

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
BOARD MEETING
MARCH 20, 2019**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on March 20, 2019. Chairman Jim Welch convened the meeting at 3:01 p.m. in the Boardroom of the Louisville Regional Airport Authority, Louisville, Kentucky.

Those in attendance were: Mr. Dale Boden, Mr. Bill Byrley, Ms. Mary Rose Evans, Mayor Greg Fischer, Ms. Nikki Jackson, Mr. Earl Jones, Mr. Pat MacDonald, Mr. John A. Moore, Ms. Lesa Seibert and Mr. Jim Welch. Not in attendance: Ms. Toni Clem. Mr. Tom Halbleib attended as counsel to the Board.

Staff Members in attendance were: Ms. Brenda Allen, Ms. Pat Apone, Mr. Josh Ball, Ms. Sara Brown, Ms. Dodie Caulk, Ms. Natalie Chaudoin, Mr. Sean Guihan, Ms. Noel Jolly, Ms. Dani Kiefner, Mr. Dan Mann, Mr. Curtis Monroe, Mr. David Prince, Ms. Antissa Riley, Ms. Jessica Sims, Mr. Brian Sinnwell, Mr. Bob Slattery, Ms. Megan Atkins Thoben, Mr. Adam Thomas and Mr. Darrell Watson.

Also in attendance: Mr. Bobby Campbell, Mr. Phil Clark, Mr. Andrew Condia, Councilwoman Nicole George, Mr. Chris Gould, Mr. Chris Larson, Mr. Dave Mayer, Mr. Alfred Miller, Mr. Clair Nichols, Ms. Rachel Roarx, Mr. John Sistarenik, Mr. Rick Storm, Mr. Andrew Swafford, Mr. Todd Tabor, Ms. Julie Taylor, Ms. Marta Weber, Mr. David Whitestone and Ms. Mary Ellen Wiederwohl.

CONSIDERATION OF MINUTES

The minutes of the regular board meeting held January 16, 2019 were reviewed and, upon motion duly made and seconded, unanimously approved.

Following the approval of the minutes, Chairman Welch introduced Mr. David Whitestone of Holland and Knight who introduced Mr. Andrew Condia and Mr. Andrew Swafford from Senator Mitch McConnell's staff.

Chairman Welch then made the following comments relating to his investment in OneJet:

Some of you may have seen recent media coverage about me so I think it is appropriate for me to comment. At the time of my investment I made all required and appropriate public disclosures including to the media. The simple, basic question is did OneJet receive any preferential treatment as a result of my investment and the answer is clearly and decidedly no.

The Board did not and cannot vote to provide special or preferential financial incentives to any airline regardless of whether they have a contract or not. That is prohibited by federal law and our policies.

The Board knows this, but for the rest of you to be clear on how our incentive program works, each year staff presents us with a list of 15-20 cities which represent the most popular destinations for our citizens and which are not served with nonstop flights. I have never influenced the composition of this list. The staff then provides a standard and equal incentive package to any airline on a first come first served basis which commits to provide regular nonstop service to any one of these cities. Once an airline provides nonstop service to one of these cities it is removed from the list so as to be able to provide incentives for other cities on the list. The Board has endorsed this approach for years.

I personally treated this as a social impact investment — an investment in the public interest not against it. In the case of OneJet they provided 2 years of nonstop service to Pittsburgh which had community and social value.

It is always appropriate for any organization to review and improve where necessary its processes, procedures and policies. As it happens, for the last four months since our Board retreat Dan and staff have been working on our governance policies.

Mr. Mann then advised the Board that he and staff have been reviewing all of our policies, procedures and processes. He plans to recommend a revision to the board governance structure which would include the implementation of four committees: air service, airport development and public relations; operations, facilities and construction; labor and personnel; and finances, contracts and planning. These committees will help Mr. Mann and staff have better interaction with and receive more input from the Board. He is also considering a more detailed explanation of the role of the Board and the Executive Director.

Mayor Fischer inquired if the Authority would be updating the conflict of interest statement as part of this process. Mr. Mann informed the Mayor the Authority currently has two conflict of interest policies: the board policy conflict of interest and metro government's policy. He advised the Mayor staff will review both policies as part of this ongoing process.

The Mayor then made the following statement:

Thank you for that, perception is important obviously. I just want to underscore, Jim, what you were doing on this you were totally transparent with this board, with our legal counsel and with the public. So at no time did anybody think, or at least I didn't think you were doing something that you shouldn't be doing. In fact, you were looking at the community and trying to get enough investment so that OneJet would come here. So I don't know if that was covered adequately in the story or not. In my view everything you did was transparent and let's move forward. If we can tighten up the conflict of interest policy then that's certainly a good thing to do. Mr. Dale Boden and Mr. Earl Jones also expressed support for Chairman Welch and his transparency in his interactions with OneJet.

Chairman Welch thanked the Board for their attention to this personal matter.

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Mr. Mann then screened the trailer for the *City of Ali* documentary that will debut during the “I Am Ali” Festival in June. He advised the Board the Authority is moving forward quickly to develop new branding for the official unveiling of the Louisville Muhammad Ali International Airport name change during the Festival. The Mayor commented on the positive international reception and the widespread media coverage that the name change announcement has received.

Chairman Welch then introduced Mr. John Sistarenik, Chairman of the Community Noise Forum, who presented the Community Noise Forum’s Annual Report to the Board.

FINANCIAL REPORT

Ms. Pat Apone presented the financial report for the month ending February 28, 2019. There were no significant changes from last month. Operating revenues are exceeding the actual revenues from last year and the budget. Landing fee revenue is up and is exceeding projections. Parking revenue is up and is exceeding projections. Car rental revenues are up due to the change in collection fee methodology. Overall, expenses are under budget. Major maintenance expenses are down due to timing, and professional consulting services and contract services expenses are down. Cargo activity and cargo related activity has also increased.

CONSTRUCTION REPORT

Mr. Brian Sinnwell presented the construction report.

At Louisville International Airport the Airfield Electrical Upgrade, Phase 10 project to remove and replace Taxiway in-pavement centerline light fixtures and transformers and remove and replace airfield guidance signs is substantially complete. The contractor continues to address equipment warranty issues. For the Airfield Pavement Rehabilitation Project 2019 A, a contract was awarded to complete reconstruction of concrete pavement slabs on the east runway. Work will begin in early spring. The Airfield Electrical Upgrade, Phase 11 project continues our efforts to maintain the airfield electrical system by replacing aged electrical cables, airfield lighting and signs. Work has continued through winter as weather permitted and the project is approximately 70 percent complete. For the Airfield Pavement Rehabilitation Project 2019 B, design work is nearing completion for a pavement reconstruction project on the west runway and Taxiway B, to be bid later this winter with work to begin in summer 2019. For the Main Terminal Electrical Switchgear Construction Project, a preconstruction meeting was held and shop drawing, equipment ordering and submittal work is underway with a Notice to Proceed anticipated soon. For the Runway and Taxiway Shoulder Rehabilitation and Construction Project, bids were received for the rehabilitation of asphalt shoulders on the west runway and Taxiway B. This project will replace aged asphalt and correct pavement joints and drop offs. For the Surface Parking Lot Asphalt Seal Coat Project to extend the life of the asphalt pavement and restripe the parking lot lines, work is suspended until Spring. Design efforts are underway for a project to realign and reconstruct Taxiway G. This parallel taxiway to Runway 11-29 is critical for the efficient movement of aircraft from the east to the west on the airfield. The pavement is old, nearing the end of its useful life and does not meet all Group VI standards. This project will increase surface separation, eliminate FAA designated “hot-spots” and will create new access points to the terminal area. Planning, design and environmental work continue through the summer. For the Terminal Renovation and

Enhancement Project, the Mother's Room in Concourse "A" will be completed later this month. Design work continues for Phase II of the Terminal Renovation, with design concepts including parking configurations, rental car operations configurations, installation of a Federal Inspection Station and equipment replacements being considered. The contract change order for the continuation of the terminal connector theme wall work has been executed, pre-construction work is under way and the project schedule is being discussed pending permit approvals. Design contracts were issued for the Terminal Emergency Generator project and the Maintenance Building Emergency Generator project to design emergency generators for the Terminal and the Maintenance Building, and a predesign meeting was held to determine scope and equipment location. LG&E is completing a project to abandon and replace the terminal natural gas line and improve metering and distribution equipment. This project will also provide capabilities for natural gas in all areas of the terminal including airside concessions and emergency generators. This project is 100% LG&E funded.

At Bowman Field, a construction contract was awarded for the Airfield Electrical, Phase 1 project to replace airfield cable and lighting. Rehabilitation of the lighting system is under way, and work will continue through the winter as weather permits. A contract was awarded for the Airfield Fence Replacement project to replace a section of fence north of the Administration Building continuing along Dutchmans Lane and around the south T-Hangar development area with architectural fence. Materials are on site and work has begun on the Pee Wee Reese Road side of the airport. Design work has begun for the Airfield Electrical, Phase 2 project to replace airfield signage and consider replacement of the airport beacon. The project will be advertised for construction bids in the next few months. For Hangar #3, a project to replace the roof is planned for construction this summer, and work to improve the sanitary sewer line from the FBO is underway. For the Administration Building, LG&E's contractor will begin work this week to remove aged electrical distribution equipment from the basement of the building. This project is funded 90% by LG&E. The Authority will complete work to update the building's electric panels and transformers as part of this project. In addition, a project to control moisture infiltration and improve the exterior condition of the building, possibly including an exterior sealant, reconstruction of mortar joints and repairs to the upper building coping is being formulated. An assessment of the building's HVAC, roof and lighting is also underway. For the Airport Area Safety Program, development of a project to acquire additional aviation easements from willing sellers with existing or near-term obstructions is underway. Easements will be purchased in anticipation of a future phase of tree removal and landscaping. Tree replacement and planting as part of the Phase 2 restoration and mitigation project continues.

Mr. Sinnwell reported on the Airport Master Plan Update. Efforts continue with facility inventory, forecasting and interviews. The Authority will deliver forecast information and existing facility inventory to the FAA in mid-April. The public education process continues with interaction at public events, scheduled briefings and group sessions. For the Relocation Program, a contract for the demolition of several residential properties was issued and two residential units have been demolished. The former Sound Insulation Program house that burned down in late 2018 will also be demolished.

For the Residential Sound Insulation Program, for the sound insulation of residences within the DNL 65 contour on the 2021 Noise Exposure Map, the recommended program boundary and

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acoustical testing plan have been sent to the FAA for review and approval, and program policies and procedures are being updated. An initial review of cultural resources in areas northeast of Louisville International Airport is also underway. The Authority is awaiting FAA concurrence on the recommended program boundary and Acoustical Testing Plan. For the University of Louisville Noise Mitigation Project, Phase II of the project, which includes an Environmental Assessment (EA) and design work for noise mitigation measures is underway. On October 17, 2018 the FAA issued a determination of No Adverse Effect under Section 106 of the National Historic Preservation Act (NHPA). Currently the FAA is completing their final review of the EA, and the consultant is coordinating with the University of Louisville on design efforts for several buildings.

Coordination and planning of a project to improve access to the Renaissance South Business Park in conjunction with our consultant, Louisville Metro, the Kentucky Transportation Cabinet, the Federal Highway Administration and other agencies has begun. A grant application for construction funding will be submitted in spring while planning, environmental and traffic studies are completed for the analysis of design alternatives.

MARKETING REPORT

Mr. Darrell Watson presented the Marketing report. Planning with various stakeholders for the inaugural LAX flight on April 3 continues. The flight is almost sold out and there will be a launch party at the gate. On Saturday, March 16, 2019 the Authority, in partnership with American Airlines, The Arc Kentucky and Families for the Effective Treatment of Autism, hosted the "It's Cool to Fly American" event at Louisville Muhammad Ali International Airport. Over 150 people participated in the event.

Following the Marketing Report, Eric Peterson, Principal of Alliance presented preliminary design concepts for Phase II of the Terminal renovation to the Board for their feedback.

BOARD CONSENT ITEMS

1. SkyWest Airlines, Inc. — Airfield Use Agreement and Partial Assignment, Assumption and Airport Consent — Louisville Muhammad Ali International – Approval

In order for an airline operating at Louisville International Airport to become a Signatory Airline, the airline must: (i) execute an Airfield Use Agreement; (ii) enter into a Terminal Use & Lease Agreement to lease at least 500 sq.ft. of exclusive use space in the terminal or lease or sublease at least five acres or enter into a "through the fence" agreement with the Authority.

Delta Air Lines, Inc. ("Delta") is a Signatory Airline by virtue of an Amended and Restated Terminal Use and Lease Agreement, dated May 19, 2015. Delta desires to assign SkyWest Airlines, Inc. ("SkyWest") 554 square feet of Delta's exclusive use space in the Airside Terminal Building via a Partial Assignment, Assumption and Airport Consent. SkyWest also desires to enter into an Airfield Use Agreement. By SkyWest executing the Partial Assignment, Assumption and Airport Consent and executing an Airfield Use Agreement, SkyWest would qualify as a Signatory Airline.

Mr. Mann recommended the Board approve the Airfield Use Agreement with SkyWest Airlines, Inc.; approve a Partial Assignment, Assumption and Airport Consent between Delta Air Lines, Inc. and SkyWest Airlines, Inc.; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

2. Matheson Flight Extenders, Inc. — Air Cargo Facility Lease Agreement — Louisville Muhammad Ali International – Approval

Staff has been in negotiations for a new lease with Matheson Flight Extenders, Inc. ("Matheson"), currently the largest tenant in the Air Cargo Facility, to continue to occupy 14,112 sq. ft. of space. The current lease expires April 30, 2019. Matheson and staff have negotiated a new one-year lease with an expiration of April 30, 2020.

Staff and Matheson have negotiated an annual base rent of \$136,604.16 (\$9.68 per sq. ft. per year), which equates to a two percent (2%) increase over the current base rent, for the duration of the new term. Additionally, the lease includes an annual common area maintenance fee, which is adjusted each January 1st for all tenants of the Air Cargo Facility. For calendar year 2019, the common area maintenance fee for Matheson will equal \$75,075.84.

Mr. Mann recommended the Board approve the Air Cargo Facility Lease Agreement with Matheson Flight Extenders, Inc. for 14,112 sq. ft. of space in the Air Cargo Facility at Louisville International Airport for a term of one year, effective May 1, 2019, at the financial terms described above; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

3. 2019-A Asphalt Rehabilitation — Louisville Muhammad Ali International —Contract Award

This project consists of 36,727 SF of asphalt surface milling and overlay including pavement markings and 82,830 SF of asphalt sealcoating at the Authority Maintenance Facility at the Louisville Muhammad Ali International Airport. An additive alternate was also included for 63,700 SF of additional asphalt seal coating and related pavement markings as directed. The project was advertised in *The Courier-Journal* and the *Louisville Defender*. Additionally, the project was posted with the Tri-State Minority Supplier Development Council and on the Airport Authority's website. Seven bids were received and the lowest, responsive bidder was Mac Construction & Excavating, Inc. of New Albany, IN with a unit price base bid of \$74,825.96 and a Bid Alternate Number 1 of \$9,659.70 for a total bid of \$84,485.66. Authority staff has reviewed the bid documents submitted by Mac Construction & Excavating, Inc., have verified the bid to be responsive and recommend the award.

Mr. Mann recommended the Board award the contract for 2019-A Asphalt Rehabilitation including the Base Bid and Bid Alternate Number 1 to Mac Construction & Excavating, Inc. from New Albany, IN in accordance with the unit prices set forth in the bid for a total contract amount

of \$84,485.66; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

4. 2019 Terminal Apron Drainage — Louisville Muhammad Ali International — Contract Award

This project consists of the removal of 379 LF of existing slotted drains and replacement with a trench drain system on the terminal apron at Louisville Muhammad Ali International Airport. The project also includes an additive alternate for removal and replacement of pavement within the vicinity of the drainage project. The project was advertised in *The Courier-Journal* and the *Louisville Defender*. Additionally, the project was posted with the Tri-State Minority Supplier Development Council and on the Authority's website. Three bids were received and the lowest, responsive bidder was The Harper Company from Hebron, Kentucky with a unit price bid for the base bid of \$334,188.77 and an additive alternate 1 bid of \$8,994.87 for a total bid of \$343,183.64. Authority staff and our airport consultant have reviewed the bid documents submitted by The Harper Company, have verified the bid to be responsive and recommend the award. This project is fully funded by Passenger Facility Charges (PFC's).

Mr. Mann recommended the Board award the contract for the base bid and additive alternate 1 for the 2019 Terminal Apron Drainage project to The Harper Company in accordance with the unit prices set forth in the bid for a total contract amount of \$343,183.64; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

4. Airside Powerwalk Replacement — Louisville Muhammad Ali International — Contract Award

Originally installed in 1989, the airside powerwalks located in the Louisville Muhammad Ali International Airport terminal connector require proprietary replacement/upgrade from the original manufacturer, Schindler Elevator Company. While these aging units are regularly maintained by an annual service agreement, they have reached the end of their useful life and have become a challenge to maintain.

Schindler Elevator Company is currently listed with Sourcewell as holding a cooperative purchase contract under master agreement 100516-SCH. State law, specifically KRS 45A allows the Authority, as a political subdivision of the Commonwealth, to participate in cooperative contracts with other public entities under certain circumstances without the need to conduct an additional solicitation. This agreement has been reviewed by the Authority and has been determined to meet the contracting and purchasing requirements for Kentucky Cooperative Purchasing Agreements. Pricing terms and conditions are based upon the Sourcewell Master Agreement 100516-SCH that runs through 2020 with available renewal options and the opportunity for the Authority to supplement with provisions required by the Authority and the FAA. This contract covers all labor, equipment and maintenance.

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Mr. Mann recommended the Board approve the purchase/replacement of Airside Powerwalks from Schindler Elevator Company at a not-to-exceed amount of \$1,500,000.00; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

5. Right of Entry Agreement for High Speed Cable — Louisville International and Bowman Field — Approval

The Authority and Insight Kentucky Partners II, L.P. ("Insight") are parties to a Right of Entry Agreement dated March 3, 2010. Insight constructed, installed and maintains underground internet cable to service certain tenants at Bowman Field and Louisville International Airport. The Board previously approved the First Amendment which provided service to 2720 Gast Boulevard (Louisville Executive Aviation); the Second Amendment which provided service to 2900 Moran Avenue (Hangar 12); the Third Amendment which provided service to 2800 Moran Avenue (Hangar 5) and 1151 Standiford Lane (Atlantic Aviation); and the Fourth Amendment which provided service to 3325 Roger E. Schupp Street (Hangar 34). Insight further requests to provide service to 5101 Crittenden Dr. (Trans States Airlines) which was not included in the Right of Entry Agreement or First, Second, Third or Fourth Amendments.

Mr. Mann recommended the Board approve the Fifth Amendment to the Right of Entry Agreement between the Louisville Regional Airport Authority and Insight Kentucky Partners II, L.P. which adjusts the right of entry areas specifically at Louisville Muhammad Ali International Airport as described above; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

6. 2019-A Asphalt Rehabilitation — Bowman Field — Contract Award

This project consists of asphalt milling and overlay of 26,310 SF of asphalt parking lot and 33,340 SF of aircraft apron asphalt and 158,624 SF of asphalt sealcoating on an aircraft apron at Bowman Field including restoration and incidentals. The project was advertised in *The Courier-Journal* and the *Louisville Defender*. Additionally, the project was posted with the Tri-State Minority Supplier Development Council and on the Airport Authority's website. Six bids were received and the lowest, responsive bidder was Mac Construction & Excavating, Inc. of New Albany, IN with a unit price base bid of \$129,267.43. Authority staff has reviewed the bid documents submitted by Mac Construction & Excavating, Inc. have verified the bid to be responsive and are recommend the award.

Mr. Mann recommended the Board award the contract for 2019-A Asphalt Rehabilitation at Bowman Field to Mac Construction & Excavating, Inc. from New Albany, IN in accordance with the unit prices set forth in the bid for a contract amount of \$129,267.43; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

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BOARD ACTION ITEMS

7. Rental Car Concession Agreements — Amendment No. 2 and Proposed Revision to Authority Regulations — Louisville Muhammad Ali International — Consideration and Adoption

Representatives of the Authority have had continuing discussions with representatives of the rental car companies currently operating at the Airport regarding overall ground transportation capacity needs. These discussions have included increasing the Customer Contract Fee in order to defray the cost of various ground transportation cost center capital expenditures and expenses. Currently, the Customer Contract Fee is set at \$2.00 per day, or partial day, for each rental of any car rented at the Airport, and staff recommends increasing the fee to \$4.00 per day, or partial day, for each rental of any car rented at the Airport. The collection of a Customer Contract Fee will continue to be limited to the first seven (7) days of any customer rental agreement. In order to effectuate this change, the Authority will need to adopt a resolution to change the collection rate and amend the regulations accordingly. The Authority will also need to approve an amendment to the current Rental Car Concession Agreements, which expire August 31, 2020. The Findings, Determinations and Resolutions (copy attached) approve and adopt an amendment to the Authority's Schedule of General Rates, Charges and Fees attached to Chapter 600 of the Authority's Regulations. The proposed amendment to Section 606 (B) was formerly referred to as Section 5.10 in prior resolutions adopted in 1995, 2005 and 2018.

Mr. Mann recommended the Board adopt the attached Findings, Determinations and Resolutions; approve the Second Amendment to the Rental Car Concession Agreements with Avis Rent A Car System, LLC (Avis); Avis Budget Car Rental, LLC (Budget and Payless); DTG Operations, Inc. (Dollar and Thrifty); EAN Holdings, LLC d/b/a Alamo Rent A Car (Alamo); EAN Holdings, LLC d/b/a Enterprise Rent-A-Car (Enterprise); EAN Holdings, LLC d/b/a National Car Rental (National); and The Hertz Corporation (Hertz); and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

8. Conveyance of Minors Lane Area Real Property to the Louisville Renaissance Zone Corporation — Approval and Adoption

Previously, the Board approved and the Authority entered into an Agreement of Sale dated February 9, 2007 (the "Agreement"), pursuant to which the Authority agreed to sell, and the Louisville Renaissance Zone Corporation (the "LRZC") agreed to purchase, all real property acquired by the Authority in a certain portion of the Minors Lane area. The Authority subsequently conveyed to the LRZC the entire approximately 424 acres of Minors Lane area property it then owned (the "First Conveyance Property").

Subsequent to the conveyance of the First Conveyance Property, the Authority acquired and conveyed to the LRZC approximately 124.72 acres of additional Minors Lane area property in 2011 (the "Second Conveyance Property"); approximately 6.4 acres of additional Minors Lane area property in March 2012 (the "Third Conveyance Property"); approximately 0.23 acres of

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additional Minors Lane area property (the “Fourth Conveyance Property”) in June 2012; approximately 13.16 acres of additional Minors Lane area property (the “Fifth Conveyance Property”) in September 2014; approximately 9 acres of additional Minors Lane area property (the “Sixth Conveyance Property”) in March 2016; and approximately 24.6 acres of additional Minors Lane area property (the “Seventh Conveyance Property”) in December 2016.

Subsequent to the conveyance of the Seventh Conveyance Property, the Authority has further acquired 4 parcels, approximately 6.68 acres, of additional Minors Lane area property (the “Eighth Conveyance Property”). As contemplated by the Agreement, the Authority has caused the Eighth Conveyance Property to be appraised, and the appraiser has reported a value of \$695,000.00, which is the price at which the Authority proposes to sell and the LRZC to purchase the Eighth Conveyance Property. Additionally, the Authority will request the FAA release the Authority from the obligations, terms and conditions of existing grant agreements as they relate to the Eighth Conveyance Property and consent to the sale.

Although the Board previously authorized the Agreement, the Board must adopt Findings, Determinations and Resolutions declaring the Eighth Conveyance Property surplus and no longer needed for the Airport or air navigation facilities before the property may be conveyed to the LRZC.

Mr. Mann recommended the Board adopt and approve the Findings, Determinations and Resolutions (copy attached). On motion duly made and seconded, the Board approved Mr. Mann’s recommendation.

9. HNTB Task Orders No. 1 and 2 — Louisville Muhammad Ali International and Bowman Field — Approval

On January 16, 2019, the Board approved the award of a Supplemental Airfield Consultant Services contract with HNTB for a three-year period with an option for an additional two year term. The contract requires Board approval for each Task Order. The following Task Orders are requested for approval:

Task Order 1 authorizes HNTB to provide data collection, design, and bid phase services for additional aircraft parking on a new apron to be located west of Taxiway “A” and south of the existing Compass Hangar. Task Order 1 will be a not-to-exceed contract in the amount of \$858,208.

Task Order 2 authorizes HNTB to provide an Airport Pavement Management System (APMS) Update for Louisville Muhammad Ali International Airport (SDF) and Bowman Field. This effort involves evaluating the existing airfield pavement condition and developing a recommended maintenance and 5-year Capital Improvement Program (CIP) in a comprehensive report. Task Order 2 will be a not-to-exceed contract in the amount of \$208,181.

Mr. Mann recommended the Board approve Task Orders No. 1 and 2 to the contract with HNTB in the not-to-exceed amount of \$1,066,389; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and

content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

10. Atkins Task Orders No. 21, 22,23,24 and Amended Task Order No. 3 — Louisville Muhammad Ali International and Bowman Field — Approval

On July 19, 2017, the Board approved the award of a master contract with Atkins as the Airport Authority's Airport Improvement Program (AIP) consultant for a three-year period with an option for an additional two-year term. The contract requires Board approval for each Task Order. The following Task Orders are recommended for approval:

Task Order 21 authorizes Atkins to provide data collection, design, and bid phase services for the replacement of the Airfield Lighting Control and Monitoring System (ALCMS) at the Louisville Muhammad Ali International Airport. This replacement effort will keep the Airfield Lighting System operating in a safe and reliable condition. Task Order 21 will be a not-to-exceed contract in the amount of \$100,000.

Task Order 22 authorizes Atkins to provide design and bid phase services for the Glycol Diversion Structure Relocation as required for proposed Group VI Aircraft location of Taxiway G. Additionally, this project will allow the Authority to complete work during a construction window that will not impact deicing of aircraft. Task Order 22 will be a not-to-exceed contract in the amount of \$95,000.

Task Order 23 authorizes Atkins to provide data collection, design, and bid phase services for the replacement of the Airfield Lighting Vault at Bowman Field. Additionally, this task includes replacement of the existing Visual Approach Slope Indicators (VASI's) for runway 15-33 and the Precision Approach Path Indicators (PAPI's) for runway 6-24 with new PAPI systems. Replacing the aging equipment in this project will provide for reliable operation of the airfield lighting system at Bowman Field. Task Order 23 will be a not-to-exceed contract in the amount of \$125,000.

Task Order 24 authorizes Atkins to provide construction administration and observation services associated with the terminal ramp drainage project. Task Order 24 will be a not-to-exceed contract in the amount of \$55,000.

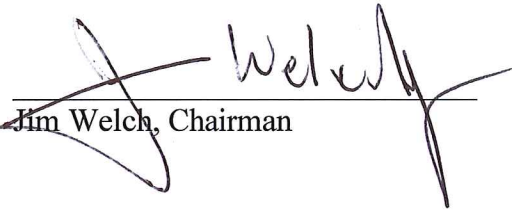
Amendment 1 to Task Order 3 authorizes Atkins to re-package an airport perimeter security fence and erosion control project. A previous effort to bid this project produced unacceptable construction costs. This effort will re-package the project without major excavation but with slope protection to address erosion. Amendment 1 to Task Order 3 will be a not-to-exceed contract in the amount of \$40,000.

The total not-to-exceed amount of Task Orders No. 21, 22, 23, 24, and Amendment 1 to Task Order No. 3 is \$415,000 in accordance with the hourly rates negotiated with Atkins. It is anticipated that 90% of the costs associated with this effort will be funded by an FAA grant or Passenger Facility Charges.

Mr. Mann recommended the Board approve Task Order No.'s 21, 22, 23, 24, and Amendment 1 to Task Order No. 3 for the contract with Atkins in the not-to-exceed amount of \$415,000; and

authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

There being no further business, the meeting adjourned at 4:31 p.m.



Jim Welch, Chairman



Dan Mann, Assistant Secretary

FINDINGS, DETERMINATIONS AND RESOLUTIONS OF THE LOUISVILLE REGIONAL AIRPORT AUTHORITY (THE "AUTHORITY") DECLARING AS SURPLUS CERTAIN REAL PROPERTY NO LONGER NECESSARY, USEFUL, PROFITABLE OR NEEDED FOR THE PRESENT AND FUTURE NEEDS OF THE AUTHORITY AND AUTHORIZING ITS DISPOSITION.

WHEREAS, the Authority has been engaged in a comprehensive program to expand and improve the Louisville International Airport (the "Airport"), which program is known as the Louisville Airport Improvement Program ("LAIP") and which program consists of various airport projects, including the acquisition of land for the present and future needs and uses of the Airport. As a result of the LAIP, the facilities of the Airport have been expanded and improved to accommodate current and future airport and aviation-related uses; and

WHEREAS, in conjunction with the LAIP and the associated FAA-approved Part 150 noise mitigation and voluntary residential relocation program ("Voluntary Residential Relocation Program"), the Authority previously acquired certain properties in the Minors Lane area; and

WHEREAS, by Ordinance No. 199, Series 2003, the Legislative Council of the Louisville Metro Government (the "Council") (a) established a "development area" in the Part 150 Property, as contemplated by KRS 65.490 through KRS 65.499, inclusive (the "Pilot Program Legislation"), to be named the Louisville Renaissance Zone (the "Renaissance Zone"); (b) authorized the execution and delivery of an Interlocal Cooperation Agreement among Louisville Metro Government, the Authority and the Commonwealth of Kentucky (the "Commonwealth"); and (c) designated the Louisville Renaissance Zone Corporation (the "LRZC") to serve as the local governmental "agency" for purposes of the Pilot Program Legislation; and

WHEREAS, by Ordinance No. 135, Series 2004, the Council found that the Renaissance Zone is an area in need of public improvement, that redevelopment of the Renaissance Zone (the "Project"), as preliminarily presented to Louisville Metro Government by the Authority in the "Pilot Program Preliminary Planning" report dated November 2003, should result in increased employment within the Renaissance Zone, and that the Project constitutes a "project" within the meaning of the Pilot Program Legislation; and

WHEREAS, as contemplated by the Council's legislation and by the Board's September 20, 2006, resolutions, the LRZC and the Authority previously entered into an Agreement of Sale (the "Agreement") dated February 9, 2007, pursuant to which the Authority agreed to sell, and the LRZC to purchase, all real property acquired by the Authority in the Minors Lane area; and

WHEREAS, also as contemplated by the Council's legislation and the Board's September 20, 2006, resolutions, the Authority previously sold and conveyed, and the LRZC purchased, approximately 424 acres of scattered parcels within

the Minors Lane area (the "First Conveyance Property") for \$4,000,000, all as provided by the Agreement; and

WHEREAS, also as contemplated by the Council's legislation and the Board's May 25, 2011, resolutions, the Authority previously sold and conveyed, and the LRZC purchased, approximately 124 acres of scattered parcels within the Minors Lane area (the "Second Conveyance Property") for \$1,110,000, all as provided by the Agreement; and

WHEREAS, also as contemplated by the Council's legislation and the Board's March 21, 2012, resolutions, the Authority previously sold and conveyed, and the LRZC purchased, approximately 6.4 acres of scattered parcels within the Minors Lane area (the "Third Conveyance Property") for \$411,500, all as provided by the Agreement; and

WHEREAS, also as contemplated by the Council's legislation and the Board's May 16, 2012, resolutions, the Authority previously sold and conveyed, and the LRZC purchased, approximately 0.23 acres of scattered parcels within the Minors Lane area (the "Fourth Conveyance Property") for \$3,500, all as provided by the Agreement; and

WHEREAS, also as contemplated by the Council's legislation and the Board's October 16, 2013, resolutions, the Authority previously sold and conveyed, and the LRZC purchased, approximately 13.16 acres of scattered parcels within the Minors Lane area (the "Fifth Conveyance Property") for \$65,000, all as provided by the Agreement; and

WHEREAS, also as contemplated by the Council's legislation and the Board's June 17, 2015, resolutions, the Authority previously sold and conveyed, and the LRZC purchased, approximately 9 acres of scattered parcels within the Minors Lane area (the "Sixth Conveyance Property") for \$439,000.00, all as provided by the Agreement; and

WHEREAS, also as contemplated by the Council's legislation and the Board's May 24, 2016, resolutions, the Authority previously sold and conveyed, and the LRZC purchased, approximately 24.6 acres of scattered parcels within the Minors Lane area (the "Seventh Conveyance Property") for \$2,069,000.00, all as provided by the Agreement; and

WHEREAS, the Authority has subsequently acquired an additional 4 parcels, approximately 6.68 acres, located within the Minors Lane area and more specifically shown on the drawing attached as Schedule 1 and listed by address on Schedule 2 (the "Eighth Conveyance Property"); and

WHEREAS, the LRZC has proposed to acquire the Eighth Conveyance Property for airport compatible redevelopment for \$695,000.00 (the "Price") as contemplated by the Agreement; and

WHEREAS, the Authority has caused an appraisal of the Eighth Conveyance Property to be performed by Integra Realty Resources Kentucky-Southern Indiana, LLC (the "Appraiser"), the Appraiser has reported that the fair market value for the Eighth Conveyance Property is \$695,000.00; and the Authority has determined that the Price is fair and reasonable value and not less than the fair market value of the Property; and

WHEREAS, the Authority will cause to be imposed upon the Eighth Conveyance Property certain restrictive covenants which run with the land as set forth in the Deed of Avigation Easements and Declaration of Airport Servitudes (the "Airport Servitudes") attached to the Agreement as Exhibit B; and

WHEREAS, the LRZC is willing to acquire, and the Authority is willing to transfer, the Eighth Conveyance Property to the LRZC for the Price, all upon the terms and conditions set forth in the Agreement; and

WHEREAS, the Eighth Conveyance Property is not needed for the present and future needs of the Authority and therefore the Authority desires to declare surplus and dispose of the Eighth Conveyance Property as aforesaid; and

WHEREAS, the Authority's obligation to convey the Eighth Conveyance Property under the Agreement is expressly conditioned upon the Federal Aviation Administration's (the "FAA") releasing the Authority from the obligations, terms and conditions of existing grant agreements as they relate to the Eighth Conveyance Property and consent to the sale, and the Authority has requested the FAA to release the Authority from these obligations, terms and conditions as they relate to the Eighth Conveyance Property and consent to the sale; and

NOW, THEREFORE, the Louisville Regional Airport Authority hereby finds, determines, and resolves as follows:

1. That all statements of fact set forth in the Whereas provisions preceding these Findings, Determinations and Resolutions are true and correct in all respects and the same are hereby incorporated by reference in these Findings, Determinations and Resolutions, and that the Price is not less than the fair and reasonable value of the Eighth Conveyance Property;
2. That following the imposition of the Airport Servitudes on the Eighth Conveyance Property and the release by the FAA of the Authority from the obligations, terms and conditions of existing grant agreements as they relate to the Eighth Conveyance Property and consent to the sale, the Eighth Conveyance Property will be (i) not necessary, useful or profitable in the operation of the Airport System (as defined in the Authority's 2014 Master Bond Resolution, as amended), (ii) surplus and

no longer needed for operating or expanding the Airport or air navigation facilities;

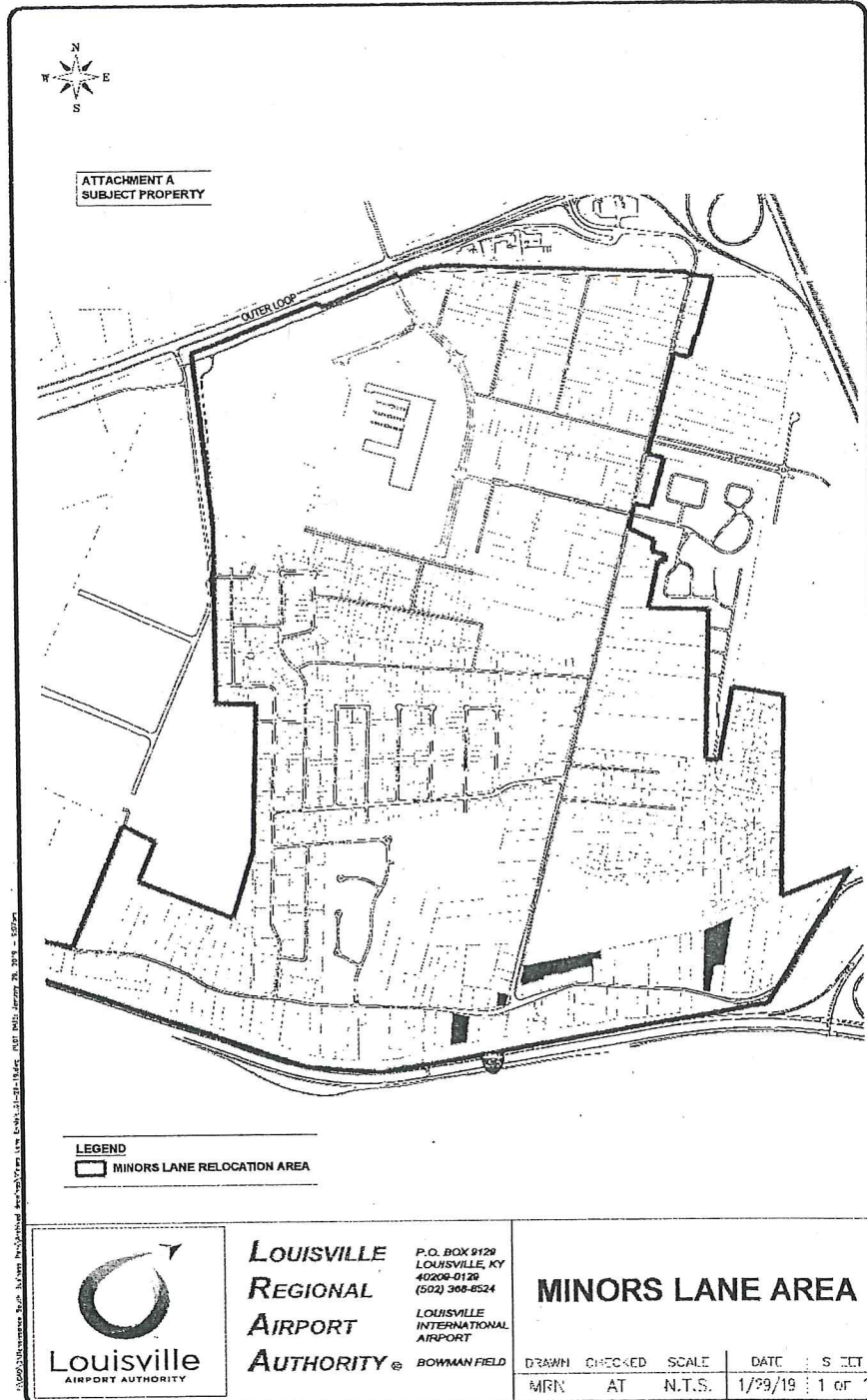
3. That it is necessary and desirable that the Authority convey to the LRZC or its designee the Eighth Conveyance Property;
4. That James Welch, the Chairman of the Authority; Mary Rose Evans, Vice Chairwoman of the Authority; and Dan E. Mann, A.A.E., the Executive Director of the Authority; or any of them, or their respective successors (the "Authorized Officers") be, and each are hereby authorized and directed to take all such actions as may be necessary or appropriate to consummate the conveyance of the Eighth Conveyance Property to the LRZC as contemplated in the Agreement, and otherwise upon terms and conditions approved by such Authorized Officers and approved as to form and legality by legal counsel to the Authority, and within the foregoing authority, to take all other actions and to execute all agreements, deeds, documents, instruments, and attestations necessary or desirable to consummate the transactions contemplated by the Agreement, as contemplated by these Findings, Determinations and Resolutions; and
5. That any and all prior actions taken and any and all agreements, deeds, documents, instruments and attestations executed by or on behalf of the Authority in connection with the transactions contemplated hereby by any of the Authorized Officers be, and they hereby are, ratified, confirmed, reaffirmed and adopted as the acts and deeds of the Authority.

Schedule 1 Drawing of the Eighth Conveyance Property

Schedule 2 Listing of the Eighth Conveyance Property by Address

Schedule 1

Drawing of the Eighth Conveyance Property



Schedule 2

Listing of the Eighth Conveyance Property by Address

Number	Address	Block	Lot
9109	Minors Lane	659	148
9112	Minors Lane	658	124
2610	South Park Road	658	33
3003	South Park Road	659	139

FINDINGS DETERMINATIONS AND RESOLUTIONS OF THE LOUISVILLE REGIONAL AIRPORT AUTHORITY, AUTHORIZING AN AMENDMENT TO SECTION 606(B) OF THE AUTHORITY'S REGULATIONS RELATING TO THE IMPOSITION OF A "CUSTOMER CONTRACT FEE" UPON RENTAL CAR CUSTOMERS USING AUTHORITY-PROVIDED FACILITIES TO OBTAIN RENTAL CARS.

WHEREAS, in July, 2000, the Louisville Regional Airport Authority(the "Authority"), then referred to as Regional Airport Authority of Louisville and Jefferson County, Kentucky adopted an amendment to Section 5.10 of its Schedule of General Rates, Charges and Fees attached to Chapter 600 of the Authority's regulations increasing the Customer Contract Fee from \$3.00 to \$5.00, for each Rental Car Customer using Authority-provided facilities to obtain a rental car, such fee being used to defray the cost of certain capital expenditures directly related to facilities which benefit rental car customers, to wit: a portion of the amortized capital charges for construction of the Quick Turn-Around Facility and a portion of certain site development costs for remote service centers leased to rental car companies who successfully bid upon them, and to prepare a financial foundation to meet the current and future operating and expansion needs for rental car facilities at the Airport, such fee being collected by the rental car companies whose customers' transactions are subject to the fee;

WHEREAS, increases in the volume of passenger traffic and the related impact of those increases on ground transportation facilities and services at Louisville International Airport have created the need for additional transportation cost center capital and operating expenditures relating to rental car facility and service improvements and the mitigation of parking capacity and traffic congestion problems, which in turn impact the availability, accessibility and location of rental car facilities and services;

WHEREAS, in June 2018, the Authority changed the methodology of calculating the Customer Contract Fee, from a per transaction fee to a fee calculated at \$2.00 per day or partial day of each rental of a car rented at the Airport for the first (7) seven days of any customer rental agreement;

WHEREAS, in order to continue to defray the costs and expenses for which the Customer Contact Fee was originally intended as well as to defray a portion of additional capital and operating expenditures relating to rental car facility and service improvements and the mitigation of parking capacity and traffic congestion problems which impact the availability, accessibility and location of rental car facilities and services, as well as to continue to provide a financial foundation to meet the current and future operating and expansion needs for rental car facilities at the Airport, the Authority has concluded that it is necessary and desirable to impose by regulation a change in the Customer Contract Fee, specifically a change from a fee of \$2.00 per day, or partial day, for each rental of a car rented at the Airport, to a fee of \$4.00 per day, or partial day, for each rental of a car rented at the Airport for the first seven (7) days of any

customer rental agreement, such fee to be collected by the rental car companies whose customers' transactions are subject to the fee and remitted to the Authority;

NOW, THEREFORE, the Louisville Regional Airport Authority, hereby finds, determines and resolves as follows:

1. That all statements of fact set forth in the recitals preceding these Findings Determinations and Resolutions are true and correct in all respects and the same are hereby incorporated by reference in these Findings, Determinations and Resolutions;

2. That section 606 (B) of the Authority's Regulations is hereby amended and modified so that effective April 1, 2019 it reads as follows:

B. Rental Car Customers

- (1) Until March 31, 2019, for the privilege of using Authority-approved Airport facilities as the origin for the rental, pick-up or delivery of rental cars, or as the origin or destination for being transported or shuttled to off-airport locations for the rental of rental cars, each Rental Car Customer using such Authority-provided Airport facilities shall pay to the Rental Car Company from which it rents a car, in trust for the benefit of the Authority, a fee (the "Customer Contract Fee") of \$2.00 per day, or partial day, for each rental of any car rented at the Airport. Beginning April 1, 2019, the Customer Contract Fee shall be \$4.00 per day, or partial day, for each rental of any car rented at the Airport. The collection of a Customer Contract Fee shall be limited to the first seven (7) days of any customer rental agreement.
- (2) For purposes of this Section, the term "Rental Car Customer," shall mean any person or entity who rents a car, truck or other motorized vehicle.
- (3) For purposes of this Section, the term "Rental Car Company" shall mean any person or entity who rents cars, trucks or other motorized vehicles, or who picks up customers in contemplation of renting cars, trucks or other motorized vehicles, at the Airport, all whether pursuant to a concession agreement, a permit or otherwise.
- (4) For purposes of this Section, the term "Rental Car Transaction" shall mean the rental of one car, truck or other motorized vehicle by one person, one entity or one combination of persons and/or entities, for an uninterrupted period of time.

And

3. That the Executive Director is hereby authorized and directed to publish the amended section of the Authority's Regulations in accordance with applicable law and to take all other actions as may be necessary or desirable in order to effectuate the foregoing resolutions; and
4. That the Executive Director is hereby authorized and directed to print and distribute the amended Section of the Authority's Regulations, in such numbers, and in the manner deemed desirable and/or necessary; and
5. That any and all prior actions taken by or on behalf of the Authority in connection with the imposition of the rental car customer contract fee be, and they hereby are, ratified, confirmed, reaffirmed and adopted as acts of the Authority.

IN WITNESS WHEREOF, after vote of the majority of the Board of the Louisville Regional Airport Authority, I have hereunto set my and signifying the official action taken by the Board this __ day of _____ 2019.

Jim Welch, Chair