

# COUNCIL COMMUNICATION

Meeting Date: 2/12/2019

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**Item Title:** Murfreesboro Airport Terminal Project  
**Department:** Airport  
**Presented by:** Chad Gehrke, Airport Manager

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## Summary

- 1) Request approval of the Design Build Contract with Smith Design Build for the new Terminal at the Murfreesboro Municipal Airport.
- 2) Information regarding Lease Agreement with Middle Tennessee State University – Aerospace Department requesting to lease space in the new Terminal

### **1) Request approval of the Design Build Contract with Smith Design Build for the new Terminal at the Murfreesboro Municipal Airport.**

#### **Background Information**

As reported to the City Council in December, The PBA selected the design presented by the team of Smith Design Build (Murfreesboro) and Lowen + Associates (Nashville). This design proposes a 15,200 sq. ft. terminal building (the current building is approximately 4,000 sq ft), with a large main lobby, ground and elevated observation areas, lounge seating, leasable office space (2,000 sq. ft.), leasable business center, conference room space, a comfortable pilot's lounge, suitable office space for the airport staff, adequate parking, and impressive circular drive with beautiful landscaping and signage.

#### **Council Priorities Served:**

*Strong and Sustainable Financial and Economic Health*

The method by which this facility is being acquired provides the City more control of the building process from a budgetary standpoint. The facility itself will be very efficient and built with sustainability in mind.

*Excellent Services with a Focus on Customer Service*

Customer service is improved with the addition of this new Terminal, which will serve as the City's front door and will truly reflect and promote business and economic growth. The new facility will tremendously enhance our ability to provide excellent service to the flying and non-flying public. This new facility will also better represent our great community to whomever passes through its doors.

#### **Fiscal Impacts**

City Staff have spent a great deal of time preparing and reviewing the Design Build Contract with Smith Design Build. Blake Smith has signed the AIA Contract providing

for the construction of the Terminal and built out lease office space for a customer for \$4,592,240.00. The City Staff have also investigated the items that the City is responsible for providing and have confirmed that those items are within our budget.

### **Operational Issues**

Operational concerns during the construction process will be addressed in the construction contract. The contractor has, for example, agreed to provide temporary office space for the Airport Staff and airport tenant during construction.

## **2) Information regarding Lease Agreement with Middle Tennessee State University – Aerospace Department for office space in the new Terminal**

### **Background Information**

The new Terminal includes 2,080 square feet available lease space. Originally the space was not going to be built out. Middle Tennessee State University and its Aerospace Department approached the City early on about leasing space. The Aerospace Department has continued to experience a tremendous amount of growth and require a large classroom for 60 to 75 students which is currently not available at any of their current Airport Campus facilities. The University has identified the use of this lease space for a large classroom, a small office, and small seating area. Not associated with this Lease Agreement, the City of Murfreesboro is working with Middle Tennessee State University to provide a space in the lobby area where it can set up audio visual displays to promote the University and its various programs. City Staff hope that this area and the displays will demonstrate to all the importance of the University to our community and the great working relationship we enjoy.

### **Council Priorities Served:**

*Strong and Sustainable Financial and Economic Health*

This Lease Agreement with Middle Tennessee State University provides the Aerospace Department much needed classroom space until new facilities are able to be constructed in the near future. It also assists the Airport with revenue to maintain this new beautiful Terminal.

### **Fiscal Impact**

The Lease Agreement (Transient Use Agreement) being negotiated at this time with the University will provide revenue for the Airport to go towards the maintenance and upkeep of the new facility. The cost to build out the approximately 2,080 square feet of lease space is \$92,240 which will be paid for in two years.

### **Operational Issues**

There are no operational issues associated with this Agreement or the use of the Terminal by the University. In fact, the build out of this space and the area in the lobby provided to the University will greatly assist the promotion of the University and demonstrate the great working relationship between the City of Murfreesboro and Middle Tennessee State University.

ATTACHMENTS:

- 1) Smith Design Build Contract
- 2) Smith Design Build Exhibit A
- 3) Smith Design Build Exhibit B
- 4) Terminal-MTSU Usage Exhibit B