

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



Date: January 8, 2025

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 9:00 a.m.

Committee Members Present:

Bobby Joslin, Committee Vice Chair; Nancy Sullivan

Committee Members Absent:

Jimmy Granbery, Committee Chair

Other Board Members Present:

Joycelyn Stevenson, Glenda Glover, and Glenn Farner

MNAA Staff & Guests Present:

Doug Kreulen, Cindy Barnett, Lisa Lankford, Trish Saxman, Marge Basrai, Kristy Bork, John Cooper, Kristen Deuben, Chief Findlen, Adam Floyd, Traci Holton, Eric Johnson, Carrie Logan, Rachel Moore, Ted Morrissey, Stacey Nickens, Brandi Porter, Josh Powell, Robert Ramsey, Davita Taylor, and Puneet Vedi

I. CALL TO ORDER

Vice 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 January 3, 2025.

II. PUBLIC COMMENT

Vice Chair Joslin stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Vice Chair Joslin asked for a motion to approve the minutes from the December 11, 2024 Operations Committee meeting. Commissioner Sullivan made a motion and Vice Chair Joslin seconded the motion.

Vice Chair Joslin asked Ms. Saxman for a roll call:

Vice Chair Joslin – Yes

Commissioner Sullivan – Yes

The motion passed with a vote of 2 to 0.

IV. VICE CHAIR'S REPORT

Vice Chair Joslin had no Vice Chair's report.

V. ITEMS FOR APPROVAL

1. New Horizon II Program Scope and Budget

President Kreulen presented the background on the New Horizon Program Scope and Budget. In October 2021 the New Horizon concept was introduced to the Board and in August 2024 the Board approved dividing the Program into New Horizon I and New Horizon II and approved the New Horizon I Scope and Budget of \$1.62B.

When approved in August 2024 the Board gave MNAA staff homework to perform a financial analysis to go beyond Horizon I and focus on the landside improvements. At the October 2024 Board Retreat, MNAA staff presented landside requirements of New Horizon II. The MNAA Finance team hosted a financial summit reviewing the data from BNA Vision I and II and New Horizon I and the anticipated cost of New Horizon II, which proved MNAA has the financial strength to take on that challenge. This is something the Airport Authority and MNAA staff should be very proud of. MNAA is now on the 4th large capital development program and finishing up Vision II. New Horizon I is under construction now and we are getting close to the landside construction of New Horizon II.

The MNAA Finance team believes the budget for New Horizon II will be \$1.337M and MNAA will be strong enough to pull it off without any issues. Operationally we would like the Board to approve the outline for the Scope and Budget for New Horizon II.

As part of Horizon II, the roadwork is about \$300M. As a result of the modeling that we have done, it requires additional overpasses to control the flow of traffic in and out of BNA, a seventh lane on the terminal loop, and also widens the roads that exit the three different levels to make the merge a little easier. Behind this garage we will build another garage that will have 3K spaces, which was discussed at the Board Retreat. On the Northeast quadrant of BNA, we will add a new surface parking lot, with 5,000 spaces initially and expandable to 7,500. A new Rental Car Facility (CONRAC) will be built next to the garage, and that will replace the current one. MNAA has done

initial estimates, and 10% bridging documents and cost estimates will verify that we are good. We believe we can accomplish New Horizon II using the same program and project percentages for contingencies that we have used on the previous 3 programs and successfully execute these 4 large programs coming up over the next many years finishing in 2028/2029 time period.

Operationally, this will give the Airport Authority the ability with New Horizon I to complete everything airside with 70 gates operational and everything in front of us on the landside to grow this current terminal road and capacity to go from 25M passengers to 40M passengers. These are the critical items that we find necessary to start moving on now so that in 2028/2029 we deliver all of these projects.

President Kreulen requested that the Operations Committee recommend to the Board of Commissioners that it accept the proposed New Horizon II Program Scope and Budget of \$1.34B and authorize the President and CEO to proceed with New Horizon II Program execution.

Commissioner Farner inquired how to respond when asked about the timeline of the projects. President Kreulen replied once TDOT moves Donelson Pike out of our way, which is scheduled to be completed later this year, we are following behind them demoing old Donelson Pike towards I-40. This will allow us to take a 1-mile, 2-lane terminal roadway system and expand it to a 2-mile oval, 6 lanes, 7 lanes in some places, to be able to handle 40M passengers. The Development team is meeting with TDOT to fix the two problem areas, getting on to airport property from I-40 and exiting the airport to I-40. These are two issues we do not have solutions for yet. We have to move old roads out of the way to build new roads. We have a beautiful drawing that we present to the community. In 2017 the Board asked that we communicate to the customers what we are planning. So far, we have not shut down one day in the last 7 years. Commissioner Farner replied his general response is that once the state completes its project, that will give us the ability to build what we have planned. President Kreulen replied the tough thing for us is that when the state moves their road out of the way and opens the new intersection, they leave us the old stuff, so we have to demo the old stuff before building new roads. The Board approved a \$6M incentive for TDOT to complete within a year.

Commissioner Glover asked if the 10% contingency was already built into the budget. President Kreulen replied yes and pointed to the New Horizon II Cost Summary diagram showing the \$1.269B has \$115.3M in project contingencies, and below there is an additional program contingency of \$65M in the yellow highlight, so there is about \$180M to make sure we can be flexible to make different decisions. Commissioner Sullivan asked if the financial analysis includes the contingency. President Kreulen replied yes, the financial analysis includes the contingency and as it goes forward the Finance team will want to know what the burn rate is to determine when to go to market. The financial analysis shows \$4,492,008,000 is what is in the programs, and we will have good debt coverage and savings and still be able to do what we are doing assuming we hit our normal growth patterns.

Vice Chair Joslin made a motion and Commissioner Sullivan seconded the motion.

Vice Chair Joslin asked Ms. Saxman for a roll call:

Vice Chair Joslin – Yes

Commissioner Sullivan – Yes

The motion passed with a vote of 2 to 0.

VI. INFORMATION ITEMS

BNA Development Update

President Kreulen stated next week the Board will tour Concourse D Extension where we will go inside and view the record node, concessions, artwork, and the moving sidewalk. We also plan to tour the Concourse A Ramp paving project and the bridge over the old Donelson Pike which will be demolished by the end of January 2025. When we are on the bridge, you will realize you are sitting at the back of the next garage and CONRAC and the location of the new 6 - 7 lane roads. We are 175 days out from opening the new Concourse D Extension.

JWN Development Update

President Kreulen stated JWN is doing well. Parcel 1, DN LLC, is currently in permitting, awaiting review comments and permit. The Lawrence Hangar had a gate access keypad installed last week.

The V3 Aviation hangar is operational. Jet Access has Parcels 6 and 7 and is pending permit review. Jet Right is pending Line of Sight drawing revisions. MNPD hangar is about 4 – 5 weeks behind due to material and weather and are working on a plan to use surge stone.

President Kreulen stated the closing slide shows the Concourse D Extension which the Board will tour after next week's Board meeting.

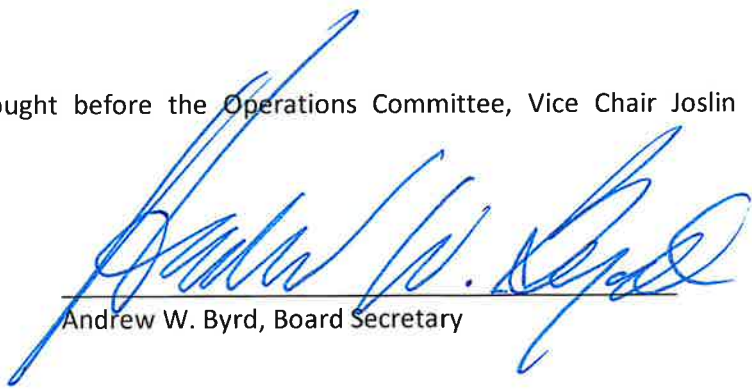
Vice Chair Joslin stated 15 years ago where BNA was and where it will be in another 15 years is something everyone should be proud of. He does not believe there will be another construction project for the State of Tennessee that will top what we have done. Back then the Board was worried about \$1.2B. Vice Chair Joslin congratulated Ms. Marge Basrai, CFO, and commented on what an awesome job she has done for MNAA. Vice Chair Joslin also thanked Ms. Traci Holton, VP, New Horizon and Mr. Robert Ramsey, CDO, for the great work they have done.

Vice Chair Joslin wished Ms. Cindy Barnett, Board Counsel, a Happy Birthday.

President Kreulen concluded the presentation of the informational items.

VII. ADJOURN

There being no further business brought before the Operations Committee, Vice Chair Joslin adjourned the meeting at 9:19 a.m.



Andrew W. Byrd, Board Secretary