

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



Date: July 12, 2023

Location: Metropolitan Nashville Airport Authority  
Tennessee Boardroom

Time: 9:00 a.m.

Committee Members Present:

Bobby Joslin, Committee Chair; Tony Giarratana, Committee Vice Chair; Stuart McWhorter; and Masami Tyson

Committee Members Absent:

None

Others Present:

Jimmy Granbery

MNAA Staff Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman  
Marge Basrai, Kristy Bork, Chris Davidson, David Griswold,  
Traci Holton, Ijeoma Ike, Carrie Logan, Rachel Moore,  
Ted Morrissey, Stacey Nickens, Robert Ramsey, Davita Taylor

## 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 July 7, 2023.

## II. APPROVAL OF MINUTES

Chair Joslin stated there was no meeting in June.

## III. PUBLIC COMMENTS

Chair Joslin stated there were no public comment requests received.

## IV. CHAIR'S REPORT

Chair Joslin welcomed all the new Committee members and thanked them all for serving. President Kreulen expressed his appreciation for the willingness of the Commissioners to serve and thanked them for organizing the three Committees. President Kreulen explained that for all Committee meetings, Commissioners are welcome to sit in and participate in the discussions even if they are not a member of that particular Committee; however, only Committee members can vote on approval items. President Kreulen informed the Board that the hard business is conducted at the Committee meetings so that the Board meetings run smoothly. President Kreulen told the Board that votes would be taken by roll call and that there were many updates to

provide the new Committees with some historical context. President Kreulen stated with the transition of the Committees and Board, we do have a light July; however, in August we return with several items for approval. Chair Joslin encouraged the Committee Members to please ask questions because there is a lot happening.

V. ITEMS FOR APPROVAL

1. Professional Services Contract for Executive Program Management Services

President Kreulen introduced Traci Holton, VP, Chief Engineer, to brief the Committee on the Professional Services Contract for Executive Program Management (“EPM”) Services for airport planning and capital improvement projects at BNA. In 2016 the MNAA Board approved the first Executive Program Management Contract to provide the needed assistance undertaking a large capital program like the BNA Vision. The EPM role has been providing critical, executive level, and program management advisory services related to the implementation of the Vision and New Horizon Program since 2016, and as BNA continues to experience unprecedented growth there is continued need for these services.

On April 24, 2023, MNAA published a Request for Qualifications (“RFQ”) and on May 24, 2023 one Statement of Qualifications (“SOQ”) was received from the Paslay Group (“PG”). The selection committee evaluated that proposal based on the firm’s experience at providing equivalent services at large hub airports; key personnel’s professional qualifications, experience and availability; qualifications, reputation, professional integrity and competence; and evidence that the consultant has met SMWBE participation levels or made good faith efforts. MNAA recommended PG for this contract. PG showed outstanding experience at other airports with similarly large and complex programs and is currently performing these services today at airports like LAX, DFW and PIT. Upon approval and award, MNAA anticipates 8 positions PG will provide immediately including the Executive Program Manager, Deputy Chief Engineer, 3 Senior Project Manager/Construction Managers, and 3 Concessions Program/Project Managers. This will be a one-year contract, with 6 one-year renewals at \$6.5M NTE per year for a total of \$45.5M NTE over the 7 years. The funding for the services is provided through the program on a project-by-project basis.

Ms. Holton introduced Clay Paslay, CEO and Managing Partner, with the Paslay Group (“PG”). President Kreulen stated MNAA began its partnership with PG at the beginning of BNA Vision, which was the first time MNAA had done a \$1.5B program. Mr. Paslay has 25 years of experience and just completed building DFW and now working on LAX. President Kreulen stated that MNAA is very proud of PG’s

performance over the past 6 years, and in December the project will be on schedule and on budget thanks to Mr. Paslay's mentorship and guidance. This contract will help MNAA in transitioning from BNA vision to the New Horizon project, which will increase passenger capacity to 35M. President Kreulen strongly endorsed the staff's recommendation for this contract. Chair Joslin stated he remembers when Mr. Paslay first joined BNA and they toured DFW. Chair Joslin said he has been very impressed, and Mr. Paslay has delivered here at BNA. Mr. Paslay thanked Chair Joslin and President Kreulen and said it has been PG's honor.

Commissioner McWhorter asked if it is normal to only receive one qualification. Ms. Holton responded that MNAA does a lot of outreach, with marketing calls for those who are potentially interested, as well as at our Business Taking Off event where 400-450 industry people attend. Ms. Holton stated she cannot provide an answer as to why any other firms chose not to propose. President Kreulen stated this is not typical, normally we will have more than one firm bidding but with PG's performance over the past 6 years performance, President Kreulen regarded this decision as low risk. Commissioner Giarratana stated it is hard to beat on time and on budget.

Ms. Holton requested the Operations Committee recommend to the Board of Commissioners that it accept the SOQ by PG to provide EPM and authorize the Chair and President & CEO to execute the proposed Professional Services Contract to PG in the amount not to exceed \$6.6M NTE annually.

Chair Joslin asked for a motion to approve as presented. Commissioner McWhorter made a motion and Vice Chair Giarratana seconded the motion. Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin – Yes

Vice Chair Giarratana – Yes

Commissioner McWhorter – Yes

Commissioner Tyson – Yes

The motion was passed with a vote of 4 to 0.

VI. INFORMATION ITEMS

1. BNA Development Update

Ms. Holton reported MNAA has two big receptions coming soon - the Marketplace & International Arrivals Facility ("IAF") and the Satellite Concourse. On September 25, 2023 BNA will have a welcome reception for the Marketplace & International Arrivals Facility and will go live two days later on September 27, 2023 with 6 gates and 15 concessions. The Satellite Concourse reception will be held on October 19, 2023 and will open on October 21, 2023.

President Kreulen stated today when passengers go through security, there is a construction wall, and this will open with 6 international gates—today BNA only has one international gate. All international arrivals and departures will move to the front and MNAA hopes to land more international service soon. In addition to these 6 gates, there are 15 retail and food and beverage spaces that are being constructed. "Save the Date" invitations for the evening of September 25<sup>th</sup> will be sent to community and state leaders. Reception guests will walk through the IAF and go underground where customs and the border protection areas are located. There is a tunnel under the airport that will lead to the rental car counters. It will be a fun evening with cocktails and food provided.

President Kreulen stated that when MNAA was halfway into BNA Vision, staff realized that Nashville Tennessee was poised for larger growth, so the Board had faith in staff's recommendation to add the Satellite Concourse. That facility will hold 8 jet bridges and jets will be moved there on October 20, 2023. On October 19, 2023 MNAA will hold another reception at the Satellite Concourse, where guests will board our new electric shuttle buses and get dropped off to experience it. This is huge because when MNAA was awarded support from the State of Tennessee, the Governor, Finance, Economic and Community Development ("ECD") and Transportation ("TDOT") were focused on return on the investment. We received \$33M from the State and one invoice was for \$34M, so we spent the funds in a day. The State was pleased with that. Commissioner Bryson and Commissioner Eley were here when construction first started and in FY24 the State has promised BNA \$38M, which will be used for the extension of Concourse D. It is all about the return on the investment. By building and opening the Satellite Concourse in September, MNAA will go from 40 gates to 54 gates and the Satellite Concourse will have approximately 2.5 – 3.5M new visitors coming in and out. It is a great investment for the city of Nashville and State of Tennessee. Chair Joslin asked once MNAA opens the IAF, will the expansion of Concourse A begin. President Kreulen replied as soon as Concourse D extension opens, we will start

Concourse A. President Kreulen explained Concourse A will close with 7-8 gates and come back at 16 gates and that is how we go from 54 gates to 70 gates. The entirety of Concourse A will be demolished.

Ms. Holton stated the new Dormakaba Security Exit Breach Control opened on 2 of the 9 lanes, which was showcased on social media and Channel 5 News and had no issues with passengers going through. The exits will still have BNA security personnel for a couple more weeks, and then it will not have to be guarded. Before we had it monitored 24/7 so that passengers could not walk back through. There will be 5 lanes on one side and 4 on the other. President Kreulen stated the automated security system elevates BNA's status.

Ms. Holton presented a slide with a photograph showing a sneak peek behind the dust wall at the new Marketplace and IAF. Ms. Holton reported that the terrazzo is complete, the ceiling work is almost done, the stainless steel column wraps are complete, and the installation of the carpet will begin today. President Kreulen stated this is where the reception is going to be on the evening of September 25<sup>th</sup> and this is one of the 3 areas where guests can go underground to customs and the border protection areas.

Ms. Holton stated that the backup entering the airport has been reported on the news and she provided a photo of discrete widening getting into the terminal. MNAA is working on widening discrete to two lanes and is also working with TDOT to have two lanes to exit off Interstate 40. It is a little slow going due to the utility work. Some underground work is happening right now and we are still waiting on overhead sign structures. Grading should be starting later this year and finishing by January.

## 2. JWN Development Update

Ms. Holton reported that Contour FBO construction progress at JWN includes slab preparation and that we should start seeing steel coming out of the ground for the hangars in October with substantial completion in July 2024. President Kreulen stated this has been a long running battle for Commissioners. Since the tornadoes damaged these 3 hangars back in 2020, we have been battling with Contour to get to this point and we are now starting to see progress and looking forward to opening in July 2024. Ms. Holton stated Dunn Construction is the contractor.

Ms. Holton showed photos of the blasting on the northside of JWN. Ms. Holton reported that grading and drainage work is underway, and that utilities work is almost complete on the roadway, so paving will start later this year. The retainer wall goes behind the state hangar today, and we are looking for

completion on this project in October 2023. Commissioner McWhorter stated that he was returning to JWN during the blasting and he had to circle for an hour. Chair Joslin presented some old drawings of Taxiway Bravo and stated he would like it to extend the entire length.

Commissioner Giarratana asked if there will be specific airlines assigned to the Satellite Concourse. Ms. Holton replied it is all common use which means any airlines can use the gates. As of now Allegiant and Spirit will use the gates and maybe some other low-cost carriers. President Kreulen stated Allegiant and Spirit are the two primary airlines that will occupy 5 of the 8 gates initially; but Spirit may increase its flights and use 6 of the 8 and other airlines may use for common use. Allegiant and Spirit may grow and take over the whole Satellite Concourse. Vice Chair Giarratana stated in the old days there would be a gate that served only one airline and now technologically has advanced so that a gate can serve more than one airline, by changing the graphics on the screens. President Kreulen agreed and stated in the old days it was exclusive use, now it is preferential use and we are increasing common use. The big airlines are running preferential gates and the Airline Use & Lease Agreement (“AULA”) that Ms. Basrai, Executive Vice President & Chief Financial Officer, helped negotiate. It requires that if an airline has a preferential use gate, it needs to be used 6 times a day, if not, it becomes a gate at risk and if another airline wants that gate, then MNAAC can pull that gate. BNA tracks the use of jet bridges to determine usage. Commissioner Granbery asked what turns Southwest averaging now, to which President Kreulen responded that Southwest has between 8 and 10 turns on some days with 16 gates, and they want to expand to 30 gates. President Kreulen remarked that that is why MNAAC is planning for 70M passengers, which the New Horizon plans will show.

Commissioner Granbery asked for a Rough Order of Magnitude (“ROM”) for extending Taxiway Bravo and Ms. Holton said that she would provide that information. President Kreulen stated at JWN we have three major priorities: the North Development area with 10 hangars, the production of the second FBO RFP, and expanding the West side. President Kreulen stated he and Ms. Basrai will discuss the financial analysis to make sure we figure out how to pay for it.

President Kreulen introduced Carrie R. Logan, Associate General Counsel, who gave an update on JWN North Development lease progress. Ms. Logan stated that the construction that Ms. Holton reported on was necessary to facilitate the development of the 10 parcels on the North side of JWN, which went two rounds of Notices of Availability (“NOA”), and she showed a summary of the primary financial terms of those 10 parcels. Leases have been executed for Parcels 2-10 and an executed Letter of Intent for

Parcel 1 was submitted by Steve Smith, LLC this morning. The next step for Parcel 1 is to bring the material terms to the Board for approval and begin negotiating the lease. President Kreulen stated relative to Parcel 10, we are building that for Metro Nashville Police Department (“MNPDP”), and we are in the design phase. Metro has an option once the design is complete and is presented with the cost and to repay us over a 30-year term. If Metro decides not to exercise that option, we will put the parcel back on the market. MNAA thought Tennessee Highway Patrol would want Parcel 1, but they did not, and so we went ahead and rented it which saves us a lot because we do not have to finance another state hangar. All other hangars are financed on their own. Commissioner Granbery stated that with the investment stated in the lease is the minimum that is required, and a lot more will actually be invested. President Kreulen agreed.

VII. ADJOURN

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



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Masami I. Tyson, Board Secretary