

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



Date/Time: Wednesday, August 16, 2023, at 1:00 p.m.
Place: Nashville International Airport – Tennessee Board Room
Board Members: Jimmy Granbery, Chair
Bobby Joslin, Vice Chair
Masami Tyson, Secretary
Tony Giarratana
Jack Johnson
Stuart McWhorter
Mayor’s Appointment – 1 (vacant)
Mayor’s Appointment – 2 (vacant)

I. CALL TO ORDER

II. PUBLIC COMMENTS

No requests for public comments received to date. Deadline is August 17, 2023 at 1:00 a.m.

III. APPROVAL OF MINUTES

1. July 19, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors

IV. CHAIR’S REPORT

V. PRESIDENT’S REPORT

VI. ITEMS FOR APPROVAL

1. Professional Services Contract or Terminal 2 Siting Study (Operations)
2. Professional Services Contract for On Call Engineering Services (Operations)
3. TARI -Telecommunication Provider License and Access Fees Agreement (Crown Castle) (Operations)
4. Professional Services Contract for Commercial Trash, Recycled Materials and Electronics Disposal (Operations)
5. Amendment to Professional Services Contract for Custodial Services Satellite Concourse (Operations)
6. JWN North Development LOI/Lease Terms – Parcel 1 (Future SPE for Steve Smith) (Finance)
7. Amendment to Fraport Subleases with Ferncroft Airport, LLC (Titan’s Sports Bar, The All Day, Nashville Music City) (Finance)

Agenda of the MNAA Board of Commissioners and MPC Board of Directors

VII. INFORMATION ITEMS

1. BNA Development Update (Operations)
2. JWN Development Update (Operations)
3. BNA Concessions Program Update (Finance)
4. Quarterly Retirement/OPEB/Treasury Investment Reports (Finance)
5. FY23 Employee Performance Results (Management)
6. FY23 CEO Performance Results (Management)

VIII. ADJOURN

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



Date: July 19, 2023

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 4:00 p.m.

Board Members Present: Jimmy Granbery, Chair; Bobby Joslin, Vice Chair; Masami Tyson, Secretary; Tony Giarratana; Jack Johnson; and Stuart McWhorter

Board Members Absent: None

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 and Davita Taylor

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, President Kreulen called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 4:00 p.m., pursuant to Public Notice posted to the MNAA website July 14, 2023.

II. PUBLIC COMMENTS

President Kreulen stated there were no public comment requests.

III. APPROVAL OF MINUTES

Chair Granbery called for a motion to approve the June 21, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors and the July 6, 2023 Minutes of the Special Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Commissioner Giarratana and seconded by Commissioner McWhorter.

President Kreulen asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Tyson - Yes

Commissioner Giarratana - Yes

Commissioner Johnson –Yes

Commissioner McWhorter – Yes

The motion was passed with a vote of 6 to 0.

IV. CHAIR'S REPORT

Chair Granbery stated that it is an honor to serve as Chair of the Board under President Kreulen's leadership and great hardworking staff. Chair Granbery promised to always give 100% and continue to move this 2nd fastest growing airport forward and noted that BNA was number 1 in pandemic recovery for the past two years.

V. PRESIDENT'S REPORT

President Kreulen thanked the staff for their diligence. The airport is a 24/7 operation, he said, and the last few months have been challenging. President Kreulen stated that he would show the Commissioners later in the meeting how well MNAA has done in 2023 and where we are headed in 2024. President Kreulen expressed his pride for how well staff and the Commissioners serve the airport, which is a great asset for Nashville and State of Tennessee.

President Kreulen presented a slide of FY24 enplanements. He reported that BNA set a record in FY23 and as discussed in committee meetings, adjustments were necessary in order to be more aggressive on the forecast. For the last 10 years, BNA has, on average, grown 10% per year, and is not slowing down. This year, when staff was conducting forecasting, we increased the growth rate to better represent recent activity. President Kreulen explained that the slide depicted the historical pattern of passengers coming through BNA and that BNA ended the year above the forecast at 18.9% growth. In the first weeks of July 2023, BNA is at 15% growth. We are going to continue moving forward, he said, and enplanement activity will be presented each month. As we are tracking our progress through the October fall break, we will be more informed of where the year will finish and the Finance team will make any adjustments to budgets to keep up with the larger growth.

President Kreulen presented a short 2023 year-in-review video and acknowledged Commissioners and staff for all that they achieved over the past year.

President Kreulen introduced Mr. Steve Wood, the Transportation Security Administration's Federal Security Director for the State of Tennessee. President Kreulen thanked him for his leadership and said that without Mr. Wood, the airport would not be able to efficiently send passengers through the security checkpoint.

President Kreulen shared that Allegiant Air announced a new nonstop service from Nashville to Ft. Lauderdale beginning November 16, 2023. The new service will operate twice weekly. Ft. Lauderdale's existing service is six times daily— 3 times with Southwest, 2 times with Spirit and once a day with JetBlue.

President Kreulen presented the 30-day Outlook for Committee and Board meetings, which includes 6 approvals for Operations Committee, 2 approvals for Finance Committee, and no approvals for the Management Committee, at this time. In the next few weeks, he said, staff packets will be sent to Commissioners in preparation for August meetings. The 60-day Outlook for Committees and Board meetings includes 4 approvals for Operations Committee, no approvals for Finance Committee, and 1 approval for Management Committee, which is the CEO FY 23 Performance Evaluation.

VI. ITEMS FOR APPROVAL

1. Professional Services Contract for Executive Program Management (Operations)

President Kreulen introduced Traci Holton, VP, Chief Engineer, to brief the Board on the Professional Services Contract for Executive Program Management Services for airport planning and capital improvement projects at BNA and JWN. The solicitation was advertised on April 24, 2023 with a Request for Qualifications, and on May 24, 2023, one Statement of Qualifications ("SOQ") was received from Paslay Group ("PG"). The term is one year with six one-year options to renew. The evaluation committee determined PG met all requirements and will be immediately providing the following staffing positions: Executive Program Management, Deputy Chief Engineer, Senior Project Manager and Program Manager. Ms. Holton introduced Clay Paslay, the CEO and Managing Partner of the PG. Ms. Holton requested the Board accept the SOQ from PG for executive program management services and authorize the Chair and President & CEO to execute the contract for \$6.5M NTE annually.

Vice Chair Joslin stated that he has great respect for Mr. Paslay and his leadership, guidance and unbelievable vision.

Vice Chair Joslin made a motion to approve as presented and seconded by Commissioner Tyson. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Tyson –Yes

Commissioner Giarratana – Yes

Commissioner Johnson –Yes

Commissioner McWhorter – Yes

The motion was passed with a vote of 6 to 0.

VII. INFORMATION ITEMS

President Kreulen presented several information items. BNA Development Update has two Save the Dates, September 25, 2023 and October 9, 2023, he reported. He acknowledged the new President of Fraport USA, Ms. Sabine Trenk, who was a guest at the Board meeting. The September 25th reception will be for distinguished guests to tour the International Arrivals Facility (“IAF”) and Marketplace. October 19, 2023 is planned for the Satellite Concourse Reception. More details will follow.

President Kreulen presented pictures of the new Dormakaba security doors that were installed on June 11, 2023. On August 13, 2023, all lanes will be completely installed, with 4 lanes on north side and 5 lanes on south side.

President Kreulen reported on the discrete roadway widening project, which will widen the inbound roads from I-40, Exit 216A to two lanes. Substantial completion is planned for January 2024.

President Kreulen showed a picture of the new electric buses that are built in Europe by Cobus Industries, and currently being shipped to BNA. MNAA is receiving 9 electric buses that will run around the clock with three-minute spacings between buses from Concourse C to the Satellite Concourse.

President Kreulen stated that JWN Development had blasting and on the north side to make way for the 10 new corporate hangars. He introduced Carrie Logan, Vice President, Associate General Counsel, who has been integral in getting 9 of those 10 leased and is working on getting the last parcel leased. The north development will be a huge revenue generator for JWN that will allow for expansion in other places. Contour, the Fixed Base Operator at JWN, is busy replacing the 3 hangars that were destroyed by the tornado in 2020.

President Kreulen reported that BNA's concessions program with Fraport has 15 new locations, including Acme Feed & Seed, The Titans Press Box, and Slim & Husky's, are on track to open September 25, 2023. Paradies, BNA's business partner for the Satellite Concourse, has 7 locations scheduled to open October 19, 2023.

President Kreulen reported that the Airline Use & Lease Agreement ("AULA") was implemented on July 1, 2023. MNAA has been very successful due to the growth of Nashville and continues to balance its revenue generation between parking and concessions, but one-third of that revenue is generated by our airline partners. Ms. Basrai and the Finance team did a great job of developing and negotiating a new AULA. President Kreulen presented a chart that showed the airlines that have already provided MNAA with the signed documents and stated the 4 that have not signed, have provided an extension letter. Though these airlines are operating pursuant to the new AULA, their Boards have not yet met to approve the new AULA. For example, American Airlines' Board meets quarterly. MNAA is not concerned that these four airlines will not execute the AULA as it is financially beneficial to them. The AULA gives MNAA the security that they will be here 8-10 years from now.

President Kreulen stated that the FY24 BNA O&M and Capital Budgets were approved by the Board on April 19, 2023. Last year's revenue target was \$226M and BNA will exceed that with the new budgeted FY24 goal of \$282M. BNA's O&M expenses are moving up and staff tracks to the Official Statement to ensure MNAA stays in good standing with its rating agencies, he stated. JWN's budget for FY24 revenue and expenses is about \$2.4M, and we are doing a good job in that area and staying balanced. The \$42M of capital is for the Metropolitan Nashville Police Department ("MNPD") hangar and building ramps. Parcel 1 of the north development was previously going to be for state officials, but is now turning to be private. JWN is in an even stronger position than what is shown in the budget. The Multipurpose Corporation ("MPC"), is doing well and generates positive cash flow from the International Plaza ("Gold Building").

On investments, the Finance team tracks the different funds we have - the Retirement Plan, OPEB Plan and Treasury Investments. MNAA's performance is something that is not typical in terms of benchmarks. MNAA's actuary measures the level of funding in the accounts. The Retirement Plan is 102% funded and the OPEB is 113% funded. \$1.226B funds were on hand, and 99.4% is invested, which is in compliance with policy objectives, and has earned \$8.274M in the third quarter. These funds pay for additional capital budgets.

President Kreulen asked the Board to review FY24 Strategic Goals & Objectives and provide him with feedback over the next couple of weeks. FY23 performance reviews for the staff are complete by this point, he stated, and all the staff will receive their new goals and objectives by July 28, 2023. The Board Retreat is October 18, 2023, and will start with the Board meeting at 9:00 a.m. Once the Board meeting adjourns, the Ethics & Compliance Training will commence, then lunch, and the Retreat will then follow.

Chair Granbery asked President Kreulen about the statistics on the slide showing FY24 passengers (24.4M) > 2037 Master Plan (23.8M), and New Horizon capacity at 35M passengers. President Kreulen explained that these are the growth rates that staff is preparing for with the strategic plan, and staff continues to discuss with community and business leaders. Nashville provides a lot of opportunity and as Nashville and the surrounding counties of Nashville are successful, the number of people flying in and out of the airport increases. In June of FY24, BNA will likely reach 24M passengers, which is bigger than the master plan forecast for 2037. BNA is now 13 years ahead of schedule and is expanding to accommodate 35M passengers. The siting of Terminal 2 will be discussed at the Board Retreat, along with how the city and State prepares for the increase to passenger volume from 35M to 70M. Staff has work to do to figure this all out, and MNAA has the capability and team to do it and will also bring on additional team members. It is a good challenge for MNAA. Chair Granbery said fantastic. President Kreulen stated that FAA wants airports to do a Master Plan approximately every 5 years, and they do not anticipate this growth rate will continue. MNAA can demonstrate to FAA that with this chart alone, that in 7 years, we outgrew the 20-year Master Plan and therefore, a new Master Plan is needed. The Board will get a head start on this at the Retreat, which is where the guidance will be given to start budgeting FY25 in December 2023.

President Kreulen stated regarding the CEO FY23 Performance Evaluation, the Board previously approved key performance indicators and criteria that they want him to accomplish. MNAA exceeded its financial and customer satisfaction goals and met its strategic goals. Updates will be provided to the Board between the months of August and September once the financial audits are completed. Additionally, new KPI's will need to be adopted for the FY24 scorecard.

Vice Chair Joslin thanked President Kreulen and expressed his gratitude for all he has done for MNAA through difficult times in Nashville over the last several years. Chair Granbery shared Vice Chair Joslin's sentiments regarding President Kreulen and applauded the staff too. Chair Granbery welcomed

Commissioner Tyson to her first Board meeting. President Kreulen thanked the staff, and stated they are the ones that make it happen.

VIII. ADJOURN

There being no further business brought before the Board, Chair Granbery thanked the Commissioners for their participation and asked for a motion to adjourn. Commissioner McWhorter made the motion to adjourn, and Vice Chair Joslin seconded the motion, which carried by a vote of 6 to 0. Chair Granbery adjourned the meeting at 1:25 p.m.

Masami I. Tyson , Board Secretary

STAFF ANALYSIS

Board of Commissioners

Date: August 16, 2023
Facility: Nashville International Airport
Subject: Professional Services Contract for BNA Terminal 2 Siting Study

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Accept the proposal by Strategic Planning Services, Inc. (SPS) to conduct a study that will recommend a site for a second terminal complex at Nashville International Airport (BNA); and
- 2) Authorize the Chair and President and CEO to execute the Professional Services Contract for a not-to-exceed contract value of \$3.5 million.

II. Analysis

A. Background

BNA has been and continues to experience significant aviation market growth through rapidly increasing enplanements and operations. The existing terminal complex is quickly approaching its maximum capacity of 35 million annual passengers and room for continued expansion with the current facility will quickly become infeasible. In order to continue to provide the level of service required, BNA in the near future, will need a second terminal complex to meet the growing passenger demand.

The scope of the study consists of a comprehensive analysis of the operational conditions and constraints at BNA that will necessitate the construction of a 2nd terminal facility. Using the existing Master Plan as a baseline, the future required capacity for a new terminal complex will be prepared and models will be developed to scale the new terminal and assist with location siting. Sites will be analyzed regarding their operational and financial feasibility, as well as their connection to the existing terminal complex (roads, people mover, utilities, parking, etc.) and connection to the off-airport system (roads, transit, jet fuel, utilities, etc.). A series of alternatives will be developed showcasing the ability of the identified locations to accommodate the required 2nd terminal facility. A future CONRAC will also be analyzed, including the size, location, and infrastructure connections necessary to serve both terminal complexes.

In general, the project will include the following work items:

1. Situational Assessment
2. Existing Conditions Evaluation
3. Terminal Sizing and Expansion Requirements

4. Terminal Siting and Location Requirements
5. Terminal Access and Connection
6. Preliminary Engineering, Environmental, and Geotechnical Feasibility
7. Preferred Alternatives Selection
8. Financial and Implementation Feasibility
9. Final Documentation

On May 1, 2023, the MNAA published a Request for Qualifications (RFQ) for the Terminal 2 Siting Study.

On May 31, 2023, three (3) statements of qualifications were received as follows: Strategic Planning Services, Inc. (SPS), HOK, Jacobsen Daniels (JDA)

The selection committee evaluated the SOQs based on the criteria below:

1. Capability to perform
2. Key personnel qualifications
3. Qualifications and experience of subconsultants
4. Project approach
5. Understanding of the project’s potential challenges
6. SMWBE participation

The selection committee evaluated the SOQs, and their scores are below:

Firm	Score
HOK	366
Jacobsen Daniels	434
SPS	503

All firms were quailed, however, the committee selected Strategic Planning Services based on their comprehensive and well qualified team with the experience and capability to perform the required work. The team consists of the following firms: SPS, Demattei Wong Architecture, Faithful+Guild, Kimley Horn, Landrum & Brown, Munich Airport International, Garver, Lea+Elliott, Terracon, Gresham Smith, Civil Infrastructure Associates, LLC (CIA), and Presentation & Design, Inc.

The SMWBE participation level established by MNAA for this contract is 6.51% MBE and/or WBE. SPS has committed to exceed this participation level utilizing CIA and Presentation & Design, Inc.

B. Impact/Findings

MNAA SMWBE Participation Level:	6.51% MBE and/or WBE
SPS’s SMWBE Participation Level:	7.0% WBE
Anticipated Contract Start Date:	August 16, 2023
Duration of Contract:	1 year
Contract Completion Date:	August 16, 2024
Contract Cost:	\$3,500,000 NTE
Funding Source:	\$3.5 MNAA, \$0.5M CFC’s

C. Strategic Priorities

- Invest in BNA
- Plan for the Future

D. Options/Alternatives

Do Nothing: The “Do Nothing” option will result in BNA not expanding beyond 35 MAP, failing to meet the needs of middle Tennessee air travelers, and failing to meet the needs of business and tourist travelers desiring to visit Nashville and contributing to its economic vitality.

III. Committee Review

This item was presented to the Operations Committee on August 9, 2023. The Operations Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: August 16, 2023
Facility: Nashville International Airport and John C. Tune Airport
Subject: Professional Services Contract for On Call Engineering Services

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) accept the statement of qualifications by Garver to provide on call engineering services at Nashville International Airport (BNA) and John C. Tune Airports; and
- 2) authorize the Chair and President and CEO to execute the On Call Engineering Professional Services Contract for an annual not-to-exceed contract value of \$5 Million, with two (2) one-year renewal options.

II. Analysis

A. Background

The MNAA relies on professional engineering services to execute the Capital Improvement Plans for BNA and JWN each year. Historically a separate procurement was solicited for each project, taking up to four (4) months to execute a contract and begin work. With the utilization of an on call professional services contract, MNAA will be able to mobilize the consultant and begin work quickly. With the current growth that MNAA is experiencing and the need to expedite projects, this contract is critical for the Engineering Department to meet expectations and deliver the capital program on schedule.

It is intended for the selected team to provide engineering design services for all capital projects for the next three (3) years. Execution of projects will be via task order issued under this contract, which consists of a one-year term with two (2) one-year renewals, at an amount not-to-exceed \$5M. Additionally, supplemental, project-specific contracts, with separate terms, fees, and SMWBE participation levels, will be executed for scopes that start during this on-call engineering contract, but extend beyond its term.

Anticipated projects for FY 24 are as follows:

- Part 139 Runway RSA/TSA Improvements
- Intrusion Detection System Replacement
- Parking Access and Revenue Control System Replacement
- Deicing Treatment Engineering Study
- Airfield and Landside Pavement Condition Index Updates
- Municipal Separate Storm Sewer System (MS-4) Study
- JWN Southwest Side Drainage Improvements

On May 30, 2023, the MNAA published a Request for Qualifications (RFQ) for on call engineering services.

On June 29, 2023, one (1) Statement of Qualifications (SOQ) was received from Garver.

The selection committee evaluated the SOQ based on the criteria below:

1. Team Structure
2. Key Personnel Qualifications
3. Experience on similar projects
4. Approach to address the variety of tasks/projects requested
5. SMWBE participation

The selection committee evaluated the proposal and their scores are below:

Firm	Score
Garver	255

Garver presented a comprehensive and well qualified team with the experience and capability to perform any requested engineering task. The team consists of the following firms: Garver, Atkins, Jacobs, and Kimley Horn; and proposed subconsultants Barge Civil Associates, CEC, Civil Infrastructure Associates, Exult Engineering, Shrewsberry and Terracon. Additionally, if needed Garver can add Gresham Smith, HMMH, Benesch and Burns Engineering to the team if deemed necessary.

The SMWBE participation level established by MNAA for this contract is 10% MBE and/or WBE. Garver has committed to meet this participation level utilizing CIA (WBE) and Shrewsberry (MBE).

B. Impact/Findings

MNAA SMWBE Participation Level:	10% MBE and/or WBE
Garver's SMWBE Participation Level:	10% MBE and/or WBE
Anticipated Contract Start Date:	August 16, 2023
Duration of Contract:	1 year, with two (2) one-year renewal options
Contract Completion Date:	August 16, 2026
Contract Cost:	\$5,000,000 NTE (per year)
Funding Source:	Determined on a task-by-task basis

C. Strategic Priorities

- Invest in BNA and JWN
- Plan for the Future
- Prepare for the Unexpected

D. Options/Alternatives

Do Nothing: The “Do Nothing” option will result in the inability to use On Call Engineering Professional Services, requiring MNAA to procure these services for individual projects, adding months to each project delivery schedule, reducing staff’s ability to respond to needs efficiently, and eliminating the ability to cost-effectively execute small-scale project work.

III. Committee Review

This item was presented to the Operations Committee on August 9, 2023. The Operations Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: August 16, 2023

Facility: Nashville International Airport

Subject: Terminal Access Roadway Improvements – Telecommunication Provider License and Access Fee

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) authorize the President and CEO to receive license and access fees associated with telecommunication service relocations from Crown Castle in an amount up to \$345,000.

II. Analysis

A. **Background**

The Terminal Access Roadway Improvement (TARI) project encompasses the realignment of existing roadways and the construction of new roadways to provide permanent access to Interstate 40 and Donelson Pike as part of the proposed Donelson Pike Relocation to be completed by the Tennessee Department of Transportation. Included in this project is the design of approximately 12 lane-miles of new construction roadway, a five-lane bridge, retaining walls, expansion and modifications to existing parking facilities, and all associated drainage and utility work.

The TARI project will impact all telecommunication providers that operate on MNAA property and provide service to the Terminal building, including AT&T, Comcast, and Lumen. Through the progression of design and utility coordination with each provider, TDOT, and MNAA, it was determined that MNAA was the appropriate party to coordinate and implement relocated services for each provider. A pathway was developed that allowed for a one-time installation of infrastructure that would not be impacted by future project construction. In doing so, MNAA and each service provider tentatively agreed to share a single consolidated concrete-encased duct bank where each provider would be licensed individual conduits for exclusive use. Several spare conduits were included in the duct bank for future MNAA or other telecommunications providers.

The license agreement governing the presence of each provider in the consolidated duct bank requires each provider to pay a license fee. The license fee consists of a construction cost and a property access fee. The construction cost is prorated for each telecommunication service provider based on the number and length of conduits occupied in the duct bank. The property access fee is based on the length of duct bank occupied for each service provider.

In November 2021, MNAA Board of Commissioner approved receipt of license and access fees

from AT&T, Comcast, Lumen and Verizon in the amount of \$2,848,000.

Crown Castle has facilities on MNAA property through a sublease to AT&T but is now seeking its own conduit. Crown Castle will enter into a license agreement with MNAA for occupancy in the duct bank as other service providers have but must also submit an AIR independent of the TARI project for extending their service from the duct bank termination point into other facilities on property.

B. Impact/Findings

Crown Castle License Fee: \$345,000

C. Strategic Priorities

- Invest in BNA
- Plan for the Future

D. Options/Alternatives

Do Nothing: The “Do Nothing” option will result in each telecommunication provider serving BNA to have service interruptions once TARI and TDOT construction begin.

III. Committee Review

This item was presented to the Operations Committee on August 9, 2023. The Operations Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: August 16, 2023

Facility: Nashville International Airport

Subject: Professional Services Contract for Commercial Trash, Recycled Materials and Electronics Disposal

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Accept the proposal by Waste Management for Trash Removal Services at BNA and outlying properties.
- 2) Authorize the Chair and President and CEO to execute the awarded contract for the amount contained herein.

II. Analysis

A. Background

The Maintenance Department is responsible for trash removal services at BNA along with several MPC outlying building properties. With the current Trash Removal Service contract expiring on 31 August 2023 and the continued expansion of BNA, a need for continued trash removal services is necessary, as the previous contract expires. The proposal by Waste Management was superior to the other parties that bid and was selected as the Contractor for Trash Removal Services. The new contract allows for a streamlined process in which BNA trash is handled along with innovation of monitoring compactors to prevent unforeseen impacts. The extensive growth of BNA puts a strain on the compactors and with newly introduced preventive maintenance plans it will allow BNA to better serve our community and vendors ensuring operational needs are met to the highest standard.

On 02 March 2023, Staff developed and submitted the scope of work based on existing contracts, feedback directly from previous contract oversight, and existing contracts from outside airports.

On 22 May 2023, MNAA team members signed a project information form estimating the cost of the three-year contract at a total \$3,972,000 excluding two option years.

On 05 June 2023, the Request for Proposal for the Trash Removal Services was published and went live.

On 07 July 2023, proposals were received from Waste Management and J&J Services.

On 13 July 2023, the selection committee chose Waste Management for award of the contract, based on their pricing, quality assurance program, equipment, and number of personal they intend to dedicate to the airport.

B. Impact/Findings

SMWBE Goal:	0.00%
Anticipated Contract Start Date:	01 September 2023
Duration of Contract:	3 Years w/ 2 Renewal Options
Contract Completion Date:	31 August 2026
Contract Cost Year 1 (Estimated)	\$726,146.80
Contract Cost Year 2 (Estimated)	\$765,954.14
Contract Cost Year 3 (Estimated)	<u>\$807,751.85</u>
<i>Estimated Contract Cost 3 years:</i>	<i>\$2,299,852.79</i>
Optional 1 Contract Year 4 (Estimated)	\$851,639.44
Optional 2 Contract Year 5 (Estimated)	<u>\$897,721.41</u>
<i>Estimated Contract Cost 3 years with 2 Optional years:</i>	<i>\$4,049,213.64</i>
Funding Source:	Operations and Maintenance (O&M)

C. Strategic Priorities

- Invest in BNA
- Plan for the Future
- Prepare for the Unexpected

D. Options/Alternatives

1. Do Nothing: The “Do Nothing” option will result in the inability to provide trash removal services to BNA and create a potential hazardous environment which will ultimately reduce the overall customer experience.
2. Not awarding a contract: This method will drastically increase the cost of trash removal services while reducing the dedication of a selected vendor equipment to BNA. Resulting in drastic wait time for services to be performed.

III. Committee Review

This item was presented to the Operations Committee on August 9, 2023. The Operations Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: August 16, 2023

Facility: Nashville International Airport

Subject: Amendment to Professional Services Contract for Custodial Services for Satellite Concourse

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Accept the proposed contract amendment to the Bestway Professional Services Contract for Custodial Services for the Satellite Concourse.
- 2) Authorize the Chair and President and CEO to execute the proposed amendment to the professional services contract for the amount contained herein.

II. Analysis

A. Background

The Maintenance Department is responsible for all custodial services within the terminal property. With the expansion of BNA Vision and completion of the Satellite Concourse that is scheduled to open on 21 October 2023 a need for additional custodial and window cleaning services is necessary, as the previous contracts for custodial services failed to include the identified areas. This allows BNA to better serve its community as it gives vendors opportunities to join our team and participate in the success of BNA. Custodial services are needed for approximately 90,000 sq ft for Satellite Concourse. In addition, the contractor will apply restroom technology (SMART Restrooms) if requested by MNAA which will allow for greater customer satisfaction by tracking customer flow in and out of the restrooms. New technological innovation of two (2) autonomous floor cleaners is also being introduced.

On 01 December 2022, MNAA team members held a meeting establishing the path forward for the Satellite Concourse services that lacked attention from previous contracts. Staff developed this scope of work based on existing contracts, feedback directly from previous contract oversight, and existing contracts from outside airports, to include the implementation of restroom technology and autonomous floor cleaners.

On 19 December 2022, the Invitation to Bid for the Custodial Services was published and went live.

On 27 December 2022, a pre-bid meeting was held for the services, with final addendum issued on 3 January 2023.

On 18 January 2023, the Board approved the selection of Bestway Services for the Grand Lobby and

IAF at an estimated cost of \$2,216,528 for the contract year 1 and \$6,845,586 including the two 1-year options. The contract included the option to amended and add additional services and was signed 25 January 2023.

This amendment adds the Satellite Concourse janitorial and window cleaning services for the remainder of Year 1 and through the expiration of the term on January 24, 2026 The estimated contract cost is listed below:

B. Impact/Findings

Custodial Services for Satellite Concourse:

SMWBE Goal:	Remains the same 18.11%		
Anticipated Amendment Start Date:	21 October 2023		
Duration of Contract:	2 Years + 3 Months		
Contract Completion Date:	24 January 2026, expiration with Grand Lobby Contract		
Contract Cost	Amendment	Initial Contract	Total Contract
Year 1	\$ 321,003	\$2,216,528	\$2,537,532
Year 2 (Estimated)	\$1,293,643	\$2,280,324	\$3,573,967
Year 3(Estimated)	<u>\$1,445,980</u>	<u>\$2,348,734</u>	<u>\$3,794,714</u>
Estimated Contract Cost:	\$3,060,626	\$6,845,586	\$9,906,213
Funding Source:	Operations and Maintenance (O&M)		

C. Strategic Priorities

- Invest in BNA
- Plan for the Future
- Prepare for the Unexpected

D. Options/Alternatives

1. Do Nothing: The “Do Nothing” option will result in the inability to provide the main focus point of BNA to go without services that are a need and will ultimately reduce the overall customer experience.
2. Use current custodial services contractors: This approach will produce little results as the current contractor consistently lacks the necessary employees to meet contract requirements outlined in the ITB.

III. Committee Review

This item was presented to the Operations Committee on August 9, 2023. The Operations Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: August 16, 2023
Facility: North Development Parcel #1 at John C. Tune Airport
Subject: Steve Smith Future SPE Letter of Intent/Lease Terms

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve the terms negotiated between MNAA and a future Special Purpose Entity for Steve Smith (the "Tenant") via Letter of Intent (LOI).
- 2) authorize **the Chair and President and CEO** to execute a lease agreement between MNAA and Tenant that is consistent with the LOI terms.

II. Analysis

A. Background

Following the second Notice of Availability (NOA) that was advertised on October 6, 2022, MNAA received a LOI that met all the necessary requirements for the remaining 0.84-acre vacant parcel of land, commonly referred to as the North Development. The remaining vacant parcel is listed as parcel 1 and located next to the State hangar at the north end of the airport.

B. Lease Terms

1. Tenant will lease one parcel of land for a total of 0.84 acres. This parcel is depicted as #1 on the attached exhibit.
2. Tenant will have an 18-month Construction Term, 30-year initial term, and one 5-year renewal option for a total potential term of 36.5 years.
3. Tenant will pay rent at \$2.70 p/sf beginning on the effective date of the lease. Rent will increase each year by 3% except for in years 10 and 20 of the initial term, upon which rent will be increased based on an appraisal. In no event will rent increase by more than 110% of the immediately prior year, nor will rent decrease.
4. Tenant will pay a monthly fuel flowage fee for all fuels dispensed and the current rate is \$0.06 per gallon.

5. During construction, the Tenant will invest a minimum of \$2.5M for construction of a hangar facility. The design of the improvements is ongoing, but Tenant is planning to construct at least one large hangar of at least 10K square feet, with adjacent vehicle parking.
6. Tenant will complete the improvements within 18 months of the effective date.
7. Tenant is responsible for obtaining all necessary permits to complete the project, including compliance with MNAA's AIR process.
8. The lease is a triple net lease; therefore, Tenant will be responsible for all costs associated with the property during the term of the lease including maintenance, insurance, and taxes.
9. Tenant will be responsible for completing property condition and pavement condition assessments every 5 years. These assessments will be submitted to MNAA with a report from the Tenant setting forth any deficiencies that have been repaired in the prior 5-year period and a plan for the repairs needed during the following 5-year period.
10. Tenant holds the right to assign the lease to an affiliate or successor organization of Tenant with notice to MNAA. Any other assignment or transfer must be approved by MNAA and will include payment to MNAA of a percentage of the gross transaction value. MNAA's percentage of the proceeds is based on scale dependent upon how far along in the term such assignment or transfer is done. MNAA will receive 20% of the transaction value if there are 10 or more years remaining on the term, 15% if there are less than 10 years remaining but more than 5 years, and 10% if there are less than 5 years remaining.
11. Tenant is permitted to use the property for commercial operations under 14 CFR Part 91 and 14 CFR Part 135. This includes managing, maintaining, fueling, and otherwise supporting the aeronautical activities of individuals or entities who have an ownership interest in aircraft stored on the leasehold who are under a written contract with Tenant to provide such services.

C. Impact/Findings

This lease will provide MNAA with an immediate revenue source of \$98,884.80 in year one and a new asset that will vest in 31.5-36.5 years.

This redevelopment is being supported by MNAA project "JWN 2297 - North Development, Airside Improvements and Apron Expansion" whereby MNAA will be constructing facilities to support the tenant(s) development including an access road, natural gas, electricity, water, and sewer utilities and taxiway and taxiway connections.

D. Strategic Priorities

- Invest in JWN
- Plan for the future

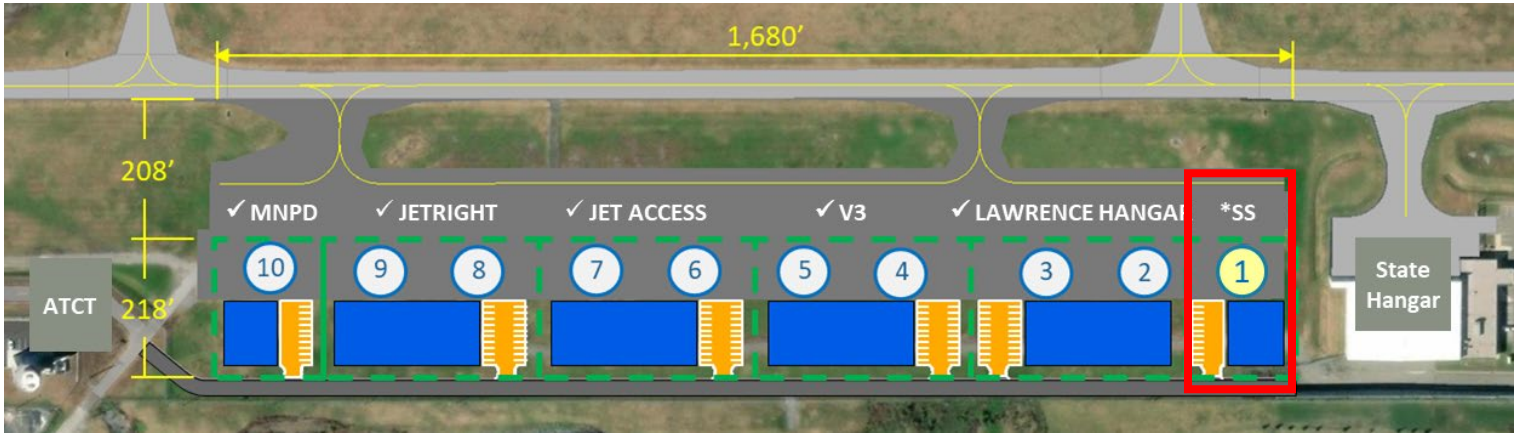
E. Options/Alternatives

The Finance Committee could decline to recommend approval of the proposed Tenant and Real Estate could attempt to negotiate with another entity for the lease of parcel #1.

III. Committee Review

This item was presented to the Finance Committee on August 9, 2023. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

EXHIBIT



- ✓ Lease Executed
- LOI Executed

STAFF ANALYSIS

Boad of Commissioners

Date: August 16, 2023

Facility: Nashville International Airport

Subject: Amendment to Fraport Subleases with Ferncroft Airport, LLC

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve amendments to two subleases between Fraport, Ferncroft Airport, LLC and MNAA for the terminal concessions program, and
- 2) authorize the Chair and President & CEO to execute the sublease amendments.

II. Analysis

A. Background

MNAA has a Lease and Concession Agreement (Agreement) with Fraport, Tennessee, Inc. (Fraport) to develop and manage a terminal-wide concessions program. The term of the agreement commenced on February 1, 2019, and expires on January 31, 2029. In 2022, Fraport negotiated subleases with Ferncroft Airport, LLC (Ferncroft) for three concession locations: Titan's Sports Bar, The All Day and Nashville Music City, for a ten-year term. As the subleases expire after the expiration of Fraport's agreement, MNAA became a party to the subleases, with all rights and obligations of the subleases to attorn to MNAA at the expiration of Fraport's Lease and Concession Agreement.

Ferncroft requested to change the names of its concession locations as follows:

<u>Original Name</u>	<u>New Name</u>
Nashville Music City	The Music City Shop
The All Day	Kitty Hawk Eat and Drink
Titans Sports Bar	The Titans Press Box

These name changes were incorporated in Amendment 8 to the Agreement, which was approved by the Board of Commissioners in June 2023. The tenant subleases need to be amended to reflect the approved name changes, and as MNAA is a party to the subleases, the amendments require approval by the Board of Commissioners.

B. Impact/Findings

At this time, staff is requesting that the Finance Committee recommend approval of the above subleases.

C. Strategic Priorities

- Invest in BNA/JWN
- Plan for the Future

D. Options/Alternatives

The Finance Committee could decline to recommend approval of the above sublease amendments.

III. Committee Review

This item was presented to the Finance Committee on August 9, 2023. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

Business Diversity Development, August FY'2024 Certification Report as of July FY'2024

Total Certified firms:	New Certified firms: 7/1/2024 - YTD	Totals	Firms Certified in July FY'24	Totals	New Applications Received: 7/1/2024 -YTD	Totals	New Interstate Apps Received: 7/1/2024 -YTD	Totals	Renewals Received: 7/1/2024 -YTD	Totals	Denials, Delist & Withdrawals 7/1/2024 -YTD	Totals	Monthly OnSite's Completed 7/1/2024 -YTD
132 Firms	Construction:	4	Construction:	3	Construction:	8	Construction:	1	Construction:	13	Construction:	3	5
201 Firms	Professional Svcs:	5	Professional Svcs:	3	Professional Svcs:	4	Professional Svcs:	2	Professional Svcs:	17	Professional Svcs:	2	4
	professional	4	professional	2	professional	4	professional	2	professional	11	professional	2	3
	security	0	security	0	security	0	security	0	security	1	security	0	0
	janitorial	1	janitorial	1	janitorial	1	janitorial	0	janitorial	4	janitorial	0	1
	landscaping	0	landscaping	0	landscaping	0	landscaping	0	landscaping	1	landscaping	0	0
144 Firms	Goods/Svcs:	1	Goods/Svcs:	1	Goods/Svcs:	5	Goods/Svcs:	1	Goods/Svcs:	4	Goods/Svcs:	1	0
	printing/signage	0	printing/signage	0	printing/signage	0	printing/signage	0	printing/signage	0	printing/signage	0	0
	supplier	1	supplier	1	supplier	0	supplier	1	supplier	1	supplier	1	0
	miscellaneous	0	miscellaneous	0	miscellaneous	0	miscellaneous	0	miscellaneous	0	miscellaneous	0	0
	concessions	0	concessions	0	concessions	5	concessions	0	concessions	3	concessions	0	0
477 Total		10 Total		7 Total		17 Total		4 Total		34 Total		6 Total	9 Total

Certification Inquiries (phone, email, meet & greets)

Monthly Inquires: 48

Total Inquires YTD: 169

Report Date: 8/8/2024



BDD Educational Outreach, Technical Assistance, and Program Development Activities

FY '2024	Date of Event	BDD Outreach Engagement Events
AMAC Booth and Outreach Event - SAN ANTONIO, TX	June 12-June 13th	The BDD Team attended the AMAC training event in San Antonio, hosted a booth encouraging the benefits of certification for upcoming BNA projects and solicitations in Nashville.
Metro Business Development Partners Luncheon-2023 Nashville Disparity Study	7/17/2023	The BDD Team (Davita Taylor, Kebbyn Connell & Floyd Munn) attended the Metro Business BAO Department and Staff to review and discuss the 2023 Metro Nashville Disparity Study Results.
Hensel Phelps - Project 2311 - CGMP4 Outreach Event	7/18/2023	The BDD Team (Kevin Crampton & Floyd Munn) attended and supported The Outreach Efforts with local vendors