# Minutes of the Joint Meeting of the MNAA General Aviation/Operations/Planning & Engineering and MPC Engineering & Planning Committees

BNA Nashville International Airport

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| Date: | February 10, 2021 | Place: | Nashville International Airport Board Room / Electronic Meeting |
| Time: | 9:00 a.m. | | |
| Committee Members Present: | | | Bill Freeman, Chair; Nancy Sullivan, Vice Chair; Amanda Farnsworth; and Jimmy Granbery |
| Committee Members Absent: | | | None |
| Others Present: | | | Aubrey B. Harwell III; Kevin Crumbo; Bobby Joslin; John Doerge; Christy Smith; Joycelyn Stevenson; Doug Kreulen; Cindy Barnett; Lisa Lankford; and Angela Edwards |

I. Call to Order

Chair Freeman called the General Aviation/Operations/Planning & Engineering (GAOPE) Committee meeting to order at 9:00 a.m., pursuant to Public Notice dated February 5, 2021.

II. Roll Call and Open Meetings Announcement

Ms. Angela Edwards, Staff Secretary, called roll of the GAOPE Committee and asked for a vote on the approval of holding the meeting electronically and a waiver of reading of the Open Meetings Act Announcement. All members were present and the approval of holding the meeting electronically and waiver of reading the Open Meetings Act Announcement passed by vote of 4 to 0. The reading of the Open Meetings Act Announcement was waived, but is included in the Minutes as follows:

The Meeting of the GAOPE Committee will be held in accordance with Executive Order No. 16, signed by Governor Bill Lee on March 20, 2020, which allowed governing bodies to meet electronically regarding essential business in light of Coronavirus Disease (COVID-19), and that order was extended by Executive Order Nos. 34, 51, 60, 65, and 71. All votes taken during this meeting will be by roll call vote.

III. Approval of Minutes

Chair Freeman called for a motion to approve the Minutes of the January 13, 2021 GAOPE Committee meeting. A motion was made by Commissioner Granbery and seconded by Vice Chair Sullivan. Ms. Edwards took a roll call vote and the motion carried by vote of 4 to 0.

IV. Chair's Report

Chair Freeman had no Chair's Report.

V. Items for Approval

A. Approval of On-Call Airfield Pavement Marking Services

Ms. Traci Holton, AVP, Chief Engineer, briefed the Committee on this item. Staff requested that the GAOPE Committee recommend to the Board of Commissioners that it accept the proposal by Marking Impressions, Corporation d/b/a Pope Striping and American Water Blasting (Pope Striping) for On-Call Airfield Marking, Rubber and Marking Removal Services and authorize the Chair and President and CEO to execute the Purchased Goods and Services Contract.

Staff provided the GAOPE Committee a staff analysis of On-Call Airfield Pavement Marking Services prior to the meeting.

Ms. Holton explained the contract is for airfield striping and rubber removal in order to ensure airfield markings are maintained for air traffic safety at Nashville International Airport (BNA) and John C. Tune Airport (JWN).

A Request for Proposals (RFP) was advertised in late October 2020. Three proposals were received on November 25, 2020. One firm was deemed non-responsive for failure to meet the SMWBE participation level or provide acceptable good faith efforts. The two remaining responses were evaluated for experience and qualifications, key personnel, SMWBE participation and price. The selection committee determined Pope Striping to be the best value for the scope of services. The SMWBE participation level set by MNAA for this project was 10% SMWBE. Pope Striping is a certified SBE but will also utilize SMWBE firms, Sign Central and Archangel Protective Services. The contract is for one year with 4 one-year renewal options and the contract cost is not to exceed $1.150M annually.

After questions and discussions, a motion was made by Vice Chair Granbery and seconded by Commissioner Sullivan. Ms. Edwards took a roll call vote and the motion carried by vote of 4 to 0.

B. Approval of On-Call Low Voltage Services

Ms. Holton briefed the Committee on this item. Staff requested that the GAOPE Committee recommend to the Board of Commissioners that it approve the proposal by Simino Electric, LLC (Simino) for On-Call Low Voltage Communication and Power - Equipment, Cabling, and Conduit Services at BNA, JWN, and MNAA Properties Corporation (MPC), and authorize the Chair and President and CEO to execute the purchased goods and services contract.

Staff provided the GAOPE Committee a staff analysis of On-Call Low Voltage Services prior to the meeting.

An RFP was issued in late November 2020 and one proposal was received on December 23, 2020 from Simino. The evaluation committee evaluated Simino on experience and qualifications, key personnel, SMWBE participation, and price. The SMWBE participation level set by MNAA for this project was 4.30%. Simino is a certified SBE and has partnered with SWMBEs, EJO Ventures and Utopia Building Group.

The duration of the contract is for one year, with 4 one-year renewal options. The contract cost is not to exceed $750K per renewal.

After questions and discussions, a motion was made by Vice Chair Granbery and seconded by Commissioner Sullivan. Ms. Edwards took a roll call vote and the motion carried by vote of 4 to 0.

VI. Information Items

A. JWN Development Update

President Kreulen briefly touched on the background of the JWN Redevelopment and explained the Design/Contract is ready for award. Last month, the Board of Commissioners asked the staff to complete additional analysis regarding the numbers used in the business model. Additional review was completed by Ms. Marge Basrai, Chief Financial Officer, President Kreulen, and Landrum and Brown, a certified financial advisor. The results of the review consisted of a reduction in capital costs, removal of duplicate charges, a MNAA overhead charge of 1%, credit for tenant fuel flow charges, and the removal of Return on Investment (ROI) from existing 45 hangars.

Staff recommended the GAOPE Committee recommend to the Board of Commissioners that it:

(1) Adopt the following business model to determine appropriate rents for all MNAA funded developments:

- Direct Costs + Operating Costs = Breakeven Rent
- Breakeven Rent + ROI (for new hangars) = Total Rent
- Annual review of O&M and CPI escalation;

(2) Implement the business model for all existing and new MNAA funded T-Hangars, using the following guidelines:

- Direct facility costs with a 40-year life (for new construction)
- Use 30-year remaining life for existing (45 hangars)
- 30% pro rata share of JWN operating costs
- ROI at bond rate (cost of debt service) for new hangars
- Use 0% ROI for existing (45 hangars)

- 12-month lease term; rent adjusted annually
- implement new rent on existing hangars effective July 1, 2021; and

(3) Approve CGMP #1 at the February Board meeting.

Chair Freeman was delighted with the results of the business model recalculation and asked for a motion to approve the JWN business model, rent implementation, and move to the full Board next week for approval. Commissioner Granbery made a motion to approve the three items presented by President Kreulen. Commissioner Farnsworth seconded the motion. Commissioners complemented the staff for all their hard work.

Commissioner Crumbo asked that staff provide the rates for other cities to ensure JWN is competitive to other markets.

Commissioner Granbery stated upon finalizing the lease he would like to see a 12-month automatic renewal based on the formula of the annual adjustment and encouraged staff to make subleasing automatic.

Vice Chair Sullivan inquired about seeing the list of comparable airports and fees before the Board votes to approve next week. Commissioner Farnsworth stated she had looked at comparable airports in various other cities and felt confident JWN's rents were in-line and acceptable with comparable airports.

After questions and discussion regarding CPI, Chair Freeman called for a vote on the motion and second. Ms. Edwards took a roll call vote and the motion passed by vote of 4 to 0.

VII. Adjourn

There being no further business before the GAOPE Committee, Chair Freeman adjourned the meeting at 9:31 a.m.

William H. Freeman, Board Secretary