

**Minutes of the Joint Meeting of the MNAA and MPC  
Finance, Diversity & Workforce Development Committees**



Date: September 7, 2022

Location: Metropolitan Nashville Airport Authority  
Tennessee Boardroom

Time: 9:45 a.m.

Committee Members Present:

Andrew Byrd, Chair; Dr. Glenda Glover, Vice Chair; and  
Jimmy Granbery

Committee Members Absent:

None

Others Present:

Bobby Joslin, Nancy Sullivan, Joycelyn Stevenson, Doug Kreulen,  
Neale Bedrock, Lisa Lankford and Rachel Moore

I. CALL TO ORDER

Chair Byrd called the Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development (Finance) Committees to order at 9:45 a.m., pursuant to Public Notice dated September 2, 2022.

II. APPROVAL OF MINUTES

Commissioner Granbery made a motion to approve the minutes of the August 10, 2022 Finance Committee Meeting and Chair Byrd seconded the motion. The motion carried by vote of 3 to 0.

III. CHAIR'S REPORT

Chair Byrd had no Chair's report.

IV. ITEMS FOR APPROVAL

**A. Second Amendment to Fraport Sublease with Newslink of Nashville, LLC**

Doug Kreulen, President and CEO, introduced Colleen Von Hoene, Associate Principal, Paslay Group, to brief the Committee on the second amendment to the Fraport sublease with Newslink of Nashville, LLC. The term of the Fraport Agreement is February 1, 2019 - January 31, 2029. If sublease terms extend beyond January 31, 2029, MNAA must become a party to the sublease so that all rights and obligations of the sublease attach to MNAA at the expiration of Fraport's Lease and Concession Agreement.

Newslink has proposed a second amendment to its sublease to add one location, Tennessee Rickhouse (CT.11). This is the last 2022 location to open. Ms. Von Hoene requested that the Finance Committee recommend to the Board of Commissioners that it:

- 1) Approve the second sublease amendment between Fraport, Newslink of Nashville, LLC and MNAA, and
- 2) Authorize the Chair and President & CEO to execute the sublease amendment

Commissioner Granbery made a motion to approve as presented, and Chair Byrd seconded the motion. The motion carried by vote of 3 to 0.

V. INFORMATION ITEMS

**A. BNA Concessions Program Update – Main Terminal**

Ms. Von Hoene briefed the Committee on the main terminal concessions program. 17 of 19 locations for 2022 are open, including Shake Shack which opened August 28, 2022. The Green Room is in construction and will open later this month. Commissioner Granbery asked how Shake Shack is doing, and Ms. Von Hoene reported that there have been challenges with hours and staffing. Commissioner Stevenson asked if most locations serve breakfast, and Ms. Von Hoene reported that food and beverage locations are required to open 90 minutes before the 1<sup>st</sup> departure. Chair Byrd asked about quality verifications. President Kreulen responded that Fraport does price monitoring and mystery shopper, and that we review the results as well as have our own survey. Ms. Von Hoene noted that Fraport has a contract with Phoenix Marketing to also do intercept surveys. Chair Byrd asked about the number of food and beverage locations that are open, and President Kreulen report that there are approximately 26 open. Commissioner Joslin said he had received lots of compliments on the concessions program. President Kreulen noted that the developer model made all the local possible.

Ms. Von Hoene presented tables showing the status of January 6 and September 9 and 25, 2023 openings. All twelve January 2023 locations have completed 30% review and are approved to code. The Pharmacy Burger Parlor is in construction. Nine of the fifteen September 2023 locations have completed 30% review and one is approved to code. Vice Chair Glover asked about the number of locations opening on January 6<sup>th</sup>, and President Kreulen explained that they correspond to reunifying Concourses A/B and C/D. Commissioner Granbery asked if there are any restaurants opening in January 2023 other than Pharmacy Burger Parlor, and Matt Jennings, Fraport responded that all other locations are retail.

Commissioner Granbery asked if there were any concerns on the 90–120-day construction schedule in September 2023. Ms. Von Hoene explained that work is frontloaded as much as possible. President

Kreulen stated that by the start of 2023, there will be 50 new business open and 27 more coming, in addition to 8 in the satellite. Vice Chair Glover stated she appreciated the minority businesses, and asked that Stacey Nickens, AVP, Corporate Communications run a story on the minority concessions. President Kreulen noted that we are approximately 40% ACDBE. Vice Chair Glover stated that 40% was commendable.

Ms. Von Hoene concluded the update with 30% design renderings of the 2023 locations.

#### **B. Vision/New Horizon Financing Timeline Update**

President Kreulen introduced Marge Basrai, EVP, Chief Financial Officer, to brief the Committee on the Vision/New Horizon financing timeline. Ms. Basrai reported that she is targeting a 4<sup>th</sup> quarter calendar year 2022 bond issuance, for approximately \$550M - \$650M, to continue funding Vision/New Horizon capital projects. She provided the firms on the bond financing team and stated that the first team meeting is scheduled for September 8, 2022. The draft feasibility study, rating agency/investor presentations and preliminary official statement will be reviewed.

Ms. Basrai presented a planned calendar of events, with October 2022 including Board approval of bond issuance and various bond resolutions, and meetings with rating agencies. The investor road show, bond sale in New York and closing of bond transactions (funds received) will occur in November/December 2022. She noted that in 2019, road shows were in Boston, Philadelphia and Princeton, NJ. Depending on the market, MNAA has cash flow flexibility to delay until early 2023. Ms. Basrai presented the Investor Relations site, which is used by current and future investors.

President Kreulen congratulated Ms. Basrai for her work in 2019, and noted the team selected 4 years ago was approved by the Board. Commissioner Joslin thanked Ms. Basrai. Commissioner Granbery asked what Ms. Basrai was hearing in the market, and if a ceiling had been set. Ms. Basrai reported that the market is volatile, but below our estimates. The underwriter sends weekly updates. The ceiling will be brought to the Board for approval in October 2022.

Commissioner Joslin asked about days cash on hand, and Ms. Basrai said it is greater than 650 days. Chair Byrd asked about MNAA's ratings. Ms. Basrai reported that senior bonds are at A1 (Moody's), A+ (S&P) and AA- (Kroll); subordinate bonds are at A2 (Moody's), A (Fitch) and A+ (Kroll). Commissioner Granbery reminded the group that he would be out of the country during the next Finance Committee, and Chair Byrd and Vice Chair Glover stated that they would be present.

VI. ADJOURN

There being no further business brought before the Finance Committee, Chair Byrd adjourned meeting at 10:10 a.m.



Jimmy Granbery, Board Secretary