



Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development (“Finance”) Committees

July 10, 2024

Call to Order

July 10, 2024

Public Comment

Tennessee Code Annotated, Title 8, Chapter 44, Part 1

MNAA Policy ID: 33-007, Public Comment Policy, effective July 13, 2023

No Public Comment Requests Received by Monday, July 8, 2024, 9:00 pm

Approval of Minutes

Joint Meeting of the MNAA & MPC Finance, Diversity & Workforce Development (“Finance”) Committees

June 5, 2024

Chair's Report

Andrew Byrd

Finance Committee Chair

Items for Approval

July 10, 2024

- MNAA Rental Car Service Site Lease Terms/Agreement

Item for Approval

Aaron Flake, C.M.

Director, Parking and Ground
Transportation – Business Strategy
Operations

MNAA Rental Car Service Site Lease Terms/Agreement - Background

- 9 rental companies operate rental car service sites under lease agreements
 - Executed in 1987 for a 15-year term, with two 5-year extensions exercised
 - Operating month-to-month since 2012, with no rate increase since 2012
 - Average rent = \$0.46 psf
- Fair Market Value Appraisal conducted by Airport Business Solutions (ABS) in March 2024
 - Based on both airport and local market rates
 - Appraisal in line with internal real estate analysis
- ABS's appraisal assessment for the sites:
 - \$1.75 psf for land
 - \$3.00 - \$5.00 psf for canopy and car wash areas
 - \$6.50 - \$10.00 psf for building areas
- Current agreements do not prohibit conducting non-airport business on premises
 - Long-term storage of damaged vehicles
 - Sale and subleasing of vehicles
- Space reallocation is necessary to support future airport growth



MNAA Rental Car Service Site Lease Terms/Agreement

- **Proposed Lease Terms**

- 3% annual escalation
- 5-year term
- Cancellation Clause
 - Airport Operational Need (30-day written notice)
 - Convenience (180-day written notice)
- Non-Airport business prohibited on premises
- Rates based on ABS Fair Market Value Appraisal
 - Average rate of \$1.96 psf (varies depending on structures on land)

- **Schedule**

- Lease Start Date: August 1, 2024, pending negotiations
- Lease Termination Date: July 31, 2029, pending negotiations



Staff Recommendation

- Impact of Rate Adjustment

Impact	Today			Proposed			Annual Increase
	Area	Average Rate	Annual Revenue	Reallocated Area	Average Rate	Annual Revenue	
Avis/Budget/Payless	349,000	\$0.41	\$143,200	178,000	\$1.79	\$ 318,376	\$175,176
Enterprise/ National/Alamo	388,000	\$0.50	\$193,365	300,000	\$2.01	\$ 604,019	\$410,654
Hertz/Thrifty/Dollar	305,000	\$0.48	\$146,750	215,000	\$2.03	\$ 435,427	\$288,677
	1,042,000	\$0.46	\$483,315	693,000	\$1.96	\$1,357,822	\$874,507

- Staff Recommendation:** Finance Committee recommend to the Board of Commissioners that it:

- 1) accept the terms recommended for the Rental Car Service Site Lease Agreements
- 2) authorize the Chair and President and CEO to execute lease agreements between MNAA and each Rental Car Service Site

- Service Contract for Cellular DAS & Wi-Fi Monitoring, Management & Maintenance

Item for Approval

KC Hampton

AVP, Information Technology

Service Contract for Cellular DAS & Wi-Fi Monitoring, Management & Maintenance

Contract Description: Service contract to provide 24/7 monitoring, management, maintenance, enhancement, and development services of MNAA-owned DAS/Wi-Fi infrastructure.

Contractor: Boldyn Networks US Services, LLC

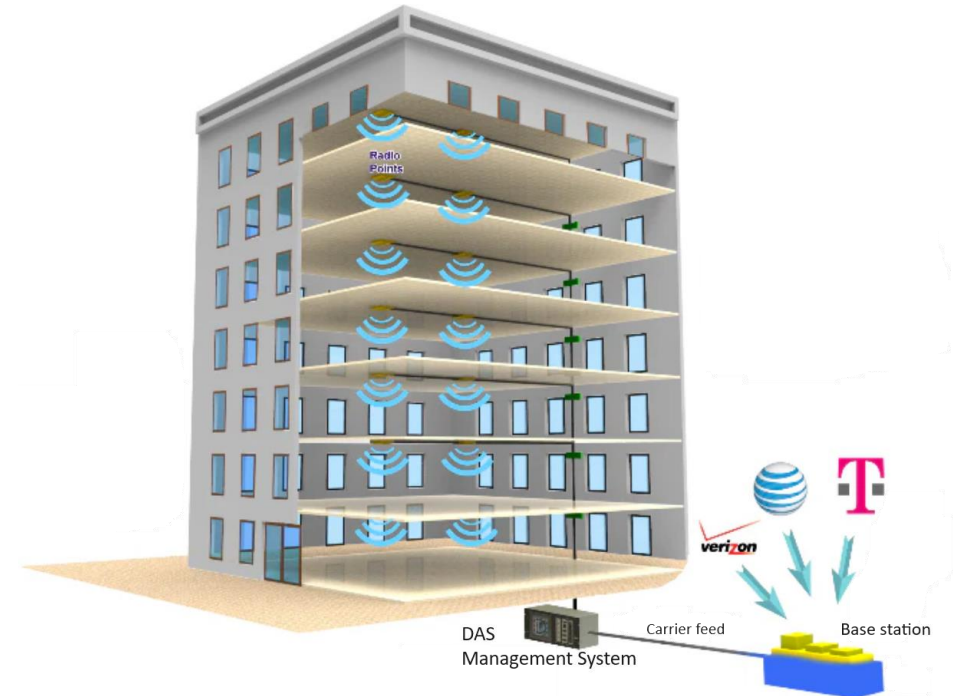
<u>Contract Cost:</u>	Year 1 Set-up	\$ 520,830
	Year 1	\$ 242,317
	Year 2 – 5 (3% escalation)	\$ 1,044,175
	Year 1 – 5 total	\$ 1,807,322
	Year 6 – 7 (option years)	\$ 570,250
	Year 1 – 7 total (w/2 options)	\$ 2,377,572

Schedule: Contract Start: July 2024
Contract Term: 5 years, plus 2 one-year options

SMWBE: Race and gender neutral

Funding Sources:  100% MNAA O&M

Staff Recommendation: Finance Committee recommend to the Board of Commissioners that it authorize the Chair and President and CEO to execute the proposed contract with Boldyn Networks US Services, LLC.



Information Items

July 10, 2024 - None



Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce ("Finance") Committees

Meeting Adjourned