



Agenda
Indianapolis Airport Authority
February 20, 2015
8:30 AM

I. **Call to Order**

II. **Approval of Minutes of the Pre-Board and Regular Meeting of January 23, 2015**

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

- a) Consider, for approval, **Resolution No. 3-2015**, concerning Lease Agreement with AAR Aircraft Services Inc., for 6,336 sq. feet of additional warehouse space at the IMC
- b) Consider, for approval, **Resolution No. 4-2015**, and Third Amendment to Lease Agreement with the Greater Indianapolis Foreign Trade Zone, Inc.
- c) Consider, for approval, **Resolution No. 5-2015**, amending and restating the IAA's Employee Retirement Plan & Trust.
- d) Consider, for approval, **Resolution No. 6-2015**, concerning a modernized and more restrictive Code of Ethics for Employees of the Indianapolis Airport Authority.
- e) Consider, for approval, **Resolution No. 7-2015**, Authorizing Modifying an Existing Swap Agreement or Amending or Novating or Assigning an Existing Swap Agreement or Entry Into a New Swap Agreement.

IV. **Board Reports**

- a) President's Report
- b) Sub-Committee Annual Reports
 - i. Finance & Audit Committee – **Ms. Jean Wojtowicz**
 - ii. Human Resources Committee – **Mr. Lynn Gordon**
 - iii. Reliever Airport Committee – **Mr. Alfred Bennett**

V. **Official Actions**

Consider, for approval, the individual items listed on the IAA General Agenda, dated February 20, 2015.

VI. **Staff Reports**

Executive Director Report

VII. **Other Reports/Update**

VIII. **Board Communications**

Next Meeting: Friday, March 20, 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 8:31 a.m., January 23, 2015, 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
Dr. Philip C. Borst, Member
Steve C. Dillinger, Member
Brett Voorhies, Member
Lynn T. Gordon, Advisory Member

Rex M. Joseph, Jr., IAA Board Counsel

IAA executive staff attending:

Mario Rodriguez, Executive Director
Robert A. Duncan, Deputy Executive Director
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. Dillinger, seconded by Mr. Flynn and unanimously passed, approval was given to the Minutes of both the Pre-Board and Regular Meetings of December 19, 2014.

ELECTION OF OFFICERS AND APPOINTMENT OF LEGAL COUNSEL

With respect to this item, Mr. Gordon proposed that: (1) the following IAA Board members be elected to the following officer positions on the Board: (a) Michael W. Wells as President; (b) Kelly J. Flynn as Vice President; and (c) Alfred Bennett as Secretary; **and** (2) the following individuals be appointed to the following positions with the IAA: (w) Robert Thomson as Treasurer; (x) Heidi Babkowski as Assistant Treasurer; (y) Joseph Heerens as Assistant Secretary; and (z) Rex Joseph as Board Counsel. Upon a motion by Mr. Bennett, seconded by Mr. Dillinger and unanimously passed, approval was given to the foregoing election and appointments.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

President Wells described Resolution No. 1-2015, concerning the Fourth Amendment to the Lease Agreement with Cargolux Airlines International S. A. Upon a motion by Mr.

Flynn, seconded by Mr. Dillinger and unanimously passed, approval was given to Resolution No. 1-2015.

President Wells next described Resolution No. 2-2015, authorizing the execution of Amendment No. 1 to the Lease Agreement with Chautauqua Airlines, Inc. Upon a motion by Mr. Bennett, seconded by Dr. Borst and unanimously passed, approval was given to Resolution No. 2-2015.

President Wells next described BP2015-01-1, concerning the proposed Real Estate Sale Agreement with SCP Developers, LLC, for the sale of 80.884 acres of land located in the northwest and southeast corners of the intersection of Ronald Reagan Parkway and Stafford Road, Plainfield, Hendricks County, Indiana. He opened the public hearing and then asked if there were any comments or testimony. There being none, he closed the public hearing and asked for a motion. Upon a motion by Mr. Flynn, seconded by Mr. Bennett and unanimously passed, approval was given to BP2015-01-1.

BOARD REPORTS

President's Report

President Wells expressed his appreciation to the leadership and staff of the Indianapolis Airport Authority for all the accolades and accomplishments that occurred in 2014.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED JANUARY 23, 2015: 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:

BP2015-01-2. Upon a motion by Mr. Dillinger, seconded by Dr. Borst and unanimously passed, approval was given to BP2015-01-2.

BP2015-01-3. Upon a motion by Mr. Bennett, seconded by Dr. Borst and unanimously passed, approval was given to BP2015-01-3.

BP2015-01-4. Upon a motion by Mr. Flynn, seconded by Mr. Dillinger and unanimously passed, approval was given to BP2015-01-4.

BP2015-01-5. Upon a motion by Mr. Dillinger, seconded by Mr. Bennett and unanimously passed, approval was given to BP2015-01-5.

BP2015-01-6. Upon a motion by Mr. Dillinger, seconded by Mr. Flynn and unanimously passed, approval was given to BP2015-01-6.

STAFF REPORTS

Executive Director's Report

Mr. Rodriguez introduced Robert Thomson, Sr. Director of Finance, who announced that, for the 32nd consecutive year, the Indianapolis Airport Authority has been honored with the GFOA's "Certificate of Achievement for Excellence in Financial Reporting".

ADJOURNMENT

President Wells announced that the next IAA Board meeting is scheduled for February 20, 2015. There being no further business, the meeting was adjourned at 8:40 a.m.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Kelly J. Flynn, Vice President

DATED: _____

By: _____
Alfred R. Bennett, Secretary

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



BOARD MEMO – LEASE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: February 3, 2015

Board Date: February 20, 2015

Subject: Lease Agreement with AAR Aircraft Services, Inc. (AAR) and Board Resolution with AAR Aircraft Services, Inc.

Background

The IAA Board executed a new ten-year lease agreement, and separately, an amendment to the Supply Building lease with AAR in the December 2014 Board Meeting. Coming forward, AAR is now seeking to add additional warehouse space on a short-term basis to support the additional workload for one of their clients as a strategy for their long term growth at the Indianapolis Maintenance Center (IMC). The best suited available space for this venture at the IMC is located in the Interior Shop.

As this short-term Lease Agreement has quite a bit of variation of language compared to the two previously mentioned agreements, IAA Staff is confident a separate short term Lease Agreement should be created rather than amending the recently executed agreements.

Scope

IAA Board adoption of Resolution No. 3-2015, authorizing the execution of the Lease Agreement with AAR Aircraft Services, Inc.

IAA Staff requests the IAA Board execute the Lease Agreement with AAR Aircraft Services, Inc. to support this opportunity for their long term growth. The Lease is retroactive to January 9, 2015 and terminates on January 31, 2016.

Schedule

February 20, 2015: Execution of Board Resolution and Lease Agreement with AAR Aircraft Services, Inc.

Revenue and/or Operating Cost Implications

Revenue:

Revenue for 6,336 sq. ft. of warehouse space at \$6.50 psf is \$41,184.00 per year.

Operating Costs:

The IAA is responsible for the operating costs of the IMC; which such costs are built into the rental rate.

Supplier Diversity Participation

Not applicable.

Recommendation

Consider for approval Resolution 3-2015 and Lease Agreement with AAR Aircraft Services, Inc. for the leasing of additional warehouse space at the Indianapolis Maintenance Center.

RESOLUTION NO. 3-2015

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

WHEREAS, the Indianapolis Airport Authority (the "Authority") owns the Indianapolis Maintenance Center (the "IMC") at the Indianapolis International Airport (the "Airport") which was partially financed with the proceeds of Indianapolis Airport Authority Special Facility Revenue Bonds, Series 1995 (United Airlines, Inc.--Indianapolis Maintenance Center Project) (the "Bonds"); and

WHEREAS, since May 9, 2003, when United Airlines vacated the IMC and turned over possession of the IMC to the Authority, the Authority has been operating and maintaining the IMC in order to protect the IMC and maintain it in a leasable condition; and

WHEREAS, the Authority has worked diligently since 2003 to evaluate the best reuse of the IMC including use of outside marketing professionals, evaluated the potential tenants that might be compatible with such reuse, evaluated the state of the market for the various facilities comprising the IMC, analyzed the rental rates currently borne by those markets and conducted a thorough search for new tenants; and

WHEREAS, the Authority has continued to work diligently with the existing 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 short term Lease Agreement for a portion of the Interior Shop at the IMC; and

WHEREAS, the terms of the short term 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 Short-term 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 a Short-term 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 Lease Agreement 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 _____, 2015.

INDIANAPOLIS AIRPORT AUTHORITY*

Kelly J. Flynn, Vice 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. 3-2015 adopted by the Indianapolis Airport Authority Board on the _____ day of _____, 2015.

Alfred R. Bennett, Secretary

INDIANAPOLIS AIRPORT AUTHORITY



BOARD MEMO – AMENDMENT TO LEASE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: February 3, 2015

Board Date: February 20, 2015

Subject: Third Amendment to Lease Agreement with Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ)

Background

The GIFTZ operation was strategically relocated in 2013 to space at the Indianapolis Maintenance Center (IMC) to better support future opportunities for air cargo development at the former USPS Eagle Hub and the IMC.

In October 2013, the GIFTZ leasehold was expanded to include a cargo container storage yard in the IMC courtyard to provide a more secure location for short-term storage of in-transit cargo containers. Additionally, in March 2014, the GIFTZ secured additional space for their operation at the IMC.

Scope

IAA Board adoption of Resolution No. No. 4-2015, authorizing the execution of the Third Amendment to Lease Agreement with the Greater Indianapolis Foreign Trade Zone, Inc.

IAA Staff requests the IAA Board execute the Third Amendment to the Lease Agreement with the Greater Indianapolis Foreign Trade Zone, Inc. to continue their occupancy for space at the IMC. This Amendment is retroactive to February 1, 2015 and terminates on January 31, 2016, with an additional option of one year, thereby extending the termination date to January 31, 2017.

Schedule

February 20, 2015: Execution of the Third Amendment to IMC Lease Agreement with the Greater Indianapolis Foreign Trade Zone, Inc.

Revenue and/or Operating Cost Implications

Revenue:

Revenue for 7,200 sq. ft. of warehouse space at \$5.50 psf is \$39,600.00 per year.

Revenue for 79,358 sq. ft. of container storage yard at \$0.10 psf is \$7,935.80 per year.

Operating Costs:

The IAA is responsible for the operating costs of the IMC; which such costs are built into the rental rate.

Supplier Diversity Participation

Not applicable.

Recommendation

Consider for approval Resolution No 4-2015 and Third Amendment to Lease Agreement with the Greater Indianapolis Foreign Trade Zone, Inc.

RESOLUTION NO. 4-2015

**RESOLUTION OF THE
INDIANAPOLIS AIRPORT AUTHORITY
APPROVING A LEASE AMENDMENT TO GIFTZ LEASE**

WHEREAS, the Indianapolis Airport Authority (the "Authority") owns the Indianapolis Maintenance Center (the "IMC") at the Indianapolis International Airport (the "Airport") which was partially financed with the proceeds of Indianapolis Airport Authority Special Facility Revenue Bonds, Series 1995 (United Airlines, Inc.--Indianapolis Maintenance Center Project) (the "Bonds"); and

WHEREAS, since May 9, 2003, when United Airlines vacated the IMC and turned over possession of the IMC to the Authority, the Authority has been operating and maintaining the IMC in order to protect the IMC and maintain it in a leaseable condition; and

WHEREAS, the Authority has worked diligently since 2003 to evaluate the best reuse of the IMC including use of outside marketing professionals, evaluated the potential tenants that might be compatible with such reuse, evaluated the state of the market for the various facilities comprising the IMC, analyzed the rental rates currently borne by those markets and conducted a thorough search for new tenants; and

WHEREAS, the Authority Staff has reported to the members of the Board of the Authority on the progress of various efforts to relet the IMC and have updated the Board throughout the negotiations with Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ or the "Tenant"); and

WHEREAS, the Authority and Tenant entered into a Lease Agreement dated February 1, 2013, providing for Tenant's occupancy of a portion of the warehouse space at the IMC; and

WHEREAS, the Authority and Tenant executed a 1st Amendment to the Lease Agreement, dated October 1, 2013, adding vacant land to the Tenant's Leasehold at the IMC; and

WHEREAS, the Authority and Tenant executed a 2nd Amendment to the Lease Agreement, dated March 21, 2014, extending the Term one year; and

WHEREAS, the Authority has come to agreement on the terms for amending the Lease Agreement with Tenant at the IMC; 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 the GIFTZ;

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 Tenant for job creation or other concessions.

3. The Authority has determined that proceeding with a Lease Amendment 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 Lease Amendment, 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 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 _____, 2015.

INDIANAPOLIS AIRPORT AUTHORITY*

Kelly J. Flynn, Vice 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. 4-2015 adopted by the Indianapolis Airport Authority Board on the _____ day of _____, 2015.

Alfred R. Bennett, Secretary

INDIANAPOLIS AIRPORT AUTHORITY



BOARD MEMO – EMPLOYEE RETIREMENT PLAN & TRUST

To: IAA Board of Directors

From: Joseph R. Heerens, General Counsel

Date: February 3, 2015

Board Date: February 20, 2015

Subject: IAA Amended and Restated Employee Retirement Plan & Trust

Background

In 2014, the Indianapolis Airport Authority's ("IAA") Employee Retirement Plan & Trust ("Plan") was amended and restated to ensure continued qualification of the Plan under Section 401(a) of the Internal Revenue Code. The amended and restated Plan, in its proposed form, was submitted to the Internal Revenue Service ("IRS") on January 31, 2014, conditioned on receipt of a favorable determination letter from the IRS after its review of same. Representation of the IAA has been provided throughout this matter by attorney Chris Sears of Ice Miller, LLP.

The Plan, as originally submitted to the IRS, was subsequently amended to include language to clarify that, as required by Section 105(b)(1) of the Heroes Earnings Assistance and Tax Relief Act of 2008, differential wage payments are included in the definition of compensation for purposes of Internal Revenue Code § 415 as requested by the IRS on November 24, 2014.

The IRS, having reviewed the amended and restated Plan, as amended for the IRS's requested change, has given the Plan a favorable determination letter, dated December 18, 2014. Attorney Chris Sears provided the IAA with: (1) a copy of the IRS's favorable determination letter; and (2) a full and complete copy of the amended and restated Plan approved by the IRS.

Recommendation

The recommendation is that the IAA Board adopt the amended and restated Plan and authorize the execution of all plan documents and related forms, including documents or requests of the IRS or the Department of Labor in connection therewith. A copy of the proposed Board Resolution is attached hereto.

RESOLUTION NO. 5-2015

INDIANAPOLIS AIRPORT AUTHORITY

EMPLOYEE RETIREMENT PLAN AND TRUST

WHEREAS, the Indianapolis Airport Authority's (the "IAA") Employee Retirement Plan and Trust (the "Plan") was amended and restated to ensure continued qualification of the Plan under Section 401(a) of the Internal Revenue Code;

WHEREAS, the amended and restated Plan was submitted to the Internal Revenue Service (the "IRS") on January 31, 2014 in proposed form, conditioned on receipt of a favorable determination letter from the IRS;

WHEREAS, the Plan, as originally submitted to the IRS, was subsequently amended to include language to clarify that, as required by Section 105(b)(1) of the Heroes Earnings Assistance and Tax Relief Act of 2008, differential wage payments are included in the definition of compensation for purposes of Internal Revenue Code § 415 as requested by the IRS on November 24, 2014;

WHEREAS, the IRS, having reviewed the amended and restated Plan, as amended for the IRS's requested change, has given the Plan a favorable determination letter (attached hereto), dated December 18, 2014; and

WHEREAS, the IAA Board now desires to adopt and execute, or to cause the adoption and execution of, the amended and restated Plan.

NOW, THEREFORE, BE IT RESOLVED, that the IAA does hereby:

(1) Authorize, without further direction or approval from the Board, the IAA's Board Vice President and Board Secretary to execute the amended and restated Plan, which received a favorable determination letter from the IRS on December 18, 2014, and which is to be effective as of January 1, 2014.

(2) Authorize and direct the IAA's Executive Director, and his designee(s), to take any and all additional or other actions which are necessary or appropriate to effectuate the foregoing resolutions, such as, by way of example and not of limitation: (i) executing any additional plan documents and related forms; (ii) filing and executing appropriate documents and requests of the IRS or the Department of Labor; and (iii) providing notices to affected parties as may be required. Any and all actions of the IAA's Executive Director, and his designee(s), taken prior to the date hereof with respect to the foregoing resolutions, are hereby ratified, approved and confirmed in all respects.

APPROVED and effective as of February 20, 2015, at the regularly convened meeting of the Board of the Indianapolis Airport Authority.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Kelly J. Flynn, Vice President

Attest: _____
Alfred R. Bennett, Secretary

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

CERTIFICATE OF AUTHENTICITY

I, Alfred R. Bennett, Secretary of the Board of the Indianapolis Airport Authority, hereby certify that the foregoing document is a true and correct copy of Resolution No. 5-2015, adopted by the Board of the Indianapolis Airport Authority on February 20, 2015.

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



BOARD MEMO – CODE OF ETHICS FOR EMPLOYEES

To: IAA Board of Directors

From: Joseph R. Heerens, General Counsel

Date: February 3, 2015

Board Date: February 20, 2015

Subject: New Code of Ethics for Employees of Indianapolis Airport Authority

Background

The IAA has not updated its “Code of Ethics” for a number of years. Based on a recent review of the current Ethics Code, IAA Management is recommending the adoption of a revised and expanded “Code of Ethics” for IAA employees, which will further improve and promote a strong ethical culture within the IAA. Proper operation of government requires not only that public employees be impartial and responsible to the people, but also that government decisions be made in the best interests of the governmental entity and not for personal profit or gain.

Attached is a copy of the proposed Code of Ethics (the “New Code”). It contains new provisions, requirements and limitations. For example, Section III more broadly defines the types of items covered by the New Code, including “gifts, favors, service, food, drinks, entertainment, travel expenses or registration fees from a person who has a business relationship with the IAA or is seeking to influence an action by the employee in his or her official capacity.” It also contains a number of exceptions in Section III.B, which are very similar to the exceptions found in the City of Indianapolis’ ethics code. It is also important to note that this New Code establishes specific dollar limitations, particularly as to food, drinks, gifts and entertainment.

Additional improvements include new or additional discussion, and specific restrictions, with respect to honoraria (Section V), conflicts of interest (Sections VIII & IX), political activity and patronage (Section VI), employment restrictions (Section VII), whistleblower protection (Section XII), and violations and enforcement (Section XI).

Recommendation

IAA Management recommends the approval and adoption of Resolution No. 6-2015, “Code of Ethics for Employees of the Indianapolis Airport Authority”.

RESOLUTION NO. 6-2015

CODE OF ETHICS FOR EMPLOYEES OF THE INDIANAPOLIS AIRPORT AUTHORITY

WHEREAS, the Indianapolis Airport Authority (the "IAA") 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 (the "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 IAA;

WHEREAS, the proper operation of government requires not only that public employees be impartial and responsible to the people, but also that government decisions be made in the best interests of the governmental organization and not for personal profit or gain; and

WHEREAS, the IAA now desires to establish and implement an updated and modernized "Code of Ethics" for its employees, in which event the existing Code of Ethics, dated May 11, 1990, Resolution No. 7-1990 (the "1990 Ethics Code"), shall no longer apply to employees of the IAA from and after the Effective Date (hereinafter defined).

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

SECTION I: PURPOSE

A. The purpose of this ethics code (the "Employee Ethics Code") is to set clear and high ethical standards for the conduct of IAA employees, as well as persons who have a business relationship with the IAA.

B. Public confidence in the integrity of government is critical to the exercise of good government. Accordingly, those persons under the jurisdiction of this Employee Ethics Code should be committed, at all times, to the following goals: (i) duties should be carried out impartially; (ii) decisions should not be made outside of proper channels of the IAA; (iii) public office or position should not be used for private gain; and (iv) conflicts of interest should be disclosed and, whenever reasonably possible, avoided at all times.

C. This Employee Ethics Code is not meant to unduly restrict or limit the behavior of IAA employees during the time when they are not on-duty with IAA. Each IAA employee retains lawful rights and privileges as a private citizen to interests of a personal or private financial

nature; and those rights and privileges will be honored to the extent that they are compatible with an individual's appointed position or employment.

SECTION II: DEFINITIONS

As used in this Employee Ethics Code, the following terms shall have the meanings ascribed to them in this Section II:

A. *"Business relationship"* shall mean dealing with the IAA by a person who has: (i) a financial interest in a contract with, or purchase by, the IAA; or (ii) a license or permit requiring the exercise of judgment or discretion by the IAA.

B. *"Compensation"* shall mean any money, thing of value, or financial benefit conferred on, or received by, any person in return for services rendered, or for services to be rendered, whether by that person or another.

C. *"Employee"* shall mean an individual who is employed by the IAA on a full-time, a part-time, a temporary, an intermittent, or an hourly basis, or via an employment contract.

D. *"Entertainment"* shall mean the free admission, or token of admission, to a sporting contest, concert, theatrical production, convocation, parade, convention, festival, or other similar show or presentation, that is intended for the enjoyment and/or entertainment of members of the public upon paid admission.

E. *"Fair market value"* shall mean the price that would be paid by a willing buyer to a willing seller in a good faith transaction where objectively adequate consideration is provided.

F. *"Financial interest"* shall mean an interest which will result in an ascertainable increase or decrease in the income or net worth of the IAA employee, or a member of that individual's immediate family, but does not include an interest: (i) of an IAA employee in the common stock of a corporation unless the combined holdings in the corporation of the employee, that individual's spouse, and that individual's dependent(s), are more than one percent (1%) of the outstanding shares of the common stock of the corporation; or (ii) that is held as an asset in a blind trust.

G. *"Immediate family"* shall mean an individual's spouse or dependent.

H. *"Information of a confidential nature"* shall mean information that was obtained by reason of the position or office held, and which: (i) a public agency is prohibited from disclosing under Indiana Code § 5-14-3-4(a) of the Indiana Access to Public Records Act; (ii) a public agency has the discretion not to disclose under Indiana Code § 5-14-3-4(b) of the Indiana Access to Public Records Act, and that the agency has not disclosed; or (iii) is not in a public record, but if it were, would be confidential.

I. *"Person"* shall mean an individual, proprietorship, partnership, unincorporated association, trust, business trust, group, limited liability company or corporation, whether or not operated for profit, or a government entity.

J. *"Property"* shall mean money, real property, personal property, good, supplies, services, deeds, trade secrets, contract rights, or other interests in or claims to wealth.

K. *"Relative"* shall mean any person related as a grandfather, grandmother, father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, uncle, aunt, husband, wife, son, daughter, stepchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandchild, stepgrandchild, niece or nephew.

L. *"Travel expenses"* shall mean the costs of transportation, lodging and meals. The term includes actual travel expenses or an amount approximating those expenses that would be allowed by the IAA's Business Travel & Expense Policy.

SECTION III: GIFTS, MEALS, ENTERTAINMENT, ETC.

A. An IAA employee, or the immediate family thereof, shall not knowingly solicit, accept or receive a gift, favor, service, food, drinks, entertainment, travel expenses or registration fee from a person who has a business relationship with the IAA or is seeking to influence an action by the employee in his or her official capacity.

B. The prohibition in Section III.A, above, does not apply to:

(i) Any gift, favor, service, food, drink, entertainment, travel expense or registration fee that has a value of less than Fifty Dollars (\$50), provided that the employee does not knowingly solicit, accept or receive gifts, favors, services, food, drinks, entertainment, travel expenses or registration fees from the same person, or his or her employer, that have a cumulative value of more than One Hundred Fifty Dollars (\$150) in any calendar year;

(ii) Gifts, favors, services, food, drinks, entertainment, travel expenses or registration fees from public entities, agencies or institutions; however, such gifts, services, food, drinks, entertainment, travel expenses or registration fees shall be utilized for the IAA's benefit, and not solely for the benefit of one's self or relatives;

(iii) Mementos or souvenirs of nominal value;

(iv) Food, drink, entertainment or registration fees accepted in furtherance of activities to benefit the IAA related to an economic development effort, including, but not limited to, new facilities, job growth or retention;

(v) Gifts, favors, services, food, drinks or entertainment from relatives, or a person with whom the individual has an ongoing social relationship that existed before the IAA employee was employed by the IAA, so long as: (a) the gifts or other items of value are paid for personally by the giver rather than a business entity, and not deducted as a business expense; and (b) the giver is not seeking to influence action or inaction by the individual in that person's official capacity;

- (vi) Food or drink consumed at a public meeting;
- (vii) Discount or other promotional programs that are made generally available and approved in advance by the IAA;
- (viii) Gifts, favors, services, food, drinks, entertainment, travel expenses or registration fees to members of the immediate family of an employee that the employee may benefit from so long as the gifts or other items of value are provided in the normal course of the immediate family member's employment or volunteer work and the purpose of which is not to influence action or inaction by an IAA employee;
- (ix) Property accepted as a gift to the IAA;
- (x) Food or drink consumed at a gathering in which representatives of at least five (5) unaffiliated organizations are participating; or
- (xi) Any item of value for which face value or reasonable fair market value is promptly paid.

SECTION IV: DONOR RESTRICTIONS

A. It is a violation of this Employee Ethics Code for a person who has a business relationship with the IAA to provide any gifts, favors, services, food, drinks, entertainment, travel expenses or registration fees to an IAA employee, or his or her immediate family, if that employee would not be permitted to accept the gift, favor, services, food, drinks, entertainment, travel expenses or registration fees under this Employee Ethics Code.

SECTION V: HONORARIA

A. As used in this Employee Ethics Code, the term "*honorarium*" shall mean a payment of money for an appearance, a speech or an article, but the term does not include payment or reimbursement of travel expenses.

B. An IAA employee shall not personally accept an honorarium for any activity that may be considered part of his or her official duties; however, an employee may accept an honorarium on behalf of the IAA. The employee accepting the honorarium shall, within thirty (30) days after receipt, remit any amount received to the IAA.

C. An IAA employee may personally accept an honorarium for activities not done in connection with his or her official duties and that are prepared on his or her own time; however, in no case may an employee accept an honorarium from a person who has a business relationship with an IAA employee.

SECTION VI: POLITICAL ACTIVITY AND PATRONAGE

A. An IAA employee shall not engage in political activity while on-duty with IAA, or with IAA resources.

B. No IAA employee may request or compel political activity by a person under threat or promise of official action or inaction. No IAA employee may promise appointment or employment as a reward for political activity.

C. No IAA employee with final purchasing authority shall solicit political contributions from persons who have a business relationship with the IAA on behalf of any candidate for elected office, unless that individual is a candidate for elected office himself or herself.

SECTION VII: EMPLOYMENT RESTRICTIONS

A. No IAA employee shall knowingly:

(i) Accept other employment involving compensation of substantial value if the responsibilities of that employment: (a) are inherently incompatible with the responsibilities of his or her position or office with IAA; or (b) require the individual's recusal from matters so central or critical to the performance of the individual's official duties or responsibilities with IAA that the individual's ability to perform those duties would be substantially impaired; or

(ii) Accept employment or engage in business or professional activity outside of IAA that would require the individual to disclose confidential information that was gained in the course of employment with the IAA.

SECTION VIII: CONFLICTS OF INTEREST – DISCUSSION AND DECISION

A. At a meeting involving or affecting the IAA held in accordance with Indiana Code § 5-14-1.5 (Indiana Open Door Law) or otherwise, an employee shall not participate in any discussion or decision, if he or she has knowledge that any of the following has a financial interest in the outcome thereof: (i) said employee; (ii) a member of the immediate family of said employee; (iii) a business organization in which said employee is serving as an officer, director, trustee, partner, employee or subcontractor; or (iv) any person with whom said employee is negotiating or has an arrangement concerning prospective employment.

B. An employee who identifies a potential conflict of interest under the terms of this Employee Ethics Code shall recuse himself or herself from any further action on the matter, and may also seek a written advisory opinion from the IAA's Office of General Counsel in connection therewith.

SECTION IX: CONFLICTS OF INTEREST – CONTRACTS

A. Subject to Section IX.B, below, an employee, or a member of an employee's immediate family, may not knowingly have a financial interest in a contract made by the IAA.

B. The prohibition in Section IX.A, above, does not apply to:

(i) An employee who does not participate in, or have official responsibility for, any of the activities of the IAA, if: (a) the contract is made after public notice or, where applicable, through competitive bidding; (b) the employee files a written statement with the IAA making full disclosure of all related financial interests in the contract; (c) the contract can be performed without compromising the performance of official duties and responsibilities of the employee; and (d) in the case of a contract for professional services, the IAA's Office of General Counsel determines, in writing, that no other employee of the IAA is available to perform those services as part of his or her regular duties; or

(ii) An employee who, acting in good faith, learns of an actual or prospective violation of the prohibition in Section IX.A, above, provided that, not later than thirty (30) days after learning of the actual or prospective violation, said employee makes a full written disclosure of any financial interests to the IAA, and terminates said financial interest(s).

SECTION X: CONFIDENTIAL INFORMATION

A. An employee shall not materially benefit from, or divulge, information of a confidential nature pertaining in any way to the IAA, except as permitted by law.

SECTION XI: VIOLATIONS AND ENFORCEMENT

A. Failure to comply with any of the terms or provisions of this Employee Ethics Code shall be a violation thereof. In addition, it shall be a violation of this Employee Ethics Code to knowingly induce, encourage or aid, either directly or indirectly, anyone to violate any provision of this Employee Ethics Code.

B. Violation of any terms or provisions of this Employee Ethics Code should raise conscientious questions for the employee concerned as to whether resignation, compensatory action, or a sincere public apology is appropriate in order to protect and promote the IAA's best interests and to prevent the costs of an investigation and further action by the IAA.

C. In connection with any violation, or suspected or reported violation, of this Employee Ethics Code, the IAA may take certain actions, such as, by way of example and not of limitation, conduct an investigation into the allegation in order to ascertain the facts and evidence related thereto, after which the IAA may take and/or impose penalties or actions appropriate under the circumstances.

SECTION XII: WHISTLEBLOWER PROTECTION

A. Except as provided in Section XII.B, below, an employee shall not retaliate, or threaten to retaliate, against any person because that person did any of the following: (i) provided a written notice or complaint to the IAA regarding a potential or suspected ethics violation; (ii) provided information to the IAA, or to the IAA's Office of General Counsel, regarding a potential or suspected ethics violation; or (iii) provided a written statement or affidavit to the IAA regarding a potential or suspected ethics violation.

B. The IAA may take appropriate action against any person who took any of the actions listed in Section XII.A, above, if said person did not act in good faith or knowingly or recklessly provided false information or statements.

SECTION XIII: GENERAL PROVISIONS

A. From and after the Effective Date (hereinafter defined), the 1990 Ethics Code shall no longer apply to the employees of the IAA, having been replaced by this Employee Ethics Code; however, except as to IAA employees, the 1990 Ethics Code shall otherwise remain in full force and effect.

B. Any employee who is aware of or suspects a violation of this Employee Ethics Code should contact the Executive Director, the General Counsel, or the Internal Auditor of the IAA at the earliest opportunity.

C. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Employee Ethics Code be declared, by a court of competent jurisdiction, to be invalid for any reason, the remaining provision(s) shall not be affected, if and only if such remaining provision(s) can, without the invalid provision(s), be given the effect intended by the Board in adopting this Employee Ethics Code. To this end, the provisions of this Employee Ethics Code are severable.

D. Notwithstanding anything herein to the contrary, this Employee Ethics Code shall and will be effective from and after February 20, 2015 (the "Effective Date").

APPROVED AND ADOPTED on this _____ day of _____, 2015, at the regularly convened meeting of the Board of the Indianapolis Airport Authority.

INDIANAPOLIS AIRPORT AUTHORITY*

By: _____
Kelly J. Flynn, Vice 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. 6-2015, 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 February 20, 2015.

By: _____

Alfred R. Bennett, Secretary
INDIANAPOLIS AIRPORT AUTHORITY



BOARD MEMO – APPROVAL OF BOARD RESOLUTION

To: IAA Board of Directors

From: Robert B. Thomson, Sr. Director of Finance/Treasurer

Date: February 11, 2015

Board Date: February 20, 2015

Subject: Approval of Resolution No. 7-2015

Background

The Authority currently has five outstanding swaps: (i) four interest rates swaps (in an aggregate amount of \$332.6 million) and (ii) one forward-starting basis swap (“CMS Swap”). The Authority has four different counterparties on the swaps: JP Morgan Chase, UBS AG (“UBS”), Merrill Lynch Capital Services, and Deutsche Bank (CMS Swap).

The four interest rates swaps are fixed-rate payor swaps under which the Authority pays a fixed interest rate and receives a floating-rate payment. On average, the Authority pays a weighted average cost of 3.943% as the fixed rate and receives 75% of LIBOR. The Authority utilizes the swaps as a hedge against the Authority’s variable-rate debt, which is currently priced off of 75% LIBOR. The net effect of these interest rate swaps hedging the variable rate debt is to create fixed rate obligations.

The four interest rate swaps all have swap insurance that guarantees the Authority’s payment of termination payments should the Authority be unable to make such payments. While offering some protection for the counterparties, the insurance policies create added layers of risk and administration to the Authority (for example, the Authority may be required to take certain actions if the insurer is downgraded; and the insurer’s consent is needed to modify certain of the Authority’s debt).

Current Situation

One of the Authority’s counterparties, UBS, has expressed interest in modifying its existing swap agreement by transferring the agreement to another counterparty or by terminating the agreement. A termination would be costly to the Authority (currently estimated to be approximately \$25 to \$35 million) and leave the variable rate debt it is related to as unhedged floating rate, thereby exposing the Authority to interest rate risk. This alternative is not being considered at this point.

It is recommended, however, that a novation (transfer) be considered whereby the Authority could enter into a new agreement with a counterparty with higher credit ratings and possibly removing provisions requiring swap insurance from the documents, and/or potentially reducing the fixed fee that is paid on the swap agreement.

Recommendation

The recommendation is to approve Resolution 7-2015, Authorizing Modifying an Existing Swap Agreement or Amending or Novating or Assigning an Existing Swap Agreement or Entry Into a New Swap Agreement. The result of any modifications would be to reduce certain credit-related risks. Actions taken under this approval would not increase the par amount of Authority debt that is synthetically fixed through such swap agreement. The Resolution specifically provides that any and all instruments, documents, papers and certificates which are necessary or appropriate for any such transaction(s) shall be executed by the President, the Vice President, the Treasurer, and/or the Secretary of the Authority.

RESOLUTION NO. 7-2015
OF THE
INDIANAPOLIS AIRPORT AUTHORITY
AUTHORIZING MODIFYING AN EXISTING SWAP AGREEMENT OR AMENDING OR
NOVATING OR ASSIGNING AN EXISTING SWAP AGREEMENT OR ENTRY INTO A
NEW SWAP AGREEMENT

Recitals

WHEREAS, the Indianapolis Airport Authority (the “Authority”) has issued its Airport Revenue Bonds, Series 2010C (the “Bonds”)[, as subsequently remarked in December 2012 and again in January 2015]; and

WHEREAS, the Authority is authorized by Indiana Code 8-9.5-9-5 (the “Swap Act”) to enter into interest rate swap agreements to modify its interest rate risk with respect to all or a portion of its Bonds and to amend, modify, novate or terminate any such swap agreements; and

WHEREAS, by entering into one or more swap agreements, the Authority has been able to modify its net obligations for debt service payments and may, in time, reduce the amount of debt service payments to be made on the Bonds; and

WHEREAS, the Authority, together with The Indianapolis Local Public Improvement Bond Bank, previously entered into an agreement with UBS AG (the “Existing Swap”) with respect to certain bonds to provide for the payment and security of the Authority’s obligations thereunder, in accordance with its Master Bond Ordinance, General Ordinance No. 4-2002, as amended, as now restated in General Ordinance No. 5-2014 (the “Bond Ordinance”); and

WHEREAS, the Authority desires to authorize and direct its officers and staff to modify, amend, assign or novate the Existing Swap and modify or terminate the swap insurance previously obtained by the Authority in connection with the Existing Swap (the “Swap Insurance”), subject to the further provisions of this Resolution;

NOW, THEREFORE, THE INDIANAPOLIS AIRPORT AUTHORITY RESOLVES THAT:

Section 1. The Authority approves (a) entering into an amendment, modification, novation or assignment of the documents related to the Existing Swap or (b) entering into a new interest rate swap that accomplishes the same purposes pursuant to a new Confirmation under an existing swap document or under a new Master Agreement and Schedule between the Authority and an entity to be selected by the Authority's Treasurer (which entity shall be an "Eligible Counterparty", as defined below) (the "Counterparty") in substantially the form of the existing documents (in either the case of amendment, modification, novation, assignment or entry into a new Master Agreement and Schedule, the "New Agreement"), subject to the further provisions of this Resolution, and authorizes the President, the Vice President, the Treasurer or the Secretary of the Authority to approve the final provisions of, and to enter into, for and on behalf of the Authority, the New Agreement. Approval of the final provisions of the New Agreement shall be conclusively evidenced by execution of the New Agreement. The interest rate swap to be executed pursuant to the New Agreement shall terminate not later than 2037 and the aggregate amount of bonds related thereto shall not exceed \$100,000,000. The Authority further approves the modification or termination of the Swap Insurance and the agreements and documents related thereto which shall be substantially in the form of the current Swap Insurance agreements and documents (the "Swap Insurance Documents").

The New Agreement shall be in the International Swap Dealers Association form, or in the case of an amendment, modification, novation or termination, in a form approved by the Authority's Treasurer, as supplemented and amended to accommodate the terms and conditions of (a) the Bonds, (b) the Bond Ordinance, and (c) this Resolution.

An “Eligible Counterparty” shall be a business entity which (i) has a rating not lower than the “A” category used by each rating agency (the “Required Rating”) as of the date of the new swap agreement (without regard to modifiers) by at least two nationally recognized credit rating agencies (Fitch Ratings, Moody’s Investors Service, Inc. or Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc.); or (ii) if the Counterparty is not so rated, is guaranteed or otherwise fully supported by another business entity so rated. If the Counterparty is subsequently downgraded below the Required Rating (without regard to modifiers), the Counterparty must agree to collateralize its obligations under the New Agreement in an amount approved by the Authority’s Treasurer.

Section 2. In adopting this Resolution, the Authority finds and determines that:

- (i) the New Agreement will constitute a “swap agreement” within the meaning of Indiana Code § 8 9.5 9-4;
- (ii) the New Agreement is necessary or desirable in connection with or incidental to the issuance, carrying or securing of the Bonds;
- (iii) the New Agreement is with an Eligible Counterparty.

Section 3. The President, the Vice President, the Treasurer or the Secretary of the Authority is authorized and directed to execute and deliver the New Agreement and the Swap Insurance Documents in substantially the forms approved by this Resolution, with such changes in form or substance as the officers executing the same shall approve, such approval to be conclusively evidenced by the execution of the same. The President, the Vice President, the Treasurer or the Secretary is authorized to terminate the Existing Agreement as provided therein.

Section 4. The Treasurer of the Authority is authorized and directed to pay or cause to be paid the reasonable fees and expenses incurred by the Authority in connection with the transactions contemplated by this Resolution from money lawfully available to the Authority or to fund such expenses by agreement with the Counterparty.

Section 5. The President, the Vice President, the Treasurer and the Secretary of the Authority are, and each of them is, authorized and directed to do and perform all acts and to execute in the name of the Authority all such instruments, documents, papers or certificates which are necessary, desirable or appropriate to carry out the transactions contemplated by this Resolution, the New Agreement and the Swap Insurance Documents in such forms as the President, the Vice President, the Treasurer or the Secretary executing the same shall determine to be proper, which determination shall be conclusively evidenced by the execution of the same.

Section 6. If any provision of this Resolution shall be held or deemed to be or shall be, in fact, illegal, inoperative or unenforceable, the same shall not affect any other provision of this Resolution or render any other provision of this Resolution illegal, inoperative or unenforceable to any extent whatsoever.

Section 7. This Resolution shall be in full force and effect immediately upon its adoption by the Authority.

Duly adopted by a vote of the Indianapolis Airport Authority on this 20th day of February, 2015.

INDIANAPOLIS AIRPORT AUTHORITY

By: _____
Kelly Flynn, Vice President

Attest:

Alfred R. Bennett, Secretary

IAA Board Meeting
General Agenda
February 20, 2015

General:

BP2015-02-1 Consider for approval the revised IAA Business Expense & Travel Policy as submitted

BP2015-02-2 Consider for approval the OSP Group, L.P. name change to FullBeauty Brands, L.P. on FTZ Operator Agreement Amendment

Capital Program:

BP2015-02-3 Consider for approval Plans and Specifications for Rehabilitate Runway 5L-23R, Taxiway A and Taxiway B at Indianapolis International Airport, Project # I-14-003, as prepared by CHA Consulting, Inc. and Hanson Professional Services, Inc., and authorize the public bidding process

BP2015-02-4 Consider for approval Amendment No. 2 to the professional services contract with Parsons Brinckerhoff, Inc. for Parking Garage Improvements 2013-2014, Project # I-13-027, in an amount not-to-exceed \$41,785.30 (fees) and \$101.70 (expenses) for a total not-to-exceed amount of \$41,887.00. Supplier diversity participation on this contract is MBE 14.97% (Cornerstone Engineering, Inc.), WBE 9.70% (Journey Engineering, LLC), and VBE 0%

BP2015-02-5 Consider for approval Amendment No. 3 to the contract with Reynolds, Smith & Hills, Inc. for IND Master Plan Phase III – Snow Removal Equipment and Material Storage Site Planning at Indianapolis International Airport, Project # I-15-031, in an amount not-to-exceed \$231,091.00 (fees) and \$18,709.00 (expenses) for a total not-to-exceed amount of \$249,800.00. Supplier diversity participation on this amendment is DBE 14.16% (Infrastructure Engineering, Inc., Connico, Inc.), MBE 14.65% (Infrastructure Engineering, Inc., CTL Engineering of Indiana, Inc., DLZ Indiana, LLC), WBE 0.00%, and VBE 0.00%



BOARD MEMO – BUSINESS EXPENSE & TRAVEL POLICY

To: IAA Board of Directors

From: Joseph R. Heerens, General Counsel

Date: February 3, 2015

Board Date: February 20, 2015

Subject: Revised IAA Business Expense & Travel Policy

Background

On October 15, 2010, the Indianapolis Airport Authority (“IAA”) adopted a new travel and business expense policy, which has been reviewed and updated from time to time (the “Policy”). IAA Management recently reviewed the Policy and is recommending several modifications in order to further improve the transparency and accountability aspects of this Policy. Attached hereto is a red-lined version of the Policy showing the recommended changes, as well as a clean copy incorporating the changes.

There are several substantive changes in the attached Policy. First, a new section has been added (Section 4.3.8) which requires the IAA Finance Department to prepare and submit a monthly report to the IAA Board which identifies all trips (requiring airfare or an overnight stay) taken by IAA Staff during the previous thirty (30) day period. This change will give the IAA Board regular information about the Staff’s travel activities.

In addition, Section 4.4 has been modified in several respects. This section applies to travel by IAA employees that requires prior approval of a supervisor or the IAA board president, as applicable. In order to better delineate between travel involving airfare or an overnight stay, versus ordinary local vehicular travel that occurs daily in the course of normal business operations (e.g., daily travel between the Indianapolis International Airport and downtown Indianapolis for local meetings), the Policy has been modified to specifically identify the types of trips that must go through the current “pre-approval” process. These trips are categorized as either “Mandatory Trips” (defined as trips involving airfare or an overnight stay, and which are necessary in order to perform job duties/responsibilities), or “Optional Trips” (defined as trips involving airfare or an overnight stay, and which are requested for proper business purposes and intended to benefit the IAA or the growth and development of its employees, but are not strictly necessary in order to perform job duties/responsibilities).

For example, a “Mandatory Trip” would include travel to New York City to negotiate or discuss the terms of a new IAA bond transaction with a bank or financial institution, whereas an “Optional Trip” would include attendance at a national airport conference.

Another improvement that has been added to the Policy includes the new restriction in Section 3.5 which establishes a limit of one "Optional Trip" per year, per IAA employee, unless an exception is granted. The Policy provides that an "exception" can be granted only if it's justified as: (i) being reasonable under the circumstances; (ii) in the IAA's best interests; (iii) properly documented and approved by the process described in Section 4.4.2; and (iv) approved by the person's supervisor or IAA board president (as applicable).

Lastly, Section 6.0 has been expanded to cover not only the business expenses incurred by IAA Staff related to their "business development" activities, but also the costs and expenses included within the definition of "Business Expenses" found in Section 10.3 of the Policy. This also clarifies the language in Section 6.2, which requires the highest ranking IAA employee in attendance at an event to pay for any Business Expenses that are incurred in connection therewith. Please note that the definition of "Business Expenses" is not being changed and will remain as originally set forth in the Policy.

The remaining changes and/or revisions in the Policy are non-substantive, and have only been made in order to ensure consistent use or application of the "defined terms" throughout the balance of the document.

Recommendation

The recommendation is that the IAA Board approve the revised IAA Business Expense & Travel Policy as submitted herewith.



BOARD MEMO – FTZ OPERATOR AMENDMENT

To: IAA Board of Director

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: February 3, 2015

Board Date: February 20, 2015

Subject: OSP Group, L.P. name change to FullBeauty Brands, L.P. / Amendment to FTZ Operator Agreement

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.

OSP Group, L.P., a participant in the Alternative Site Framework (ASF) program, is requesting an amendment to their existing FTZ Operator Agreement executed on February 19, 2010. OSP Group, L.P. is changing their company name to FullBeauty Brands, L.P. for the FTZ site 9 located at 2300 Southeastern Avenue in Indianapolis and site 10; which is located at 3003 Reeves Road in Plainfield, Indiana.

Scope

THE GIFTZ Board concurred with the request on January 27, 2015, and recommends the Amendment be executed by the IAA Board.

Schedule

February 20, 2015: Execution of the OSP Group, L.P. Operator Agreement Amendment

Revenue and/or Operating Cost Implications

Revenue:

Revenue impact is unchanged at \$48,000 per year. OSP Group, L.P. is still within the same activated square footage in accordance with the GIFTZ zone rate schedule.

Operating Costs:

The GIFTZ has no additional operating expense associated with the execution of the Operator Agreement Amendment.

Supplier Diversity Participation

Not applicable.

Recommendation

Consider for approval the OSP Group, L.P. Operator Agreement Amendment.



BOARD MEMO – PLANS & SPECIFICATIONS APPROVAL

To: IAA Board of Directors

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

Date: February 10, 2015

Board Date: February 20, 2015

Subject: Approval of Plans and Specifications for Rehabilitate Runway 5L-23R, Taxiway A and Taxiway B at Indianapolis International Airport, Project # I-14-003, and Authorize the Public Bidding Process

Background

This project will provide localized rehabilitation for concrete pavements on Runway 5L-23R, Taxiway A and Taxiway B. Also, concrete shoulders on Taxiway D at FedEx points 3 and 4 will be rehabilitated along with asphalt roadways at ARFF Station 1 and Foxtrot Lane between Taxiway B and Runway 5L-23R. See attached exhibit for locations.

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.

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 exhibited premature distress concentrated around the longitudinal joints on the two pilot paving lanes. After extensive investigation, the cause of the premature distress was identified as a material failure of the dowel bar epoxy in the pilot lane

pavements. 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. Since Taxiway B is programmed for discretionary funding initially in phases, 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.

Scope

The scope of work includes crack repair, spall repair, joint sealant and panel replacement for concrete pavements on Runway 5L-23R, Taxiway A and Taxiway B at IND. Localized concrete shoulder rehabilitation along Taxiway D along with localized asphalt rehabilitation on Foxtrot Lane between Taxiway B and Runway 5L-23R and ARFF Drive between ARFF Station 1 and Taxiway B will be included in this project. See attached exhibit for locations.

Budget

Total construction package is estimated between \$5,000,000 and \$10,000,000. The range is established per Federal Acquisition Regulation Subpart 36.2.

The funding for this project is expected to be 75% Federal Aviation Administration (FAA) grant funds and 25% Airport cash funded. Rehabilitate Runway 5L-23R and Taxiway A are anticipated to be funded from entitlement grant funds, while Taxiway B will need to compete for discretionary funds.

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

Advertisement of Opportunity to Bid: February 24, 2015 and March 3, 2015
Pre-Bid Meeting: March 5, 2015 2:00 p.m. Conference Room 1, Building 60
Bid Opening: March 25, 2015 10:00 a.m. Conference Room 1, Building 60
Est. Bid Award (Board Mtg): April 17, 2015

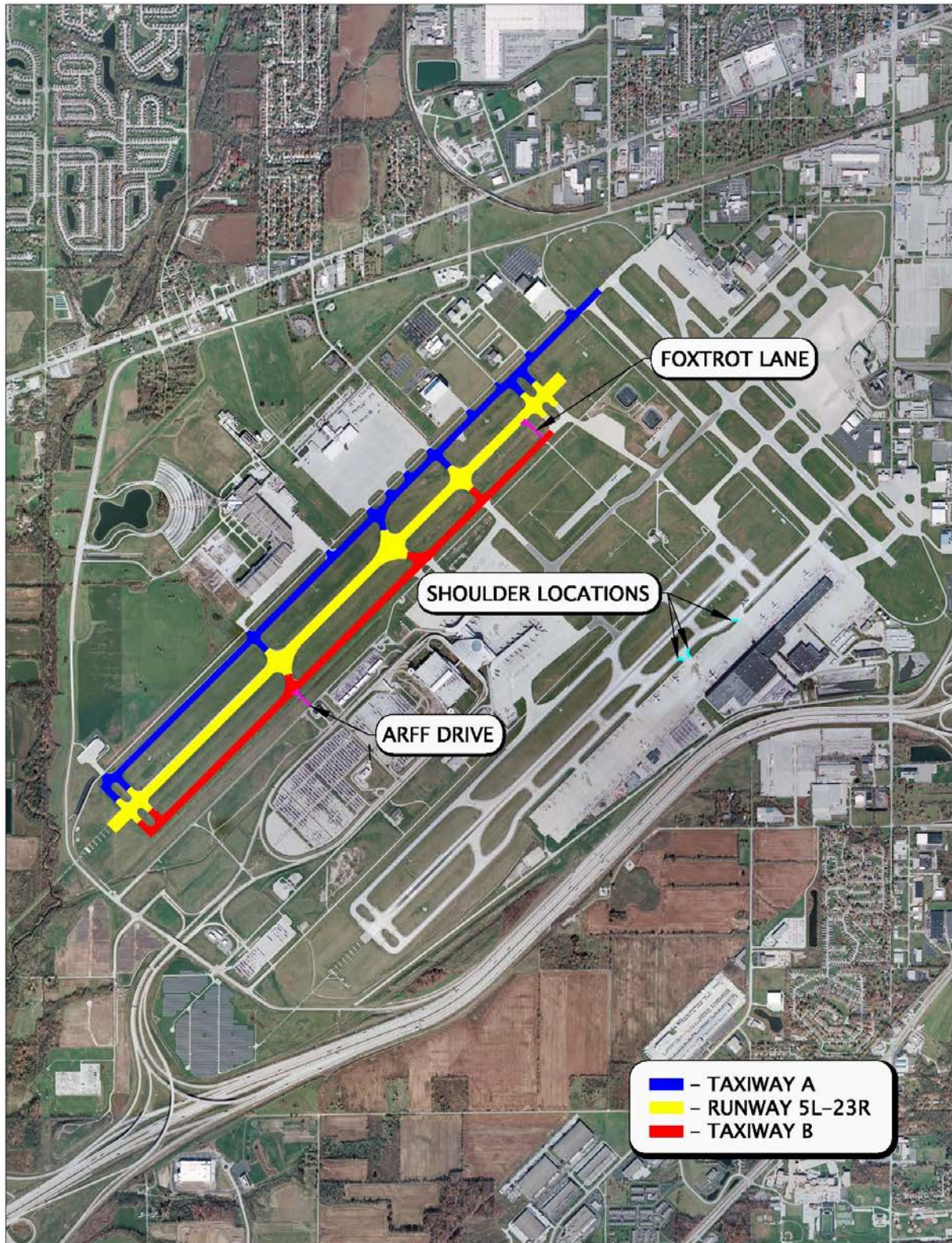
Contract award anticipated April 17, 2015 and the substantial completion date is expected to be November 2015.

Supplier Diversity Participation

The Director of Supplier Diversity established the following participation goals:
DBE 14%, MBE 20%, and WBE 10%, VBE 3%

Recommendation

The IAA staff recommends that the Board consider for approval Plans and Specifications for Rehabilitate Runway 5L-23R, Taxiway A and Taxiway B at Indianapolis International Airport, Project # I-14-003, as prepared by CHA Consulting, Inc. and Hanson Professional Services, Inc., and authorize the public bidding process.





BOARD MEMO – AMENDMENT

To: IAA Board of Directors

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

Date: February 10, 2015

Board Date: February 20, 2015

Subject: Approval of Amendment No. 2 with Parsons Brinckerhoff, Inc. for Parking Garage Improvements 2013-2014 at Indianapolis International Airport, Project # I-13-027

Background

The Indianapolis Airport Authority (IAA) parking garage at the Indianapolis International Airport (IND) is one of the largest open garages in the State of Indiana. The garage is a cast-in-place post-tensioned concrete structure, constructed from 2006 to 2008 and commissioned with the opening of the new terminal in 2008. Rehabilitation and improvement of garage elements is needed to keep the parking garage structurally sound and in efficient operating condition.

Parsons Brinckerhoff, Inc., the project designer and engineer of record for the Garage Improvements 2013-2014 project, was selected through a Request for Proposals (RFP) from three (3) firms with statements of qualifications on file for work in this specialty. The contract also included the design and construction inspection of the 2012 portion of the garage improvements.

Much of the rehabilitation work in this project is focused in the highly used center garage atrium area and includes rehabilitation of all the stainless steel panels, as well as complete replacement of the six (6) staircases and repairs to each elevator bank. During the course of the project, the IAA made a strategic decision to phase the atrium stairwell rehabilitation work in a manner such that customer impacts were minimized. This contract amendment includes 14 weeks of extended supplemental construction inspection services to accommodate the revised phasing. It also includes project as-built document creation, and 10-month warranty walk through and reporting. Contracting these services provides IAA staff with the necessary representation to manage this project without a long-term commitment to additional IAA.

Scope

The scope of this Amendment No. 2 includes the balance of supplemental construction inspection services due to the revised schedule to minimize customer impacts, project as-built AutoCAD document creation, 10-month warranty walk through and reporting.

Budget

The Parsons Brinckerhoff, Inc. Amendment No. 2 is \$41,887.00, which is within the approved 2013-2014 Capital Budget for Parking Garage Improvements 2013-2014, Project # I-13-027.

This project is 100% Airport cash funded.

This project is being undertaken to repair existing infrastructure that is integral to the continued operation of the airport. Because of the critical nature of this project, it has not been subjected to an internal rate of return calculation.

Schedule

The contract term will be extended by Amendment No. 2 to February 29, 2016 to allow for completion of extended construction inspection services, as-built AutoCAD documents, 10-month warranty walk through and reporting.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

FIRM	AMOUNT			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Journey Engineering, LLC	\$ 0	\$4,061.68	\$0	0.00	9.70	0.00
Cornerstone Engineering, Inc.	6,270.00	0	0	14.97	0.00	0.00
Totals	\$ 6,270.00	\$4,061.68	\$0	14.97	9.70	0.00

Contract Summary to Date

Contract/Amendment & Execution Date	Service & Term	Amount	Minority Participation %		
			MBE	WBE	VBE
Preliminary Design and Scope Assessment 8/16/2013	Professional Services Term: 8/16/2013 – 12/31/2014	\$ 90,500.00	14.03%	25.19%	0.00%
Amendment 1	Contract Term: Extended to 4/30/2015	\$389,235.00	21.12%	9.09%	0.00%
Amendment 2 This Amendment	Contract Term: Extended to 2/29/2016	\$ 41,887.00	14.97%	9.70%	0.00%
	Revised Contract NTE	\$521,622.00	19.80%	12.09%	0.00%

Recommendation

The IAA staff has reviewed the proposal and recommends that the Board consider for approval Amendment No. 2 to the professional services contract with Parsons Brinckerhoff, Inc. for Parking Garage Improvements 2013-2014, Project # I-13-027, in an amount not-to-exceed \$41,785.30 (fees) and \$101.70 (expenses) for a total not-to-exceed amount of \$41,887.00. Supplier diversity participation on this contract is MBE 14.97% (Cornerstone Engineering, Inc.), WBE 9.70% (Journey Engineering, LLC), and VBE 0%.



BOARD MEMO – AMENDMENT

To: IAA Board of Directors

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

Date: February 10, 2015

Board Date: February 20, 2015

Subject: Approval of Amendment No. 3 with Reynolds, Smith & Hills, Inc. (RS&H) for IND Master Plan Phase III – Snow Removal Equipment and Material Storage Site Planning at Indianapolis International Airport, Project # I-15-031

Background

The Phase I and II Master Plan/Airport Layout Plan Update (MP/ALP) for Indianapolis International Airport (IND) identified a replacement site for the snow removal equipment and material storage and maintenance functions currently centered around Building #2 on Banner Avenue (northeast portion of IND), but housed in multiple buildings some of which were not designed for the current use. The maintenance function in the northeast portion of IND served the old terminal site well, but not at midfield terminal.

During the IND Phase II MP/ALP process, the scope was revised to focus on short-term development. This resulted in unused MP grant funds. The next step for the Snow Removal Equipment and Material Storage Site (SRE storage site) development is to plan the size of the facility and its layout within the selected site. As a planning process, the Federal Aviation Administration (FAA) Airports District Office (ADO) has approved accomplishing the SRE storage site planning as an additional phase of the Master Plan, Phase III. During a planning process, both grant eligible and non-grant eligible functions on the airport can be planned with grant funding. Whereas during design, only eligible items are grant funded.

This project is included in the approved 2015 Capital Budget as Construct New Airfield Maintenance Facility. The 2015 preliminary design phase has been retitled as IND Master Plan Phase III – Snow Removal Equipment and Material Storage Site Planning to better reflect the planning nature of this initial stage as a continuing part of the MP.

On August 22, 2014, per Federal Aviation Administration (FAA) required procedures, the IAA issued a qualifications based Request for Proposals (RFP) to select a designer for this project, with responses due on September 18, 2014. A review committee of IAA

staff was assembled to review and score the seven proposals received. The resulting rankings were very close so interviews were conducted with all of the respondents.

RS&H was ranked highest by the committee to meet this project's design requirements based on their knowledge for similar developments, knowledge from the preparation of the IND Phase I and II MP/ALP, and a staff member with experience developing this type of facility when on staff at Salt Lake City International Airport, Utah.

Scope

The scope for Master Plan Phase III is to provide professional planning services for a snow removal equipment and materials storage facility on the site identified in the IND Phase II MP/ALP. The planning study will provide recommendations regarding costs, traffic flow, site sizing, location, and operations for the current and future (20 year) program.

The project will conduct interviews with IAA staff, review comparable sites at other similar airports, consider sustainability, appropriate building systems, and provide site and building options. An estimate of development costs will be prepared for the recommended plan along with an implementation plan identifying grant and ineligible facilities. The results of this planning study will be used as the project definition for future design and construction efforts.

Project Cost

Since the top ranked firm is the same firm that prepared the IND Phase I and II MP/ALP, this contract will be accomplished as an amendment to the IND MP Phase II for planning continuity. The RS&H amendment is \$249,800.00, which is within the overall Construct New Airfield Maintenance Facility budget in the approved 2015 Capital Budget.

Funding for this project is under the existing IND Master Planning Grant and is expected to be 75% Federal Aviation Administration (FAA) grant funds and 25% Airport cash funded.

This project will be 75% FAA grant funded and be part of the regulatory required MP/ALP. As a result of the regulatory requirement and grant funding, this project is exempt under the IAA's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

The contract term will be extended by Amendment No. 3 to December 31, 2015 to allow for the work under IND Master Plan Phase III – Snow Removal Equipment and Material Storage Site Planning at Indianapolis International Airport.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
Infrastructure Eng., Inc.	\$22,180.00	\$22,180.00	\$0.00	\$0.00	8.88%	8.88%	0.00%	0.00%
CTL Engineering	0.00	1,860.00	0.00	0.00	0.00%	0.74%	0.00%	0.00%
DLZ Indiana, LLC	0.00	12,547.00	0.00	0.00	0.00%	5.02%	0.00%	0.00%
Connico, Inc.	13,200.00	0.00	0.00	0.00	5.28%	0.00%	0.00%	0.00%
Totals	\$35,380.00	\$36,587.00	\$0.00	\$0.00	14.16%	14.65%	0.00%	0.00%

Contract Summary to Date

While the work is being done as an amendment to the Phase II Master Plan contract, it is being funded as a separate capital project so prior contracts are not part of this project budget.

Recommendation

The IAA staff recommends that the Board consider for approval Amendment No. 3 to the contract with Reynolds, Smith & Hills, Inc. for IND Master Plan Phase III – Snow Removal Equipment and Material Storage Site Planning at Indianapolis International Airport, Project # I-15-031, in an amount not-to-exceed \$231,091.00 (fees) and \$18,709.00 (expenses) for a total not-to-exceed amount of \$249,800.00. Supplier diversity participation on this amendment is DBE 14.16% (Infrastructure Engineering, Inc., Connico, Inc.), MBE 14.65% (Infrastructure Engineering, Inc., CTL Engineering of Indiana, Inc., DLZ Indiana, LLC), WBE 0.00%, and VBE 0.00%.