

✈ METROPOLITAN NASHVILLE AIRPORT AUTHORITY ✈

December 19, 2018 – Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors



Date: December 19, 2018

Place: Nashville International Airport
Nashville, Tennessee

Time: 1 p.m.

Board Members Present:

A Dexter Samuels, Chair; Amanda Farnsworth, Secretary; John Doerge, Bill Freeman, Bobby Joslin Christy Smith, Nancy Sullivan and Mayor's Representative, Matt Wiltshire

Board Members Absent:

Trey Harwell, Vice Chair and Jimmy Granbery

Others Present:

Doug Kreulen and Cindy Barnett

I. Call to Order

Chair Samuels called the MNAA Board of Commissioners and MPC Board of Directors meetings to order at 1:00 p.m., pursuant to the Public Notice dated December 14, 2018.

II. Approval of Minutes

Upon motion made by Commissioner Farnsworth and seconded by Commissioner Joslin, the Board voted to approve the Minutes of the November 14, 2018, joint meeting of the MNAA Board of Commissioners and MPC Board of Directors. The motion carried by a vote of 8 to 0.

III. Chair's Report

Chair Samuels welcomed Board members and guests wished everyone a happy holiday. Chair Samuels stated that during his first meeting as chair he said "Our quest to be the best will be a daunting task. We have much to do." and went on to say "we must enjoy the journey. The Journey will define who we are. It can take us to exceeding highs and lows." Chair Samuels stated that the Board is specifically and carefully

designed to have varied perspectives from engineering to business to pilots and community, and is singularly focused on Nashville's great treasure, BNA. The Board will be a resource to our CEO to insure his success.

IV. President's Report

President Kreulen thanked the Commissioners for their time, support and dedication to the airport.

President Kreulen reported that British Airways will start flying its state-of-the-art Boeing 787-9 Dreamliner between BNA and London beginning Mar. 31, 2019, offering passengers a choice of four cabins, including first class. The Boeing 787-9 Dreamliner offers 216 total seats, including: eight first class seats; 42 club world seats (business class); 39 world traveler plus seats (economy plus); and 127 world traveler seats (economy). Operations staff is working to have three ARFF trucks ready while the aircraft is here.

President Kreulen reported that BNA was named 2018 Business of the Year by Donelson-Hermitage Chamber of Commerce along with Piedmont Natural Gas. BNA was awarded this honor for our work with the Aviation Transportation Board, sponsorships and overall commitment to the Chamber. BNA and Piedmont are Donelson-Hermitage Chamber of Commerce's largest members. Ms. Cathy Holland, Director of Community Affairs and Customer Service, accepted the award on behalf of BNA.

President Kreulen reported that holiday festivities at BNA include visits from Santa and Mrs. Claus and the Grinch, additional live music performances, puppet shows and strolling carolers.

President Kreulen reported on FY2019 first and second quarter accomplishments related to MNAA's three priorities to invest, plan and prepare. Key accomplishments included:

Invest in MNAA

- Hired 42 new employees
- Implemented compensation study recommendations
- Opened new Emergency Operations Center, Parking and Ground Transportation Center, upgraded Interim IAB and added 4 checkpoint lanes
- Broke ground on Concourse D and Terminal Wings
- Awarded contracts for Garage C/Admin Building and Terminal Lobby/IAF
- Developed new vision, mission and core values (RISE)
- Invested \$92.9 M
- Announced three new airlines and 22 new routes

Plan for the Future

- Signed new 10-year concessions agreement
- Held executive/senior staff and Board retreats
- Made significant progress on Master Plan update
- Authorized \$300 M Short Term Credit Facility (finalizing today)

Prepare for the Unexpected

- Conducted full-scale and two table-top emergency preparedness drills

- Deemed "a very safe airport" from FAA Part 139 Inspection
- Earned CALEA Reaccreditation

President Kreulen reported that for FY2019 third and fourth quarters, we will:

Invest in MNAA

- Hire 40+ new employees
- Complete the fill of the 50-foot depression (62,000+ dump truck loads)
- Open the North Service Animal Relief Area, Level 2 restrooms, Central Utility Plant and CRDC
- Update policies, procedures and Board Bylaws
- Close audit findings
- Begin design of JWN Air Traffic Control Tower
- Rebrand MNAA logo and begin redesign of website

Plan for the Future

- Begin Fraport transition
- Conduct Economic Impact Study, Disparity Study and Master Plan
- Complete BNA Vision bond financing
- Negotiate airline agreement amendment
- Issue P3 Commercial Development RFQ
- Analyze staffing (manpower) needs and develop succession plans

Prepare for the Unexpected

- Conduct two table-top emergency preparedness drills
- Complete FAA Part 139 Inspection
- Improve Family Assistance Plan
- Become Payment Card Industry (PCI) compliant

President Kreulen reported that over the past five years MNAA invested \$32.6 million in Small, Minority and Women-owned Businesses. Staff has projected that over the next five years, MNAA will invest over \$200 million in Small, Minority and Women-owned Businesses. President Kreulen provided a breakdown of projected SMWBE spend by BNA Vision projects.

FAP Committee Update

President Kreulen provided an update and timeline for the Airline Use and Lease Agreement (AULA) negotiations:

- December 6: Meeting with Airlines and Landrum & Brown to provide initial proposal
- December 13: Airlines submit comments
- December 20: Discuss comments
- January 7: MNAA provide draft AULA Amendment
- January 10: Meeting to review AULA Amendment and Airline Comments
- January 24: Meeting to finalize AULA Amendment
- February 7: Meeting to finalize AULA Amendment

February 20: Finalize AULA Amendment
March 20: Board approval to execute AULA

Finance goals include maintaining current bond ratings (A1/A+) and competitive airline costs; completing the BNA Vision by 2023; and amending the AULA by March 2019 to obtain competitive bond financing in Q2 2019.

President Kreulen provided an update on the Fraport Transition Plan and reported that RFP responses for Food & Beverage and Retail were submitted December 5, 2018. Fraport received 425 submissions, of which 60% were Food & Beverage services. 87 distinct entities submitted proposals, and the local and ACDBE component appears strong. MNAA is awaiting Fraport's analysis of submissions.

The Fraport Transition Plan includes a total of 91 locations, with 55 locations to be open by the end of 2020 and 36 additional locations to be open by the end of 2023. The next Fraport Transition Plan update will be presented in January 2018.

Economic Report

President Kreulen reported that November 2018 was the busiest November in the history of BNA with 1,409,968 total passengers. The past seven months of May through November were the seven busiest months in the history of BNA. Total passengers were up 14.2% for November and up 15.1% for FY19. Passenger numbers have increased in 98 of the last 100 months.

President Kreulen stated that news & gift gross sales for November 2018 were \$2,435,018, up 14.7% over November 2017; FY19 YTD gross sales were \$13,233,301, up 18.1% over FY18 YTD.

President Kreulen reported that food & beverage Service gross sales November 2018 were \$ 4,749,475, up 14.0% over November 2017; FY19 YTD gross sales were \$24,002,972, up 14.3% over FY18 YTD.

President Kreulen reported that rental car gross sales for November were \$13,538,077, up 9.2% over November 2017; FY19 YTD gross sales were \$72,702,704, up 10.2% over FY18 YTD.

Staff Reports

Operations Report:

Mr. Robert Ramsey reported that gross parking revenue from all 5 lots for November was \$4,179,408, up 1.9% over November 2017; FY19 YTD revenue was at \$22,336,653, up 7.6% over FY18 YTD. Parking revenue transactions for November were 109,325, up 8.7% over November 2017; FY19 YTD transactions were 576,494, down 5.6% over FY18 YTD. Mr. Ramsey stated we were at capacity, and the new Parking and Ground Transportation Center would help.

For the month of November, air cargo was up 1.6%, with 4,385 total tons of cargo, an increase of 68 tons; FY19 YTD was up 16.0% with 23,846 tons of cargo, an increase of 3,286 tons.

BNA November fuel sales for Atlantic Aviation, Signature Flight and private self-fueling hangars were up 4.1%, with 747,072 gallons, an increase of 29,389 gallons; FY19 YTD sales were down 7.8% with 3,345,682 gallons, a decrease of 284,280 gallons. JWN November fuel sales were up 30.7% with 167,814 gallons, an increase of 39,418 gallons; FY19 YTD fuel sales were up 18.8%, with 823,934 gallons, an increase of 130,163 gallons.

BNA Vision Monthly Program Report:

Mr. Ramsey provided Commissioners with the December 2018 BNA Vision Monthly Program Report for reference.

Financial Report:

Ms. Marge Basrai, Chief Financial Officer, reported that BNA YTD operating revenues through November 30, 2018 are \$70.1 million, which were \$4.1 million above budget and \$8.3 million over the prior year. Signatory airline revenues were approximately \$400,000 above budget and \$2.9 million over prior year. Landing fees increased over the prior year due to a 16.3% increase in year-to-date landed weights. Terminal rents were \$1.5 million higher than the prior year, primarily due to the FY19 baggage handling system project. Parking revenue was \$2.4 million above budget and \$1.5 million over the prior year. Space rent was \$1.4 million over the prior year, primarily due to additional carriers and increased rental rates. Concessions revenue was above budget by \$1.7 million and \$2.3 million over last year, mainly due to passenger growth.

BNA YTD operating expenses were \$36.1 million, which were \$5.0 million below budget projections and \$3.8 million over the prior year. \$2.3 million of the budget variance was in salaries & benefits due to vacant new budgeted positions and the increase budgeted for the compensation study results that will be implemented in January 2019. Benefits as they relate to salaries were also trending 9% lower than budget. \$2.4 million were in contractual services, including \$3.2 million under budget due to timing of various contract services, offset by \$883,000 over budget in parking lot operations and shuttle bus services, and \$448,000 in increased services including new employee parking. Even though below budget, FY18 operating expenses were \$3.8 million more than the prior year, mainly in contractual services and other expenses due to additional services needed. In addition, \$1 million was driven by \$489,000 related to airline incentives for British Airways, \$180,000 in advertising for parking and \$342,000 for hosting the ACI conference this year.

JWN YTD operating revenues were \$372,000, which were \$21,000 above budget projections and \$5,000 more than the last year. \$14,000 of the budget variance was due to a larger than expected increase in fuel flowage fees, and \$5,000 was due to a lease on a previously empty hangar (Nitetrain Aviation LLC Hangar 173).

JWN YTD operating expenses were \$228,000, which were \$52,000 below budget and \$37,000 below last year. \$42,000 of the budget variance was due to contract services related to fencing and camera re-location projects that were delayed but should be completed later this year. \$6,000 was related to agricultural and maintenance supplies, which should be spent in the 3rd and 4th quarters. JWN expenses were below the prior year due to \$10,000 of supplies purchased last year that haven't been replenished; \$13,000 in ramp/door/sign repairs made last year that haven't been required yet this year, and \$6,000 related to a conference determined not necessary this year.

MPC YTD operating revenues were \$1.2 million, which were \$61,000 below budget projections and \$72,000 less than the last year. \$93,000 of the decrease over prior year was due to a tenant (Castle Law) defaulting on their lease in March (\$18,527 per month). A new tenant has been found for this space, and we anticipate the difference will not materially change in future months. \$30,000 of additional rent offsets the loss on Castle Law due to the normal rental rate escalations in FY19.

MPC YTD operating expenses were \$504,000, which were \$330,000 below budget projections and \$26,000 less than the last year. Variance to budget is attributable to \$226,000 in contract services, primarily due to \$58,000 for IPB repairs that have not been necessary so far this year but are expected in the next couple of months; and \$123,000 for planned improvements to the Multi-Purpose building that will now be covered by Fraport in their lease. \$51,000 of this budget savings will be used for additional roof repairs later in the fiscal year. Other variances include \$22,000 in janitorial services for vacant spaces that will be occupied in January; and \$25,000 for various maintenance supplies that have not be necessary for break/fix so far this year.

Business Diversity Development Report:

Ms. Donzaleigh Powell, Director of Business Diversity Development, briefed the Board on MNAA's MWBE participation for November 2018. Ms. Powell presented the following data:

	Aspirational Participation %	Percentage	MWBE Expenditures	Total Expenditures	YTD Percentage	YTD MWBE Expenditures	YTD Total Expenditures
Professional Services (Includes all contract services, legal expenses external printing, and marketing)	12.44%	1.97%	\$ 54,467	\$ 2,770,644	7.69%	\$ 1,182,069	\$ 15,376,971
Goods & Services (Includes all office supplies and office equipment and other goods)	6.49%	0.41%	\$ 2,573	\$ 630,959	1.03%	\$ 16,585	\$ 1,606,419
Construction Non-Federal CIP (All non-federal Construction and professional projects)	10.49%	9.55%	\$ 1,500,899	\$ 15,710,055	12.78%	\$ 11,737,866	\$ 91,850,919
Construction Federal CIP (All Federal Construction and professional projects)	9.28%	12.11%	\$ 66,606	\$ 550,046	14.45%	\$ 855,864	\$ 5,921,606

Ms. Powell reported that in late November President Kreulen attended the TN Latin Chamber Luncheon. He updated guests regarding the BNA Vision and presented opportunities available at BNA for participation including various programs and services.

The Business Diversity Development Department participated in the planning, development and execution of the annual Minority Enterprise Development Week held at the Nashville Minority Business Center. Brian Gleason, Compliance Manager, and Davita Taylor, Chief of Procurement, serve on the Steering Committee. Chair Samuels received Advocate of the Year Award at the event.

The Diversity Study kick-off with the Griffin and Strong team was held last week. Griffin and Strong provided an overview of the Disparity Study process to the Executive Team. They also discussed data collection planning with departments and staff that would need to provide information throughout the study.

Ms. Karisse Spray, AVP of Human Resources, and Ms. Powell spoke at the Annual Nashville Workforce Network Luncheon. NWN is a collaboration of community partners, businesses, state and local government and educational institutions. Ms. Powell has served on the leadership council since 2012. Ms. Spray and Ms. Powell provided an overview of the BNA Vision, information regarding the SMWBE program and the opportunities at MNAA and the process for applying as well as the benefits of working at MNAA.

V. Items for Approval:

A. Appointment of Commissioner Granbery to Audit and Compliance Committee (Chair)

Chair Samuels recommended that the Board appoint Commissioner Jimmy Granbery to serve on the Audit and Compliance Committee. A motion was made by Commissioner Freeman and seconded by Commissioner Farnsworth to approve appointment of Commissioner Granbery to the Audit and Compliance Committee. The motion carried by vote of 8 to 0.

B. Appointment of Commissioner Granbery to BNA Vision Committee (Chair)

Chair Samuels recommended that the Board appoint Commissioner Jimmy Granbery to serve on the BNA Vision Committee. A motion was made by Commissioner Joslin and seconded by Commissioner Farnsworth to approve appointment of Commissioner Granbery to the BNA Vision Committee. The motion carried by vote of 8 to 0.

C. John C. Tune Airport Air Traffic Control Tower (Design) Contract Award (GAOPE - Freeman)

Ms. Traci Holton, Chief Engineer, briefed the Board on this item. Staff requested that the Board accept the statement of qualifications by Pond & Company (Pond) to provide architectural and engineering consulting services for the Phase 2 feasibility study and the design of the ATCT and westside access road project at

John C. Tune Airport (JWN); and authorize the Chair and President & CEO to execute the proposed professional services contract for the amount contained herein.

Background:

JWN serves as a reliever airport for BNA. There is a diverse mix of aircraft that operate in and out of JWN, ranging from corporate jets to small trainers, light sport and experimental aircraft. JWN has a very active fixed wing and helicopter flight school. This mix, along with the increasing number of operations, creates a need for a non-Federal Air Traffic Control Tower (NFCT) to enhance air safety and efficiency.

An Air Traffic Control Tower (ATCT) Feasibility Study (Phase 1) was completed in August 2017. The Phase 1 study is composed of Preliminary ATCT Site Evaluation and Federal Contract Tower Benefit Cost Analysis.

This contract consists of a Phase 2 Feasibility Study and the architectural and engineering design of a new ATCT and westside access road. Site analysis will include, but not be limited to, FAA coordination, 3D modeling, environmental assessment, Safety Risk Management and geotechnical analysis. Final ATCT site selection shall be completed and approved by FAA and MNAA during the Phase 2 study. After final site selection and approval, the new ATCT and access road with associated parking, utility infrastructure and stormwater management will be designed for the selected site.

On August 27, 2018 and August 30, 2018, the MNAA published a Request for Qualifications (RFQ).

On September 27, 2018, three Statements of Qualifications were received: Barge Design Solutions (Barge), Leo A Daly (LAD), and Pond & Company (Pond).

The selection committee evaluated the Statements of Qualifications based on the criteria below:

- 1) Comparable and recent experience
- 2) Key personnel's professional qualifications and experience
- 3) Qualifications and experience of subconsultants
- 4) Understanding of the project's potential challenges and the sponsor's special concerns
- 5) Aesthetics and architectural concepts with function, safety and efficiency
- 6) Small, Minority, and Woman-Owned Business Enterprise (SMWBE) participation

On November 1, 2018, the selection committee conducted interviews of all candidates and their final scores are listed below:

Firm	Score	Committed SMWBE Participation
Barge	440	4.38% WBE
LAD	482	4.38% WBE
Pond	491	6% WBE

The selection committee determined Pond to be the most qualified firm for the ATCT Feasibility Study (Phase 2) & ATCT and Westside Access Road Design project based upon responses to the following:

- 1) Understanding of three most challenging aspects of the project
- 2) Approach to obtaining FAA funding approval
- 3) Ideas for economically flexible design and latest technologies
- 4) Subcontractor coordination procedures and Small, Minority and Woman-owned Business Enterprise (SMWBE) mentoring/development experience

All firms were well qualified, but the team from Pond demonstrated the best understanding of the needs of this particular project as well as substantial experience with ATCT projects of similar scope.

The SMWBE participation level set by MNAA for this project was 4.38% MBE and/or WBE. Pond has committed to obtain 6% MBE. Pond's SMWBE partners are Civil Infrastructure Associates (CIA), Connico and KS Ware.

The design team, as submitted to MNAA includes Pond, CTBXaviation, Air Traffic Consulting Service and Atkins.

Impact/Findings:

MNAA SMWBE Goal:	4.38% MBE and/or WBE
Pond's SMWBE Goal:	6% WBE
Anticipated Contract Start Date:	January 2019
Duration of Contract:	360 days
Contract Completion Date:	December 2019
Contract Cost:	\$692,000.00 NTE
Funding Source:	47% State and 53% JWN

Strategic Priorities:

- Invest in MNAA
- Plan for the Future

Options/Alternatives:

Do Nothing: The "Do Nothing" option will result in the John C. Tune Airport to remain as the largest general aviation airport in Tennessee without an air traffic control tower.

Committee Review:

This item was presented to the General Aviation, Operations, Planning and Engineering (GAOPE) Committee on December 12, 2018. The GAOPE Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

A motion was made by Commissioner Freeman and seconded by Commissioner Farnsworth to accept the statement of qualifications by Pond & Company (Pond) to provide architectural and engineering consulting services for the Phase 2 feasibility study and the design of the ATCT and westside access road project at John C. Tune Airport (JWN); and authorize the Chair and President & CEO to execute the proposed professional services contract for the amount contained herein. The motion carried by vote of 8 to 0.

D. Concourse D and Terminal Wings CGMP 5 of 6 (BNA Vision - Joslin)

Ms. Holton briefed the Board on this item. Staff requested that the Board authorize the Chair and President & CEO to execute the proposed Amendment 4 for Component Guaranteed Maximum Price (CGMP) #5 for the core and building shell, mechanical, electrical and plumbing systems, low voltage work, passenger boarding bridges, roofing and fire protection, baggage handling systems, elevators and other associated building work for the Concourse D & Terminal Wings project at BNA Progressive Design-Build contract.

Background:

As Project 1 of the BNA Vision, this project consists of a 6-gate expansion of Concourse D, as well as expansion of existing ticketing and baggage claim areas of the Terminal. This project is being prioritized to accommodate movement of the existing Transportation Security Administration (TSA) checkpoint and central airline ticket counters to the new expanded ticketing areas (wings), so that an expanded central terminal area can be constructed in the future. Additionally, the added gates in Concourse D will provide for an 'empty chair' for future construction of the International Arrivals Facility.

The Progressive Design-Build contract establishes a Guaranteed Maximum Price (GMP) based on the 60% design drawings. For scheduling purposes, and to fast-track the project, "component" GMPs, (CGMP's) are utilized to provide for early start of critical path items. To manage the final GMP, a specified Design-to-Budget requirement is utilized to ensure the total budget remains on target through the progression of design and construction work. The Design-to-Budget for this project was originally established as \$203,000,000, however due to additional scope and unforeseen conditions, the Design-to-Budget has been revised to \$238,000,000.

Project costs are currently being evaluated and will continue to be managed to ensure the overall project budget of \$268,000,000 is not exceeded.

On January 17, 2018, the Board approved the selection of Hensel Phelps and CGMP #1 for the design & general conditions. On April 18, 2018, the Board approved CGMP #2 for design assist services & general requirements in the amount of \$2,608,282. On May 17, 2018, the Board approved CGMP #3 for the new Central Utility Plant (CUP), Concourse C buildout for enabling moves for DEA and TSA, construction of a north and south SARA, utility ductbanks and various site work in the amount of \$52,900,093. On October 17, 2018, the Board approved CGMP #4 for progression of the civil design and construction, geotechnical

foundations and drilled piers, glass and glazing, demolition and metal panels in the amount of \$21,900,000. This amendment is for CGMP # 5 and includes the following items: the core and building shell, mechanical, electrical and plumbing systems, low voltage work, passenger boarding bridges, roofing and fire protection, baggage handling systems, elevators and other associated building work.

Staff is requesting the Board to authorize Hensel Phelps, via an amendment to their contract, to begin entering into subcontract agreements to deliver the scope for CGMP #5. In doing so, Hensel Phelps will negotiate final scopes of work and final bid prices for each individual package of work and bring that information to MNAA staff for review and approval. MNAA maintains final approval on all subcontracts for this project.

Hensel Phelps anticipates one remaining CGMP for the project: Final GMP- Finish out construction in April 2019.

The SMWBE participation level set by MNAA for this project is 6.29% MBE and 9.13% WBE and 4% SBE. Hensel Phelps has committed to meeting the goal.

Impact/Findings:

MNAA SMWBE Participation Level:	6.29% MBE and 9.13% WBE and 4% SBE
Hensel Phelps SMWBE Participation Level:	6.29% MBE and 9.13% WBE and 4% SBE
Contract Start Date:	January 22, 2018
Duration of Contract:	900 Calendar Days Completion
Contract Completion Date:	July 10, 2020
Component Guaranteed Maximum Price 1	\$ 31,348,670.00
Component Guaranteed Maximum Price 2	\$ 2,608,282.00
Component Guaranteed Maximum Price 3	\$ 52,900,093.00
Component Guaranteed Maximum Price 4	\$ 21,900,000.00
Component Guaranteed Maximum Price 5	<u>\$ 87,192,456.00</u>
Total Contract Price (CGMP 1-5)	\$195,949,501.00
Component Guaranteed Maximum Price 6	<u>TBD</u>
Current Estimated Guaranteed Maximum Price	\$238,000,000.00
Funding Source:	100% MNAA

Strategic Priorities:

- Invest in MNAA
- Plan for the Future

Options/Alternatives:

Do Nothing: The "Do Nothing" option will result in the inability to complete the BNA Vision or meet passenger growth projections.

Committee Review:

This item was presented to the BNA Vision Committee on December 12, 2018. The BNA Vision Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

A motion was made by Commissioner Joslin and seconded by Mayor's Representative Wiltshire to authorize the Chair and President & CEO to execute the proposed Amendment 4 for Component Guaranteed Maximum Price (CGMP) #5 for the core and building shell, mechanical, electrical and plumbing systems, low voltage work, passenger boarding bridges, roofing and fire protection, baggage handling systems, elevators and other associated building work for the Concourse D & Terminal Wings project at BNA Progressive Design-Build contract. The motion carried by vote of 8 to 0.

E. NES Invoices for Concourse D and Central Utility Plant Service (BNA Vision - Joslin)

Ms. Holton briefed the Board on this item. Staff requested that the Board of Commissioners authorize the President & CEO to pay two Nashville Electric Service (NES) invoices to supply redundant power feeds for the Concourse D & Terminal Wings and meter totalization at BNA.

Background:

The airport facility is served by utility feeds from two separate NES substations. The primary feed originates from the "Airport" substation located east of runway 2R/20L, with the secondary feed originating from the "Donelson" substation located north of I-40. Both feeds are routed overhead to a common service point adjacent to the Cell Phone Waiting lot, referred to as the "pole farm". From this consolidated location, the following services are derived serving the airport:

1. Direct feeds to the Terminal building from both NES circuits
2. Consolidation of both NES circuits to a single auto-switched circuit serving the CONRAC, Short Term, Long Term A, and the north stormwater treatment facilities

For the new electrical service, the Vision design provides dual NES utility feeds to both the new Central Utility Plant (CUP) and D Concourse at 480V and 5kV service voltages, respectively. To achieve this, both the Airport and Donelson circuits will be extended from the "pole farm" to the vicinity of the CUP. The Donelson circuit will be extended via an underground ductbank routed through Long Term A, requiring use of both new and existing ductbank infrastructure already installed. The Airport circuit will be brought to the CUP by temporarily tapping off the overhead circuit currently running alongside Donelson Pike. Once construction

begins on the TARI/Donelson Pike project, the existing Airport circuit overhead lines will be removed, including the portion of the circuit running to the pole farm. This will require re-routing of the Airport circuit feed to cross beneath runway 2R/20L to the CUP.

To facilitate the relocation of the Airport circuit routing and provide power to the CUP for Project 1, NES has reconfigured the infrastructure layout to move the primary metering point for the Airport circuit to the CUP as part of Project 1 work, facilitating the future TARI/Donelson Pike work without requiring future re-work. In addition, relocating the primary metering point for the Airport circuit provides the added advantage of totalizing the metering for the existing Terminal with the new CUP and D Concourse for a single bill at a lower rate schedule, offering an estimated savings of over \$390k per year.

NES has submitted two (2) invoices described below to complete this work:

1. Airport Circuit Relocation for meter totalization	\$110,000
2. Dual Service to CUP and Concourse D	\$921,174.36

Payment of these invoices are critical in order to meet the schedule for having service to the CUP by January 7, 2018.

The above described reconfiguration of NES service provides the following benefits that align with MNAA's strategic goals and objectives:

- Provides geographical separation of the incoming NES overhead services, reducing risks of simultaneous loss of both utility services due to natural disaster or incidental/deliberate action.
- Prepares for future relocation of the NES - Airport feed into the Terminal, to be routed from the CUP to the terminal, eliminating sharing of the existing ductbank from the pole farm to the Terminal, thus completing the geographical separation of the two (2) utility circuits from point of origin all the way to the Terminal.
- Prepares for removal of NES overhead lines along Donelson Pike and future re-routing of the NES-Airport primary circuit from the NES – Airport Substation to the CUP/Terminal via a new underground ductbank crossing of runway 2R/20L, to be completed as a future CIP project. This is necessary to support the TARI / Donelson re-alignment.
- Provides a portion of the needed infrastructure required to provide redundant service to parking revenue controls for Economy and Long Term A/B parking, to be completed in the Terminal Area Roadway Improvement (TARI) project.

Costs are within the Concourse D and Terminal wings project budget of \$268,000,000.

Impact/Findings:

Invoice 1 (Airport Circuit Relocation)	\$ 110,000.00
Invoice 2 (Concourse D & CUP Service)	\$ 921,174.36
Total Invoices 1 & 2 of 6	\$1,031,174.36
Future Invoices 3-6	\$2,200,000.00
Total Estimated NES Budget	\$3,231,174.36

Strategic Priorities:

- Invest in MNAA
- Plan for the Future

Options/Alternatives:

Do Nothing: The “Do Nothing” option will result in the inability to provide power to the CUP or Concourse D which is the first project of the BNA Vision.

Committee Review:

This item was presented to the BNA Vision Committee on December 12, 2018. The BNA Vision Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

A motion was made by Commissioner Joslin and seconded by Commissioner Sullivan to authorize the President & CEO to pay two NES invoices to supply redundant power feeds for the Concourse D & Terminal Wings and meter totalization at BNA. The motion carried by vote of 8 to 0.

F. P3 Commercial Development RFI Results and Issuance of RFQ (BNA Vision - Joslin)

Mr. Ramsey and R. Clay Paslay, Paslay Management Group, briefed the Board on this item. Staff requested that the Board authorize the President & CEO to develop and advertise the Request for Qualifications (RFQ) through the Paslay Management Group (PMG) contract for the P3 Commercial Development with the construction of Garage B.

Background:

The initial strategy for the hotel was for MNAA to fund and build the hotel in the BNA Vision as part of the construction of Garage B. Further evaluation has revealed that a better strategy is to use a public/private partnership (P3) approach for the development of the hotel and/or other development opportunities.

Per the Board's approval on October 17, 2018, PMG and its sub-consultant Frasca & Associates (FA) assisted MNAA with the preparation of a request for information (RFI) for commercial, mixed use or hotel development as part of the BNA Vision, which was advertised on October 26, 2018. The RFI was downloaded by 55 firms. On November 28, 2018 MNAA received six responses. The respondents own, operate and manage more than 1,500 hotels and approximately 300,000 hotel rooms. The table below is a breakdown of those responses:

Respondent	Hotel Association	Financing Partner
Chartwell Hospitality	Hilton or Marriott	TBD
Fontainebleau Development	Hilton or Marriott	Corner Partnership LLC

Garfield
Matthews Southwest
MCR
Omni

Hyatt Hotel
Interstate Hotel & Resort
Independent
Omni

Citigroup
Preston Hollow Capital
MCR Investment Fund
TBD

Six responses were submitted, however the response received from Omni was incomplete but expressed their intent to pursue the RFQ when it is released. We had questions from multiple firms during the advertisement period asking if failure to submit a response to the RFI would preclude them from pursuing a subsequent RFQ/RFP. We informed the firms that lack of submission during the RFI would not preclude firms from pursuing the RFQs in the future. Staff is confident that there are six, and possibly as many as nine, firms that will submit qualifications as part of the procurement process. All of the responses indicate a hotel would be a viable development opportunity at BNA. No other type of commercial developments were suggested. MNAA, PMG and FA plan to meet with some of the respondents to obtain additional feedback to further inform the development of the RFQ. The RFQ will be developed through January and will be released in February 2019. Pending Board approval of the RFQ development and solicitation, staff will bring the shortlist of the RFQ responses to the Board for approval before proceeding to the RFP solicitation.

Strategic Priorities:

- Invest in MNAA

Options/Alternatives:

The "Do Nothing" option will result in a lost opportunity to add commercial development to the garage structure planned in this location in the BNA Vision.

Committee Review:

This item was presented to the BNA Vision Committee on December 12, 2018. The BNA Vision Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

A motion was made by Commissioner Joslin and seconded by Commissioner Doerge to authorize the President & CEO to develop and advertise the Hotel Request for Qualifications (RFQ) through the Paslay Management Group (PMG) contract for the P3 Commercial Development with the construction of Garage B. The motion carried by vote of 8 to 0.

G. Short Term Credit Facility Final Authorizing Resolution No. 2018-13 (FAP – Smith)

Ms. Basrai briefed the Board on this item. Staff requested that the MNAA Board of Commissioners approve MNAA Resolution No. 2018-13, Authorizing Resolution, pertaining to the Short Term Credit Facility to finance a portion of the cost of the Authority's Capital Improvement Program.

Background:

Staff is requesting that the Board of Commissioners of MNA approve Resolution No. 2018-13, Authorizing Resolution, in connection with the Short Term Credit Facility. Resolution 2018-13 approves the terms of the Short Term Credit Facility, approves the substantially final form of the Short Term Credit Facility, and authorizes the Chairman and President & CEO to execute the closing documents for the Short Term Credit Facility.

The proposed form of the Short Term Credit Facility (the Note Purchase Agreement), which has been negotiated within the parameters approved by the Board at the October 17, 2018 and November 14, 2018 Board meetings, is summarized below:

1. General Provisions

- Provider of facility – Bank of America, N.A.
- Commitment to make advances of \$300,000,000
- Variable rate interest rate based on LIBOR or its successor index
- Commitment term of 5 years
- Advances under the commitment are evidenced by notes
- Initial maturity date of notes is 3 years
 - With ability to issue additional notes with Board approval,
 - During the initial 3 years term (to reinstate the full commitment if long term bonds are issued to take out the existing advance balance)
 - Or in the following 2 years
- The commitment will terminate on the second anniversary date of the agreement (or each anniversary date thereafter) unless the Authority requests and is granted a waiver by the bank

2. Security/Repayment

- Interest only for up to three (3) years
- Principal of advances will be taken out with long-term bonds
- Second lien on net revenues of the authority, behind bondholders

3. Fees/Cost (not interest)

- \$350 per advance/draw
- 15 bps or 0.15% commitment fee until 50% (\$150M) is drawn
 - Fee payable quarterly in arrears

4. Draws or Advances

- Minimum of \$1,000,000 in \$100,000 denominations
- Funded the 2nd business day after receiving draw request
- Accrue interest at either tax-exempt or taxable rates (depending on project)

5. Payments

- Interest payments – first business day of the month or maturity date
- Prepayment – payments on interest payment dates with at least 3 business days' notice

The Authority expects to issue multiple notes under the Short Term Credit Facility prior to the facility termination date. Issuance in excess of \$300 million requires additional Board approval. The Authority also expects to refinance notes under the Short Term Credit Facility through the issuance of long-term revenue bonds.

Impact/Findings:

MNAA staff, with the assistance of its municipal advisor, bond counsel, and outside legal counsel, has negotiated the terms of the Short Term Credit Facility with Bank of America, N.A., as approved by the MNAA Board of Commissioners at its October 17, 2018 and November 14, 2018 Board meetings. MNAA staff is requesting that the Board of Commissioners of MNAA approve Resolution No. 2018-13, Authorizing Resolution, to complete the Authority's goals of consummating the Short Term Credit Facility.

Strategic Objectives:

- Invest in MNAA
- Plan for the Future
- Prepare for the Unexpected

Committee Review:

This item was presented to the Finance, Administration and Properties Committee on December 12, 2018. The FAP Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

A motion was made by Commissioner Smith to approve MNAA Resolution No. 2018-13, Authorizing Resolution, pertaining to the Short Term Credit Facility to finance a portion of the cost of the Authority's Capital Improvement Program. The motion carried by vote of 8 to 0.

VI. Information Item:

A. Sumner County Regional Airport Authority Proposed Name Change (GAOPE – Freeman)

Mr. Robert Ramsey briefed the Board on this item. Mr. Ramsey reported that Sumner County Regional Airport Authority is located in Gallatin, Tennessee and that Nashville Jet serves as their fixed base operator. A 10-member Board governs the Sumner County Airport Authority, who voted to change the airport name to Nashville Executive Airport. Sumner County Regional Airport Authority recently changed its identifier from M33 to XNX.

Mr. Ramsey stated that since the airport is not situated within the city limits of Nashville, FAA requires a letter of concurrence from MNAA. Sumner County Regional Airport is not located in Nashville or in Davidson County. It is located approximately 33 miles from the center of Nashville, where JWN and BNA are located 8 and 10 miles respectively from the center of Nashville. Mr. Ramsey stated that the proposed name change would create confusion. JWN and BNA are in and serve Nashville, and BNA and MNAA already have Nashville Airport in the name.

Mr. Ramsey stated that staff does not concur with the proposed name change. The Board concurred with staff's recommendation. Mr. Kreulen stated that staff would send a letter to Sumner County Regional Airport Authority, and would keep the Board informed.

VII. Adjourn

There being no further business before the Board, Chair Samuels adjourned the meeting at 1:45 p.m.



Amanda C. Farnsworth
Board Secretary