

ORDINANCE NO. 2014-____

**AN ORDINANCE OF THE GARY/CHICAGO INTERNATIONAL AIRPORT
AUTHORITY APPROVING AGREEMENTS WITH AFCO AVPORTS AIRPORT
MANAGEMENT, LLC FOR THE MANAGEMENT OF THE AIRPORT AND WITH
AFCO GARY LLC FOR THE DEVELOPMENT OF THE REAL ESTATE
SURROUNDING THE AIRPORT**

WHEREAS, the Gary/Chicago International Airport Authority (the “Authority”) exists and operates pursuant to IND. CODE § 8-22-3, as amended from time to time, as a separate and distinct municipal corporation with authority to own and operate public airports; and

WHEREAS, the Authority owns and operates the Gary/Chicago International Airport (the “Airport”) located in the City of Gary, Indiana (the “City”); and

WHEREAS, IND. CODE § 8-22-3-11 allows the Authority to approve a management agreement to use, plan, design, acquire, construct, reconstruct, improve, extend, expand, reuse, operate, repair, manage, maintain, or finance all or any part of the airport and its landing fields, air navigation facilities, and other buildings and structures for a period not to exceed ninety-nine (99) years with a person who is (i) selected by the board using the procedures of IND. CODE § 36-1-9.5 and (ii) whose character, experience and financial responsibility have been determined satisfactory by the Authority; and

WHEREAS, the City and the Authority desire to foster economic development and job creation within the City, including, but not limited to, on or adjacent to, certain property currently owned or controlled by the City and the Airport (the “Development Properties”), as further described in the Economic Development and Interlocal Agreement by and between the Authority and the City Redevelopment Commission to be executed in connection with the public/private partnership transaction (the “Economic Development Agreement”); and

WHEREAS, the Development Properties are intended for use by the Authority and the City in connection with the revitalization of the Airport through a public/private partnership transaction and the implementation of various strategies relating to the public/private partnership; and

WHEREAS, on July 26, 2013, the Authority issued a request for proposals to solicit competitive proposals from potential partners capable of managing the Airport and developing the Development Properties by leveraging the private sector's innovation, broad experience and capital access in close partnership with the Authority and the City (the "RFP"); and

WHEREAS, IND. CODE § 8-22-3-11(20)(A) provides that the Authority may approve a lease, a management agreement or other contract with the person who is selected by the Board using the procedures under IND. CODE § 36-1-9.5 and whose character, experience, and financial responsibility have been determined satisfactory by the Authority; and

WHEREAS, IND. CODE § 36-1-9.5-19 requires the Authority to provide notice of the prequalification requirement ninety (90) days before proposals for an agreement must be submitted to the Authority; and

WHEREAS, the Authority caused to be published in the *Times and Post-Tribune* on May 27, 2013 notice of the prequalification requirement with respect to the RFP and set August 26, 2013 as the last date to submit proposals; and

WHEREAS, on August 26, 2013, AFCO AvPORTS Management LLC (the "Manager") and Airport Facilities Company, Inc., (the "Developer") together with additional team members, including AFCO Gary LLC, Guggenheim Securities, Loop Capital and Michael

Mullen (together with Developer and Manager, the “Proposer”) submitted a proposal in response to the RFP, including an application for precertification pursuant to IND. CODE § 36-1-9.5; and

WHEREAS, the Authority’s Interim Director, acting as prequalification administrator, has reviewed the Proposer’s prequalification application, and recommended to the Authority that the Proposer (1) possesses the net current assets determined by the Authority to be sufficient to execute the management agreement and development agreement and meets all obligations of the management agreement and development agreement, and (2) possesses the qualifications required under IND. CODE § 36-1-9.5 and is a competent and responsible entity; and

WHEREAS, the Authority’s Interim Director, acting as prequalification administrator, also recommended that the Authority issue the Proposer a certificate of qualification; and

WHEREAS, the Authority desires to accept the prequalification administrator’s recommendation that the Proposer is prequalified to enter into the management agreement and development agreement with the Authority and to issue Proposer a certificate of qualification; and

WHEREAS, the Authority has reviewed certain of Proposer’s records and has determined, in accordance with IND. CODE § 8-22-3-11(20), that Proposer’s character, experience and financial responsibility are satisfactory to perform the management agreement and development agreement; and

WHEREAS, pursuant to IND. CODE § 8-22-3-10, the Authority caused to be published in the *Times* and *Post Tribune* on January 17, 2014, notice of pending action on this Ordinance.

NOW, THEREFORE BE IT ORDAINED BY THE GARY/CHICAGO
INTERNATIONAL AIRPORT AUTHORITY, AS FOLLOWS:

1. The Authority accepts the prequalification administrator's recommendation that Proposer is qualified under IND. CODE § 36-1-9.5 to enter into the management agreement and development agreement with the Authority for the operation of the Airport.

2. The Authority determines that the character, experience and financial responsibility of the Proposer are determined to be satisfactory, as required by IND. CODE § 8-22-3-11(20).

3. The Authority authorizes staff to issue to Proposer the certificate of qualification attached to this Ordinance as Exhibit A.

4. The Authority hereby approves and authorizes a management agreement with Manager, in substantially the form presented to the Board at this meeting and attached hereto as Exhibit B.

5. The Authority hereby approves and authorizes a development agreement with Developer, in substantially the form presented to the Board at this meeting and attached hereto as Exhibit C.

6. The Authority hereby authorizes the President to execute and deliver, and its secretary to attest, all such documents and agreements as are, in their judgment, necessary or appropriate to effectuate the foregoing ordinance.

7. Pursuant to IND. CODE § 8-22-3-10(h), the Board designates this Ordinance to be effective on the date of its passage, January 27, 2014.

PASSED this 27th day of January, 2014, by the Gary/Chicago International Airport Authority, Gary, Indiana.

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EXHIBIT A
CERTIFICATION

EXHIBIT B
MANAGEMENT AGREEMENT

EXHIBIT C
DEVELOPMENT AGREEMENT