

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
BOARD MEETING
JULY 17, 2024**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on July 17, 2024. Vice Chairman Pat MacDonald convened the meeting at 3:04 p.m. in the Boardroom of the Louisville Regional Airport Authority.

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

Staff Members in attendance: Ms. Pat Apone, Ms. Natalie Ciresi Chaudoin, Ms. Lauren Deel, Mr. Jonathan Giardina, Mr. Anthony Gilmer, Ms. Noel Jolly, Mr. Dan Mann, Officer Kenneth Montoya, Ms. Kim Pemberton, Ms. Brenda Perry, Ms. Beverly Santamouris, Ms. Jamieson Siburt, Mr. Brian Sinnwell, Ms. Megan Atkins Thoben, Mr. Adam Thomas, Mr. Darrell Watson and Mr. Jason Wheeler.

Also in attendance: Ms. Kelly Curry, Ms. Wendy Harrower, Mr. Arpit Jaiswal, Mr. Grant Lukjan, Ms. Dannhi Nguyen, Mr. Michael Price, Ms. Denise Pullen, Mr. Robert Qualman, Mr. Robert Rush, Mr. Dennis Scheid, Mr. Todd Tabor, Mr. George Tinsley, and Mr. George Tinsley II.

CONSIDERATION OF MINUTES

On motion duly made and seconded, the minutes of the Regular Board meeting held June 19, 2024, were unanimously approved.

STAFF REPORTS

Ms. Beverly Santamouris provided a brief summary of the Authority's Investment Policy. Ms. Santamouris advised the Board that the Authority's Financial Management Guide and Investment Policy provide general guidelines and an understanding of investment objectives for operating and restricted funds in excess of current needs. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical. The Authority's objectives to be met when investing are, in this order 1) safety of principal; 2) maintenance of liquidity to meet needs; and 3) return on investment. The Authority policy adheres to State policy, KRS 66.480, which places limits on types of investments, establishes parameters for investment action, and outlines rules and responsibilities for governance and implementation of the investment strategy. Ms. Santamouris advised the Board that the Finance department reviews the Authority's investments quarterly to determine cash needs and investment actions to be taken. Staff then solicit investment agents for investment options and the investment duration is selected based on future cash needs and yield. The Authority's intent is to take a laddered approach with investments that mature quarterly and reinvesting quarterly to meet cash flow needs.

Mr. Sinnwell provided the Planning and Facilities Report. For the Terminal Renovation Project, Mr. Sinnwell reported that 100% of heating and cooling in the Terminal is now being provided

by the geothermal system. Construction of the new information booth is almost complete, and work to renovate the lower roadway curb and eliminate areas where pigeons roost is underway. A project to rehabilitate the departure level bridge will be bid in August for a November or December Board award.

At Bowman Field, work to rehabilitate 19 T-Hangars including steel column base replacement, steel column painting and bi-fold door steel repairs is substantially complete. Punchlist items remain to close out the project.

In the LRZC, the Minor Lane Widening and Bridge Replacement Project to widen 4,200 linear feet of Minor Lane to allow for a center turn lane and replacement of the bridge over the southern ditch is substantially complete with only punch list items remaining.

CONSENT ITEMS

1. Appointment of Safety and Security Officer — Approval

The Director of Public Safety has reviewed the qualifications of Jacob Hodges, has concluded he meets those set forth in the Board's November 18, 1998 resolution, and recommends his appointment as an airport Safety and Security Officer.

Mr. Mann recommended the Board appoint Jacob Hodge as an airport Safety and Security Officer, 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. Checkpoint Addition and Renovation — Louisville Muhammad Ali International Airport — Contract Award

This agenda item was tabled until a later meeting date.

3. Alliance — Phase 2 Consulting Services Terminal Enhancement and Remodeling Program Contract Amendment 6 — Louisville Muhammad Ali International Airport — Approval

At the January 20, 2015 board meeting, Alliance was awarded the contract to lead the design of the Terminal Enhancement and Remodeling Program. Additionally, the Board approved an amendment to the contract with Alliance at the July 18, 2018 board meeting to provide consulting services required for Phase 2 design of the terminal enhancement and remodeling program as a continuation of comprehensive upgrades to public spaces of the terminal, including interior renovations, technology updates and a range of exterior & landside enhancements.

Contract Amendment No. 6 directs Alliance to proceed with final design and bid phase services for the Ticketing Renovation at a total not-to-exceed fee of \$610,090. Additionally, this

amendment authorizes Alliance to proceed with construction administration services for the Checkpoint Addition and Renovation at a total not-to-exceed fee of \$1,475,817. In accordance with the previously approved Unit Rates with Alliance, the not-to-exceed value of Contract Amendment No. 6 is \$2,085,907.

Mr. Mann recommended the Board approve Amendment No. 6 to the contract for Terminal Enhancement and Remodeling Program Consultant Phase 2 Design Services with Alliance of Minneapolis, MN for a new total not-to-exceed amount of \$2,085,907; 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. Host International, Inc. — Food and Beverage Concession Agreement Contract Amendment 6 — Louisville Muhammad Ali International Airport — Approval

The Authority entered into a Food and Beverage Concession Agreement dated January 5, 2016 (the "Agreement") with Host International, Inc. ("Host") to finance, design, construct, operate and manage the Food and Beverage Concession at Louisville Muhammad Ali International Airport for an initial term of eight years with one two-year renewal term, which option is at the sole discretion of the Authority.

The specific terms of the Agreement include: (i) a minimum monthly guarantee in the amount of \$0.80 per enplaned passenger, (ii) a concession fee in the minimum amount of 13% of monthly gross receipts for food and non-alcoholic beverages, (iii) a concession fee in the minimum amount of 18% of monthly gross receipts for alcoholic beverages, (iv) an Airport Concession Disadvantaged Business Enterprise (ACDBE) goal of 22%, (v) a minimum capital investment of \$6,431,750.00 and (vi) a minimum mid-term capital investment in the amount of \$593,700.00.

Staff have been in negotiations with Host regarding their minimum mid-term capital investment obligations. The negotiations have resulted in the following terms for the Board's consideration which include (i) extending the term of the Agreement for an additional five-year term from February 28, 2026 to February 28, 2031, (ii) Host expending a minimum of \$2,633,190.00 in additional improvements, (iii) Host expending a minimum \$645,450.00 in additional mid-term improvements. The original terms relative to minimum monthly guarantees, percentages of gross receipts for food, alcoholic and non-alcoholic beverages will continue. The ACDBE goal will be set by the Authority each triennium consistent with FAA regulations and adjusted by amendment to the contract as needed.

Mr. Mann recommended the Board approve the Sixth Amendment to the Food and Beverage Concession Agreement with Host International, Inc. which extends the term of the Food and Beverage Concession Agreement through February 28, 2031 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 Sixth Amendment to the long-term exclusive Food and Beverage Concession Agreement. Provided the FAA does not approve the Sixth Amendment

to the long-term Food and Beverage Concession Agreement, the Authority shall incorporate language in the Sixth 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.

5. HNTB Task Order 31 Amendment 1 — 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 or Amendment to an existing Task Order.

Task Order 31 was approved by the Board on April 19, 2023 and authorized HNTB to provide construction administration and oversight services for the Taxiway L Extension, Bid Package 1 project. This amendment adds additional construction services associated with project completion extending from the 2023 construction season into the spring of 2024. The negotiated amount for Amendment 1 to Task Order 31 is \$33,495. This project is 90% funded by an FAA grant.

Mr. Mann recommended the Board approve the above Amendment 1 to Task Order 31 with HNTB for the negotiated amount of \$33,495; 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. HNTB Task Orders 4 and 5 — Louisville Muhammad Ali International Airport and Bowman Field — Approval

On November 15, 2023, the Board approved the award of a Planning, Engineering, & Architectural Professional Services contract with HNTB. The contract requires Board approval for each Task Order. The following Task Orders require Board approval:

Task Order 4 authorizes HNTB to provide design and bidding services for the Reconstruct Taxiway D North Project. The reconstruction involves reconfiguring the two taxiway connectors at the north end of Taxiway D to meet FAA separation requirements and updating geometry to comply with current FAA standards. These improvements aim to enhance aircraft turning maneuvers, minimize runway incursion risks, and finalize the cross-field connection established by the recent extension of Taxiway L. The negotiated amount for Task Order 4 is \$294,700.00. This project will be 90% funded by a future FAA grant.

Task Order 5 will cover requests for both SDF and LOU and is intended to capture efforts that are unrelated to other Task Orders and shall only be used as approved by the Authority. Services under this task may include FAA coordination, exhibit development, aircraft movement simulation, and other miscellaneous engineering/consulting services. The negotiated amount for Task Order 5 is \$100,000.00.

Mr. Mann recommended the Board approve the above Task Orders to the contract with HNTB for a combined negotiated amount of \$394,700.00; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

7. Jewish Family & Career Services of Louisville, Inc. — Ground Lese Amendment 1 — Bowman Field — Approval

The Authority and Jewish Family & Career Services of Louisville, Inc. ("JFCS") executed a Ground Lease, dated October 16, 2014 (the "Lease"), for a 18,000 square foot tract of land at Bowman Field for the non-commercial parking of its employees and guests. The Lease expires October 15, 2024.

The Lease provides that prior to the expiration of the Lease, JFCS may notify the Authority that it desires a new lease. Further, if the Authority deems that a renewal would best serve the Authority's interests and needs, the Authority may negotiate with JFCS on terms and conditions of a new lease. Consequently, the parties have preliminarily reached certain understandings which include (i) one additional 5-year term and (ii) a revised rent in the amount of \$577.46 per month, which constitutes a 19% increase compared to the current rent, effective October 16, 2024. The proposed rent will be subject to annual increase of 3% or CPI, whichever is greater.

Mr. Mann recommended the Board approve the First Amendment to the Ground Lease with Jewish Family & Career Services of Louisville, Inc.; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

ACTION ITEMS

8. ADB Safegate Americas LLC Contract Amendment 1 — Louisville Muhammad Ali International Airport — Approval

At the June 19, 2024 meeting, the Board approved Change Order No. 1 to the contract for the Runway 17L-35R Electrical Rehabilitation project with TEM Group, Inc. in the amount of \$723,531.96. The change order included the installation of individual lighting control and monitoring systems for Runway 17L-35R, enhancing real-time monitoring and maintenance efficiency, and aligning with the technology installed during the 17R-35L Electrical Reconstruction project last year.

However, upon further review, Authority staff discovered that the approved amount only covered materials and excluded costs related to overhead/profit, sales tax and additional bonding requirements, making the approved amount insufficient for this upgrade.

As a result, Authority staff recommend the proprietary upgrade to the runway lighting system with the ADB Safegate Americas Integrated Light Fixtures instead of proceeding with change order

No. 1 to TEM Group, Inc. This proprietary request will accurately reflect the true cost of the technology upgrade and result in roughly \$162,070.35 (O/P, Tax and Bond) of savings for the Authority.

Mr. Mann recommended the Board approve the Proprietary Upgrade of the existing runway lighting system with the not-to-exceed amount of \$723,531.96 to ADB Safegate Americas, 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. CMTA Energy Solutions Task Order 2B Amendment 4 — Louisville Muhammad Ali International Airport — Approval

At the September 15th, 2021 Board meeting, the Board approved a contract with CMTA Energy Solutions (CMTA ES) for Construction and Energy Management Services for the next phases of Terminal Renovation work.

Since then, a number of task orders have been brought to the Board for the various phases of design, construction and commissioning. In April 2023, the Board approved Task Order 2B for landside Mechanical Electrical and Plumbing work, the installation of new baggage claim equipment, renovations of rental car counters, relocation of the information desk and various lighting, ceiling and flooring improvements, as well as the purchase of certain equipment, all with a Guaranteed Maximum Price (GMP) for Task Order 2B of \$22,657,520.

Since then, there have been three amendments to the task order to change the scope of work, with some additive and other deductive costs. The most recent amendment was approved by the Board in June 2024. As the project continues to progress, a fourth amendment to Task Order 2B is now necessary. This amendment includes the installation of ductwork and already-procured heat pumps to serve specific gates in the terminal that are currently served by older, inefficient roof top units. Additionally, this amendment authorizes the tie-in of exhaust duct work from landside restrooms to new energy return units (ERU), as well as the temporary tie in of airside restrooms to ERU until other phases of the project are completed that will allow for their permanent tie-in elsewhere. The total cost of this amendment is \$485,902.59 which includes direct work costs, costs for CMTA, an allowance for unforeseen conditions and O&P to CMTA. Accordingly, we are seeking Board approval for the Fourth Amendment to Task Order 2B, in an amount of \$485,902.59.

Mr. Mann recommended the Board approve Amendment 4 to Task Order 2B as outlined above, in the amount of \$485,902.59 which brings the new not-to-exceed amount to \$23,395,511.17; 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. C&S Engineers Inc. Task Order 4 — Bowman Field — Approval

In response to concerns regarding aircraft noise and helicopter flight patterns at Bowman Field, the Airport Authority is asking C&S Engineers to expand their current services to include an analysis of aircraft noise at Bowman Field. This task will analyze aircraft operations at Bowman Field and provide Day Night Level (DNL) noise contours. Current helicopter routes to and from Bowman Field will be documented and recommendations for noise abatement flight corridors that minimize flights over residential communities near Bowman Field will be provided. Airport staff recommends that that C&S Companies conduct the Noise Analysis and Document Helicopter Routes for Bowman Field for a not-to-exceed sum of \$58,962.

Mr. Mann recommended that the Board approve Task Order No. 4 to the contract with C&S Engineers Inc. in the not-to-exceed amount of \$58,962; 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.

OTHER BUSINESS

Mr. Mann thanked Mr. Cleo Battle for his service to the Board. His term of office expired July 15, 2024, and Mayor Greenberg has advised Mr. Mann of his intention to appoint a new person to the open Board position.

There being no additional business the meeting adjourned at 3:25 p.m.

Pat MacDonald, Vice Chairman

Dan E. Mann, Assistant Secretary