

Minutes of the Joint Meeting of MNAA and MPC
Finance/Administration/Properties Committees



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

Time: 9:45 a.m.

Committee Members Present: Amanda Farnsworth, Chair; Bill Freeman, Vice Chair; and
Bobby Joslin

Committee Members Absent: John Doerge

Others Present: Jimmy Granbery; Nancy Sullivan; Board Chair, A. Dexter
Samuels; Doug Kreulen; Cindy Barnett; and Angela
Edwards

I. Call to Order

Chair Farnsworth called the meeting of the MNAA and MPC Finance, Administration, and Properties (FAP) Committee to order at 10:02 a.m., pursuant to Public Notice dated March 6, 2020.

II. Approval of Minutes

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

III. Chair's Report

Chair Farnsworth had no Chair's Report.

Chair Farnsworth turned the meeting over to President Kreulen for an update on John C. Tune airport (JWN). President Kreulen reported the tornado of March 3, 2020 hit JWN and caused significant damage estimated to be approximately \$93M.

President Kreulen reported that in the February 12, 2020 meeting of the FAP Committee, staff recommended approval of the assignment of lease from Corporate Flight Management (CFM) d/b/a Contour to Gateway, a subsidiary of Modern Aviation. The FAP Committee recommended approval

to the Board of Commissioners to allow CFM to assign its lease to Gateway. At the meeting of the Board of Commissioners on February 19, 2020, Commissioner Freeman asked that this item be deferred for 30 days to allow time for further consideration. The members of the Board of Commissioners agreed; therefore, no action was taken on this item at this time.

President Kreulen stated due to the subsequent events at JWN since the last meeting of the Board of Commissioners, he recommended retracting the staff recommendation to assign CFM's lease to Gateway in order to give staff time to re-evaluate the business plan and re-address this item in 60 to 90 days before the General Aviation/Operations/Planning/Engineering Committee (GAOPE) and FAP Committee. Chair Farnsworth stated the recommendation makes sense because there are many insurance and planning issues to work through at JWN and agreed staff should take a step back and re-evaluate.

IV. Items for Approval

A. Approval of Atlantic Aviation Lease Extension Terms

Mr. John Corbitt, AVP, Real Estate, briefed the Committee on this item. Staff requested that the FAP Committee recommend to the Board of Commissioners that it approve the terms of the lease with Atlantic Aviation.

Staff provided the FAP Committee a staff analysis for the Atlantic Aviation Lease Extension prior to the meeting.

Atlantic Aviation has requested a new long-term lease in exchange for their commitment to make significant capital investments in the property. Mr. Corbitt discussed existing premises and new premises, property layout, current and proposed financial terms, proposed terms of the lease, and key terms and benefits to the Authority.

After questions and discussions, a motion was made by Commissioner Freeman requesting that staff take a look at the escalation rate and/or frequency of reset and report back to the Board at the next Committee and Board meeting. The motion was seconded by Commissioner Joslin. The motion carried by vote of 3 to 0.

V. Information Items

A. Fraport Transition Update

Ms. Linda Macey, AVP, Revenue Development, briefed the Committee on this item. Ms. Macey presented a slide showing pictures of construction at Tennessee Trading Post and Tootsies.

Anticipated opening dates are March 23, 2020 and March 31, 2020, respectively. Both concepts had their millwork stored at a warehouse in Mount Juliet that was destroyed by the tornado. Fortunately, the millwork for Tootsies was completely recovered and they are holding to the schedule. A couple of pieces were damaged belonging to Tennessee Trading Post, but an alternate source has been identified to have those pieces reconstructed. Tennessee Trading Post is also sticking to its March 23, 2020 opening date.

Ms. Macey presented concepts scheduled to be open in April and May 2020. Openings planned for April 2020 include Tennessee Brew Works, Music Row Supply and Barista Parlor. Openings planned for May 2020 include Green Beans Coffee, Graycliff Smoking Lounge, Tennessee Tribune and The Urban Juicer. All concepts are on schedule for these opening dates.

Ms. Macey went on to give an update on Concourse D concept construction. On February 24, 2020, "whitebox" locations were turned over to Fraport. Nine locations are targeted to be open by July 13, 2020. Each concept was discussed by percentage of design.

Fraport had retained L&D Construction to build the C-Triangle and coordinate tenant construction. There is a dedicated project manager, program manager, assistant project manager and project director on site to get things back on track and moving forward. Under Matt Jennings' leadership, operational responsibilities of the existing team have been reworked and new operational procedures have been instituted to enhance ground presence and effectiveness. MNAA staff is now receiving a weekly construction progress report and a daily construction and operational report. MNAA is seeing positive changes with the addition of Matt Jennings.

After questions and discussion, Ms. Macey concluded her presentation.

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

VI. Adjourn

There being no further business brought before the FAP Committee, Chair Farnsworth adjourned the meeting at 10:30 a.m.


Amanda C. Farnsworth, Board Secretary *Secretary*