

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
June 18, 2018**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in an open meeting Monday, June 18, 2018 at 2 P.M. Chairman Jacobson, Vice Chairman Jim Hall, Commissioners Tom Snow, Donna Roddy and Michael Mallen were present.

Chairman Jacobson verified a quorum was present and April Cameron verified the requirements of the Sunshine Law had been met.

Minutes:

On motion of Commissioner Mallen, seconded by Commissioner Roddy, the minutes of the April 16, 2018 meeting were approved.

President's Report:

President Hart welcomed everyone to the June 2018 Board Meeting.

He noted that staff has been very busy which would be reflected in our Board Action Items. He apologized in advance for the full agenda.

First, President Hart reviewed the April and May operational Statistics. He was pleased that in the month of April our enplanements returned to a very positive number. They are up by almost 8% for the month compared to April of 2017. Landing weights are also up over 8.5%, while operations at the airport are up by almost 14%. A very busy April was great to see. In May, the numbers again are up but not quite as much as in April. The airport saw a 2% increase in enplanements compared to May 2017. Year to date enplanements are up almost 2%. Deplanements are tracking in line with that number as well. Landing weights are up again for the year. Operations are down slightly in the month of May because of less military traffic coming to Chattanooga. Year to date operations are up about 6% at the Airport.

Next, President Hart presented a graph outlining changes in seat capacity from 2017 vs 2018. He noted the negative seats comparing early 2017 to early 2018. We start realizing growth in seats from June through October which will help enplanements throughout the year. He added that a new flight to Dallas and another Chicago departure as well as Delta adding the LaGuardia service will help. An upgrade in equipment to larger regional jets will cause an increase in seats. The increase of 11% to 12% in seats in those months will help grow enplanements for the end of the year. He remains confident that the trend will continue to rise for the remainder of the year.

President Hart noted that a couple of weeks ago, he and Blake Poole attended an ACI jumpstart conference. They spoke to five airlines at that conference. Three of those were incumbent carriers: American, Delta and United. Each were pleased with the level of service that has taken place here at the airport and President Hart was pleased to have them as our partners.

Next President Hart provided an update of our projects. The first was the East Ramp he noted that the paving is complete and the ramp is open again. The service road on the south end of the airfield from the cargo ramp down to Jubilee Drive is 90 to 95 percent complete and the road will be open soon. Additionally, President Hart provided an update about West Star's project. Phase 2 of the West Star project is constructing two new hangers on the east side of the airfield in front of the air traffic control tower. They anticipate completion by the end of September. As a note 75 to 80% of the West Star project is being done by local contractors in the Chattanooga area.

At this point President Hart talked about community involvement. Mr. Hart feels it's very important to give back to the community with the things we are doing in Chattanooga. An event took place in late April at Wilson Air Center. Glenn Rivenbark and all his staff did a great job. An organization called Challenge Air was created in 1993. It was created to change the perception of children with special needs through the gift of flight. Across the country they have about 3500 volunteers that offer up their services or aircraft to work with special needs kids. This is the second year of participation here at the airport. Many of the local tenants offered up their time and aircraft. Several kids flew that day, and the message that was being taught was that they can do anything they want to do and do not have to fear the challenges in front of them. It was a great day. Glenn Rivenbark and his people did a great job putting it together and hopefully Challenge Air will want to come back again next year.

The next topic was our partnership with Hamilton County Department of Education. President Hart stated we are very pleased to participate through Brainerd High School but specifically through the future ready institutes. The future ready institute challenges the traditional approach to education and high schools by developing career themed small learning communities. At Brainerd, the focus is on Aviation and a lot of the things that will be talked through will be on Aviation and all the different studies they do. About two weeks ago the teachers came through who will be instructing the students. They spent a couple of days here at the airport and went around to the different departments to see the different things that are done at the airport. The teachers spent time at the fire station and with one of our tenants, Crystal Aviation, talking about what they do and how that impacts others. It was a success. Mr. Hart thanked John Naylor because he has spent a lot of time with students and teachers at Brainerd High School.

Board Action Items:

City Property Transfer

In connection with the title and survey work the City has conducted as part of its City-wide sewer-repair project, the City discovered some errors the City made in the legal description in the 1986 deed from the City to CMAA, which transferred the property to the airport. Because the City had acquired the airport property in bits and pieces from a large number of different sellers over time, the deed from the City to CMAA contained an enormously long legal description, describing the property lot-by-lot. With much better satellite technology available now, it was easier for the City to identify the errors while working in connection with the sewer project. Because the errors affect the property boundary, the City has requested that it and CMAA sign a "Deed of Correction" to clarify the legal description. The City consulted with Bill Jones from Jones Raulston Title Insurance Agency to review and assist with finalizing the

corrected legal description. Bill Jones feels comfortable that the Deed of Correction will fix the errors so that the property boundary is what both the City and CMAA have always intended.

Board Action:

CMAA requests Board approval to execute the “Deed of Correction” provided by the City to clarify the airport legal description.

**Motion to approve made by Commissioner Roddy, seconded by Commissioner Snow.
Motion approved.**

Maycreate Advertising Agreement

In 2016, CMAA entered into a contract with Maycreate, a local creative firm. Over the past two years, the team at Maycreate has worked diligently to utilize our funding to further expand our positive message and promote all that the Chattanooga airport has to offer our community and surrounding region. The contract that we entered into in 2016 was a two-year agreement that extends until June 30, 2018. Our request is to approve the funding for Maycreate for two additional years: FY 2019 and FY 2020.

The scope of their services remains the same and includes:

- Develop an annual Advertising Plan in support of our existing brand by creating strategies for reaching business and leisure travelers.
- Make recommendations as to the types and locations of airport advertising in the region which will support the airport’s brand and reach the evolving airport and community demographic.
- Develop advertising creative graphics as needed for approved locations which support CMAA’s brand.
- Negotiate rates and place media buys for approved CMAA advertising purchases.
- Report quarterly on marketing activities and consumer research. Maycreate provides a real time dashboard that measures all digital channels, site actions and conversions to find the visitors most likely to help CHA meet its objectives. Also, CHA can have a true picture of its digital performance and the performance of the advertising campaigns.
- Other advertising and creative consulting services, as required.

The FY 2019 contract will be in the amount of \$279,500 with \$231,500 towards media buying and \$48,000 for creative services and account management. This expense was included in our approved operating budget.

Board Action:

CMAA requests Board approval to renew our marketing and media placement contract with Maycreate in the amount of \$279,500 per year for two years.

**Motion to approve made by Commissioner Snow, seconded by Commissioner Hall,
Commissioner Mallen Abstains.
Motion approved.**

Perimeter Fence Replacement

To meet the requirements of Federal Regulation CFR 1542, the TSA requires that the Chattanooga Airport provide perimeter fencing for the safety and security of the airport. This fencing prevents access by both trespassers and wildlife. Over time, the fence has required replacement because of rusting and sagging. With airport expansion and construction, most of the perimeter fence has been replaced in previous projects. This section is the final section of fence that needs replacing.

This project will consist of the replacement of approximately 2,800' of fence and 2 sets of gates on the north side of the airport. The project will include the demolition of the existing fence and gates, removal and disposal of old materials, and the labor and materials for the replacement fence.

CMAA issued a Request for Bids for the fence replacement and received 2 bids with Hi-Tech Gate Systems being the lowest qualified bidder for 2,800' of fence and 2 sets of gates for \$138,640.00. The only other bidder, McCall Fencing, submitted a bid of \$168,250.00. This project has been approved on the Chattanooga Airport's FAA Passenger Facility Charge application and will be funded at 100%.

Board Action:

CMAA requests Board approval to enter into a contract with Hi-Tech Gate Systems to replace a section of the perimeter fence for a cost not to exceed \$150,000.

**Motion to approve made by Commissioner Mallen, seconded by Commissioner Roddy.
Motion approved.**

North Ramp Construction Contract

On February 19, 2018, Task Order # 20 with Allen & Hoshall was approved for the design of the North Ramp - Phase I Rehabilitation Project. Today, CMAA is requesting Board approval to enter into a construction contract with Talley Construction for the North Ramp Rehabilitation.

The project is for the reconstruction of public infrastructure, specifically, to reconstruct the ramp that runs in front of Hangar 4, 5, and 6. The project encompasses all sub-grade work, erosion control, drainage, asphalt milling and placement, and other related work. The current ramp has exceeded its lifespan and was designated for replacement.

CMAA solicited a Request for Proposals in May for the construction. CMAA received two bids on the project.

Contractor	Base Bid
Talley Construction Company	\$2,668,016.74
Thomas Brothers Construction Company	\$2,730,683.45

Allen & Hoshall's review and evaluation found the low bidder, Talley Construction, properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. Talley Construction has pledged to meet or exceed the set DBE goal for this contract. After meeting all of the bid requirements, Allen and Hoshall has recommended awarding the construction contract to the apparent low bidder. CMAA has reviewed the Engineer's recommendation and is in agreement. The bid price was \$2,668,016.74.

The project will be funded with a Federal Airport Improvement Grant at 90% with CMAA being responsible for the remaining 10%. This project is included in our approved capital budget.

Board Action:

CMAA requests Board approval to enter into a construction contract with Talley Construction for the North Ramp Rehabilitation Phase I Project (contingent on the receipt of AIP funding). The fee for this work is \$2,668,016.74.

**Motion to approve made by Commissioner Hall, seconded by Commissioner Roddy.
Motion approved.**

North Ramp Rehabilitation, Phase I – Construction Administration

CMAA requests Board approval to enter into Task Order # 21 with Allen & Hoshall, CMAA's Engineer of Record, for the Engineering Services associated with the North Ramp Rehabilitation, Phase I - Construction Administration. The fee for Task Order 21 is \$235,200.

The following is a distribution of Allen & Hoshall's fee for Task Order 21 to the Master Agreement:

Construction Administration	\$96,100
21 weeks construction anticipated	
702 hours anticipated	

Submittals / shop drawings	\$ 5,500
40 hours anticipated	

Resident project representative	
Inspection – 1200 hours anticipated	\$90,050
Expenses – 21 weeks anticipated	\$ 550

Miscellaneous & Final Survey	\$ 3,000
Budget for field verification as required and as-built survey	

As-built drawings	\$ 5,000
40 hours anticipated	

Q/A – Testing	\$ 35,000
GRAND TOTAL	\$235,200

The Engineering Services will be funded through an AIP Grant at 90% Federal and CMAA will be responsible for the remaining 10%.

Board Action:

CMAA requests Board approval for Task Order 21 with Allen & Hoshall for the North Ramp Rehabilitation – Construction Administration in the amount of \$235,200 contingent upon the receipt of AIP Funding.

**Motion to approve made by Commissioner Snow, seconded by Commissioner Mallen.
Motion approved.**

Tennessee Air National Guard Building Demolition

In 1957, a ground lease was executed between the City of Chattanooga and the United States of America for a piece of property located on the airport. Numerous support buildings were constructed on the site to support the Tennessee Air National Guard operations. That entity vacated the property in 2013, completed the required environmental work and terminated the lease in 2016. CMAA has identified the site for future aviation development.

A Request for Proposals was submitted for the work associated with the demolition of the former Tennessee Air National Guard Site. CMAA received three bids on this project.

Contractor	Base Bid
Complete Demolition Services	\$468,768.91
TOA LLC	\$544,549.50
Talley Construction Company	\$763,358.20

A review and evaluation found the apparent low bidder, Complete Demolition Services, properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. After meeting all of the bid requirements, Allen & Hoshall has recommended awarding the demolition contract to the apparent low bidder, Complete Demolition Services. The bid price was \$468,768.91.

The Chattanooga Airport is seeking Board approval to enter into a demolition contract with Complete Demolition Services to remove the buildings on the identified site to prepare for future development. The site will be developed for the future construction of an Aviation Maintenance Facility.

The project will be funded by a State Airport Economic Development Grant at the 90% level with CMAA providing a 10% match. This project was included in our approved capital budget.

Board Action:

CMAA requests Board approval to enter into a contract with Complete Demolition Services for the demolition of the identified buildings. The amount of the contract is \$468,768.91.

**Motion to approve made by Commissioner Roddy, seconded by Commissioner Mallen.
Motion approved.**

Tennessee Air National Guard Demo – A & H

CMAA requests Board approval to enter into Task Order # 22 with Allen & Hoshall, CMAA's Engineer of Record, for the Engineering Services associated with the Demolition Design, Survey, Geotechnical, Environmental Assessment and Construction Administration associated with the redevelopment of the Tennessee Air National Guard site. The fee for Task Order 22 is \$103,210.

The following is a distribution of Allen & Hoshall's proposed fee for Task Order 22 to the Master Agreement.

Design, Bid & Award Phases

Preparation of plans & specifications 6 plan sheets anticipated	\$ 18,000
Bid and award 25 hours anticipated	\$ 3,000
Geotechnical	\$ 44,000
Design Survey	\$ 11,440
Hazard Material Survey - ARFF	\$ 3,740
Phase 1 ESA	\$ 2,420

Construction Administration

Construction Administration 11 weeks construction anticipated 78 hours anticipated	\$ 9,500
Resident project representative Inspection – 93 hours anticipated Expenses – 11 weeks anticipated	\$ 6,500 \$ 110
Reimbursable Expenses Assistance in securing permits	
Direct labor – 35 hours anticipated	\$ 4,500

Grand Total **\$ 103,210**

The Engineering Services will be funded through a State Airport Economic Development Grant with 90% State and CMAA responsible for the remaining 10%.

Board Action:

CMAA requests Board approval for Task Order # 22 with Allen & Hoshall for the Tennessee Air National Guard Site Demolition – Construction Administration in the amount of \$103,210.

**Motion to approve made by Commissioner Snow, seconded by Commissioner Hall.
Motion approved.**

Solar Farm, Phase III Design/Build Contract

CMAA is requesting Board approval to enter into a Design/Build contract with Inman Solar for the construction of Phase III of the Solar Farm. Phase III is a 640.86 kW Solar (PV) Array located north of Phase I and II on the Southwest corner of the airfield.

Three bids to complete the work were received on this project.

Contractor	Bid
EETN	\$1,053,307
Inman Solar	\$1,076,680
Lightwave Solar	\$1,091,689

Each bid was scored based on the following criteria:

- System requirement – 20%
- Experience – 20%
- Job Creation/Buy American – 20%
- Warranty – 10%
- License and Certification – 10%
- Capability – 10%
- Environment – 10%

After reviewing all of the bid requirements including DBE participation, staff recommends that the Design/Build contract should be awarded to the most responsive bidder, Inman Solar for the contract amount is \$1,076,680.00

The Inman Solar team consists of the following firms: Inman Solar, Young Electric, Earthworx, and David Barrueta Associates. This is the same team that installed Phase I and II. Inman Solar brings a great deal of experience to this project.

Combined, all three phases will offset 100% of the airports electric requirements. The Solar Farm benefits the community and state through improved air quality. Solar power produces zero emissions and is carbon neutral. The application of solar technology at this location is in keeping with the airport's commitment to improving the air quality of the region.

The project will be funded through a Federal Aviation Administration, Section 512, Energy Efficiency Grant Program. The project will be funded at 90% Federal with 10% CMAA matching funds which we plan to request reimbursement for in a future PFC Application. This project was included in our approved capital budget.

Board Action:

CMAA requests Board approval to enter into a Design/Build contract with Inman Solar in the amount of \$1,076,680.00 for the construction of a 640.86 kW Solar (PV) Farm contingent on receiving FAA funding.

**Motion to approve made by Commissioner Mallen, seconded by Commissioner Snow.
Motion approved.**

Convergint Security Contract – West Star Expansion Project

In order for West Star Aviation's new facilities to function effectively for its business purposes while maintaining compliance with the airport's security system, specific security requirements must be installed at and around their facilities. Given that CMAA owns and maintains the security system at the airport, CMAA will fund the cost of the necessary installation and will invoice the entire expense to West Star for reimbursement. As a result, CMAA solicited a quote from Convergint to install the required equipment. The scope of work includes the following additions at Hangars 24 and 25.

- Provide and install a card access panel in building to support security network.
- Provide and install access controls on six (6) portals, three (3) hangar doors, two (2) hangar personnel doors, and one (1) sliding vehicle gate.
- Provide and install one (1) interior fixed IP camera and four (4) exterior PTZ IP cameras for the existing Video Management System.
- Provide necessary cabling and programming for all devices.

Convergint will provide a one-year warranty on all materials and labor for the work performed. The total fee for the project is \$75,736.22 which will be paid by CMAA and reimbursed by West Star Aviation.

Board Action:

CMAA requests approval of an agreement with Convergint to install the security system located at Hangars 24 and 25 in the amount of \$75,736.22. The total amount will be reimbursed by West Star Aviation.

**Motion to approve made by Commissioner Roddy, seconded by Commissioner Mallen.
Motion approved.**

Other Business:

None.

Public Comment:

None.

Closing comments:

Chairman Jacobson noted that even though enplanements across the country often trend down at this time of the year, he is encouraged about the positive growth in April & May. Chairman Jacobson stated that recently there has been a lot of buzz and excitement about Delta's new

service to LaGuardia. He noted there is a lot of buzz and excitement in New York and other places about Chattanooga. Not only does this open another option for travel to New York but it also makes it much easier for people in New York to come see our great wonderful city and region. So, this again is a very powerful addition to our economic development efforts. Chairman Jacobson thanked Delta and the team here on the ground for this great news and said he is sure there will be more to come. He also stated he's excited about West Star being on schedule to open two new hangers in September as that will add another 100 new jobs once the facilities are open. He added that he is very excited about phase 3 of our solar farm. Our partnership with EPB was recognized in a trade magazine called Microgrid Knowledge. Completion of this phase will help the airport and EPB and propel us toward our goal of becoming self-sufficient.

Chairman Jacobson asked for a motion to adjourn.

Commissioner Roddy motioned to adjourn.

Motion seconded by Commissioner Snow.

Motion approved, meeting adjourned.

Minutes approved by:

Mike Mallen
CMAA Secretary

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

April Cameron

Minutes Recorded by:

Sybil Cline