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**LOUISVILLE REGIONAL AIRPORT AUTHORITY**  
**BOARD MEETING**  
**APRIL 25, 2018**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on April 25, 2018. 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 F. Jones, Jr., Mr. Pat MacDonald, Ms. Lesa Seibert, and Mr. Jim Welch. Not in attendance: Mr. John A. Moore. 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. Dwight Clayton, Mr. Vice Glasnovic, Ms. Noel Jolly, Mr. Dan Mann, Mr. Curtis Monroe, Mr. Steve Petty, Ms. Antissa Riley, Mr. Brian Sinnwell, Mr. Adam Thomas, Mr. Tom Tyra, and Mr. Darrell Watson.

Also in attendance: Mr. Brian Aldridge, Mr. Matt Demos, Mr. Chris Eger, Mr. Rob Frazier, Mr. David Greenburg, Mr. Marcus Green, Ms. Barbara Michael, Mr. Richard Miles, Mr. Clair Nichols, Mr. Patrick Osbourne, Mr. Keith Ramsden, Mr. Luke Schmidt, Ms. Linda Solley, Mr. Richard Sutherland, and Ms. Mary Ellen Wiederwohl.

**CONSIDERATION OF MINUTES**

The minutes of the board meeting held March 21, 2018 were reviewed and, upon motion duly made and seconded, unanimously approved. Ms. Nikki Jackson was not present for the approval of the minutes.

**MARKETING REPORT**

Mr. Darrell Watson informed the Board that he, Dan Mann and David Prince, the Authority's IT manager, visited the Portland International Airport to study best practices in airport communications and emergency operations centers.

Mr. Watson advised the Board he has taken on a new role as Vice President of Strategy and Innovation, overseeing the Directors of Public Relations and Air Service Development. In this role, he will focus on enhancing the Authority's community involvement, outreach, communication with both the community as a whole and with our airport neighbors at Bowman Field and Louisville International, and our involvement with civic organizations and nonprofits.

Mr. Watson announced that Mr. Mann had just kicked off the *SDF Cares* organization-wide giving program in conjunction with Mayor Fisher's Give A Day Week of Service to encourage Authority staff to volunteer their time in the community. The Authority will coordinate at least four off-site Giving Days volunteer opportunities with various community organizations, to give staff an opportunity to volunteer, and staff are also encouraged to volunteer additional time

outside of the Giving Days. Board members can follow the program on the Authority's social media at #SDFCares.

In relation to the Air Service Development aspect of his role, Mr. Watson reiterated to the Board that the Authority is very interested in having a collaborative relationship with LRAD and community leaders to develop new air service opportunities for our community.

Mr. Watson presented the Marketing Report. The Air Service Report for the month ending April 30, 2018 shows 78 daily flights, which is an increase of seven daily flights and 591 daily seats from last month and an increase of six daily flights and 860 daily seats from the same period last year.

Mr. Watson announced that Frontier Airlines will begin nonstop service to Denver, CO on May 7, 2018. The flight will operate four times weekly using Airbus 320 aircraft. The Authority will hold a ribbon cutting for Frontier on May 7, 2018. On June 6, 2018, Allegiant Airlines will add new nonstop service to Myrtle Beach, and new nonstop service to Jacksonville, FL will begin June 8, 2018. The flights will be offered twice a week using 177-seat Airbus 320 aircraft. In addition, United Airlines will add a second daily flight to Washington-Dulles using 50-seat CRJ equipment on June 7, 2018. On October 3, 2018, Southwest Airlines will add new, daily, nonstop service to Houston, TX using Boeing 737 aircraft. With Southwest's announcement of service to Houston, Louisville International will offer service to a record 31 nonstop destinations; adding eleven new destinations and thirteen new routes in the past twelve months. Mr. Watson would like to engage the Board on developing a set of comparable markets to regularly provide comparisons.

Mr. Watson provided the Board the following weekly seat comparison:

Regional Weekly Seat Comparison

	April 2018	March 2018	Change	Rank
<i>Louisville</i>	46,146	43,703	5.6%	1
Chicago	922,169	891,853	3.4%	3
Cincinnati	109,349	104,365	4.8%	2
Cleveland	113,196	111,272	1.7%	5
Columbus	95,988	102,341	-6.2%	9
Indianapolis	112,415	120,491	-6.7%	10
Nashville	186,034	181,054	2.8%	4
Memphis	50,640	50,860	-0.4%	6
Pittsburgh	111,876	113,142	-1.1%	8
St Louis	189,282	191,127	-1.0%	7

Mr. Watson advised the Board that Mr. Tom Tyra has resigned from his position as Director of Marketing effective May 4, 2018.

Chairman Welch thanked Mr. Tyra for his excellent service to the Board since 2005. Tom is well known and respected in the industry and by the airlines for knowing his numbers and knowing his data. Tom has seen the Authority through several ups and downs in the air service market and is leaving on a high note with 31 nonstop destinations. In addition, during his tenure the Authority has won several national awards for superb marketing campaigns. Chairman Welch and the community really appreciate all Tom has done for us.

### **FINANCIAL REPORT**

Ms. Pat Apone presented the financial report for the month ending March 31, 2018. The operating revenues for the month were \$5,559,107 which is 1.5% below budget, and year-to-date operating revenues for FY 18 were \$51,455,724 which is 3.5% above the budgeted amount. Revenues derived from landing fees, terminal rents and ground transportation continue to exceed year-to-date budget expectations.

Operating expenses for March 2018 were \$3,023,943 which was 25.8% below budget, and fiscal year-to-date operating expenses were \$25,698,373 which was 9.6% below budget. Expenses related to consulting and professional fees, salary allocations to capital projects and contract services all fell below their budgeted levels.

For the Disadvantaged Business Enterprise Program as of February 2018 for FAA Grant Funded Projects, monthly project payments total \$119,493 and FFY18 payments total \$9,241,484. Total payments to DBE's for FFY18 total \$573,621 with DBE participation of 6.21%. The overall DBE goal is 10.61%. For the Airport Concession Disadvantaged Business Enterprise Program as of February 2018 for Rental Car Concessions, monthly total rental car gross receipts were \$3,731,461.32 and FFY18 total rental car gross receipts were \$22,139,070.68. Total payments to ACDBE's for FFY18 were \$174,987.62 with ACDBE participation of .79%. The overall rental car ACBDE goal is 1.88%. For the Terminal Concessions Disadvantaged Business Enterprise Program as of February 2018, monthly total terminal concessions gross receipts were \$1,391,882.36 and FFY18 total terminal concessions gross receipts were \$7,516,688.04. Total payments to ACDBE's for February were \$345,891.39 and \$2,481,953.73 for FFY18 with ACDBE participation of 33.02%. The overall ACBDE goal is 17.70%.

### **CONSTRUCTION REPORT**

Mr. Brian Sinnwell presented the construction report.

At Louisville International Airport, for the Terminal Enhancement Project, coordination continues regarding the design and fabrication of the terminal airside rotunda art piece. The Airfield Electrical Upgrade Phase 10 Project to remove and replace pavement embedded taxiway centerline light fixtures, transformers and airfield guidance signs is approximately 98% complete.

At Bowman Field, work is under way to trim or remove trees that penetrate critical approach surfaces to Runways 06, 15 and 33. The work includes trimming or removal of trees of varying diameter, recycling of organic waste and restoration of the sites. For the Airport Area Safety

Program (Landscape and Plantings) Project, Bowling Nursery continues to install trees and landscaping as part of the Phase 2 restoration and obstruction mitigation project.

Mr. Sinnwell reported on the Part 150 Relocation Program. Under the environmental survey, asbestos sampling and demolition contracts no new structures were addressed.

For the Residential Sound Insulation Program, for the sound insulation of residences within the DNL 65 contour on the 2021 Noise Exposure Map, a task order for program planning services is included in the Board agenda. For the University of Louisville Noise Mitigation Project, acoustical testing was conducted on 24 University of Louisville Belknap Campus buildings. Two buildings have an overall interior noise level above 45dB and are eligible for treatment of the entire structure. There are six additional buildings that have rooms which exceed the 45 dB criteria on an individual basis but do not qualify for full treatment of the entire structure. Phase II of the project, which includes an Environmental Assessment (EA) and design work for noise mitigation measures is underway. The draft EA was completed and sent to FAA for review, and currently the FAA has sent Section 106 consultation invitations to appropriate organizations and is currently awaiting responses.

In addition to these projects, Mr. Sinnwell highlighted several early Spring construction projects that are under way. Paving work is being completed in Heritage Creek, at Louisville International on Martha Mahoney Drive and at Bowman Field in the Administration Building parking lot and some streets. At Louisville International, the Authority is sealing the surface parking lot, repairing pavement at the rental car QTA lot and parking toll booths, and has completed the first weekend of runway rehabilitation work. At Bowman Field, the Authority is performing airfield pavement repairs and correcting a drainage issue in an area by the T Hangars.

Mr. Pat MacDonald complimented Mr. Sinnwell on the improved relations between the Authority and the Bowman Field neighbors, and on the airfield conditions at Bowman Field. Mr. MacDonald received several compliments from pilots who used Bowman Field during Thunder Over Louisville.

### **BOARD CONSENT ITEMS**

#### **1. Hall Contracting of Kentucky, Inc. — Crittenden Drive Connector Change Order No. 5 — Approval**

This project consisted of the demolition and replacement of the existing Woodlawn Overpass and the reconstruction of approximately 920 feet of Woodlawn Avenue. The new bridge spans 164 feet across Strawberry Lane and the CSX Railway. The project also included approximately 3,735 linear feet of asphalt roadway resurfacing along Woodlawn and Allmond Avenues. This project represented the final phase of the three phase project for the relocation of Crittenden Drive that was required to construct the now completed Group VI Aircraft Taxiway "A". This change order request addresses quantity reconciliation resulting in a credit to the contract. Authority staff and the engineering consultant, HNTB, have reviewed the change order documents submitted by Hall Contracting of Kentucky, Inc. and approve of the credit as proposed.

Mr. Mann recommended the Board approve Change Order No. 5 & Final to the contract for the Crittenden Drive Connector – Allmond Avenue & Woodlawn Overpass project to Hall Contracting of Kentucky, Inc. of Louisville, KY in the credit amount of \$250,531.82 resulting in a revised total contract price of \$3,937,803.18; 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. 2018 -B Airfield Pavement Rehabilitation Contract Award — Louisville International — Approval**

This project consists of ongoing efforts to maintain integrity of the airfield pavements. The scope of this project involves the removal and replacement of runway 17R-35L concrete pavement slabs and associated in-pavement lights. The project was advertised in *The Courier-Journal* and the *Louisville Defender*, with the Tri-State Minority Supplier Development Council and was posted on the Authority's website. Three bids were received and the lowest responsive bidder was E&B Paving, Inc. of Clarksville, IN with a unit price base bid of \$1,044,431.72. Authority staff and our consultant, Atkins, have reviewed the bid documents submitted by E&B Paving, Inc., have verified the bid to be responsive, and are recommending the contract award. It is anticipated that 90% of the costs associated with this effort will be funded by an FAA grant.

Mr. Mann recommended the Board award the contract for the 2018-B Airfield Pavement Rehabilitation to E&B Paving, Inc. of Clarksville, IN in accordance with the unit prices set forth in the bid with a not-to-exceed amount of \$1,044,431.72; 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. Runway Rubber Removal Detergent Contract Award — Louisville International — Approval**

The Authority's airfield maintenance staff regularly maintains approximately 400,000 square feet of runway space to remove the buildup of rubber residue caused by landing aircraft. This maintenance is performed by applying a liquid rubber removal detergent/water mix to the runways to dissolve the rubber buildup which is scrubbed away with Authority sweeping equipment by staff. This maintenance is performed three to four times per year and takes 10-15 hours per runway to complete. The existing contract is set to expire in July 2018. An Invitation to Bid was advertised in *The Courier-Journal*, the *Louisville Defender*, and was posted to the Authority's and Tri-State Minority Supplier Development Council's websites. Invitations were sent directly to thirteen companies. Two bids were received; one from the supplier that currently holds the contract, ChemTek and a second from Hi-Lite Solutions. Hi-Lite Solutions has been deemed Non-Responsive for failure to provide a valid bid bond.

Mr. Mann recommended that the Board approve the award of a two year contract, with three additional one year options to ChemTek at the unit prices contained within the bid, with a not-to-

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exceed amount of \$150,000 for the two-year period, with optional extensions to be exercised at the discretion of the Executive Director subject to the availability of budgeted funds; 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. Elevator, Escalator, and Power Walk Full Service Contract Amendment No. 2 — Louisville International — Approval**

In March 2015, the Board awarded a three year contract to Schindler Elevator for full service maintenance of the Authority's elevators, escalators and power walks, a contract that covers 35 pieces of equipment and requires on-call service personnel to be on site within one hour of a service call. The contract was for a three year term, with two one year extension options. With the initial term coming to an end, Schindler is offering the Authority a discount of \$120,000 (\$5,000 per month) on the rates it bid in 2015 for years 4 and 5 as an incentive for the Authority exercising both one year extension options now. The Authority's ability to terminate the contract in the future should an issue arise will remain unchanged. Schindler has provided service without issue and staff is recommending that the Authority exercise optional extensions for years 4 and 5, at discounted rates of \$1,003,944 for year 4 and \$1,041,180 for year 5 (which includes a credit of \$23,472 for two newly installed escalators under manufacturer warranty).

Mr. Mann recommended the Board exercise two one year extension options through Amendment 2 to the contract for elevator, escalator, and power walk service with Schindler Elevator Corporation in a total not-to-exceed amount of \$5,035,764; 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. Landscape Service Contract Amendment No. 3 — Louisville International — Approval**

In March 2016, the Authority awarded contracts for Landscape service to include flower installation and maintenance, mulching, weed control, edging, pruning and trimming trees, spring/fall/winter cleanup and the maintenance of irrigation systems at the terminal and administration buildings. Staff is recommending the Authority amend the contract to add landscape services at the Authority's maintenance building and exercise the first one year option in the amount of \$117,940.08. Greenscapes has provided satisfactory services to the Authority in the past and funds for this service are included in our annual maintenance budget.

Mr. Mann recommended the Board amend the contract and exercise the first one year option to the contract with Greenscapes Lawn & Landscapes from Louisville, KY, 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. On-Call Material Testing Services Contract Amendment No. 2 — Louisville International and Bowman Field — Approval**

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On March 17, 2015, the Airport Authority approved the award of an on-call material testing services contract with Amec Foster Wheeler for ongoing material testing services of soils, concrete and asphalt at Louisville International Airport and Bowman Field. The current contract is for a term of three years with a renewable option of two additional years. This amendment will extend the contract with Amec Foster Wheeler by exercising the option for two additional years.

Mr. Mann recommended that the Board approve contract amendment number two with Amec Foster Wheeler of Louisville, KY by exercising the option to add two additional years to the existing contract; 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.

**7. Civil Design Services Contract Amendment No. 4 — Louisville International and Bowman Field — Approval**

In May 2015, the Board approved the award of a master indefinite delivery contract with Stantec as the Airport Authority's consulting firm for design and construction administration services including various land development, capital improvement and major maintenance projects. The current contract is for a three-year term with one, two-year renewal option. This amendment will extend the contract with Stantec by exercising the option for two additional years.

Mr. Mann recommended the Board approve contract amendment number four with Stantec of Louisville, KY for Civil Design Services by exercising the option for two additional years onto the existing contract; 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.

**BOARD ACTION ITEMS**

**8. Parking Garage Level 4 Rehabilitation Contract Award — Louisville International — Approval**

This project consists of replacement of deteriorating expansion joints, concrete slab repairs, application of concrete sealant, pavement markings, and other miscellaneous items within the eastern portion of Level 4 of the Louisville International Airport parking garage. The project was advertised in *The Courier-Journal* and the *Louisville Defender*, with the Tri-State Minority Supplier Development Council and was posted on the Authority's website. Eight bids were received and the lowest responsive bidder for the project was Schnell Contractors, Inc. of Louisville, KY with a unit price bid of \$132,888.00. Authority staff and our consultant, Stantec, have reviewed the bid documents submitted by Schnell Contractors, Inc. and have verified the bid to be responsive and are recommending the award.

Mr. Mann recommended the Board award the contract for the Parking Garage Level 4 Rehabilitation to Schnell Contractors, Inc. of Louisville, KY in accordance with the unit prices set forth in the bid with a not-to-exceed amount of \$132,888; 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.

**9. C & S Engineering Inc. — Task Order No. 1 — Louisville International — Approval**

In March 2018, the Board approved the award of a master contract with C&S Engineering as the Authority's Sound Insulation Program consultant for a three year period. The contract requires Board approval for each Task Order. Task Order No. 1 authorizes C&S to provide program planning services in preparation for the sound insulation of additional homes within the DNL 65 contour on the 2021 Noise Exposure Map. Services for this Task Order include updating program policies and procedures, updating program documents and forms, the establishment of program boundary areas, developing acoustical testing protocols, and conducting a Cultural Resources Evaluation of the program area. The not-to-exceed amount of Task Order No. 1 is \$324,412 in accordance with the hourly rates provided by C&S Engineering, Inc.

Mr. Mann recommended the Board approve Task Order No. 1 to the contract with C&S Engineering Inc. in the amount of \$324,412 bringing their total contract amount to \$324,412; 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. Aviation Security Consulting — Task Order No. 2 — Louisville International — Approval**

On September 17th, the Board approved the award of a master contract with Aviation Security Consulting (ASC) as the Airport Authority's consultant for the ACTIV Secure project. The contract requires Board approval for each Task Order. Task Order No. 2 authorizes ASC to provide engineering design services associated with a full network infrastructure upgrade, renovating the main Communication Center, renovating the backup Communication Center, renovating the Credentialing Office, implementing an Identity Management System, fully upgrading our Physical Access Control System (PACS), fully upgrading our Video Surveillance System (VSS), and any mechanical, electrical, and/or plumbing work needed for the above items. Upon completion of a design, a bid for the construction work will be returned to the Board for approval. The not-to-exceed amount of Task Order No. 2 is \$800,000 in accordance with the hourly rates negotiated with ASC. The costs associated with this effort will be funded by Passenger Facility Charge (PFC) funds.

Mr. Mann recommended the Board approve Task Order No. 2 to the contract with ASC in the amount of \$800,000; 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.

**11. Atkins — Task Order No. 7 — Louisville International — 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 Authority programs a portion of its annual AIP entitlement funds towards concrete slab replacement and pavement rehabilitation to extend the useful life of airfield pavement. Task Order No. 7 authorizes Atkins to provide engineering design services associated with the east runway 17L-35R and west side airfield taxiways B and C pavement rehabilitation project. Upon completion of a design, a bid for the construction work will be returned to the Board for approval. The not-to-exceed amount of Task Order No. 7 is \$150,000 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 a FAA grant.

Mr. Mann recommended the Board approve Task Order No. 7 to the contract with Atkins in the amount of \$150,000; 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.

#### **12. Atkins — Task Order No. 8 — Louisville International — 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. Task Order No. 8 authorizes Atkins to provide engineering design services for the next phase of airfield electrical work at Louisville International Airport. The exact scope of future electrical work will be defined based on the current needs as determined by this design effort; it typically involves replacement of airfield electrical cables, fixtures, signage and constant current regulators. Upon completion of a design, a bid for the construction work will be returned to the Board for approval. The not-to-exceed amount of Task Order No. 8 is \$125,000 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 a FAA grant.

Mr. Mann recommended the Board approve Task Order No. 8 to the contract with Atkins in the amount of \$125,000; 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.

#### **13. Atkins — Task Order No. 9 — Louisville International — 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. Task Order No. 9 authorizes Atkins to provide engineering design services associated with the replacement of 400 linear feet of failing slot drains with new trench drains which will address bumps in the terminal apron. In addition to preventing spalling of concrete and improving the ride on the apron, the new trench drains will be easier for snow plows to clear during winter operations without experiencing plow damage. Upon completion of a design, a bid

for the construction work will be returned to the Board for approval. The not-to-exceed amount of Task Order No. 9 is \$50,000 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.

Mr. Mann recommended the Board approve Task Order No. 9 to the contract with Atkins in the amount of \$50,000; 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.

#### **14. Atkins — Task Order No. 10 — Louisville International — 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. Task Order No. 10 authorizes Atkins to provide construction inspection services associated with the 2018-B Airfield Pavement Rehabilitation project on runway 17R-35L at Louisville International Airport. The work includes construction administration, field inspection, and other activities as required to construct the project. The not-to-exceed amount of Task Order No. 10 is \$73,000 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.

Mr. Mann recommended the Board approve Task Order No. 10 to the contract with Atkins in the amount of \$73,000; 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.

#### **15. Flight Information Display System Upgrade Contract Award — Louisville International — Approval**

The Authority utilizes a Flight Information Display System (FIDS) on monitors throughout the terminal so that the airlines can communicate necessary information, including flight arrivals and departures, to those in the terminal. This system is in need of an upgrade and modernization in keeping with our terminal renovation plan. The project will include a full software upgrade, upgrades to all Arrivals/Departures displays, gate displays, baggage claim input devices, and replacement of the baggage claim displays. A Request for Proposal was advertised in *The Courier-Journal*, the *Louisville Defender*, and was posted to the Authority's and Tri-State Minority Supplier Development Council's websites. Two proposals were received: ComNet, our existing provider and InFax. The proposals were required to include a significant amount of information regarding the proposed FIDS system, the upgrades, key individuals to be assigned to the project, their resumes and the company's prior experience providing FIDS systems for other airports.

The proposals were evaluated by staff based upon a number of criteria including price, quality, delivery, supplier history, and previous experience with the Authority. Feedback from references for each was very positive. The Authority's current public address provider, whose software will integrate with the FIDS system for visual paging, highly recommended InFax

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based upon its responsiveness. The quality and delivery were very comparable, as well. With all available options, ComNet's price was just under \$233,000 and InFax's price was just under \$211,000. Based upon overall costs, additional services provided and the positive feedback from references, Staff recommends the Authority award the contract to InFax. Budgeted funds are available to fund this project.

Mr. Mann recommended the Board approve a contract award to InFax for FIDS upgrade in the not-to-exceed amount of \$211,000; 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.

#### **16. Sale of Heritage Creek Property — Approval**

The Authority undertook the Heritage Creek Innovative Housing Program as a part of its Federal Aviation Administration-approved Part 150 Noise Mitigation/Voluntary Residential Relocation Program. The Authority's Voluntary Residential Relocation Program was initially undertaken as a part of the Authority's previous Louisville Airport Improvement Program and subsequently approved by the FAA as a part of the Authority's 1994 Part 150 Noise Mitigation Plan eligible for federal financial participation.

A unique element of the Authority's Voluntary Residential Relocation Program is the Heritage Creek Innovative Housing Program. This program was initially funded in September 1997 by grants under the FAA's Innovative Financing Program for \$10 million, matched on a 50-50 basis by the Authority. Under this program, the Authority purchased a 287-acre site that can accommodate about 775 single-family homes. The Authority has acted as the developer for Phases 1 and 2 (at least 560 home sites) of the property, developing off-site roads and sewers, as well as on-site streets, drainage, sewers, water lines, other utilities, and grading for the development.

The Authority optioned the 287-acre site in October 1997 after conducting an Environmental Analysis under FAA rules. Thereafter, the Authority worked with an official subgroup, including Part 150 voluntary residential relocation area residents, to review the site and its potential for development. Following that review, the Authority purchased the property in September 1998 and started the subdivision approval process before the County's Planning Commission. Subdivision approval was obtained in February 1999. The selection of lots, construction of initial infrastructure, and individual home construction proceeded, with the first family moving in February 2000.

At the same time that the Authority and the FAA were developing and approving the Heritage Creek Innovative Housing Program, the city of Minor Lane Heights, a 540-family city in the Louisville International Airport's noise impact area was developing legislation to allow it to move to a new location within Jefferson County. In 1996 and 1998, legislation was approved in the Kentucky General Assembly that allowed Minor Lane Heights to move as a city.

In 1997 and 1998, the Authority and the Mayor and City Council of Minor Lane Heights worked together to marry their two separate but compatible visions, and in 1999, with County approval of the development plan for Heritage Creek, the city officially annexed the entire 287-acre area for its new city.

The city of Minor Lane Heights, now Heritage Creek, has been a key player in formulating and determining the development by the Authority of the layout, infrastructure, and amenities for the Heritage Creek area and the new city, in establishing the design of the city and the guidelines for the Heritage Creek part of the Voluntary Residential Relocation Program. The city representatives also helped select the design-builders for the homes to be constructed and the specifications for the new comparable replacement homes.

For development purposes, Heritage Creek was divided into three phases, Phase 1, Phase 2 and Phase 3. As of today, 423 homes have been built and occupied in Phase 1 and Phase 2. A total of 192 lots in Phase 1 and Phase 2, which have not been built on, are the subject lots the Authority is selling. Phase 3 remains substantially undeveloped and will be offered for sale at a later date. The relocation by the Authority of property owners to the Heritage Creek Development has been substantially completed, hence the Authority's determination to solicit proposals to sell the 192 lots.

The Authority recently solicited proposals to enter into an Agreement of Purchase and Sale for the purchase of all or portions of 192 lots, totaling approximately 44.67 acres, located at the Authority's Heritage Creek single-family residential development on Cedar Creek Road south of the Gene Snyder Freeway (I-265), in Louisville, Kentucky. Five companies submitted proposals. Four of the five companies propose to purchase all 192 lots at once with the fifth company proposing to purchase the 192 lots over a period of six years. A list of the companies and their proposed purchase prices for the lots are attached.

Advertisements for this opportunity were placed in *The Courier-Journal*, *Louisville Defender*, Airport Minority Advisory Council, Tri-State Minority Supplier Development Council, airport industry publications and were posted on the Authority's website. Additionally, invitations to submit proposals were mailed directly to numerous developers and realtors and the certified vendor list of the Louisville Metro Human Relations Commission. The Authority conducted a non-mandatory pre-proposal meeting on November 27, 2017 that was attended by representatives from eight companies.

Staff has reviewed the proposals and interviewed the two companies. Based on those meetings, staff selected Fischer Development (Grand Communities, Ltd.), for among other reasons, their commitment to develop the lots to be sold, not rented. Staff believes this recommendation supports the Authority's long standing commitment to the Heritage Creek Innovative Housing Program and is the most desirable and advantageous to the Authority and Heritage Creek. Accordingly, staff recommends Fischer Development (Grand Communities, Ltd.) be awarded the Agreement of Purchase and Sale.

Mr. Keith Ramsden of Amherst Residential and Mr. David Greenberg of Select Homes addressed the Board concerning the proposal from Vaca Morada Partners, LP. Mr. Ramsden

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wanted to clarify for the Board that the homes would be both rental and retail, would be built to a high standard and would be professionally managed and maintained.

Ms. Mary Rose Evans advised the Board she had discussed the proposal with Mayor Webb, the Mayor of Heritage Creek, and he expressed concerns that one of the builders was planning to build primarily rental homes, and the current residents of the city are primarily individual home owners so the Mayor and the City Council do not want so many rental properties in their city.

Chairman Welch highlighted for the Board that the lots for sale represent one-third of the lots in the community.

Mr. Richard Miles, Market President for Fischer Homes addressed the Board. Mr. Miles provided the Board some background on Fischer Homes, and indicated their intention is to sell the homes to individuals and not rental companies and had no plan to sell blocks of homes to investment groups. Mr. Miles stated his company would have no problem with the award being conditioned upon his company not selling blocks of homes to investment companies.

Mr. Mann recommended the Board approve the sale and conveyance of the 192 lots in Phase 1 and Phase 2 in the amount \$3,475,200 to Fischer Development (Grand Communities, Ltd.) conditional upon the awardee's agreement at terms bid that it will not sell blocks of homes to rental companies; and, authorize the Executive Director to execute the Agreement of Purchase and Sale between the Louisville Regional Airport Authority and Fischer Development (Grand Communities, Ltd.) 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.

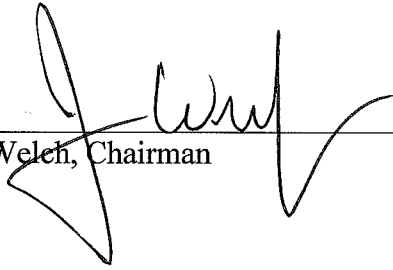
### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Mann shared a quote from Airport Improvement Magazine: "airports are becoming much emblematic of their communities — the front door, the beginning and the end of the local brand." This quote highlights what the Authority plans to do with the next phase of the Terminal Enhancement Project. Over the next three years we are working to fund the replacement of all the elevators, escalators and moving walkways. In addition, over the next three to five years the Authority plans to replace all the jet bridges. Mr. Mann has spoken with Alliance about developing a scope of work to complete interior renovations, curbside renovations and upgrades to the rental car facilities, including implementation of grab and go service. Interior renovations will include new gate podiums and improved wi-fi, and curbside renovations will include new wayfinding and landscaping. Mr. Mann indicates he plans to pay for these improvements by changing the rental car contract to a daily rate, increasing the passenger facility charge, pursuing all available entitlement and discretionary FAA funding, and utilizing funds the Authority currently has in the bank.

### **OTHER BUSINESS**


Chairman Welch asked the Board to consider taking time to get together for a strategic planning retreat, and asked the Board to provide him suggestions of who might be a good facilitator for the session.

There being no further business, the meeting adjourned at 3:58 p.m.



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Jim Welch, Chairman



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Dan Mann, Assistant Secretary

Proposers – Immediate Sale

1. Vaca Morada Partners, LP (Partner with Select Homes)	\$3,571,200
2. Fischer Development (Grand Communities, Ltd.)	\$3,475,200
3. Ball Homes, LLC	\$3,264,000
4. JSAR, LLC	\$2,424,000

Proposer – Takedown Over Time

1. Pulte Homes of OH, LLC	32 Lots per year \$18,500 per lot
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