

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



Date: September 14, 2022

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 1:00 pm

Board Members Present:

Joycelyn Stevenson, Vice Chair; Jimmy Granbery, Secretary;
Bobby Joslin; Nancy Sullivan; Glenda Glover, Andrew Byrd

Board Members Absent:

Bill Freeman, Chair

Others Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford and Rachel Moore

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Vice Chair Stevenson called the MNAA Board of Commissioners and MPC Board of Directors meeting to order at 9 a.m., pursuant to Public Notice dated September 9, 2022.

II. APPROVAL OF MINUTES

Vice Chair Stevenson called for a motion to approve the Minutes of the August 17, 2022 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Commissioner Joslin and seconded by Commissioner Byrd. The motion carried by vote of 6 to 0.

III. CHAIRMAN'S REPORT

Vice Chair Stevenson had no Chair's report.

IV. PRESIDENT'S REPORT

Doug Kreulen, President and CEO, reported that Tony Dungy had a book signing on August 26, 2022 at True to Tennessee. Signed copies of "Uncommon Influence: Saying Yes to a Purposeful Life" were provided to each of the Commissioners. President Kreulen thanked Matt Jennings, Vice President, Fraport, for arranging the event. Frontier Airlines announced new non-stop service to Phoenix, AZ beginning January 12, 2023, 3 times weekly. Southwest Airlines announced new non-stop service to Sacramento, CA, beginning March 11, 2023, 1 time weekly. Sacramento is the #1 unserved market from BNA, with projected 140 passengers daily each way.

BNA hosted Des Moines International Airport on August 31, 2022. President Kreulen told the Commissioners that BNA staff visited several airports when starting Vision, and now airports are visiting BNA, including San Antonio, TX, Raleigh, NC and Sacramento, CA.

President Kreulen presented photos of the BNA Honor Guard and TSA staff at the 9/11 Remembrance Ceremony. They presented colors and held a moment of silence in observance and remembrance of September 11, 2001. Screening was halted at each checkpoint representing the times the two planes crashed into the World Trade Center.

A new daily enplanement record was set on September 11, 2022, at 35,742 enplanements. President Kreulen reported that BNA has the 2nd fastest recovery in the US, just 1% behind Ft. Myers, FL. Enplanements are 25% greater than FY19 and 13% greater than FY22 YTD. Secretary Granbery noted that Ft. Myers is a very small airport.

President Kreulen presented the 30-day outlook. Three approval items are planned for the Operations Committee and five approvals for the Finance Committee. He noted that there will not be a quorum at the Management Committee in October. The Board Retreat will be immediately following the Board Meeting, at Nelson Andrews Leadership Center at 9:00 am. He reported that he may be attending the SE CEO Conference in Knoxville October 26-30, 2022.

President Kreulen presented the 60-day outlook. Four approval items are planned for the Operations Committee and three approvals are planned for the Finance Committee in November. There will be two audit updates at the Management Committee.

President Kreulen provided an update on the Small Business Administration (SBA) lease extension. The SBA leases office space at International Plaza (IP). It is a ten-year term expiring November 14, 2022. SBA has requested a 5-year extension at a CPI adjusted rate of \$22.00/sq ft (up from \$16.78/sq ft). The General Services Administration (GSA) asked for execution prior to August 31, 2022, to save time and effort of constructing a new lease. In accordance with the 3rd Amended & Restated Bylaws, 4.4.1.8, and after consultation with the Vice Chair on August 24, 2022, the lease extension was approved by the President and CEO. He noted that a few more have been approved for granting easements to inspect/validate work, at BNA and JWN. Secretary Granbery asked about the prior discussion on the analysis of the Gold Building and big capital expenses. President Kreulen said Carrie Logan, AVP, Law Department, had taken over Real Estate with a team of three. Evaluation of Genesco and the Gold Building to determine the path forward is underway, and more analysis is required to make a business decision. Secretary Granbery asked Ms. Logan if she was comfortable with the 5-year extension, and she said she was and that the contract included termination rights, and that there were other contracts with longer terms.

Commissioner Stevenson reported that President Kreulen had been recognized as the 2022 Most Admired CEO. The Commissioners clapped for President Kreulen, and Commissioner Byrd said it was well deserved.

V. ITEMS FOR APPROVAL

A. Second Amendment to Fraport Sublease with Newslink of Nashville, LLC (Finance)

President Kreulen introduced Colleen Von Hoene, Associate Principal, Paslay Group, to brief the Board on the second amendment to the Fraport sublease with Newslink of Nashville, LLC. The term of the Fraport Agreement is February 1, 2019 - January 31, 2029. If sublease terms extend beyond January 31, 2029, MNAA must become a party to the sublease so that all rights and obligations of the sublease pertain to MNAA at the expiration of Fraport's Lease and Concession Agreement.

Newslink has proposed a second amendment to its sublease to add one location, Tennessee Rickhouse (CT.11), which is planned to start construction next month. Ms. Von Hoene requested that the Board of Commissioners:

- 1) Approve the second sublease amendment between Fraport, Newslink of Nashville, LLC and MNAA, and
- 2) Authorize the Chair and President & CEO to execute the sublease amendment.

Commissioner Byrd stated that the Finance Committee had voted to recommend approval and made a motion to approve as presented. Secretary Granbery seconded the motion. The motion carried by vote of 6 to 0.

VI. INFORMATION ITEMS

President Kreulen briefed the Board on all Information Items.

A. New Horizon Update – Concourse Walk Distances

President Kreulen presented a graphic of the concourses with walk distances. Using benchmarks and Concourse C at a standard, staff has determined that a moving sidewalk will be included in the Concourse D extension, and two moving sidewalks are planned included in the new Concourse A (before and after concessions).

B. New Horizon Update – Concourse D Cost per Gate Comparison

The cost per gate for Concourse D was \$23.1M in 2018, which is approximately \$39.7M escalated to 2024. The cost per gate for the Concourse D extension is \$43.0M. Staff will continue track throughout the construction of the Concourse D extension.

C. Solicitation for JWN North Development and R3 Apron Expansion

President Kreulen reported that two bids were received on the Invitation to Bid (ITB) for the JWN North Development and R3 Apron Expansion. The solicitation was cancelled because both bids were not in line with engineering estimates. It will be re-bid as base bid north development with add alternate R3 apron, and improved flexibility on means and methods such as allowing blasting. The re-bid schedule is: Advertise September 12, 2022; Bid October 12, 2022; Board approval November 16, 2022; Construction November 2022 – June 2023.

D. JWN Update – Future Vehicle Parking Expansion

President Kreulen reported that staff had evaluated 7 alternatives for future vehicle parking expansion at JWN and selected a hybrid of 2 versions which will net approximately 215 spaces at approximately \$1.5M. The tentative schedule is for design in October 2022, bid March 2023 and construction April – August 2023. Staff will come back to the Board before a final decision is made.

E. JWN Update – Aircraft Washing Station

The aircraft washing station became fully operational August 31, 2022, and the cost was \$7,500.

F. JWN Update – Hangar/Plane Port Waitlist Procedure Update

To better understand demand, there are now 4 separate waitlists: 42' t-hangar, 48' t-hangar, box hangar and plane port. The 27 existing waitlist registrants are well on their way to updating their hangar size preferences and have until October 31, 2022 to submit.

G. BNA Concessions Program Update – Main Terminal

President Kreulen reported that 18 of 19 locations for 2022 are open, including Shake Shack which opened August 28, 2022 and The Green Room which opened today, September 14, 2022. The Shake Shack is continuing to struggle with training and staffing, and Fraport and Ms. Von Hoene are working through it.

President Kreulen showed renderings of the 12 locations scheduled for January 2023 opening and the 15 locations scheduled for September 2023 opening. He thanked Commissioner Glover for her questions at Committee about the total locations, and reported that in 2023, there will be a total of 89 locations (46 food/beverage; 43 retail/service/amenities) in the main terminal, and an additional 7 locations in the satellite concourse (4 food/beverage; 3 retail).

H. Vision/New Horizon Financing Timeline Update

Marge Basrai, EVP, Chief Financial Officer, is targeting 4th quarter of calendar year 2022 for a bond issuance of \$550M - \$650M to continue funding Vision and New Horizon projects. Board approval of the bond issuance and various bond resolutions is planned for October 2022. The investor road show and/or in-person investor events are planned for November/December 2022. Depending upon the market, MNAA has the flexibility to delay until early 2023. Commissioner Glover complimented Ms. Basrai on being recognized as CFO of the Year in 2021. Commissioner Byrd asked about the satellite concourse construction, and President Kreulen reported that is going on now with steel framing. The International Arrivals Facility (IAF) is scheduled to open in September 2023, and the satellite concourse is scheduled to open in October 2023. Commissioner Byrd recognized Laura Santucci, Sky Harbour, and thanked her for her service to the airport.

I. Community Leadership Opportunity

President Kreulen will be serving as a member of the Nashville Convention and Visitor's Corporation (NCVC) Board of Directors, and as Chair of the Music City, Inc. Foundation, their 501(c)(3).

VII. ADJOURN

There being no further business brought before the Board, Vice Chair Stevenson thanked the Commissioners for their participation and adjourned the meeting at 1:24 pm.



Jimmy Granbery, Board Secretary