

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
BOARD MEETING
SEPTEMBER 20, 2023**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on September 20, 2023. Chairman Dale Boden convened the meeting at 3:03 p.m. in the Boardroom of the Louisville Regional Airport Authority.

Board members present: Mr. Cleo Battle, Mr. Dale Boden, Mr. Mark Blieden, Mr. Mitchel Denham, Ms. Nikki Lanier, Mr. Brian Lavin, Mr. Pat MacDonald, Ms. Lesa Seibert, and Mr. John Sistarenik. Not in attendance: Mayor Craig Greenberg and Mr. John A. Moore. Mr. Tom Halbleib attended as counsel to the Board.

Staff Members in attendance: Ms. Pat Apone, Ms. Megan Atkins Thoben, Ms. Dodie Caulk, Ms. Natalie Chaudoin, Ms. Jorgie Dermody, Mr. Anthony Gilmer, Mr. Damon Jewell, Ms. Noel Jolly, Mr. Dan Mann, Ms. Kim Pemberton, Ms. Brenda Perry, Mr. Brian Sinnwell, Mr. Adam Thomas, Mr. Darrell Watson and Mr. Jason Wheeler.

Also in attendance: Mr. Kyle Brandon, Ms. Shea Carr, Mr. Tony Derricks, Ms. Wendy Harrower, Ms. Rebecca Katz, Mr. David Kaplan, Mr. John Kraft, Ms. Lynn Moore, Mr. Andrew Nelson, Ms. Holli Reger Smith, Mr. Robert Rush, and Mr. Todd Tabor

CONSIDERATION OF MINUTES

Prior to the approval of the minutes, Chairman Boden welcomed new board member Mark Bleiden to the Board and thanked former board member Toni Clem for her service. He commended Ms. Clem for being the “voice of the customer” during her time on the Board and for her focus on the customer experience at Louisville Muhammad Ali International Airport.

On motion duly made and seconded, the minutes of the Regular Board meeting held July 19, 2023, and the Annual Board Meeting held July 19, 2023 were unanimously approved.

STAFF REPORTS

Mr. Sinnwell provided the construction report and focused on the 100% TIF funded projects underway in the LRZC. For the South Park Road Reconstruction Project, utility relocation is complete, and work has begun to widen the road east and west Minor Lane to allow for a center turn lane. Construction is underway for the Minor Lane Widening and Bridge Replacement Project which will allow for a center turn lane and replace the bridge over southern ditch. Work along the west side of Air Commerce Drive is underway for the Air Commerce Drive and Universal Way Widening and Pavement Replacement Project. This project will remove asphalt pavement along Air Commerce Drive and Universal Way and replace it with concrete pavement and curbing. The project will also widen portions of Air Commerce Drive to five lanes. For the Tract 2 – Clearing, Demolition and Earthwork Project which consists of site preparation for Tract 2 and includes clearing and grubbing of approximately 20 acres, demolition of abandoned streets and

infrastructure, earthwork and erosion control to raise the building pad above the floodplain, work is underway. Mr. Sinnwell also updated the Board on the UPS Parking Lot Additions and Modifications Project to expand UPS's vehicle parking lot from 253 spaces to 572 spaces and extend the stub street in the southwest corner of the site across the creek to connect with Stinnet Lane. Construction is underway and this project fulfills our tenant improvement obligation per our lease agreement with UPS.

Ms. Brenda Perry presented the finance report. For the two months ending August 31, 2023, fiscal-year-to-date operating revenue is \$14,659,210 which is \$378,301 unfavorable to the budgeted amount or 2.5%. The shortage is primarily due to landing and airfield use fees from lower UPS activity. Compared to the two months ending August 31, 2022, there was an increase of \$1,361,341. Fiscal-year-to-date operating expenses are \$5,727,924 which is \$835,420 favorable to the budgeted amount or 12.7%. Compared to the two months ending August 31, 2022, there was an increase of \$900,761. Cargo weight is 12.52% lower than August of last year, and total cargo weight is 10.32% lower calendar year to date. August 2023 passenger activity is up 15% from August 2022 and is up 18.56% calendar-year-to-date.

CONSENT ITEMS

1. High Volume Snow Blower Equipment — Louisville Muhammad Ali International Airport — Award

The Authority's Maintenance Staff continues to work to improve efficiency in the time required for clearing runways and taxiways during snow events. With the Board's approval, the Authority has invested in nine (9) multifunction machines in recent years, to remove snow to the edges of the runways and taxiways. The existing snow blowers in our fleet are old and do not have the capacity to match the speed of the multifunction equipment we have purchased. A high capacity, high speed snowblower is needed to blow the snow beyond the lights and sign boxes so that they are not buried during the snow removal process and inadvertently damaged. These snowblowers operate at faster speeds down the edge of the runway and are able to keep pace with the multifunction units. This equipment combination will reduce the time needed to clear snow ridges and allow runways and taxiways to be reopened more quickly.

The maintenance staff have identified Fortbrand Services as the industry leader in the manufacturing of high-volume airport snow blowing equipment with high marks for the performance, quality and dependability of their products. Fortbrand Services, High Volume Snow Removal Equipment is currently listed with Sourcewell (formally NJPA) as holding a cooperative purchase contract under master agreement 11522-FTB. State law, specifically KRS 45A affords the Authority, as a political subdivision of the Commonwealth, the opportunity to participate in cooperative contracts with other out of state public entities under certain circumstances without the need to conduct an additional solicitation. This agreement has been reviewed by the Authority and has been determined to meet the contracting and purchasing requirements for Kentucky Cooperative Purchasing Agreements. Pricing, terms and conditions are based upon the Sourcewell Master Agreement 11522-FTB that runs through January 2027 with available renewal options.

This contract covers both equipment and disposables and the Authority is able to supplement the agreement with additional terms as required by both the Authority and the FAA .

Mr. Mann recommended the Board approve the purchase of one Vammas B750 Snow Blower from Fortbrand Services at a not-to-exceed amount of \$1,185,022 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. Lamar Advertising Company — In-Terminal Display Advertising Concession Agreement Amendment No. 1 — Louisville Muhammad Ali International Airport — Approval

The Authority entered into an In-Terminal Display Advertising Concession Agreement dated January 24, 2017 (the "Agreement") with U.S. Enterprises, Inc. d/b/a Corey Airport Services, Inc. ("Corey") to operate and finance the In-Terminal Display Advertising Concession at Louisville International Airport for a term of seven (7) years. On March 23, 2017, Corey entered into an Asset Purchase Agreement with Lamar Alliance Airport Advertising Company ("Lamar Alliance") to sell its airport advertising concessions. Pursuant to a Consent to Assignment dated July 1, 2017, the Authority consented to Corey's assignment, and Lamar Alliance's assumption, of all of Corey's rights and obligations under the Agreement. Lamar Alliance's name was changed to Lamar Airport Advertising Company ("Lamar") on July 5, 2017.

In connection with the ongoing terminal enhancements and impacts to existing advertising locations, staff recommends extending the term of the Agreement from January 31, 2024 to January 31, 2029. Additionally, staff has negotiated a change in the concession fee from a fixed amount of 45% of monthly gross receipts to a tiered structure as follows: 50.0% of monthly gross receipts from \$0.00 to \$750,000.00, 70.0% of monthly gross receipts from \$750,001.00 to \$1,000,000.00 and 75.0% of monthly gross receipts in excess of \$1,000,000.00.

Mr. Mann recommended the Board approve the First Amendment to the In-Terminal Display Advertising Concession Agreement with Lamar Airport Advertising Company which extends the term of the In-Terminal Display Advertising Concession Agreement through January 31, 2029 at the financial terms described above; and authorize the Executive Director to execute the necessary contract documents subject to (i) the review and approval by counsel as to legality of form and content and (ii) the Authority receiving the FAA's approval to enter into the First Amendment to the long-term exclusive In-Terminal Display Advertising Concession Agreement, provided the FAA does not approve the First Amendment to the long-term exclusive In-Terminal Display Advertising Concession Agreement, the Authority shall incorporate language in the First Amendment that amends the permitted uses and privileges from exclusive to non-exclusive. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

3. HNTB — Task Order No. 34 — Louisville Muhammad Ali International Airport — Approval

On January 16, 2019, the Board approved the award of a Supplemental Airfield Consultant Services contract with HNTB. The original contract was for a three-year period with an option for an additional two-year term that was subsequently approved on December 8, 2021. The contract requires Board approval for each Task Order. Task Order 34 authorizes HNTB to provide design and bidding services for the Terminal Ramp Expansion Drainage Trunk Separator project. This project will consist of the installation of an oil-water separation device on the recently installed drainage trunk carrying runoff from the terminal ramp expansion, over the geothermal well field. The negotiated amount for Task Order 34 is \$136,500.

Mr. Mann recommended the Board approve the above Task Order to the contract with HNTB for a negotiated amount of \$136,500; 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.

4. Insight Kentucky Partners II, L.P. — Right of Entry Agreement for High-Speed Cable Amendment No. 8 — Louisville Muhammad Ali International Airport — Approval

The Authority and Insight Kentucky Partners II, L.P. ("Insight") are parties to a Right of Entry Agreement dated March 3, 2010. Insight constructed, installed and maintains underground internet cable to service existing and future tenants at Bowman Field and Louisville Muhammad Ali International Airport. The Board previously approved the First Amendment which provided service to 2720 Gast Boulevard (Louisville Executive Aviation), the Second Amendment which provided service to 2900 Moran Avenue (Hangar 12), the Third Amendment which provided service to 2800 Moran Avenue (Hangar 5) and 1151 Standiford Lane (Atlantic Aviation), the Fourth Amendment which provided service to 3325 Roger E. Schupp Street (Hangar 34), the Fifth Amendment which provided service to 5101 Crittenden Dr. (Trans States Airlines), the Sixth Amendment which provided service to 600 Terminal Drive (Louisville Muhammad Ali International Airport Terminal Building) and the Seventh Amendment which provided service to 1180 Standiford Court (Humana Hangar). Insight further requests to provide service to 2730 Cannons Lane, which was not included in the Right of Entry Agreement or any of the prior amendments.

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

ACTION ITEMS

5. Deicing and Fuel Storage Facility — Louisville Muhammad Ali International Airport — Contract Award

This project consists of the installation and construction of a 40,000-gallon deicer storage tank, a 10,000-gallon diesel fuel tank, and a solid storage facility on the airfield at SDF. The Deicing and Fuel Storage Facility project was advertised in *The Courier-Journal* and was posted on the Authority's website. A single bid was received. Upon review of all documentation provided, the lowest, most responsive bidder was MAC Construction & Excavating, Inc. of New Albany, IN with a bid price of \$3,075,000. This bid price exceeded available funds.

The Kentucky Model Procurement Code (hereinafter "MPC") established in KRS Chapter 45A permits negotiation of sealed bids prior to award when bids exceed available funds, including under circumstances where there is only one responsive bidder. As a municipality established by KRS Chapter 183, the Authority is neither bound by nor has it adopted the MPC. However, the Authority has elected to abide by the philosophy of the MPC. Accordingly, staff and MAC Construction & Excavating, Inc. participated in noncompetitive negotiations resulting in a new total price of \$2,749,603.

Authority staff and our consultant have reviewed the negotiated bid documents submitted by MAC Construction & Excavating, Inc., have verified the negotiated bid to be responsive, and are recommending the contract award.

Mr. Mann recommended the Board award the contract for the Deicing and Fuel Storage Facility project to MAC Construction & Excavating, Inc. at a bid price of \$2,749,603; 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. Corporate Hangar Ground Lease Consent to Assignment — Louisville Muhammad Ali International Airport — Approval

The Authority entered into a Corporate Hangar Ground Lease with Vencor, Inc., dated November 20, 1996 (the "Initial Lease"). By Assignment dated April 30, 1998, Kindred Healthcare, Inc. ("Kindred") acquired the rights of Vencor, Inc. under the Initial Lease. Further, the Initial Lease was amended by the First Amendment, dated September 11, 2002, and the Second Amendment, dated May 19, 2015. The term of the Initial Lease expires on August 31, 2036. Kindred has formally notified staff that they entered into a Purchase and Sale Agreement with Akidco, LLC ("Akidco") for the acquisition of the aircraft hangar and related improvements and, pursuant to the Initial Lease, have requested that the Authority consent to the assignment of the Initial Lease. Staff has reviewed (i) the Purchase and Sale Agreement between Kindred and Akidco, (ii) Akidco's financial standing and (iii) proposed use of the hangar and found the review to be favorable.

Mr. Mann recommended that the Board approve the Consent to Assignment, which grants the Authority's consent to the assignment of the Corporate Hangar Ground Lease from Kindred Operating Healthcare, LLC to Akidco, LLC as described above; and authorize the Executive Director to execute the necessary contract or other 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. Foth — Task Order No. 64 — Louisville Muhammad Ali International Airport — Approval

On November 20, 2019, the Board approved the award of a Planning, Engineering & Architectural Professional Services contract to Foth for a three-year period. Subsequently, the option for an additional two-year term was approved on January 18, 2023. The contract requires Board approval for each Task Order. Task Order 64 authorizes Foth to provide design and bidding services for the East Parking Lot project. This project will include the construction of a proposed parking lot in the grassy area across from the existing employee parking lot located on Administrative Drive. The negotiated amount for Task Order 64 is \$139,860.

Mr. Mann recommended the Board approve the above Task Order to the contract with Foth for a negotiated amount of \$139,860; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

8. CMTA — Amendments to Task Orders 2A and 3A — Louisville Muhammad Ali International Airport — Approval

At the January 19, 2022, board meeting, the Airport Authority approved Task Order 2A (\$1,280,420) with CMTA for the design of all landside MEP work, the installation of new baggage claim equipment, and rental car counter renovations.

The first item for consideration is an Amendment to this Task Order 2A to include design of additional elements in the terminal. This amendment includes design fees for reuse of the empty 5/3 Bank space, the renovation of the new space for Louisville Tourism, reorientation of 2nd level staircase, and the renovation of existing concession space for the expansion of the check point queue. The cost for this amendment for design will not exceed \$214,810.

The second item seeks Board approval for an Amendment to Task Order 3A which also includes additional design tasks. Task Order 3A (\$2,050,000) with CMTA was originally approved at the March 2022 board meeting to include the design of the expanded terminal checkpoint building. Now, this amendment is needed to complete additional design work to accommodate the added building area for additional checkpoint lanes. The cost for this design amendment will not exceed \$610,781.

Mr. Mann recommended the Board approve an Amendment to Task Order 2A in the amount of \$214,810 and an Amendment to Task Order 3A in the amount of \$610,781 for the construction and energy management services of CMTA and authorize the Executive Director to execute the necessary contract documents and task orders 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. Cleo Battle abstained from the vote.

CLOSED SESSION - LITIGATION

Mr. Tom Halblieb advised the Board of the need to enter closed session, and Mr. Mitchel Denham excused himself from the meeting. Upon motion duly made by Chairman Boden, seconded, and approved, the following motion to go into closed session was adopted:

I hereby move that the Board enter closed session for the sole purpose of discussing proposed litigation on behalf of the Authority. The reason for entering closed session with respect to the pending litigation is that the Board requires the opportunity to discuss in confidence the Authority's litigation strategy, tactics, and other matters directly pertaining to the proposed litigation and to receive confidential legal advice. No final action is to be taken in this closed session. This action is authorized by KRS 61.810(1)(c) and (k).

I further move that the foregoing motion constitutes notice and public announcement of the general nature of the business to be discussed in closed session, the reason for the closed session, and the specific provision of the Kentucky Open Meetings Act authorizing the closed session, as required by KRS 61.815.

The Board reconvened in open session, and there being no additional business the meeting adjourned at 3:48 p.m.

Dale Boden, Chairman

Dan E. Mann, Assistant Secretary