequent drastic reduction in air travel.

Schedule

May 29, 2020	General Ordinance No. 1-2020 to be introduced at the IAA Special Board Meeting
June 19, 2020	Public Hearing/Consideration for Adoption of said Ordinance

Revenue and/or Operating Cost Implications

The annual Rates & Charges Ordinance is the principal document to impose fees and charges for the use of the Airport's facilities and services in support of the 2020 approved Operating and Capital Budgets of the IAA. The proposed long-term aircraft remote parking use fee is cost recovery based as mandated by the FAA policy regarding the establishment of airport rates and charges.

Recommendation

IAA staff recommends IAA Board consider for approval and adoption the attached General Ordinance No. 1-2020.



BOARD MEMO – RESOLUTION

To: IAA Board of Directors
From: Marsha Stone, Sr. Director of Commercial Enterprise
Date: May 17, 2020
Board Date: May 29, 2020
Subject: Resolution for Delegated Authority – minimum annual guarantee (MAG) waiver for concession and rental car operators

Background

IAA staff is presenting Resolution 09-2020 requesting delegated authority to the Executive Director to authorize the IAA to waive concessionaire and rental car operators minimum annual guarantee (MAG) payments and revert to a percentage rent for a period of three months. This waiver will include twelve (12) operators/leases and is reflective of the cashflow assumptions being used in IAA’s financial models and will not unduly harm the Authority’s financial position or Airline rate model.

This resolution is being recommended based on existing language within the concessionaires and rental car operators’ lease agreements which calls for an adjustment to the MAG if the operation of the business becomes impractical or impossible because of governmental restrictions which persist for at least thirty days.

As a result of the COVID-19 health crisis, IND passenger traffic dropped by as much as 95% since the stay-at-home orders issued by state and local government starting on March 16, 2020. Due to the stay-at-home orders, restaurants, stores and retail shops were forced to close, and the public was encouraged to leave their house for essential reasons only. The majority of IND’s retail concessions have also been closed since the stay-at-home orders were issued, or operating at drastically reduced levels, making their operation and ability to make minimum annual guarantee (MAG) payments impractical. In addition, given the lack of passenger traffic at IND, concession and rental car operations have been forced to lay off or furloughed most of their staff.

Since March 16th, the stay-at-home orders have imposed significant restrictions on our concession’s operations and on non-essential travel. Although, at this time, we do not know when these restrictions will be completely lifted, we estimate that a waiver period of April 1, 2020 – June 30, 2020 is a reasonable estimate and reflection of the most severe negative impact of the stay-at-home orders.

The MAG waiver of the twelve leases will equate to approximately \$3.3 million dollars over a 3-month timeframe. \$Approximately 2.3 million of the total recommended MAG wavier relates to rental car operators, and those waived rental car MAG fees will become reimbursable to the IAA through Customer Facility Charges (CFC’s) collected by the rental car operators and remitted to the IAA. It becomes a timing issue on the collection through CFC’s, rather than an absolute waiver of their MAG. In addition, each concessionaire will be responsible for payment of the applicable percentage rental payment in accordance with the terms of their individual agreements. All other lease terms remain as-is, in accordance with

existing lease terms, and each operator's eligibility for the MAG waiver in favor of a straight percentage of sales payment will be contingent upon all invoices dated up to February 29, 2020, respectively, being paid in full to the IAA. The following operator's agreements are currently in a MAG payment status (payments shown below are on a monthly basis):

- Areas USA (Champps, 317 Tap Room, Qdoba) - \$61,903/month
- SSP America (Harry & Izzy's, Camden Food Co., Shapiros) - \$82,067/month
- HMS Host (Starbucks B, Starbucks A, King David Dog) - \$33,590/month
- OHM Concessions Group (Chick-Fil-A, The Fan Zone) - \$36,782/month
- CC Holdings (Granite City, Nature's Table) - \$22,069/month
- Paradies Lagardere (CNBC B, Indiana Marketplace) - \$30,003/month
- Clear Channel Airports \$55,675/month
- Avis Budget Group (Avis, Budget, Payless) \$226,268/month
- Enterprise Holdings (Enterprise, National, Alamo) - \$347,047/month
- Hertz Corporation (Hertz, Dollar, Thrifty) - \$181,265/month
- Tom Wood Think, Inc. (Sixt Rent-a-Car) \$21,666/month
- Fifth Third Bank (terminal ATM's) \$4,250/month

Quick Facts

MAG waiver: \$3,307,755 (\$979,017 airport concessions related; \$2,328,738 rental car related)

Recommendation

IAA staff recommends the IAA Board approve Resolution 09-2020 issuing delegated authority to the Executive Director to authorize lease amendments to Concession and Rental Car Operators, as outlined in Board Paper 2020-05-02, to waive the monthly Minimum Annual Guarantee payments for the period April 1, 2020 – June 30, 2020 as generally tied to the stay-at-home orders issued by state and local government, and revert to the percentage rent, as specific in each lease agreement, for all concession and rental car operators who are currently operating subject to a monthly MAG payment.

**IAA Board Meeting
General Agenda
May 29, 2020**

General:

- BP2020-05-03** **Consider, for approval,** NTN Bearing Corporations of America Foreign Trade Zone Operator Agreement and the issuance of a Grantee Concurrence Letter as approved by the Greater Indianapolis Foreign Trade Zone Board at its April 7, 2020 meeting.
- BP2020-05-04** **Consider, for approval,** Schenker, Inc.'s Foreign Trade Zone Operator Amendment #2 and the issuance of a Grantee Concurrence Letter as approved by the Greater Indianapolis Foreign Trade Zone Board at its April 7, 2020 meeting.
- BP2020-05-05** **Consider, for approval,** the Land Lease Agreement with MacAllister Machinery Company, Inc. for a total of 21,700 square feet of unimproved land at Indianapolis Regional Airport for the construction of a 90' deep X 80' wide private hangar for a primary term of forty years along with a ten-year option period.
- BP2020-05-06** **Consider, for approval,** the Land Lease Agreement with Sagestone Hangar 1, LLC for a total of 23,200 square feet of unimproved land at Indianapolis Regional Airport for the construction of a 100' deep X 100' wide private hangar for a primary term of forty (40) years.

Capital:

- BP2020-05-07** **Consider, for approval,** an award of contract for T-Hangar Roof Rehabilitation at Indianapolis Metropolitan Airport to R. Adams Roofing, Inc. in an amount not-to-exceed \$206,000.00 plus a 10% construction reserve of \$20,600.00 for a total of \$226,600.00. R. Adams Roofing, Inc. was the lowest responsive and responsible bidder.
- BP2020-05-08** **Consider, for approval,** an award of contract for T-Hangar Drainage Improvements at the Indianapolis Metropolitan Airport to Metro Construction Services LLC in an amount not-to-exceed \$149,580.00 plus a 10% construction reserve of \$14,958.00 for a total of \$164,538.00. Metro Construction Services, LLC was the lowest responsive and responsible bidder. Supplier diversity participation is WBE 9.76% (CMG Trucking and Protection Plus).
- BP2020-05-09** **Consider, for approval,** an award of contract for Grease Interceptor Traps – Bag Make-Up Area at Indianapolis International Airport to Evans Development Company, Inc. in an amount not-to-exceed \$202,810.00 plus a 10% construction reserve of \$20,281.00 for a total of \$223,091.00. Evans Development Company, Inc. was the lowest responsive and responsible bidder. Supplier diversity participation is WBE 6.41% (Laura Kopetsky Tri-AX, Protection Plus; and M.J. Schuetz).



**BOARD MEMO – NTN BEARING CORPORATIONS OF AMERICA
FOREIGN TRADE ZONE
OPERATOR AGREEMENT & GRANTEE CONCURRENCE LETTER**

To: IAA Board of Directors
From: Marsha Stone, Sr. Director of Commercial Enterprise
Date: April 8, 2020
Board Date: May 29, 2020
Subject: NTN Bearing Corporations of America - Foreign Trade Zone Operator Agreement & Grantee Concurrence Letter

Background

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

NTN Bearing Corporations of America (NBCA) is requesting the execution of an FTZ Operator Agreement and the issuance of a Grantee Concurrence Letter. NBCA is seeking designation of its 174,600 square foot distribution facility located at 5376 Performance Way, Whitestown, IN 46075, where 69 people are currently employed.

NBCA is a distributor and manufacturer of bearings used in automotive and industrial markets. The company is a wholly owned subsidiary of Japanese parent company, NTN Corporation. By entering the FTZ program, NBCA will enable multiple business processes to be integrated under one roof therein increasing distribution efficiency and provide for further integration with key customers.

Scope

The GIFTZ Board approved the Operator Agreement in its April 7, 2020 Board meeting and supports the IAA Board’s execution of the FTZ Operator Agreement and issuance of a Grantee Concurrence Letter.

Schedule

April 7, 2020: GIFTZ Board approved the FTZ designation request.
May 29, 2020: Upon IAA approval, the execution of Operator Agreement and issuance of a Grantee Concurrence Letter by the IAA Board.
June 28, 2020: Anticipated FTZ designation approval from the FTZ Board, Washington, D.C.

Revenue and/or Operating Cost Implications

Revenue:

Anticipated revenue will be \$36,000/annum in fees to the GIFTZ.

Operating Costs:

The GIFTZ has no additional costs associated with the application and designation process.

Supplier Diversity Participation

Not applicable.

Recommendation

IAA Staff recommends the IAA Board consider for approval NTN Bearing Corporations of America Foreign Trade Zone Operator Agreement and the issuance of a Grantee Concurrence Letter as approved by the Greater Indianapolis Foreign Trade Zone Board at its April 7, 2020 meeting.



**BOARD MEMO – SCHENKER, INC.
FOREIGN TRADE ZONE
OPERATOR AMENDMENT #2 & GRANTEE CONCURRENCE LETTER**

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: April 8, 2020

Board Date: May 29, 2020

Subject: Schenker, Inc. - Foreign Trade Zone Operator Amendment #2 & Grantee Concurrence Letter

Background

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

Schenker, Inc. (Schenker) is requesting the execution of its FTZ Operator Amendment #2 and the issuance of a Grantee Concurrence Letter for its IND distribution center, located at 2825 W. Perimeter Rd., Indianapolis, IN 46241. Schenker plans to expand this FTZ site by 4,230 square feet, resulting in a total site designation of 23,843 square feet.

Schenker has been an active FTZ Operator at IND since April 14, 2006. Their leasehold includes two large drive-in refrigerators and one freezer which are used for the storage of temperature-controlled sensitive pharmaceuticals.

Due to continued air cargo growth, positive customer feedback, and a history of successful quality control of pharma products, Schenker’s North American headquarters has named its Indianapolis operation “pharma supply chain competency center for North America.” The associated air cargo carrier for this operation is Cargolux Airlines who arrives / departs three times weekly utilizing Boeing 747 type aircraft.

As well but unrelated to this Amendment #2, Schenker also manages a second 82,764 square foot FTZ site in Park 100, which supports a German manufacturer of printer parts with distribution globally via FedEx and a third 71,875 square foot FTZ distribution site in Plainfield Business Park.

With this designation, Schenker’s total FTZ footprint will become 178,482 square feet.

Scope

The GIFTZ Board approved Amendment #2 in its April 7, 2020 Board meeting and supports the IAA Board's execution of the Operator Amendment #2 and Grantee Concurrence Letter.

Schedule

April 8, 2020:	GIFTZ Board approved the FTZ expansion request.
May 29, 2020:	Upon IAA approval, the execution of Operator Amendment #2 and issuance of a Grantee Concurrence Letter by the IAA Board.
June 28, 2020:	Anticipated FTZ expansion approval from the FTZ Board, Washington, D.C.

Revenue and/or Operating Cost Implications

Revenue:

Anticipated revenue will remain at \$36,000/annum in fees to the GIFTZ.

Operating Costs:

The GIFTZ has no additional costs associated with the application and designation process.

Supplier Diversity Participation

Not applicable.

Recommendation

IAA Staff recommends the IAA Board consider for approval Schenker, Inc.'s Foreign Trade Zone Operator Amendment #2 and the issuance of a Grantee Concurrence Letter as approved by the Greater Indianapolis Foreign Trade Zone Board at its April 7, 2020 meeting.



BOARD MEMO- LAND LEASE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: April 24, 2020

Board Date: May 29, 2020

Subject: Land Lease Agreement with MacAllister Machinery Company, Inc.

Background

Due to the acquisition of additional aircraft, MacAllister Machinery Company, Inc. (“MacAllister”) requires additional space to store their privately-owned aircraft. Currently, MacAllister occupies a hangar through a sublease with Indy Jet, the FBO operator at Indianapolis Regional Airport. IAA Staff and MacAllister have negotiated a Land Lease Agreement for the construction of a 90-foot deep by 80-foot wide private hangar as shown on the attached exhibit. The 90’ X 80’ Hangar and associated improvements are to be valued at not less than \$800,000 when completed. MacAllister will also have a right of first refusal through May 31, 2025 on adjacent land, as shown on the attached exhibit to construct a 60-foot deep by 60-foot wide hangar.

Scope

Staff requests the IAA Board execute the Land Lease Agreement with MacAllister. The primary term of the Agreement is for a period of forty years (40) years commencing August 1, 2020 expiring July 31, 2060.

In addition to the primary term, there is a 10-year renewal option period under this Agreement.

Schedule

May 29, 2020: IAA Board approval of Land Lease Agreement with MacAllister Machinery Company, Inc.

Revenue and/or Operating Cost Implications Revenue

Revenue:

During the term of forty (40) years MacAllister will pay the following annual rental rates for 21,700 square feet of land at Indianapolis Regional Airport:

- August 1, 2020 – July 31, 2025, Tenant will pay a land rate of \$0.25 PSF which equals \$5,425.00 in annual rent.

- August 1, 2025 – July 31, 2030 Tenant will pay a land rate of \$0.28 PSF equal to \$6,076.00 in annual rent.
- August 1, 2030 – July 31, 2035 Tenant will pay a land rate of \$0.31 PSF equal to \$6,727.00 in annual rent.
- August 1, 2035 – July 31, 2040 Tenant will pay a land rate of \$0.33 PSF equal to \$7,161.00 in annual rent.
- Commencing August 1, 2040 and every five years thereafter through July 31, 2060, rental will be established at the fair market value of the land to be determined by appraisal but in no instance will the PSF rental rate ever go down in value.

Operating Cost:

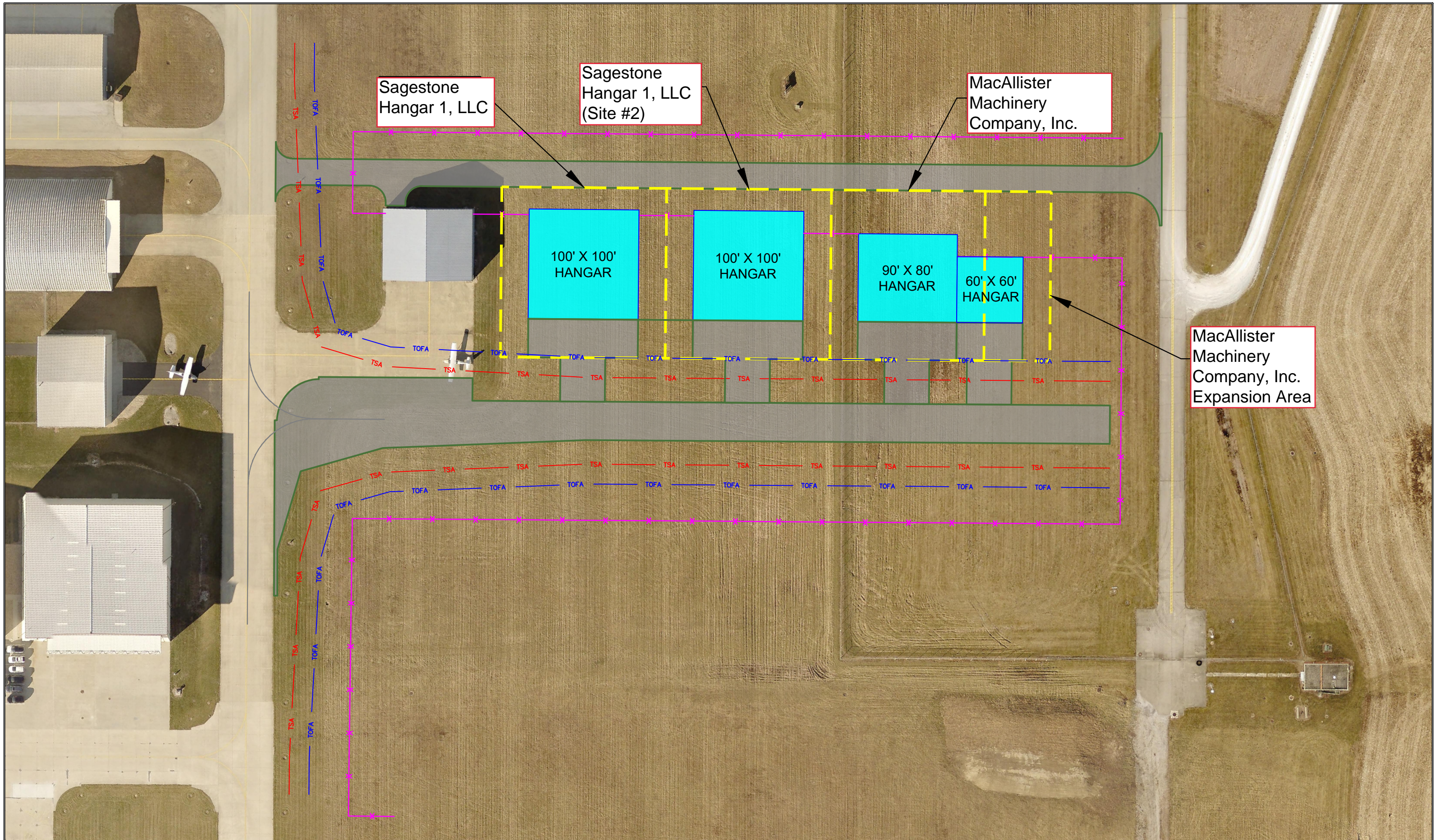
MacAllister Machinery Company, Inc. will be responsible for all costs associate with construction of the hangar, apron area and connections to all utilities. Following completion of the hangar, MacAllister Machinery Company, Inc. will be solely responsible for all ongoing utilities, maintenance, and operating costs of the hangar, during the lease term.

Supplier Diversity Participation

N/A

Recommendation

IAA Staff recommends the IAA Board consider for approval the Land Lease Agreement with MacAllister Machinery Company, Inc. for a total of 21,700 square feet of unimproved land at Indianapolis Regional Airport for the construction of a 90' deep X 80' wide private hangar for a primary term of forty years along with a ten-year option period.



Sagestone Hangar 1, LLC

Sagestone Hangar 1, LLC (Site #2)

MacAllister Machinery Company, Inc.

100' X 100' HANGAR

100' X 100' HANGAR

90' X 80' HANGAR

60' X 60' HANGAR

MacAllister Machinery Company, Inc. Expansion Area



BOARD MEMO- LAND LEASE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: May 11, 2020

Board Date: May 29, 2020

Subject: Land Lease Agreement with Sagestone Hangar 1 (Site 2), LLC

Background

Due to the acquisition of multiple aircraft, Sagestone Hangar 1 (Site 2), LLC (“Sagestone”) requires additional space to store their privately-owned aircraft. Currently, Sagestone occupies two (2) t-hangar units at Indianapolis Regional Airport and is under a separate Land Lease Agreement for a 100-foot by 100-foot private hangar adjacent to the site in this Agreement. IAA Staff and Sagestone have negotiated a Land Lease Agreement for the construction of a second 100-foot deep by 100-foot wide private hangar at Indianapolis Regional Airport as shown on the attached exhibit. Hangar is to be valued at not less than \$200,000.00 when completed.

Scope

Staff requests the IAA Board execute the Land Lease Agreement with Sagestone. The term of the Agreement is for a period of forty years (40) years commencing upon occupancy or August 1, 2021, whichever occurs first and expiring July 31, 2061.

There is no option period under this Agreement.

Schedule

May 29, 2020: IAA Board approval of Land Lease Agreement with Sagestone Hangar 1, LLC.

Revenue and/or Operating Cost Implications Revenue

Revenue:

During the term of forty (40) years Sagestone will pay the following annual rental rates for 23,200 square feet of land at Indianapolis Regional Airport:

- Upon occupancy or August 1, 2021 – July 31, 2026, Tenant will pay a land rate of \$0.25 PSF which equals \$5,800.00 in annual rent.
- August 1, 2026 – July 31, 2031, Tenant will pay a land rate of \$0.28 PSF which equals \$6,496.00 annual rent.

- August 1, 2031 – July 31, 2036, Tenant will pay a land rate of \$0.31 PSF which equals \$7,192.00 annual rent.
- August 1, 2036 – July 31, 2041, Tenant will pay a land rate of \$0.33 PSF which equals \$7,656.00 in annual rent.
- Commencing August 1, 2041 and every 5 years thereafter through July 31, 2061, rental will be established at the fair market value of the land to be determined by appraisal but in no instance will the PSF rental rate ever go down in value.

Operating Cost:

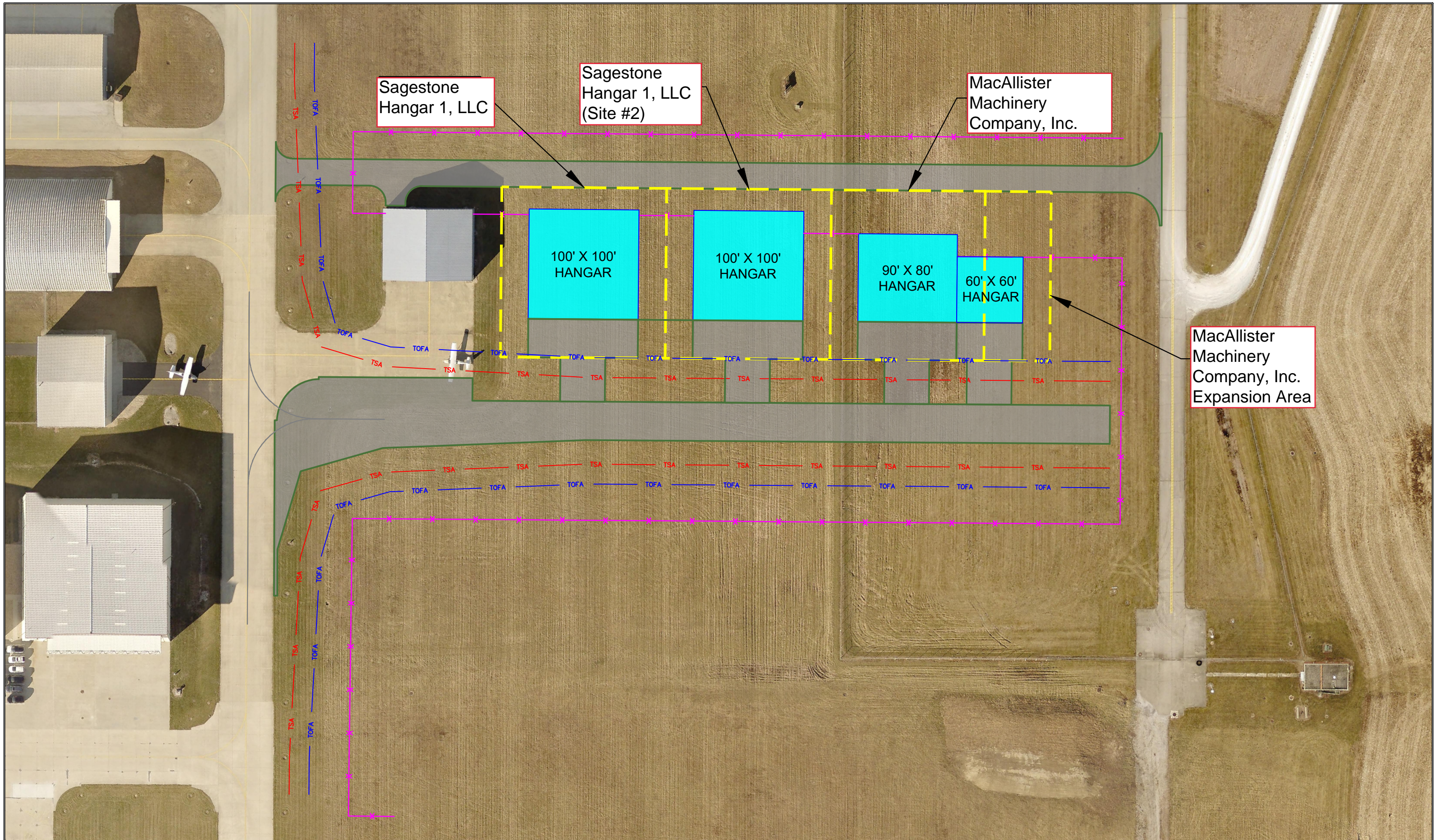
Sagestone Hangar 1, LLC will be responsible for all costs associate with construction of the hangar, apron area and connections to all utilities. Following completion of the hangar, Sagestone Hangar 1, LLC will be solely responsible for all ongoing utilities, maintenance, and operating costs of the hangar, during the lease term.

Supplier Diversity Participation

N/A

Recommendation

IAA Staff recommends the IAA Board consider for approval the Land Lease Agreement with Sagestone Hangar 1, LLC for a total of 23,200 square feet of unimproved land at Indianapolis Regional Airport for the construction of a 100' deep X 100' wide private hangar for a primary term of forty (40) years.



Sagestone Hangar 1, LLC

Sagestone Hangar 1, LLC (Site #2)

MacAllister Machinery Company, Inc.

100' X 100' HANGAR

100' X 100' HANGAR

90' X 80' HANGAR

60' X 60' HANGAR

MacAllister Machinery Company, Inc. Expansion Area



Indianapolis Airport Authority

BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

From: Jarod Klaas, P.E., Senior Director of Planning & Development

Date: May 15, 2020

Board Date: May 29, 2020

Subject: Award of Construction Contract with R. Adams Roofing, Inc. for T-Hangar Roof Rehabilitation at Indianapolis Metropolitan Airport (Project No. M-20-057a)

Background

The T-Hangars at Indianapolis Metropolitan Airport were constructed approximately 20 years ago. The Indianapolis Airport Authority (IAA) Maintenance staff has performed several repairs over the years on all the hangars; however, deterioration of the fasteners, ridge caps and flashing has become a constant source of water intrusion. It is now become prudent to perform a larger rehabilitation project.

On September 13, 2019, the Executive Director approved plans and specifications and authorized the public bidding process for T-Hangar Roof Rehabilitation and Drainage Improvements at the Indianapolis Metropolitan Airport with bids due October 4, 2019. The one bid received was deemed as non-responsive. In January 2020, the Executive Director approved plans and specifications and authorized rebidding the project.

On January 21, 2020, the IAA staff received 2 bids. The project contained a base bid only. The bids ranged from \$206,000.00 to \$251,850.00. The bid from R. Adams Roofing, Inc. was the lowest responsive and responsible bidder in the amount of \$206,000.00 for the base bid.

In addition to the contract amount, IAA staff is requesting a construction reserve of 10% of the total contract amount for this project. A construction reserve has been previously approved by the IAA 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 budget to accommodate the funding of the 10% contingency for construction reserve. Change orders exceeding the construction reserve will be submitted to the IAA Board for approval.

Scope

The scope includes the rehabilitation of the T-Hangar Roofs, which includes, but is not limited to, ridge caps, roof fasteners, wall fasteners, flashing door seals, gutters and downspouts.

Budget

The R. Adams Roofing contract is \$206,000.00, which is within the approved 2020 Capital Budget for T-Hangar Roof Rehabilitation at Indianapolis Metropolitan Airport.

T-Hangar Roof Rehabilitation

Contract Amount (including 10% reserve)	\$	226,600.00
Drainage Repairs (by others)	\$	164,538.00
Inspection/Testing (Estimate)	\$	25,000.00
Design and Evaluation		104,184.00
Advertisements for Bid		302.45
Total Anticipated Project Cost	\$	520,624.45

This project will be 100% Airport cash funded.

Schedule

Contract award anticipated March 20, 2020 and substantial completion is expected to occur July 2020.

Supplier Diversity Participation

Given the nature of the work, the bidder is anticipated to self-perform the work. Based on limited opportunity, supplier diversity will be significantly influenced by the prime contractor's diversity status.

Recommendation

The IAA staff recommends the IAA Board consider for approval an award of contract for T-Hangar Roof Rehabilitation at Indianapolis Metropolitan Airport to R. Adams Roofing, Inc. in an amount not-to-exceed \$206,000.00 plus a 10% construction reserve of \$20,600.00 for a total of \$226,600.00. R. Adams Roofing, Inc. was the lowest responsive and responsible bidder.



Indianapolis Airport Authority

BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

From: Jarod Klaas, P.E., Senior Director of Planning & Development

Date: May 15, 2020

Board Date: May 29, 2020

Subject: Award of Construction Contract with Metro Construction Services, LLC for T-Hangar Drainage Improvements at the Indianapolis Metropolitan Airport (Project No. M-20-057b)

Background

The T-Hangars at Indianapolis Metropolitan Airport were constructed approximately 20 years ago. The Indianapolis Airport Authority (IAA) Maintenance staff has performed several repairs over the years on all the hangars; however, some have experienced significant amounts of surface water intrusion.

On September 13, 2019, the Executive Director approved plans and specifications and authorized the public bidding process for T-Hangar Roof Rehabilitation and Drainage Improvements at the Indianapolis Metropolitan Airport with bids due October 4, 2019. The one bid received was deemed as non-responsive. In January 2020, the Executive Director approved plans and specifications and authorized rebidding the T-Hangar Drainage Improvements project.

On January 21, 2020, the IAA staff received 3 bids. The project contained a base bid only. The bids ranged from \$149,580.00 to \$369,491.00. The bid from Metro Construction Services, LLC was the lowest responsive and responsible bidder in the amount of \$149,580.00 for the base bid.

In addition to the contract amount, IAA staff is requesting a construction reserve of 10% of the total contract amount for this project. A construction reserve has been previously approved by the IAA 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 budget to accommodate the funding of the 10% contingency for construction reserve. Change orders exceeding the construction reserve will be submitted to the IAA Board for approval.

Scope

The scope of work includes, but not limited to the installation of trench drains and pavement removal.

Budget

The Metro Construction Services contract is \$149,580.00, which is within the approved 2020 Capital Budget for T-Hangar Drainage Improvements at Indianapolis Metropolitan Airport.

T-Hangar Drainage Improvements

Contract Amount (including 10% reserve)	\$	164,538.00
T-Hangar Roof Rehabilitation (by others)	\$	226,600.00
Inspection/Testing (Estimate)	\$	25,000.00
Design and Evaluation		104,184.00
Advertisements for Bid		302.45
Total Anticipated Project Cost	\$	520,624.45

This project will be 100% Airport cash funded.

Schedule

Contract award anticipated March 20, 2020, and substantial completion is expected to occur May 2020.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
CMG Trucking	\$ -	\$ 2,000.00	\$ -	0.00%	1.34%	0.00%
Protection Plus	-	12,600.00	-	0.00%	8.42%	0.00%
Totals	\$ -	\$ 14,600.00	\$ -	0.00%	9.76%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval an award of contract for T-Hangar Drainage Improvements at the Indianapolis Metropolitan Airport to Metro Construction Services LLC in an amount not-to-exceed \$149,580.00 plus a 10% construction reserve of \$14,958.00 for a total of \$164,538.00. Metro Construction Services, LLC was the lowest responsive and responsible bidder. Supplier diversity participation is WBE 9.76% (CMG Trucking and Protection Plus).



Indianapolis Airport Authority

BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

From: Jarod Klaas, P.E., Senior Director of Planning & Development

Date: May 15, 2020

Board Date: May 29, 2020

Subject: Award of Construction Contract with Evans Development Company, Inc. for Grease Interceptor Traps – Bag Make-Up Area at Indianapolis International Airport (Project No. I-20-006)

Background

The steel grease interceptor traps located in the bag makeup area have been in service since 2008 and having reached the end of their useful life, require replacement. In addition to replacing the grease interceptor traps, adjacent concrete slabs and associated piping will require repair.

On September 16, 2019, the Senior Director of Planning & Development approved a task order with Applied Engineering Services through their 2019 On-Call Contract for the design of the Grease Interceptor Traps – Bag Makeup Area.

On November 7, 2019, the Indianapolis Airport Authority’s (IAA) Executive Director approved Plans and Specifications and authorized the public bidding process with bids due December 9, 2019. One bid was received for the project in the amount of \$307,936.00. That bid was considerably higher than the engineer’s estimate of \$179,742.00; therefore, the engineer and IAA staff recommended that the Executive Director reject the bid. On January 15, 2020, the Executive Director approved the recommendation, as well as approved plans and specifications and authorized re-bidding the project.

On February 14, 2020, the IAA staff received four bids. The bids for ranged from \$202,810.00 to \$348,000.00. Evans Development Company, Inc. was the lowest responsive and responsible bidder in the amount of \$202,810.00.

In addition to the contract amount, IAA staff is requesting a construction reserve of 10% of the total contract amount for this project. A construction reserve has been previously approved by the IAA 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 budget to accommodate the funding of the 10% contingency for construction

reserve. Change orders exceeding the construction reserve will be submitted to the IAA Board for approval.

Scope

This project is to remove the existing deteriorated grease interceptors and failed concrete slabs located in the bag makeup area and replace with all new materials. The piping will also require inspection and repair.

Budget

The Evans Development Company, Inc. contract is \$202,810.00, which is within the revised 2020 Capital Budget for Grease Interceptor Traps – Bag Make-Up Area.

Grease Interceptor Traps Bag Make-up Area

Contract Amount (including 10% reserve)	\$	223,091.00
Design (including survey and geotechnical)		26,848.00
Advertisements for Bid		310.25
Total Anticipated Project Cost	\$	250,249.25

This project will be 100% Airport cash funded.

This project is being undertaken to repair existing infrastructure integral to the continued operation of the airport. 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

Substantial completion is expected to occur in September 2020.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Laura Kopetsky Tri-Ax, Inc.	\$ -	\$ 1,350.00	\$ -	0.00%	0.67%	0.00%
Protection Plus	-	\$ 2,535.00	-	0.00%	1.25%	0.00%
M. J. Schuetz	-	\$ 9,120.00	-	0.00%	4.50%	0.00%
Totals	\$ -	\$ 13,005.00	\$ -	0.00%	6.41%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval an award of contract for Grease Interceptor Traps – Bag Make-Up Area at Indianapolis International Airport to Evans Development Company, Inc. in an amount not-to-exceed \$202,810.00 plus a 10% construction reserve of \$20,281.00 for a total of \$223,091.00. Evans Development Company, Inc. was the lowest responsive and responsible bidder. Supplier diversity participation is WBE 6.41% (Laura Kopetsky Tri-AX, Protection Plus; and M.J. Schuetz).