

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD MEETING
JULY 21, 2021**

The special July meeting of the Board of the Louisville Regional Airport Authority was held on July 21, 2021. Chairman Dale Boden convened the meeting at 3:06 p.m. both in person and via Zoom videoconferencing software.

Board members present in person were: Mr. Cleo Battle, Mr. Dale Boden, Mr. Mitchel Denham, Ms. Mary Rose Evans, Ms. Nikki R. Lanier, Mr. Brian Lavin, Mr. Pat MacDonald, and Ms. Lesa Seibert. Board members present via videoconference were: Ms. Toni Clem. Not in attendance were: Mayor Greg Fischer and Mr. John A. Moore. Mr. Tom Halbleib attended as counsel to the Board.

Staff Members in attendance in person were: Mr. Dan Mann and Mr. Brian Sinnwell. Staff members present via videoconference were: Ms. Brenda Allen, Mr. Josh Ball, Ms. Natalie Chaudoin, Mr. Bill DeGraw, Mr. Anthony Gilmer, Ms. Noel Jolly, Ms. Kim Pemberton, Ms. Megan Thoben, Mr. Adam Thomas, and Mr. Darrell Watson.

Also in attendance via videoconference: unidentified person calling from 812-325-7377, Mr. Andy Barber, Bruce's iPhone, Mr. Cody Crawford, Mr. Patrick Dominik, Ms. Diane Effinger, J. Gerald's guest, Mr. Dave Mayer, Mr. Eric Menger, Mr. Zach Neds, PMC, Mr. Robert Rush, Mr. Doug Smith, Ms. Holli Smith, Mr. Rick Storm, Mr. Todd Tabor and Mr. George Tinsley II.

Chairman Boden welcomed Mr. Brian Lavin to the Board. Mr. Lavin is the President and CEO of NTS Development. Mr. Lavin is very experienced in all areas of real estate: commercial, office, industrial, multi-family and residential, and will be a great addition in the capacity of understanding real estate, facilities and construction. Mr. Lavin currently serves on the President's Council for the University of Louisville and has been involved with several community organizations including the Louisville Science Center and the Louisville Ballet.

CONSIDERATION OF MINUTES

The minutes of the special Board meeting held June 16, 2021 were reviewed and, upon motion duly made and seconded, unanimously approved.

STAFF REPORTS

Mr. Mann spoke briefly about finances. Last year's budget was challenging with fewer passengers. The Authority had \$91 million in capital expenditures last year which is about 5 times our normal capital project list. The Authority began the year with \$158 million in cash and ended the year with \$120 million in cash, so the cash flow held up very well. The Authority will receive \$55 million from the third round of CARES Act funding and remains in a good cash position.

PLANNING AND FACILITIES REPORT

Mr. Sinnwell presented the planning and facilities report. At Louisville Muhammad Ali International Airport, work is underway on the Airport Pavement Rehabilitation Project 2021A to complete concrete slab replacements on the west side of the Airport. Contracts have been awarded for the 2021B project to complete concrete slab replacements on the east side of the Airport and the 2021C project to complete additional concrete slab replacement on the west side of the Airport.

Design of a taxilane connecting the northwest development area and interfacing with the UPS apron and UPS's planned future development is complete. The project was advertised for bids on June 13, 4 bids were received, and a contract award recommendation is on the action agenda for the Board's consideration,

Work continues for the Residential Sound Insulation Program. Insulation of 32 homes has been completed, insulation of 40 homes is currently underway and 35 homes are awaiting walk throughs to assess what insulation work needs to be completed. Homeowners in the next phase of the project are currently being contacted to notify them of their possible eligibility for the project

At Bowman Field, work is underway on a project to rehabilitate the west T-Hangar buildings by replacing door seals and completing structural repairs and roof repairs.

CONSENT ITEMS

1. Northwest Quadrant Ground Lease Agreement —Louisville Muhammad Ali International Airport — Approval

The Authority recently issued an invitation to submit proposals to lease a tract of land consisting of approximately 42.932 acres of airfield accessible land at Louisville Muhammad Ali International Airport and to finance, design, construct and operate an aircraft maintenance hangar to accommodate the proposer's owned or leased Group VI aircraft, together with ancillary ramp/office/shop/parking facilities, at the sole cost of the proposer, for an initial term of 20 years with two, ten-year renewal terms.

Terms of the proposal documents are as follows: (i) a minimum Initial Premises Ground Rent of \$0.30 per square foot per annum for approximately 42.932 acres, (ii) a minimum Option Premises Ground Rent of \$0.03 per square foot per annum for approximately 9.9 acres, (iii) a minimum Additional Option Premises Ground Rent (if granted by the Authority) of \$0.03 per square foot per annum for approximately 13.2 acres and, (iv) a minimum capital investment in the amount of \$150,000,000.00.

Advertisements for this opportunity were placed in *The Courier-Journal*, *Louisville Defender* and on the Authority's website. The Authority conducted a pre-proposal meeting attended by representatives from one company.

The Authority received one proposal, which was from United Parcel Service Co. The proposal submitted by United Parcel Service Co. proposed (i) an Initial Premises Ground Rent of \$0.30 per square foot per annum, (ii) an Option Premises Ground Rent of \$0.03 per square foot per annum, (iii) an Additional Option Premises Ground Rent of \$0.03 per square foot per annum and, (iv) a

capital investment in the amount of \$150,000,000.00 which reflects the construction of (i) a 275,000 sq.ft. Group VI aircraft maintenance hangar, (ii) a 1,000,000 sq.ft. aircraft apron accommodating up to seven (7) Group VI aircraft and (iii) 60,000 sq.ft. of employee vehicle parking.

Mr. Mann recommended the Board award the Northwest Quadrant Ground Lease Agreement to United Parcel Service Co.; 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. Airport Rescue and Fire Fighting Truck — Louisville Muhammad Ali International Airport— Contract Award

The Authority recently issued an invitation to submit bid proposals from qualified firms for the fabrication and supply of a new Aircraft Rescue and Fire Fighting (ARFF) Vehicle for use at Louisville Muhammad Ali International Airport. The proposed ARFF Vehicle would replace the existing 2009 E-One ARFF unit that is beyond the FAA expected service life.

An Invitation to Bid was advertised in *The Courier Journal*, in the *Louisville Defender* and on the websites of the Authority and Tri-State Minority Supplier Development Council. Invitations to submit bids were sent directly to three firms identified that could successfully fabricate and supply the requested ARFF Vehicle. Two responsive proposals were received from: Rosenbauer and Oshkosh. A No Bid was received from E-One.

Responsive bids received were reviewed by the Authority and both were determined to comply with Class 4 ARFF Vehicle Classification and meet AC 150/5220-10 (latest edition at time of bid). The Authority recommends that Rosenbauer's base bid of \$718,854 for the Panther 4X4 ARFF truck be accepted as the lowest, most responsive, and best value to the Authority. The base bid will be funded 100% through an FAA grant. It is further recommended that value added negotiations be conducted with Rosenbauer to upgrade the ARFF Vehicle to a 3000g truck with other accessories specified by the Authority's Public Safety Department. All value-added equipment and accessories shall be payable with Authority funds.

Mr. Mann recommended the Board award a contract for the proposed ARFF Vehicle to Rosenbauer at a not-to-exceed amount of \$888,854 (Base ARFF bid of \$718,854 plus \$170,000 maximum negotiated value added equipment and accessories) 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. HNTB Task Orders No. 23 and 24 — Louisville Muhammad Ali International Airport — 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.

Task Order 23 authorizes HNTB to provide construction inspection services and project management for the Terminal Mechanical, Electrical and Plumbing Infrastructure Project that includes geothermal wellfield construction and terminal apron expansion on the airfield at Louisville Muhammad Ali International Airport. Task Order 23 will be a time and material not-to-exceed contract in the amount of \$1,345,640.

Task Order 24 authorizes HNTB to provide construction inspection services and project management for the Taxiway A Connector to Ramp 21 on the airfield at Louisville Muhammad Ali International Airport. Task Order 24 will be a time and material not-to-exceed contract in the amount of \$441,852.

Mr. Mann recommended the Board approve Task Orders No. 23 and 24 to the contract with HNTB in the time and material not-to-exceed amount of \$1,787,492; 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. Lantech.com, LLC (Hangar 9) First Amendment to Executive Hangar Lease — Bowman Field — Approval

The Authority and Lantech.com, LLC are parties to an Executive Hangar Lease Agreement, dated October 14, 2011, (the "Lease"). The Lease contemplated the lease of (i) an approximately 14,535 square foot tract of land, (ii) a 6,600 square foot hangar, and (iii) an additional 4,358 square foot tract of land. The Lease expires September 14, 2021.

Lantech.com, LLC has proposed to make additional improvements to the hangar and the cost of such improvements is estimated at \$25,000.00. The parties have reached certain understandings regarding these additional improvements including extending the term for two (2) additional 5-year terms and adjusting the monthly base rent, effective September 15, 2021, to \$1,994.67 per month and adjusted annually by 3% or CPI, whichever is less.

Mr Mann recommended the Board approve the First Amendment to the Executive Hangar Lease Agreement with Lantech.com, LLC; 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. Explorers Club, LLC (Hangar 11) Second Amendment to Lease — Bowman Field — Approval

The Authority and Explorers Club, Ltd. are parties to a Lease, dated October 18, 1999 (the "Lease"). The Lease contemplated the lease of an approximately 26,144 square foot tract of land whereby Explorers Club, Ltd. constructed an approximately 9,000 square foot hangar. The Lease had an initial term of 20 years, which was to expire September 30, 2019.

The Authority and Explorers Club, LLC (successor to Explorers Club, Ltd.), subsequently entered

into a First Amendment to the Lease, dated February 12, 2015, that extended the term through September 30, 2029. Accordingly, the hangar reverts to the Authority at the expiration of the Lease.

Explorers Club, LLC has proposed to make additional improvements to the hangar and the cost of such improvements is estimated at \$125,000.00. The parties have reached certain understandings regarding these additional improvements including extending the term for two (2) additional 5-year terms and adjusting the monthly base rent, effective October 1, 2029, to \$3,113.67 per month and adjusted annually by 3% or CPI, whichever is less.

Mr. Mann recommended the Board approve the Second Amendment to the Lease with Explorers Club, LLC; 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.

ACTION ITEMS

6. Taxiway A Connector — Louisville Muhammad Ali International Airport and Bowman Field — Contract Award

This project consists of construction of a connector taxiway leading from the north end of Taxiway A to the future site of Ramp 21 in the northwest quadrant of the Airport. This project also includes the relocation of storm drainage lines and construction of aircraft jet blast fence along Crittenden Drive at the Louisville Muhammad Ali International Airport. The project was advertised in *The Courier-Journal*, the *Louisville Defender*, posted on the Authority's website, and provided to the Tri-State Minority Supplier Development Council. Four bids were received, and the lowest, responsive bidder was Louisville Paving Company of Louisville, KY with a unit price base bid of \$6,717,000. Authority staff and our consultant have reviewed the bid documents submitted by Louisville Paving Company, have verified the bid to be responsive and are recommending the contract award.

Mr. Mann recommended the Board award the contract for the Taxiway A Connector to Ramp 21 to Louisville Paving in accordance with the unit prices set forth in the bid for a total contract amount of \$6,717,000; 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. Mr. Brian Lavin abstained from the vote.

OTHER BUSINESS

Mr. Mann complimented the Operations department on SDF's successful Part 139 inspection. During SDF's 2018 Part 139 inspection, the FAA cited SDF for multiple deficiencies, which led Mr. Mann to create the Operations Department. The Operations Department is the compliance department for the Authority and inspect the airfield multiple times each day to identify problems and report the problems to maintenance for repair. During our most recent inspection, the FAA inspector advised Mr. Mann that SDF is one of the top 3 or 4 airports he has inspected.

Mr. Mann advised the Board the Authority has recently completed a staff realignment. Under the realignment, operations, maintenance, and engineering will all report to Mr. Brian Sinnwell as Senior Vice President, Chief Operating Officer. The realignment should improve the working relationship between operations and maintenance.

Mr. Boden advised the Board that Dan will be reaching out to the Board members to determine which committees they are interested in serving on to complete a committee realignment.

There being no additional business the meeting adjourned at 3:30 p.m.

Dale Boden, Chairman

Dan E. Mann, Assistant Secretary

Approved