

Minutes of the BNA Vision Committee



Date: March 11, 2020 Place: Nashville International Airport Board Room
Nashville, Tennessee

Time: 9:40 a.m.

Committee Members Present: Bobby Joslin, Chair; Jimmy Granbery, Vice Chair; and Nancy Sullivan

Committee Members Absent: None

Others Present: Board Chair A. Dexter Samuels; Doug Kreulen; Cindy Barnett; and Angela Edwards

I. Call to Order

Chair Joslin called the meeting of the BNA Vision Committee to order at 10:35 a.m., pursuant to Public Notice dated March 6, 2020.

II. Approval of Minutes

Chair Joslin called for a motion to approve the Minutes of the February 12, 2020 BNA Vision Committee meeting. A motion was made by Commissioner Granbery and seconded by Commissioner Sullivan. The motion carried by vote of 3 to 0.

III. Chair's Report

Chair Joslin had no Chair's Report.

Vice Chair Granbery recused himself from participating in discussions and voting on matters relating to the hotel.

IV. Items for Approval

A. Approval of Amendment to Hotel & Garage Development Payment for Work Agreement

Ms. Margaret Martin, VP, Chief Development Officer, briefed the Committee on this item. Staff requested that the BNA Vision Committee recommend to the Board of Commissioners that it amend the Payment for Work Product Agreement for the hotel and garage development project.

Staff provided the BNA Vision Committee a staff analysis for the amendment to hotel and garage development payment for work agreement prior to the meeting.

Ms. Martin gave a brief history of the process to select a developer for a hotel and garage development at BNA. In June 2019, the Board of Commissioners approved a Payment for Work Product (PWP) in the amount of \$750K for the unsuccessful respondents which would be paid for as part of the total project cost of the ultimately successful respondent. Board approval was necessary for this item because under the terms of the PWP, if the successful party failed to pay the \$750K payment or MNAA decided to terminate the solicitation, MNAA would ultimately be responsible for the payment. Along with the PWP, the 3 selected respondents were approved by the Board of Commissioners to continue through the solicitation process.

On November 15, 2019, Matthews Southwest withdrew from consideration, leaving the two remaining respondents engaged in the solicitation process. Based on significant feedback from the two respondents during the course of the collaborative dialogue meetings, MNAA staff is requesting that the PWP be amended such that MNAA would make the \$750K payment to the unsuccessful respondent rather than that payment being made by the successful respondent.

Vice Chair Granbery recused himself and did not vote on this item.

After questions and discussions, a motion was made by Chair Joslin and seconded by Commissioner Sullivan to approve the amendment to the Payment for Work Product Agreement for the hotel and garage development project. The motion carried by vote of 2 to 0.

B. Approval to Issue Hotel RFP

Ms. Martin briefed the Committee on this item. Staff requested that the BNA Vision Committee recommend to the Board of Commissioners that it approve the release of the request for proposals (RFP) for the hotel and garage development.

Staff provided the BNA Vision Committee a staff analysis for the RFP for the hotel and garage development prior to the meeting.

Ms. Martin gave a brief background of the hotel development project. Since Board approval in June 2019, MNAA staff and consultants had engaged in seven Collaborative Dialogue Meetings (CDM) with the respondents. On November 15, 2019, Matthews Southwest withdrew from consideration, leaving the two remaining respondents engaged in the solicitation process. During these collaborative dialogue meetings, the parties worked together to identify key requirements for the project's success and

attempt to remove barriers to success. This work was reflected in the proposed RFP and the draft lease agreement. In February, the hotel teams submitted their initial hotel design for pass/fail review, and both teams passed.

Ms. Martin gave a summary of the key terms of the RFP and the agreement to the Board members in attendance.

Vice Chair Granbery recused himself and did not vote on this item.

After questions and discussions, a motion was made by Commissioner Sullivan and seconded by Chair Joslin to approve the release of the request for proposals (RFP) for the hotel and garage development project. The motion carried by vote of 2 to 0.

C. Approval of BNA Vision 2.0 Concept

Mr. Robert Ramsey, SVP, Chief Operating Officer, briefed the Committee on this item. Staff requested that the BNA Vision Committee recommend to the Board of Commissioners that it approve the proposed scope for Vision 2.0 and authorize MNA staff to proceed with developing and executing a plan to construct BNA Vision 2.0 at the Nashville International Airport.

Staff provided the BNA Vision Committee a staff analysis for the BNA Vision 2.0 Concept prior to the meeting.

Despite the ambitious capital program for the BNA Vision established in 2017, BNA and the Nashville area have continued their rapid growth and additional gates are needed to meet passenger demand. BNA is currently 17-19 years ahead of the 2013 Master Plan enplanement projections. The current BNA Vision program will provide a total of 48 gates. Based on current projects BNA will exhaust preferential use and gate sharing options to accommodate peak period airline operations in 2022. The in-progress 2018 BNA Master Plan includes the recommendation and justification to build a new satellite concourse and redevelop and expand Concourse A to provide a total of 65 gates at BNA to accommodate airline operations growth.

Mr. Ramsey presented a history of BNA Vision 2.0 concepts evaluated by MNA staff. Since October 2019, staff had presented 9 options for the BNA Vision Committee to consider. Below is a history of options presented:

October 2019: Proposed Satellite Concourse (8 gates, net 7) and new Concourse A (17 gates, net 10)

- Satellite: \$190M
- New Concourse A (\$650M) & Fill/Ramp (\$78M): Total \$728M

- Vision 2.0 Total: \$1.0B (included runway Environmental Assessment, deicing, curbside)

November 2019: Alternatives for Passenger Connection to Satellite Concourse

- Skybridge – 5 options – proposed dual group III taxilanes: \$480M; 30 months satellite + 22 months skybridge
- APM – 3 options – proposed elevated: \$654M; 54 months
- Tunnel – 2 options – proposed group III & V taxilane: \$654M; 30 months satellite + 28 months tunnel
- Shuttle – 1 option: \$190M (noted that 18 of 30 large hub airports shuttle today)

December 2019: 5 options presented

- Expedited Concourse A - \$710M; Early 2024–10 gates, Mid 2024-6 gates, Early 2025-1 gate
- Expedited Concourse A + Hardstand - \$768M; Early 2022-Hardstand, Same Schedule Concourse A
- Expedited Concourse A + Standard Satellite - \$790M; End of 2021-Satellite, Same schedule Concourse A
- Expedited Concourse A + Enhanced Satellite - \$900M; Late 2022-Satellite, Same schedule Concourse A
- Standard Concourse A + Standard Satellite – \$790M; End of 2021-Satellite; Mid 2025 Concourse A

January/February 2020: Phased Concourse A (total 58 gates) \$1.055M

- Phase 1: +7 gates – Jan 2026
- Phase 2: - 3 gates, + 3 hardstand – Sep 2028
- Open Concourse A: +6 gates, - 3 hardstand – Sep 2028
- Modify A/B: +1 gate – Oct 2029

Staff summarized the final 3 options at the February 2020 BNA Vision Committee meeting and proposed Expanded Concourse A + Satellite Concourse. This option gets BNA to the number of gates needed in less time and is mid-range in cost. This option also allows for revenue generation in the Satellite Concourse.

This Vision 2.0 concept will add 17 gates to the BNA terminal complex. The expansion of Concourse A requires additional ramp and taxilanes for aircraft maneuvering. The ramp expansion area extends north over an existing depression and will require approximately 600K cubic yards of engineered structural fill before the new ramp may be paved with concrete. Concourse A would also be expanded from 7 to 17 gates and include additional ticket counters, baggage screening systems, baggage make-up rooms, and concession locations. The proposed Satellite Concourse would have approximately 8 gates and be located west of Concourse C. Satellite Concourse will include new restroom and

concession locations. Additionally, Vision 2.0 will also add curbside lanes at the arrivals and departures levels.

MNAA staff would begin with the expansion of Concourse A ramp and Satellite Concourse gates.

Additionally, staff will continue to monitor passenger growth and adjust the schedule of the program to meet the gate demand necessary in conjunction with the Board's approval and authorization. Staff will obtain Board approval prior to obtaining funds and contract approval for the program in accordance with MNAA Bylaws.

The SMWBE participation level will be set on the specific scope of work for each project. The program cost would be approximately \$790M. The duration of the program would be 1,680 calendar days. The funding source would be MNAA and PFC backed bonds.

After questions and discussions, a motion was made by Vice Chair Granbery and seconded by Commissioner Sullivan to approve the proposed scope for Vision 2.0 and authorize MNAA staff to proceed with developing and executing a plan to construct BNA Vision 2.0 at the Nashville International Airport. The motion carried by vote of 3 to 0.

V. Information Items

A. BNA Vision Program Budget & Schedule Summary

Mr. Ramsey briefed the Committee on this item. The BNA Vision Program Budget and Schedule Summary had no significant change since February 2020. The total contingency remaining is approximately \$98.6M which includes program and project contingencies.

Mr. Ramsey stated there will be a lot of changes happening in 2020 which will cause significant changes to the customer experience. The North Checkpoint will open in April 2020 and the South Checkpoint will open in September 2020. The expansion of Concourse D is set to open July 16, 2020. Garage C floors 1-4 and valet will open June 2020. The Administration Building is scheduled to open December 2020.

This item was presented for informational purposes only with no action required.

E. Adjourn

There being no further business brought before the BNA Vision Committee, Chair Joslin adjourned the meeting at 11:08 a.m.


Amanda C. Farnsworth, Board Secretary *Staff Secretary*