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 January 8, 2021.

II. Roll Call and Open Meetings Announcement

Ms. Angela Edwards, Staff Secretary, read the Open Meetings Act Announcement as follows:

The Joint Meeting of the MNAA General Aviation/Operations/Planning & Engineering and MPC Engineering & Planning Committees 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.

Ms. Edwards called roll of the members of the Joint Meeting of the MNAA General Aviation/Operations/Planning & Engineering and MPC Engineering & Planning Committees. All members were present.

III. Approval of Minutes

Chair Freeman called for a joint motion to approve the Minutes of the November 5, 2020 GAOPE Committee meeting, and the November 11, 2020 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

None

VI. Information Items

A. JWN Development & Lease/Rental Update

President Kreulen, Ms. Traci Holton, AVP, Chief Engineer, Mr. Jeff Roach, AVP, Executive Director, JWN, and Mr. John Corbitt, AVP, Real Estate, briefed the Committee on this item.

President Kreulen discussed the status of insurance claims from the tornado damage that occurred to JWN airport in March of 2020. MNAA had procured services from Davidson Risk Consulting to assist in the settlements of insurance claims. There was a $6M variance that was being negotiated. An estimate for Federal Emergency Management Agency (FEMA) reimbursement was in process.

Ms. Holton updated the Committee on the hangar Request for Proposals (RFP) schedule. There are three phases of construction in which staff will request Board approval before proceeding. Ms. Holton presented an overview of the RFP facilities and described each phase of construction in detail.

Mr. Roach updated the Commissioners on projects and initiatives at JWN, including the air traffic control tower construction and operations, and administration.

Mr. Corbitt presented a brief background of JWN T-hangars and explained there was no methodology used to determine the existing rental rates and the last increase in T-hangar rental rates was in 2012. This has not allowed the Authority to recover capital expenditures and applicable expenses. With the upcoming redevelopment of JWN, staff thought it was important to establish a process and formula to calculate base rental rates for MNAA funded developments.

In order to comply with the Federal Aviation Agency's (FAA) Order 5190.6B, at a minimum, rent must cover the cost of services and facilities, and the fee and rental structure should make the airport as self-sustaining as possible.

Staff recommended the Committee adopt the following business model (formula) to determine appropriate rents for all MNAA funded developments:

- Direct Costs + Operating Costs = Breakeven Rent
• Breakeven Rent + ROI (Return on Investment) = Total Rent
• Annual review/escalation

Direct facility costs include an initial capital investment and specific facility utilities, maintenance, and repair. Considerations include the life of the hangar and debt service. Operating costs consist of CIP costs, overhead costs, and O&M costs.

Staff also recommended the implementation of the business model for all existing and new MNAA funded T-hangars, applying the following conservative calculations:

• Direct facility costs with a 40-year life
• 30% pro rata share of JWN operating costs
• 3% ROI
• 4-year phased cost recovery (2021-2024)
• 12-month lease term

After lengthy questions and discussions, Commissioner Granbery made a motion to approve the staff’s recommended business model and the implementation of such using the recommended conservative calculations for all existing and new MNAA funded T-hangars and advance to the Board for further action. The motion was seconded by Chair Freeman. 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 10:56 a.m.

by [Signature]

William H. Freeman, Secretary