



# Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning (“Operations”) Committees

March 13, 2024



# Call to Order

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March 13, 2024

# Public Comment

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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, March 11, 2024, 9:00 pm

# Approval of Minutes

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Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committees  
February 14, 2024

# Chair's Report

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Bobby Joslin

Operations Committee Chair

# Items for Approval

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March 13, 2024

- Donelson Pike Early Completion Initiative (Superior)
- Construction Contract for BNA Parking Lot Modifications
  - Valet storage, Lot A & Employee Lot

## Items for Approval

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Robert Ramsey, PE, AAE, IAP  
EVP, Chief Development Officer



# Donelson Pike Early Completion Incentive

**Project Description:** Agreement with TDOT for MNAA to fund an incentive for Superior Construction Company Southeast LLC (Superior) to complete the relocation of Donelson Pike up to 365 days before the current contract completion date of May 31, 2026, and to allow Superior to borrow 200,000 CY NTE of fill material.

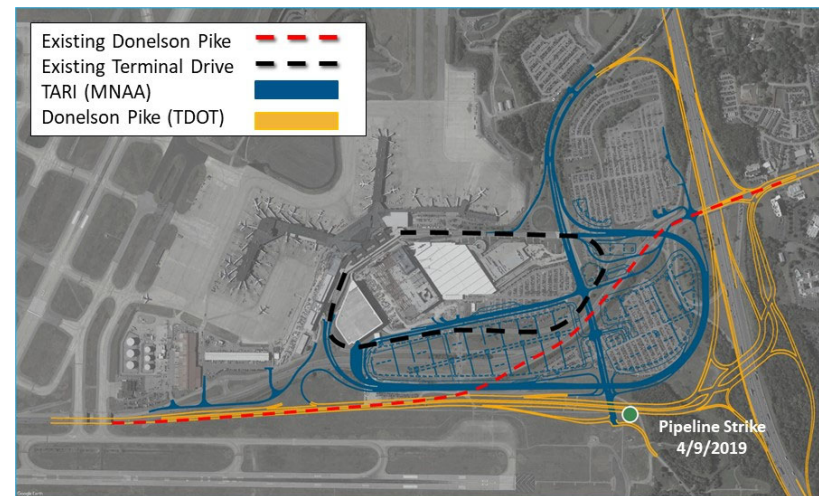
## **Incentive Terms:**

- Completion date: May 31, 2025 (365 days early), with SR-255 switchover anticipated by April 15, 2025 (411 days early)
- Advance incentive of \$300,000/month, August 2024 – May 2025
  - \$300K x 10 months = \$3,000,000 advance incentive
- \$3M bonus if complete by May 31, 2025
  - \$3M + \$3M = \$6,000,000 total incentive
- Bonus reduced by \$66K/day after May 31, 2025, until total incentive exhausted
- Liquidated damages specified in TDOT's contract begin if work is not completed by August 30, 2025, instead of May 2026 as in current contract (\$4K/day)
- Superior will be permitted to borrow up to 200,000 CY of fill material from MNAA's stockpile sites to expedite the construction and will replace the fill material after completion of the Donelson Pike project

## **Funding Source:**



**Staff Recommendation:** Operations Committee recommend to the Board of Commissioners that it authorize the President and CEO to execute an agreement with Tennessee Department of Transportation for an early completion incentive to Superior Construction Southeast, LLC. at \$6M NTE, under the above terms.





# Construction Contract for BNA Parking Lot Modifications

**Project Description:** Repair pavement and reconfigure spaces and pavement markings to add parking capacity in Lot A, Discrete Valet Storage and the Employee Lot at BNA.

**Contractor:** BC Mason Group, LLC

**Total Contract Cost:** \$1,766,343.18

**Schedule:** Contract Start: April 2024  
Contract End: June 2024

**SMWBE:** Goal = 11.62% MBE and 1.96% WBE  
Commitment = 12.42% MBE and 2.12% WBE

**Funding Source:**  100% MNAA



**Staff Recommendation:** Operations Committee recommend to the Board of Commissioners that it accept the bid by BC Mason for BNA Parking Lot Modifications and authorize the Chair and President and CEO to execute the proposed contract with BC Mason Group, LLC in the amount of \$1,766,343.18.

- Concourse D Extension Concessions Node Art Finalist

## Item for Approval

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Stacey Nickens  
VP, Corporate Communications &  
Marketing

## Woven Embrace

- *Woven Embrace*, invites viewers to take a journey of introspection and connection with fellow travelers. We're reminded of the importance of welcoming our differences.
- Its yarns wrap around the people below it, and each traveler is reflected in the threads of the tapestry, and each is bound to their neighbor, person to person, one knot at a time.
- The artwork's arching shape with metal-mirrored spheres is an ode to Newton's cradle – a device that demonstrates the conservation of momentum.
- The crisscrossing footpaths of the structure represent the diverse journeys and shared experiences of individuals of all walks of life who we encounter on our passage through BNA.



# Concourse D Extension Concessions Node Art Finalist

- **Artist:** Benjamin Ball
- **Contract Cost:** \$500,000
- **Schedule:** Start March/April 2024  
Install scheduled for early 2025
- **Funding Source:**  100% MNAA  
(1% Public Art budget)
- **Staff Recommendation:** Staff requests the Operations Committee recommend to the Board of Commissioners that it:
  - 1) Accept the recommendation of the Arts at the Airport (AaA) Foundation Board public art selection committee and the President and CEO to commission Benjamin Ball to create the work titled, *Woven Embrace*, to be suspended in the Concourse D Extension Concessions Node, and
  - 2) Authorize the Chair and President and CEO to execute the 1% Public Art Contract for \$500,000.



# Information Items

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March 13, 2024





## Welcome, Eric Johnson, CCIM, C.M.

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- SVP, Chief Revenue Officer
- March 3, 2024
- Responsible for:
  - Concessions / Advertising
  - Real Estate / Property Management
  - Hotel Management (Outsource)

- BNA Development Update
- JWN Development Update
- JWN FY25 Rental Rates

## Information Items

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





# BNA Development Update

- Concourse D Extension
  - Steel began week of March 4, 2024
  - Project completion July 2, 2025
- Hilton BNA Hotel
  - Opened February 20, 2024
  - Ribbon cutting held March 7, 2024
  - Grand Opening Celebration, April 3, 2024, 4 pm – 7 pm
- Genesco Demolition
  - Structural demo began Feb 7, 2024
  - Building down May 2024
  - Complete August 2024
- R/W 2L Extension Environmental Impact Statement (EIS)
  - FAA authorized scope March 8, 2024
  - Notice to Proceed routing in March 2024
  - FAA site visit in April 2024

# JWN Development Update

## North Development

- Parcels 2/3 and 4/5 under construction
- Retaining wall complete; Final grading/fencing underway

## R3 Ramp Expansion: Substantial Completion: Apr 2024

- NOTE: Taxiway R3 opens in Mar 2024

## Contour Hangar Schedule: Substantial Completion: Jul 2024

## 2nd FBO Request for Proposal (RFP) under development

- Staff establishing key business terms for RFP, and will update Board prior to release

## Midfield Hangar Development

- Staff recommendation Apr 2024

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North Development – 3/12/24  
Parcels 2/3 (Lawrence)



North Development – 3/12/24  
Parcels 4/5 (V3)



Hangar 2, 3/12/24

# JWN FY25 Rental Rates (Background)

- **February 17, 2021**: Board approved CEO recommended business model
  - Direct Costs + Operating Costs + ROI = Total Rent
  - Annual review of operating expenditures and CPI-U escalation
- **July 1, 2021**: CEO Implemented approved Rent model
  - July 2021 – June 2022 (Base Rent Established)
  - July 2022 – June 2023 (No Rent Increase – Pandemic and On-going Development)
  - July 2023 – June 2024 (New rent equates to average 9.5% increase)
  - July 2024 – June 2025 (New rent equates to average 7.2% increase)
- **CEO + Board Fiduciary Responsibility**
  - Grant Assurance 24 – Fee and Rental Structure - maintain a fee and rental structure for facilities at the airport which make the airport self-sustaining
  - CPI-U increased 3.4% in last 12 months (2021=7.0%; 2022=6.5%; 2023=3.4%)
  - \$277K increase in operating costs, including salaries, utilities, snow removal, mowing and insurance
  - \$23M capital improvements, including \$2M expansion of terminal parking lot and \$21M North Side development

# JWN FY25 Rental Rates

- New rent equates to average 7.2% increase
  - Average increase in monthly rent = \$62 (\$45 for non-box hangars)
- March 2024: Tenants will be notified of new rent effective July 1, 2024, to June 30, 2025.

Hangar Size	Current Rates (FY24)	New Rates (FY25)	Monthly Increase
	Monthly Rent	Monthly Rent	
Pre-tornado 42' T-Hangar (1,150 sq ft)	\$580	\$615	\$35
Pre-tornado 45' T-Hangar (1,450 sq ft)	\$650	\$690	\$40
Pre-tornado 47' T-Hangar (1,475 sq ft)	\$670	\$715	\$45
Pre-tornado 48' T-Hangar (1,650 sq ft)	\$700	\$755	\$55
42' T-Hangar (1,050 sq ft)	\$700	\$745	\$45
48' T-Hangar (1,440 sq ft)	\$810	\$875	\$65
Box Hangar (4,200 sq ft)	\$2,270	\$2,450	\$180
Plane Port (1,440 sq ft)	\$400	\$430	\$30





## Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning (“Operations”) Committees

Meeting Adjourned