

REGULAR MEETING OF THE BOARD OF COMMISSIONERS, MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY (MSCAA) September 15, 2022

CALL TO ORDER

The Board Meeting is conducted in person to the Board of Commissioners and Airport Authority Executive Staff and via ZOOM Webcast to the Public.

APPROVAL OF BOARD MEETING MINUTES: ***August 18, 2022***

Resolutions for Approval This Month

Approval of Amendment No. 3 – Construction Administration, Inspection and Program Management/Professional Engineering Srv - Parsons Transportation Group, Inc

Approval of Amendment No. 1 – Leased Property at 3130 Tchulahoma Road - Federal Express Corporation

Approval of Amendment No. 3 - Fuel System Lease Agreement – MEMFuel, LLC

Approval of Contract - Economy Garage Elevator Replacement - KONE, Inc.

Approval of Purchase Agreement – (2) MB5 Multi-Tasking Snow Removal Vehicles - M-B Companies, Inc.

Approval of Amendment No. 1 – Lease and Concession Agreement to Include Vending Machines -The Paradies Shops, LLC

Approval of Amendment No. 1 – Pinnacle Hangar Lease Agreement - Wilson Air Center, LLC

Approval of Contract – Consolidated Baggage Modifications-Terminals A/B-Design/Build-Construction - Grinder Haizlip Construction

Approval of Contract – Maintenance Repair & Overhaul Facility Site Prep (MRO) -Design - Foth Infrastructure & Environment, LLC

Division Reports

TREASURER and PROPERTIES REPORTS

Sylvester Lavender, Vice President of Finance and Administration/CFO

OPERATIONS REPORT

Terry Blue, Executive Vice President of Operations/COO

INFORMATION ITEMS

NEXT BOARD MEETING – ***October 20, 2022***

RESOLUTION

Memphis-Shelby County Airport Authority
Treasurer's Report

For the Two Months Ended August 31, 2022

SUMMARY	Current Period Actual	Current Period Budget	Variance	% Variance	YTD Actual	YTD Budget	YTD Variance	YTD % Variance	Annual Budget
Revenues	11,357,655	10,786,972	570,683	5.3%	23,023,751	21,976,907	1,046,844	4.8%	133,385,000
Expenses	9,190,948	9,847,294	(656,346)	(6.7%)	18,930,755	20,165,442	(1,234,687)	(6.1%)	133,385,000
Net Revenues	2,166,706	939,678	1,227,028		4,092,996	1,811,465	2,281,531		0
SUMMARY BY COST CENTER									
Revenues									
Terminal	1,720,616	1,739,822	(19,206)	(1.1%)	3,485,155	3,571,797	(86,642)	(2.4%)	20,934,800
Ground Transportation	3,145,165	2,451,170	693,995	28.3%	6,653,683	5,183,280	1,470,403	28.4%	30,902,800
Airfield	4,419,048	4,554,560	(135,512)	(3.0%)	8,702,080	9,136,790	(434,710)	(4.8%)	56,772,600
Other Aviation	327,242	318,800	8,442	2.6%	663,403	634,240	29,163	4.6%	3,830,600
Non-Aviation	115,024	107,980	7,044	6.5%	257,401	221,520	35,881	16.2%	1,537,800
Other Sources	178,960	163,040	15,920	9.8%	358,830	326,080	32,750	10.0%	1,986,400
Operating Revenues	9,906,055	9,335,372	570,683	6.1%	20,120,551	19,073,707	1,046,844	5.5%	115,965,000
Allocated Surplus	250,000	250,000		0.0%	500,000	500,000		0.0%	3,000,000
CRRSSA	1,201,600	1,201,600		0.0%	2,403,200	2,403,200		0.0%	14,420,000
Total Revenues	11,357,655	10,786,972	570,683	5.3%	23,023,751	21,976,907	1,046,844	4.8%	133,385,000
Expenses									
Terminal	1,103,352	1,145,050	(41,698)	(3.6%)	2,281,267	2,318,350	(37,083)	(1.6%)	14,057,670
Ground Transportation	398,085	454,711	(56,626)	(12.5%)	766,400	910,406	(144,006)	(15.8%)	5,351,200
Airfield	1,421,968	1,443,598	(21,630)	(1.5%)	3,045,108	3,078,236	(33,128)	(1.1%)	18,243,652
Field Shop	162,792	157,710	5,082	3.2%	322,930	328,230	(5,300)	(1.6%)	1,986,190
General Admin	1,307,965	1,607,675	(299,710)	(18.6%)	2,875,605	3,365,400	(489,795)	(14.6%)	22,564,662
Operation & Public Safety	789,600	974,480	(184,880)	(19.0%)	1,632,990	2,036,280	(403,290)	(19.8%)	12,505,826
Other & Non Aviation	101,538	158,420	(56,882)	(35.9%)	195,155	317,240	(122,085)	(38.5%)	1,967,700
Bond Principal Int. & Coverage	3,905,650	3,905,650		0.0%	7,811,300	7,811,300		0.0%	46,867,700
Capital Disbursements									9,840,400
Total Expenses	9,190,948	9,847,294	(656,346)	(6.7%)	18,930,755	20,165,442	(1,234,687)	(6.1%)	133,385,000
Revenues Over/(Under) Expenses	2,166,706	939,678	1,227,028		4,092,996	1,811,465	2,281,531		0

**Report is comprised of estimates and is for internal management purposes only.

WHEREAS, by Resolution 19-4885, adopted May 16, 2019, the Board of Commissioners (“Board”) of the Memphis-Shelby County Airport Authority (“Airport Authority”) authorized the execution of a multi-year contract agreement with Parsons Transportation Group, Inc. to provide construction administration, inspection, and program management services in support of the Authority’s Capital Improvement Program for the project described as:

**CONSTRUCTION ADMINISTRATION
INSPECTION AND PROGRAM MANAGEMENT SERVICES
PROFESSIONAL ENGINEERING SERVICES
MSCAA PROJECT NO. 19-1422-00**

WHEREAS, Contract No. 19-1422-00 was executed effective August 23, 2019 (“Contract”) and established a scope of services with commensurate unit billing rates and a not-to-exceed budget for the first contract year of \$7,100,000.00; and,

WHEREAS, Article 1, Section 1.02(a) of the Contract provides for annual adjustment of unit billing rates; requires establishment of an estimated not-to-exceed budget for each successive contract year; and requires incorporation of the written amendment into the Contract; and,

WHEREAS, by Resolution 20-4945, adopted on August 20, 2020, the Board authorized Contract Amendment No. 1 to establish an estimated not-to-exceed budget for the second contract year of \$6,900,000.00; and,

WHEREAS, by Resolution 21-5002, adopted on September 23, 2021, the Board authorized Contract Amendment No. 2 to establish an estimated not-to-exceed budget for the third contract year of \$6,100,000.00; and,

WHEREAS, Airport Management now desires to exercise the first of two option-to-renew terms for the fourth year of the Contract; and,

WHEREAS, Airport Management has negotiated billing rates for the fourth year of the Contract and has established an estimated not-to-exceed budget in the amount of \$6,100,000.00 for the fourth year, based on currently active and anticipated projects, to be

tracked by specific project and expenditures; and,

WHEREAS, in furtherance of its Disadvantaged Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 30% for the full term of this Contract; and,

WHEREAS, the Airport Management's Capital Program Executive Staff (CPES), by action taken on September 8, 2022, recommends approval of Amendment No. 3 to Contract No. 19-1422-00; and,

WHEREAS, Management recommends approval of Contract Amendment No. 3 incorporating those items into the Contract;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee, is hereby authorized to execute Amendment No. 3 to Contract No. 19-1422-00 with Parsons Transportation Group, Inc., as herein described, cost to be paid from various funding based on related and designated projects.

09-15-22

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority (“Authority”) owns and operates certain real property located at 3130 Tchulahoma Road in Memphis, TN (“Property”); and,

WHEREAS, Federal Express Corporation (“FedEx”) and the Authority entered into a lease agreement dated August 26, 2021 (“subject Lease”) to lease a certain portion of Property consisting of 70,199 square feet of warehouse space (“Bays N-U”) of a building totaling 200,722 square feet for a ten (10) year period (“Term”) and shall expire on August 31, 2031; and,

WHEREAS, FedEx and the Authority entered into a separate lease agreement dated September 25, 2020 to lease a certain portion of Property consisting of 20,073 square feet of warehouse space (“Bays L-M”) of said building totaling 200,722 square feet for a two (2) year period; and,

WHEREAS, the separate lease agreement for Bays L-M expires on September 30, 2022; and,

WHEREAS, FedEx desires to continue to lease and occupy Bays L-M after the expiration of the separate lease agreement and incorporate that space into the longer-term lease agreement for Bays N-U making the new expiration date for Bays L-M, August 31, 2031; and,

WHEREAS, FedEx and the Authority desire to amend the subject Lease to add Bays L-M, effective September 30, 2022, and to adjust the rental schedule to reflect the additional space; and,

WHEREAS, the total gross rent for the additional 20,073 square feet of warehouse space shall be \$500,235.89 for the remainder (nominally eight years) of the Term; and,

WHEREAS, Airport Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the

Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to enter into an Amendment to the subject Lease Agreement with FedEx for the purpose as referenced herein.

09-15-22

RESOLUTION

WHEREAS, MEMFuel LLC (“MEMFuel”) and the Memphis-Shelby County Airport Authority (“Authority”) entered into the Fuel System Lease Agreement dated July 15, 2014 to lease certain premises for the receipt, distribution, storage, handling and dispensing of jet fuel at Memphis International Airport (“Airport”) and for the improvement, maintenance, use and operation of the Fuel System; and,

WHEREAS, MEMFuel provides aviation jet fuel to passenger airlines under a separate consortium agreement with each airline operator; and,

WHEREAS, the Fuel System Lease Agreement was thereafter modified by a First Amendment dated November 1, 2014, a Second Amendment dated October 1, 2015, all of which are collectively referred to herein as the “Agreement”; and,

WHEREAS, the Term of the Agreement expires December 31, 2033; and,

WHEREAS, in accordance with the terms and conditions of the Agreement, MEMFuel has proposed the following scope of work to upgrade and optimize the Fuel System:

- [REPLACE] five (5) existing 1250-gpm hydrant pump-filter trains with four (4) new 800-gpm trains
- [PROVIDE] new control valves and instrumentation
- [DEMOLISH] existing electrical building and [PROVIDE] new power distribution center (PDC) with electrical switchgear, variable-frequency drives (VFD’s), and PLC-based control system
- [REPLACE] existing diesel backup generator and [PROVIDE] automatic transfer switch
- [PROVIDE] new hydrant cart test stand with required valves, master meter, and low/high test connections

WHEREAS, the total project budget is estimated to be \$10,180,000 with a preliminary project schedule estimated at 101 weeks; and,

WHEREAS, in making capital upgrades to the Fuel System, MEMFuel shall obtain appropriate financing and in consideration of amortizing the costs associated with the

proposed capital project, the parties desire to amend and modify the Agreement to extend the Term; and,

WHEREAS, upon amendment of the Agreement the new Term shall expire December 31, 2047; and,

WHEREAS, Airport Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to enter into an Amendment to the Agreement with MEMFuel for the purpose as referenced herein.

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09-15-22

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority (“Airport Authority”) is authorized by the public purchasing provisions of state law to participate in the cooperative purchasing of supplies and/or services as an exception to the bidding requirements; such authority is set forth in Policy 801(7)(a) of the Airport Authority’s Policy Manual; and,

WHEREAS, KONE Inc. (“KONE”) is a current service provider for OMNIA Partners, a public purchasing cooperative, and, under OMNIA Partners cooperative purchasing contract #EV2516, KONE provides elevator maintenance and modernization services and related solutions, which includes elevator replacement; and,

WHEREAS, the Airport has struggled to ensure that the elevators serving the economy garage remain consistently operational; and,

WHEREAS, pursuant to the OMNIA Partners contract, the Airport Authority desires to replace the equipment associated with the four elevators in the Economy Parking Garage; and,

WHEREAS, under the terms of the OMNIA Partners contract, KONE has proposed to complete the project for a not-to-exceed total fee of \$1,526,800.00; and,

WHEREAS, in order to allow for unforeseen conditions, Airport Authority Management recommends that a contingency of \$229,020.00 (15%) be established for the project, resulting in a total budget of \$1,755,820; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to execute a contract with KONE Inc., as herein described, cost to be paid from the Airport Authority’s Operating Funds or a funding source identified by the CFO.

09-15-22

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority (“Airport Authority”) is authorized by the public purchasing provisions of state law to participate in the cooperative purchasing of supplies and/or services as an exception to the bidding requirements, and such authority is set forth in Policy 801(7)(a) of the Airport Authority’s Policy Manual; and,

WHEREAS, the Airport Authority has entered into a Joint Powers Agreement (“Agreement”) with the State of Minnesota for cooperative purchasing; and,

WHEREAS, pursuant to this Agreement, the Airport Authority desires to purchase two multi-tasking snow removal vehicles; and,

WHEREAS, M-B Companies, Inc. (“M-B”), pursuant to the Agreement, has proposed to furnish two MB5 Mid-Mount Broom and Plow vehicles (“MB5 vehicles”) at a total price of \$1,742,455.68; and,

WHEREAS, the M-B MB5 vehicles available under the Agreement have been deemed a suitable fit as an addition to MEM’s overall snow removal program and plan; and,

WHEREAS, Airport Authority Management has determined that additional snow equipment is required with the anticipated opening of the Centralized Deicing Facility; and,

WHEREAS, the lead time to receive the two combination broom plow units is approximately 14 months; and,

WHEREAS, current supply chain challenges make it critical to order this equipment as soon as possible; and,

WHEREAS, the FY 2023 Budget included the purchase of this equipment which allows for this action to be taken; and,

WHEREAS, if the actual delivery of this equipment occurs after the completion of the fiscal year, the funds will be encumbered and carried over to complete the purchase with required payment; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to execute the agreement to purchase two MB5 vehicles from M-B Companies, Inc., as herein described, with cost to be paid from the Airport Authority's FY 23 Operating Funds or a funding source identified by the CFO.

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09-15-22

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority (“Authority”) by Resolution No. 20-4963 (adopted January 4, 2021), approved the execution of a Lease and Concession Agreement (“Concession Agreement”) between The Paradies Shops, LLC (“Paradies”) and the Authority for the development and operation of news, gifts, and specialty retail concessions at Memphis International Airport (“Airport”); and,

WHEREAS, Paradies and the Authority entered into the Concession Agreement dated March 24, 2021; and,

WHEREAS, due to security requirements, obtaining vending machines and vending services on the secure concourse has presented challenges; and,

WHEREAS, Paradies has staff and operations geared toward bringing personnel and products into the secure concourse; and,

WHEREAS, Paradies and the Authority desire to amend and modify the Concession Agreement for the purpose of including vending machines as a permitted concession activity by Paradies; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to enter into an Amendment to the Concession Agreement with Paradies for the purpose as referenced herein.

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09-15-22

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority (“Authority”) owns and operates certain real property located at 2930 Winchester Road in Memphis, TN (“Property”); and,

WHEREAS, Wilson Air Center, LLC (“Wilson Air”) and the Authority entered into a Concession and Lease Agreement (“FBO Lease”) dated August 10, 1996 to lease certain premises for the purpose of constructing facilities for a full-service fixed base operation (“FBO”) for general aviation aircraft at Memphis International Airport (“Airport”); and,

WHEREAS, the FBO Lease expires September 30, 2038; and,

WHEREAS, Wilson Air and the Authority entered into a separate Hangar Lease Agreement (“Hangar Lease”) dated January 1, 2015 to lease a certain Property and facilities that consists of a 51,500 square foot hangar associated with Wilson Air’s FBO activities at the Airport; and,

WHEREAS, the Hangar Lease expires December 31, 2024; and,

WHEREAS, Wilson Air and Authority desire to amend and modify the Hangar Lease for the purpose of extending the term to coincide with the existing FBO Lease, make capital upgrades to the hangar with the goal of attracting long-term tenants, and to adjust the rental schedule to reflect the extended term; and,

WHEREAS, upon amendment of the Hangar Lease the new term shall expire September 30, 2038; and,

WHEREAS, upon amendment of the Hangar Lease the total gross rent during the additional term shall be \$1,605,931.05 and,

WHEREAS, Airport Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to enter into an Amendment to the subject Hangar Lease Agreement with

Wilson Air for the purpose as referenced herein.

09-15-22

RESOLUTION

WHEREAS, pursuant to public advertisement, proposals were received as follows:

REQUEST FOR PROPOSALS
CONSOLIDATED BAGGAGE MODIFICATIONS IN TERMINAL A and B
DESIGN/BUILD CONSTRUCTION - REBID
MSCAA PROJECT NO. 19-1423-27-01
MEMPHIS INTERNATIONAL AIRPORT
Received July 7, 2022

Proposer	Proposal Amount
Grinder Haizlip Construction	\$ 5,490,375.00
JBT AeroTech Corporation *	\$ 3,852,841.92

**out-of-town*

#non-responsive

and,

WHEREAS, proposals include construction services for replacement of three existing baggage carousel/conveyor systems: 1) "B" East Baggage Makeup Carousel Replacement & Split; 2) "A" Baggage Makeup Carousel Replacement; and 3) Inbound "5B" Flat Plate Replacement at Memphis International Airport; and,

WHEREAS, the scope of work generally consists of removal and replacement of existing conveyor and carousel systems including but not limited to electrical modifications, new controls and/or control modifications, and other efforts as necessary; and,

WHEREAS, a selection committee evaluated each proposal based on identified criteria and Grinder Haizlip Construction was deemed to have the best proposal; and,

WHEREAS, the Airport Authority Management's Capital Program Executive Staff recommended award of the Project in the total amount of \$5,490,375.00 to Grinder Haizlip Construction and an Initial Contingency Amount (ICA) in the amount of \$274,518.75 (5%) for the project, which, in accordance with Airport Authority Policy 701, requires approval of the President and CEO and the Board; and,

WHEREAS, in furtherance of its Disadvantaged Business Enterprise (DBE) Program,

the Airport Authority established a DBE goal of 3% for the full term of this contract; and,

WHEREAS, Grinder Haizlip Construction, a local prime contractor, is using one (1) local certified DBE subcontractor totaling 3% of the project, which will total \$165,000.00 on this contract; and,

WHEREAS, Airport Authority Management recommends the approval of a contract with Grinder Haizlip Construction;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to execute a contract with Grinder Haizlip Construction as herein described, cost to be paid from Capital Outlay and/or other sources identified by the CFO.

09-15-22

RESOLUTION

WHEREAS, pursuant to public advertisement, Statements of Qualifications for professional engineering design services, and construction administrative assistance as necessary for planning, designing, and preparation of a site for a future Maintenance, Repair, and Overhaul (MRO) Facility at Memphis International Airport for project described as:

**REQUEST FOR QUALIFICATIONS
MAINTENANCE REPAIR & OVERHAUL FACILITY SITE PREPARATION – DESIGN
MSCAA PROJECT NO. 21-1453-00
Received March 31, 2022**

STATEMENTS OF QUALIFICATIONS RECEIVED FROM:

A2H, Inc.*

Allen & Hoshall, Inc.*

Barge Design Solutions, Inc.*#

Foth Infrastructure & Environment, LLC* #

Garver, LLC#

Kimley-Horn*#

Powers Hill Design, LLC*

**local*

#out of town

**#out of town with local office*

and,

WHEREAS, the scope of services consists of the engineering design and developing construction documents for site preparation of a site for a future Maintenance, Repair, and Overhaul (MRO) Facility at Memphis International Airport (MEM); and,

WHEREAS, design effort includes, but not limited to, airport planning, building demolition, site layout, grading and drainage design, utility design, and other site improvements in support of future hangars in accordance with Federal Aviation Administration (FAA) guidelines; and,

WHEREAS, major phases include Site Planning, Design Development, Construction Documents, Bid Assistance, and Construction Phase Support Services. Work efforts may include airport planning, geotechnical investigation, site surveying, and civil site design services for the approximate 37-acre area. Other items include cost estimating, construction scheduling, and any other efforts as required; and,

WHEREAS, the Statement of Qualifications of all firms were evaluated by the Selection Committee according to established criteria, and after review, three firms were interviewed and ranked in the following order:

1. Foth Infrastructure & Environment, LLC
2. Allen & Hoshall, Inc.
3. Garver, LLC

and,

WHEREAS, Foth Infrastructure & Environment, LLC was selected as the most qualified firm to provide the requested professional engineering services; and,

WHEREAS, in furtherance of its Disadvantaged Business Enterprise (DBE) Program, the Memphis-Shelby County Airport Authority (Airport Authority) established a DBE goal of 0% for the full term of this contract; and,

WHEREAS, the following fees have been negotiated for the professional engineering services:

TOTAL Contract Amount	\$557,497.00
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and,

WHEREAS, Airport Authority's Capital Program Executive Staff, by action taken on September 8, 2022, recommends approval of the negotiated fees for services to be performed by the contractor; and,

WHEREAS, Airport Authority's Capital Program Executive Staff recommends an Initial Contingency Amount (ICA) in the amount of \$55,749.00 (10%) for the project, which, in

accordance with Policy 701, requires approval of the President and CEO and the Board; and,

WHEREAS, in spite of the zero percent goal, Foth Infrastructure & Environment, LLC, an out of town design firm with a local office, will utilize three (3) certified DBE subcontractors totaling 24.9%, which will total \$139,043.00 on this contract; and,

WHEREAS, one local DBE firm will be utilized with an anticipated spend of approximately \$50,000; and,

WHEREAS, Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to execute a contract with Foth Infrastructure & Environment, LLC as herein described, cost to be paid from state grants, local funds, and any other funding source deemed necessary and appropriate by the CFO.

09-15-22