Minutes of the Joint Meeting of MNAA and MPC Finance/Administration/Properties Committees

BNA Nashville International Airport

Date:	September 9, 2020	Place:	Nashville International Airport Board Room / Electronic Meeting
Time:	9:30 a.m.		
Committee Members Present:			Amanda Farnsworth, Chair; Bill Freeman, Vice Chair; Bobby Joslin; John Doerge; and Kevin Crumbo
Committee Members Absent:			None
Others Present:			Aubrey B. Harwell III; Jimmy Granbery; Nancy Sullivan; Christy Smith; Joycelyn Stevenson; Doug Kreulen; Cindy Barnett; Lisa Lankford; and Angela Edwards

I. Call to Order

Chair Farnsworth called the meeting of the MNAA and MPC Finance, Administration, and Properties (FAP) Committee to order at 9:47 a.m., pursuant to Public Notice dated September 4, 2020.

II. Roll Call and Open Meetings Act Announcement

Ms. Angela Edwards, Staff Secretary, called roll of the members of the Joint Meeting of the MNAA and MPC Finance/ Administration/Properties Committees. All members were present.

Ms. Edwards read the Open Meetings Act Announcement as follows:

The Joint Meeting of the MNAA and MPC Finance/Administration/Properties Committees will be held in accordance with Executive Order No. 16, signed by Governor Bill Lee on March 20, 2020, as amended by Executive Order No. 34, signed by Governor Bill Lee on May 6, 2020, allowing a governing body to hold meetings by electronic or other means of communication without a quorum being physically present if the governing body determines that meeting by electronic means is necessary to prevent the spread of COVID-19 or other related epidemics to protect the health, safety and welfare of the public and members of the governing body. All votes taken during this meeting will be by roll call vote.

III. Approval of Minutes

None

IV. Chair's Report

Chair Farnsworth had no Chair's Report.

V. Items for Approval

A. Approval of BNA 75-acre Non-Aviation Development

Mr. John Corbitt, AVP, Real Estate, briefed the Committee on this item. Staff requested that the MNAA FAP Committee recommend to the Board of Commissioners (Board) that it approve the terms of a Ground Lease with Panattoni Development Company, Inc. (Panattoni).

Staff provided the FAP Committee a staff analysis of the Ground Lease with Panattoni prior to the meeting.

Mr. Corbitt reported the 75-acre parcel was located south of Runway 2C, designated in the Airport Land Use Plan as open space, eligible for non-aviation use. The Notice of Availability was released on June 18, 2019. Three responsive proposals were received from Panattoni, Hillwood, a Perot Company, and The Silverman Group.

On February 14, 2020 the evaluation committee unanimously selected Panattoni based on the following criteria:

- National and local experience in similar development projects
- Ability to take on projects with challenging site conditions
- Strong financial offer
- Completion of entire construction project in 24 months
- Highest and best use

Panattoni proposed 3 site plan options each containing 5 or more warehouses totaling approximately 450K square feet, which could increase by 20% to approximately 540K square feet. The warehouses will be Class A shallow bay warehouse buildings catering to users seeking ±15,000 square feet.

Mr. Corbitt discussed the terms and conditions of the lease and the positive economic impact to MNAA and Metro Nashville Davidson County.

After questions and discussions, a motion was made by Commissioner Doerge and seconded by Commissioner Freeman to approve the terms of the Ground Lease with Panattoni. Ms. Edwards took a roll call vote and the motion carried by vote of 5 to 0.

B. Approval of TDOT/Donelson Pike Permanent Easement Donation

Mr. Ted Morrissey, AVP, Legal Affairs and Legal Counsel, briefed the Committee on this item. Staff requested that the FAP Committee recommend to the Board that it authorize the President & CEO, or his designee, to execute a Donation Form setting forth MNAA's agreement to donate certain MNAA real property to TDOT for dedication as a permanent easement for the relocation of Donelson Pike, and to sell certain MNAA real property at fair market value to TDOT for Controlled Access Right-of-Way and Permanent Easements for drainage and maintenance.

Staff provided the FAP Committee a staff analysis of the TDOT/Donelson Pike Permanent Easement Donation prior to the meeting.

Mr. Morrissey reported the Donation Form is required by TDOT under its obligations to the Federal Highway Administration and allows MNAA and TDOT to execute the necessary permanent easement. The donation form sets forth MNAA's agreement to donate certain MNAA real property to TDOT for dedication as a permanent easement for the relocation of Donelson Pike, and to sell certain MNAA real property at fair market value to TDOT for Controlled Access Right-of-Way and Permanent Easements for drainage and maintenance.

Mr. Morrissey presented a map of the MNAA property to be purchased for controlled access right-of-way, the new easement granted by MNAA for relocated Donelson Pike, and existing controlled access rights-of-way.

Chair Farnsworth called for questions or discussions, there being none, a motion was made by Commissioner Freeman and seconded by Commissioner Joslin to authorize the President & CEO, or his designee, to execute a Donation Form setting forth MNAA's agreement to donate certain MNAA real property to TDOT for dedication as a permanent easement for the relocation of Donelson Pike, and to sell certain MNAA real property at fair market value to TDOT for Controlled Access Right-of-Way and Permanent Easements for drainage and maintenance. Ms. Edwards took a roll call vote and the motion carried by vote of 5 to 0.

VI. Information Items

A. BNA Concessions Program Update

Ms. Margaret Martin, VP, Chief Development Officer, presented a chart of weekly concessions sales beginning July 5, 2020 through August 23, 2020. Sales had dropped over the last week and sales per enplanement were lower over this time last year due to the impact of COVID-19 and the availability of locations. Twenty-eight concepts are currently open.

In June 2020, MNAA sent a contract penalty letter due to the delay of opening locations under Exhibit G. Another letter had been sent this month stating additional contract penalties and an invoice for the amount owed due to failure to open locations and delays in prompt construction of locations as required in Exhibit G. The contract requires that food and beverage locations be open within 120 days from the start of construction and retail locations be open within 90 days of construction. For every day of delay, there is another penalty. The number of locations open is a factor in decreasing sales, especially since the terminal has been split.

President Kreulen stated the letter that had been sent last week was received by Fraport last Friday, September 4, 2020. MNAA is continuing to do its job of contract enforcement. MNAA is now waiting on Fraport's response. President Kreulen stated staff would continue to update the Commissioners as things progress. Commissioner Joslin voiced his concerns over the staff's time that has been spent on this matter.

This item was provided for informational purposes only with no action required.

VII. Adjourn

There being no further business brought before the FAP Committee, Chair Farnsworth adjourned the meeting at 10:11 a.m.

William H. Freeman, Board Secretary