

Minutes of the Joint Meeting of MNA and MPC Finance, Diversity & Workforce Development



Date: October 13, 2021 Place: Nashville International Airport Board Room
Time: 9:30 a.m.
Committee Members Present: Jimmy Granbery, Chairman; Andrew Byrd, Vice Chair; and Joycelyn Stevenson
Committee Members Absent: Glenda Glover
Others Present: Bill Freeman; Bobby Joslin; Nancy Sullivan; Doug Kreulen; Lisa Lankford and Sabrina Troy

I. Call to Order

Chairman Granbery called the meeting of the MNA and MPC Finance, Diversity & Workforce Development (FINANCE) Committee to order at 9:35 a.m., pursuant to Public Notice dated October 8, 2021.

II. Approval of Minutes

August 11, 2021 meeting minutes were approved at the September 8, 2021 Board meeting. No committee meetings were held in September 2021.

III. Chair's Report

Chairman Granbery had no Chair's Report.

IV. Items for Approval

A. Frist Aviation LLC Lease Terms

President Kreulen introduced John Corbitt, AVP, Real Estate to brief a 5.68-acre parcel located at 716 Hangar Lane in the general aviation area. The site currently has an approximately 22k sf hangar and office facility that was used by the State of TN prior to their move to JWN.

On September 28, 2020 a Notice of Availability was released and a total of 3 responsive proposals were received from Frist Aviation LLC, Atlantic Aviation LLC and JetRight Aerospace Holdings LLC.

On December 2, 2020, the Evaluation committee unanimously selected Frist Aviation, LLC based on investment, lease term and highest and best use.

Mr. Corbitt presented the key lease terms from their Letter of Intent:

- Within 90 days of lease execution, Frist will pay \$1.23M to MNAA for the FMV of the existing improvements.
- \$6M minimum capital investment to be completed in an 18-month construction timeframe; Improvements include a new hangar facility and office space.
- 30-year base term with one 5-year option
 - \$131k annual base rent (\$0.53 psf)
 - Rent starts immediately upon lease execution
 - Includes a 3% annual increase to rent
 - FMV adjustments on the 10th and 20th lease years based on appraisals; FMV Increase will not exceed 6% nor will it decrease rent.
 - Triple net ground lease which means Frist Aviation, LLC will be responsible for all costs associated with the development, maintenance, hangar, pavement, grounds and will be limited to aeronautical use only.
 - MNAA will receive a % of revenue in the event of a lease assignment by the tenant unless it is to an affiliate or successor organization of tenant.

Mr. Corbitt presented the Preliminary Site Plan, and interior and exterior perspectives.

Staff requested that the Finance Committee recommend to the Board of Commissioners that it approve the deal terms negotiated between MNAA and Frist Aviation, LLC, authorize Commercial Development to draft a ground lease agreement consistent with the negotiated deal terms, and authorize the Chair and President and CEO to execute the ground lease.

After further discussion, Commissioner Stevenson made a motion to approve the Frist Aviation, LLC Lease Terms and Commissioner Byrd seconded the motion. The motion carried by vote of 3 to 0.

V. Information Items

A. BNA Concessions Program Update

President Kreulen complimented the Paslay Management Team that EVP Marge Basrai contracted for the management of our BNA Concessions, and the 2021 Stoplight Chart that assists in how we

communicate. He advised that 19 locations are opened for business with 11 additional locations to be opened by the end of December 2021. President Kreulen also advised that we are working with the Fraport team on the 2022 concessions plan, and presented renderings of 2022 concepts with approved 30% designs. Chairman Freeman noted that he had received calls from concessionaires that they are exceeding budgets.

B. Fraport 5th Amendment Update

President Kreulen briefed the Committee on the 5th Amendment to the Fraport Lease and Concession Agreement. The amendment would resolve Fraport's default and set a transition plan for the remaining concession locations.

2022: 17 concepts

2023: 23 concepts

2024: 2 concepts

The amendment includes a mutually agreed upon calendar for interim deadlines and concept openings, with penalties assessed at each date. It allows MNAA to track performance by 4 critical milestones with increased tiered penalty structure for failure to perform. This also locks in locations with names, leases and dates to make sure they can complete and open all 90 stores at the same time BNA Vision is expected to be completed.

On October 12, 2021 Fraport Executive Committee approved the 5th Amendment, and this will be brought to the Board on October 20, 2021 for approval. Commissioner Byrd asked if the Fraport contract ran through 2028 and President Kreulen advised it runs through 2029. After questions and discussion regarding the contract and MAG structure, President Kreulen advised staff would provide a copy of the Vision design guidelines to the Board.

C. Long Term Valet Contract RFP Update

President Kreulen introduced Robert Ramsey, EVP and COO, for an update. Mr. Ramsey advised the long-term valet contract will be advertised in early November. We had previously issued an emergency RFP for valet service, and that contract will expire on June 30, 2022. The new solicitation is intended to go through the selection and award process and have the selected firm be onboard and ready to transition July 1, 2022. It will be a four (4) year contract that will focus on a number of things we learned both on the initial solicitation and on the follow-up emergency solicitation. These include a focus on hiring, tracking customer wait times, technology used with reservation systems, additional amenities,

and electronic payment options. Determining how we should use the BNA Express Lot, as it is not currently being used, will be included in the solicitation. This parking lot could possibly be used as a valet storage area. Expanded and reporting capabilities are being evaluated both from an operational and a business finance perspective. These determinations will strengthen the new RFP from the emergency RFP.

The 2022 valet contract RFP projected timeline includes the following:

Oct 29, 2021:	Final Internal Review
Nov 4, 2021:	Release RFP
Nov 30, 2021:	Preproposal/Site Visit
Jan 11, 2022:	Proposals Due
Jan 28, 2022:	Evaluation Committee
Feb 9 & 16, 2022:	Committee / Board Approval
Mar 2022:	Notice of Award / Contract Negotiations
Apr - Jun 2022:	Ramp-up
Jul 1, 2022:	Contract Start

Commissioner Byrd inquired about BNA's Customer Service Program. After questions and discussion, President Kreulen committed to make this an information item at a future committee meeting.

VI. Adjourn

There being no further business brought before the Finance Committee, Chairman Granbery adjourned the meeting at 10:10 a.m.



Joycelyn Stevenson, Board Secretary