

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



Date: October 18, 2023

Location: Gaylord Springs Golf Links
18 Springhouse Lane, Nashville, TN 37214

Time: 8:00 a.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, Chris Davidson, Kristen Deuben, Adam Floyd, Traci Holton, Rick Jones, Carrie Logan, Rachel Moore, Stacey Nickens, Robert Ramsey, Davita Taylor, and Colleen Von Hoene

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Chair Granbery called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 9:00 a.m., pursuant to Public Notice posted to the MNAA website October 13, 2023.

II. PUBLIC COMMENTS

Chair Granbery stated there were no public comment requests received.

III. APPROVAL OF MINUTES

1. September 20, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors

Chair Granbery called for a motion to approve the September 20, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Vice Chair Joslin and seconded by Commissioner Giarratana. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter - Yes

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

2. September 13, 2023 Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committee (No quorum at Operations Committee Meeting)

Chair Granbery called for a motion to approve the September 13, 2023 Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committee. A motion to approve was made by Vice Chair Joslin and seconded by Secretary Tyson. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary 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 MNAA staff did a wonderful job of planning this Board meeting and Retreat. He thanked the MNAA staff, stated the venue was wonderful, and expressed his appreciation for the partnership with Gaylord. President Kreulen presented Chair Granbery with a commemorative gift/canvas photo of the IAF + Marketplace reception and stated all of the Board members will receive the same gift marking such a great event.

V. PRESIDENT'S REPORT

President Kreulen informed the Board that the J.D. Powers 2023 North America Airport Satisfaction Study ranked BNA #11 among large airport category, with BNA scoring 799 points on a 1,000-point scale. This news was reported in the Tennessean. BNA trailed behind Calgary International Airport and San Antonio International Airport in the Study.

President Kreulen reported that BNA received several awards from the 2023 USA Today Best Readers' Choice Travel Awards. BNA was voted #1 in Airport for Shopping; #1 Best Airport Grab-and-Go Food (400 Degrees); #3 Best Airport Bar (Tootsie's); and #5 Best Large Airport. MNAA is proud of the results and the enormous growth BNA has experienced, and this confirms how we are doing. President Kreulen thanked Fraport.

President Kreulen stated FY24 BNA enplanements continue to grow. Fall break has been huge, and the last few Sundays in October BNA set new records. In November, BNA will see a little bit of a downward trend until January. Currently, BNA is at 10% average growth over last year, which ended at 21.9M passengers. It is projected that BNA will be somewhere between 24-25M passengers on June 30, 2024.

The Committee 30-Day Outlook shows November Committees will have 3 approvals in the Operations Committee and the Management Committee will have several information items. President Kreulen announced that on November 4, 2023, Vice Chair Joslin will be inducted into the Tennessee Aviation Hall of Fame and stated that MNAA is proud that he has been selected for this honor. He congratulated Vice Chair Joslin.

The 60-Day Committee Outlook reflects that December Committees will have several approvals and information items right before the holidays.

VI. ITEMS FOR APPROVAL

1. Construction Contract for Terminal Access Roadway Improvements Phase 2 (Operations)

President Kreulen introduced Traci Holton, VP, Chief Engineer, to brief the Committee on the Construction Contract for Terminal Access Roadway Improvements ("TARI") Phase 2. This will be primarily grading and drainage removal of all that rock we will have on Donelson Pike once TDOT opens the connector roadway, between Donelson Pike, Terminal Drive, and the Taxiway Bridges and Construction of a new Airport Service Road. An Invitation to Bid ("ITB") was advertised on June 20, 2023. MNAA received four bids on August 24, 2023 from Cleary Construction, Jones Bros, Superior Construction, and 1 non-response (DBE). The lowest bidder was Jones Bros at \$23.8M. The DBE goal established for the project was 15.5% participation and Jones Bros was able to meet that goal. The bid was determined to be responsive and responsible.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton recommended the 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.

Chair Granbery asked President Kreulen to please comment on the meetings that took place working towards these roadway improvements. President Kreulen replied that he received great advice from Commissioner McWhorter and Lisa Lankford, Deputy CEO and Chief Strategy Officer, and last week he met with Commissioner Bryson in Finance, Deputy Governor Eley, and TDOT. It was a good meeting, starting with a discussion about all 5 airports in Tennessee having a 550% Return on Investment to the State. He also spoke with TDOT about relocating Donelson Pike and the capability to start moving rock, and if TDOT will negotiate with the contractor to do additional shifts and a year's time could be shaved off the schedule. If TDOT finishes sooner, that allows MNAA to get in and widen the road from today's 1 mile oval with 2 lanes to a 2 mile oval with 6 lanes wide. TDOT seemed encouraged to be able to do that. If MNAA would pay that overtime delta, it could cut a year off the schedule and alleviate some traffic congestion. The Communications team started recent text notifications to passengers to provide guidance during congested periods. The 2nd initiative relates to MNAA's capability to monitor the same cameras that TDOT is using on the highway, for the backups on I-40, and we have the ability to text message that out. There are over 2,000 people who signed up for the text service at this time. The 3rd initiative is to get TDOT approval for MNAA to widen Exit 216 A to two lanes, from MNAA property to the Interstate. MNAA is working hard to reach a business deal with TDOT.

Vice Chair Joslin asked about the TDOT dates. President Kreulen responded they are not scheduled to finish until sometime in the 2026 time period, and MNAA believes they can finish ahead in the 2025 time period and knock 365 days off. Commissioner Eley and TDOT were very receptive. Vice Chair Joslin said it would be worth the expense to MNAA to knock off 1 year. Chair Granbery commended staff for bringing new ideas

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

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

2. Construction Contract for Taxiway Bravo/Kilo Intersection Reconstruction (Operations)

Ms. Holton briefed this item. The Construction Contract for Taxiway Bravo/Kilo Intersection Reconstruction is for the reconstruction of the intersection of Taxiway Bravo and Taxiway Kilo and removal of Taxiway Tango 3. MNAA pavement has met its useful life and has been identified as a hot spot by FAA. An ITB was advertised on May 22, 2023 and MNAA received one bid, from Hi-Way Paving, Inc. The DBE participation goal was 18.78%, which Hi-Way Paving, Inc. has met. This is a 270 calendar day project. The bid was deemed responsive and responsible by the staff, however the amount of \$16,483,880 was over the capital improvement budget. An amended FY24 Capital Improvement Plan (“CIP”) will be brought back to the Board in January.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton requested the Operations Committee recommend to the Board of Commissioners that it authorize the Chair and President and CEO to execute the proposed contract with Hi-Way Paving, Inc. in the amount of \$16,483,880.60.

Chair Granbery asked if the overage adjustment tracks with federal grants. Ms. Holton replied yes, a \$6.4M discretionary federal grant was awarded, and it is 75% federally funded and 25% MNAA funded.

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

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

3. Professional Services Contracts for Staff Augmentation – BNA Vision/New Horizon (Operations)

Ms. Holton stated the Professional Services Contracts for Staff Augmentation will be utilized to provide supplemental staffing to the Engineering Department to support the capital improvement programs including BNA Vision and New Horizon. A Request for Qualifications (“RFQ”) was issued on August 8, 2023, with two primary categories, Project Management and Project Controls, and each had a solicitation for a majority firm and a small business target market, making 4 solicitations that companies could respond to. MNAA received 16 Statements of Qualifications (“SOQ”). The selection company analyzed and recommended Innova Solutions for Project Controls, majority firm; WPUSA, Inc., for Project Management, majority firm; and Accura Engineering and Consulting Services, Inc. for Project Management, small business target. MNAA received 1 solicitation for the Project Controls, small business target market, and it was deemed nonresponsive. That solicitation will be cancelled and rebid in the future. These will be 1-year contracts with 6 one-year renewal options with NTE \$8.7M for all four contracts including the future one.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton recommended that the Board of Commissioners 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 authorize the Chair and President and CEO to execute the Staff Augmentation Professional Services Contracts for an annual not-to-exceed aggregate contract value of \$8.7M annually; and 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 \$8.7M annual not-to-exceed amount.

Commissioner McWhorter asked if the \$8.7M was aggregate. Ms. Holton responded yes, and the staff analysis includes history of how we got to the \$8.7M for the contracts that we have in place today and MNAA feels that is sufficient. Chair Granbery asked of the companies

selected, how many are currently working at MNAA, to which Ms. Holton responded that Innova and WSP are both currently under contract.

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

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

4. Professional Services (Design) Contract for Concourse A Reconstruction (Operations)

Ms. Holton stated at the Operations Committee meeting, Chair Granbery asked the team to provide a quick overview of how Concourse A fits into MNAA's overall plans before approval of the design contract. The Concourse D extension will add 5 gates that will serve as an empty chair so that we are able to demolish the existing Concourse A and build back the new Concourse A with 16 gates. The airlines currently residing on Concourse A will shift around, Southwest will move to the new Concourse D extension and the other will shift to those gates that they currently occupy. Chair Granbery asked if Concourse D has potential for additional gates. Ms. Holton stated yes, this layout does not represent what the design team developed for Concourse D extension. They recommend a record node and once BNA has a new air freight building and if the Multi-Purpose Building is torn down in the future, 2 more gates can be added, which will get us from 69 to 71 at the end of New Horizon.

President Kreulen stated we will talk about it soon and showed on the presentation slide where the extension for Concourse D there is an air freight building. MNAA is in the design phase of the extension now and once the tenants vacate the building and move into the multipurpose building, demo of the air freight building will begin. When demo is complete, the extended concourse goes on top. When Concourse A shuts down for demo, those airlines will be redistributed. President Kreulen showed on the presentation slide where all the construction is on I-40, and the ramp that was built, requiring a 95 foot raise, to get ready to

bring airplanes on both sides of the terminal. The ground is now settling, and a concrete cap will be put on top of it while Concourse A is being built. There are a lot of things required to put the puzzle together.

Ms. Holton stated the Professional Services Contract for Concourse A Reconstruction is for design and consulting services to relocate airlines and demolish and rebuild a 16-gate concourse. On June 8, 2023, MNAA issued an RFQ and received 4 proposals from Corgan, Fentress, HOK and KPK. The Selection Committee evaluated the responses on organization and personnel; project approach; and SMWBE participation and determined Corgan, Fentress, and HOK to be shortlisted. Interviews were conducted on July 27, 2023 and Fentress was the highest rated firm. The SMWBE goal participation was 9.62% MBE and/or WBE and Fentress committed to 14.75% participation. This will be approximately a 5 year project that will start as soon as the contract is executed. It was presented to Committee with a value of \$50M NTE, and MNAA has finalized the negotiated amount to \$47.1M.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton recommended that the Board of Commissioners authorize the Chair and President and CEO to execute the Professional Services Contract to Fentress Architects in the amount not-to-exceed \$47.1M.

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

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

5. Construction Contract for JWN Terminal Parking Lot Expansion (Operations)

Ms. Holton reported the Construction Contract for JWN Terminal Parking Lot Expansion is to construct additional vehicular parking near the terminal building and re-pave a part of Tune Airport Drive. On August 21, 2023, an ITB was advertised with 3 bid schedules and 1 add

alternate. MNAA received 2 bids on September 21, 2023 from Civil Constructors and Rogers Group, Inc., with Rogers Group, Inc. being the lowest bidder. Based on availability of funding and needs of the airport, schedule 3 with add alternate 1 was selected for \$1.58M, which was 6% lower than Engineer of Record. The DBE goal was 19.87% and DBE participation is 16.39%. Business Diversity Development determined the contractor demonstrated good faith efforts. Funding is federal 48%, state (federal pass-through) 42% and MNAA 52%.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton recommended that the Board of Commissioners authorize the Chair and President and CEO to execute the construction contract with Rogers Group, Inc. in the amount of \$1,582,781.25.

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

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

6. Amendment to British Airways Incentive Agreement (London) (Finance)

President Kreulen introduced Josh Powell, AVP, Airline Affairs & Air Service Development, who briefed the Committee on the Amendment to British Airways Incentive Agreement (London). British Airways is currently serving London daily. On June 16, 2021 the Board approved a 2-year incentive for British Airways to be effective from December 9, 2021 to December 8, 2023. Mr. Powell recommended amending this incentive to change the expiration date from December 8, 2023 to February 29, 2024 to recognize the period in which no flights occurred due to a surge in COVID-19 cases and subsequent related pause of service. Flights ceased January 2022 and did not resume until May 2022. Mr. Powell also recommended the maximum available incentive be raised from \$2M to \$2.5M, due to increase in flight frequency, increase in airport rates-and-charges from original approval, and extension months are at higher rates and charges than the pause in service period.

The Finance Committee voted 3 to 0 to recommend approval on October 11, 2023. Mr. Powell requested the Board of Commissioners: 1) approve funding for the proposed amendment to British Airways Letter of Agreement (“LOA”), including extending the term to February 29, 2024 and increasing the cap of landing and facility fee abatement to \$2.5M; and 2) authorize the Chair and President & CEO to execute the LOA Amendment by and between MNAA and British Airways outlining the specific terms of the proposed incentive amendment.

Vice Chair Joslin asked who is using the \$7.5M kitchen, to which Mr. Powell replied British Airways primarily uses it, along with American Airlines, Alaska Airlines and JetBlue. President Kreulen stated the kitchen will reach capacity as BNA gets more international flights, and a new international kitchen will have to be built. Chair Granbery asked if Flair, Air Canada and WestJet are giving any feedback on their performance. Mr. Powell replied yes, the feedback has been positive. Commissioner McWhorter asked what happens at the end of the incentive term, to which President Kreulen replied, then the airline starts paying MNAA. MNAA updates the Air Service Incentive Plan (“ASIP”) every few years. Secretary Tyson asked if MNAA paid British Airways during the pause. Mr. Powell replied the incentive is an abatement of fees, and there were no landing fees and facility fees during that time because British Airways was not operating. Chair Granbery asked if the incentives are just for international flights. Mr. Powell replied correct, it is international flights and Hawaii. MNAA has a domestic incentive policy up to \$25K, but they are such small amounts Board approval is not required.

Commissioner Johnson made a motion to approve as presented which was seconded by Commissioner McWhorter. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

President Kreulen informed the Board that Mr. Powell just landed last night from Turkey where he represented MNAA in the World Routes Conference. President Kreulen asked Mr.

Powell to please comment on British Airways so the Commissioners can understand how competitive Nashville is with regard to the population, where BNA stands on routes, and how we compare on load factor. Mr. Powell stated British Airways currently serves 26 US Markets and BNA is 24th in population of those 26 markets that they are serving and is third in load factor. For the size of the city we have, British Airways is doing very well.

7. Trademark License Agreement (Hilton BNA) (Finance)

President Kreulen introduced Carrie R. Logan, VP, Associate General Counsel, who briefed the Committee on the Trademark License Agreement. Ms. Logan stated this is a Trademark License Agreement between MNAA and Nashville Airport Hotel Partners, LLC., which is a special purpose entity for Chartwell Hospitality (“Chartwell”) building the hotel across the plaza and MNAA’s Administrative Building. The Project Lease Agreement contemplates the use of BNA in the name of the hotel and restaurant concept. The hotel’s official name will be “Hilton BNA Nashville Airport Terminal” and there are certain instances where MNAA can shorten the name to “Hilton BNA”. The Hilton also has a restaurant concept that will be “BNA Sky Pavilion”. The Trademark License Agreement terms include: 1) Gratis license, based on the provisions of the existing Project Lease Agreement; 2) Seven-year terms, which auto renew; and 3) Tenant is required to follow MNAA quality and brand standards. This Trademark License Agreement will allow MNAA to file additional trademark applications and continue to build the BNA brand.

The Finance Committee voted 3 to 0 to recommend approval on October 11, 2023. Ms. Logan requested the Board of Commissioners that it: 1) Approve the terms negotiated between MNAA and Nashville Airport Hotel Partners, LLC (the “Tenant”) via the trademark license agreement; and 2) Authorize MNAA Staff and the Board of Commissioners to execute a trademark license agreement between MNAA and Tenant.

Commissioner Johnson made a motion to approve as presented which was seconded by Commissioner McWhorter. Commissioner Johnson asked Ms. Saxman for a roll call:

Chair Granbery - Abstained (Recused himself from vote)

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

The motion was passed with a vote of 5 to 0.

I. INFORMATION ITEMS

1. BNA Concessions Program Update (Finance)

President Kreulen stated that the Fraport Terminal Concessions Program has done a great job with 8 concessions locations opened on September 25, 2023 and 2 locations scheduled to start construction on December 1, 2023. Fraport has also been working had on Concourse D extension with 7 Letters of Intent to be executed mid-October and will require Board approval.

President Kreulen reported that Paradies Satellite Concourse Concession Program has 7 locations under construction. Three are expected to open on October 21, 2023 and four will open late (Fat Bottom, Jimmy Johns, Bongo Java and TX MX). The 3 travel essentials stores will provide temporary cold food and coffee, and Distillery District & Gulch Goods will provide hot sandwiches. BNA has a good contingency plan for now and President Kreulen spoke directly with the CEO of Paradies. The concessions team meets daily with Paradies. Paradies understands they are going to be fined \$10K per day per location. Allegiant and Spirit will move over to the Satellite Terminal and operate over there. Secretary Tyson asked if there is a reason for the delay. President Kreulen replied the Program Manager needed to be an assertive leader.

2. FAA DBE/ACDBE Mini-Compliance Review (Management)

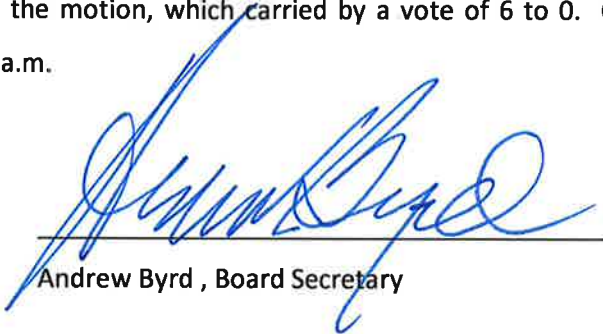
President Kreulen stated FAA staff evaluated MNAA for compliance with specific elements of ACDBE/DBE requirements and noted some areas that we did well on and focused on several areas that we need to take corrective action. President Kreulen stated FAA found that BNA performed well at monitoring of prompt payment, certification, outreach efforts, and general support for ACDBE firms. The areas for correction action are: 1) update and sign DBE Policy; 2) update and sign ACDBE Policy Statement; 3) submit DBE goal methodology for FY23-FY25; and 4) develop/update procedures for reviewing prime and subcontracts. FAA changes required contract provisions frequently and it is very difficult for Procurement team to keep up with the changes. Staff will follow up with the FAA to verify. Overall, it was a good audit, with no findings of significance. President Kreulen complimented Davita Taylor, Vice President, Procurement and Business Diversity, and her Procurement team on the great job that they have done. He informed

the Board that with these types of programs, it takes months to get the report back and staff just received it in late September.

Chair Granbery stated that he would like to take the time to compliment President Kreulen and staff on the grand opening of the IAF + Marketplace and the management of the airport, all while having a billion-dollar construction project, with so many moving parts, in progress.

VII. ADJOURN

There being no further business brought before the Board, Chair Granbery 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 9:48 a.m.



Andrew Byrd , Board Secretary