



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

September 20, 2023

BNA

Call to Order

September 20, 2023

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 Tuesday, September 19, 2023 @ 1 am

Approval of Minutes

- August 16, 2023, Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors

Chair's Report

Jimmy Granbery, Board Chair

President's Report

Douglas E. Kreulen, A.A.E.

President and CEO



**Floyd Munn, Director
Business Diversity Development**



**Melissa Ting, Director
Maintenance Services,
Environmental & Safety**



**Destiney Williams, Director
Procurement & Inventory**

Welcome, MNAA Leadership Team

- August 23, 2023



PRSA Nashville Parthenon Awards

- August 29, 2023
- 2023 Parthenon Award
 - BNA Navigates a Viral Storm
 - Reputation/Brand Management
- 2023 Awards of Merit
 - Grand Lobby Opening at BNA
 - Integrated Communications
 - Events & Observances



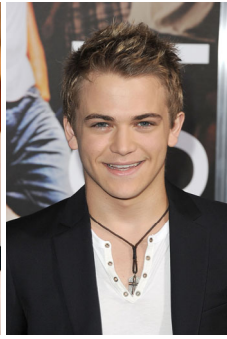
Delegation from Erbil, Iraq

- September 4, 2023
 - Sister Cities of Nashville
 - Governor of Kurdistan
 - Mayor of Erbil
 - Mayor Cooper
- Thank You
 - Franklin Carver
 - Celia Jackson



TN Association of Chiefs of Police

- September 5, 2023
- Chief David Griswold, President, Board of Directors



New Voices of BNA

- September 6, 2023
 - Kristen Chenoweth
 - Sara Evans
 - Sean Brock
 - Deana Ivey
 - Rodney Atkins
 - Shawn Johnson
 - Bebe Winans
 - Dennis Quaid
 - Billy Ray Cyrus & Firerose
 - Hunter Hayes
 - Doug Kreulen

- TSA issued Notice of Informed Compliance 09/06/2023
 - Provides a 12-month period of “informed compliance”.
 - Effective date not modified or extended.
 - TSA will not pursue civil enforcement action against any airports that are making good faith efforts towards implementation of the requirements of the NA.
- Informed Compliance allows airport additional time to develop screening plans, address hiring & budget challenges, share best practices and explore potential solutions.
- Phase 1
 - All badged employees must go through Employee Lane to access the secure area from 3:30 AM – 11:00 PM
 - Turnstile T-22, T-2217, Elevators TN-01 and TS-01 proposed for access points to remain after checkpoint is closed from 11:00 PM – 3:30 AM
- Phase 2 (10/26/24)
 - Explosive Detection Screening Equipment (EDSE) Implementation Plan
- Phase 3 (9/25/25)
 - EDSE Screening incorporated into Aviation Worker Screening Protocols

Aviation Worker Screening Update

- September 6, 2023
- TSA-NA-23-02 National Amendment for Aviation Worker Screening



Satellite Cobus Arrivals

- September 12-14, 2023
 - 9 of 9 electric shuttles received
 - Each bus holds 69 passengers (90% load factor)
 - 2.5 minutes terminal to satellite concourse
 - Ramp driver training begins October 9th



Life Saving Award

- September 14, 2023
 - Officer Tomlin
 - Officer Bass
 - EMT/Officer Parmer
 - Officer Goodwin
 - Officer Gursky
 - Officer Holt (not pictured)



Tennessee Titans IAF/Marketplace Tour

- September 15, 2023
 - The Titans Press Box (Fercroft Airport, LLC) opens September 27, 2023

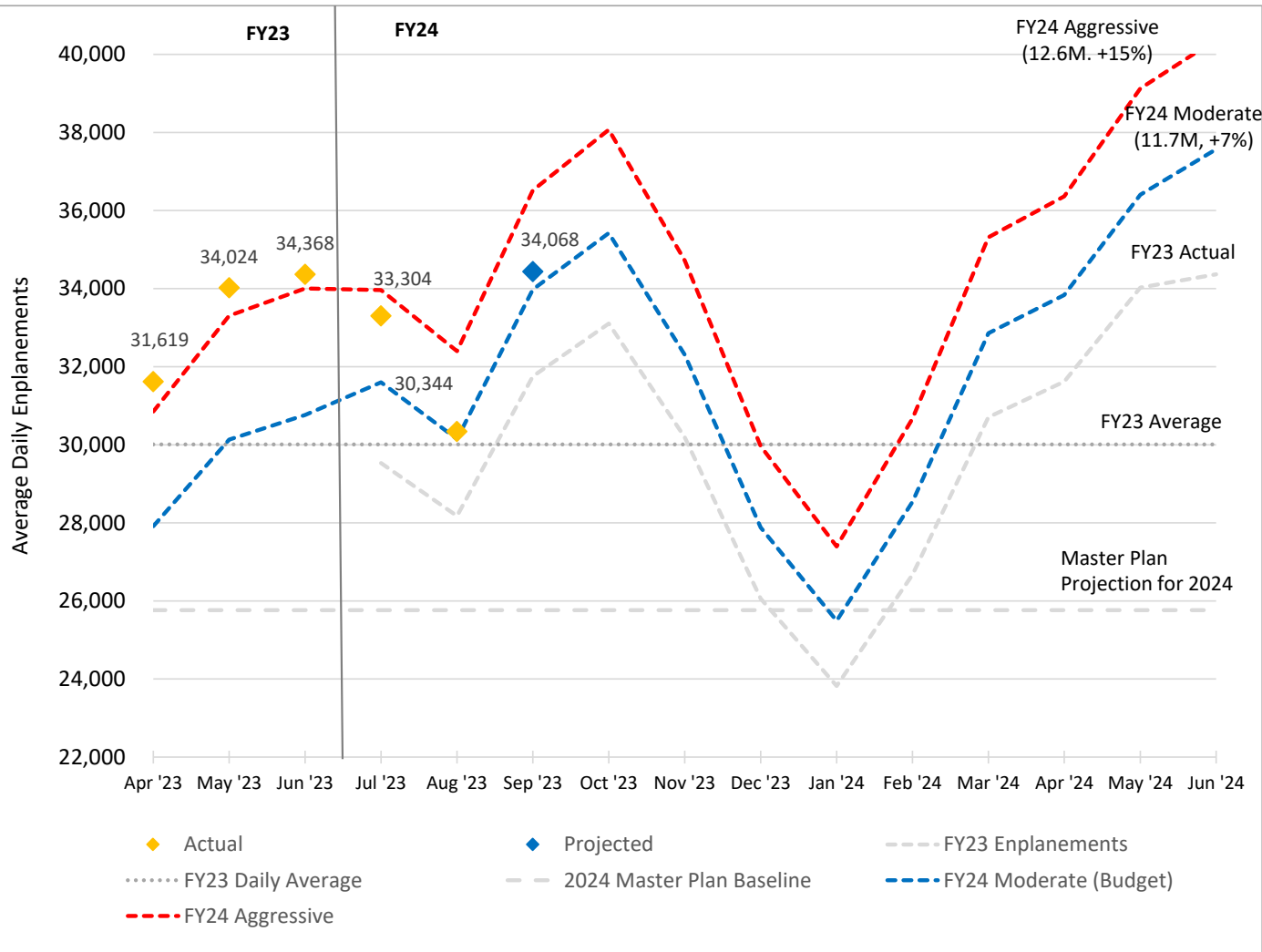


Northern Pacific Airlines Announces Service to Ontario

- September 18, 2023
 - Service begins Nov 17, 2023
 - 2X weekly (Monday, Friday)

FY24 BNA Enplanements

- FY24 Forecast: 7%, 11%, 15%
- August FY24 (+8%)
 - 940,659 enplanements
 - 1,881,318 passengers
 - 30,344 daily passengers
- September FY24 Projected (+7%)
 - 1,022,036 enplanements
 - 2,044,072 passengers
 - 34,068 daily passengers



*September projections based on TSA data through September 18, 2023

Operations – NO QUORUM

- Approvals (5)
 - Construction Contract for TARI Phase 2
 - Construction Contract for JWN Terminal Parking Lot Expansion
 - Professional Services Contracts for Staff Augmentation (3)
 - Professional Services (Design) Contract for Concourse A
 - Construction Contract for Bravo/Kilo Intersection
- Information (2)
 - BNA and JWN Development Updates

Finance

- Approvals (2)
 - Amendment to British Airways Incentive Agreement (London)
 - Trademark License Agreement (Hilton BNA) (*tentative*)
- Information (1)
 - BNA Concessions Program Update

Management

- Information (1)
 - Executive Session

Committee 30-day Outlook

- October 11 & 18, 2023
- Board Retreat, Gaylord Springs Golf Links, October 18th, 9:00 am
- NOTE: Commissioner McWhorter and Commissioner Tyson unavailable for October 11th Committee Meetings

Operations

- Approvals (4)
 - Design Build Contract for Concourse D Extension CGMP 4 of 4
 - Construction Contract for Cargo Apron Ph 7 of 14
 - 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 (2)
 - BNA Concessions Program Update
 - 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 60-day Outlook

- November 8 & 15, 2023

Items for Approval

September 20, 2023

- Design, Build, Operate and Maintain Virtual Ramp Control System (Operations)

Item for Approval

Adam Floyd, C.M.
VP, Operations

Virtual Ramp Control System

- Location: Consolidated Services Facility (CSF)
- Hours of Operation: 4:00 am – 12:00 am
- Number of Contracted Staff: 20

Note: MNAA will incur additional costs for design and construction of camera array structural supports, control room white box and communications infrastructure (currently being estimated). These components will be competitively solicited, procured and Board approval obtained as required.



Design, Build, Operate & Maintain Remote Virtual Control System

Project Description: Remote virtual ramp control services for the BNA ramp; Provider shall provide all labor, materials, transportation, services, and equipment necessary and reasonably essential to provide a Virtual Ramp Control System (VRC) for the Nashville International Airport (BNA).

Contractor: SAAB Sensis

Schedule: Start Date: October 30, 2023 (start of design-build)

Contract Duration: 1 year to design-build, 3 years to operate, plus two 1-year renewal options

<u>Contract Cost:</u>	Design-Build Cost (October 2023)	\$ 8,318,200
	Operating Cost Year 1 (October 2024)	\$ 5,345,154
	Operating Cost Year 2 (October 2025)	\$ 5,612,412 <i>(estimated)</i>
	Operating Cost Year 3 (October 2026)	<u>\$ 5,893,033 <i>(estimated)</i></u>
	Estimated Contract Cost 3 Years	\$25,168,799 NTE
	Operating Cost Year 4 (October 2027)	\$ 6,187,685 <i>(Option Year 1)</i>
	Operating Cost Year 5 (October 2028)	<u>\$ 6,497,069 <i>(Option Year 2)</i></u>
	Estimated Cost w/options:	\$ 37,853,553 NTE <i>(with 2 renewal options)</i>

Funding Source: O&M, charged to the airlines for reimbursement

Committee Review: Operations Committee voted 3 to 0 to recommend approval on September 13, 2023.

Staff Recommendation: Board of Commissioners accept the proposal by SAAB Sensis for the design, build, operation & maintenance of a Remote Virtual Ramp Control System and authorize the Chair and President and CEO to execute the proposed contract for \$37.9M NTE (w/2 renewal options).

- BNA Westside Development LOI/Lease Terms (Finance)
 - Future Special Purpose Entity (SPE) for Scott Sohr

Item for Approval

Carrie R. Logan, C.M.
VP, Associate General Counsel

BNA Westside Development - Future SPE for Scott Sohr

Property Description: Development of 5.15 acres of the 5.97-acre parcel of land and the extension of Taxilane B

Key Lease Terms:

- **Effective Date:** Rent commences upon execution of the lease agreement
- **Term:** 18-month construction term, 30-year initial term, one 5-year renewal option (total potential 36.5 years)
- **Base Rent:** \$2.40/sf; 3% annual escalation; FMRV adjustments in year 10 and 20 of initial term
 - Max 110% increase over prior year; No rent decrease
 - Monthly fuel flowage; current rate \$0.08/gallon
 - Easement fee of \$0.50/sf beginning on the effective date of the lease for the Taxilane B extension and this tract's share of Taxilane A & B; the easement fee includes a 3% annual escalation.
- **Improvements:** Minimum \$14M for construction of hangar facilities (approximately 66,000 sq ft), ramp/apron space and fuel farm. Tenant will complete Taxilane B extension and first hangar within 18 months of the effective date and the second hangar within 30 months.
- **Lease Type:** Triple Net Lease; Property Condition and Pavement Condition Assessments every 5 years
- Tenant has right to lease to affiliate or successor organization with notice to MNAA
 - MNAA receives 20% of gross transaction value if 10+ years remaining, 15% if less than 10 years remaining but more than 5 years, and 10% if less than 5 years remaining

BNA Westside Development - Future SPE for Scott Sohr

Impact:

- Immediate revenue source of \$579,590 in year one
- New asset that will vest in 31.5 – 36.5 years

Committee Review: Finance Committee voted 4 to 0 to recommend approval on September 13, 2023.

Staff Recommendation:

- Staff requests the Board of Commissioners to:
 - Approve the terms negotiated between MNAA and future Special Purpose Entity for Scott Sohr via Letter of Intent; and
 - Authorize the Chair and President and CEO to execute a lease agreement with future special purpose entity for Scott Sohr, consistent with these terms.



- CEO Employment Agreement (Management)

Item for Approval

Jimmy Granbery
Management Committee Chair

- Committee Review: Management Committee voted 3 to 0 to recommend approval to the Board.
- Chair's Recommendation: Board of Commissioners approve the following, as presented to the Management Committee:
 - Revisions to the CEO's employment contract
 - Increase to CEO's annual base salary
 - Authorize Chair to execute amendment to existing CEO contract, consistent with terms presented to the Management Committee.

CEO Employment Agreement

- Chair's Recommendation

- CEO FY24 Performance Evaluation Key Performance Indicators (KPI's) (Management)

Item for Approval

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

- Committee Review: Management Committee voted 3 to 0 to recommend approval to the Board.
- Staff Recommendation: Board of Commissioners approve the CEO FY24 Key Performance Indicators, as presented to the Management Committee.

CEO FY24 Performance Evaluation KPI's

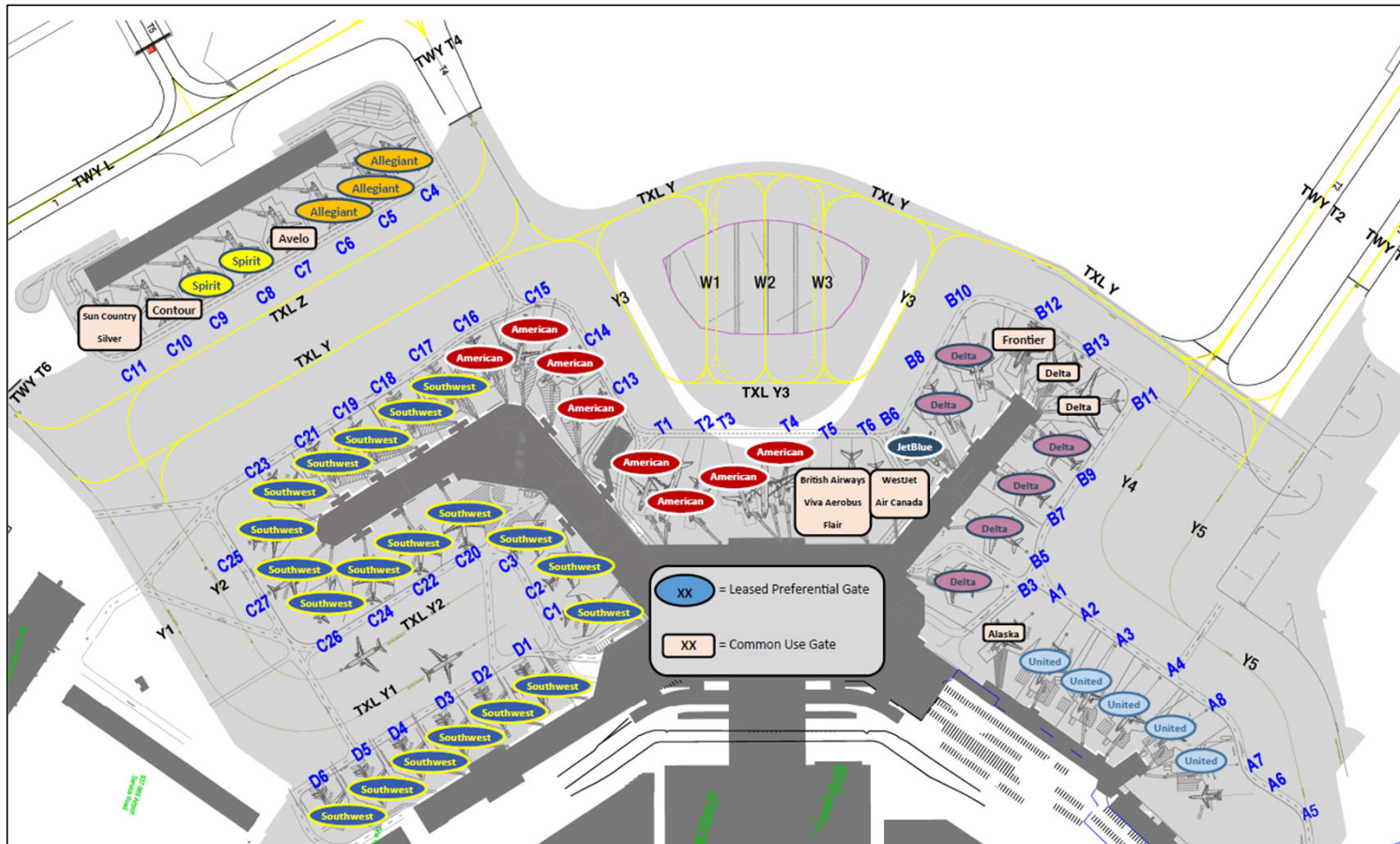
Information Items

September 20, 2023

- BNA Development Update (Operations)
- JWN Development Update (Operations)
- BNA Concessions Program Update (Finance)

Information Items

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



BNA Development Update

- Concourse C renumbering completed June 15th
- Satellite renumbering will be complete October 19th



BNA

Metropolitan Nashville Airport Authority
and the Arts at the Airport Foundation
cordially invite you to attend an
EXCLUSIVE TOUR
of the

International Arrivals Facility (IAF) and BNA® Marketplace

at Nashville International Airport®
MONDAY, SEPTEMBER 25, 2023

5 p.m. – 5:45 p.m.
EVENT REGISTRATION*
BNA Administration Building
Garage 1, Level 5

5 p.m. – 6:30 p.m.
COCKTAIL RECEPTION
“A Taste of BNA Marketplace”

6:45 p.m.
REMARKS
AND RIBBON-CUTTING

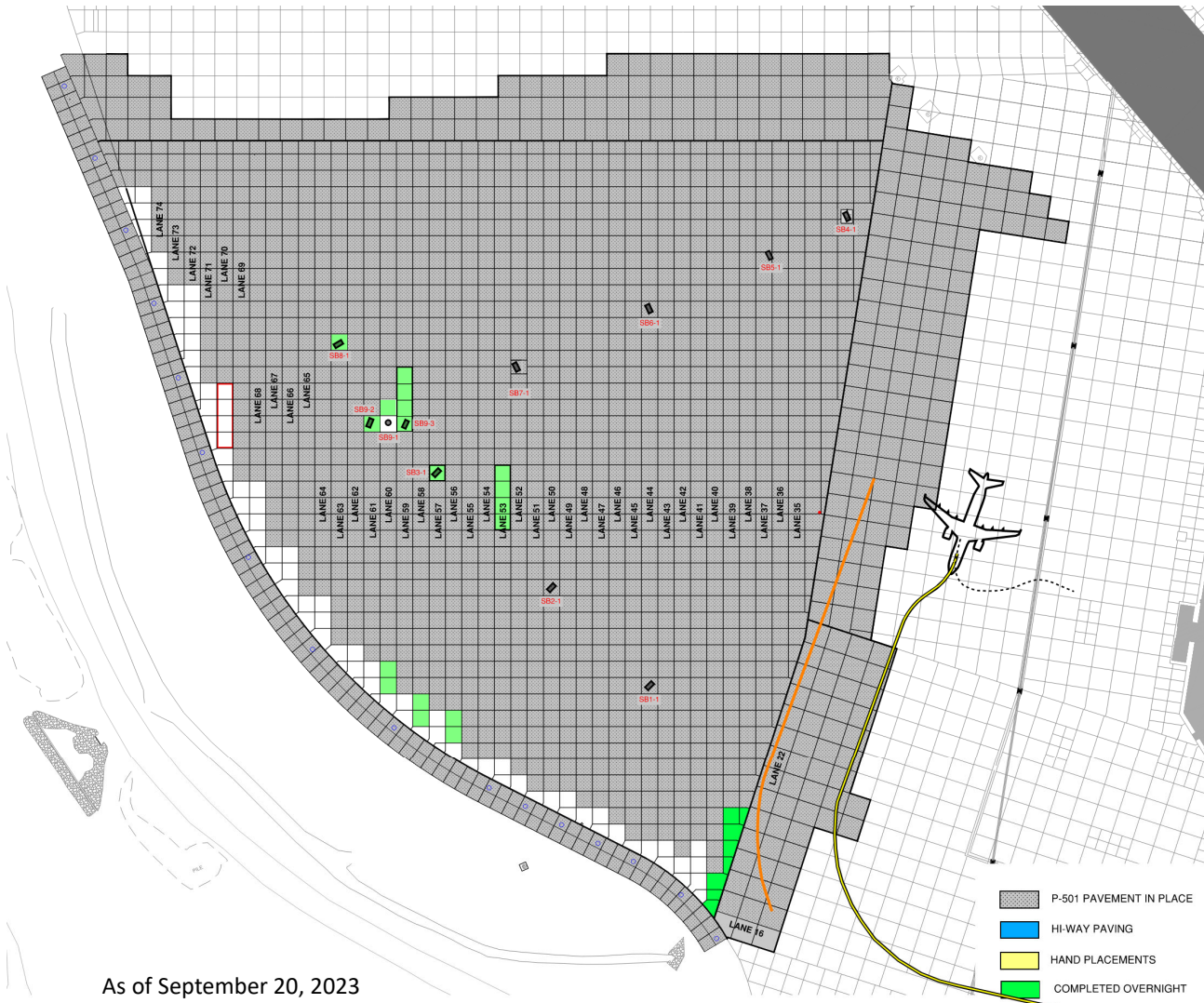
7 p.m.
IAF TOUR

7:45 p.m.
EVENT CONCLUDES



International Arrivals Facility & Marketplace Reception

- Invitations sent the week of August 21st
 - 709 Invitations
 - 292 RSVPs to date (9/20/23)
 - 74+ staff serving as hosts
- ACME, Titans Press Box and Kitty Hawk providing small bites, desserts and drinks
- All guests will be screened through the TSA Security Checkpoint
 - Valid government ID required
 - No prohibited items permitted
 - Guests cannot utilize TSA Precheck or CLEAR



As of September 20, 2023

Terminal Apron & Taxilane Expansion (TATE)

- Contract substantial completion date September 15, 2023
 - Notice of LD's sent September 15, 2023
- 96% complete
- 16 acres concrete
- 78,200 square yards concrete
- Concrete section = 16"



JWN Development Update

- North Development
 - Grading and Drainage continue
 - Mass grading 86% complete
 - Drainage 60% complete
- Taxiway Alpha Closures
 - Taxiway between A3 and A4 will be closed September 5 through October 10, 2023
 - Closure day 16 of 34



BNA Concessions Update

- Fraport Terminal Concessions Program (85)
 - 7 concession locations have opened in September
 - 8 food & beverage locations remain under construction, scheduled to open September 25, 2023
 - 2 begin construction December 2023, scheduled to open April 9, 2024
- Paradies Satellite Concourse Concessions Program (7)
 - 7 locations under construction
 - 5 scheduled to open October 21, 2023

MNAA is planning a new program to provide access passes for non-ticketed customers

- Similar to programs already in place at Pittsburgh, Detroit, Tampa, and Seattle, BNA's program will offer one-day access passes to the airport
- Customers apply for passes via a link on the BNA website and receive pass via email
- The pass can be used by those wishing to shop or dine at BNA, as well as by meeter/greeters and well wishers
- Expected to go live in November 2023

PRINT FROM EMAIL

BNA
PASSport


JOHN
FIRST NAME

DOE
LAST NAME

01/02/2000 M
DATE OF BIRTH GENDER

12/23/2023
VALID DATE

NASHVILLE INTERNATIONAL AIRPORT®
NOT VALID FOR TRAVEL



Notice goes here about not bringing any TSA prohibited items. Bringing any of these prohibited items may lead to confiscation or denial of access.

BNA PASSport

Access Pass For Non-Ticketed Customers



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

Meeting Adjourned

Staff Reports

September 20, 2023

Provided for Information Only

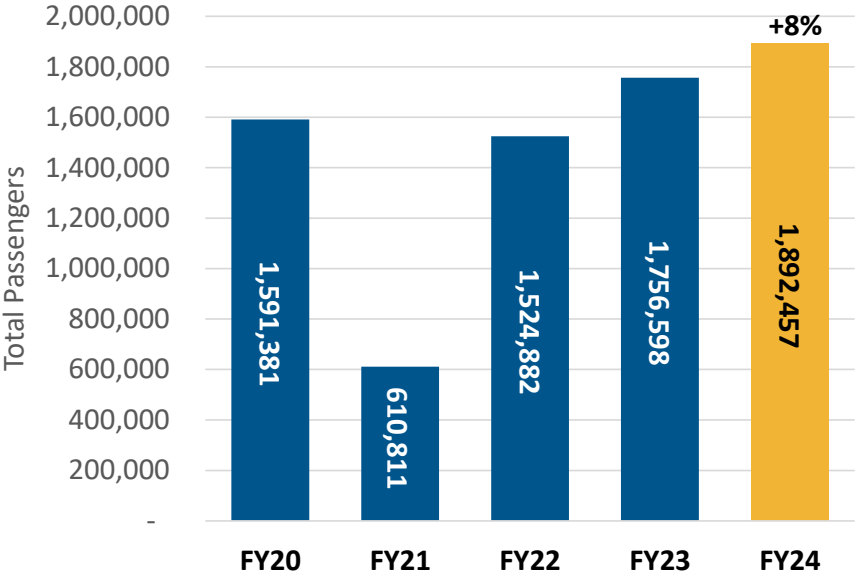
Operations Report

Robert Ramsey, P.E., A.A.E., I.A.P.

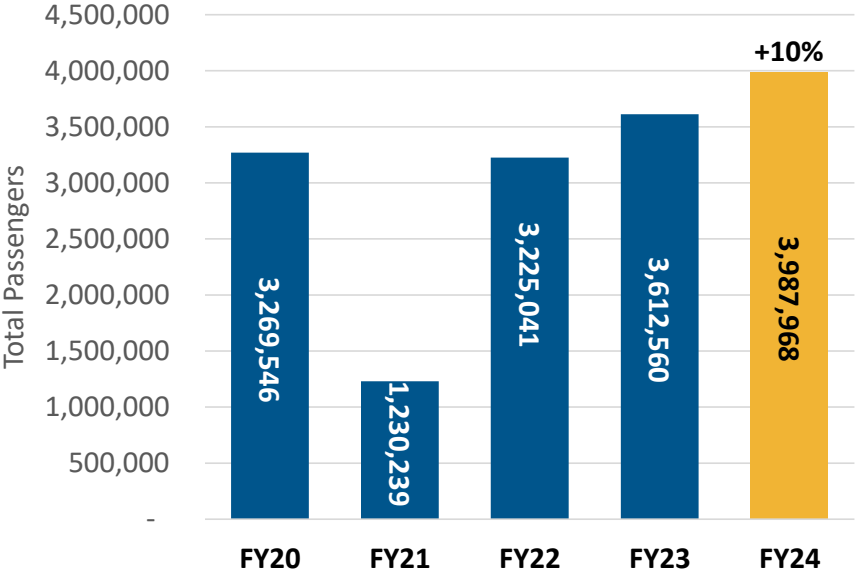
EVP, Chief Operating Officer

BNA Total Passengers

August

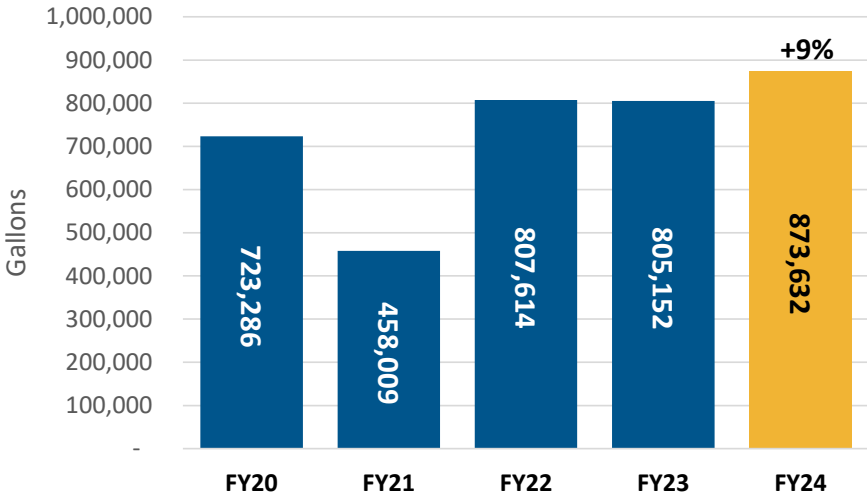


Fiscal Year to Date

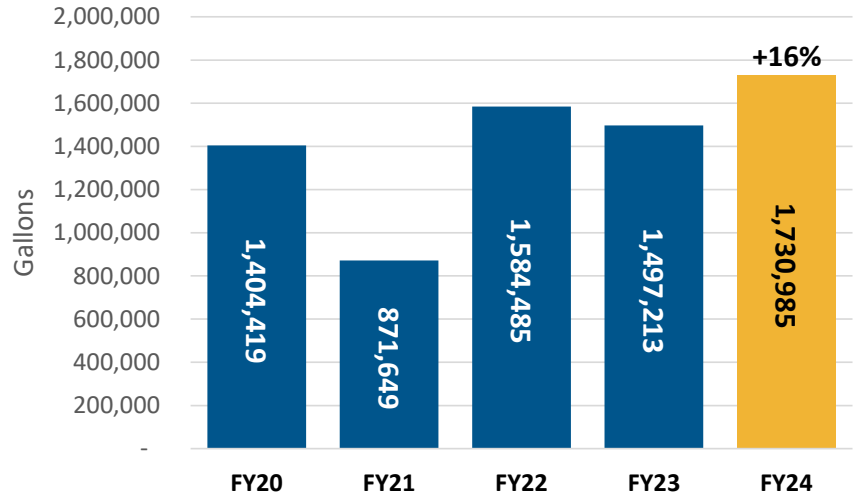


BNA Fuel Sales

August

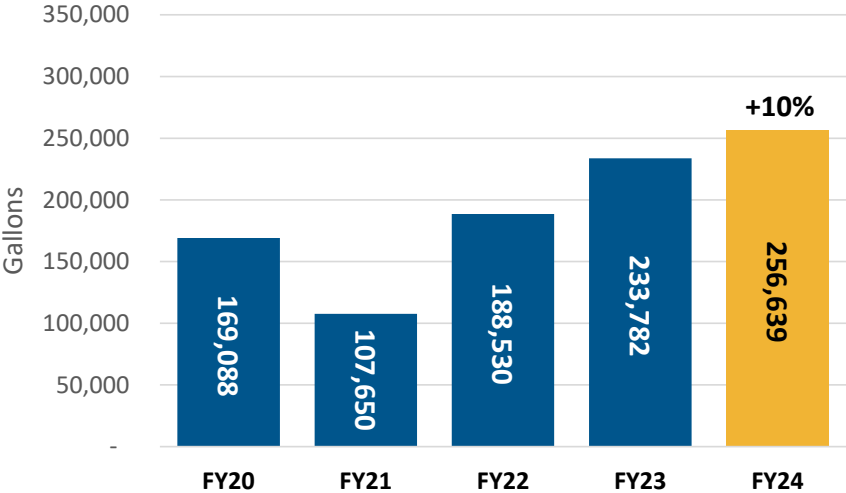


Fiscal Year to Date

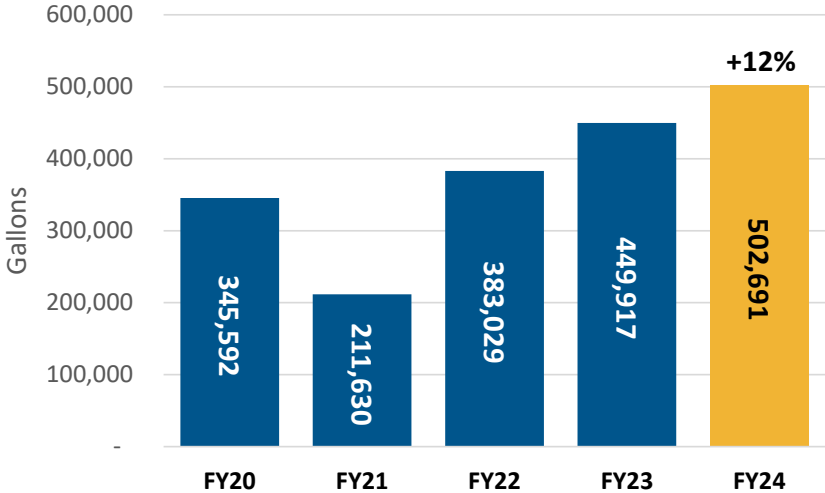


JWN Fuel Sales

August



Fiscal Year to Date



Vision 1.0 Program Budget Update: September 2023

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
VISION PROJECTS	\$ 1,224,563,416	\$ 1,224,563,416	\$ -	\$121,290,987 / \$4,200,000
Parking and Transportation Center	\$ 112,565,500	\$ 112,565,500	\$ -	\$5,100,000 / \$0
Concourse D & Terminal Wings	\$ 287,637,753	\$ 287,637,753	\$ -	\$33,964,557 / \$0
Garage C & Airport Administration Building	\$ 180,995,368	\$ 180,995,368	\$ -	\$20,341,202 / \$0
Garage B	\$ 97,428,000	\$ 97,428,000	\$ -	\$2,700,000 / \$2,700,000
Terminal Lobby & IAF	\$ 480,436,795	\$ 480,436,795	\$ -	\$54,865,228 / \$1,500,000
Terminal Access Roadway Improvements Ph 1	\$ 65,500,000	\$ 65,500,000	\$ -	\$4,320,000 / \$0
VISION ENABLING PROJECTS	\$ 62,390,352	\$ 62,390,351	\$ 1	\$1,408,000 / \$128,638
ART	\$ 5,112,550	\$ 5,112,550	\$ -	
PROGRAM CONTINGENCY	\$ 12,941,682	*\$ 12,941,682	\$ -	
Total	\$ 1,305,008,000	\$ 1,305,008,000	\$ 1	\$122,698,987 / \$4,328,638

Total Contingency Remaining = \$12.9M program + \$4.3M project ~ \$17.2M

Vision 2.0 Program Budget Update: September 2023

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
VISION 2.0 PROJECTS	\$ 229,500,000	\$ 229,500,000	\$ -	\$12,392,941 / \$6,492,941
Satellite Concourse	\$ 134,500,000	\$ 134,500,000	\$ -	\$8,952,941 / \$3,052,941
Runway 2L/20R Extension EA/Preliminary Design/Property Acquisition	\$ 15,000,000	\$ 15,000,000	\$ -	\$0 / \$0
Concourse A Site Prep / Fill / EA	\$ 49,000,000	\$ 49,000,000	\$ -	\$2,000,000 / \$2,000,000
Concourse A Ramp Paving	\$ 31,000,000	\$ 31,000,000	\$ -	\$1,440,000 / \$1,440,000
Total	\$ 229,500,000	\$ 229,500,000	\$ -	\$12,392,941 / \$6,492,941

New Horizon Program Budget Update: September 2023

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
New Horizon Projects	\$ 1,458,500,000	\$ 1,458,500,000	\$ -	\$117,671,573 / \$117,671,573
Baggage Handling System Improvements	\$ 125,000,000	\$ 125,000,000	\$ -	\$11,329,600 / \$11,329,600
Concourse D Extension	\$ 287,000,000	\$ 287,000,000	\$ -	\$26,138,432 / \$26,138,432
Concourse A Expansion	\$ 855,000,000	\$ 855,000,000	\$ -	\$77,939,456 / \$77,939,456
Future Air Freight Building	\$ 25,000,000	\$ 25,000,000		\$2,264,085 / \$2,264,085
Terminal Access Roadway Improvements Ph 2 & 3	\$ 166,500,000	\$ 166,500,000		\$ -
ART	\$ 4,000,000	\$ 4,000,000	\$ -	
PROGRAM CONTINGENCY	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,462,500,000	\$ 1,462,500,000		\$117,671,573 / \$117,671,573

Finance Report

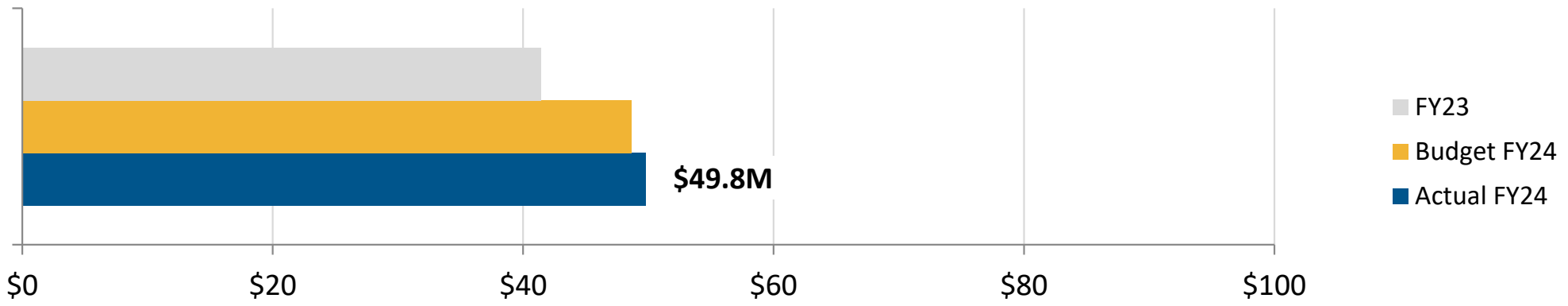
Marge Basrai, CPA, CGMA, CM

EVP, Chief Financial Officer

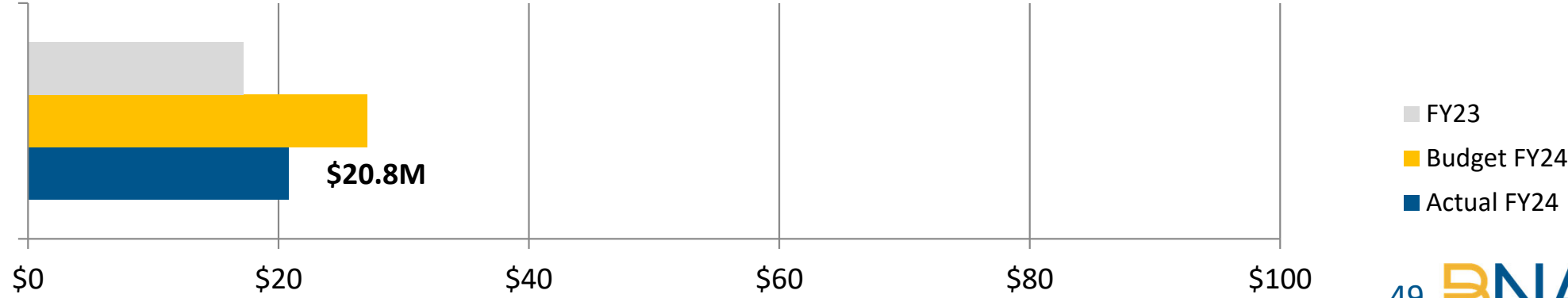
FY23 year-end financials will be provided September 2022

BNA – Revenues and Expenses YTD August 2023

Operating Revenues (\$ millions)

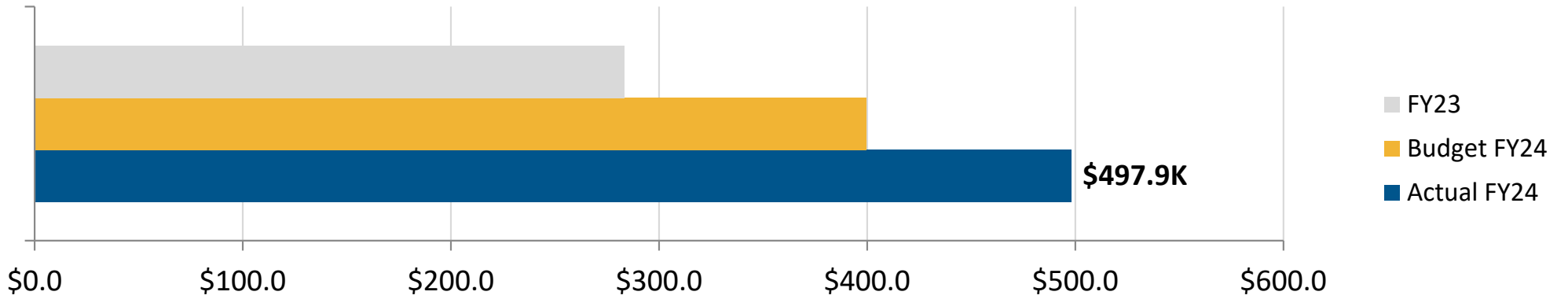


Operating Expenses (\$ millions)

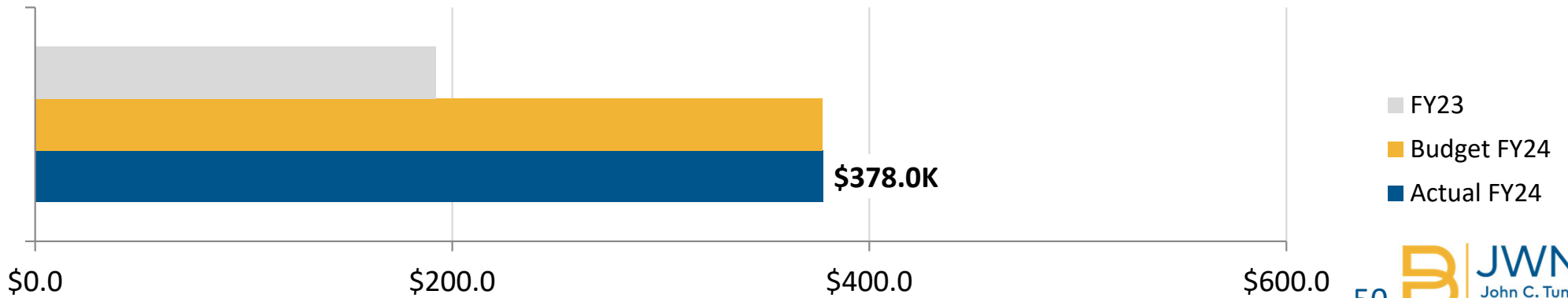


JWN – Revenues and Expenses YTD August 2023

Operating Revenues (\$ thousands)

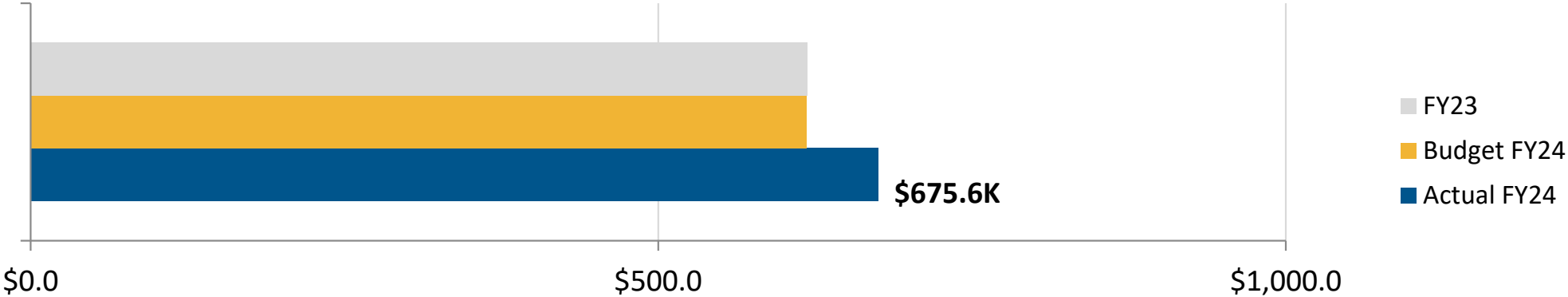


Operating Expenses (\$ thousands)



MPC – Revenues and Expenses YTD August 2023

Operating Revenues (\$ thousands)



Operating Expenses (\$ thousands)

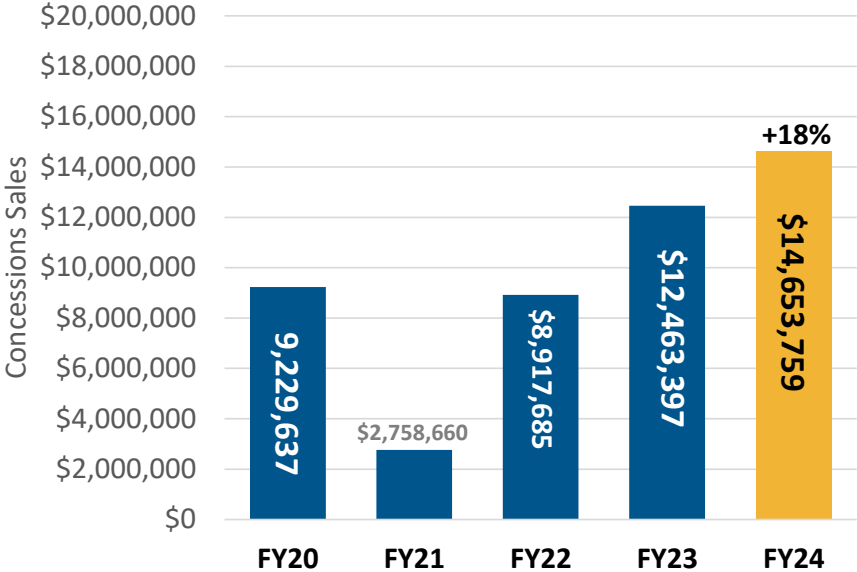


Commercial Development Report

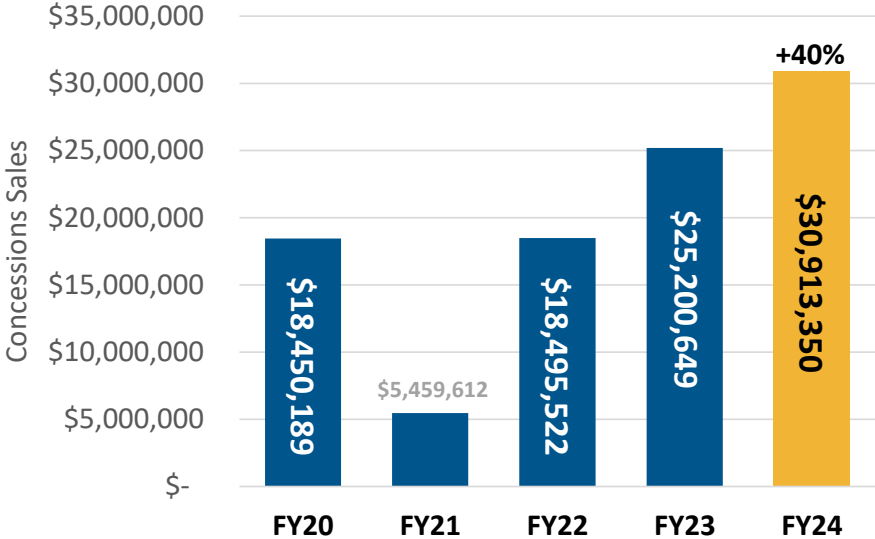
Marge Basrai, CPA, CGMA, CM
EVP, Chief Financial Officer

Concession Sales

August



Fiscal Year to Date



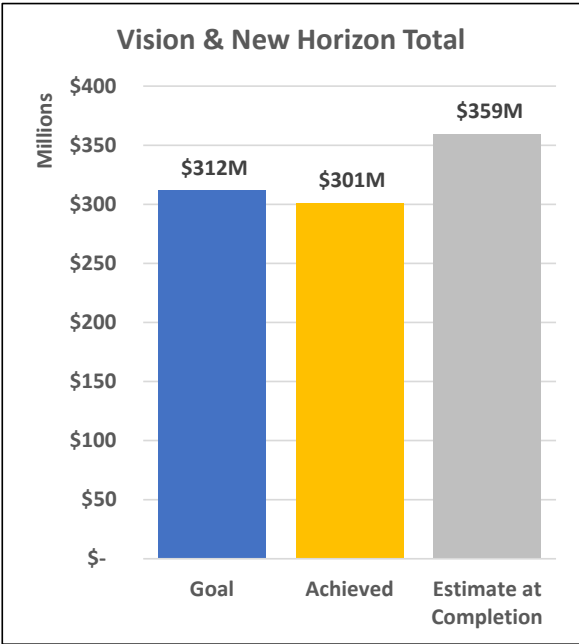
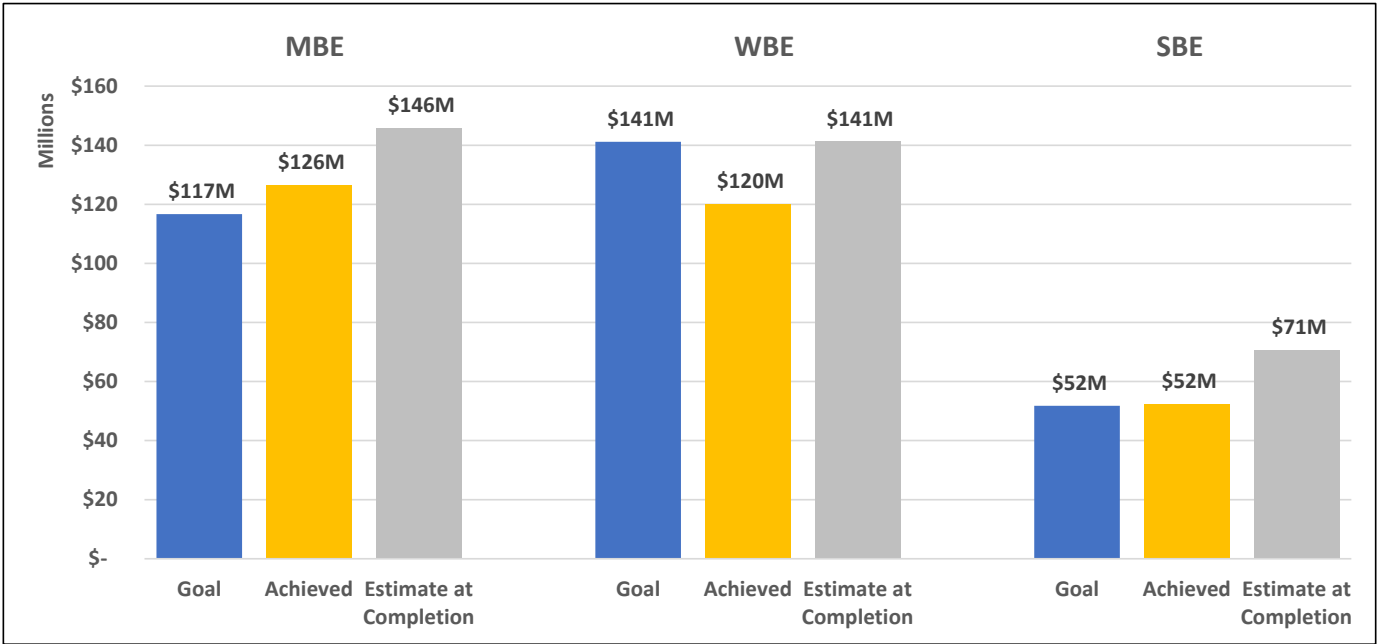
Sales per Enplaned Passenger
 August 2022: \$14.27
 August 2023: \$15.58

SMWBE Participation BNA Vision & New Horizon

Robert Ramsey, P.E., A.A.E., I.A.P.

EVP, Chief Operating Officer

SMWBE Participation – BNA Vision & New Horizon



Includes MBE, WBE, SBE & DBE

Source: Vision Project Controls – September 2023