



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

November 15, 2023

Call to Order

November 15, 2023

Approval of Minutes

- October 18, 2023, Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors

Public Comment

Tennessee Code Annotated, Title 8, Chapter 44, Part 1

MNAA Policy ID: 33-007, Public Comment Policy, effective July 13, 2023

No Public Comment Requests Received Tuesday, November 14, 2023, at 1:00 AM

Chair's Report

Joycelyn Stevenson, Board Chair

President's Report

Douglas E. Kreulen, A.A.E.

President and CEO



27th Annual Aviation Golf Classic

- October 12, 2023
- Hermitage Golf Course
- Raised \$65,000
- 4 Charities Supported
 - Nashville Cherry Blossom Festival
 - Tennessee State University
 - Mental Health Cooperative of Nashville
 - Operation Stand Down Tennessee



International Business Council

- October 23, 2023
 - Her Excellency Dame Karen Pierce, British Ambassador to the United States
 - John Scannapieco, Honorary Consul for Great Britain and Northern Ireland
 - Ralph Schulz
- Discussed the success of British Airways and the importance of nonstop flights to the region





Nashville Area Chamber of Commerce (NACC) Spirit of the Region Award

- October 25, 2023
 - Mayor Freddie O’Connell
 - Ralph Schulz
 - Bob Higgins
- Based on business excellence, inspired leadership and the advancement of Middle Tennessee’s prosperity



2023 IMPACT Tennessee



2023 IMPACT Tennessee & USGBC Recognition

- November 2, 2023
- Design and construction of the Administrative Building and Terminal Garage recognized by Impact Tennessee and the U.S. Green Building Council South Central Region
- LEED Gold

BNA +  Metro Makes a
Difference
Giving Campaign



Metro Makes A Difference Campaign

- November 3, 2023
- MNA employees donated \$37,082.92
- 2023 Co-Chairs
 - Olivia Parven, Manager, Corporate Communications
 - Corey King, Manager, Airport Customer Experience

- **AA- with Stable Outlook**
 - Senior Lien Airport Improvement Revenue Bonds
- **A+ with Stable Outlook**
 - Subordinate Airport Improvement Revenue Bonds
- **Key Credit Considerations (positive)**
 - Growing population and expanding economy, with large institutional presence (state capital, higher education, health care) and significant private sector investment and corporate relocations
 - Established, robust enplaned passenger growth trend has resumed following pandemic
 - Well-maintained financial operations characterized by abundant coverage and considerable liquidity

Kroll Bond Rating Agency (KBRA) Affirms Bond Ratings

- November 7, 2023



Allegiant Airlines announces service to Ft. Lauderdale

- November 7, 2023
- 2x weekly service beginning November 16, 2023



WestJet Adds Service to Edmonton

- November 7, 2023
- Thursday & Sunday service, beginning summer 2024



Alaska Airlines adds service to Portland

- November 9, 2023
- Daily service, beginning March 14, 2024
- Busiest domestic market without non-stop service



BNA Holiday Tree

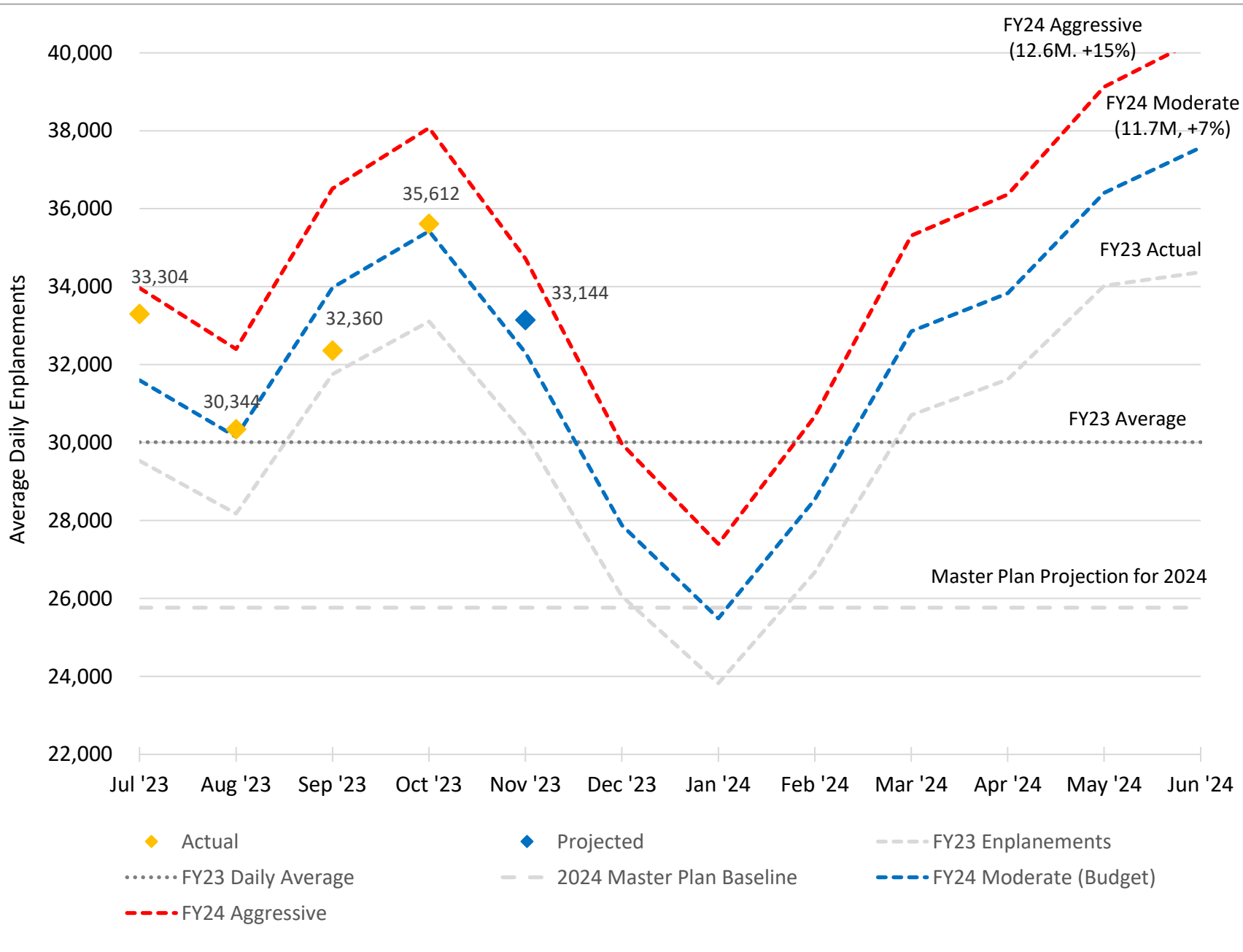
- Assembled
 - November 9, 2023
 - 38 feet tall
 - 33,650 lights
- Tree Lighting Ceremony
 - November 30, 2023 @ 5PM

Airport Concessions Disadvantaged Business Enterprise (ACDBE) Institute

- November 14-15, 2023
- Joint Information Center
- 18 participants



FY24 BNA Enplanements



- FY24 Forecast: 7%, 11%, 15%
- November FY24 Projected (+10%)
 - 994,325 enplanements
 - 1,988,650 passengers
 - 33,144 daily enplanements
- FY24 Year-to-Date (+8%)
 - 5,042,000 enplanements
 - 10,084,000 passengers
 - 32,955 daily enplanements
- October 2023 Records:
 - BNA Passengers – 2.2M
 - Fuel Sales – Over 1.1M gallons @ BNA & over 300K gallons @ JWN

*November projections based on TSA data through November 15, 2023

Operations

- Approvals
 - 1) Professional Services Contract for Snow & Ice Removal
 - 2) Professional Services Contract for Runway 2L Extension EIS
 - 3) Professional Services Contract for On Call Architectural Services
 - 4) Construction Contract for Taxiway Bravo 5 Repair
- Information
 - 1) BNA Development Update
 - 2) JWN Development Update

Finance

- Approvals
 - 1) Short Term Credit Facility 1 Year Extension
 - 2) BNA Westside Development – Revised LOIs (**Tentative**)
 - 3) Pyramids Concessions Sublease Extension
- Information
 - 1) BNA Concessions Program Update

Management

- TBD

Committee 30-day Outlook

- December 13 & 20, 2023

Operations

- Approvals
 - 1) Progressive Design-Build Contract for Infrastructure for Virtual Ramp Control
- Information
 - 1) Terminal II Siting Study Update 1 of 4 (*Tentative*)
 - 2) BNA Development Update
 - 3) JWN Development Update

Finance

- Approvals (tentative)
 - 1) FY24 BNA CIP Budget Amendment, MNAA Resolution #2023-09
 - 2) FY24 BNA O&M Budget Amendment, MNAA Resolution #2023-11
- Information (1)
 - 1) BNA Concessions Program Update

Management

- TBD

Committee 60-day Outlook

- January 10 & 17, 2024

- Payment Card Industry (PCI) Data Security Standard (DSS) Compliance Assessment
 - Security standard for organizations that handle branded payment cards
 - Applies to companies of any size that store, process or transmit cardholder data
- MNAA 1st became PCI DSS compliant in October 2019 (FY20)
- Assessment performed by Plante Moran June 2023 – October 2023
 - Validated Secure System Configurations
 - Validated PCI Scope and Segmentation
 - Standardized Policies and Procedures
 - Clean Vulnerability Scans
 - Passing Penetration Test
- **Assessment resulted in a compliant Attestation of Compliance (AOC)**
 - October 2023 (FY24)

FY24 Payment Card Industry (PCI) Audit Update





Metropolitan Nashville Airport Authority

Ali H. Hijazi, Partner



Agenda

- Audit Process
- Deliverables
- Risk Assessment and Audit Plan
- Financial Statement Audit Results
- Compliance Audit Results



Audit Process & Audits Performed

- **Audit Process**

- Communication
- Planning
- Fieldwork
- Wrap-Up and Reporting

- **Audits Performed**

- Financial Statement Audit
- Single Audit
 - One Major Program Subject to Audit – Airport Improvement Program (AUP)
 - Approximately \$49M expenditures
- Passenger Facility Charge (PFC) Compliance Audit



Financial Statement Audit Risks & Results

Significant risks of misstatement in the financial statements:

- Management override of controls
- Proper measurement and recognition of revenue for amounts received under new grants such as the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”), American Rescue Plan Act (“ARPA”), and Bipartisan Infrastructure Law (“BIL”)

No issues identified in these areas

Independent Auditors’ Report on Financial Statements – Unmodified Opinion



Financial Statement Audit Results

Plante Moran's Responsibility Under Professional Standards

- Express an opinion on the fairness of the financial statements by obtaining sufficient evidential matter to provide a reasonable basis for forming our opinion

Planned Scope and Timing of the Audit

- Planning, Risk Assessment, and Rest of Audit Procedures conducted in phases from June 2023 – October 2023

Significant Accounting Policies and Practices

- We noted no transactions during the year lacking authoritative guidance or consensus, and no transactions recognized in a period different than when the transaction occurred.



Financial Statement Audit Results

Implementation of GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

- No material impact to fiscal year 2023
- May have a significant impact on fiscal year 2024 when airport hotel is open



Financial Statement Audit Results

Significant Accounting Estimates

- Pension and OPEB (Other Postemployment Benefit) Liabilities
- Depreciation Expense
- Avigation Easements
- Lease Receivables and Liabilities

Other Required Communications

- No audit adjustments or difficulties encountered in performing the audit
- No disagreements with management regarding accounting or auditing matters
- Management representation letter obtained



Compliance Audit Results

- Independent Auditors' Report to the Board of Commissioners – Unmodified Opinion
- Independent Auditors' Report on Compliance Requirements under the Uniform Guidance for the Major Federal Program and the Passenger Facility Charge Audit Guide for the PFC Program – Unmodified Opinions



Financial Statement Audit Results

Other Additional Information

- Upcoming Accounting Standard
 - GASB 101, *Compensated Absences*



Compliance Audit Results

Compliance Audit of the Authority's Major Federal Program – Airport Improvement Program (AIP)

- We did not identify any instances of non-compliance or deficiencies in internal control

Compliance Audit of the Authority's Passenger Facility Charge Program (PFC)

- We did not identify any instances of non-compliance or deficiencies in internal control



Thank you for the
opportunity to
serve as auditors
for the
Metropolitan
Nashville Airport
Authority

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FY23 Annual Comprehensive Financial Report (ACFR)

- Electronic copy provided in Committee and Board packets

Items for Approval

November 15, 2023

- Design Build Contract for Concourse D Extension
CGMP 4 of 4 & Final GMP (Operations)
- Construction Contract for Concourse B & C
Upgrades (Operations)

Items for Approval

Traci Holton, PE, C.M.
VP, Chief Engineer

Design Build Contract for Concourse D Extension CGMP 4 of 4 (GMP)

Project Description: The Concourse D Extension project adds 5 domestic gates and will be an extension in all similarities to existing D Concourse and includes jet bridges, inground aircraft fueling system, utility & paving infrastructure. CGMP 4 furnishings and finishes, interior buildout, IT, & electronics

Contractor: Hensel Phelps

Total Contract Cost:

CGMP 1	\$ 36,950,795 (Design & General Conditions)
CGMP 2	\$ 34,280,511 (General Req, Bldg Reno, Utilities, Demo)
CGMP 3	\$ 88,397,434 (Civil, Foundations, Core/Shell, PBBs)
CGMP 4	\$ 75,371,260 NTE (Finishes, Interior Buildout, IT)
Contract Total	\$235,000,000 NTE

Schedule: Contract Start: September 2022
Contract End: July 2025

Funding Source: 100% MNAA

SMWBE: Goal: 6.9% MBE, 6.77% WBE, 4.28% SBE target
Participation: 6.9% MBE, 6.77% WBE, 4.28% SBE target

Committee Review: Operations Committee voted 2 to 0 to recommend approval on November 8, 2023.

Staff Recommendation: Board of Commissioners authorize the Chair and President and CEO to execute the proposed Amendment 3 for the Component Guaranteed Maximum Price #4 (CGMP) for \$75.371M and the Guaranteed Maximum Price (GMP) for \$235M NTE. (ROLL-CALL VOTE)



Construction Contract for Concourse B & C Upgrades

Project Description:

Upgrade finishes on Concourses B and C to bring to match BNA Vision including corridor walls, column wraps, ceilings, LED lighting and signage.

Consultant:

Whiting-Turner Contracting Company

Total Contract Cost: \$8,690,000

Schedule:

Contract Start: December 2023

Contract End : January 2025

Funding Source: 100% MNAA

SMWBE: Goal: 8.86% MBE and/or WBE

Participation: 21.71% MBE and/or WBE

Committee Review: Operations Committee voted 2 to 0 to recommend approval on November 8, 2023.

Staff Recommendation: Board of Commissioners authorize the Chair and President and CEO to execute the proposed contract with Whiting-Turner Contracting Company in the amount of \$8,690,000. (ROLL-CALL VOTE)



- Independent Board Counsel (Management)

Item for Approval

Joycelyn Stevenson, Board Chair

- Request for Qualifications (RFQ) issued November 8, 2023
 - Defined scope of services, submission requirements and selection criteria (48-hours to respond).
 - Sent RFQ to 11 of 20 Nashville based firms
 - Did not send the RFQ to 9 of 20 Nashville based firms
 - 5 of 20 firms had conflicts with MNAA
 - 4 of 20 firms currently represent MNAA
- November 10, 2023
 - 4 of 11 law firms sent proposals
 - Butler Snow*
 - GSRM Law
 - Neal & Harwell
 - Adams & Reese*

**Disclosed current representation of either MNAA or Board Member*

Independent Board Counsel

- Approve Management Committee Recommendation
- Top 3 Discussion & Firm Selection
- Authorize Chair/GC to finalize Letter of Engagement
 - Scope, Budget & Term
 - Initial Task – De Facto Officer Doctrine

Information Items

November 15, 2023

- BNA Roadways and Parking Update (Operations)
- BNA Development Update (Operations)
- JWN Development Update (Operations)
- BNA Concessions Program Update (including Quarterly Sales Report) (Finance)
- Air Service Incentive Fund Capacity (Finance)
- Quarterly Retirement/OPEB/Treasury Investment Reports (Finance)
- 2023 Board Retreat Update

Information Items

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

3 Roadway Priorities

1. Accelerate the realignment of Donelson Pike minimum 365-days early
2. Gain TDOT approval to widen Exit 216A on I40 to Airport property line
3. Develop Standard Operating Procedures (SOPs) for overhead electronic roadway signs

Implement Short-Term Parking to Reduce Curbside Congestion

- December 1, 2023
- Use Garage Space as a Cell Phone Lot
- Garages
 - \$0: 0 – 30 minutes
 - \$5: 30 – 45 minutes
 - \$10: 45 – 60 minutes
 - \$20: 60 – 90 minutes
 - \$25: 90 – 120 minutes
 - \$30: 120+ minutes
- Maintain \$10 rate differential
 - Surface Lots: \$20 daily; Garage: \$30 daily; Valet: \$40 daily

BNA Roadways & Parking Update

- Operations Committee recommendation:
 - Change from 20 to 30 minutes free
- Staff Analysis:
 - Estimated 233K annual 0-30 minute transactions
 - \$1.2M revenue loss if no change in behavior

10/21/23 Opening



BNA Development Update

- Satellite concourse opened October 21, 2023
 - Supports ~ 4.7M passengers
 - 8 domestic gates: Spirit, Allegiant & Common Use
 - 4 food & beverage & 3 retail concessions
- Holder Construction / Corgan
- \$134.5M project
- \$19.8M SMWBE participation
 - \$12.3M MBE
 - \$7.5M WBE
- 71% local workforce
 - 763 of 1,075 employees

10/21/23 1st Flight



Fleet of Electric Shuttles



JWN Development Update



Hangar 1, 11/7/23



North Development, 11/13/23

Contour FBO Schedule

- ✓ Pad Prep/Utilities Jun – Oct 2023
- Hangar Erection Oct 2023 – May 2024
- Build-out Dec 2023 – May 2024
- Inspections/Punchlist May – Jul 2024
- Substantial Completion Jul 2024

North Development

- ✓ Drainage complete
- ✓ Mass grading complete
- ✓ Airside paving underway
- Substantial completion November 2023

Fraport Terminal Concessions Program

- Existing Terminal Program: 2 Food & Beverage locations scheduled to start construction December 1, 2023
- Future Concourse D Extension Program:
 - 7 Letters of Intent (LOI) have been executed
 - Amended Exhibit G and key performance milestones due to MNAA by December 31, 2023

Paradies Satellite Concourse Concessions Program

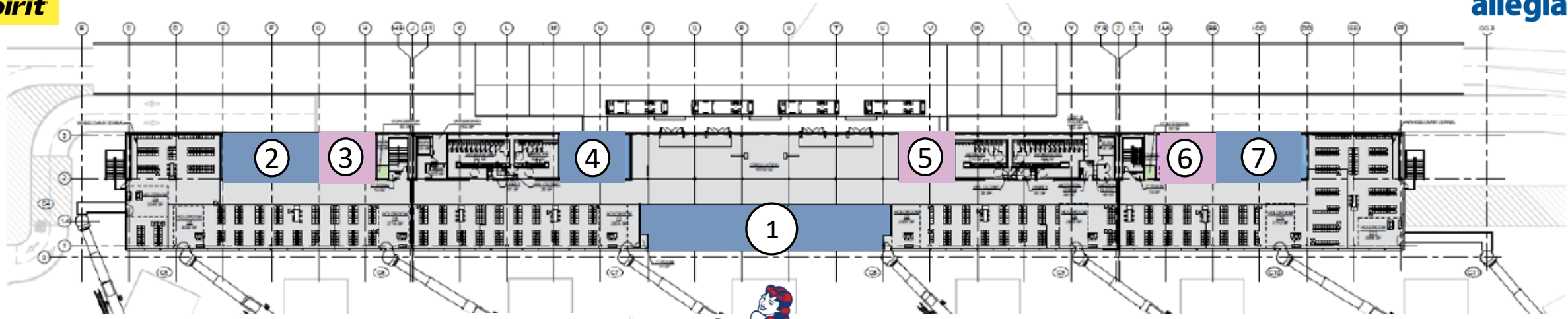
- 3 Retail locations opened 10/21/23:
 - Distillery District Market, Gulch Goods and Nashville Supply
- 2 Food & Beverage location open:
 - TX/MX (10/28/23)
 - Bongo Java (11/10/23)
- 2 Food & Beverage locations under construction:
 - Jimmy John's (Late November)
 - Fat Bottom Brewery (Early December)

BNA Concessions Program Update

Fraport Concourse D Extension Concessions

- Dx.01 3rd & Broadway
- Dx.02 Sandella's
- Dx.03 The Castle
- Dx.04 New Heights Cantina
- Dx.05 Flytes Virtual Dining Hall
- Dx.06 Daniel X Diamond
- Dx.07 Nashville Tracks
- Dx.10 Martini





Nov

Open

Open

Dec

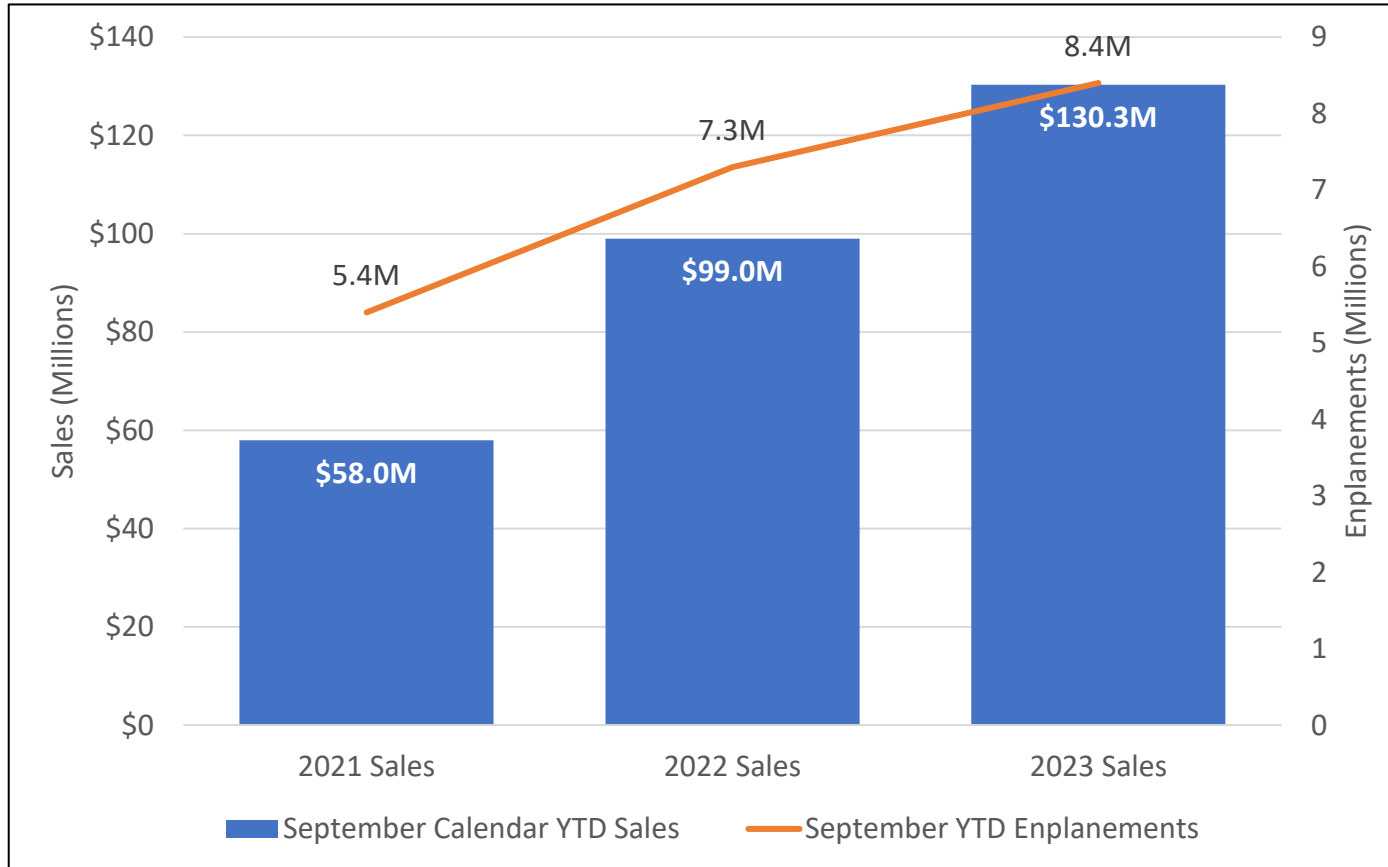
Open

Open

Open

Satellite Concourse Concessions

YTD 2023 Sales 31.75% higher than YTD 2022 (Enplanements up 15.4%)



Fraport Concessions Sales

Top Performing Units in September

- News & Gift
 - TN Trading Post \$767K
 - Evolve \$722K
- Full-Service F&B
 - Ole Red \$650K
 - Tootsies \$609K
- Quick Service F&B
 - Chick Fil A \$453K
 - Shake Shack \$358K
- Specialty
 - True to TN \$295K
 - Whiskey Trailhead \$235K
- Coffee
 - Starbucks \$291K
 - 8th & Roast \$237K & \$201K

Board Request (October 2023 Finance Committee):

- Staff analyze the capacity of the Air Service Incentive Fund.
 - Balance as of September 30, 2023 – \$7,956,505
 - Funded at \$166.7K per month; \$2M per year
 - Remaining balance of approved incentives available -- \$998K
 - Average seasonal / year-round daily incentive available over a 2-year period*
 - Widebody Europe – \$1.7M / \$4.2M
 - Narrowbody Europe – \$1.1M / \$2.5M
 - Hawaii – \$1.5M / \$3.5M
 - Other Americas – \$0.4M / \$0.5M

Staff Recommendation:

- Continue deposits into the Air Service Incentive Fund at the current rate.
 - It is probable to enter into 2-3 larger incentives agreements over the next 2-3 years, equating to \$4-8M in incentives.
 - Rates and charges are likely to continue to increase.

*@ FY24 Rates & Charges

Air Service Incentive Fund Capacity

British Airways (London)

- Expires 2/29/2024; \$559K cap remaining

Flair Airlines (Edmonton)

- Expires 4/11/2024; \$50K cap remaining*

Air Canada (Montreal)

- Expires 6/1/2024; \$135K cap remaining*

WestJet (Vancouver)

- Expires 5/18/2025; \$254K cap remaining

**pro-rated activity + marketing*

Retirement Plan

- **FY24-Q1 Market Value: \$75.8M (-\$3.9M)**
- Gross Return
 - FY24 Q1: -3.27%
Net of fees -3.31%; Composite benchmark -3.25%
 - 99.7% funded (6/30/23)

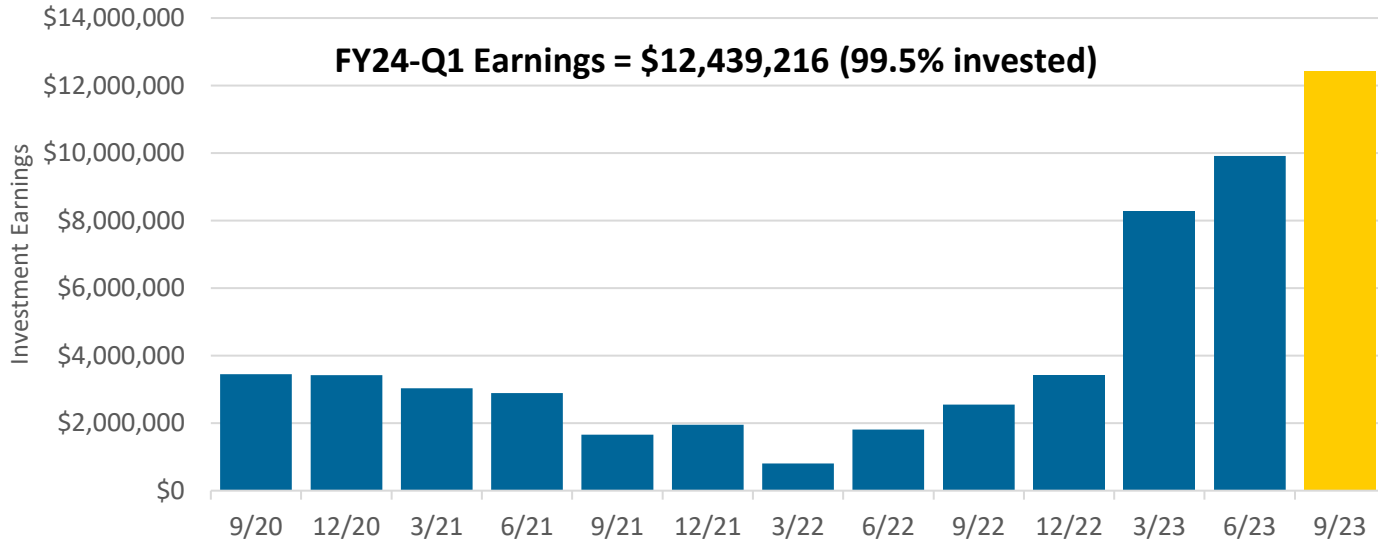
Other Post Employment Benefits (OPEB)

- **FY24-Q1 Market Value \$37.8M (-\$1.7M)**
- Gross Return
 - FY23 Q4: -3.32%
Net of fees -3.36%; Composite benchmark -3.29%
 - 145.2% funded (6/30/23)

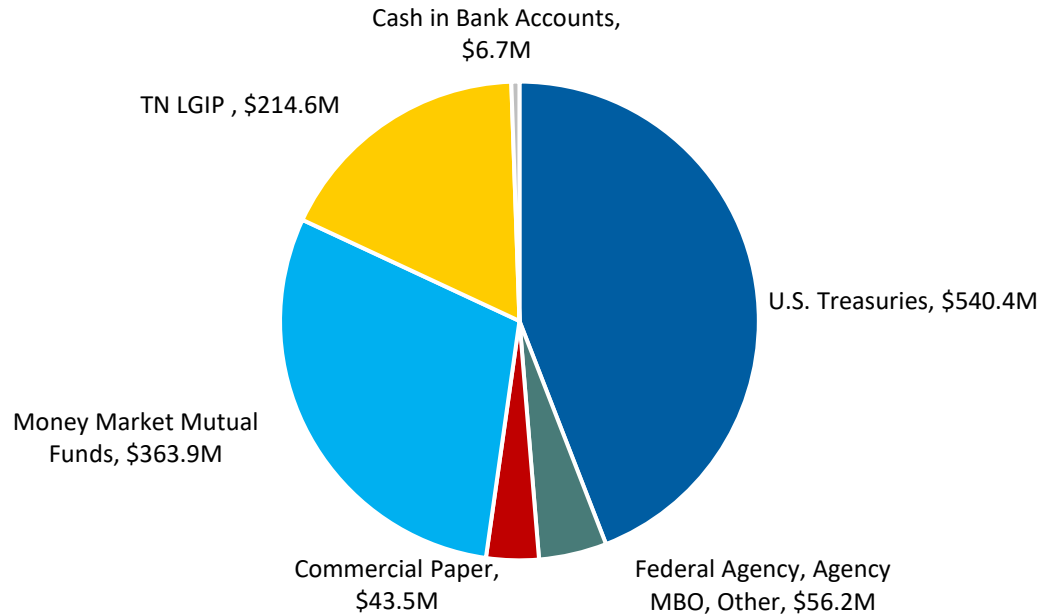
Quarterly Retirement/ OPEB Investment Report

- Quarter ending September 30, 2023
- Retirement Plan Participants (9/30/23)
 - Active Employees 43
 - Former Employees 244
 - Total 287
- OPEB Plan Participants (6/30/23)
 - Active Employees 75
 - Former Employees 247
 - Total 322

Investment Earnings and % Invested



Investment Accounts



Quarterly Treasury Investment Report

- Quarter ending September 30, 2023
- Total available funds: \$1.225B
- Funds invested: 99.5%
- Investment portfolio in compliance and meeting policy objectives
- 1Q24 combined yield: 4.47%
- Total cash & investment earnings
 - 1Q24: \$12,439,216
 - 1Q23: \$2,553,339
 - 1Q24 had \$526M more available funds than 1Q23

2023 Board Retreat Update

October 18, 2023

- JWN Development
 - Existing FBO
 - North Development
 - 2nd FBO
 - Midfield Development
 - South Development
 - Westside Development
- BNA Overview
 - Today (Data)
 - Tomorrow (Destinations)
- Financial Strength
- Key Processors
- Capital Needs
 - New Horizon Projects & Adjustments
 - Results of Ongoing Studies

2023 Board Retreat Agenda

- October 18, 2023

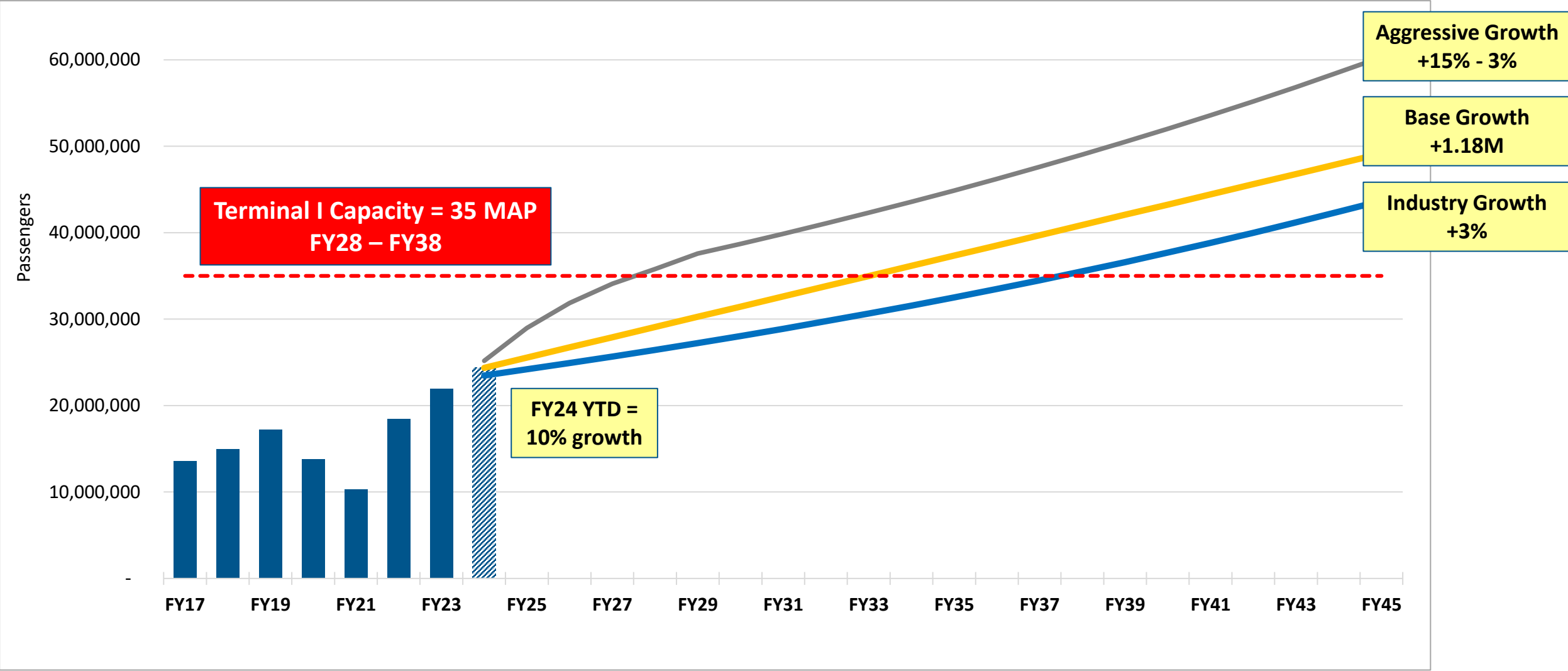
John C. Tune Development



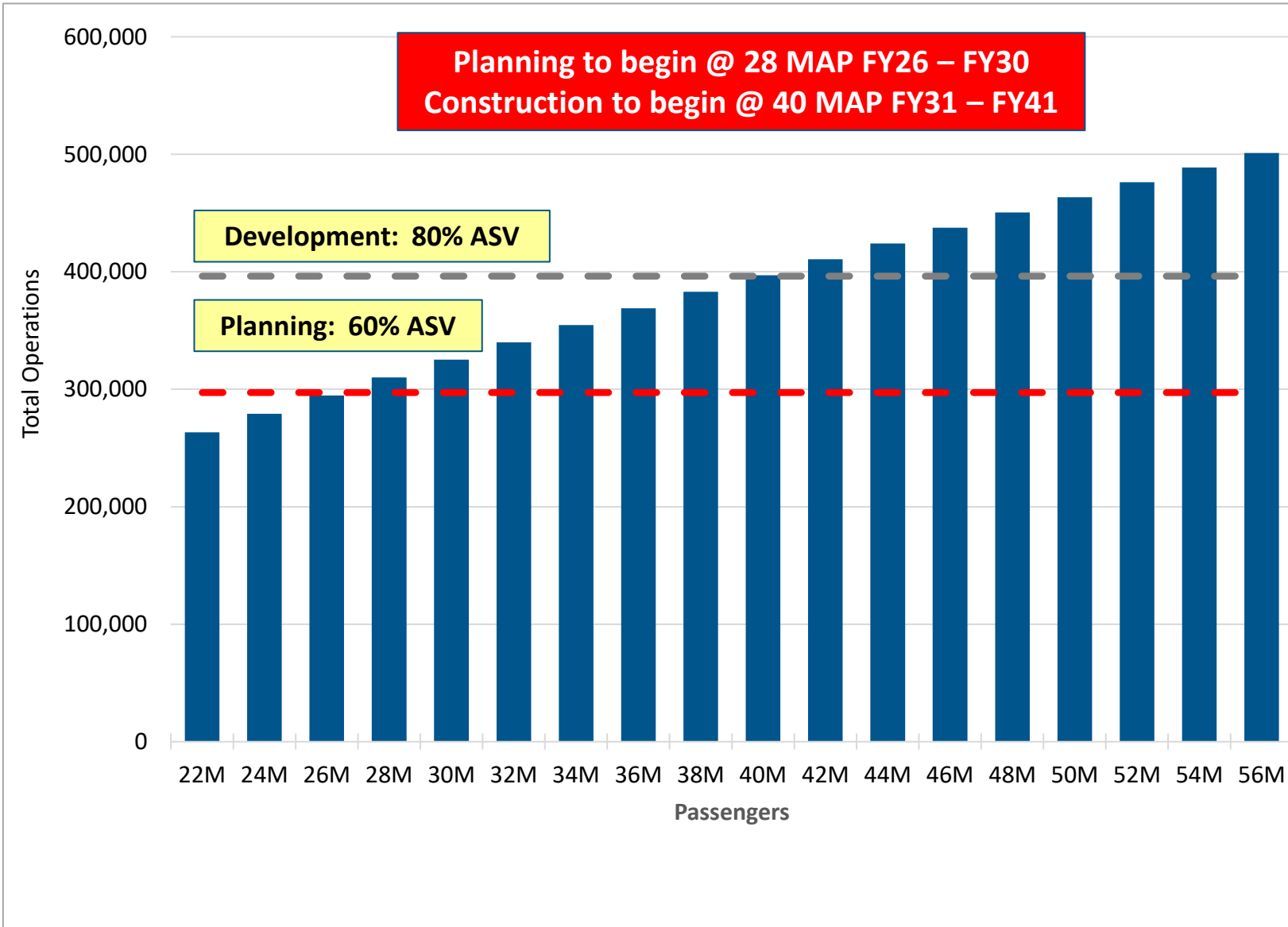
BNA Overview

Data and Destinations

BNA Passenger Forecast: Annual Scenarios



Runway System Capacity



- Annual Service Volume (ASV)
 - 495,300 operations
 - 52% - 257,000 (today)
 - 60% - 297,180
 - 80% - 396,240
- FAA Order 5090.5
 - Congested: 50% ASV
 - Planning: 60% ASV
 - Development: 80% ASV

Domestic Outlook

BNA Service, Sep 2023



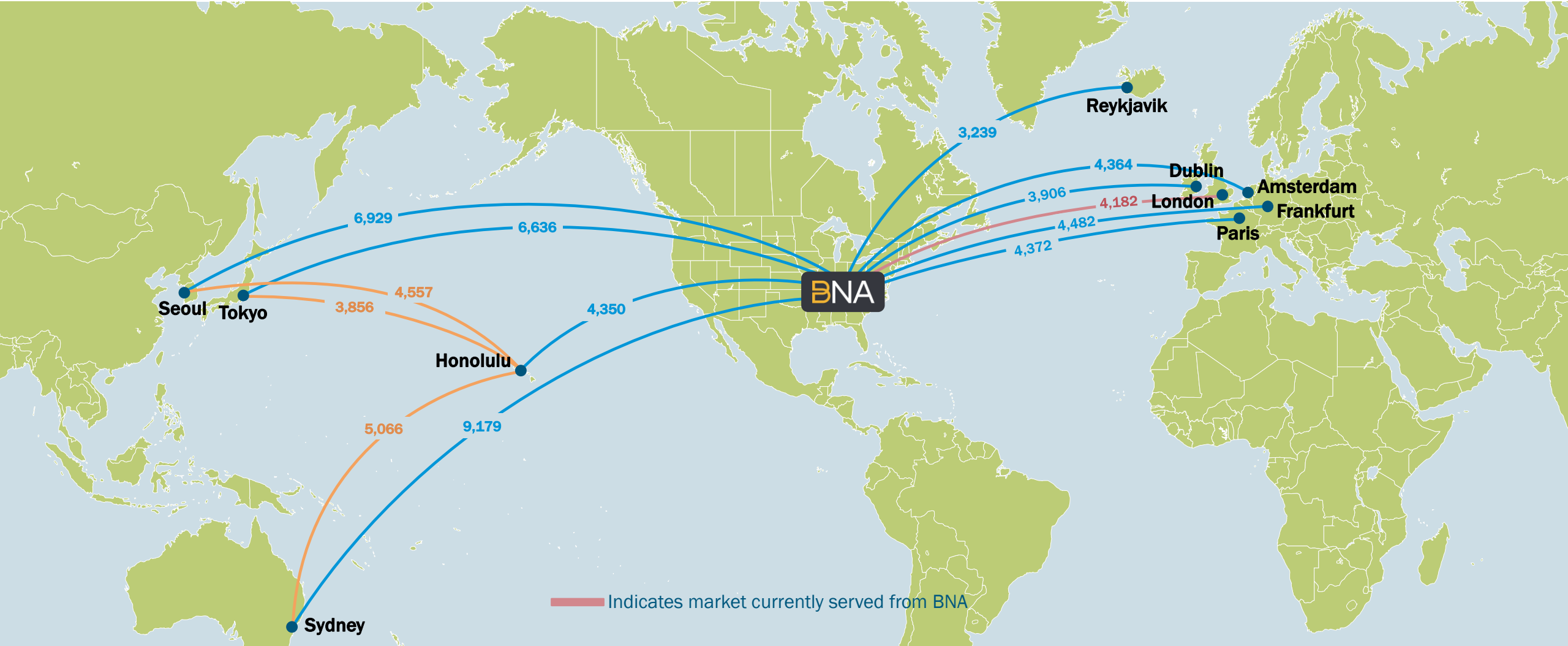
Source: Innovata Schedules, via Cirium.

- 95-99 nonstops (winter – summer)
 - Large Hub Median: 127 nonstops
 - 566 – 600 daily scheduled operations
 - ~ 700 - 800 total operations
- Service to 68 of top 75 domestic markets
 - 42 Portland (93,607 annual)
 - 62 Honolulu (51,705)
 - 63 Buffalo (46,464)
 - 64 Albuquerque (44,308)
 - 71 West Palm Beach (39,427)
 - 72 El Paso (39,367)
 - 73 Reno (37,649)

International Air Service

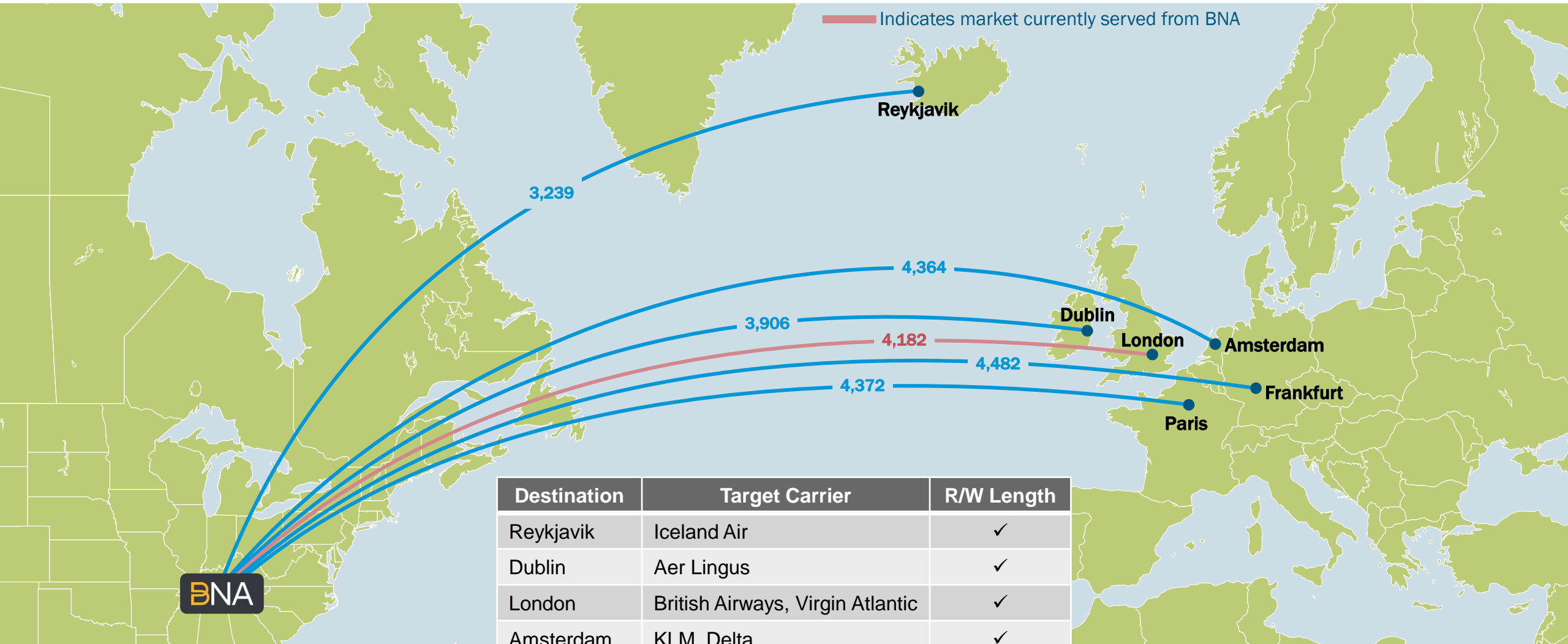
Taking a Global Perspective ...betting on both Nashville & Tennessee

International Air Service: Europe / Asia



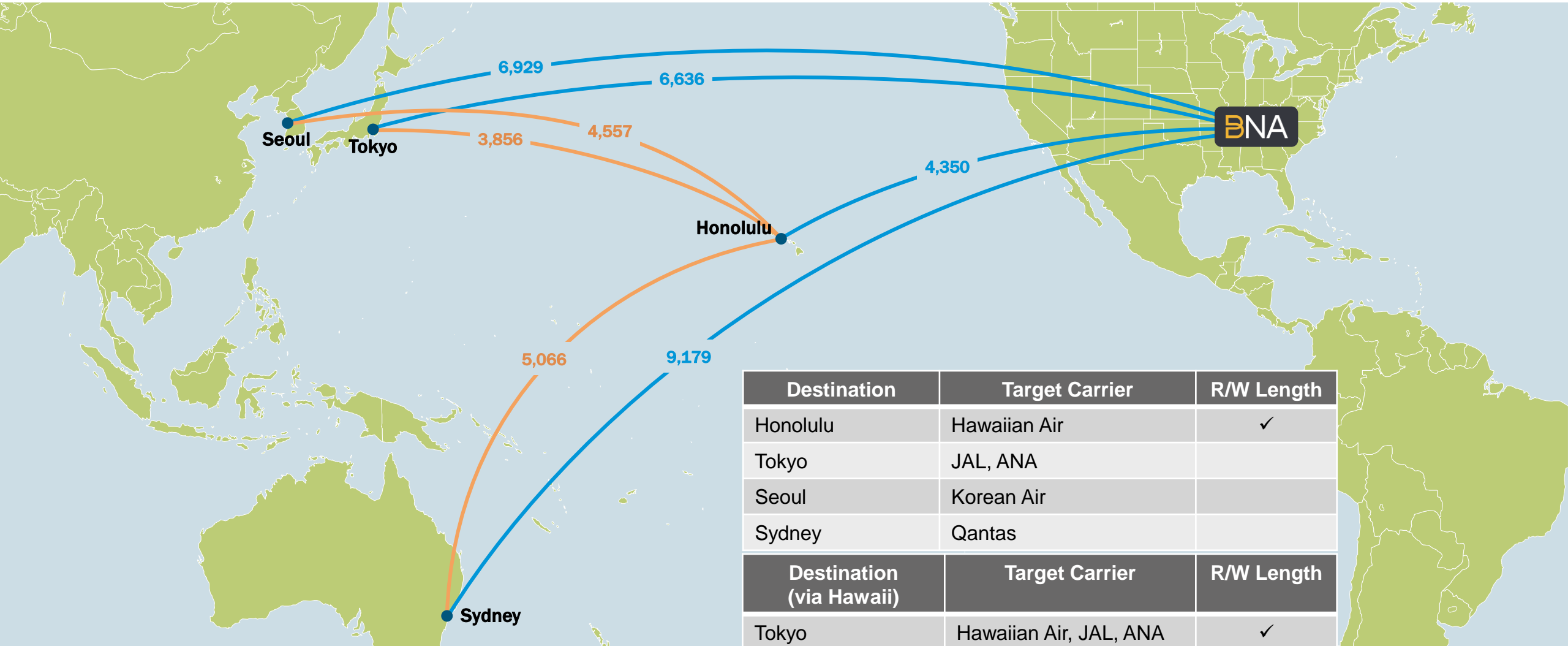
Note: Not actual flight paths

International Air Service: Europe



Note: Not actual flight paths

International Air Service: Asia



Note: Not actual flight paths

<u>Airline</u>	<u>Region</u>
1) All Nippon Airways (ANA)	Asia – Japan
2) Japan Airlines (JAL)	Asia – Japan
3) Turkish Airlines	Europe/Asia – Turkey
4) Discover Airlines	Europe – Germany
5) Condor Airlines	Europe – Germany
6) Lufthansa	Europe – Germany
7) Air France	Europe – France
8) Icelandair	Europe – Iceland
9) Aer Lingus	Europe – Ireland
10) British Airways*	Europe – England
11) Flair Airlines*	North America – Canada
12) VivaAeroBus*	North America – Mexico
13) Copa Airlines	Central America – Panama
14) Hawaiian Airlines	U.S.
15) Breeze	U.S.

*Existing service

World Routes 2023 Update

- October 15 – 17, 2023
- Istanbul, Turkey

Opportunity

FY24

FY25-FY26

Beyond FY26

Financial Strength

Growing Revenue, Controlling Expenses, Maintaining Debt Service Coverage

Capital Funding Requirements: **Vision 1.0, 2.0, & New Horizon**

Program	Total Project Cost (millions)	Project Costs Funded to Date	Remaining Costs to be Funded	Other Funding	Series 2025 Bonds	Series 2027 Bonds
BNA Vision 1.0	\$1,305.0	\$1,272.4	\$32.6	\$0	\$32.6	\$0
BNA Vision 2.0	\$229.5	\$229.5	\$0.0	\$0	\$0	\$0
New Horizon:						
Baggage Handling System Improv	\$125.0	\$28.3	\$96.7	\$75.0	\$21.7	\$0
Concourse D Extension	\$287.0	\$107.8	\$179.2	\$35.0	\$144.2	\$0
Concourse A Reconstruction	\$855.0	\$0.0	\$855.0	\$0	\$151.5	\$703.5
Air Freight Building	\$25.0	\$0.0	\$25.0	\$0	\$0	\$25.0
TARI – Phase II & III	\$166.5	\$0.0	\$166.5	\$56.2	\$40.2	\$70.1
New Horizon Art Fund	\$4.0	\$0.0	\$4.0	\$0	\$0	\$4.0
Total New Horizon	\$1,462.5	\$136.1	\$1,326.4	\$166.2	\$357.6	\$802.6
Other CIP	\$288.2	\$132.2	\$156.0	\$17.9	\$111.5	\$26.6
Total Capital Funding Requirements	\$3,285.2	\$1,770.2	\$1,515.0	\$184.1	\$501.7	\$829.2

Financial Forecast Key Assumptions: FY24 through FY33

- Enplaned passenger projections – five scenarios
 - Scenario 1: Hybrid – 15%, 15%, 10%, 7%, 5%, 5%, 3%
 - Scenario 2-5: Annual growth rates – 3%, 7%, 10%, 15%
- Assumptions:
 - Capital Funding of \$3.3B included in financial model
 - Passenger Facility Charge (PFC) rate remains at \$4.50
 - PFC's applied to debt service are limited to annual collections
 - New Airline Use and Lease Agreement (AULA) terms and conditions used
 - Expiration of AULA 6/30/33 (assumed 2-year option exercised)

Financial Results: \$3.3B Capital Funding – Scenario 1 (Hybrid)

Key Metrics	Revised	Forecast (Fiscal Years Ending June 30)								
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Enplaned Passengers ('000)	12,620	14,512	15,964	17,081	17,935	18,832	19,397	19,979	20,578	21,196
<i>Growth</i>	<i>15.0%</i>	<i>15.0%</i>	<i>10.0%</i>	<i>7.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>
Passenger Airline Cost per Enplaned Passenger (CPE)	\$8.73	\$9.36	\$11.21	\$11.11	\$11.87	\$12.83	\$13.46	\$13.40	\$13.61	\$13.66
<u>Senior Debt Service Coverage (DSC)</u>										
Net Revenues (Target 1.50x)	6.79	5.99	3.38	3.51	3.28	2.72	2.44	2.52	2.61	2.69
<u>Senior & Subordinate DSC</u>										
Net Revenues (Target 1.25x)	3.23	2.99	2.34	2.46	2.38	2.12	1.96	2.02	2.08	2.14
Days Cash on Hand* (Target 550-650)	807	846	917	1,014	1,094	1,170	1,258	1,326	1,382	1,441
NAE Cash Balance ('000)	\$353.4	\$428.5	\$496.4	\$580.2	\$681.5	\$797.2	\$909.0	\$1,025.9	\$1,148.2	\$1,276.0

DSC Legal Requirements: Senior 1.25x; Senior & Subordinate 1.10x

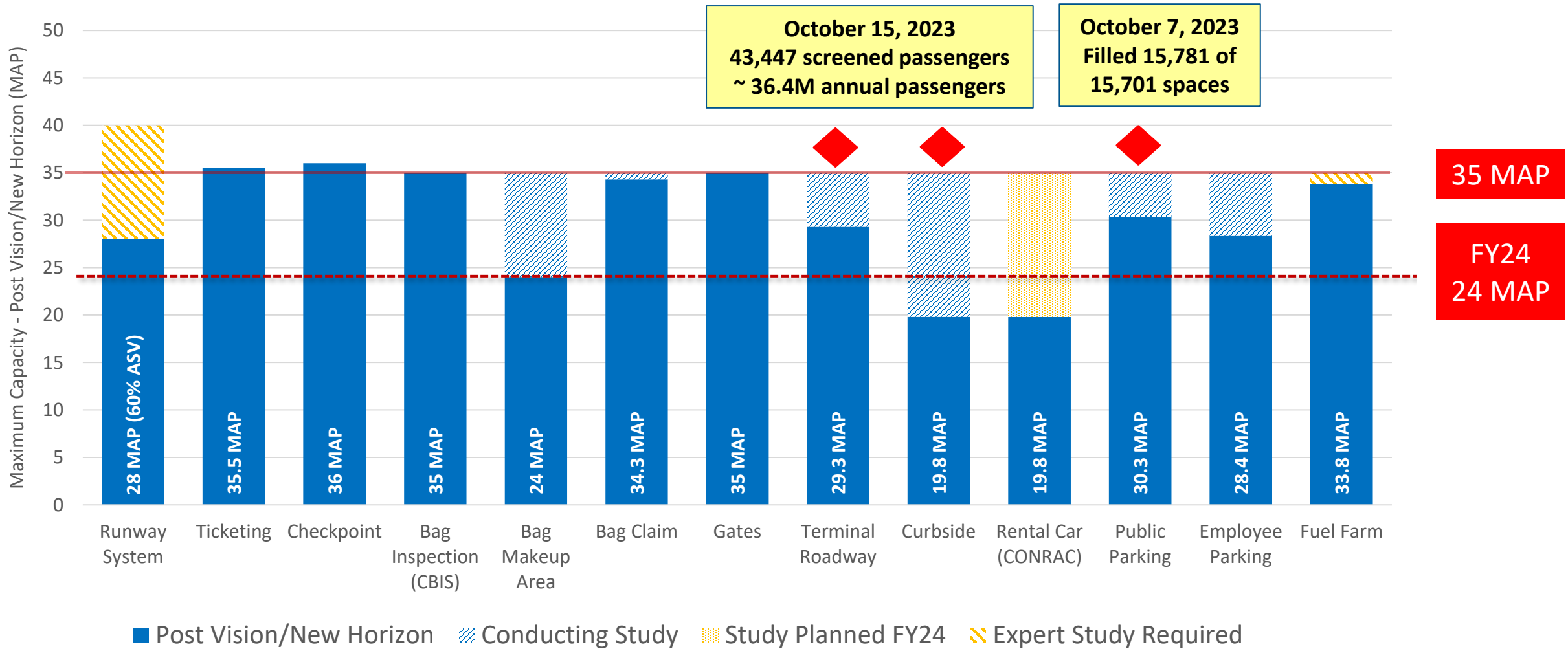
* Estimated based on FYE O&M Reserve Fund, R&R Fund, NAE Funds, and annual operating expenses

- CFO Assessment...We're strong
 - Monitoring all possible outcomes...must know timing and costs
- CEO Assessment and Debt Capacity

BNA Key Processors

Analysis of Terminal Capacity and Constraints

Terminal Area Complex: 35 Million Annual Passengers (MAP)



Includes additional capacity from Vision & New Horizon

New Horizon Projects & Adjustments

Concourse D Extension

1. GMP Board Approval
November 2023
2. Construction Completion Date
July 2, 2025



- Schedule: FY23 – FY25
- New Horizon Budget: \$287M
- 5 Gates (+ 2 potential)
- Empty Chair for A
- Air Freight Functions to Multipurpose Building
 - New Air Freight and Multi-Purpose Building after Donelson Pike Relocation



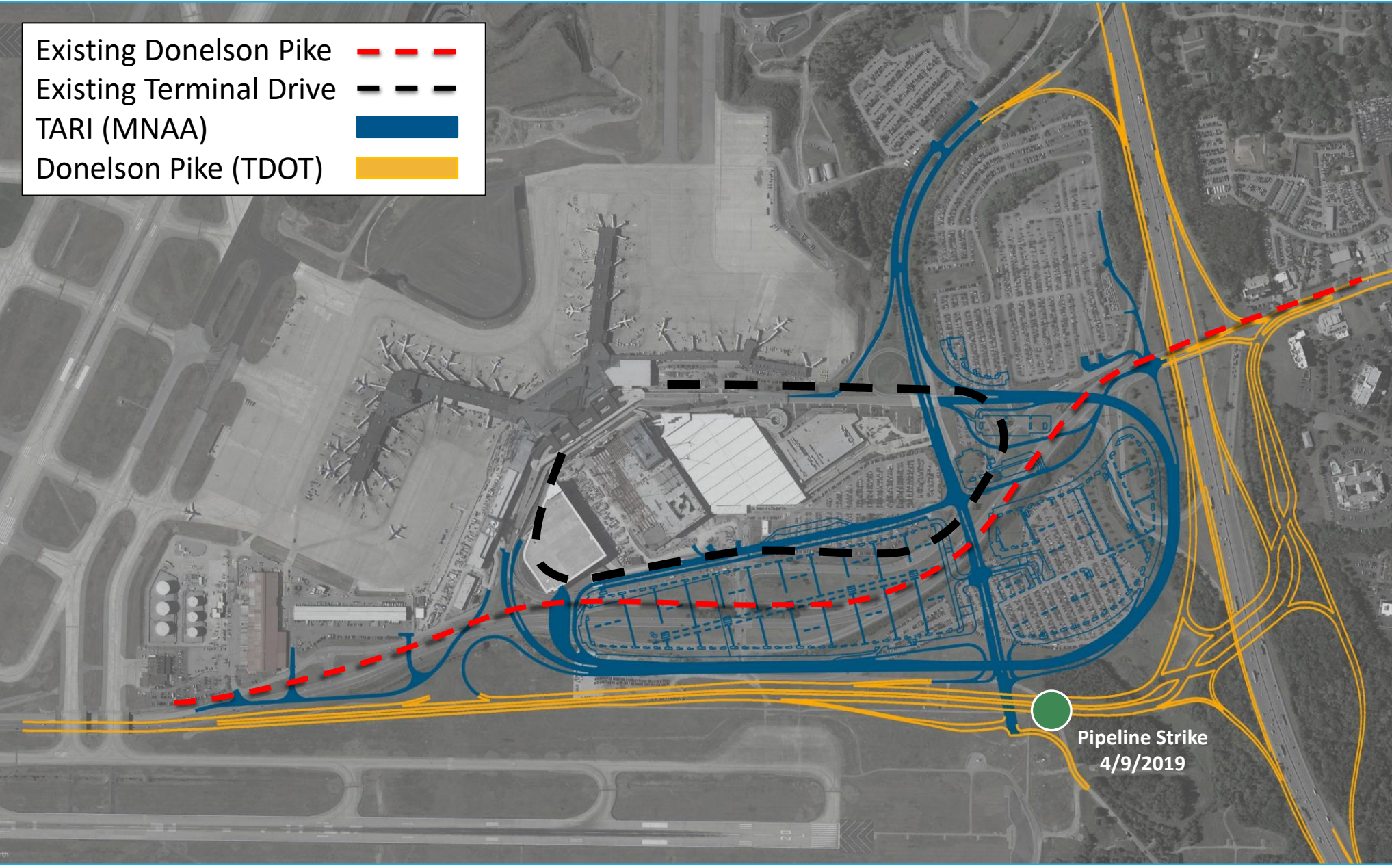
- Schedule: FY24 – FY28
- New Horizon Budget: \$855M
- Total 16 Gates (net 10)
- Concession Node
- Moving Walkways
- Fill Underway

New Concourse A

1. Design: Oct 2023 – July 2025
 - October Board Design Approved
2. Demo: July 2025* – October 2025
3. Construction: October 2025 – July 2028
 - Construction Manager at Risk RFP
 - Concourse D Extension empty chair
 - Single Phase Project

**Demo start date dependent upon completion of Concourse D Extension (Complete July 2, 2025)*

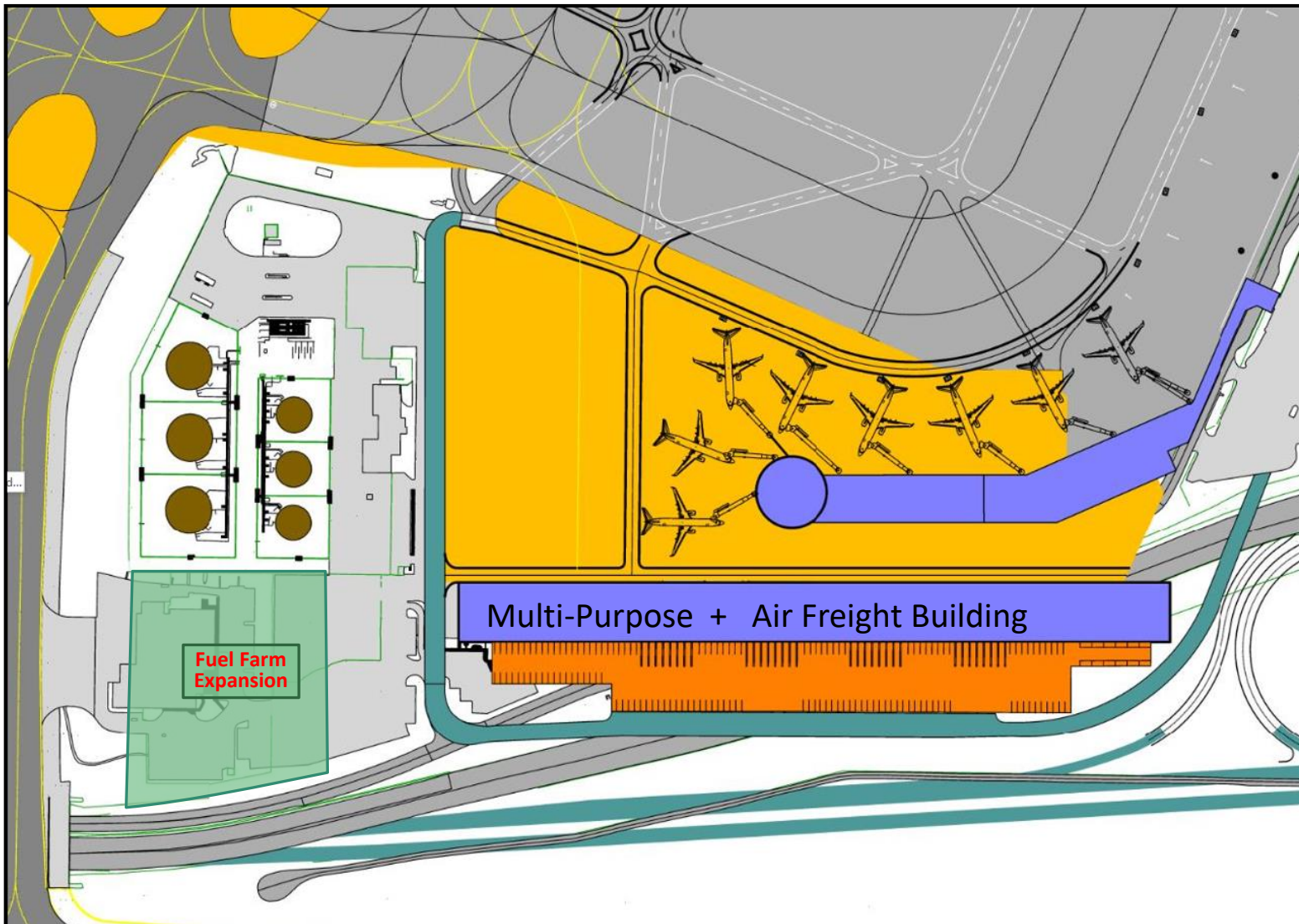
Existing Donelson Pike	
Existing Terminal Drive	
TARI (MNA)	
Donelson Pike (TDOT)	



TDOT Acceleration

- Delayed due to litigation
- Schedule:
 - Design: Feb 2024 – Mar 2025
 - Construction: Jun 2026 – Dec 2028
- Challenges:
 - TDOT schedule
 - Roadway capacity
 - Funding acceleration

TARI: Terminal Access Roadway Improvements



Expansion of Air Freight (+ Multi-Purpose Bldg)

- Allows us to:
 - Increase Apron Area (add 2 gates)
 - Enhance vehicle deliveries
 - Enlarge distribution center
 - Expand Fuel Farm
 - After relocation of ARFF
- Cost: \$25M increasing to ~ \$125M+
 - Tripled square footage
 - Roads, ramps & gates
 - International cargo/kitchen

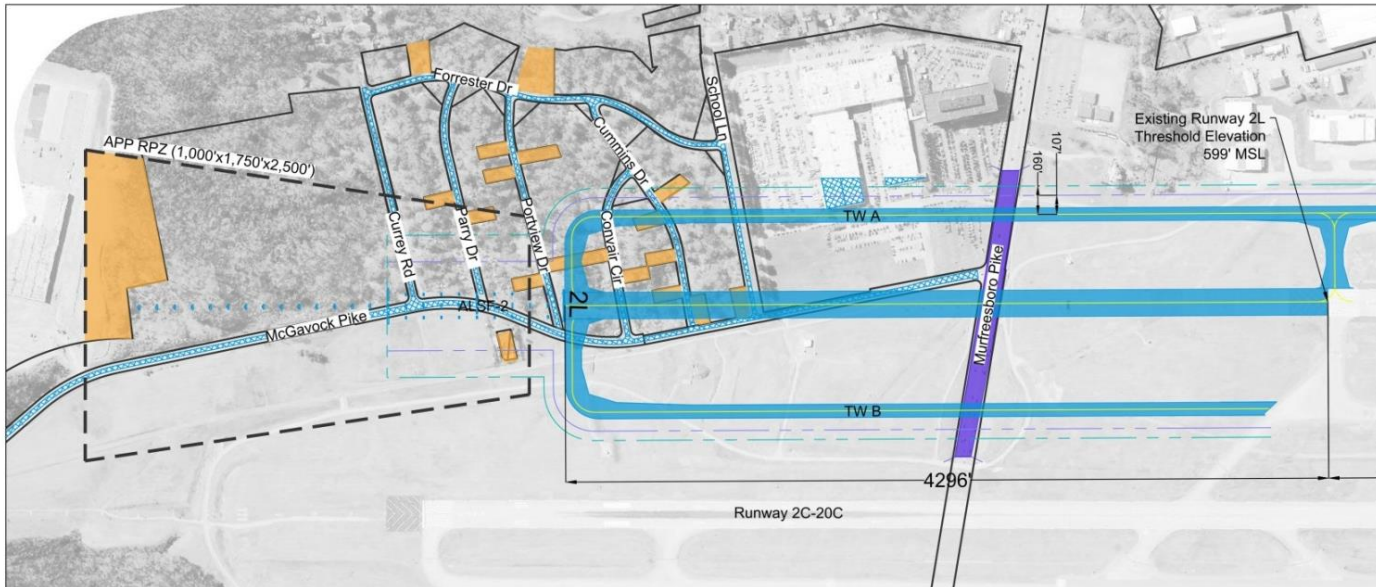
Results of Ongoing Studies

Extension, Terminal II, Central Ramp + Critical Requirements

- ✓ Execute MOU 9/5/23
- ✓ Advertise RFQ (EIS) 9/25/23
- Intent to Award 11/22/23
- Board Approval (NTE) 12/20/23
- Runway Length Justification/Agency Review Jan 2024 – Mar 2024
- FAA Notice of Intent Mar 2024
- Record of Decision April 2026

Runway 2L Extension EIS

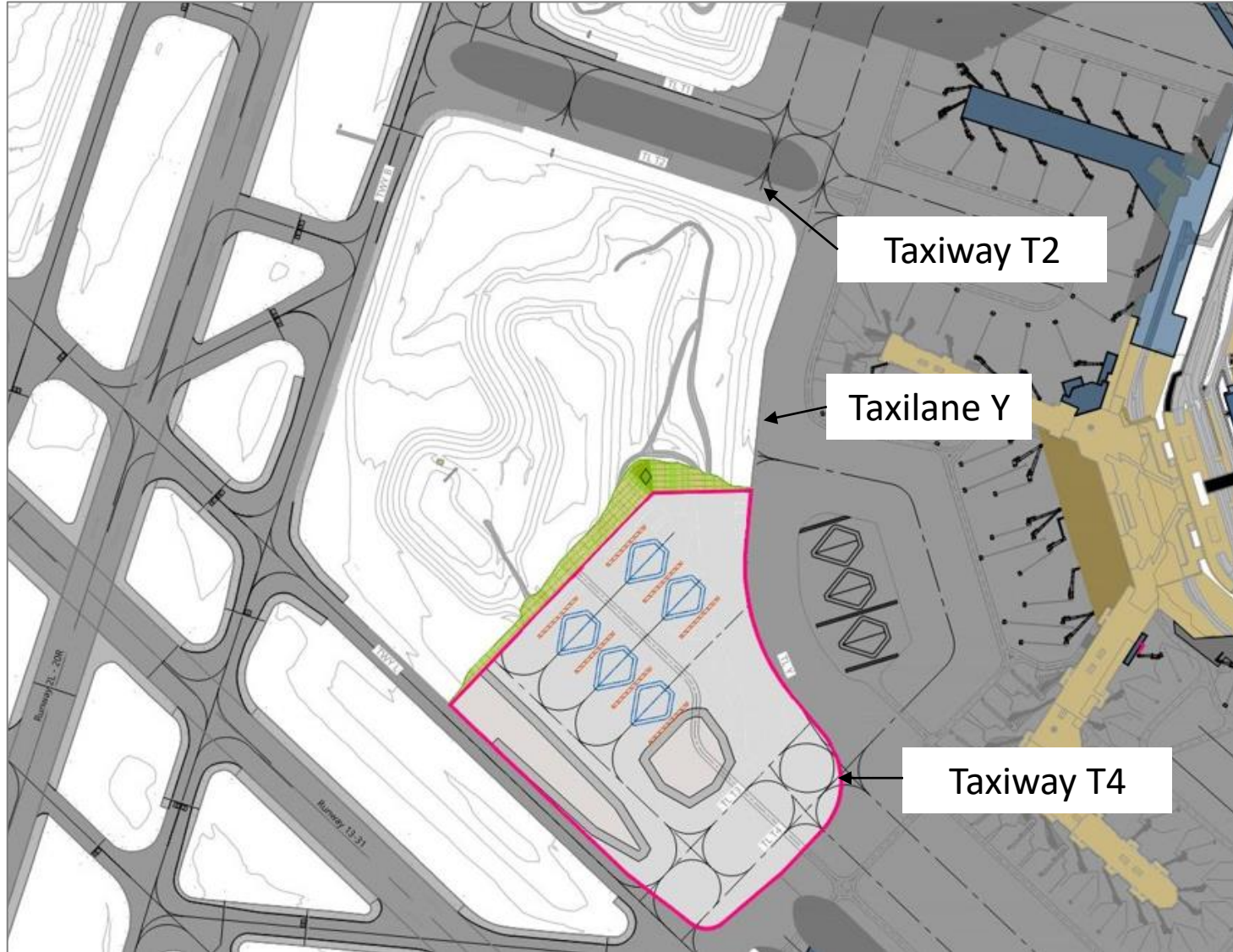
- Consultant: TBD
- FY24 – FY26
- Fully dependent upon FAA leading process



- 4 Phase Approach
 - Phase I: Reduce from 6 to 2-3 potential sites (12/1/2023)
 - Phase II: Advance preferred sites (12/31/2023)
 - Phase III: Detailed examination of preferred site, including legal & financial analysis (6/30/2024)
 - Phase IV: Program-wide financial feasibility, implementation requirements and strategy (10/1/2024)
- Terminal II Organization Chart
 - Program Manager (Steve Martin, PG)
 - Area Leads
- Next Steps
 - Finalize the SPS scope and budget; Issue NTP
 - Confirm organization
 - Confirm SPS/staff meeting cadence
 - CEO/Board updates (quarterly)

Terminal II Site Selection

- Consultant
 - Strategic Planning Services, Inc. (SPS)
- Project Management
 - Paslay Group
 - Steve Martin



Central Ramp

- Consultant: Ricondo
 - On-Call Planning Services
- Scope:
 - Approx. 3.2M CY of Fill Required
 - Includes relocation of T2 for Group V separation
- Timeline:
 - Planning/Programming: Oct 2023
 - Environmental: Jan 24 – Jun 27
 - Design: Jun 24 – Jun 27
 - Construction: Jun 25 – Jan 31

Critical Requirements

Infrastructure (New Horizon)

- | <u>Infrastructure (New Horizon)</u> | <u>Justification</u> |
|-------------------------------------|---|
| 1) Terminal Roadways & Curbside | Shortage today (InterVISTAS)* |
| 2) Public Parking | Shortage on peak days (Ricondo)* |
| 3) Employee Parking | Shortage coming with growth (MNAA staff)* |
| 4) Central Receiving & Distribution | Additional gates (TBD) |
| 5) Central Ramp Expansion | Southwest build-up (Ricondo)* |

Infrastructure (Terminal II)

- | <u>Infrastructure (Terminal II)</u> | <u>Justification</u> |
|---|---|
| 1) Runway 2L Extension & Property Acquisition | Asia Service (TBD) |
| 2) Terminal II Siting | Growth beyond 35M (SPS)* |
| 3) Rental Car | Shortage today / study required (SPS) |
| 4) New ARFF Station x 2 | FAR Part 139 timing requirement |
| 5) Relocated/expanded Fuel Farm | Doubling of operations (600 to 1,000 flights/day) |
| 6) 5th Runway Complex & Property Acquisition | Congestion and/or Asia service |

**Studies ongoing* 79



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

Meeting Adjourned