

Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors



Date: September 16, 2020

Place: Nashville International Airport / Electronic Meeting

Time: 1:00 p.m.

Board Members Present:

Aubrey B. Harwell III, Board Chair; Amanda Farnsworth, Vice Chair; Bill Freeman, Secretary; John Doerge; Bobby Joslin; Nancy Sullivan; Jimmy Granbery; Christy Smith; Kevin Crumbo; and Joycelyn Stevenson

Board Members Absent:

None

Others Present:

Doug Kreulen; Cindy Barnett; Lisa Lankford; and Angela Edwards

I. Call to Order

Vice Chair Farnsworth 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 September 11, 2020.

II. Roll Call and Open Meetings Act Announcement

Ms. Angela Edwards, Staff Secretary, read the Open Meetings Act Announcement as follows:

The Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors will be held in accordance with Executive Order No. 16, signed by Governor Bill Lee on March 20, 2020, as amended by Executive Order No. 34, signed by Governor Bill Lee on May 6, 2020, as amended by Executive Order No. 51, signed by Governor Bill Lee on June 29, 2020, and as amended by Executive Order No. 60, signed by Governor Bill Lee on August 28, 2020, allowing a governing body to hold meetings by electronic or other means of communication without a quorum being physically present if the governing body determines that meeting by electronic means is necessary to prevent the spread of COVID-19 or other related epidemics to protect the health, safety and welfare of the public and members of the governing body. All votes taken during this meeting will be by roll call vote.

Ms. Edwards called roll of the members of the MNAA Board of Commissioners and MPC Board of Directors. All members were present.

III. Approval of Minutes

Upon motion made by Commissioner Granbery and seconded by Commissioner Stevenson, the Board voted to approve the Minutes of the August 19, 2020 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. Ms. Edwards took a roll call vote and the motion carried by vote of 10 to 0.

IV. Chair's Report

Chair Harwell had no Chair's Report but thanked President Kreulen, staff, and the members of the Board of Commissioners for their hard work.

V. President's Report

President Kreulen reported former Ambassador to Japan, Bill Hagerty, visited BNA on September 9, 2020. Mr. Hagerty was given a presentation and tour discussing expanding BNA and creating a bigger, better economic impact for Middle Tennessee. Mr. Hagerty is a candidate for a U.S. Senate seat for Tennessee.

MNAA staff had gotten 11 letters of support from elected representatives and businesses for the long-term plan to extend Runway 2L/20R to accommodate service to Asia. Staff will submit these letters along with other information to the Federal Aviation Administration (FAA).

The 2020 Board Retreat is scheduled for October 21, 2020 to be held at the Nelson Andrews Leadership Center. After comments and feedback from the Commissioners, the majority stated they would prefer a virtual Board Retreat instead of meeting in person. President Kreulen stated staff would get to work on planning the virtual Retreat and would send an Agenda at a later date.

President Kreulen presented the 2021 Committee and Board Schedule. Committee meetings are the second Wednesday of each month and the Board meetings are the third Wednesday of each month, per the bylaws. Due to budgetary restrictions, there is no travel planned for the first half of 2021.

President Kreulen then presented a slide of enplanements comparing performance to budget and InterVISTAS forecast. August enplanements were below budget and September enplanements were a bit below budget. As with other airports, enplanements are down approximately 60%. President Kreulen stated staff is watching the numbers closely. The budget was based on a daily average of 15,207 enplanements and currently, the average was 10,221 per day.

VI. Items for Approval

A. Approval of BNA 75-acre Non-Aviation Development

Mr. John Corbitt, AVP, Real Estate, briefed the Board on this item. Staff requested that the Board of Commissioners approve the terms of a Ground Lease with Panattoni Development Company, Inc. (Panattoni).

Staff provided the Board a staff analysis of the 75-acre development opportunity prior to the meeting.

Mr. Corbitt stated the property location was south of Runway 2C, designated in the Airport Land Use Plan as "open space" eligible for non-aviation use. The Notice of Availability was released on June 18, 2019 and 3 responsive proposals were received. Those responses were from Panattoni, Hillwood, a Perot Company, and The Silverman Group. The evaluation committee unanimously selected Panattoni and discussed selection criteria. Mr. Corbitt went on to discuss the key terms of the lease and presented a map of the proposed site plan.

Committee Review

Vice Chair Farnsworth stated this item was presented to the Finance, Administration and Properties (FAP) Committee on September 9, 2020. The FAP Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Vice Chair Farnsworth's statement as a motion, seconded by Commissioner Granbery. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0. Due to technical difficulties, Commissioner Crumbo's vote could not be heard and was therefore not recorded.

B. Approval of TDOT/Donelson Pike Permanent Easement Donation

Mr. Ted Morrissey, AVP, Legal Counsel, briefed the Board on this item. Staff requested the Board authorize the President & CEO, or designee, to execute a Donation Form setting forth MNAA's agreement to donate certain MNAA real property to TDOT for dedication as a permanent easement for the relocation of Donelson Pike and to sell certain MNAA real property at fair market value to TDOT for Controlled Access Right-of-Way and Permanent Easements for drainage and maintenance.

Staff provided the Board a staff analysis of the TDOT/Donelson Pike Permanent Easement Donation prior to the meeting.

Mr. Morrissey presented a map of the property showing new and existing easements, property to be purchased by MNAA, and property to be purchased by the State of Tennessee.

Committee Review

Vice Chair Farnsworth stated this item was presented to the FAP Committee on September 9, 2020. The FAP Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Vice Chair Farnsworth's statement as a motion, seconded by Commissioner Granbery. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0. Due to technical difficulties, Commissioner Crumbo's vote could not be heard and was therefore not recorded.

C. Approval of Terminal Lobby/IAF CGMP 5 of 6 (Core & Shell)

Ms. Traci Holton, AVP, Chief Engineer, briefed the Board on this item. Staff requested the Board of Commissioners authorize the Chair and President and CEO to execute the proposed Amendment 4 for Component Guaranteed Maximum Price 5 for structure, core and shell scope activities related to the Terminal Lobby and International Arrivals Facility (IAF) for the Progressive Design-Build contract at BNA.

Staff provided the Board with a staff analysis of Amendment 4 to the Hensel Phelps' contract for Terminal Lobby and IAF Design-Build CGMP 5 of 6 prior to the meeting.

Ms. Holton stated CGMP 5 of 6 was for the construction of the main structure, core, and shell of the project at a cost of not to exceed \$180,150,678 bringing the current contract cost to just under \$390M. There is no change to the schedule or SMWBE commitment.

Committee Review

Commissioner Joslin stated this item was presented to the BNA Vision Committee on September 9, 2020. The BNA Vision Committee voted 4 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Joslin's statement as a motion, seconded by Commissioner Stevenson. Ms. Edwards took a roll call vote and the motion carried by vote of 10 to 0.

VII. Informational Items

A. On Call Contract Environmental Services

President Kreulen briefed the Board on this item. This contract is for remediation and abatement of environmental hazards. The contract award went to KS Ware, a WBE firm. The contract is for 3 years with two 1-year options valued at not to exceed \$150K per year. If all 5 years are exercised, the total contract cost will be not to exceed \$750K. MNAA intends to re-solicit for a second firm in the next 90 days. If hiring of another firm is successful, the budgeted amount will not increase.

B. John C. Tune (JWN) Redevelopment Alternatives

President Kreulen briefed the Board on this item. Aeroplex provided results of the survey and alternative concepts for the redevelopment of JWN at the GAOPE Committee meeting on September 9, 2020. Next steps are the GAOPE Workshop on September 22, 2020 at 2:00 p.m. and a GAOPE and Board update on October 14 and October 21, 2020.

C. BNA Concessions Program

President Kreulen briefed the Board on this item. The BNA Concessions Program has challenges. Based on enplanements and services available, sales are down. MNAA staff are in discussions with Fraport regarding contract penalties. A letter was sent to Fraport in June 2020 and again in September 2020.

After questions and discussions, President Kreulen concluded his presentation on the BNA Concessions Program.

D. Parking Garage & Hotel Development Update

President Kreulen briefed the Board on this item. Chartwell submitted a responsive proposal on July 29, 2020. A Notice of Intent to Award was issued September 4, 2020. MNAA and Chartwell will finalize the lease agreement and resolve any open items prior to the Board meeting in October 2020. There are two meetings with Chartwell scheduled for the end of September 2020.

E. FY20 CEO Evaluation

Chair Harwell briefed the Board on this item. Chair Harwell reported the Management Committee met last week to discuss the CEO Evaluation and thanked everyone for taking the time to complete the evaluation. Chair Harwell gave a brief overview of the scored categories along with key comments. Chair Harwell opened the floor for comments from the Commissioners. After glowing comments from the Commissioners, President Kreulen thanked the Commissioners for their feedback.

In order to follow the rules of the Executive Orders of the Governor in regard to discussing essential items needed to run the business, President Kreulen stated staff reports were attached at the end of the slides sent to Commissioners prior to today's meeting. President Kreulen gave a brief overview of the staff reports.

VIII. Adjourn

There being no further business brought before the Board, Chair Harwell thanked the Commissioners for their participation and adjourned the meeting at 1:46 p.m.

 /staff secretary
William H. Freeman, Board Secretary