

REGULAR MEETING OF THE BOARD OF COMMISSIONERS, MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY (MSCAA) February 20, 2020

CALL TO ORDER

RECOGNITION OF VISITORS, OTHERS

APPROVAL OF BOARD MEETING MINUTES *January 16, 2019*

**Resolutions for Approval This Month**

1. Approval of Amendment No. 8- Airfield Maintenance and Warehouse Facility -Design - Horrell Group Architects / Self Tucker Architects (Joint Venture),
2. Approval of Amendment No. 6 – United Parcel Service (UPS) Lease Agreement
3. Approval of Amendment No. 1 - Parking Access Revenue Control System (“PARCS”)- Scheidt & Bachmann USA, Inc.
4. Approval of Purchase - Two 46 Terabyte Flash Data Storage System Arrays – Authorized Reseller
5. An Initial Resolution of the Board of Commissioners of the Memphis-Shelby County Airport Authority Pertaining to Not To Exceed \$320,000,000 Aggregate Principal Amount of “Memphis-Shelby County Airport Authority Airport Revenue Bonds” and Airport Revenue Refunding Bonds”
6. A Resolution of the Board of Commissioners of the Memphis-Shelby County Airport Authority Providing a Declaration of the Official Intent to Finance a Portion of the Cost of a Consolidated De-icing Facility and Other Airport Improvements and a Declaration of Official Intent to Refund Certain Outstanding Bonds of the Authority and Directing the Authority to Publish a Notice of Public Hearing and to Conduct Such Hearing in Compliance with the United States Internal Revenue Code; and Prescribing the Form of Notice for Such Public Hearing.

**Division Reports**

TREASURER and PROPERTIES REPORTS

- Balloon Indebtedness Presentation
- Plan of Refunding Revenue Bonds Presentation

OPERATIONS REPORT

Terry Blue, Vice President of Operations

EXECUTIVE SESSION *(if deemed necessary)*

INFORMATION ITEMS

- Emergency Purchase – Repair of MEM Emergency Fuel System Shut Off (EFSO) System
- Emergency Purchase - Installation of the Jersey Barricades for the CONRAC Facility

NEXT BOARD MEETING – March 19, 2020

## RESOLUTION

WHEREAS, by Resolution No. 16-4753, adopted June 16, 2016, approval was granted by the Memphis-Shelby County Airport Authority ("Airport Authority") Board of Commissioners to award a contract for professional engineering services to design a new airfield maintenance and warehouse facility to The Horrell Group Architects/Self Tucker Architects (Joint Venture) in the amount of \$1,896,053.00 for the project described as:

**MSCAA AIRFIELD MAINTENANCE AND WAREHOUSE FACILITY – DESIGN  
PROFESSIONAL ENGINEERING SERVICES  
MSCAA PROJECT NO. 14-1386-00**

WHEREAS, the Airport Authority's Capital Program Committee, by action taken on January 26, 2016, approved the award of Contract No. 14-1386-00 with The Horrell Group Architects/Self Tucker Architects (Joint Venture), which was executed and dated June 23, 2016 ("Contract"); and,

WHEREAS, additional Contract Support and Construction Management Services are needed to account for an updated construction schedule including weather delays; and,

WHEREAS, additional Design Services are required to provide changes to the General Equipment Storage Building, changes to Police and Operations Vehicle Canopy, changes to the Equipment Lift, an Uninterrupted Power Supply System, and Value Engineering Design Changes resulting in construction cost savings; and,

WHEREAS, it is now Airport Authority Management's desire to implement Contract Amendment No. 8 for additional Contract Support Services as well as additional Design Services; and,

WHEREAS, Airport Authority Staff has negotiated Contract Amendment No. 8 in the amount of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) for additional Contract Support Services and Twenty-Seven Thousand Six Hundred Sixty and 00/100 Dollars (\$27,660.00) for additional Design Services for a total of One Hundred Seventy-Seven Thousand, Six Hundred Sixty and 00/100 Dollars (\$177,660.00); and,

WHEREAS, Airport Authority Management proposes to amend the Contract as follows:

Original Contract Amount	\$ 1,896,053.00
Amendment No. 1	\$ 147,965.00
Amendment No. 2	\$ 0.00
Amendment No. 3	\$ 400,000.00
Amendment No. 4	\$ 99,641.00
Amendment No. 5	\$ 7,525.00
Amendment No. 6	\$ 69,745.00
Amendment No. 7	\$ 250,000.00
Amendment No. 8	<u>\$ 177,660.00</u>
<b>TOTAL AMENDED CONTRACT AMOUNT</b>	<b>\$ 3,048,589.00</b>

and;

WHEREAS, the Airport Authority Management's Capital Program Executive Staff, by action taken on February 13, 2020, recommends approval of Contract Amendment No. 8; and,

WHEREAS, in furtherance of its Disadvantaged Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 29% for the full term of this 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. 8 to Contract No. 14-1386-00 with The Horrell Group Architects / Self Tucker Architects (Joint Venture), as herein described, cost to be paid from 2016A Bond funds and other funds as identified by the CFO.

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## RESOLUTION

WHEREAS, Memphis-Shelby County Airport Authority (“Lessor”), by Resolution No. 97-4002 adopted January 17, 1997, approved the execution of a new lease with United Parcel Service, Inc. (“UPS”), entitled the Lease Agreement for Parcel Distribution/Air Cargo Operation Facility (“Lease”), effective March 1, 1997; which has a term of thirty years (30) with four, five-year options to be exercised at the Airport Authority’s sole discretion; and,

WHEREAS, the Lease was modified by a First Amendment dated October 1, 2004, a Second Amendment dated April 15, 2011, a Third Amendment dated November 20, 2013, a Fourth Amendment dated July 1, 2014, and a Fifth Amendment dated February 19, 2016, collectively referred to herein as the “Lease”; and,

WHEREAS, the Authority and UPS desire to amend the Lease agreement to add approximately 1,104,722 square feet of unapproved ground (also known as Parcel 1 and Parcel 2) to be used as facility support land and trailer parking, and,

WHEREAS, in order to allow UPS to improve the parcel, the Authority must allow UPS to remove certain end of life and outdated facilities currently located on the property included herein, and,

WHEREAS, an amendment entitled Sixth Amendment has been prepared to document the addition of Parcel 1 and Parcel 2, effective on or about March 1, 2020 with rent commencing on the date of beneficial occupancy by UPS, and,

WHEREAS, in accordance with the Lease, the initial annual rent will be in the amount of \$239,282.79 (subject to future escalation); and,

WHEREAS, Airport Authority Management recommends approval of this resolution and this amendment.

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 sixth amendment of the UPS Lease Agreement as herein described.

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## RESOLUTION

WHEREAS, by Resolution #10-4512, dated June 17, 2010, the Memphis-Shelby County Airport Authority ("Airport Authority") entered into a contract with Scheidt & Bachmann USA, Inc. ("S&B"), for the installation of a Parking Access Revenue Control System ("PARCS") for all parking transactions at the Memphis International Airport; and,

WHEREAS, S&B is a sole source provider for maintenance of and equipment for their proprietary PARCS system; and,

WHEREAS, by Resolution #14-4661, dated April 17, 2014, the Airport Authority entered into a Maintenance Services Agreement ("MSA") with S&B for a four-year period at a total cost of \$771,579.00; and,

WHEREAS, the MSA allows for optional renewals at a cost increase of five percent (5%) over the subsequent year; and,

WHEREAS, by Resolutions #18-4824, dated February 22, 2018, and #19-4876, dated February 21, 2019, the Airport Authority renewed the MSA for two additional one-year periods at costs of \$228,550.00 and \$239,434.00; and,

WHEREAS, S&B has proposed a third additional one-year renewal at a cost of \$251,406 in accordance with the five percent increase per the MSA; 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 an amendment with Scheidt & Bachmann

USA, Inc., as herein described, cost to be paid from the Airport Authority's Operating Funds or a funding source as identified by the CFO.

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## 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 its bidding requirements as set forth in Policy 801(7)(a) of the Airport Authority's Policy Manual; and,

WHEREAS, a vendor that provides data storage systems ("Authorized Reseller") has been identified under the State of Tennessee's participating addendum to the National Association of State Procurement Officials ValuePoint contract #MNNVP-134 ("the Contract"); and,

WHEREAS, by Resolution #18-4834, adopted May 17, 2018, the Airport Authority's Board of Commissioners approved a State-enabled exception to the Tennessee Open Records Act, which authorizes the Airport Authority to maintain the confidentiality of its vendors who provide goods and services used to protect certain electronic, communication, and data storage systems; and,

WHEREAS, in order to utilize the Contract, the Airport Authority is required to execute an agreement that acknowledges the applicable confidentiality exception to the Tennessee Open Records Act, which the Airport Authority executed on February 14, 2020; and,

WHEREAS, the Airport Authority desires to expand its on-premise digital data storage system capacity; and,

WHEREAS, the Authorized Reseller proposes to furnish two (2) 46 terabyte flash data storage system arrays at a price of \$192,379.98; 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 purchase the flash data storage system arrays from the Authorized Reseller, as herein described, cost to be paid from the Airport Authority's Operating Funds or a funding source identified by the CFO.

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02-20-20

**RESOLUTION NO. 20-4923**

**AN INITIAL RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY PERTAINING TO NOT TO EXCEED \$320,000,000 AGGREGATE PRINCIPAL AMOUNT OF “MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY AIRPORT REVENUE BONDS” AND “AIRPORT REVENUE REFUNDING BONDS”**

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY:

SECTION 1. References. Unless the context shall clearly indicate some other meaning, all words and terms used in this resolution which are defined in Resolution No. 88-3227 of the Authority adopted by the Board of Commissioners (the “Board”) of the Memphis-Shelby County Airport Authority (the “Authority”) on January 29, 1988, as amended by Resolution No. 96-3985 adopted by said Board on October 17, 1996 and by Resolution No. 09-4489 adopted by said Board on November 19, 2009 (collectively, the “Resolution”) shall have the meanings given to them in the Resolution.

SECTION 2. Bonds. In order to provide funds to finance all or a portion of a consolidated de-icing facility at Memphis International Airport (the “Airport”), and to refinance and refund the Authority’s Airport Revenue Bonds, Series 2010A and its Airport Refunding Revenue Bonds, Series 2010B (Subject To AMT) one or more series of Memphis-Shelby County Airport Authority, Airport Revenue Bonds and Airport Revenue Refunding Bonds in the total principal amount not to exceed Three Hundred Twenty Million and No/100 Dollars (\$320,000,000) will be issued in one or more series by the Authority pursuant to Tenn. Code Ann. § 42-4-109 and secured under the Resolution. It is presently anticipated that the Airport Revenue Bonds will be issued in three series (although they may be issued in fewer or greater series, as determined by the Authority) substantially as follows:

Airport Revenue Bonds, Series 2020A (Subject to AMT) in an aggregate principal amount not to exceed \$202,500,000

Airport Revenue Refunding Bonds, Series 2020B (Subject to AMT) in an aggregate principal amount not to exceed \$32,000,000

Airport Revenue Refunding Bonds, Series 2020C (Subject to AMT) in an aggregate principal amount not to exceed \$ 85,500,000

Collectively, the (“Series 2020 Bonds”). Notwithstanding the foregoing, the Authority may designate a different alternative minimum tax (“AMT”) status for any of the Series 2020 Bonds listed above prior to the issuance of the Series 2020 Bonds.

SECTION 3. Maximum Rate. The 2020 Bonds will bear interest at fixed rates of interest per annum that will result in a yield not in excess of 8.5% per annum with respect to the 2020 Bonds.

SECTION 4. 2020 Bonds Payable From Revenues of the Airport. The 2020 Bonds shall be payable as provided in the Resolution exclusively on a parity with all Bonds heretofore and hereafter issued under the Resolution, solely from, and equally and ratably secured by a pledge of and lien upon, all Revenues, subject, however, to the prior payment therefrom of the Costs of Operation and Maintenance. Revenues, as defined in the Resolution, include all income and revenue from all sources collected or accrued under generally accepted accounting principles by

the Authority in connection with the Airport, including all rates, charges, rentals, fees and any other compensation, regardless of form, and investment income owned by the Authority, except customer facility charges and except otherwise as provided to the contrary in the Resolution. The Revenues generally exclude, among other things, rental income earned by the Authority pursuant to the Special Facilities Leases. Further, Passenger Facility Charges (“PFCs”) and Customer Facility Charges (“CFCs”) are not considered Revenues under the Resolution.

SECTION 5. Publication of Resolution. This resolution shall be published in full once in a newspaper of general circulation in the City of Memphis and Shelby County, Tennessee.

SECTION 6. Effectiveness of Resolution. This resolution shall take effect upon its adoption.

#20-4923  
02-20-20

**RESOLUTION NO. 20-4924**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE MEMPHIS-SHELBY COUNTY AIRPORT  
AUTHORITY PROVIDING A DECLARATION OF  
OFFICIAL INTENT TO FINANCE A PORTION OF THE  
COST OF A CONSOLIDATED DE-ICING FACILITY AND  
OTHER AIRPORT IMPROVEMENTS AND A  
DECLARATION OF OFFICIAL INTENT TO REFUND  
CERTAIN OUTSTANDING BONDS OF THE AUTHORITY  
AND DIRECTING THE AUTHORITY TO PUBLISH A  
NOTICE OF PUBLIC HEARING AND TO CONDUCT  
SUCH HEARING IN COMPLIANCE WITH THE UNITED  
STATES INTERNAL REVENUE CODE; AND  
PRESCRIBING THE FORM OF NOTICE FOR SUCH  
PUBLIC HEARING**

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY:

SECTION 1. Official Intent. The Memphis-Shelby County Airport Authority (the "Authority") intends to pay, on a temporary basis, from available funds, a portion of the cost of the acquisition, construction, rehabilitation, replacement, repair, renovation, improvement and reconstruction of a consolidated de-icing facility and other airport improvements and the acquisition of airport equipment and other facilities and improvements as may be necessary and appropriate for the operation of such consolidated de-icing facility at the Memphis International Airport. These costs are reasonably expected and intended to be reimbursed from the proceeds of the Authority's revenue bonds in an amount not to exceed \$320,000,000. Proceeds of the Bonds are also expected to be used to refund the Authority's Airport Revenue Bonds, Series 2010A issued February 4, 2010 and its Airport Refunding Revenue Bonds, Series 2010B (Subject To AMT) issued February 18, 2010 in order to achieve cost savings to the Authority. It is presently anticipated that the Bonds will be issued in up to three series (although they may be issued in fewer or greater series, as determined by the Authority) substantially as follows:

Airport Revenue Bonds, Series 2020A (Subject to AMT) in an aggregate principal amount not to exceed \$202,500,000;

Airport Revenue Refunding Bonds, Series 2020B (Subject to AMT) in an aggregate principal amount not to exceed \$32,000,000; and

Airport Revenue Refunding Bonds, Series 2020C (Subject to AMT) in an aggregate principal amount not to exceed \$85,500,000.

Collectively, the ("Series 2020 Bonds"). Notwithstanding the foregoing, the Authority may designate a different alternative minimum tax ("AMT") status for any of the Series 2020 Bonds listed above prior to the issuance of the Series 2020 Bonds.

SECTION 2. Authorization of Public Hearing. In order to comply with Section 147(f) of the Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department, the Vice President of Finance and Administration and Chief Financial Officer is hereby authorized and directed to fix a date for a public hearing and publish a notice of public hearing on the issuance of the proposed bonds in substantially the following form:

(FORM OF NOTICE)

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Memphis-Shelby County Airport Authority (the "Authority"), will hold a public hearing on \_\_\_\_\_, \_\_\_\_\_, 2020, at 10:00 a.m., local time, in the Airport Authority Board Room, Mezzanine Level, Passenger Terminal B, Memphis International Airport, 2491 Winchester Road, Memphis, Tennessee 38116-3856, in compliance with the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the advisability of, and to receive comments related to, the proposed issuance by the Authority of one or more series of revenue bonds as follows:

Airport Revenue Bonds, Series 2020A (Subject to AMT) in an aggregate principal amount not to exceed \$202,500,000 (the "Series 2020A Bonds");

Airport Revenue Refunding Bonds, Series 2020B (Subject to AMT) in an principal amount not to exceed \$32,000,000 (the "Series 2020B Bonds"); and

Airport Revenue Refunding Bonds, Series 2020C (Subject to AMT) in an aggregate amount not to exceed \$85,500,000 (the "Series 2020C Bonds")

Collectively, the ("Series 2020 Bonds"), Notwithstanding the foregoing, the Authority may designate a different alternative minimum tax ("AMT") status for any of the Series 2020 Bonds listed above prior to the issuance of the Series 2020 Bonds.

A portion of the proceeds of the Series 2020A Bonds will be applied to finance a portion of the costs of a consolidated de-icing facility and other ancillary improvements and equipment at the Memphis International Airport. All improvements financed with such bonds will be situated at or adjacent to the existing Memphis International Airport, owned and operated by the Authority (the "Airport Property") and located on the southern portion of the Airport Property near Shelby Drive on the portion of the Airport Property bounded by Winchester Road on the North, Airways Boulevard on the West, Shelby Drive on the South, and Swinnea Road on the East.

A portion of the proceeds of the Series 2020B Bonds will be used to refund the Authority's Airport Revenue Bonds, Series 2010A which were issued to finance a Consolidated Parking Facility which is located directly in front of the main terminal building at the Airport Property and to finance certain Terminal B Checkpoint improvements and other space enhancements to the A-B connector near and around the Terminal B Checkpoint area and within the main terminal building.

A portion of the proceeds of the Series 2020C Bonds will be used to refund the Authority's Airport Refunding Revenue Bonds, Series 2010B (Subject To AMT) which refunded the Authority's Airport Revenue Bonds, Series 1999D and Airport Refunding Revenue Bonds, Series 1999E. The outstanding 2010B Bonds are all allocable to the 1999D refunded bonds which were used to finance an array of projects, including but not limited to, runways and taxiways, expansion of the airfield maintenance facility and warehouse, property acquisition for noise mitigation and future expansion, expansion and repairs to the parking garage, roadway improvements, construction of terminal improvements to the terminal facilities, airline tenant finishes and other associated projects at the Memphis International Airport on the Airport Property.

In addition, it will be necessary to issue each series of the proposed Series 2020 Bonds in a principal amount sufficient to provide reserves therefor and to pay issuance costs.

The proposed bonds will be secured by and payable from the net revenues of the Authority that are derived from the operation of the Memphis International Airport and certain properties related thereto on a parity with certain outstanding bonds of the Authority.

The aggregate principal amount of Series 2020 Bonds is estimated not to exceed \$320,000,000 and the Series 2020 Bonds are expected to qualify as exempt facility bonds for an airport pursuant to Section 142(a)(1) of the Internal Revenue Code of 1986, as amended.

The aggregate principal amount of the proposed bonds may be less than that reflected above depending on market conditions and other factors at the time of sale thereof.

All interested individuals are invited to attend such hearing and to express their views relative to the proposed financing, both orally and in writing. Should written comments be presented, three copies should be made available to Mr. Forrest B. Artz, Vice President of Finance and Administration and Chief Financial Officer, at the address provided in the next paragraph of this notice at or before the public hearing.

Any questions concerning the public hearing or comments on the proposed financing may be addressed to the Authority, by mailing correspondence to Mr. Forrest B. Artz, Vice President of Finance and Administration and Chief Financial Officer, Memphis-Shelby County Airport Authority, Memphis International Airport, 2491 Winchester Road, Memphis Tennessee 38166-3856; or by calling Mr. Artz at (901) 922-8143 on regular business days between 9:00 A.M. and 4:30 P.M.; or by sending a request for information to the Authority by facsimile at (901) 922-0125 or electronic mail at [PublicRecords@flymemphis.com](mailto:PublicRecords@flymemphis.com).

MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY  
Forrest B. Artz  
Vice President of Finance and Administration  
and Chief Financial Officer

(END OF NOTICE)

Such notice shall be published in at least one newspaper of general circulation available to residents of the City of Memphis and Shelby County, Tennessee, and/or made available to the public on the Authority's website at least 7 days before the date fixed for such public hearing. The Vice President of Finance and Administration and Chief Financial Officer of the Authority shall conduct such public hearing and shall cause a written record of the minutes of such public hearing to be kept and file such minutes with the records of the Authority after the hearing.

SECTION 3. Effectiveness of this Resolution. The Resolution shall become effective upon its adoption.

# 20-4924  
02-20-20