

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



Date: December 15, 2021

Place: Nashville Airport – Tennessee Boardroom

Time: 1:00 p.m.

Board Members Present:

Bill Freeman, Chairman; Nancy Sullivan, Vice Chair; Joycelyn Stevenson, Secretary; Andrew Byrd, Bobby Joslin, Jimmy Granbery, Dr. Glenda Glover

Board Members Absent:

Others Present:

Doug Kreulen, Neale Bedrock, Cindy Barnett, Lisa Lankford, Ginger Cork, and Sabrina Troy

## I. Call to Order

Chairman Freeman called the MNAA Board of Commissioners and MPC Board of Directors meeting to order at 1:00 p.m., pursuant to the Public Notice dated December 10, 2021.

## II. Approval of Minutes

Chairman Freeman called for a motion to approve the Minutes of the November 17, 2021 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion was made by Commissioner Byrd and seconded by Secretary Stevenson to approve the minutes. The motion carried by vote of 7 to 0.

## IV. Chair's Report

Chairman Freeman honored Former Chairman Farnsworth who served on the Board from February 2012 through August 2021, in the roles of Chairman, Vice Chair, Secretary as well as chairing and serving on multiple Committees. Her service was memorialized with Resolution 2021-12, and she was presented with a taxiway light from Runway 2R/20L and BNA/JWN tumblers. Former Chairman Farnsworth complemented the Board the staff and expressed her appreciation for the opportunity to serve.

## V. President's Report

Mr. Doug Kreulen, President and CEO, reported that on November 22, 2021 Mars Petcare named BNA as one of their US Better Cities for Pet's Program. BNA is the first airport to be certified with the new

pet-friendly designation. There is a dedicated dog park on the 5th floor plaza, 2 curbside relief areas and an indoor relief area, each equipped with a hydration station and waste station. BNA also has enhanced visual wayfinding signage throughout the airport to make locating pet-friendly amenities easier for travelers. Celebration of pet ownership is displayed throughout the airport, with 2 custom pet-themed murals in the North and South terminals.

President Kreulen reported the MNAA Administration Building was awarded LEED Gold Certification on November 30, 2021. LEED (Leadership in Energy and Environmental Design), developed by USGBC, is the most widely used green building rating system in the world and an international symbol of excellence. USGBC routinely updates LEED guidance in an effort to continue raising the bar on what it means to be a high-performing, sustainable building.

President Kreulen congratulated seven new officers who were recently commissioned with our force on December 3, 2021. The new officers are Sierra Tomlin, Megan Vetter, Isahiah Roberson, Grant Donaldson, Christopher Light, Dominic Rossi, and Peyton Pallan.

President Kreulen reported that Spirit Airlines announced a new non-stop daily service from BNA to Philadelphia that will start on May 11, 2022. Spirit Airlines looks to continue to build their network at BNA and partner with us as we build the new satellite concourse.

President Kreulen reported that Chief Griswold and his team restarted our DPS Honor Guard. The 7-member team consists of Jeffery Parmer, Tyler Drown, Kayla Kimbro, Delphia Murphy, Tyler Comp, Joyce Page and Garrett Redifer. This is a voluntary assignment, and we appreciate them representing the airport in this role.

President Kreulen reported British Airways resumed service to BNA on December 9, 2021 with a ribbon cutting. Chairman Freeman, Commissioner Granbery, Commissioner Ezell, Mr. Butch Spyridon, Mr. Josh Powell, President Kreulen and other staff attended the ribbon cutting. December 9<sup>th</sup> marked 632 days since British Airways left Nashville due to the pandemic.

President Kreulen congratulated Commissioner Glenda Glover for being selected as Vice Chair of President Joe Biden's Board of Advisors on HBCUs. This Board will advance the goal of the HBCU

Initiative, established by the Carter Administration, to increase the capacity of HBCUs to provide the highest-quality education to their students and continue serving as engines of opportunity.

President Kreulen reported that detailed updates on the BNA Vision Program will be provided to the Commissioners each month. Vision 1.0, which addresses what is currently happening at the airport, will include the Terminal Lobby & IAF and Terminal Access Roadway Improvements (TARI). Vision 2.0, which addresses what is about to happen at the airport, includes the Satellite Concourse and Concourse A Ramp Expansion. Beyond Vision is what the airport is planning for in the future, including Baggage Handling System (BHS), Concourse D Extension and a new Concourse A.

President Kreulen provided the Commissioners updated photos showing construction on the terminal structural demolition / roof removal as well as construction updates on Garage B which will include the new Hilton hotel.

President Kreulen reported on the 120-day outlook as to January being a busy month with approval items on the Operations side including westside demolition, TARI and baggage handling / passenger boarding bridge maintenance contract. Finance will include approval of revised BNA and JWN budgets and Management will include feasibility and recommendation for COLA to retirees and beneficiaries. February 2022 is equally as busy with construction projects, including Kilo West reconstruction, repairs that need to be done on Runway 2C Tunnel and final approval for the maintenance building at JWN. Additionally on the Finance side, approvals include insurance premiums / policies, Fraport subleases and the satellite concourse concessions.

President Kreulen briefed the Board on FY22 BNA Enplanements. December YTD is averaging 25,409 daily enplanements, and the fiscal is expected to finish at a record level approximately 10% over FY19.

## VI. Approval Items

- A. JWN Construction Redevelopment Administrative/ Maintenance Building Scope and CGMP 4 of 5 (Pre-Engineered Metal Building)

President Kreulen introduced Ms. Traci Holton, VP, Engineering and Deputy COO.

Ms. Holton briefed the Board of Commissioners on the Administrative/Maintenance Building at Tune. When Aeroplex completed the overall development plan in mid-2020, it included a 10,000 sq ft

Administrative/Maintenance building. To reduce the size and cost, staff identified 14,200 sq ft of maintenance storage between the end units of existing and new t-hangers, which reduced the size from 10,000 sq ft to 4,000 sq ft and reduced the cost from \$4.5M to \$3M. The new administrative and maintenance building is about 4,000 sq ft and will include a lobby, conference room, vehicle maintenance bay, executive director office, staff workstations and small breakroom.

Ms. Holton requested that the Board of Commissioners:

- 1) approve proceeding with construction of the administrative and maintenance building at John C. Tune, and
- 2) authorize the Chair and President and CEO to execute CGMP #4 of 5 with a NTE \$500K.

Commissioner Joslin made a motion to approve as presented and Commissioner Byrd seconded the motion. The motion passed with a vote of 7 to 0.

#### B. Airline Use and Lease Agreement – 1st Amendment

President Kreulen introduced Ms. Marge Basrai, EVP, Chief Financial Officer.

Ms. Basrai briefed the Board of Commissioners on the on this item. MNAA currently has a Signatory Use and Lease Agreement (AULA) with nine passenger air carriers and one cargo carrier. Those carriers are Alaska, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, United and FedEx. The other carriers are considered non-signatory and pay a 25% premium on all rates and charges. The AULA was originally entered into on July 1, 2015 and is set to expire on June 30, 2022. MNAA and the Signatory Airlines are in negotiations for a new, long-term AULA. Due to the rapidly changing airline/airport environment post pandemic, MNAA and the carriers have negotiated terms for a one-year extension of the current AULA. This allows additional time to negotiate the long-term AULA to include finalizing the capital program, terms of the business deal, and other operational issues. MNAA and the Signatory Airlines remain committed to negotiating a new long-term deal.

The negotiated terms of the first amendment are a one-year extension that expires June 30, 2023. The FY23 Terminal Rental Rate = \$116.55 / sq ft which is a 5.0% increase over FY22 rate (increased 2.5% each year in current AULA). All other rental rates would remain calculated per the original agreement. Airlines are charged for 222,848 sq ft of leased space, including a 10,500 sq ft Delta Sky Club and 63,276 sq ft baggage claim area. The FY23 reliever airport support for JWN = \$487,000 which is an increase of 5.0% over FY22 (increased 2.5% each year in current AULA). The average gate utilization target

increased to 5.75 daily turns (up from 4.0 in the existing agreement). Common Use language and relocation rights for better operational efficiency during construction were added. All other terms and conditions of the AULA remain in full force and effect.

Ms. Basrai requested that the Board of Commissioners:

- 1) Approve the terms negotiated between MNAA and the Signatory Airlines on the First Amendment to the AULA, and
- 2) Authorize the Chair and President and CEO to execute the First Amendment consistent with the negotiated terms

Commissioner Granbery made a motion to approve as presented and Commissioner Byrd seconded the motion. The motion carried by a 7 to 0 vote.

After the Board of Commissioners passed the vote, Vice Chair Sullivan inquired as to how extensive and expensive the equipment is that will be installed so multiple carries can use the gates. Mr. Robert Ramsey, EVP, Chief Operating Officer, explained it would include cabling, mobile carts and computer equipment at each station and the cost is about \$800K for about 20 gates.

Additionally, Ms. Basrai provided an update on the Note Purchase Agreement. The Second Amendment of the Note Purchase Agreement with Bank of America closed on December 1st. The two state reports on debt obligation (one taxable and one tax-exempt) were also completed on the 1st. These reports are required to be shared with the Board per state statute, and copies were included in the Board packet as information only. These will be filed online with the State of Tennessee on December 16, 2021.

## VI. Informational Items

### A. JWN Redevelopment Update

#### 1. Hanger Construction

President Kreulen provided an update on the JWN Construction schedule. Phase 1 hangars (3 buildings) are scheduled to open December 24, 2021, Phase 2 hangars (7 buildings) are scheduled to open January 19, 2022 and Phase 3 hangars (6 buildings) are scheduled to open March 28, 2022.

#### 2. Aircraft Parking

President Kreulen explained by amending Messer's contract a bypass can be created from taxiway Romeo 3 behind hangar E, and the current laydown area can be converted into

aircraft parking. The estimated cost is \$1.2M with an estimated completion date of June 2022.

3. Apron Expansion

President Kreulen discussed the apron expansion project, which is approximately 3.5 acres and about requires approximately 6,500 CY to fill. The key to this is the main stormwater detention pond and will require underground detention and water quality units. The estimated cost is \$3.4M with a completion date of December 2022, and this project will be competitively solicited.

4. Northside Development

President Kreulen noted that northside development is dependent on relocation of the AWOS, which is approximately \$650K. The estimated cost of the earthwork is \$4.2M. This project is to build the roadway, extend utilities and step up 4 ft for development. Staff is still working on a schedule for this development.

B. BNA Concessions Program Update

President Kreulen reported that 25 of the 30 locations for 2021 are open with the 5 remaining under construction. Recent openings since the November Board Meeting include Bongo Java, AirEssentials, Little Harpeth Brewing and Kijiji. 8<sup>th</sup> & Roast is expected to open on time. The remaining four locations are at risk but are targeting opening by December 31, 2021. These include Pig Star by Peg Leg Porker, Three Casks, Tailgate Brewery and Puckett's Grocery and Restaurant.

VII. Adjourn

There being no further business brought before the Board, Chairman Freeman asked for a motion to adjourn. Vice Chair Sullivan motioned, and Commissioner Glover seconded the motion. The motion carried with a vote of 7 to 0, and the meeting adjourned at 1:28 p.m.

  
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Joycelyn Stevenson, Board Secretary