



Metropolitan Nashville Airport Authority™

LEGISLATIVE UPDATE

SECOND-QUARTER REPORT FY14

April 3, 2014

Dear Members of the Davidson County delegation of the 108th Tennessee General Assembly,

Middle Tennessee's growth has been well documented by an impressive list of national and international media and business and travel publications. The Metropolitan Nashville Airport Authority (MNA) is proud to play an important role fueling Nashville's economy during these exciting times.

Moody's Investors Service recently announced it has upgraded the credit rating on MNA's Airport Improvement Revenue Bonds from A2 to A1. Moody's also affirmed the A3 rating on MNA's Consolidated Rental Car Facility bond. This upgrade of MNA's bond rating underscores continued passenger growth, increasing visitor and convention traffic to Nashville and responsible fiscal management. As a major economic engine for our region, our financial stability helps ensure we are able to continue delivering greater air service to more destinations to improve the economic vitality and quality of life of Nashville and the Middle Tennessee region. We strive to maintain low costs and provide outstanding customer service.

It is important to remember that Nashville International Airport (BNA) is financially self-sufficient and does not receive any local or state tax dollars or subsidies. BNA must rely on user fees to support the operations, maintenance and continued growth of Nashville's premier airport.

We recently released an economic impact study that shows Nashville International and John C. Tune Airport (JWN) contribute more than \$3.5 billion in economic benefits for Nashville and Middle Tennessee and nearly 38,000 jobs. BNA served a record 10,351,709 passengers in 2013, surpassing the previous record set in 1992. All signs point to continued growth and an even more impressive 2014. BNA handled 13 percent more passengers in December 2013 than the previous December. As the region's connection to the world, BNA is honored to represent and reflect Nashville in virtually every aspect. That's why we strive to implement new initiatives that best serve the city's travelers and visitors and reflect Nashville's culture and community.

BNA air service is also growing and expanding. We recently announced new nonstop service to Dallas Love Field, giving travelers more options for direct flights from Nashville to Dallas. Southwest Airlines will begin service on Nov. 2, with scheduling to be announced later this year. This announcement follows the repeal of flight restrictions imposed in 1979 through the Wright Amendment. Nashville is one of 15 new nonstop destinations to be added by Southwest through Love Field.

As passenger travel grows and Nashville entertains more and larger conventions, we need to

continually expand, improve and innovate. To make traveling even easier, BNA's new TSA Pre✓™ Application Center allows more passengers to register for the TSA Pre✓™ program, an expedited screening program that allows travelers to leave on their shoes, light outerwear and belt, keep their laptop in its case and keep 3-1-1 compliant liquids/gels bag in a carry-on bag. The center is located at the north end of the Ticketing Lobby, between the Frontier Airlines ticketing counter and Wright Travel. TSA Administrator John Pistole joined us in January for the grand opening of the center at BNA.

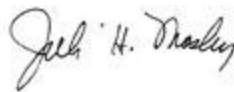
BNA is often the first and last impression for many travelers, so we're always looking for new and innovative ideas to enhance the Nashville Airports Experience at our airports. Music City is of course known for country music, but the city is also home to a wide variety of great music in other genres. In October, MNAA launched the Emerging Artists Concert Series in partnership with the National Museum of African American Music to showcase this musical diversity while also introducing a great selection of emerging artists. As part of the 25th anniversary celebration of MNAA's award-winning Arts at the Airport program, more than 50 pieces of MNAA's permanent art collection were on display at the Nashville Public Library earlier this fall. "First Flight Out: Metropolitan Nashville Airport Authority Shares Its Corporate Art Collection" exhibit concluded in early January, and the art has returned to BNA.

As FY 2014 continues to unfold, we remain committed to serving Middle Tennessee and its economic growth. Below is MNAA's quarterly operating summary. Please let me know if you have any questions about this information or any other matter. Thank you for your support of BNA and JWN.

Regards,



Robert R. Wigington
President and CEO
Metropolitan Nashville Airport Authority



Juli H. Mosley, P.E.
Chair
Metropolitan Nashville Airport Authority Board of Commissioners

STATISTICAL HIGHLIGHTS

Oct. 2013 – Dec. 2013

Federal Grant Activity: \$2,252,522 • State Grant Activity: \$857,829

BNA Operating Activity:

Total Aircraft Operations

Q2 FY14:	43,974
Q2 FY13:	42,217
Difference (#):	1,757
Percentage (%):	4.2%

REVENUES Q1 FY14 (000)

Op rev FY14:	\$26,890
Op rev FY13:	\$23,708
Difference (\$):	\$3,182
Percentage (%):	13.4%

Gross Certified Landed Weight (GCLW)

Q2 FY14:	1,677,868
Q2 FY13:	1,546,782
Difference (#):	131,086
Percentage (%):	8.5%

Quarterly revenues detail (000):

Passenger Airline	\$10,001
Parking	\$8,862
Concession	\$4,893
Rents & Permits	\$2,650
Cargo	\$481
	<u>\$26,887</u>

Enplanements (EPAX)

Q2 FY14:	1,325,893
Q2 FY13:	1,221,535
Difference (#):	104,358
Percentage (%):	8.5%

EXPENSES Q1 FY14 (000)

Op exp FY14:	\$16,722
Op exp FY13:	\$15,539
Difference (\$):	\$1,183
Percentage (%):	7.6%

Vehicles Parked

Q2 FY14:	337,584
Q2 FY13:	339,571
Difference (#):	-1,987
Percentage (%):	-0.6%

Quarterly expenses detail (000):

Personnel	\$7,841
Purchased Services	\$6,012
Materials & Supplies	\$704
Utilities	\$1,204
Other	<u>\$959</u>
	<u>\$16,720</u>

Passenger Facility Charge (PFC) Revenue

Q2 FY14:	\$2,963,287
Q2 FY13:	\$2,779,256
Difference (\$):	\$184,031
Percentage (%):	6.6%

MNAA Mission/Vision
To provide the Nashville Airports
Experience through outstanding
customer service, facilities and
services, bringing the heartbeat of
Music City to the airport.

MNAA Core Values
E: Enterprising,
Entertaining,
Exercising, Intersecting



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