



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

October 18, 2023

Call to Order

October 18, 2023

Approval of Minutes

- September 20, 2023, Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors
- September 13, 2023, Joint Meeting of the MNAA Board of Commissioners and MPC Operations, Engineering & Strategic Planning Committee

Public Comment

Tennessee Code Annotated, Title 8, Chapter 44, Part 1

MNAA Policy ID: 33-007, Public Comment Policy, effective July 13, 2023

No Public Comment Requests Received by Monday, October 16, 2023 at 9:00PM

Chair's Report

Jimmy Granbery, Board Chair

President's Report

Douglas E. Kreulen, A.A.E.

President and CEO



J.D. Powers 2023 North America Airport Satisfaction Study

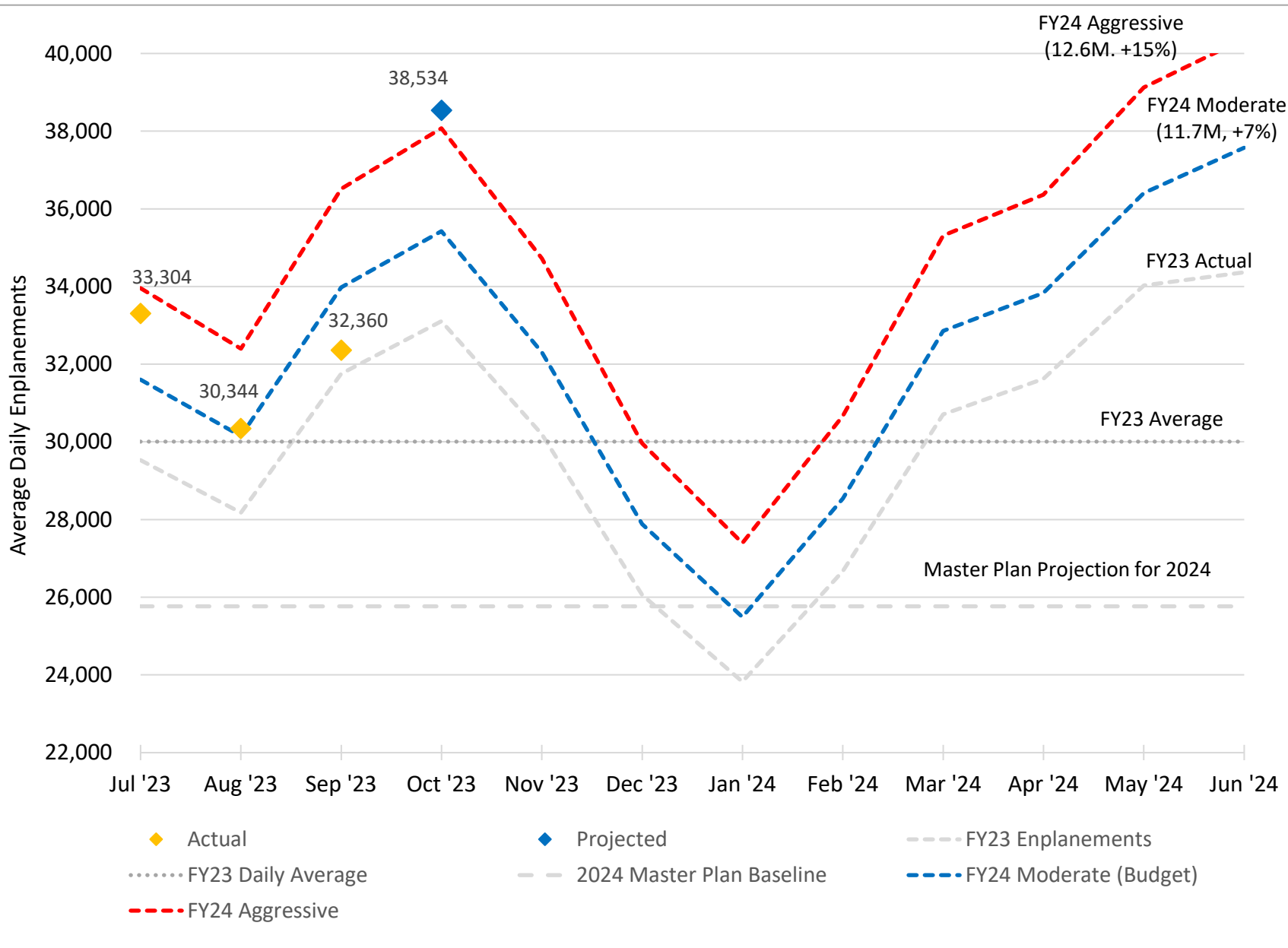
- October 2, 2023
- BNA ranked #11 among large airport category
 - BNA: 799 of 1,000 points
 - Average: 789 of 1,000 points



2023 USA Today Best Readers' Choice Travel Awards

- October 13, 2023
- #1 Airport for Shopping
- #1 Best Airport Grab-and-Go Food (400 Degrees)
- #3 Best Airport Bar (Tootsie's)
- #5 Best Large Airport

FY24 BNA Enplanements



- FY24 Forecast: 7%, 11%, 15%
- October FY24 Projected (+16%)
 - 1,200,000 enplanements
 - 2,400,000 passengers
 - 38,534 daily enplanements
 - New SCP Record – 43,447
 - October 15, 2023
- FY24 Year-to-Date (+10%)
 - 4,100,000 enplanements
 - 8,200,000 passengers
 - 33,646 daily enplanements

*October projections based on TSA data through October 16, 2023

Operations

- Approvals (3)
 - Design Build Contract for Concourse D Extension CGMP 4 of 4
 - Construction Contract for Concourse B & C Upgrades
 - Professional Services Contract for Snow & Ice Removal
- Information (2)
 - BNA and JWN Development Updates

Finance

- Approvals (0)
- Information (3)
 - BNA Concessions Program Update (including quarterly sales)
 - Air Service Incentive Fund Capacity
 - Quarterly Retirement/OPEB/Treasury Investment Reports

Management

- Information (4)
 - FY23 External Audit Update
 - FY23 Payment Card Industry (PCI) Audit Update
 - Ethics Policy Staff Recommendations
 - Bylaws Staff Recommendations

Committee 30-day Outlook

- November 8 & 15, 2023
- November 4, 2023
 - TN Aviation Hall of Fame
 - Induction of Robert J. Joslin

Operations

- Approvals (1)
 - Professional Services Contract for Runway 2L Extension EIS
- Information (2)
 - BNA and JWN Development Updates

Finance

- Approvals (1)
 - Short Term Credit Facility Renewal
- Information (1)
 - BNA Concessions Program Update (including quarterly sales)

Management

- Information (2)
 - Board Review of Staff Recommendations of Ethics Policy
 - Board Review of Staff Recommendations of Bylaws

Committee 60-day Outlook

- December 13 & 20, 2023

Items for Approval

October 18, 2023

- Construction Contract for TARI Phase 2 (Operations)
- Construction Contract for Bravo/Kilo Intersection (Operations)
- Professional Services Contract for Staff Augmentation (3) (Operations)
- Professional Services (Design) Contract for Concourse A (Operations)
- Construction Contract for JWN Terminal Parking Lot Expansion (Operations)

Items for Approval

Traci Holton, PE, C.M.
VP, Chief Engineer

Construction Contract for Terminal Access Roadway Improvements Ph 2

Project Description: Demolition of existing Donelson Pike south of the TDOT connector roadway, between Donelson Pike, Terminal Drive, and the Taxiway Bridges, and construction of a new Airport Service Road.

Contractor: Jones Bros. Contractors, LLC

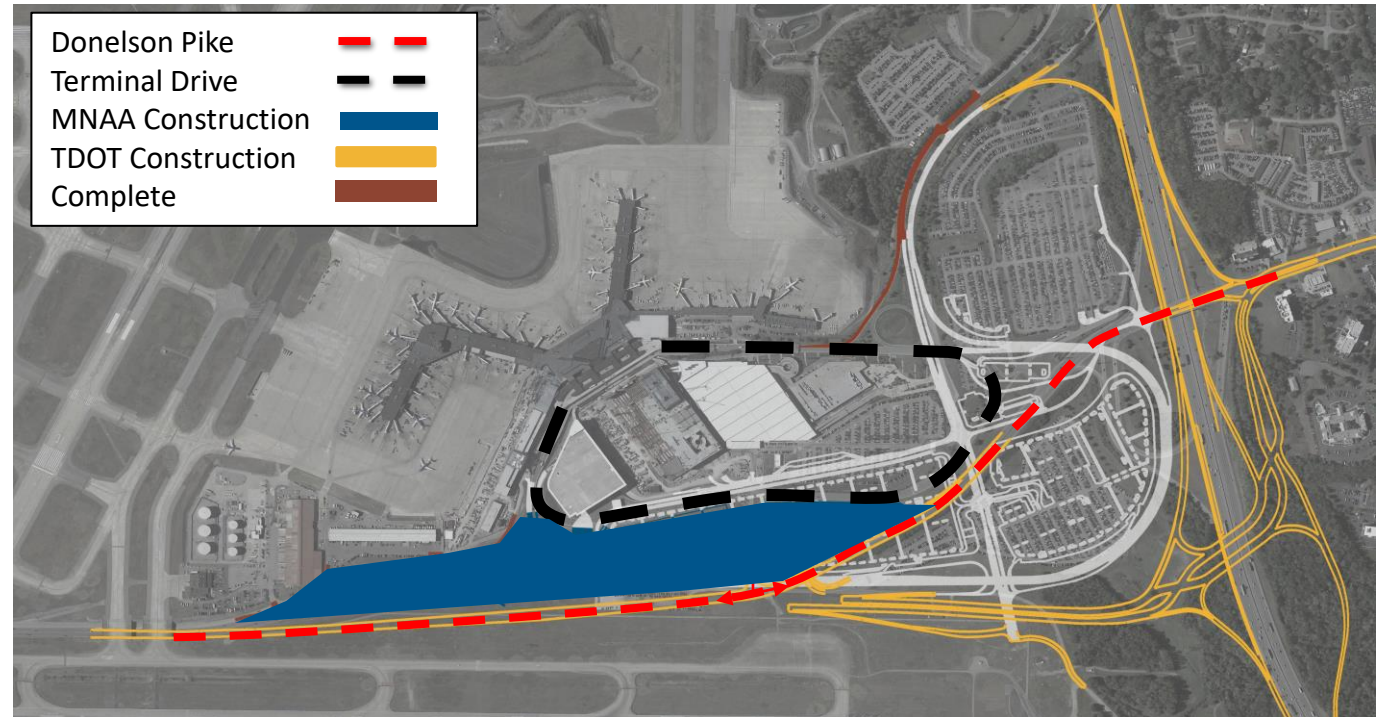
Total Contract Cost: \$23,759,322.50

Schedule:

Contract Start: December 2023

Contract End : October 2025

Funding Sources:



Committee Review: Operations Committee reviewed on October 11, 2023. There was not a quorum to vote on the item.

Staff Recommendation: Board of Commissioners authorize the Chair and President and CEO to execute the proposed contract with Jones Bros. Contractors, LLC in the amount of \$23,759,322.50.

Construction Contract for Taxiway Bravo/Kilo Intersection Reconstruction

Project Description: Reconstruct the intersection of Taxiway Bravo and Taxiway Kilo and remove Taxiway Tango 3.

Contractor: Hi-Way Paving, Inc.

Total Contract Cost: \$16,483,880

Schedule:

Anticipated Contract Start: November 2023

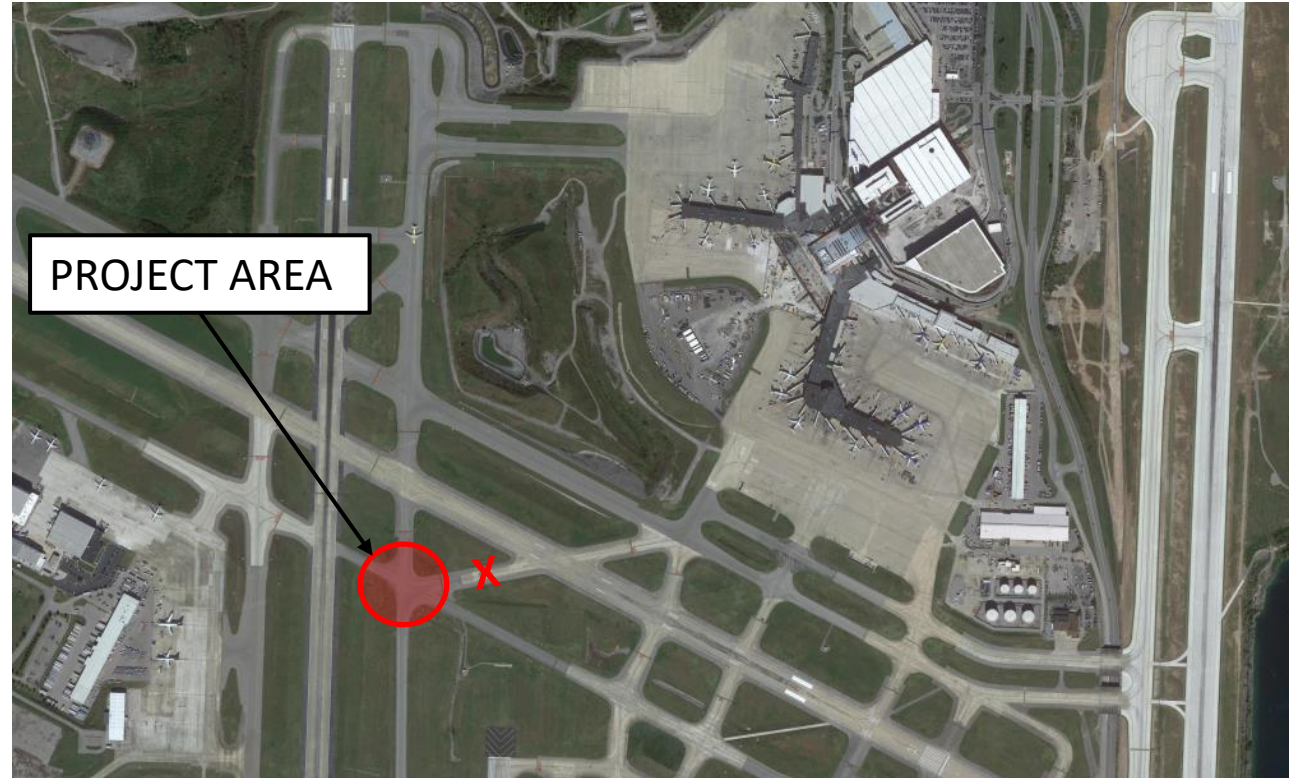
Contract End: July 2024

Funding Sources:



■ Airline Investment Fund - 25%

■ Federal - 75%



Committee Review: Operations Committee reviewed on October 11, 2023. There was not a quorum to vote on the item.

Staff Recommendation: Board of Commissioners authorize the Chair and President and CEO to execute the proposed contract with Hi-Way Paving, Inc. in the amount \$16,483,880.

Professional Services Contracts for Staff Augmentation - BNA Vision/New Horizon

Description: Provide supplemental staffing to the Engineering Department to support the capital improvement programs.

Contractors:

- WSP USA, Inc. (project management, majority)
- Accura Engineering (project management, small business)
- Innova Solutions (project controls, majority)
- TBD (project controls, small business)

Total Contract Cost:

\$8,700,000 NTE Annual Aggregate (per year)

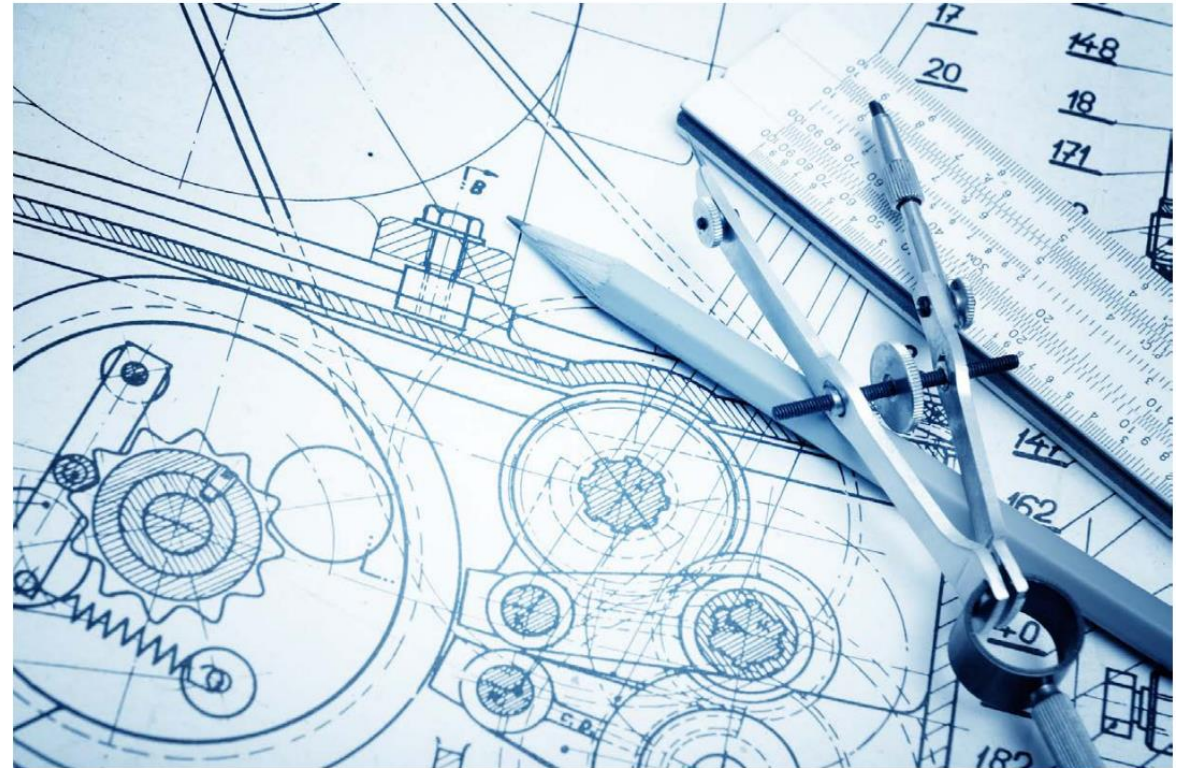
Schedule:

Anticipated Contract Start: November 01, 2023
Contract End: December 31, 2031

Funding Sources:



■ Task by Task



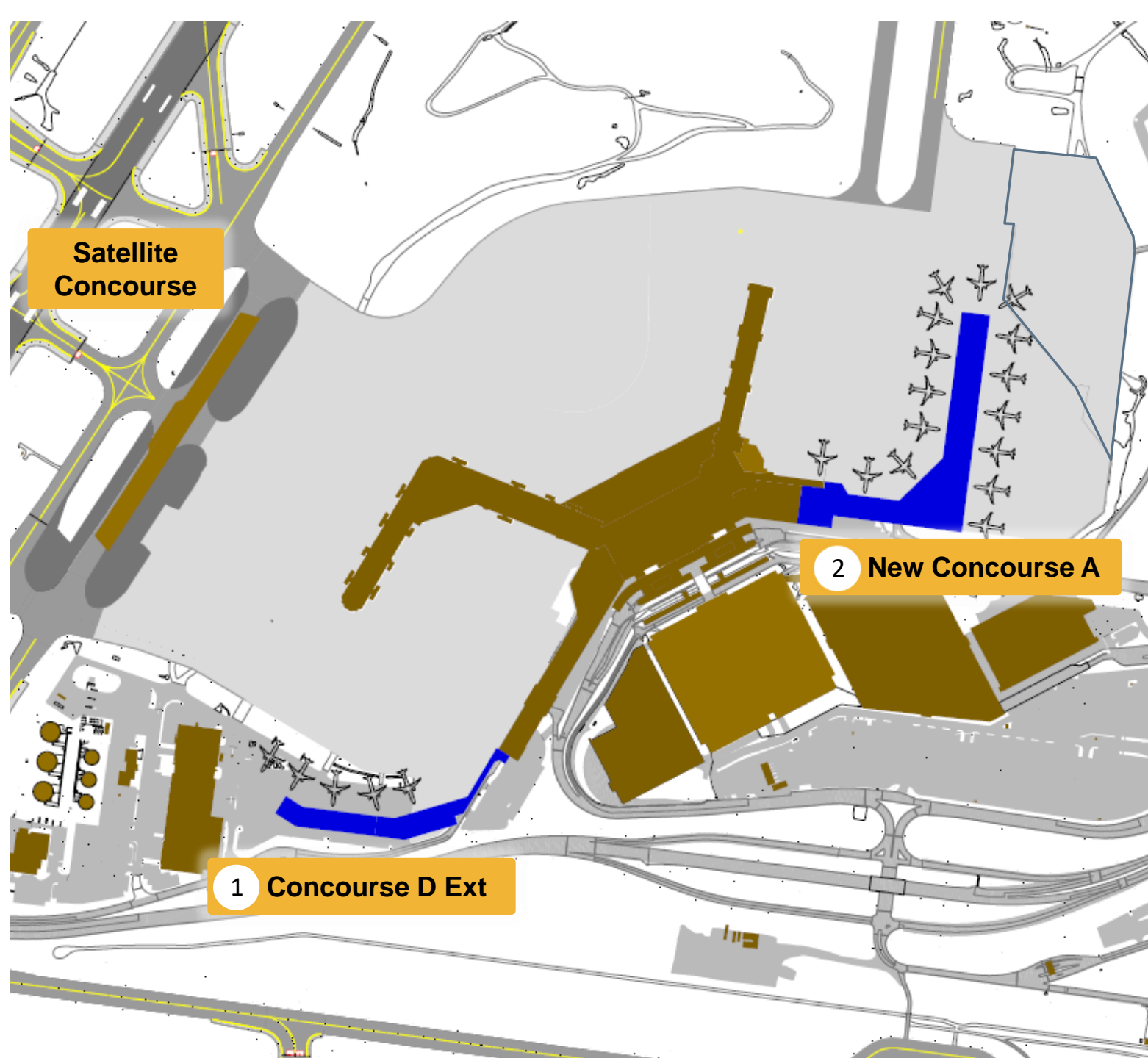
Committee Review:

- Operations Committee reviewed on October 11, 2023. There was not a quorum to vote on the item.

Staff Recommendation: Staff requests that the Board of Commissioners:

- 1) Accept the statements of qualifications by Innova Solutions, Accura Engineering and Consulting Services, Inc., and WSP USA Inc. to provide staff augmentation services at Nashville International Airport (BNA); and
- 2) Authorize the Chair and President and CEO to execute the Staff Augmentation Professional Services Contract(s) for an annual not-to-exceed aggregate contract value of \$8.7 Million annually; and,
- 3) Authorize the President and CEO to execute any amendments for the Staff Augmentation Professional Services Contracts as long as the total value of the contracts does not exceed the \$8.7 Million annual not-to-exceed amount.

Staff Recommendation



Satellite
Concourse

2 New Concourse A

1 Concourse D Ext

New Concourse A Background

- 1 Extend Concourse D (2022-2025)
 - \$287M
 - 5 Gates
 - Requires relocation of Air Freight functions
 - Empty chair for new Concourse A
- 2 Construct new Concourse A (2023-2028)
 - \$855M
 - 16 Gates (net 10)
 - Apron/Fill Underway

Professional Services Contract for Concourse A Reconstruction

Project Description: Design consulting services for demolition of Concourse A and reconstruction of a 16-gate concourse.

Consultant: Fentress Architects

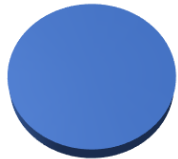
Total Contract Cost: \$47,126,684

Schedule:

Contract Start: October 2023

Contract End : October 2028

Funding Sources:



■ MNAA- 100%



Committee Review: Operations Committee reviewed on October 11, 2023. There was not a quorum to vote on the item.

Staff Recommendation: Board of Commissioners authorize the Chair and President and CEO to execute the professional service contract to Fentress Architects in the amount of \$47,126,684.

Construction Contract for JWN Terminal Parking Lot Expansion

Project Description: Construct additional vehicular parking near the terminal building & repave a portion of Tune Airport Drive.

Contractor: Rogers Group, Inc.

Total Contract Cost: \$1,582,781.25

Schedule:

Contract Start: November 2023

Contract End : June 2024

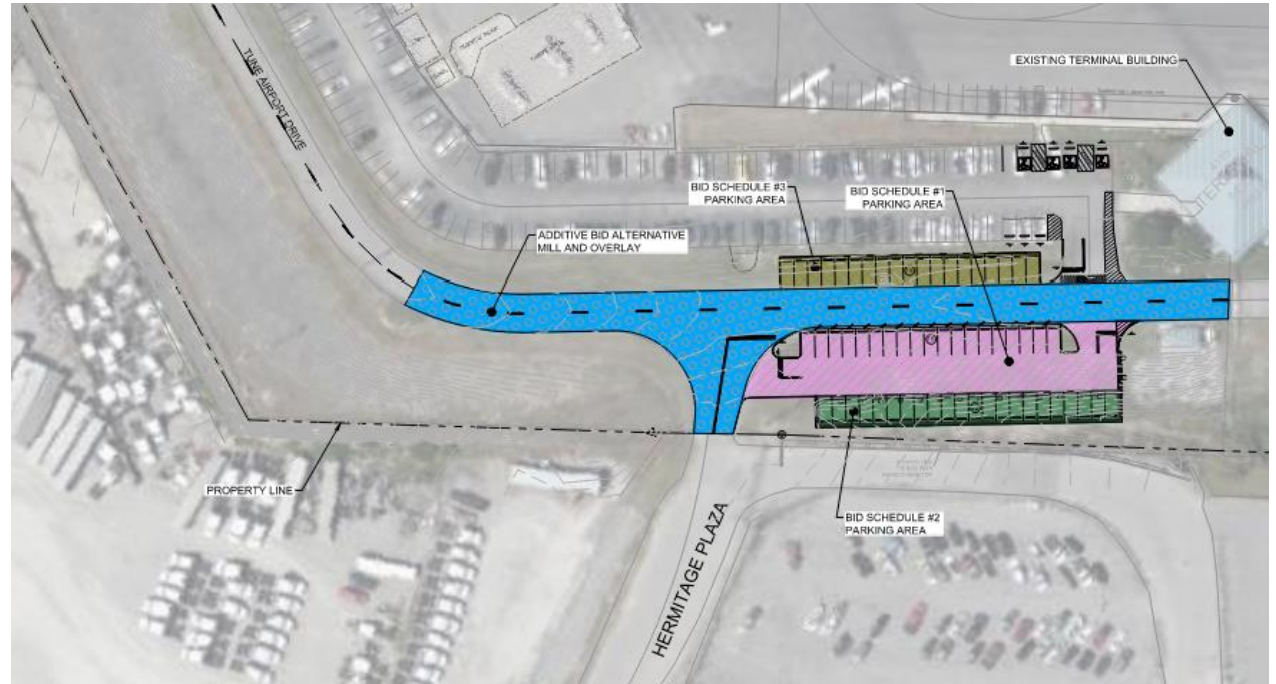
Funding Sources:



■ MNAA - 10%

■ Federal - 48%

■ State (federal pass-through) - 42%



Committee Review: Operations Committee reviewed on October 11, 2023. There was not a quorum to vote on the item.

Staff Recommendation: Operations Committee recommend to the Board of Commissioners that it authorize the Chair and President and CEO to execute the construction contract with Rogers Group, Inc. in the amount of \$1,582,781.25.

- Amendment to British Airways Incentive Agreement (London) (Finance)

Item for Approval

Josh Powell, C.M., ACE

AVP, Airline Affairs & Air Service
Development

Amendment to British Airways Incentive Agreement (London)

British Airways Service:

- Daily Service to London, England (Heathrow)

British Airways Incentive (London), Board Approved June 16, 2021

- Per the Air Service Incentive Plan (ASIP), approved by the Board on November 2, 2020, MNAA entered into a new 2-year incentive with British Airways for non-stop service to London (Heathrow) effective December 9, 2021.
 - Year 1: 100% abatement of landing and facility fees; \$100,000 marketing funds
 - Year 2: 100% abatement of landing and facility fees
 - Monetary approved maximum incentive \$2M

Recommended Incentive Amendment:

- Extend Term from expiring on December 8, 2023, to February 29, 2024, to recognize the period in which no flights occurred due to the reemergence of the pandemic and subsequent related pause of service. Flights ceased January 2022 and did not resume until May 2022.
- Raise the maximum available incentive from \$2M to \$2.5M.
 - Increased flight frequency
 - Increased airport rates and charges from original approval
 - Extension months are at higher rates and charges than the pause in service period

Committee Review:

- Finance Committee voted 3 to 0 to recommend approval on October 11, 2023.

Staff Recommendation:

- Staff requests that the Board of Commissioners:
 - 1) Approve funding for the proposed amendment to the British Airways LOA including:
 - Extend the term to February 29, 2024, and
 - Increase the cap of landing and facility fee abatements to \$2.5M.
 - 2) Authorize the Chair and President & CEO to execute the Letter of Agreement (LOA) Amendment by and between MNAA and British Airways outlining the specific terms of the proposed incentive amendment.

Staff Recommendation

NOTE:

- ASIP is funded through the NAE Incentive Account, which has a balance of \$7.5M (9/29/2023)
- Other Board approved incentives:
 - Flair Airlines (Edmonton) – Up to \$255K (4/12/22 – 4/11/24)
 - Air Canada (Montreal) - Up to \$371K; 6/2/2022 – 6/1/2024
 - WestJet (Vancouver) – Up to \$254K; 5/19/23 – 5/18/25

- Trademark License Agreement (Finance)
 - Hotel adjacent to Terminal by Nashville Airport Hotel Partners, LLC

Item for Approval

Carrie R. Logan, C.M.

VP, Associate General Counsel

Trademark License Agreement - Nashville Airport Hotel Partners, LLC

Description:

- Project Lease Agreement contemplates the use of BNA® in the name of the hotel and a restaurant concept.
 - Hotel: “Hilton BNA Nashville Airport Terminal” and “Hilton BNA”
 - Restaurant: BNA Sky Pavilion
- The use of the BNA word mark and logo will be submitted as support for MNAA’s application to register the BNA marks for hotel and restaurant services.

Trademark License Agreement Terms

- Gratis license, based on the provisions of the existing Project Lease Agreement.
- Seven-year terms, which auto renew.
- Tenant is required to follow MNAA quality and brand standards

Impact:

- This trademark license agreement will allow MNAA to file additional trademark applications and continue to build the BNA brand.

Committee Review:

- Finance Committee voted 2 to 0 to 1 to recommend approval on October 11, 202to 3.

Staff Recommendation:

- Staff requests that the Board of Commissioners:
 - 1) Approve the terms negotiated between MNAA and Nashville Airport Hotel Partners, LLC (the “Tenant”) via the trademark license agreement.
 - 2) Authorize MNAA Staff and the Board of Commissioners to execute a trademark license agreement between MNAA and Tenant.

Staff Recommendation

Information Items

October 18, 2023

- BNA Concessions Program Update (Finance)
- FAA DBE/ACDBE Mini-Compliance Review (Management)

Information Items

Douglas E. Kreulen, A.A.E.
President and CEO

Fraport Terminal Concessions Program

- 8 Fraport concession locations opened September 25, 2023
- 2 locations scheduled to start construction December 1, 2023
- Concourse D Extension
 - Accepted plan
 - 7 Letters of Intent to be executed by mid-October
 - Board approval required

Paradies Satellite Concourse Concessions Program

- 7 locations are under construction:
 - 3 expected to open October 21, 2023
 - 4 will open late
 - Fat Bottom, Jimmy Johns, Bongo Java and TX MX
 - Penalty: \$10,000/day/location not open
 - The 3 travel essentials stores will provide temporary cold food & coffee; Distillery District & Gulch Goods will provide hot sandwiches

Terminal & Satellite Concessions Activity

- FAA staff evaluated MNAA for compliance with specific elements of ACDBE/DBE requirements and determined the compliance status, as of the time of the review.
- The mini compliance review focused on the following areas:
 - ACDBE/DBE Program Plan
 - Bid/RFQ/RFP and contract/subcontract language
 - Monitoring of prompt payment
 - Commercially Useful Function (CUF) reviews
- FAA found that BNA performed well at monitoring of prompt payment, certification, outreach efforts, general support for ACDBE firm.

FAA DBE/ACDBE Mini- Compliance Review

- Review: May 23 – 25, 2023
- Report: September 22, 2023

- October 30, 2023
 - Update and sign DBE Policy
 - Add Bidder’s List to BDD website
- November 3, 2023
 - Update and sign ACDBE Policy Statement
- November 17, 2023
 - Submit DBE goal methodology for FFY23 – FFY25
- December 15, 2023
 - Develop/update procedures for reviewing prime and subcontracts and prime and sub-concessionaire agreements
 - Ensure required clauses are in all prime contract and subcontractor agreements and prime and sub-concessionaire agreements
 - Update procedures for Commercially Useful Function/onsite monitoring and documentation for ACDBE/DBE projects

Areas for Corrective Action



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

Meeting Adjourned