



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

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May 15, 2024



# Call to Order

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May 15, 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 Requests for Public Comment Received by Tuesday, May 14, at 1:00 am

# Approval of Minutes

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Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors

April 17, 2024

# Chair's Report

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Joycelyn Stevenson, Board Chair

# President's Report

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Douglas E. Kreulen, A.A.E.

President and CEO



# Stacey Nickens Recognized as 2024 Women of Influence

- April 24, 2024
- Nashville Business Journal



# 96<sup>th</sup> Annual AAAE Conference

- April 28 – May 1, 2024
- Nashville broke every record
  - 2,728 attendees
  - 318 airports
  - 300 booths
  - 197 exhibitors
  - 72 sponsors
  - 60 new, first-time exhibitors
- Key Speakers
  - Butch Eley
  - Sally Jenkins
  - Tom Costello
  - Earvin “Magic” Johnson



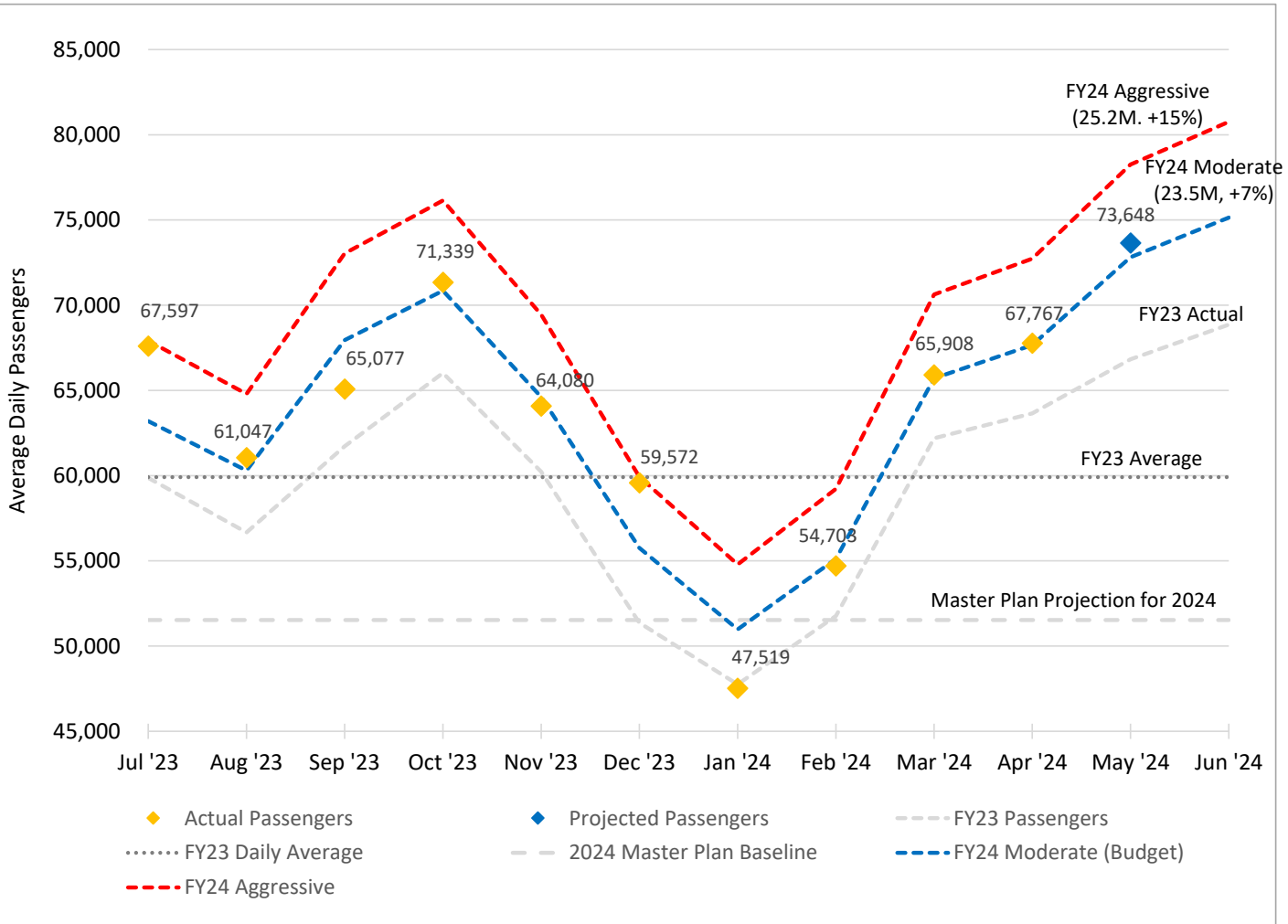


## Dr. Glover Gifted 600 Graduates with \$50

- May 4, 2024
- At the conclusion of the keynote address, retiring TSU President Glover surprised graduates by giving them \$50, which was attached to the bottom of their seats.

# FY24 BNA Passengers

- FY24 Forecast: 7%, 11%, 15%
- May FY24 Projected (+6%)
  - 2,283,091 total passengers
  - 73,648 daily passengers
- May 5<sup>th</sup> – 43,494 security checkpoint record
- FY24 Year-to-Date (+8%)
  - 21,339,644 total passengers
  - 63,511 daily passengers
- FY24 Year-End Projection
  - 23.6M – 23.8M passengers



\*May projections based on TSA data through May 13, 2024

## Operations

- Approvals
  - 1) Construction Contract for Demolition of Selected Buildings
  - 2) Professional Services Contract for Staff Augmentation (SMWBE)
  - 3) Purchase of Stream Mitigation Credits
- Information
  - 1) BNA Development Update
  - 2) JWN Development Update

## Finance

- Approvals
  - 1) FY25 Commercial Insurance Policies Renewal

## Management

- Information
  - 1) FY24 Strategic Goals Accomplishments

# Committee 30-day Outlook

- June 5 & 12, 2024

## Operations

- Approvals
  - 1) Construction Contract for Trench Drain Replacement on Arrival & Departures
  - 2) Construction Contract for Curbside Environmental Protection
  - 3) New Horizon Program Scope and Budget
  - 4) Purchase of MB Companies Deicing Machine
  - 5) Purchase of Rubber Removal Machine
  - 6) CONRAC Preferred Site
- Information
  - 1) BNA Development Update
  - 2) JWN Development Update
  - 3) JWN Midfield Solicitation

## Finance

- Approvals
  - 1) Cell Carrier License Agreements for DAS
  - 2) 3<sup>rd</sup> Party Management & Maintenance Contract for DAS & Wi-Fi
- Information
  - 1) Procurement Policy (Annual Review)

## Management

- 1) Approval: CEO FY24 Performance Evaluation
- 2) Information: FY25 Strategic Goals

# Committee 60-day Outlook

- July 10 & 17, 2024

# Items for Approval

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May 15, 2024

- Construction Contract for MNPB Hangar at John C. Tune Airport (Operations)
- Construction Contract for Cargo Apron Slab Replacement, Phase 8 of 22 (Operations)
- On Call Contract for Field & Laboratory Testing Services (Operations)

## Items for Approval

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

# Construction Contract for MNPD Hangar at John C. Tune Airport

**Project Description:** The project consists of the construction of an aircraft (helicopter) hangar and associated concrete aircraft apron for use by the Metropolitan Nashville Police Department (MNPD) at the John C. Tune Airport.

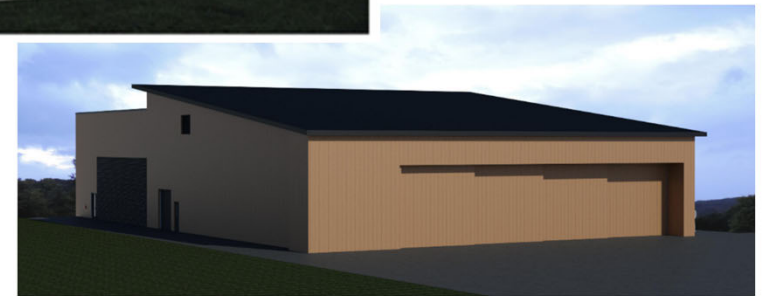
**Contractor:** Baron Construction, LLC

**Total Contract Cost:** \$10,412,000

**Schedule:** Contract Start: June 2024  
Contract End : March 2025

**SMWBE:** Goal = 10.08% MBE and 4.03% WBE;  
Commitment = 10.5% MBE and 4.07% WBE

**Funding Sources:**



**Committee Review:** Operations Committee voted 3 to 0 to recommend approval on May 8, 2024.

**Staff Recommendation:** Board of Commissioners authorize the Chair and President and CEO to execute the proposed contract with Baron Construction, LLC. in the amount of \$10,412,000.

**NOTE:** Contingent on execution of amendment to the lease between MNA & MNPD, which authorizes supplemental rent to reimburse MNA for design & construction of the hangar.

# Construction Contract for Cargo Apron Slab Replacement, Ph 8 of 22

**Project Description:** The Cargo Apron Slab Replacement, improving the Runway Safety Area, consists of full depth reconstruction of broken and shattered concrete slabs on the north cargo apron, formerly the main airport terminal apron. Schedule 3 includes approximately 5,200 SY of concrete replacement in three areas.

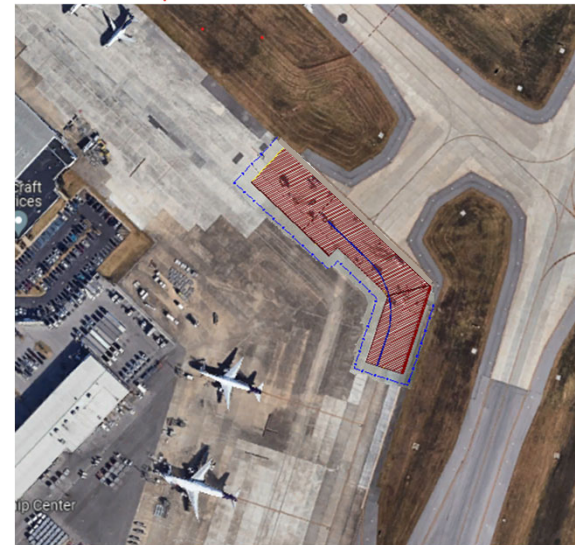
**Contractor:** The Harper Company

**Total Contract Cost:** \$2,044,433

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

**SMWBE:** Goal = 7.99% MBE and 6.84% WBE;  
Commitment = 7.99% MBE and 6.84% WBE

**Funding Sources:**



**Committee Review:** Operations Committee voted 3 to 0 to recommend approval on May 8, 2024.

**Staff Recommendation:** Board of Commissioners authorize the Chair and President and CEO to execute the proposed contract with The Harper Company in the amount of \$2,044,433.



# On Call Contract for Field & Laboratory Testing Services

**Project Description:** Provide on call field and laboratory testing services to support quality assurance efforts for construction projects

**Contractors:** ECS Southeast  
S&ME  
Terracon Consultants, Inc.  
TTL, Inc.

**Contract Cost:** \$1,000,000 NTE per contract per year (\$4M NTE/year)

**Schedule:** Contract Start: June 2024  
Contract Term: 1 year, plus 4 one-year options

**SMWBE:** Goal = 8.32% MBE and/or WBE;  
Commitment = 8.32 – 20% % MBE and/or WBE

**Funding Sources:**  100% CIP  
and/or O&M

**Committee Review:** Operations Committee voted 3 to 0 to recommend approval on May 8, 2024.

**Staff Recommendation:** Board of Commissioners authorize the Chair and President and CEO to execute the proposed contracts with ECS Southeast, S&ME, Inc., Terracon Consultants, Inc., and TTL, Inc. for \$1M NTE per contract per year.



- Amendment to MNPD Lease Agreement (Finance)

## Item for Approval

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Eric L. Johnson, CCIM, C.M.  
SVP & Chief Revenue Officer

# First Amendment to MNPD Lease Agreement

## Background:

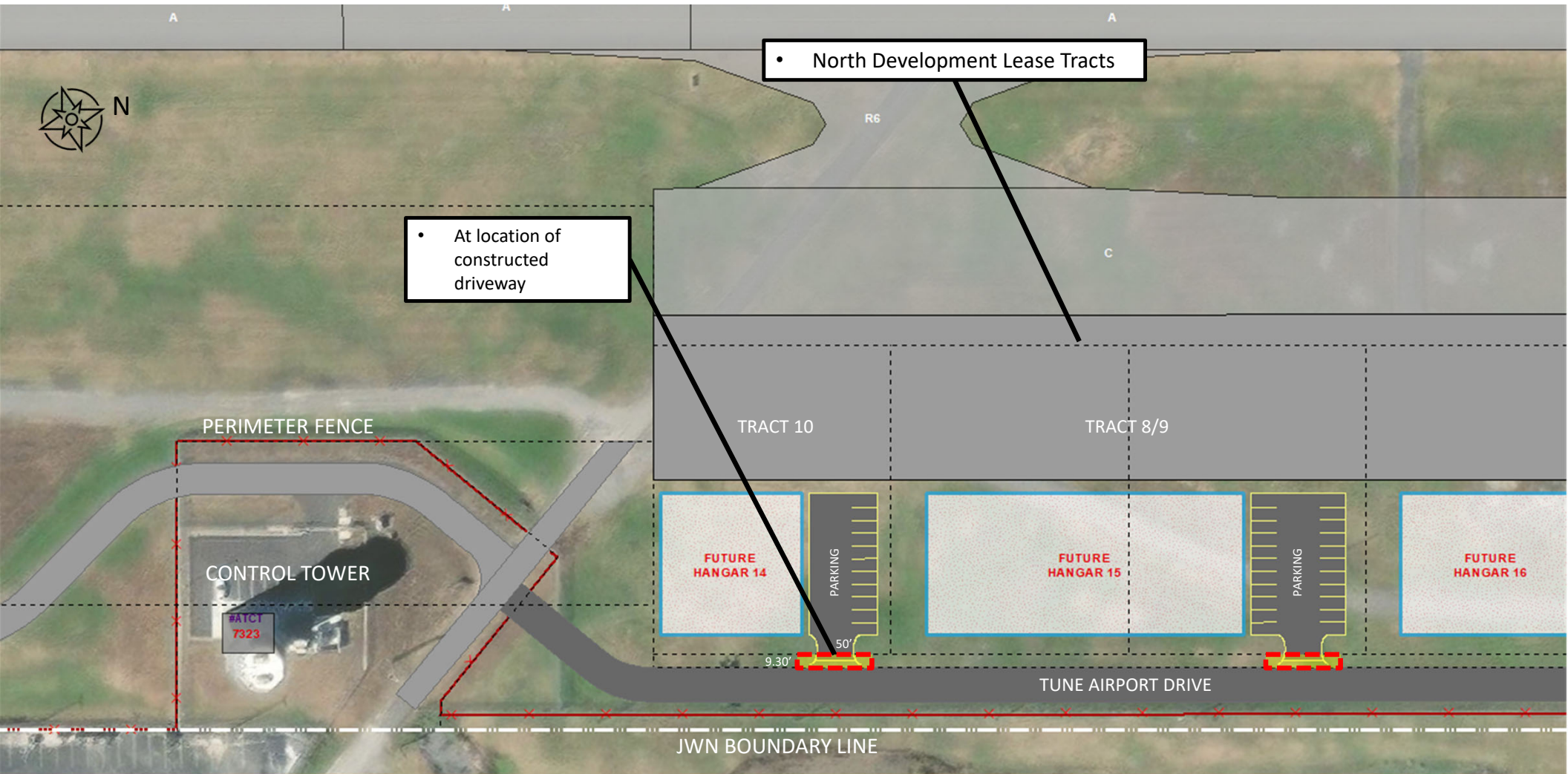
- Metropolitan Government of Nashville and Davidson County (“Metro”) & Authority entered into Lease on Dec. 22, 2022.
  - Authority responsible for design & construction of a hangar for Metropolitan Nashville Police Department (“MNPD”).
  - Metro responsible for reimbursing Authority for the cost of the design & construction through Supplemental Rent.
- Metro has the right to terminate the Lease within 60 days from the date they were notified of the Supplemental Rent.
  - No later than June 23, 2024

## Property Description:

- 0.84 acres or 36,624 square feet of unimproved land at JWN (parcel 10)

## Key Amendment Terms:

- 1) **Effective Date:** July 1, 2024
- 2) **Supplemental Rent:** \$66,746.54 monthly (\$800,958.48 annually)
- 3) **Water Submeter Added:** Will be installed to measure / invoice the consumption of water by MNPD.
- 4) **Easement Granted:** Authority grants Metro access in, to, and across the drainage culvert located between the access road known as Tune Airport Drive and the Premises, for the purpose of vehicular access for ingress and egress to and from the Premises.



# Proposed Easement Dedications

# First Amendment to MNPD Lease Agreement

## Impact:

- Ground rent remains \$83,367 annually (annual escalation)
- Supplemental rent begins July 1st at \$800,958.48 annually for payback of design and construction of hangar
- New assets will vest in approximately 29 years

**Committee Review:** Finance Committee voted 3 to 0 to recommend approval on May 8, 2024.

**Staff Recommendation:** Staff requests the Board of Commissioners to:

- Approve the First Amendment:
  - Effective July 1, 2024
  - \$800,958.48 annual supplemental rent
  - Water submeter
  - Easement to driveway, and
- Authorize the Chair and President and CEO to execute the First Amendment.



**NOTE:** Amendment requires approval by Metro Council via Resolution (by June 24, 2024) to reimburse the airport authority for design and construction costs.

- Amendment to IT Staffing Services Purchase Order (PO) (Finance)

## Item for Approval

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Randy Dorsten, SPHR  
AVP, Human Resources

# Amendment to IT Staffing Services Purchase Order (PO)

**Project Description:** Staff augmentation services for Information Technology Terminal Operations Team.

**Contractor:** Innova

**Total Cost:**

Initial PO	\$ 400,000
<b>Amendment</b>	<b>\$ 600,000</b>
Total Cost	\$1,000,000

**Schedule:** PO Start: November 2023  
PO End: May 2024

**SMWBE:** Race & Gender Neutral

**Funding Sources:** IT Operating Budget



**Committee Review:** Finance Committee voted 3 to 0 to recommend approval on May 8, 2024.

**Staff Recommendation:** Board of Commissioners authorize the President and CEO to execute an amendment to the IT Staffing Services, transferring \$600,000 from the IT O&M budget to pay for 13 personnel procured through Innova, for 24/7 Common Use IT Services Team. The PO value increased to a total of \$1,000,000. Project complete.

- Sublease Amendments for Fraport Subtenants (Finance)

## Item for Approval

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Colleen Von Hoene  
Associate Principal, Paslay Group



# Sublease Amendments for Fraport Concession Subtenants

- The following subleases require amendments to incorporate minor modifications to the terms. Since the sublease terms extend beyond the expiration of the Fraport agreement (January 31, 2029), MNAA must become a party to and consent to the amendments.

Sublease Change	Tenant (Operator)	Locations (Concepts)
Deletes Common Area Maintenance (“CAM”) fee, revised Grease Trap Maintenance provision to require fee	SNA Nashville, LLC	ACME, Slim & Huskey, Hattie B’s
	Tennessee F&B, LLC	TN Moonshine Bar, Bongo Java, Southern Steak & Oyster, Half Moon Empanadas
	Transfare II, LLC	Burger King
Deletes CAM fee	Music City Retailers JV	Donelson Emporium
Adds CAM fee, revised Grease Trap Maintenance provision to require fee	Host TRN Nashville FB III, LLC	Starbucks, Shake Shack, Pharmacy Burger
Aligns operating hours for adjacent units	Ferncroft Airport, LLC	Music City Shop, Kitty Hawk

**Committee Review:** Finance Committee voted 3 to 0 to recommend approval on May 8, 2024.

**Staff Recommendation:** Staff requests the Board of Commissioners:

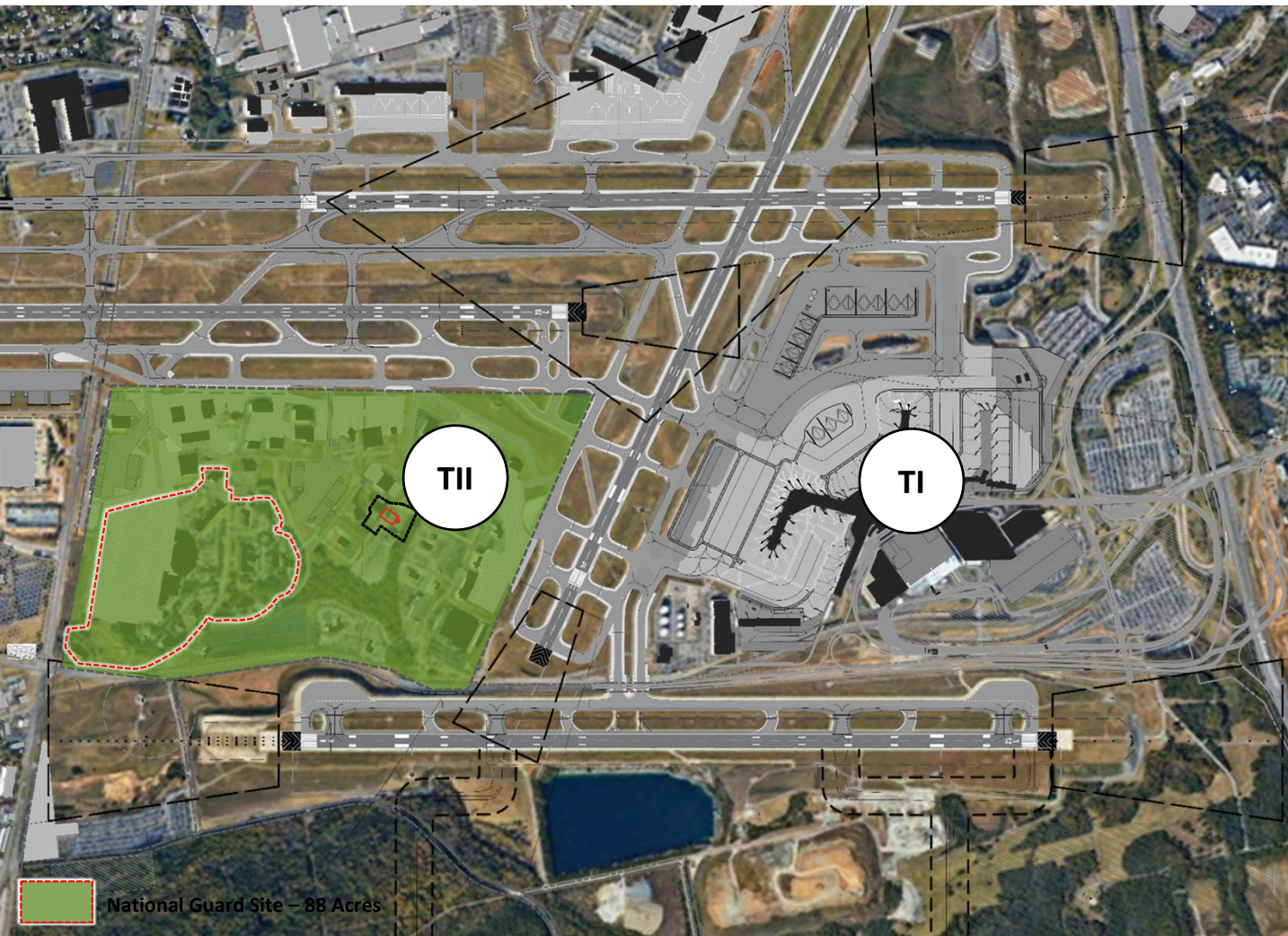
- Approve the six (6) sublease amendments; and
- Authorize the Chair and President & CEO to execute the sublease amendments.

- Terminal II Preferred Site

## Item for Approval

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



# Terminal II Preferred Site

Based on review at today's workshop, staff recommends the Board:

- Accept the recommendation for Site 4 as the preferred Terminal II site; and
- Authorize staff to further refine terminal, connectivity, roads and airfield layout at Site 4

# Break

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- Sign MNPD Lease Amendment

- Board Officer Elections

# Item for Approval

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Chair Joycelyn Stevenson

Reference:

- 3<sup>rd</sup> Amended & Restated Bylaws of the MNAA
- Article II – Board of Commissioners
- Section 2.3 – Board Officers
- Paragraph 2.3.1 – General
  - At the May meeting of Board (even numbered years)
  - The Board, by affirmative vote of the majority
  - Shall elect a...
    - Chair
    - Vice Chair
    - Secretary
  - 2-year term beginning on July 1

## Board Officer Elections

- Term:
  - July 1, 2024 – June 30, 2026

# Information Items

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May 15, 2024

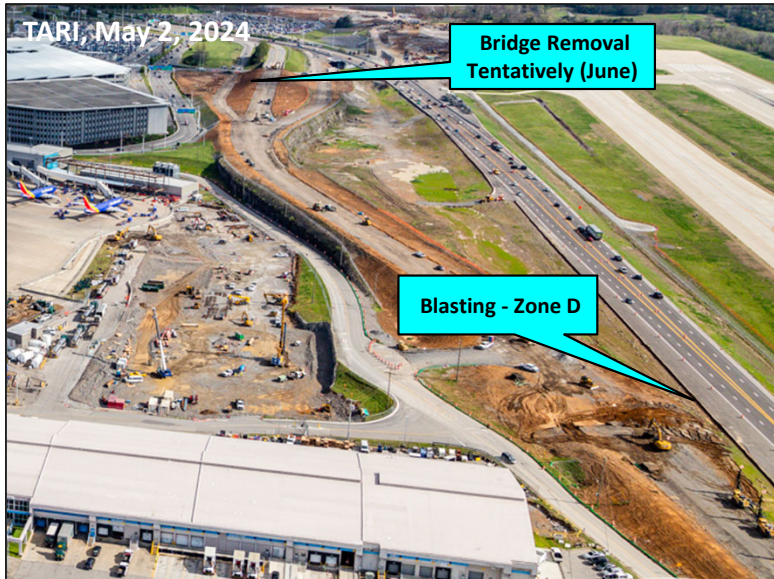
- BNA Development Update (Operations)
- JWN Development Update (Operations)
- BNA Concessions Program Update (Finance)
  - Quarterly Sales Report
  - Concourse D Extension Renderings
- Quarterly Retirement/OPEB/Treasury Investment Reports (Finance)
- 2024 Affirmative Action Program (AAP) Update (Management)

## Information Items

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





# BNA Development Update

- Discrete Widening
  - Complete by end of week
- Concourse D
  - In construction
  - Complete July 2, 2025
- Concourse A
  - In design; Next strategic review May 21, 2024
  - Design complete May 2025
- TARI Ph II
  - Blasting underway
- R/W 2L Extension
  - FAA Site Visit April 24, 2024

# JWN Development Update



- Midfield Development
  - Potential tenant declined property
  - Competitive Solicitation planned for July 2024



## Retirement Plan

- **FY24-Q3 Market Value: \$83.5M (+\$2.1M)**
  - Gross Return: 4.19% (FYTD 9.96%)

## OPEB

- **FY24-Q3 Market Value: \$42.8M (+\$1.8M)**
  - Gross Return: 5.10% (FYTD 11.27%)

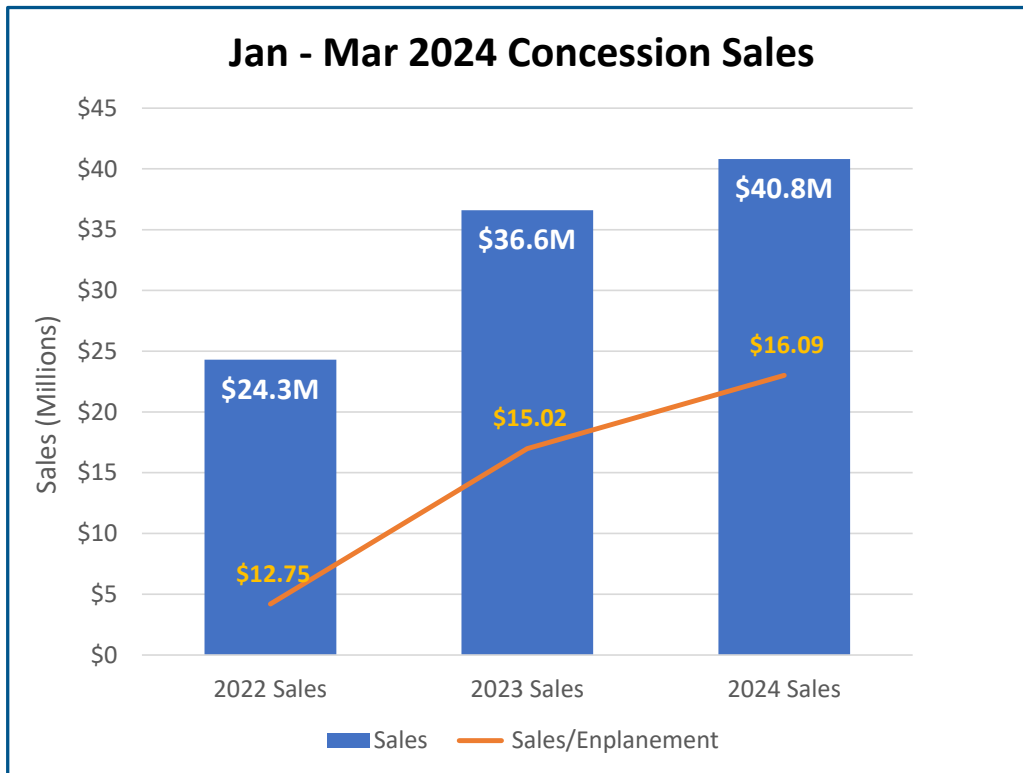
## Treasury Investments

- FY24-Q3 Available Funds: **\$1.20B (99.4% invested)**
- FY24-Q3 Earnings: **\$13,185,202 (5.02% yield)**

# Quarterly Retirement/OPEB Investment Reports

Quarter ending March 31, 2023

**2024 Q1 Sales are 11.5% higher than 2023 Q1**  
(Enplanements up 4%)



## BNA Concessions Update

- Status of new Concourse D Extension locations
  - 7 locations have approved 30% designs and met contract due date
  - 1 location will be submitting a revised 30% design, and is expected to meet the contract due date
  - Construction starts 3/5/25
  - Tenant opening date 7/2/25

- **2024 AAP prepared by Ogletree Deakins**
  - Data Jan 1 – Dec 31, 2023
  - Compared to Davidson County 2018 census
- **Results**
  - 1. Minorities and Women AAP**
    - Availability
      - Minority goal: Service Workers (Police)
      - Improvement over last year; Continue outreach activities
    - Employment Activity
      - Hiring: No findings
      - Promotions: No findings
      - Terminations: No findings
  - 2. Individuals with Disabilities (IWD's)**
    - 3.1%: Did not meet 7% hiring goal
    - Continue outreach activities; Re-survey employees in late summer
  - 3. Protected Veterans**
    - 14.6%: Exceeded 5.4% hiring goal

## 2024 Affirmative Action Program (AAP)

- Required by:
  - FAA regulations require MNAA to prepare a Minorities and Women Affirmative Action Program (AAP)
  - Governmental Authorities are required to prepare Section 503 (Individuals with Disabilities (IWD's)) and VEVRAA (Protected Veterans) AAP's



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

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Meeting Adjourned

# Staff Reports

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May 15, 2024

Provided for Information Only

# Operations Report

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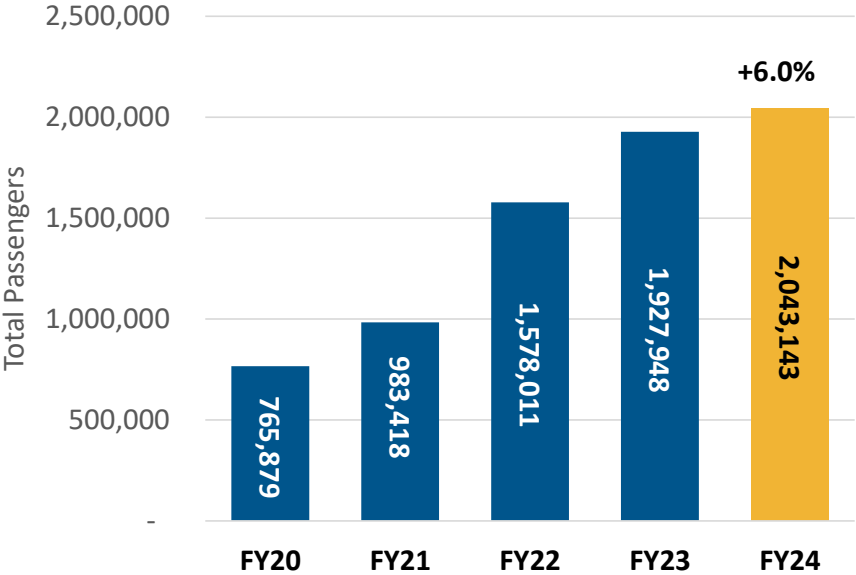
Adam Floyd, C.M.

SVP, Chief Operating Officer

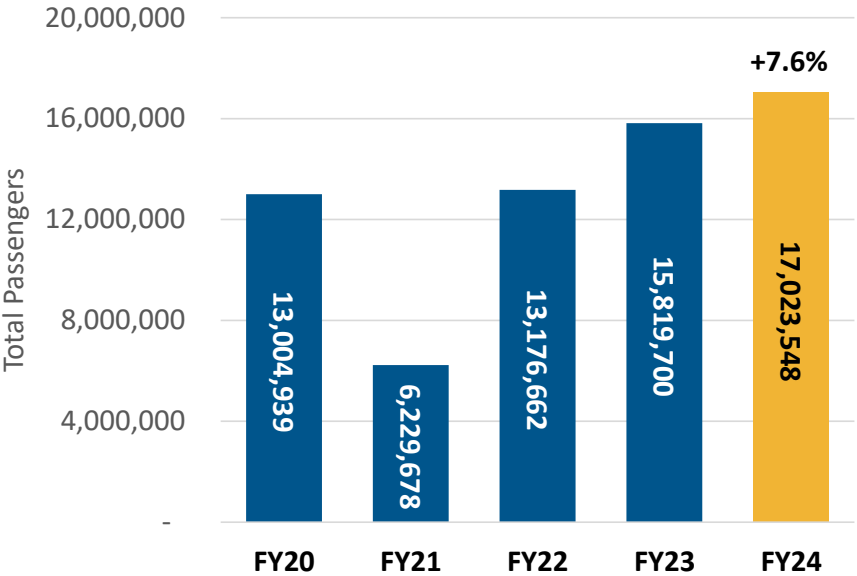


# BNA Total Passengers

### April

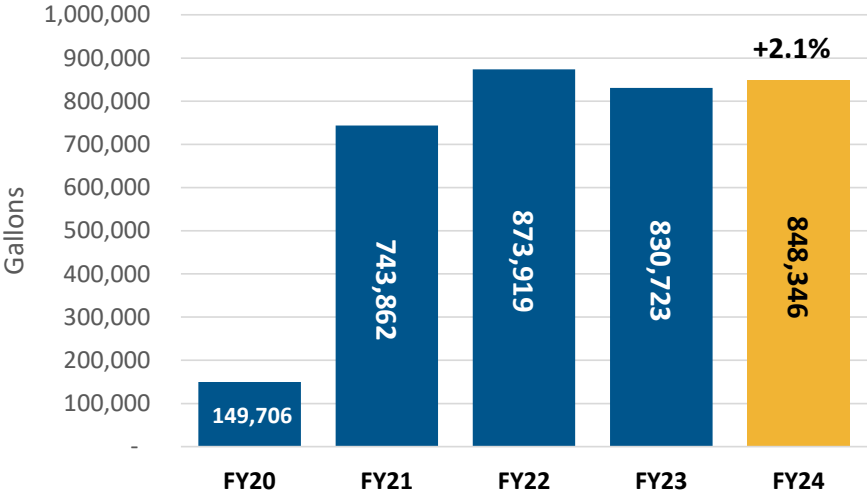


### Fiscal Year to Date

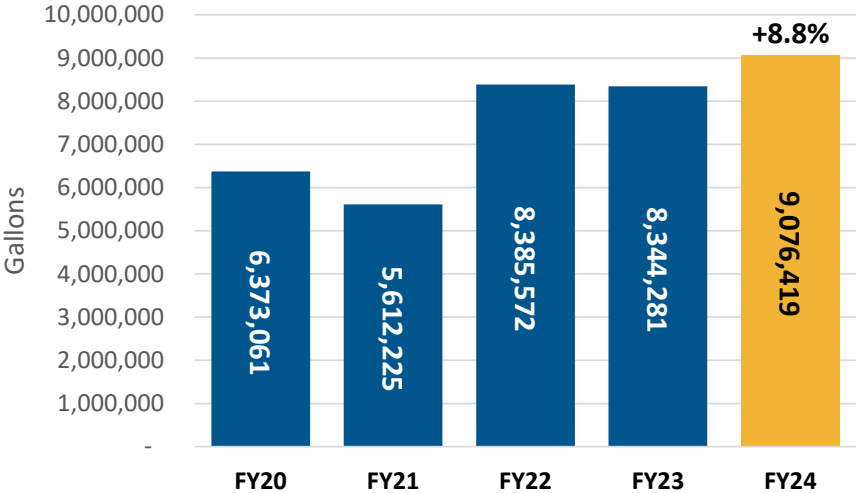


# BNA Fuel Sales

## April

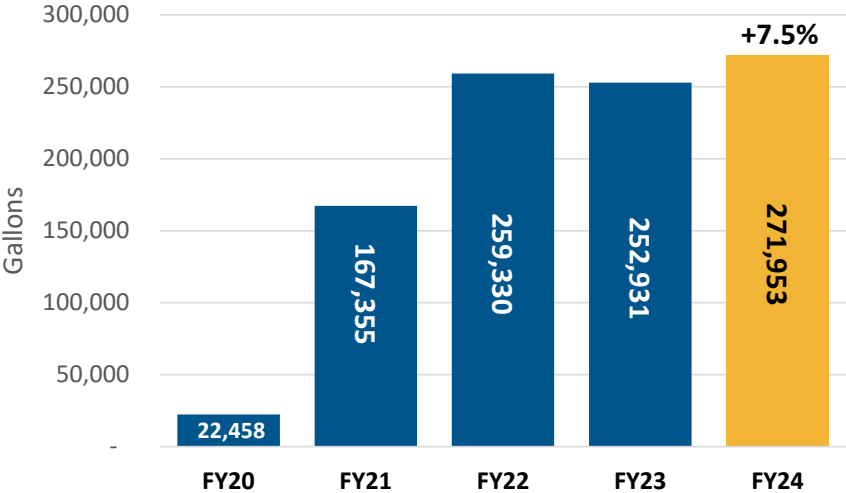


## Fiscal Year to Date

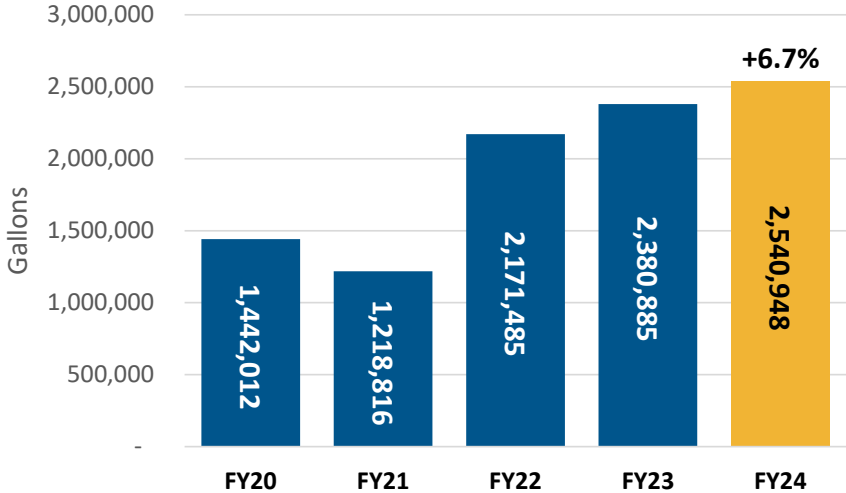


# JWN Fuel Sales

### April



### Fiscal Year to Date



# Development Report

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

EVP, Chief Development Officer

# Vision 1.0 Program Budget Update: May 2024

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
<b>VISION PROJECTS</b>	\$ 1,224,563,416	\$ 1,217,438,246	\$ 7,125,170	\$121,290,987 / \$90,501
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	\$ 90,302,830	\$ 7,125,170	\$2,700,000 / \$0
Terminal Lobby & IAF	\$ 480,436,795	\$ 480,436,795		\$54,865,228 / \$90,501
Terminal Access Roadway Improvements Ph 1	\$ 65,500,000	\$ 65,500,000	\$ -	\$4,320,000 / \$0
<b>VISION ENABLING PROJECTS</b>	\$ 62,390,352	\$ 62,390,351	\$ -	\$1,408,000 / \$1,080,362
ART	\$ 5,112,550	\$ 5,112,550	\$ -	
PROGRAM CONTINGENCY	\$ 12,941,682	*\$ 20,066,852	\$ (7,125,170)	
<b>Total</b>	<b>\$ 1,305,008,000</b>	<b>\$ 1,305,008,000</b>	<b>\$ -</b>	<b>\$122,698,987 / \$1,170,863*</b>

**Total Contingency Remaining = \$20.1M program + \$1.2M project ~ \$21.3M**

# Vision 2.0 Program Budget Update: May 2024

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
<b>VISION 2.0 PROJECTS</b>	\$ 229,500,000	\$ 204,508,110	\$ 24,991,890	\$12,392,941 / \$1,440,000
Satellite Concourse	\$ 134,500,000	\$ 127,283,207	\$ 7,217,889	\$8,952,941 / \$0
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	\$ 31,224,903	\$ 17,775,097	\$2,000,000 / \$0
Concourse A Ramp Paving	\$ 31,000,000	\$ 31,000,000	\$ -	\$1,440,000 / \$1,440,000
<b>PROGRAM CONTINGENCY</b>	\$ -	\$ 24,991,891	\$ (24,991,891)	
<b>Total</b>	\$ 229,500,000	\$ 229,500,001	\$ (7,216,794)	\$12,392,941 / \$1,440,000

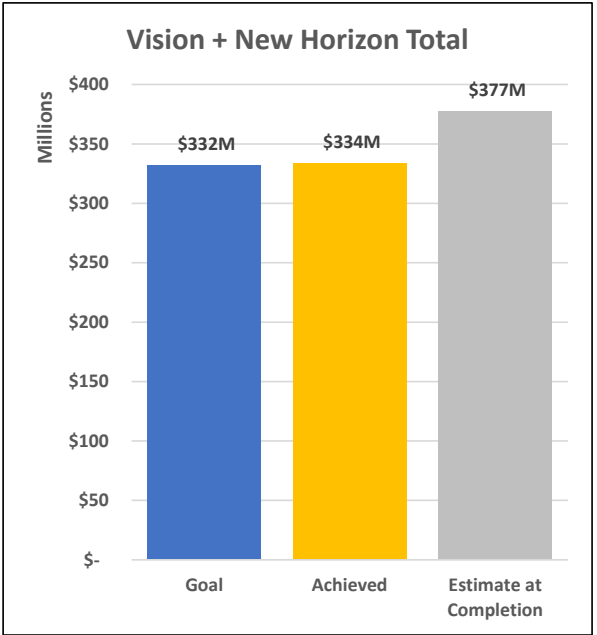
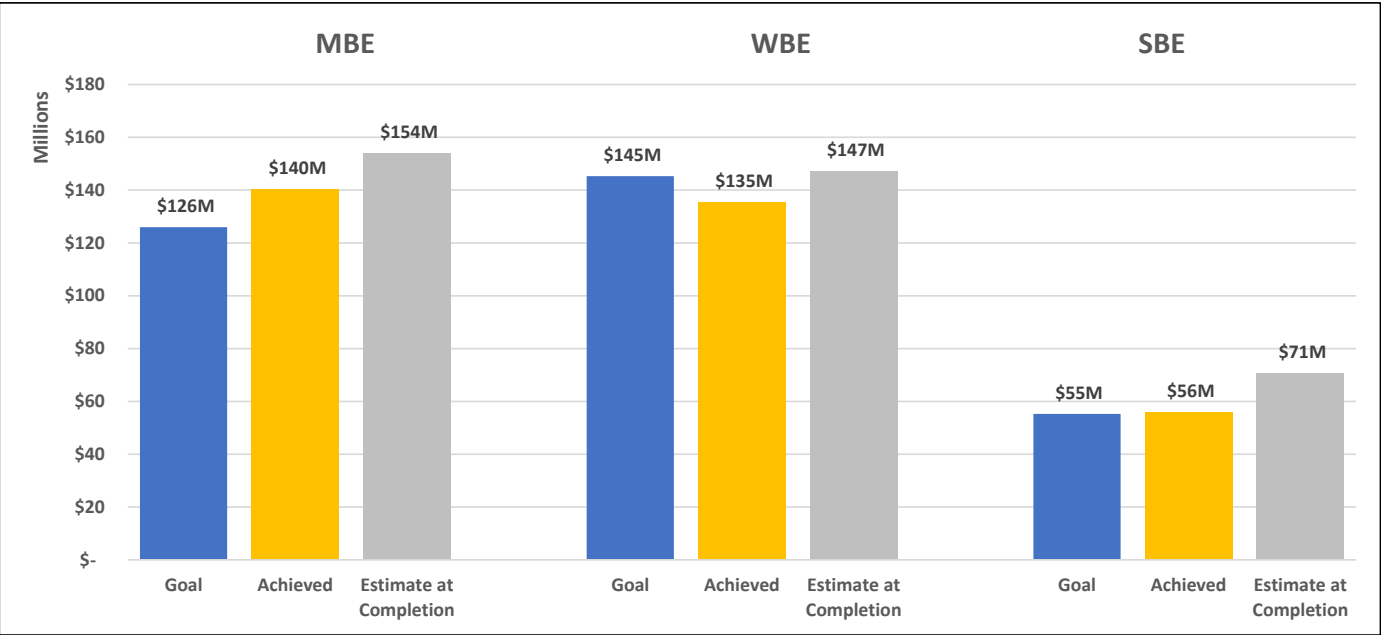
**Total Contingency Remaining = \$25M program + \$1.4M project ~ \$26.4M**

# New Horizon Program Budget Update: May 2024

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 & Ph 3	\$ 166,500,000	\$ 166,500,000	\$ -	\$ -
ART	\$ 4,000,000	\$ 4,000,000	\$ -	
PROGRAM CONTINGENCY	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,462,500,000</b>	<b>\$ 1,462,500,000</b>	<b>\$ -</b>	<b>\$117,671,573 / \$117,671,573</b>

**NOTE: "Proposed" New Horizon Program Scope & Budget introduced as Information Item at April Committee/Board. This will be presented as approval item at June Committee/Board.**

# SMWBE Participation – BNA Vision & New Horizon – April 2024



Includes MBE, WBE, SBE & DBE

Source: Vision Project Controls – Pending validation by BDD



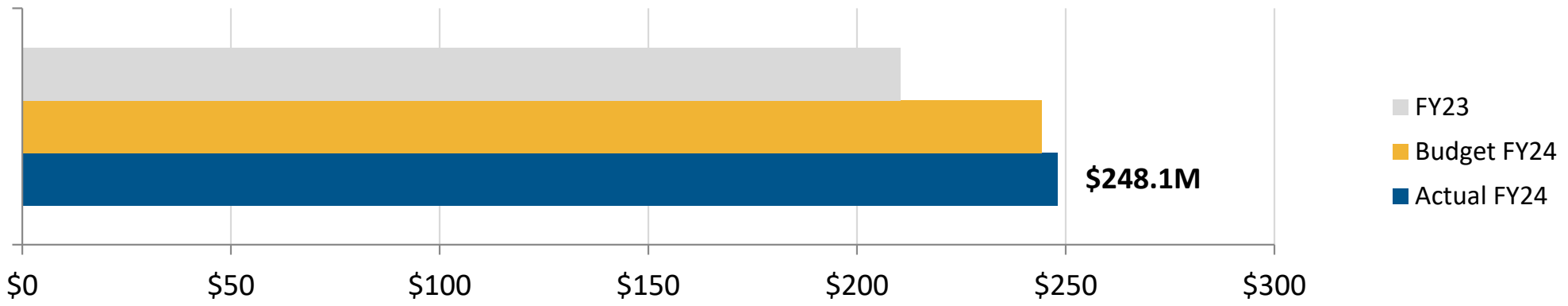
# Finance Report

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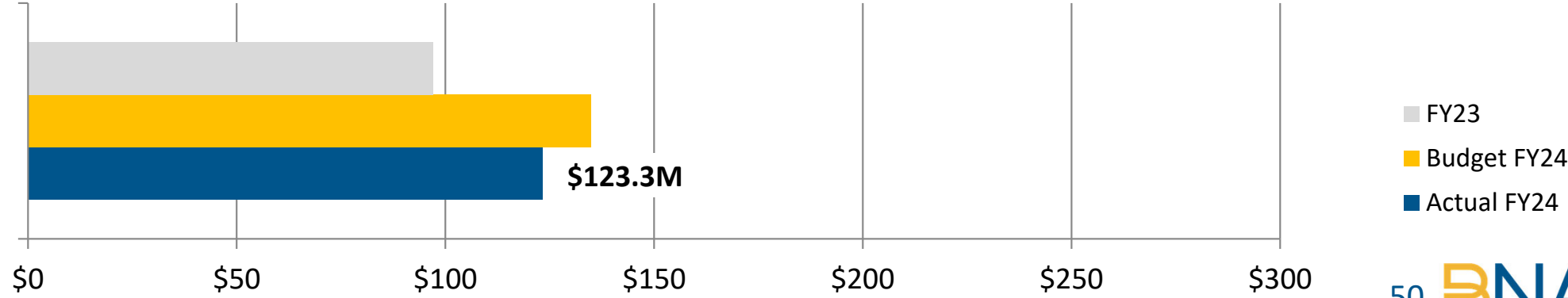
Marge Basrai, CPA, CGMA, CM  
EVP, Chief Financial Officer

# BNA – Revenues and Expenses YTD April 2024

### Operating Revenues (\$ millions)

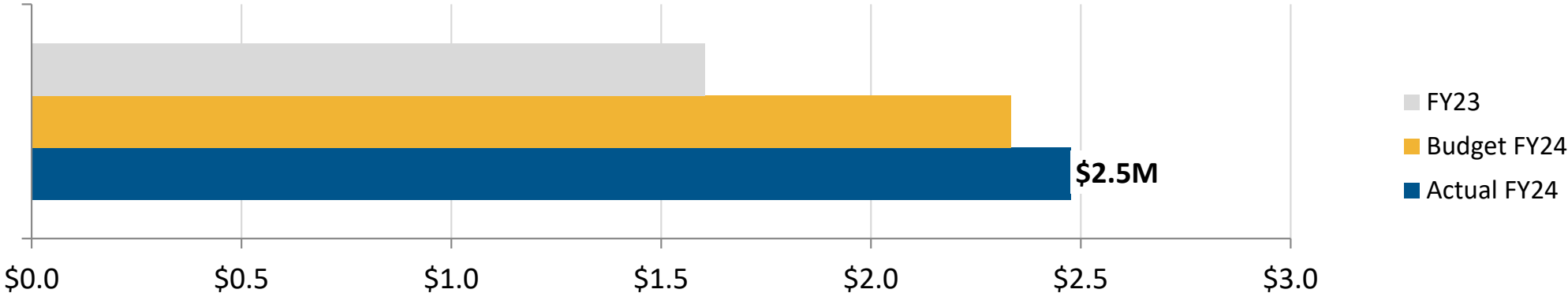


### Operating Expenses (\$ millions)

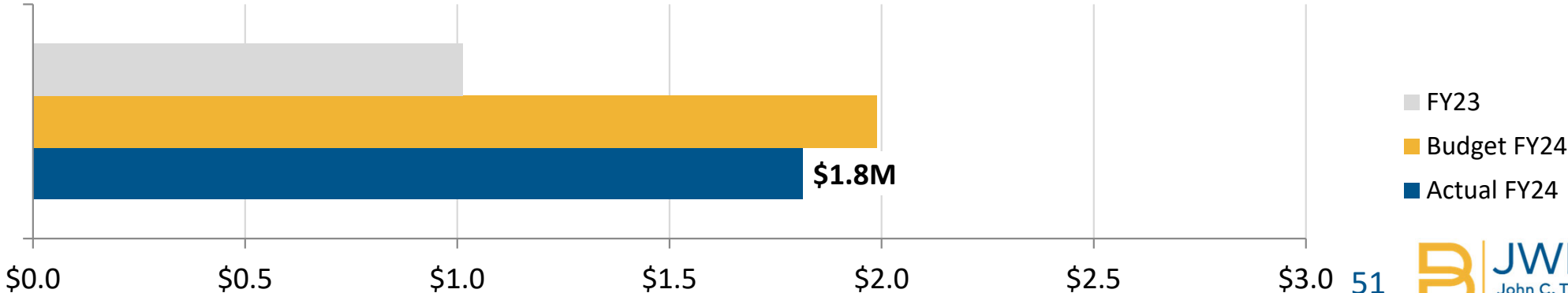


# JWN – Revenues and Expenses YTD April 2024

### Operating Revenues (\$ millions)

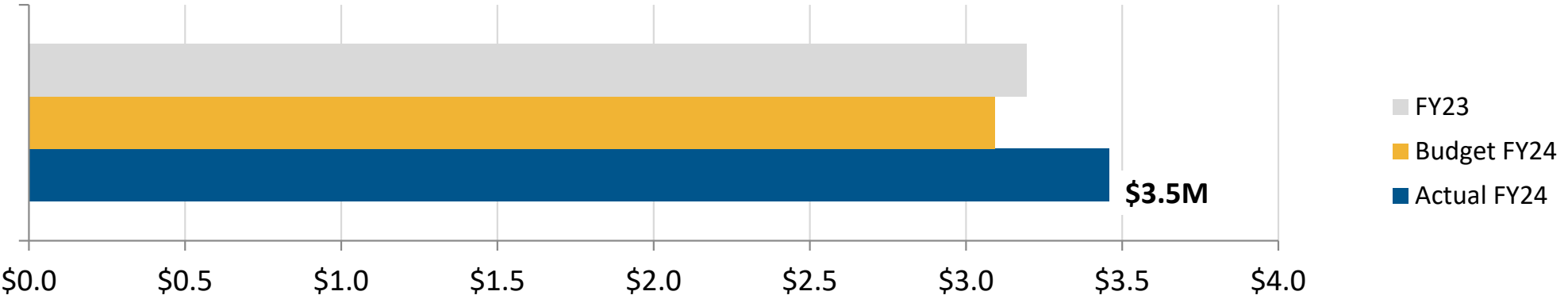


### Operating Expenses (\$ millions)

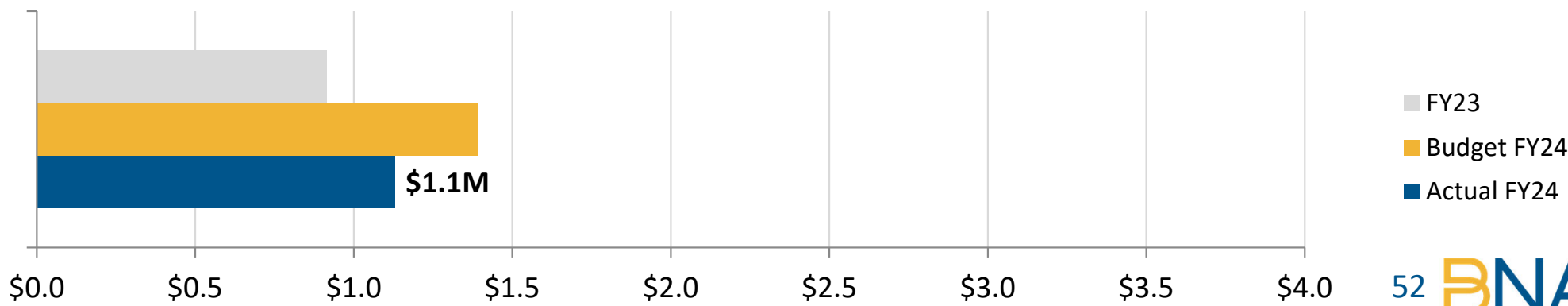


# MPC – Revenues and Expenses YTD April 2024

### Operating Revenues (\$ millions)



### Operating Expenses (\$ millions)



# Commercial Development Report

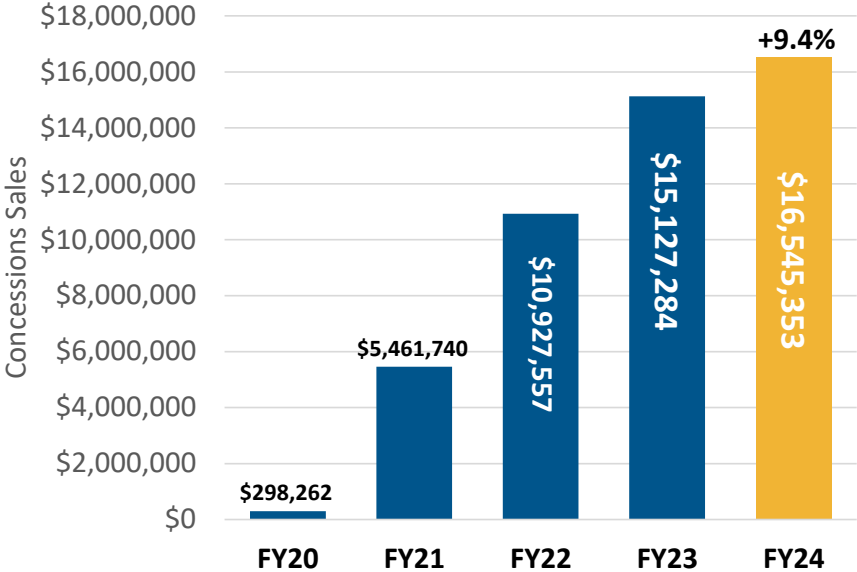
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Eric Johnson, CCIM, CM

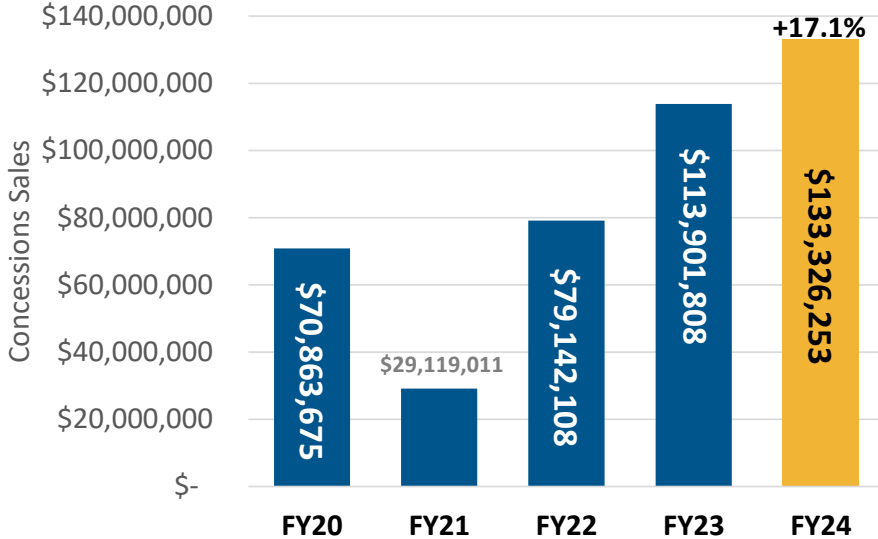
SVP, Chief Revenue Officer

# Concession Sales

### April



### Fiscal Year to Date



**Sales per Enplaned Passenger**  
**April 2023: \$15.95**  
**April 2024: \$16.41**

\*includes Fraport & Paradies