

**DATE:** April 1, 2021  
**TO:** SAA Board of Directors  
**FROM:** Tim Rogers and Shelli Swanson  
**SUBJECT:** April 7, 2021 Special Board Meeting

Transmitted with this memo are items for your review prior to Wednesday's special board meeting.

Wednesday's meeting will be an "in person" meeting with the option of joining the meeting via a GoToMeeting video/audio link. To accommodate social distancing recommendations, the meeting will be held in Room 100 at Hangar 600, 2720 Arnold Ct. Room 100 provides space for the recommended distancing of board members, staff, and visitors. All "in person" attendees will be asked to wear a face covering.

The board meeting will focus on the following 2021 Airport Authority priorities.

- Support the growth and development plans of Salina Airport Industrial Center businesses and organizations.
- Apply COVID19 relief grant funds to the purchase of airfield, operations and ARFF equipment.
- Complete the bidding phase for new GA aircraft storage hangars and a T-Hangar area public restroom.
- Attract and recruit new business activity to the Airport and Airport Industrial Center.

Please note the following agenda comments.

**Agenda Item #4 – Approval of the Assignment of the Existing Builder's Choice Land Lease to Midwest Concrete Materials, Inc.** (Swanson)

Since January 1995, Builder's Choice, a division of Concrete Supply of Topeka, Inc., has been a valued business in the community and tenant of the Salina Airport Authority. Occupying 8.2 acres of land located east of Centennial Rd. across from Salina Area Tech, Builder's Choice has operated a ready-mix concrete plant at the site on the land owned by the Authority. The Authority has been notified that Midwest Concrete Materials, ("MCMI") will be acquiring the assets of Builder's Choice Salina and desires to operate the site as a MCMI concrete plant and assume the Builder's Choice land lease. MCMI is a closely held Kansas corporation that has roots back to 1927 and was incorporated in 1962. They currently employ approximately 200 people covering twelve ready-mix concrete plants with the closest one being in Abilene, KS.

The current Builder's Choice Lease Agreement, dated December 16, 2009, requires that any assignment of Lease be approved by the Salina Airport Authority. Enclosed you will find an Assignment and Assumption of Lease document that includes and provides for the Authority's consent. SAA staff reviewed the 2009 Lease as compared to our current base land lease to determine if any material provisions

would need to be updated and incorporated into the assignment. Of significance in our base lease, is our most recent change to our environmental lease language that we have included in the Assignment and Assumption of Lease.

**Recommendation:** Approval of the assignment of the December 16, 2009 Builder's Choice, a division of Concrete Supply of Topeka, Inc., Lease to Midwest Concrete Materials, Inc. and authorization for Chair Gunn to sign the Consent to Assignment and Assumption of Lease.

**Agenda Item #5 – Consideration and Approval of Bids and Quotes Received for Airfield Maintenance, Operations and ARFF Equipment.** (Swanson and Windhorst)

In anticipation of the award of a Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) grant from the FAA the SAA board approved a budget of \$725,000 for the purchase of airfield, operations and ARFF equipment with CRRSAA grant funds. On March 24, a \$1,005,444 CRRSAA grant agreement was received from the FAA and signed as authorized by the SAA board on March 17. As expected, the grant provides for the use of CRRSAA funds to reimburse the Authority for operating expenses or airfield maintenance, operations and ARFF equipment. These permitted uses are consistent with the SAA's \$1,836,078 CARES Act grant that was closed out on March 9, 2021. With the CARES Act grant the Airport Authority used \$558,878 to purchase airfield maintenance, operations and ARFF equipment. The CRRSAA grant funds 100% of the cost of equipment purchases and operating expenses. A local match/share is not required.

Below is the updated listing of airfield maintenance, operations and ARFF equipment to be purchased with CRRSAA grant funds. Competitive bids and price quotes have been received for the items noted below. Yet to be determined are the costs for the purchase of a surplus KHP 3/4T pickup, B614 roof repairs and B700 roof repairs. The actual cost (based on bids/quotes) for all other budgeted items is \$523,720.

| GROUP 3                                                    |                                 |                   |                            |                   |                     |
|------------------------------------------------------------|---------------------------------|-------------------|----------------------------|-------------------|---------------------|
|                                                            | Supplier                        | Budget            | Bid /<br>Quote<br>Received | Actual            | Difference          |
| Airfield Signage (LED Kits)                                | Lumacurve                       | \$ 80,000         | √                          | \$ 77,753         | \$ (2,247)          |
| Airfield Perimeter Gate Openers                            | Cheney Door                     | 25,000            | √                          | 20,340            | (4,660)             |
| Board Room Furniture                                       | One Office Solutions            | 20,000            | √                          | 15,437            | (4,563)             |
| Wheel Loader                                               | Murphey Tractor                 | 200,000           | √                          | 179,198           | (20,802)            |
| (5) Wheel Loader Attachments                               | Multiple vendors                | 100,000           | √                          | 63,935            | (36,065)            |
| Wood/Brush Chipper                                         | Fairbank Equipment              | 65,000            | √                          | 60,630            | (4,370)             |
| Term. Bldg. AEDs                                           | Western First Aid               | 7,500             | √                          | 7,025             | (475)               |
| (2) Ford/Dodge SUV (surplus)                               | KHP Fleet Sales                 | 60,000            | √                          | 57,700            | (2,300)             |
| 3/4 T pickup (surplus)                                     | KHP Fleet Sales                 | 25,000            |                            | -                 | -                   |
| Bldg. 614 Roof (Mx Shop)                                   | TBD                             | 25,000            |                            | -                 | -                   |
| Bldg. 700 Roof (Avflight)                                  | TBD                             | 22,500            |                            | -                 | -                   |
| Vehicle Lift - 15,000 lb. capacity                         | Northern Tool & Equipment       | 10,000            | √                          | 9,435             | (565)               |
| Scissor Lift - 32 ft. (39 ft. working height) with trailer | United Rentals & K-Four Trailer | 60,000            | √                          | 27,268            | (32,732)            |
| Concrete Saw                                               | Ohio Power Tools                | 6,000             | √                          | 5,000             | (1,000)             |
| Equipment accessories / contingency                        |                                 | 19,000            |                            | -                 | -                   |
| <b>Total</b>                                               |                                 | <b>\$ 725,000</b> |                            | <b>\$ 523,720</b> | <b>\$ (109,780)</b> |

**Recommendation:** Approval of the use of \$523,720, CRRSAA grant funds to purchase airfield maintenance, operations and ARFF equipment as detailed by staff.

**Agenda Item #6 – Review of Bids Received for the Construction of a New Five-Unit Aircraft Storage Hangar, Extended Aircraft Taxi Lane and T-Hangar Public Restroom.** (Swanson)

Project bids were received and opened (public bid opening) on March 31. Bids were received for the following project components.

1. One (1) 12,000 SF, 50 ft. x 250 ft. five (5) unit, aircraft storage hangar
2. Taxi lane grading, drainage and paving for the five (5) unit aircraft storage hangar
3. One (1) public restroom to serve all aircraft storage hangar tenants

The taxi lane and public restroom would be common use improvements and funded 100% by SAA funds. The five (5) unit aircraft storage hangars would be financed using leasehold revenue bonds that will be repaid by lease revenue from the new hangar.

Following the bid opening SAA staff and project architect will review the bids received. The bid results, tabulation and apparent successful bidder(s) will be reported to the board at your April 7 special board meeting.

In addition to reporting the bidding results we will also be able to provide you options for project financing, recommended preleasing rate and terms.

**Agenda Item #7 – Review of Active Airport and Airport Industrial Center Building, Hangar and Development Site Prospects** (Rogers)

At the meeting, I will provide you a summary of five active economic development projects that we are working on. The projects involve both aeronautical and nonaeronautical business.

**Agenda Item #8 – Runway 17/35 Rehabilitation Project Funding and Schedule Update** (Rogers and Swanson)

At the meeting, we will update you on the project budget, bidding schedule, AIP grant funding, and 2022 construction schedule.

Please contact me if you have any questions or comments.

**SALINA AIRPORT AUTHORITY SPECIAL BOARD MEETING**  
**Hangar H600, First Floor Conference Room**  
**2720 Arnold Court**

**April 7, 2021 – 4:00 PM**

**AGENDA**

**Action Items**

1. Call to order, determine that a quorum is present and confirm that the meeting notice has been published. (Gunn)
2. Recognition of guests. (Gunn)
3. Additions to the agenda and agenda overview. (Rogers)
4. Consideration of the assignment of the current Salina Airport Authority land lease with Builder's Choice land lease to Midwest Concrete Materials, Inc. (Swanson)
5. Consideration and approval of bids and quotes received for airfield maintenance, operations and ARFF equipment to be purchased with Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) grant funds. (Swanson and Windhorst)
6. Review of bids received for the construction of a new, five-unit aircraft storage hangar, extended aircraft taxi lane and T-Hangar area public restroom. (Rogers, Bieker and Swanson)

**Directors' Forum** (Gunn)

**Visitor's Questions and Comments** (Gunn)

**Staff Reports** (Rogers)

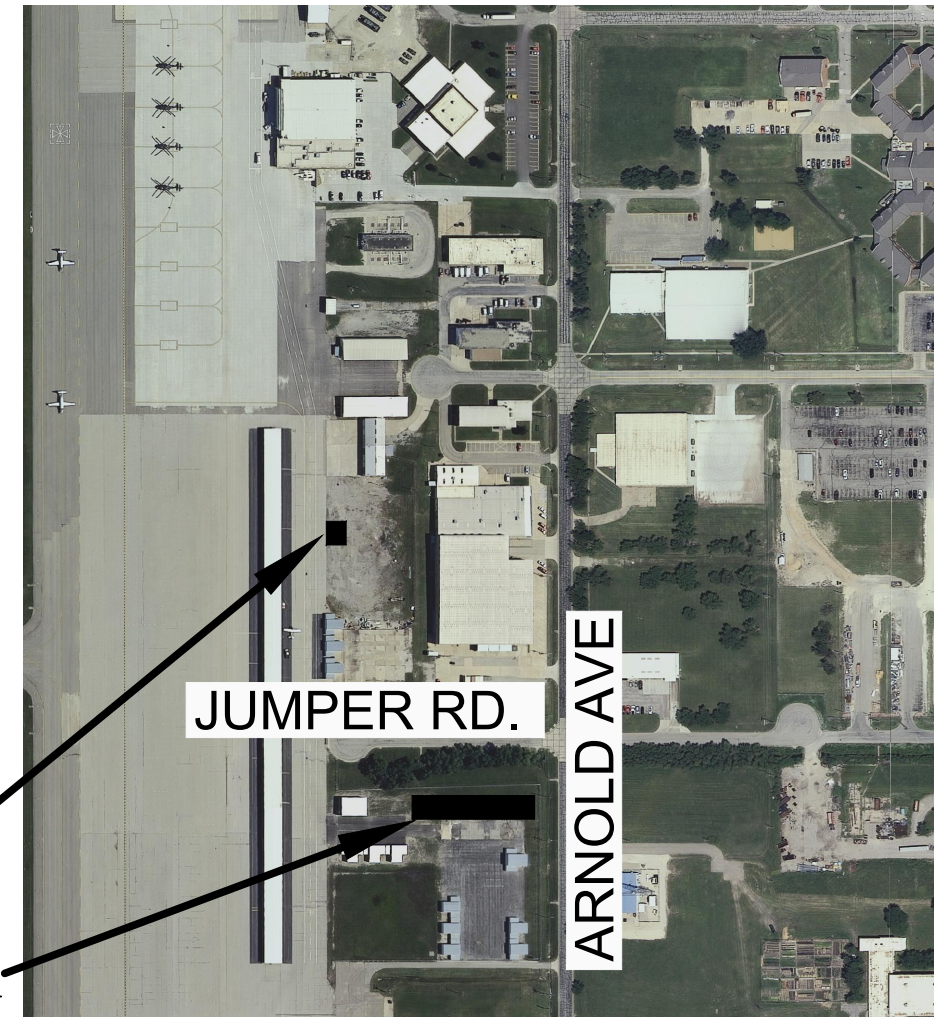
7. Review of active Airport and Airport Industrial Center building, hangar, and development site prospects. (Rogers)
8. Runway 17/35 rehabilitation project funding and schedule update (Rogers and Swanson)

**Announcements** (Windhorst)

**Adjournment** (Gunn)







Builders Choice

Public Restroom

5-Unit Box Hangars

Drawing Number 2930-04-21



3237 ARNOLD, SALINA, KS 67401  
(785-827-3914 FAX: 785-827-2221)

**None** : REVISIONS

**KRB** : DESIGNED BY

**KRB** : DRAWN BY

**1" = 2000'** : SCALE

**4/1/21, 1334** : DATE





## **ASSIGNMENT AND ASSUMPTION OF LEASE**

**THIS ASSIGNMENT AND ASSUMPTION OF LEASE**, Made and entered into this \_\_\_\_ day of April, 2021, by and between Builder's Choice, a division of Concrete Supply of Topeka, Inc., hereinafter referred to as "**Builder's Choice**" and Midwest Concrete Materials, Inc., hereinafter referred to as "**Midwest Concrete**".

### **WITNESSETH:**

**WHEREAS**, Builder's Choice has heretofore entered into a certain Lease Agreement, dated December 16, 2009, with the Salina Airport Authority, therein referred to as the "Authority," covering certain real estate located in Saline County, Kansas, on which improvements have been constructed by Builder's Choice, the terms and provisions of which are incorporated herein and by reference made a part hereof<sup>1</sup>; and

**WHEREAS**, on January 1, 2020, Concrete Supply of Topeka, Inc. made the conversion from a domestic corporation to a domestic limited liability company, therefore becoming Concrete Supply of Topeka, LLC, a Kansas limited liability company; and

**WHEREAS**, Hamm Inc., is the sole member of Concrete Supply of Topeka, LLC, which is part of Summit Materials, Inc., the publicly traded parent company; and

**WHEREAS**, pursuant to Paragraph 13 of the above-described Lease Agreement, the Lessee, Builder's Choice, "shall not assign the Lease or any interest therein and shall not sublet the Premises or any part thereof, or allow any person to occupy or use the Premises or any portion thereof, without prior written consent of the Authority"; and

**WHEREAS**, subject to the acceptance, approval, and agreement of Midwest Concrete to the terms and conditions of the Consent of the Authority hereinafter set forth, the parties have entered into this Assignment and Assumption of Lease to set forth their respective covenants and agreements:

**NOW, THEREFORE**, in consideration of the above and foregoing and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. **ASSIGNMENT:** Builder's Choice hereby sells and assigns to Midwest Concrete all of Builder's Choice's right, title, and interest in and to that certain Lease Agreement, dated December 16, 2009, described and referred to in the preambles hereof, effective from and after the date of this Assignment and Assumption of Lease.

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<sup>1</sup> As a condition of the Consent of the Authority set forth at the end of this Assignment and Assumption of Lease, some of the terms and provisions of the Lease agreement are changed and modified.

2. **ASSUMPTION OF LEASE:** Midwest Concrete hereby assumes and accepts responsibility for payment of the rent and to faithfully perform all of the covenants, stipulations, and agreements contained in the Lease Agreement described above to be complied with by Builder's Choice, subject to the modifications to the terms and provisions of the Consent of the Authority hereinafter set forth.

Midwest Concrete acknowledges and agrees that its assumption hereunder includes, but is not limited to, the requirement that it not further assign, transfer, or sublet, all or any portion of the premises under the Lease Agreement without the prior written consent of the Authority.

3. **RELEASE OF LESSEE:** The assignment of the above-described Lease Agreement by Builder's Choice to Midwest Concrete releases and absolves Builder's Choice from the responsibility or obligation for compliance with the terms and conditions of above-described Lease Agreement.

4. **REPRESENTATIONS, WARRANTIES, AND ESTOPPELS:** Builder's Choice represents and warrants to Midwest Concrete that the above-described Lease Agreement is in full force and effect and that it is not in default in the performance of any of the terms, covenants, and conditions required thereunder; nor is it or the Authority in default in the performance of any of the terms, covenants, and conditions required to be complied with by such party; nor has it or the Authority committed any breach which could result in termination of the above-described Lease Agreement. Builder's Choice represents, warrants, and acknowledges that it has paid all rent due under the above-described Lease Agreement through March 31, 2021. Builder's Choice further agrees to remit to the Authority no later than May 3, 2021 the 2020 second half property taxes in the amount of \$7,445.93. The rent for April 2021, shall be prorated as of the date of this Assignment and Assumption of Lease, such that Midwest Concrete shall reimburse Builder's Choice for its pro-rata share of the rent paid.

5. **BINDING EFFECT:** The provisions of this Assignment and Assumption of Lease Agreement shall inure to the benefit of the parties hereto and their respective personal representatives, successors, and assigns.

6. **APPLICABLE LAW:** This Assignment and Assumption of Lease Agreement shall be governed by and construed in accordance with the laws of the state of Kansas.

**WITNESS WHEREOF,** the parties hereto have hereunto set their hands the day and year first above written.

**“MIDWEST CONCRETE”**

Midwest Concrete Materials, Inc.

By: \_\_\_\_\_

Robert H. Eichman, President

Attest:

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Richard C. Shermoen  
Secretary/Treasurer

**“BUILDER’S CHOICE”**

Builder’s Choice, a division of Concrete Supply of  
Topeka, Inc.

By: 

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Ryan Blosser, President

Attest:

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Tim Zynda, Vice President



## **CONSENT TO ASSIGNMENT AND ASSUMPTION OF LEASE**

The Salina Airport Authority hereby consents to the assignment of the Lease Agreement described and referred to in the preambles hereof by Builder's Choice to Midwest Concrete; including the assumption of liabilities and responsibilities of the Lessee thereunder by Midwest Concrete. Further, this Consent is conditioned upon and subject to the agreement by Midwest Concrete Materials, Inc., to the following terms and conditions, which, in part, modify the terms and conditions of the Lease Agreement:

1. Midwest Concrete Materials Inc. agree to fully comply with and accept responsibility for performance of any and all terms and conditions of the Lease Agreement and further agree shall not further sell, assign, transfer, or lease the Premises without the prior written consent of the Salina Airport Authority.

2. Section 5 of the Lease shall be amended to provide as follows:

5. **Environmental Concerns:**

5.1. **Defined Terms.** The following terms are defined in the Lease Agreement and shall mean:

5.1.1. **“Environmental Law”** means any now-existing or hereafter enacted or promulgated federal, state, local, or other law, statute, ordinance, rule, regulation or court order pertaining to (i) environmental protection, regulation, contamination or clean-up, (ii) toxic waste, (iii) underground storage tanks, (iv) asbestos or asbestos-containing materials, or (v) the handling, treatment, storage, use or disposal of Hazardous Substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act and The Resource Conservation Recovery Act, all as exist from time to time.

5.1.2. **“Hazardous Substances”** means all (i) “hazardous substances” (as defined in 42 U.S.C. §9601(14)) (ii) “chemicals” subject to regulation under Title III of the Superfund Amendments and Reauthorization Act of 1986, as amended from time to time (iii) natural gas liquids, liquefied natural gas or synthetic gas, (iv) any petroleum, petroleum-based products or crude oil or any fraction, or (v) any other hazardous or toxic substances, wastes or materials, pollutants, contaminants or any other substances or materials that are included under or regulated by any Environmental Law.

5.2. **Authority's Responsibility.** The Authority is party to a settlement reached with the United States of America to complete the cleanup of environmental contamination caused by the Department of Defense at the Salina Regional Airport and Airport Industrial Center, formerly the Schilling Air Force Base. The Authority shall be responsible for the cleanup and removal of any Hazardous Substances which are determined to have been present on the Premises prior to January 1, 1995. Authority agrees to indemnify and hold Lessee harmless from and against all claims, expenses, loss or liability arising from the presence of any such contamination which occurred prior to January 1, 1995.

5.2.1. The Authority shall be responsible for any contamination caused by or during the performance of Authority's work as landlord, even if it occurs after January 1, 1995.

5.3. Lessee Responsibility. The Lessee shall be responsible for the cleanup and removal of any Hazardous Substances, petroleum products, and petroleum additives released on the Premises at any time Lessee occupies the Premises from and after January 1, 1995. Lessee agrees to indemnify and hold the Authority harmless from and against all claims, expenses, loss, or liability arising from any such contamination which occurs at any time Lessee occupies the Premises from and after January 1, 1995.

5.3.1. Lessee agrees to comply with all storm water and waste collection requirements of any federal, state, or local governmental laws, rules and regulations.

5.3.2. Lessee agrees that it will comply with all federal, state, and local regulations regarding the handling, storage, and dispensing of Hazardous Substances, including petroleum products, on the Premises.

5.3.3. Lessee agrees that it will immediately notify the Authority in the event of any spills or leaks of Hazardous Substances, including any liquid hydrocarbon materials, on the Premises, and to clean up the affected area in accordance with Kansas Department of Health and Environment standards.

5.4. Non-waiver. Any acknowledgement or undertaking of responsibility by either party to this Sublease in relation to the other party, as set forth above, shall not be regarded as a release or waiver of any right by the responsible party to seek recovery against or contribution from any person or entity not a party to this Sublease.

5.5. Lessee also agrees to comply with all storm water and waste collection requirements of any federal, state or local governmental laws, rules and regulations.

DATED: April 7, 2021

**SALINA AIRPORT AUTHORITY**

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Kristin Gunn, Chair

Attest:

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Brian Weisel, Secretary

**AGREEMENT TO TERMS OF CONSENT**

The undersigned, on behalf of Midwest Concrete Materials, Inc., hereby consent to and agree with the conditions of the Consent of the Salina Airport Authority as set forth above.

DATED: April 7, 2021

**“MIDWEST CONCRETE”**

Midwest Concrete Materials, Inc.

By: \_\_\_\_\_  
Robert H. Eichman, President

Attest:

\_\_\_\_\_  
Richard C. Shermoen  
Secretary/Treasurer