

REGULAR MEETING OF THE BOARD OF COMMISSIONERS, MEMPHIS-SHELBY COUNTY  
AIRPORT AUTHORITY (MSCAA) March 21, 2019

CALL TO ORDER

RECOGNITION OF VISITORS, OTHERS

APPROVAL OF BOARD MEETING MINUTES *February 21, 2019*

**Resolutions for Approval This Month**

1. Approval to Negotiate and Secure CONRAC Lease Agreements with the Rental Car Companies
2. An Initial Resolution of the Board of Commissioners of the Memphis-Shelby County Airport Authority Pertaining to Not To Exceed \$150,000,000 Aggregate Principal Amount of "Memphis-Shelby County Airport Authority Revenue Bonds."
3. A Resolutions 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 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

Forrest Artz, Vice President of Finance and Administration/CFO

OPERATIONS REPORT

Terry Blue, Vice President of Operations

INFORMATION ITEMS

NEXT BOARD MEETING – April 18, 2019

## RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority ("Authority") Board of Commissioners ("Board"), by Resolution No. 01-4267 adopted on July 19, 2001, authorized the construction of an on-airport consolidated Ground Transportation Center ("GTC") to include space for rental car companies servicing Memphis International Airport ("Airport"); and,

WHEREAS, the Board, by Resolution No. 09-4485 adopted on September 17, 2009, authorized Authority Management to negotiate lease agreements with rental car companies for use of the GTC, subject to future Board approval; and,

WHEREAS, Authority Management entered into Rental Car Facility Lease and Concession Agreements ("GTC Agreements") with various rental car companies with a date of beneficial occupancy of March 6, 2013, and, inadvertently, did so without prior final Board approval; and,

WHEREAS, the Board, by Resolution No. 17-4790 adopted on June 15, 2017, authorized Authority Management to enter into a bank loan not to exceed \$21 Million to be secured by a pledge of Customer Facility Charges ("CFCs") and used to construct a Consolidated Rental Car Maintenance Facility ("CONRAC") for rental car maintenance, servicing, and fleet storage; for a total project cost of approximately \$35 Million; and,

WHEREAS, the Board, by Resolution No. 17-4790 also authorized Authority Management to enter into the First Amendment to the GTC Agreements so as to likewise enable the Authority to finance the CONRAC construction and extend the expiration date of the GTC Agreements to August 31, 2027; and,

WHEREAS, the Authority anticipates that the construction of the CONRAC will be completed on or about April 15, 2019; and,

WHEREAS, the CONRAC Maintenance Facility Lease Agreements ("CONRAC Agreements") will have an initial term of eight (8) years and four (4) months, expiring on August 31, 2027, with two (2) options to renew for an additional five (5) years each, so as to coincide with the term of the GTC Agreements; and,

WHEREAS, the rental car companies will lease approximately 47 acres of real property owned by the Authority on Airways Boulevard, south of Winchester Road ("CONRAC Premises"); and,

WHEREAS, based on an independent appraisal, the unimproved ground rental rate for the first five (5) years of the CONRAC Agreements will be \$ .21 per square foot, which will be reviewed every five (5) years thereafter and increased, if applicable; and,

WHEREAS, Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the Authority's execution of the Rental Car Facilities Lease and Concession Agreements and the terms and conditions therein are hereby ratified; and,

BE IT FURTHER RESOLVED, that the President and CEO or his designee is hereby authorized to negotiate and enter into CONRAC Lease Agreements with the rental car companies servicing the Airport as referenced herein.

RESOLUTION NO. 19-\_\_\_\_\_

**AN INITIAL RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY PERTAINING TO NOT TO EXCEED \$150,000,000 AGGREGATE PRINCIPAL AMOUNT OF "MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY AIRPORT REVENUE 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"), one or more series of Memphis-Shelby County Airport Authority, Airport Revenue Bonds (the "2019 Bonds") in the total principal amount not to exceed One Hundred Fifty Million Dollars (\$150,000,000) will be issued by the Authority pursuant to Tenn. Code Ann. § 42-4-109 and secured under the Resolution.

SECTION 3. Maximum Rate. The 2019 Bonds will bear interest at a fixed rate of interest per annum that will result in a yield not in excess of 8.5% per annum with respect to the 2019 Bonds.

SECTION 4. 2019 Bonds Payable From Revenues of the Airport. The 2019 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.

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.

#19-\_\_\_\_\_

March 21, 2019  
Date

\_\_\_\_\_  
Secretary

**RESOLUTION NO. 19-\_\_\_\_\_**

**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 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 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 \$150,000,000.

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 \_\_\_\_\_, \_\_\_\_\_, 2019, 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(1) 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.

The proceeds of the bonds will be applied to finance a portion 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. In addition, it will be necessary to issue the proposed bonds in a principal amount sufficient to provide reserves therefor and issuance costs. The proposed bonds will be secured by and payable from the net revenues of the Authority 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 bonds is estimated not to exceed \$150,000,000 and the 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 improvements financed with such bonds will be situated at or adjacent to the existing Memphis International Airport, owned and operated by the Authority and located between \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ Streets as shown more precisely on Exhibit A hereto.

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, 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 calling Mr. Artz at (901) 922-8143 on regular business days between 9:00 A.M. and 4:30 P.M. or sending a request for information to the Authority by facsimile at (901) 922-0125.

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

(END OF NOTICE)

Such notice may be published in at least one newspaper of general circulation available to residents of the City of Memphis and Shelby County, Tennessee, area 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.

# 19- \_\_\_\_\_  
03-21-19

EXHIBIT A

Consolidated De-Icing Facility Location