

Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committees



Date: March 13, 2024

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 9:00 a.m.

Committee Members Present:

Bobby Joslin, Committee Chair; Nancy Sullivan, Committee
Vice Chair; Glenda Glover

Committee Members Absent:

Other Board Members Present:

Joycelyn Stevenson, Jimmy Granbery, Andrew Byrd

MNAA Staff & Guests Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman
Marge Basrai, Chris Davidson, Kristen Deuben, Adam Floyd,
Traci Holton, Ijeoma Ike, Eric Johnson, Carrie Logan, Rachel
Moore, Stacey Nickens, Josh Powell, Robert Ramsey, and
Davita Taylor
Guests: Tre Hardin, Morgan Thompson

I. CALL TO ORDER

Chair Joslin called the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning (Operations) Committee to order at 9:00 a.m. pursuant to Public Notice dated March 8, 2024.

II. PUBLIC COMMENTS

Chair Joslin stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Joslin asked for a motion to approve the minutes from the February 14, 2024 Operations Committee meeting. Vice Chair Sullivan made a motion and Commissioner Glover seconded the motion. Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin – Yes

Vice Chair Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 3 to 0.

CHAIR'S REPORT

Chair Joslin had no Chair's Report. Chair Joslin stated he is happy to see this agreement with TDOT move forward. It is a great commitment for the city and state.

IV. ITEMS FOR APPROVAL

1. Donelson Pike Early Completion Incentive

President Kreulen introduced Robert Ramsey, EVP, Chief Development Officer, to brief the Committee on the Donelson Pike Early Completion Incentive. Mr. Ramsey stated this is an 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. This agreement will allow MNAA to begin work up to 411 days earlier than currently planned. The key incentive terms of this deal is a completion date of May 31, 2025 (365 days early), with SR-255 switchover anticipated by April 15, 2025 (411 days early); advance incentive of \$300,000/month, beginning August 2024 – May 2025, totaling \$3M, required for additional crews, equipment and subcontractors to be able to complete the work a year early; and they will also receive a \$3M bonus if the work is completed by May 31, 2025 for a total of \$6M incentive. If TDOT does not meet the May 31, 2025 date, the bonus will be reduced by \$66K/day after May 31, 2025, until both the available bonus potential and the early advance incentive is exhausted. Liquidated damages specified in TDOT's contract begin if work is not completed by August 30, 2025. 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. The funding source for this project will come directly from MNAA and go to TDOT. TDOT will pay Superior through their existing contract.

Mr. Ramsey requested the Operations Committee recommend to the Board of Commissioners that it authorize the President and CEO to execute an agreement with TDOT for an early completion incentive to Superior Construction Southeast, LLC at \$6M NTE, under the above terms.

President Kreulen thanked Mr. Ramsey for a great presentation and stated he would like to clarify that this is where we are at after 5 months of negotiating. Mr. Neale Bedrock, EVP, General

Counsel, and MNAA counsel, have negotiated with TDOT counsel so the agreement structure itself is solid. Now the legal team is working on an exhibit that will capture all of the terms and hope to have that ready by the Board meeting next week. President Kreulen expressed to Mayor O'Connell that once this agreement is executed, MNAA will have a 3-party press conference with TDOT, Mayor O'Connell, and Commissioners to celebrate moving this forward, possibly March 27th or 28th. Commissioner Byrd reiterated this is an advance incentive and asked for confirmation that MNAA expects to be rebated if they are late. President Kreulen replied yes, TDOT is going to give Superior \$3M to start. Mr. Ramsey replied it will be \$300K each month starting in August, until May and will total the \$3M upon completion of the work.

President Kreulen replied that the airport will provide the money to TDOT and TDOT will pay Superior starting in August, and if they end on time, they get another \$3M and if they are one day late, it will cost them \$66K a day. Commissioner Byrd asked if the bonus would be reduced. President Kreulen replied it will reduce the bonus of \$3M and keeps going until we get all the money back. Commissioner Byrd stated and they forfeit \$3M bonus payable May 31, 2025, so they lose their big bucks. President Kreulen added that we do not want that. Commissioner Byrd replied that he knew that. Mr. Ramsey stated theoretically if they are late by 90 days, we get all the money back. Commissioner Glover asked what the standard is for this type of agreement. President Kreulen replied that this is nonstandard because the airport is paying the money. In our mind, TDOT should have crafted a contract that states if not completed in time they would be penalized. Commissioner Byrd asked President Kreulen to tell him about the fill material. President Kreulen replied MNAA has been storing fill material on the east side of Donelson Pike. Commissioner Byrd asked if the fill material is dirt or stone. Mr. Ramsey replied it is soil and rock mix. Commissioner Byrd asked what the value of the fill material is. President Kreulen replied MNAA is allowing Superior to borrow it and Superior will have to pay us back within a year. It will be removed and replaced. TDOT does not have to source and would have to truck it in, and this will be located ½ mile from where they need it. Commissioner Byrd asked if there are any compatibility issues with that soil as compared to crushed gravel/rock. Mr. Ramsey answered MNAA material is certainly within TDOT standards, they are finalizing test results, but it is a pretty broad standard, and is more stringent than the TDOT standard.

Vice Chair Sullivan asked if the replacement material is going to come from Donelson Pike construction or somewhere else. President Kreulen replied MNAA does not know that 100% yet. Ms. Traci Holton, VP, New Horizon, replied that it is likely TDOT will have to lower a section of one of the ramps and it may come from there. Vice Chair Sullivan asked if there is a spec of what TDOT can replace it with. Mr. Ramsey replied yes, MNAA has a standard fill specification, and probably the most notable difference between our standards and TDOT is MNAA allows material larger than 18" and TDOT has a 36" specification.

President Kreulen stated Mr. Bedrock and MNAA counsel is in negotiations with TDOT, Metro and the Titans to store material out here as well, and MNAA is still working on that agreement. If you are building downtown Nashville and meet MNAA standards, we will take your fill and use for our future needs. Commissioner Byrd stated the pipeline strike was mentioned, and the pipeline strike resulted in a major delay, 2 years and 3 months, and he asked if any of the expenses MNAA will incur to accelerate this process will be recoverable with respect to that pipeline strike. Mr. Bedrock replied we are still in litigations with AECOM as to what the final damages are. President Kreulen replied if they never hit the pipeline, we would not be behind and MNAA has settled with all of the other parties, and the last one is AECOM.

Chair Joslin asked for a motion to approve as presented. Commissioner Glover made a motion and Vice Chair Sullivan seconded the motion. Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin – Yes

Vice Chair Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 3 to 0.

2. Construction Contract for BNA Parking Lot Modifications

Mr. Ramsey stated that the Construction Contract for BNA Parking Lot Modifications is to repair pavement and reconfigure spaces and pavement markings to add parking capacity in Lot A, which is the walkable lot behind the garage, the Discrete Valet Storage which is adjacent to I-40, and the Employee Lot at BNA which is off Murfreesboro Road. On December 11, 2023, MNAA advertised an Invitation to Bid ("ITB") and received two bids, BC Mason Group, LLC and Sessions Paving. BC Mason Group, LLC was the lowest responsive and responsible bidder for a total of \$1,766,343.18.

BC Mason Group, LLC was 12% lower than the Engineer of Record's probable cost of \$2M and was approximately 19% lower than the other bidder, Sessions Paving. The SMWBE goal for this project is 11.62% MBE and 1.96% WBE. BC Mason Group, LLC committed to meeting this goal with 12.42% MBE and 2.12% WBE using Athena Engineering & Environmental, EverReady Transportation & Etchmark. The additional striping and modifications will yield approximately 837 spaces to gain much needed parking capacity for both employees and public and valet operations.

Commissioner Byrd asked how much each one of these parking spaces will shrink, and for someone with a big car, will it be 10' going to 9' or the same width. Mr. Ramsey stated the bulk of the reconfiguration is shrinking islands. There is a section along the drive out that had been parallel parking and angle parking will greatly increase the parking spaces among the bus drive offs. President Kreulen stated there is some landscaping that will also get shrunk.

Chair Joslin requested information on the BC Mason Group, LLC since he has never heard of them. Ms. Holton replied Brandon Mason with the BC Mason Group, LLC previously worked for JE Dunn as superintendent on the International Arrivals Building ("IAB") project. Mr. Mason has also been on several other projects and has moved on and started his own business. Chair Joslin asked if it is a new company. Ms. Holton replied pretty new, this is his first project with MNAA. President Kreulen replied he is a leader in the African American community and when Mr. Mason worked with JE Dunn, he helped MNAA build the \$8M International Arrivals Building on Concourse A and did a great job. President Kreulen also mentioned it takes a lot of guts to go out and start your own business. President Kreulen stated he has 100% confidence in Mr. Mason's ability.

Mr. Ramsey requested the 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.

Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Commissioner Glover seconded the motion. Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin – Yes

Vice Chair Sullivan – Yes

Commissioner Glover– Yes

The motion was passed with a vote of 3 to 0.

Chair Joslin asked about the empty parking lot on Murfreesboro Road, that used to be one of the parking operators, and if anyone has looked into purchasing it. President Kreulen replied yes, someone has been using it and it was up for sale at one time. MNAA is always watching for that.

3. Concourse D Extension Concessions Node Art Finalist

President Kreulen introduced Stacey Nickens, VP, Corporate Communications & Marketing, to brief the Committee on the Concourse D Extension Concessions Node Art Finalist. Ms. Nickens introduced two art curators from the Don Hardin Group, Tre Hardin and Morgan Thompson, who led this project. This was voted on by the Arts at the Airport (“AaA”) Board. The title of this piece is *Woven Embrace* by Benjamin Ball. The circular structures will be suspended from the ceiling and the crisscrossing structures represent all walks of life that will walk through the doors of BNA. Commissioner Glover asked what the crisscross represents. Ms. Nickens replied it represents all walks of life. Commissioner Byrd asked where it will be located. Ms. Nickens replied in the new extension of Concourse D, in the Concessions Node. President Kreulen replied the current one we have in existing Concourse D is a replication of the bridges that cross the Cumberland River and this will hang as you get to the center of the Concourse D extension food court area. Commissioner Glover stated it is gorgeous. Ms. Nickens stated the contract cost is \$500K, work will start March/April 2024, and it is 100% funded by the arts budget.

Commissioner Glover asked what type of shiny material is used. Ms. Nickens replied it is mirrored, like stainless steel. Commissioner Glover stated just when you thought BNA could not get any more beautiful, it will be now.

Ms. Nickens requested the Operations Committee recommend to the Board of Commissioners that it accept the AaA Foundation Board public art selection committee and the President and CEO’s recommendation to commission Benjamin Ball to create the work titled, *Woven Embrace*, to be suspended in the Concourse D Extension Concessions Node and authorize the Chair and President and CEO to execute the 1% Public Art Contract for \$500,000.

Chair Joslin asked for a motion to approve as presented. Commissioner Glover made a motion and Vice Chair Sullivan seconded the motion. Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin – Yes

Vice Chair Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 3 to 0.

President Kreulen stated the AaA Board helped MNAA work through this award, and Tre and Morgan are the ones that coordinated it. Commissioner Glover asked if we meet with the city of Nashville's Arts Council. President Kreulen replied our AaA Board will share with the arts commission downtown Nashville. President Kreulen stated he would argue that we are probably leading them in some spaces because they do not have as much space as the airport. When this bid went out, MNAA received 115 applications and went through 3 rounds of scoring to get down to the 3 finalist, and then the AaA Board selected this artist. Commissioner Glover asked if Mayor O'Connell has seen it. President Kreulen replied Mayor O'Connell will not see it to approve it but will see it once it is completed.

V. INFORMATION ITEMS

President Kreulen introduced Eric Johnson, SVP, Chief Revenue Officer. Mr. Johnson joined MNAA on March 3, 2024 and just relocated from St. Paul, Minneapolis. He will be responsible for Concessions/Advertising; Real Estate/Property Management and Hotel Management. MNAA is glad to have Mr. Johnson on our team and his goal between now and end of this fiscal year is to give an assessment of those areas that he is supervising.

1. BNA Development Update

President Kreulen updated the Commissioners on BNA Development and provided a photograph of the steel that began the week of March 4, 2024 on Concourse D Extension. On February 20, 2024, Commissioners Granbery, Byrd and Freeman helped MNAA celebrate the opening of the Hilton BNA Hotel. The Commissioners will soon receive an invitation for the Grand Celebration on April 3, 2024. President Kreulen stated the Genesco demolition is still going strong and should be completed by end of August 2024. President Kreulen asked Ms. Lankford to add the date for

the FAA approval to the slide. MNAA just received approval from the FAA to agree to the scope of the project to start the Runway 2L Extension Environmental Impact Statement (EIS). FAA will be here next month and are now officially on the clock to start that project.

2. JWN Development Update

President Kreulen stated JWN North Development parcels 2/3 and 4/5 have steel going up and the retainer wall is complete, with final grading/fencing underway. President Kreulen asked Mr. Bedrock to verify that we now have an agreement on the easement in place. Mr. Bedrock replied, yes. President Kreulen stated MNAA has a temporary easement where we went into that person's property and now have an agreement with them. Mr. Kreulen stated the R3 Ramp Expansion should be completed in April 2024 and the Taxiway R3 will open back up in March 2024. The 2nd FBO Request for Proposal (RFP) is under development and the staff is establishing key business terms and will update Commissioners prior to release. For the Midfield Hangar Development plan, MNAA is almost finished with the financial analysis. Chair Joslin reminded President Kreulen he does not want a future a taxiway on the westside to be forgotten.

3. JWN FY25 Rental Rates

President Kreulen reported MNAA will be making some modest changes to rental structures, based on the model approved by the Board on February 27, 2021. We are able to control our costs, but have increase in operating costs, including salaries, utilities, snow removal, mowing and insurance. The new rent equates to on average a 7.2% increase, and average increase in monthly rent is \$62 (\$45 for non-box hangars). Tenants will be notified by a letter of the new rent effective July 1, 2024. President Kreulen stated he believes it is reasonable and all the justification will be shared with the tenants in the letter. President Kreulen presented a table showing hangar size, current and new rates, along with the monthly increase amount. President Kreulen stated as you can see there are hangars that are the same size but charged different rates. Some hangars are brand new, and the rate includes the cost at the time it was constructed and amortized over many years. MNAA is finding on the next box hangars, because of inflation, that the rate could be around \$3500 for a brand-new box hangar. These hangars are helping MNAA pay the bills, and as we go in and build new it costs the airport more.

Commissioner Granbery referenced back to BNA and the relocation of Donelson Pike and asked when the big wall will start coming down to the east of Donelson Pike. Ms. Holton replied that is part of TARI Phase 2. Jones Bros. just signed their contract and have already started with a little demolition, moving the asphalt and guardrails, and blasting will start in a week or 2. Commissioner Granbery asked if the Multi-purpose Building will fall behind it. Ms. Holton replied the TARI Phase 2 project is only to relocate the service road and create a space for the future Air Freight and Multi-purpose Building, which has not been designed yet. President Kreulen replied the good news is we received \$7M from Secretary Buttigieg and will receive \$5M this year. Overall that project is approximately \$30M just to bring it down, so we are starting on that, and it should leave a pad ready for the future Air Freight Building . Next month when we come back to the Commissioners and talk about Terminal II, you will then see where everything overlaps. Before a decision is made on the Air Freight Building , the location of Terminal II must be determined. Commissioner Granbery asked where all the rock will go. Ms. Holton replied east of Donelson pike, MNAA stockpiles it.

President Kreulen concluded the presentation of the informational items.

VI. ADJOURN

There being no further business brought before the Operations Committee, Chair Joslin adjourned the meeting at 9:32 a.m.



Andrew W. Byrd, Board Secretary