

Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committees



Date:	November 9, 2022	Location:	Metropolitan Nashville Airport Authority Tennessee Boardroom
Time:	9:00 a.m.		
Committee Members Present:			Bobby Joslin, Chair; Nancy Sullivan, Vice Chair; and Dr. Glenda Glover
Committee Members Absent:			None
Others Present:			Jocelyn Stevenson, Andrew Byrd, Doug Kreulen, Neale Bedrock, Lisa Lankford, Rachel Moore and Trish Saxman

I. CALL TO ORDER

Chair Joslin called the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning (Operations) Committee to order at 9:00 a.m. pursuant to Public Notice dated November 4, 2022.

II. APPROVAL OF MINUTES

Chair Joslin asked for a motion to approve the Minutes from the October 12, 2022 Operations Committee meeting. Vice Chair Sullivan made a motion and Commissioner Glover seconded the motion. The motion carried by vote of 3 to 0.

III. CHAIR'S REPORT

Chair Joslin had no Chair's report.

IV. ITEMS FOR APPROVAL

1. **Construction Contract for JWN North Development and R3 Apron Expansion**

President Kreulen introduced Traci Holton, VP, Deputy COO & Chief Engineer, to brief the Committee on the construction contract. Ms. Holton reported that the construction contract is for the R3 Apron Expansion and JWN North Development access road and taxiways. MNAA first bid this contract in July 2022 and received two bids that were significantly higher than the engineer's estimate and project budget. MNAA cancelled that solicitation and rebid with a base bid (North Development) and Alternate (R3), on September 12 and 15, 2022.

On October 20, 2022, two bids were received, one from Civil Constructors (“Civil”), the other from Jones Brothers (“Jones”), with Civil being the lowest bidder. The MNAA SMWBE participation level for the project was set at 12.9% MBE and 6.64% WBE. Civil was able to obtain 5.29% MBE and 9.02% WBE and Business Diversity Development (BDD”) has accepted their Good Faith Efforts for the remaining participation. Civil is utilizing MBE and WBE subcontractors Jen-Hill Construction Materials, Enfinity Supply, L.A. Scapes, LLC, Archangel Protective Services, Gibco Construction and Jerry B. Young Construction. The bid amount for the total, base bid plus alternate, is \$18.4M; base bid was \$9.9% below and the alternate was 1.3% higher than the engineers’ estimate.

Ms. Holton recommended the Committee recommend to the Board of Commissioners that it accept the bid by Civil and authorize the Chair and President and CEO to execute the proposed contract for the amount contained herein.

Commissioner Byrd inquired as to which areas are being paved. Ms. Holton pointed out the road and taxi lane as well as T/W R3. Commissioner Byrd asked about the area of the pavement, and Ms. Holton said she would provide the area at the Board meeting. President Kreulen replied that when MNAA rebid the package, some improvements were made, and so it is over \$3M lower than the earlier bid. More importantly, however, the road that MNAA is going to put in and the two taxiway connectors are critical in order to get the leases for the first five hangars signed. The prospective tenants are concerned about the delay caused by rebidding. This allows us to finalize a deal with the five hangars.

Commissioner Byrd asked what the cost would be if Alt. 1 is eliminated from the base bid of \$18.4M, to which Ms. Holton replied under \$12.7M. President Kreulen replied that once the leases are signed, the companies are able to get in and start construction, but they are hesitating because of the coordination of the road and ramp construction. Commissioner Granbery stated that at a minimum, they could start design and get permits. Commissioner Byrd asked for clarification as to what is included in Alt. 1. Ms. Holton explained that this is a base bid, which provides flexibility. President Kreulen also explained that it is an asphalt parking area for airplanes, and as JWN growth is expanding and as more parking spaces are needed to park jets, grass areas will be paved. Vice Chair Sullivan inquired if the road was the only asphalt, and Ms. Holton responded that the Apron is concrete and a portion of T/W R3 is asphalt. Chair Joslin asked when the rent starts for tenants. President Kreulen replied rent starts when they sign the lease. President Kreulen also stated that some tenants are concerned that in the lease it says there is an 18-month development timeframe, and they want to make sure that MNAA does not delay their access. These are the challenges to moving forward, and it is

important to get them worked out. Commissioner Stevenson inquired about the first bid. President Kreulen replied in July the primary bid was \$21.2M and the bid now is \$18.41M. The second bid in July was \$26M.

Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Commissioner Glover seconded the motion. The motion passed with a vote of 3 to 0.

2. Design Build Contract for Baggage Handling System Expansion CGMP 1 of 3

Ms. Holton briefed the Committee on the design build contract and Component Guaranteed Maximum Price ("CGMP") 1 of 3 for the design/build contract for Baggage Handling System ("BHS") expansion. This will expand MNAA's outbound BHS to increase its capacity to meet future enplanement projections. It is a Progressive Design-Build contract, and the Request for Proposals ("RFP") was advertised in late August. On October 5th MNAA received three proposals from JE Dunn, Messer and Whiting-Turner. MNAA evaluated the proposals on mandatory requirements, team/individual qualifications and experience, technical approach, SMWBE participation and price, with Messer being the highest scoring proposer and also the lowest price for CGMP1. Messer was selected based on relevant experience, a detailed project approach that paid attention to the operational impact and thorough understanding of schedule, effective approach to obtain SMWBE and price. Messer has a 5% fee for entire project. Messer's subcontracting team includes Moddy Noland, Architect of Record; Vic Thompson, BHS Design; IC Thompson, Mechanical, Electrical, Plumbing and Fire Protection Design; Arora, Technology Assist, Logan Patri Engineering, Structural Assist; Don Hardin, Construction Services and Morgan & Morgan, SMWBE Consulting. The goal for this project is 4.4% MBE and/or WBE participation level and Messer has committed to meeting that goal. This is a 1650 calendar day project to be completed in June 2027 with CGMP of under \$8.8M.

Commissioner Byrd asked what the drawing showed. Ms. Holton replied that the drawing showed the ramp level and then she proceeded to explain how baggage traverses the baggage handling system. Commissioner Byrd asked if the BHS expansion is outbound baggage, to which Ms. Holton replied, that is correct. President Kreulen stated that the conveyors are suspended under that ceiling and then dropped off to those makeup units. Commissioner Granbery asked if the funding source is tied back to the airline agreement and not part of our Bond issue. President Kreulen replied it is one that MNAA may negotiate to use the \$75M amortization to pay. Ms. Holton mentioned this is part of our New Horizon program and MNAA will study and revalidate the Master Plan. President Kreulen reminded the Board that is one of the items discussed during our staff and Board retreats where MNAA listed top 10 strategic items for future planning. Vice Chair Sullivan inquired if there are any incentives to finishing sooner. President Kreulen replied this is something new and MNAA has

not done anything like that yet. Ms. Holton stated a lot of their schedule is based on what is allowed. Chairman Joslin suggested all Board members take a tour of the MNAA construction and the BHS. Commissioner Byrd inquired as to why it takes five years to build to which President Kreulen replied it is due to the space and keeping the airport going at the same time. President Kreulen explained that the old system will divert to a new system, then the new system will eventually replace the old one.

Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Commissioner Glover seconded the motion. The motion passed with a vote of 3 to 0.

V. INFORMATION ITEMS

1. **BNA Vision Update**

Traci Holton updated the Committee on BNA Vision Update. MNAA has three upcoming events:

- Dec 31: Hilton BNA Topping Out
Hilton has poured the first floor for level 8, there are two pours per level.
- Jan 19: BNA Vision Celebration/Reception
- Jan 24: BNA Vision Checkpoint Reopens

President Kreulen stated the Board should have received their invitations for the BNA Celebration and Reception. At the event, the plan is to walk from the bridge across the road and to top of the stairs and oculus, see the new Nashville, Tennessee in the terrazzo, and watch the jumbotrons which will display movies and information. MNAA wants all who have been involved in this project to come out and take a peek before it opens on January 24th. Commissioner Stevenson asked where the artwork is located, and Ms. Holton replied that it wraps around the oculus. President Kreulen also mentioned that there will be a green wall art project with the Veterans Bridge on one side and Natchez Trace on the other. Commissioner Granbery asked if there are any supply chain issues and Ms. Holton stated MNAA has worked through all of those, with roofing being a big one early on. President Kreulen complimented the Board on helping to lock in the early prices.

2. **JWN Development Update (Northside)**

Ms. Carrie R. Logan, Associate General Counsel, updated the Committee on JWN Northside Development. Ms. Logan stated that MNAA now has three executed Letters of Intent ("LOI"), with some of the challenges being negotiating leases regarding the construction and design. With the Board approval next week, MNAA will be able to move forward with the meetings with the contractors to discuss access and timing issues that the

prospective tenants are concerned about. MNAA hopes to have leases for January Board approval. Regarding Parcels 6-10, MNAA has an open Notice of Availability (“NOA”) and on October 26, MNAA had a pre-proposal meeting of five in-person attendees. The addendum is scheduled to be released by November 21st and that addendum will include the removal of Parcel 10 pending a recommendation from the Finance Committee today and approval by the Board of the lease for Metropolitan Government of Nashville and Davidson County (“Metro”) for the Metropolitan Nashville Police Department (“MNPDP”). The proposals are due December 20, 2022.

President Kreulen reiterated that the potential tenants in Parcels 1-5 are concerned about the roads and ramps and stated that the good news is that when MNAA finalizes the leases for these five parcels, it will show that details have been worked out. When the Finance Committee meets MNAA can have the MNPDP lease approved. Commissioner Granbery asked the status of the BNA Westside NOA, the Panattoni development and if there has been any movement on Frist. President Kreulen stated the Westside is 5.5 acres and MNAA has met with two organizations that would like to go in together with an unsolicited NOA. MNAA has asked them to be more competitive. Commissioner Granbery asked if the Frist proposal is being used as a benchmark. President Kreulen replied yes, with some minor updates on some lease terms. Ms. Logan said that Panattoni has asked for extensions to get their permits due to some change economic conditions and they have recently given us an updated financial proposal in the last couple days that MNAA will be evaluating. President Kreulen stated that on the Frist we are moving forward and getting close to demolition; and that Panattoni wants to review some things. All three are moving closer.

Commissioner Granbery said MNAA is doing a great job.

VI. ADJOURN

There being no further business brought before the Operations Committee, Chair Joslin adjourned the meeting at 9:27 a.m.



Jimmy Granbery, Board Secretary