

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
BOARD MEETING
NOVEMBER 28, 2018**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on November 28, 2018. Chairman Jim Welch convened the meeting at 3:00 p.m. in the Boardroom of the Louisville Regional Airport Authority, Louisville, Kentucky.

Those in attendance were: Mr. Dale Boden, Ms. Toni Clem, Ms. Mary Rose Evans, Ms. Nikki Jackson, Mr. Earl Jones Mr. Pat MacDonald, Mr. John A. Moore, Ms. Lesa Seibert and Mr. Jim Welch. Not in attendance: Mr. Bill Byrley and Mayor Greg Fischer. 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, Mr. Dwight Clayton, Mr. Anthony Gilmer, Mr. Vince Glasnovic, Ms. Noel Jolly, Mr. Ron Logsdon, Mr. Dan Mann, Mr. Curtis Monroe, Mr. Brian Sinnwell, Ms. Megan Atkins Thoben, Mr. Adam Thomas, and Mr. Darrell Watson.

Also in attendance: Mr. Tony Derricks, Ms. Nicole George, Mr. Chris Gould, Ms. Wendy Harrower, Mr. Tim Haskell, Mr. John Kraft, Mr. Kelly Meyer, Ms. Barbara Michael, Mr. Clair Nichols, Mr. Vinay Polepalli, Mr. Luke Schmidt, Ms. Karen Scott, Mr. Rick Storm, and Ms. Julie Taylor.

Chairman Welch welcomed Ms. Toni Clem to the Board.

CONSIDERATION OF MINUTES

The minutes of the regular board meeting and the annual board meeting held October 17, 2018 were reviewed and, upon motion duly made and seconded, unanimously approved. Mr. John A. Moore was not present for the approval of the minutes.

MARKETING REPORT

Mr. Darrell Watson provided a handout for the Board members that highlighted the Authority's increased social media presence on Instagram and Twitter. He outlined the Authority's recent marketing and community engagement activities. On October 19th, the Authority in partnership with the FAA Air Traffic Control Tower and UPS, hosted over 20 plane spotters selected via a social media contest at the Authority's inaugural plane spotting event. Attendees photographed and videoed aircraft landings and takeoffs from positions on the taxiways, toured the UPS ramp and toured the FAA air traffic control tower. On Halloween, staff members filled up bags of candy and placed them on the belt bags so that passengers' luggage arrived at baggage claim with a bag of candy attached. On November 1, the Authority provided live music in the terminal and played the call to the post to signal baggage claim would start moving to welcome Breeders' Cup travelers. On November 2, Airport Ambassadors wore Louisville City FC scarves to cheer on the team in the Eastern Conference Final game. Finally, on November 20 the Authority held a promotional event with the Louisville Water company where the Authority's mascot and Tapper, the Louisville Water Company mascot, greeted travelers and handed out promotional items in the Terminal.

As requested at the September Board meeting, Mr. Anthony Gilmer provided the Board a more in-depth look at the growth in Nashville's air service over the past 10 years. He then reported on air service in Louisville. In October, the Authority experienced capacity growth on 21 routes. Every airline at Louisville International added capacity in October. Capacity was up 15.5% and total passengers were up 10%. Philadelphia grew 66%, Washington, DC grew 50%, Houston grew 122% and Denver grew 32% in capacity. Allegiant announced seasonal service to New Orleans, LA beginning February 28, 2019, and Mr. Gilmer continues to have discussions with Allegiant about it becoming a permanent, daily flight. American Airlines announced service to Los Angeles beginning April 3, 2019. All of the numbers show the flight should do well, and the Authority plans to aggressively market the flight. The Authority has met with Louisville Tourism, LRAD, the Cabinet for Economic Development, Greater Louisville Inc. and Louisville Metro to discuss plans for the inaugural flight and for the marketing of the flight.

FINANCIAL REPORT

Ms. Pat Apone presented the financial report for the month ending October 31, 2018. Operating revenues are exceeding the actuals from last year and the budget. Landing fees are up and are above projections. Parking revenue is up and is exceeding projections. Expenses are under budget, and even with the implementation of the compensation survey recommendations payroll is under budget. Expenses related to retirement benefits are steady, professional consulting services and contract services expenses are down. Revenue related to landing fees is up and cargo activity and cargo related activity has also increased. The Authority currently has \$72,769,000 in unrestricted cash reserves and \$179,520,000 in bond debt.

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 warranty issues. For the Terminal Renovation & Enhancement Project, a Mother's Room in Concourse "A" was designed and advertised for construction, a preconstruction meeting was held and construction is anticipated to begin in December. Design work continues for Phase II of the Terminal Renovation, with building systems inspections and evaluations. Design concepts are being considered and an early bid package for the terminal connector is being developed. Work on the Surface Parking Lot – Asphalt Seal Coat project to seal the surface parking lot to extend the life of the asphalt pavement and restripe the parking lot lines has been suspended until Spring.

At Bowman Field, work continues on the Bowman Field Airport Area Safety Program to evaluate and identify current or near-term obstructions to Runway approach surfaces. Tree removals and trimming is complete. Work continues to install trees and landscaping as part of the Phase 2 restoration and mitigation project.

Mr. Sinnwell reported on the Relocation Program. A contract for the demolition of several residential properties will be issued with work to begin this winter.

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 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.

BOARD CONSENT ITEMS

1. Appointment of Safety and Security Officers — Approval

The Director of Public Safety has reviewed the qualifications of Christopher Ryan Chappell, Lee Edwards Cravens, Jeremy Powell Lewis, Joshua Scott Spencer and has concluded that they satisfy the qualifications set forth in the Board's November 18, 1998 resolution and recommends their appointment as airport Safety and Security Officers.

Mr. Mann recommended the Board appoint Christopher Ryan Chappell, Lee Edwards Cravens, Jeremy Powell Lewis, Joshua Scott Spencer as airport Safety and Security Officers, to serve at the pleasure of the Board until such time as the Director of Public Safety shall terminate the appointment; and authorize and direct the Authority's Director of Public Safety to administer the Oath of Office. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

2. Crowe, LLP Audit Services Contract — Contract Amendment No. 2 — Approval

In March 2016, the Board approved the award of a contract for annual external audit services to Crowe Horwath, which was subsequently amended to reflect their name change to Crowe, LLP. The contract had an initial term of three years, with two, one-year renewal options at the sole discretion of the Authority. Compensation for the full five-year period was requested as part of the proposal. Year-four pricing submitted in their initial bid was \$63,000 for the Authority and \$9,000 for the LRZC. All other terms and conditions remain the same as the initial three-year period. At its October 16, 2018 meeting, the Audit Committee approved a recommendation to exercise the first one-year renewal option of the contract with Crowe and directed the recommendation be presented to the Board.

Mr. Mann and the Audit Committee recommended the Board approve the second amendment to the Audit Services contract with Crowe, LLP in the amount of \$72,000 for a total contract amount of \$270,000 for the four years of the agreement; 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. Jet Bridge Maintenance and Repair — Louisville International —Contract Award

This service consists of providing regular maintenance, inspection and repairs of 24 Jet Bridges at Louisville International Airport. The current units have been in operation for 20 to 30 years and each has been refurbished within the last eighteen years. Each unit has exceeded its expected useful life and is scheduled to be replaced over the next three to five years as part of the Authority's proposed capital plan. To date, Jet Bridge preventative maintenance and repairs have been provided by Authority maintenance staff on an as needed basis. Replacement parts are becoming obsolete for the older units and repairs are becoming far too complex for in-house repair. A Request for Proposal was advertised in *The Courier-Journal* and the *Louisville Defender* and was posted to the Authority's and Tri-State Minority Supplier Development Council's websites. Responsive proposals were received from Elite Line Services and Oxford Electronics, Inc. d/b/a Oxford Airport Technical Services. Proposals were evaluated by Authority Maintenance staff that assessed the submissions based upon several award criteria, including qualifications, experience, proposed maintenance/repair program, price, supplier history, and previous experience with the Authority. Budgeted funds are available to fund this service.

Mr. Mann recommended the Board award a two-year maintenance and repair contract to Elite Line Services, Inc. in an amount of \$400,000; 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.

4. Burns Engineering, Inc. — Contract Amendment No. 2 — Louisville International — Approval

In November 2014, the Board approved the award of a master contract with Burns Engineering, Inc. as the Authority's Electrical Engineering Consultant. Contract Amendment No. 2 authorizes Burns Engineering, Inc. to provide additional design services related to the switchgear project that will reduce terminations and replace aged feeder cabling. Additionally, Burns Engineering, Inc. will provide construction management and inspection services for the installation of the new switchgear facility. These services will be completed at a fee of \$394,500. The amendment also authorizes Burns Engineering, Inc. to design a Terminal Emergency 4MW Generator Facility providing 100% emergency coverage at a design fee of \$335,000, and to design a Maintenance Building Emergency 500-750 Kw Generator for 100% emergency coverage at a design fee of \$85,000.

Mr. Mann recommended the Board approve Amendment No. 2 to the contract with Burns Engineering, Inc. in the total amount of \$814,500; 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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5. Wehr Constructors, Inc. — Change Order No. 5 Terminal Enhancement and Remodeling Program, Phase 1 — Louisville International — Contract Award

This change order authorizes an additional \$651,875 to the contract with Wehr Constructors, Inc. for the construction of two additional themed walls over the moving sidewalk in the terminal connector. This project will create a total of four new themed connector graphic walls along the interior of the connector in addition to the existing four themed connector graphic walls. Other related work includes the relocation of an electrical sub-panel, fire alarm annunciators and HVAC equipment above the ceiling. This change order also addresses additional costs related to material production for the proposed airside rotunda artwork.

Mr. Mann recommended the Board approve Change Order No. 5 to the contract for “Terminal Enhancement and Remodeling Program, Phase 1” with Wehr Constructors, Inc. of Louisville, KY in the amount of \$651,875; 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. Ailevon Pacific Consulting — Air Service Development Consulting Services Contract Scope and Fee — Louisville International — Approval

At the October 17, 2018 Board Meeting, Ailevon Pacific Consulting was selected to provide air service development consulting services for Louisville International Airport, and the Board authorized the Executive Director to prepare and negotiate a planning services contract. The Board memo indicated the scope of work and fee would be presented to the Board for approval once the contract was negotiated. The proposed scope includes proactive consideration and advocacy of air service opportunities at SDF to ensure that such opportunities are not missed; carrier Opportunity Analysis and presentations for up to four airlines at their corporate headquarters annually, for the term of the agreement; leveraging of professional and personal relationships with carrier Network Planning officials to advocate on behalf of SDF, both privately and at industry events, and other major deliverables at a not-to-exceed fee of \$218,800 for the term of the agreement. Authority staff have reviewed the proposed scope and fee submitted by Ailevon Pacific Consulting for air service development consulting services for Louisville International Airport and find it to be acceptable and in conformance with industry standards.

Mr. Mann recommended the Board approve the attached scope and fee for Ailevon Pacific Consulting in the not-to-exceed amount of \$218,800 for the initial three-year agreement; and authorize the Executive Director to execute the necessary contract documents subject to approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann’s recommendation.

7. Roof Consulting and Management Services — Louisville International and Bowman Field — Contract Award

The Authority’s current contract for roof consulting and management services is nearing the end of its contract term. Therefore, the Authority requested qualifications for roof consulting and management services to inspect Authority owned buildings, design repairs or replacement of designated roofs, perform building envelope analysis and design for structures at both Louisville

International Airport and Bowman Field. Additionally, the consultant will perform preventative maintenance repairs at the time of roof analysis (twice per year) and be on-call to conduct emergency roof repairs. A request for qualifications was advertised in *The Courier-Journal* and the *Louisville Defender* and was posted on the Authority's website. The solicitation was for an indefinite delivery contract for roof consulting and management services for a three-year term with one two-year renewable option. One consultant submitted a statement of qualifications. A consultant selection panel comprised of three representatives from the Authority reviewed the submitted statement of qualifications and determined Patrick D. Murphy Co., Inc. of Louisville, KY to be responsive and qualified.

Mr. Mann recommended the Board approve a three-year contract award for "Roof Consulting & Management Services" to Patrick D. Murphy Co., Inc. of Louisville, KY with one two-year renewal option and an initial amount of \$300,000; 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.

BOARD ACTION ITEMS

8. Strategic Plan, Vision, Mission and Values — Approval

Ms. Karen Scott presented a recap of the Board Strategic Planning Retreat and presented a proposed vision, mission, values and strategic goals and objectives to the Board based on the feedback received at the retreat. After much discussion, the Board agreed to the proposed vision, mission, values and strategic goals and objectives with a few small adjustments. A revised vision, mission, values, and strategic goals and objectives incorporating the feedback from this meeting will be distributed to the Board.

Chairman Welch also discussed the proposed changes to the governance structure of the Board. Mr. Mann will provide a list of the proposed committee structure to the Board and Chairman Welch will begin consulting with Board members to determine committee assignments.

9. Medium Voltage Switchgear Replacement — Louisville International — Contract Award

This project involves removal and replacement of the thirty-five-year-old Westinghouse Medium Voltage Switchgear equipment currently serving the terminal at the Louisville International Airport. The project also includes constructing a prefabricated building for the new switchgear and replacement of two pad mounted transformers. In addition to the base bid, an Additive Alternate Number 1 was included in the project to address replacement of aging cabling and conduit feeding the terminal. This project was advertised in *The Courier-Journal* and the *Louisville Defender*, was provided to the Tri-State Minority Supplier Development Council and was posted on the Authority's website. Five bids were received with the lowest bid from Montgomery Brothers, Inc. of Danville, KY, with a base bid based on unit prices for a total amount of \$2,042,112.67 and an Additive Alternate Number 1 bid based on unit prices for a total amount

of \$207,862.19. The Authority staff and our consultant have reviewed the bid documents submitted by Montgomery Brothers, Inc. of Danville, KY and have verified their bid to be responsive and are recommending the contract award.

Mr. Mann recommended the Board award the contract for the Medium Voltage Switchgear Replacement to Montgomery Brothers, Inc. of Danville, KY in accordance with the unit prices set forth in the bid for a total of \$2,042,112.67 for the base bid and a total of \$207,862.19 for the Additive Alternate Number 1 for a total contract amount of \$2,249,974.86; 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. Parking Management Concession — Louisville International — Agreement Award

The Authority has self-managed its parking and shuttle bus operations since 2001. One of the critical components of the parking operation is the existing parking access and revenue control system, which was installed in July 2007. The existing parking access and revenue control system has exceeded its useful life. Therefore, the Authority issued a Request for Proposals which established the following objectives for the Parking Management Concession listed in no particular order: (i) improve operational efficiency, (ii) provide outstanding customer service, (iii) use of contemporary technologies which provide for an enhanced airport parking experience, (iv) provide exemplary quality control for revenue control and reporting and (v) a seamless transition from the current Authority managed parking management. The terms of the proposal documents, among other things, are as follows: (i) a minimum annual guarantee in the amount of \$13,100,000 or a percentage of gross receipts proposed by the Proposer, whichever is greater (ii) a minimum initial capital investment in the amount of \$1,500,000, which shall include a New Parking Access and Revenue Control System, and (iii) an Airport Concession Disadvantaged Business Enterprise (ACDBE) goal of 1.5%.

Advertisements for this opportunity were placed in *The Courier-Journal*, *Louisville Defender*, Airport Minority Advisory Council, TriState Minority Supplier Development Council, airport industry publications and on the Authority's website. Additionally, invitations to submit proposals were mailed directly to numerous parking management companies and the certified vendor list of the Louisville Metro Human Relations Commission. The Authority conducted a pre-proposal meeting and the meeting was attended by representatives from nine companies. Proposals were received from Imperial Parking (U.S.), LLC, LAZ Parking Midwest, LLC and SP Plus Corporation. The proposals were reviewed by staff and two proposers made presentations to staff. Based on a number of factors, staff selected Imperial Parking (U.S.), LLC as the recommended company to be awarded the Parking Management Concession Agreement. Imperial Parking (U.S.), LLC proposes (i) concession fees in the amounts of 0.0% of gross receipts from \$0.00 to \$1,000,000.00, 89% of gross receipts from \$1,000,000.00 to \$14,000,000.00 and 95% of gross receipts in excess of \$14,000,000.00, or a minimum annual guarantee of \$13,500,000.00 for each agreement year, whichever is greater, and (ii) an initial capital investment in the amount of \$1,500,000.00. As proposed, Imperial Parking (U.S.), LLC will meet the Authority's ACDBE goal of 1.5% by partnering with Leslie Saunders Insurance Agency, Inc. and Global Parking System of Indiana, Inc., which are both certified ACDBEs in the Commonwealth of Kentucky.

Mr. Mann recommended the Board award the Parking Management Concession Agreement to Imperial Parking (U.S.), LLC for a term of 10 years, at the terms and conditions described above; conditioned upon, Leslie Saunders Insurance Agency, Inc. and Global Parking System of Indiana, Inc. submitting documentation and agreements to the Authority's ACDBE Liaison Officer demonstrating that Imperial Parking (U.S.), LLC meets the ACDBE goal of 1.5%, and the Authority receiving the Federal Aviation Administration's final approval of the agreements; 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. Taxi Cab Concession — Louisville International — Agreement Award

The term of the current Taxicab Concession Agreements for both incumbent operators (Taxi, LLC d/b/a Taxi 7 and Yellow Cab Co. of Louisville, LLC) expires December 31, 2018. In anticipation of the expiring term, the Authority's staff issued an invitation to submit bids with the intent to award two Taxicab Concessions at the Louisville International Airport. The terms of the bid documents are as follows: (i) a term of three (3) years, (ii) a per trip fee of \$1.50 and (iii) a minimum monthly business privilege fee of \$2,500.00. Advertisements for this opportunity were placed in *The Courier-Journal*, *Louisville Defender*, Airport Minority Advisory Council, TriState Minority Supplier Development Council, airport industry publications and on the Authority's website. Additionally, invitations to submit bids were mailed directly to numerous taxicab companies and the certified vendor list of the Louisville Metro Human Relations Commission. The Authority conducted a pre-bid meeting that was attended by representatives from three companies. Bids were received from Taxi, LLC d/b/a Taxi 7; and Yellow Cab Co. of Louisville, LLC.

Mr. Mann recommended the Board award a Taxicab Concession Agreement at Louisville International Airport to Taxi, LLC d/b/a Taxi 7 and Yellow Cab Co. of Louisville, LLC for a term of three (3) years, at the terms and conditions 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.

12. C&S Engineering Inc. — Task Order No. 2 — 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. 2 authorizes C&S to provide program services in preparation for the sound insulation of additional homes within the DNL 65 contour on the 2021 NEM. Services for this Task Order include community outreach, acoustical testing, and eligibility determination for 150 families. The amount of Task Order No. 2 is \$980,699 in accordance with the hourly rates provided by C&S Engineering, Inc.

Mr. Mann recommended the Board approve Task Order No. 2 to the contract with C&S Engineering Inc. in the amount of \$980,699 bringing their total contract amount to \$1,305,111;

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. Surveying Services — Louisville International and Bowman Field — Contract Award

The Authority's current contract for general surveying services is nearing the end of its contract term. Therefore, the Authority requested qualifications for surveying services to address boundary surveys, topographic and utility surveys, runway obstruction surveys, elevation or location surveys, Exhibit "A" support including deed and title searches or other property related services and assistance with development of Geographic Information System (GIS) mapping. A request for qualifications was advertised in *The Courier-Journal* and in the *Louisville Defender* and was posted on the Authority's website. The solicitation was for an indefinite delivery contract for general surveying services for a three-year term with one two-year renewable option. The following five firms submitted statements of qualifications: BA Engineers of Louisville, KY; HDR of Louisville, KY; Civil Design, Inc. of Louisville, KY; Jacobi Toombs & Lanz, Inc. of Louisville, KY; and The Kleingers Group of Louisville, KY. A consultant selection panel comprised of three representatives from the Authority reviewed the statements and determined that the most responsive and qualified firm for this work is HDR of Louisville, KY.

Mr. Mann recommended the Board approve a three-year contract award for "General Surveying Services" to HDR of Louisville, KY with one two-year renewal option and an initial authorization not-to-exceed \$300,000; 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. Hangar 7 Specialty Hangar Ground Lease Agreement — Bowman Field — Award

The Authority recently issued an invitation for proposals to lease a 136,045 sq.ft. paved and unpaved tract of land, a 10,860 sq.ft. portion of the hangar and 15,949 sq.ft. office located at Hangar No. 7 at Bowman Field. The terms of the invitation to submit proposals include: (i) a minimum hangar rent of \$1,500.00 per month for the first year of the lease and adjusted by CPI each year thereafter, (ii) a minimum office rent of \$1,300.00 per month for the first year of the lease and adjusted by CPI each year thereafter, (iii) 3% of gross receipts as a business privilege fee for any Commercial Aeronautical Activities proposed and (iv) a term of 5 years and 10 months, with one (1) additional 10-year renewal term. Advertisements for this opportunity were placed in *The Courier-Journal*, *Louisville Defender*, Airport Minority Advisory Council and TriState Minority Supplier Development Council and on the Authority's website. Additionally, invitations to submit proposals were sent directly to numerous individuals and the certified vendor list of the Louisville Metro Human Relations Commission. The Authority conducted a pre-proposal meeting and the meeting was attended by three individuals. The Authority received one proposal, which was from Louisville Executive Aviation, LLC. Louisville Executive Aviation, LLC, proposes (i) a minimum hangar rent of \$1,500.00 per month for the first year of the lease with adjustments by CPI each year thereafter, (ii) a minimum office rent of \$1,300.00 per month for the first year of the lease with adjustments by CPI each year thereafter, (iii) 3% of gross receipts as a business privilege fee for commercial aeronautical activities and (iv) a minimum capital investment

contribution of \$5,000.00. Authority staff have reviewed the proposal and are recommending the agreement be awarded to Louisville Executive Aviation, LLC.

Mr. Mann recommended the Board award the Specialty Hangar Lease Agreement to Louisville Executive Aviation, LLC (the "Tenant"), at the following terms: (i) a minimum hangar rent of \$1,500 per month for the first year of the Lease with adjustments by CPI each year thereafter; (ii) a minimum office rent of \$1,300 per month for the first year of the Lease with adjustments by CPI each year thereafter; (iii) 3% of gross receipts as a business privilege fee for commercial aeronautical activities; and (iv) a minimum capital investment of \$5,000. Following a discussion of the Tenant's efforts to secure a subtenant and an associated potential investment of up to \$300,000, Mr. Mann modified his recommendation so as to request that the Board authorize him to (i) offer to the Tenant (a) a Specialty Hangar Lease Agreement now on the above-described terms, or (b) an option to enter into a Specialty Hangar Lease at any time within the next two years on the above-described terms, provided that the Tenant secures a sub-tenant for a majority of the leased hangar space and a commitment for an increased capital investment in the hangar in an amount satisfactory to Mr. Mann in his discretion but with a goal of \$300,000; and (ii) execute the necessary contract documents, subject to review and approval by counsel as to legality of form and content. As between alternatives (i)(a) and (b), members of the Board expressed a precatory preference for alternative (b) and, upon motion duly made and seconded, unanimously approved Mr. Mann's recommendation.

15. Hangar 35 Executive Hangar Ground Lease Agreement —Bowman Field — Award

The Authority recently issued an invitation for proposals to lease one (1) of six (6) potential hangar sites at Bowman Field to construct and operate a private corporate aircraft hangar. The terms of the invitation to submit proposals include: (i) a minimum annual ground rent of \$0.283 per square foot per year for the first year of the agreement and adjusted by CPI each year thereafter, (ii) a minimum capital investment of \$450,000.00, and (iii) a term of 30 years. The Permitted Use under the agreement is the storage of tenant's owned or leased aircraft for non-commercial purposes. Advertisements for this opportunity were placed in *The Courier-Journal*, *Louisville Defender*, Airport Minority Advisory Council and TriState Minority Supplier Development Council and on the Authority's website. Additionally, invitations to submit proposals were sent directly to numerous individuals and the certified vendor list of the Louisville Metro Human Relations Commission. The Authority conducted a pre-proposal meeting that was attended by four individuals. The Authority received one (1) proposal, which was from Modern Marketing Concepts, Inc. and Oak Street LLC, a joint venture. Modern Marketing Concepts, Inc. and Oak Street LLC, a joint venture proposes (i) a minimum annual ground rent of \$0.283 per square foot per year (\$1,150.21/mo) for the first year of the agreement with adjustments by CPI each year thereafter, (ii) a minimum capital investment contribution of \$1,650,000.00, and (iii) a term of 30 years. Authority staff have reviewed the proposal and recommend the award of the agreement to Modern Marketing Concepts, Inc. and Oak Street LLC, a joint venture.

Mr. Mann recommended the Board award the Executive Hangar Ground Lease Agreement to Modern Marketing Concepts, Inc. and Oak Street LLC, a joint venture at the following terms: (i) annual ground rent of \$0.283 per square foot per year (\$1,150.21/mo) for the first year of the lease with adjustments by CPI each year thereafter, (ii) a minimum capital investment contribution of

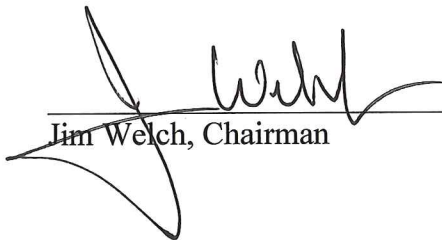
\$1,650,000.00, and (iii) a term of 30 years; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

OTHER BUSINESS

Mr. Mann reminded the Board that the Holiday Open House is at Bowman Field on December 12 from 5:00 pm to 7:00 pm. Mr. Mann reminded the Board that the December Board meeting is canceled and a copy of the 2019 Board meeting schedule was provided to the Board with their meeting materials. The next Board meeting is January 16, 2019. Mr. Mann informed the Board that iPad covers will be provided to the Board members in the near future.

Mr. Pat MacDonald presented Mr. Mann with a framed poster from Bowman Field Aviation and Military Heritage Festival and thanked the Authority for their support and participation.

There being no further business, the meeting adjourned at 4:48 p.m.



Jim Welch, Chairman

Dan Mann, Assistant Secretary