



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

December 20, 2023

Call to Order

December 20, 2023

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 by Tuesday, December 19, at 1:00 AM

Approval of Minutes

1. October 18, 2023, Minutes of the Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors
 - Adams and Reese LLP December 5, 2023, memo; received December 11, 2023
 - Adams and Reese LLP recommended specific motion and staff affidavits
2. November 6, 2023, Minutes of the Special Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors
3. November 15, 2023, Minutes of the Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors

Chair's Report

Joycelyn Stevenson, Board Chair

President's Report

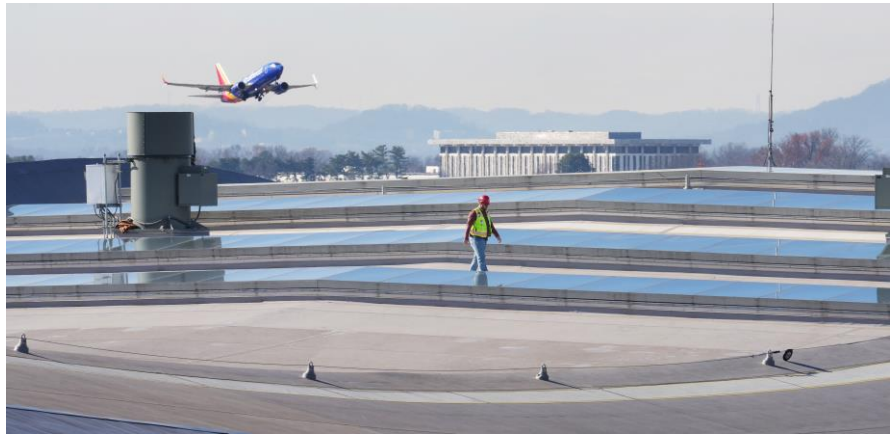
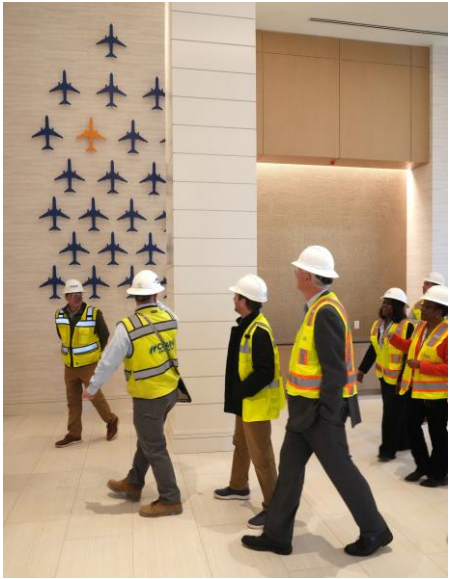
Douglas E. Kreulen, A.A.E.

President and CEO

Inaugural Tree Lighting Celebration, November 30, 2023



Hilton BNA Tour, December 13, 2023





Congratulations, Vice Chair Granbery

- December 13, 2023
- Bowen Treanor Granbery

Congratulations, Commissioner Glover

- December 17, 2023
- Tennessee Titans 2023 Inspire Change Changemaker Award





Congratulations, Commissioner Freeman

- December 19, 2023
- Board Reappointment
 - Term expires January 1, 2031



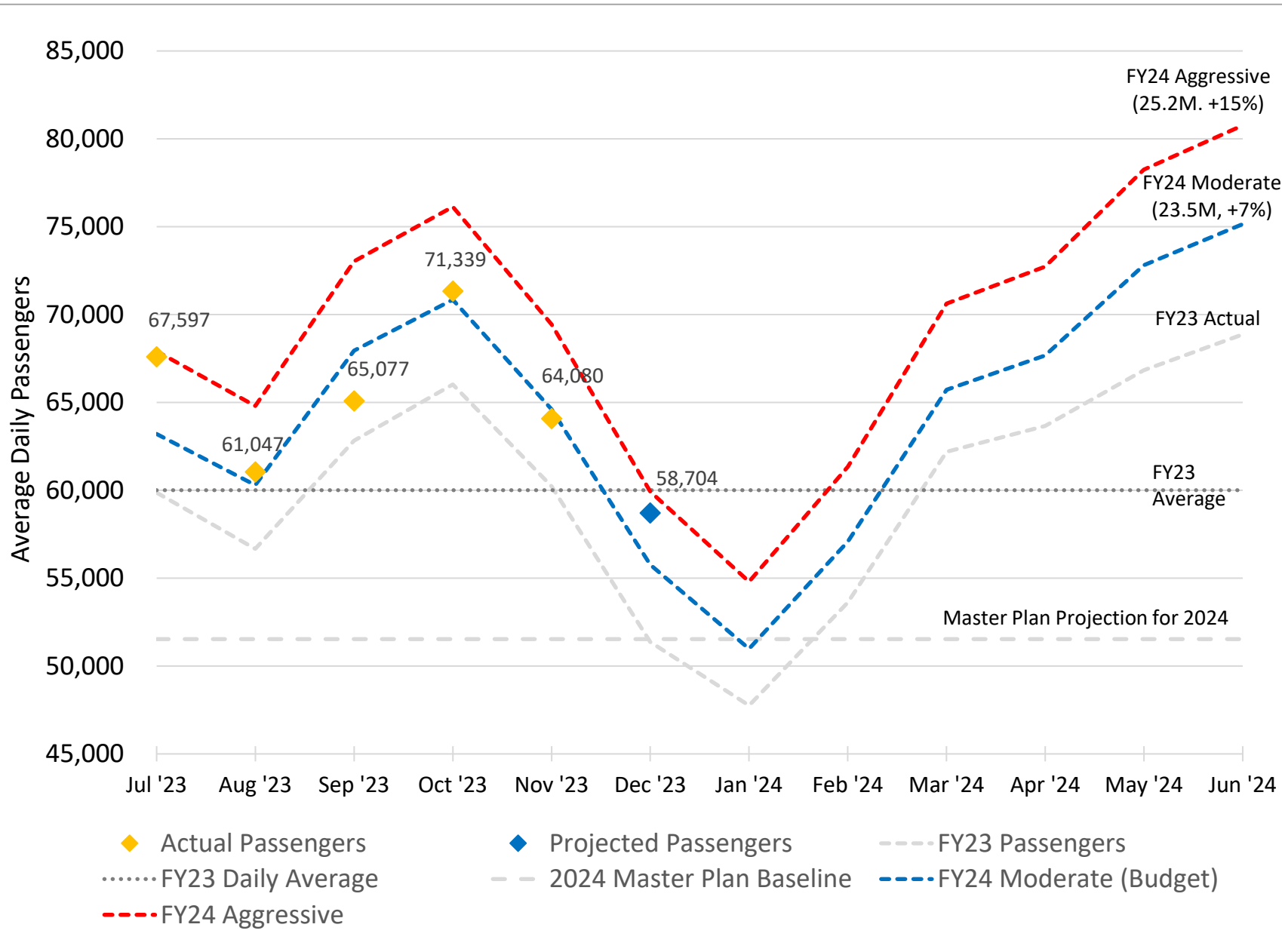
Join us **BNA** | Business
Taking Off

Business Taking Off provides a venue for potential contractors and subcontractors to meet, network and hear more about the opportunities at the Nashville International Airport (BNA) and John C. Tune Airport (JWN) for the upcoming year.

Save the Date: 2024 *Business Taking Off*

- Friday, February 9, 2024
- 7:30 am to 11:30 am
- Music City Center, Davidson Ballroom

FY24 BNA Passengers



- FY24 Forecast: 7%, 11%, 15%
- December FY24 Projected (+14%)
 - 1,819,800 passengers
 - 58,704 daily passengers
- FY24 Year-to-Date (+9%)
 - 11,894,000 passengers
 - 64,641 daily passengers

*December projections based on TSA data through December 18, 2023

Operations

- Approvals
 - 1) TDOT Roadway Initiatives (*Tentative*)
- Information
 - 1) Terminal II Siting Study Update 1 of 4
 - 2) BNA Development Update
 - 3) JWN Development Update

Finance

- Information
 - 1) FY24 BNA CIP & O&M Budget Adjustments
 - 2) BNA Concessions Program Update
 - 3) Cell Distributed Antenna System (DAS) and Wi-Fi Update

Management

- TBD

Committee 30-day Outlook

- January 10 & 17, 2024

Operations

- Approvals
 - 1) Construction Contract for Part 139 RSA Improvements
 - 2) Construction Contract for BNA Parking Lot Modifications (Valet storage, Lot A & Employee Lot)
- Information
 - 1) BNA Development Update
 - 2) JWN Development Update (RFI results / RFP issue)

Finance

- Approvals
 - 1) Amendment to Air Service Incentive Policy
 - 2) Amendment to Fraport Concessions Agreement (Exhibit G)
 - 3) Concourse D Subleases (8)
- Information
 - 1) BNA Concessions Program Update
 - 2) Quarterly Retirement/OPEB/Treasury Investment Reports

Management

- 2024 Affirmative Action Program (AAP) Update

Committee 60-day Outlook

- February 14 & 21, 2024

Items for Ratification

December 20, 2023

July – October 2023 Board Actions

- 1) Professional Services Contract for Executive Program Management (Operations)
- 2) Professional Services Contract for Terminal 2 Siting Study (Operations)
- 3) Professional Services Contract for On Call Engineering Services (Operations)
- 4) TARI -Telecommunication Provider License and Access Fees Agreement - Crown Castle (Operations)
- 5) Professional Services Contract for Commercial Trash, Recycled Materials and Electronics Disposal (Operations)
- 6) Amendment to Professional Services Contract for Custodial Services – Satellite Concourse (Operations)
- 7) Design, Build, Operate and Maintain Virtual Ramp Control System (Operations)
- 8) Construction Contract for TARI Phase 2 (Operations)
- 9) Construction Contract for Bravo/Kilo Intersection (Operations)
- 10) Professional Services Contract for Staff Augmentation (3) (Operations)
- 11) Professional Services (Design) Contract for Concourse A (Operations)
- 12) Construction Contract for JWN Terminal Parking Lot Expansion (Operations)
- 13) JWN North Development LOI/Lease Terms – Parcel 1 (Finance)
- 14) Amendment to Fraport Subleases (Finance)
- 15) BNA Westside Development LOI/Lease Terms (Finance)
- 16) Amendment to British Airways Incentive Agreement (London) (Finance)
- 17) Trademark License Agreement (Finance)
- 18) CEO Employment Agreement (Management)
- 19) CEO FY24 Performance Evaluation Key Performance Indicators (KPI's) (Management)

Items for Ratification

- Committee/Board Review:
 - November 6, 2023
 - November 8, 2023
- Committee Ratification:
 - December 13, 2023
 - All Committees voted 3 to 0 to recommend ratification
- Supplemental details available in back-up slides

Items for Approval

December 20, 2023

- Amendment to Contract for On Call Snow & Ice Removal Services (Operations)

Item for Approval

Daniel B. Brown, C.M., CSSBB, MAS
AVP, Maintenance, Environmental
and Safety

Amendment to Contract for On Call Snow & Ice Removal

Project Description: On-Call snow & ice removal services across the airport campus, including outlying buildings, roadways, garage entrances, parking lots, and aiding in the clearing of the terminal ramps and common use gates (over 1,794,292 sq ft).

Contractor: Grade A Construction

<u>Contract Cost:</u>	Contract Cost Year 1 (FY23)	\$1,300,000
	Contract Cost Optional Year 2 (FY24)	\$1,500,000 NTE
	Estimated Contract Cost 2 years:	\$2,800,000 NTE

Schedule: Contract Start Date: October 1, 2022
Contract Duration: One 6-month term, with one 6-month renewal
Amendment Period: October 1, 2023 – March 31, 2024

SMWBE: Goal: 9.55% MBE and/or WBE
Participation: 9.55% MBE and/or WBE

Funding Source: Operations and Maintenance (O&M)

Committee Review: Operations Committee voted 3 to 0 to recommend approval on December 13, 2023

Staff Recommendation: Staff requests that the Board of Commissioners:

- 1) Accept the proposed amendment to the contract with Grade A for on-call snow and ice removal services, and
- 2) Authorize the Chair and President to execute the proposed amendment for \$1.5M NTE



- Professional Services Contract for Runway 2L Extension Environmental Impact Statement (EIS) (Operations)
- Professional Services Contract for On Call Architectural Services (Operations)
- Construction Contract for Taxiway Bravo 5 (Operations)
- Design-Build Contract for Virtual Ramp Control Implementation CGMP 1 of 2 (Operations)

Items for Approval

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

Professional Services for 2L Extension Environmental Impact Statement

Project Description: Phase 1 of 2 to provide analysis and assist the FAA to prepare an Environmental Impact Statement (EIS) to assess and disclose the potential environmental impacts of the Runway 2L Extension and reasonable alternatives.

Contractor: Landrum & Brown, Inc.

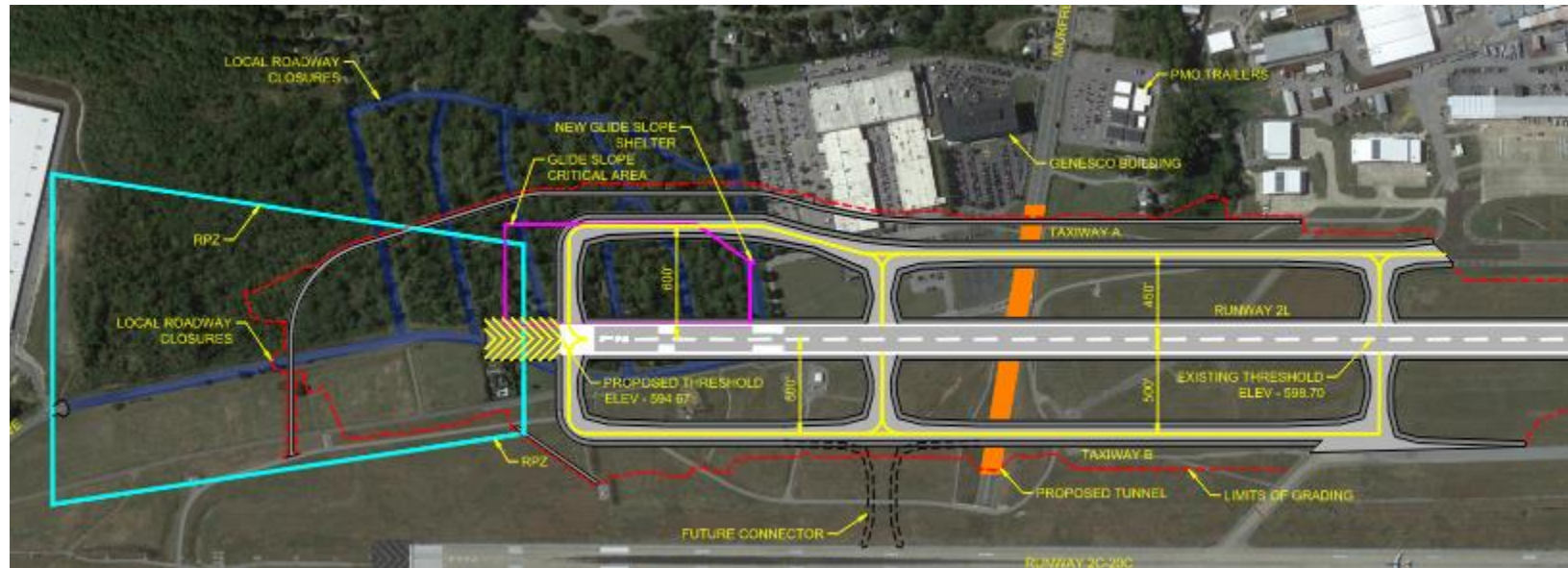
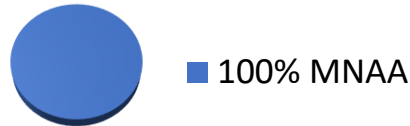
Total Contract Cost:

Phase 1	\$3,500,000 NTE
Phase 2	TBD
Total	TBD

Ph 1 Schedule: January 2024 – July 2024

DBE: Goal = 7.98%; Commitment = 8.00%

Funding Sources:



Committee Review: Operations Committee voted 3 to 0 to recommend approval on December 13, 2023

Staff Recommendation: Board of Commissioners authorize the Chair and President and CEO to execute the proposed Professional Services Contract for the Runway 2L Extension EIS with Landrum & Brown, Inc. for \$3.5M NTE

Professional Services Contract for On Call Architecture Services

Project Description: Provide architectural design services for all capital projects for the next 3 years.

Contractor: Gresham Smith

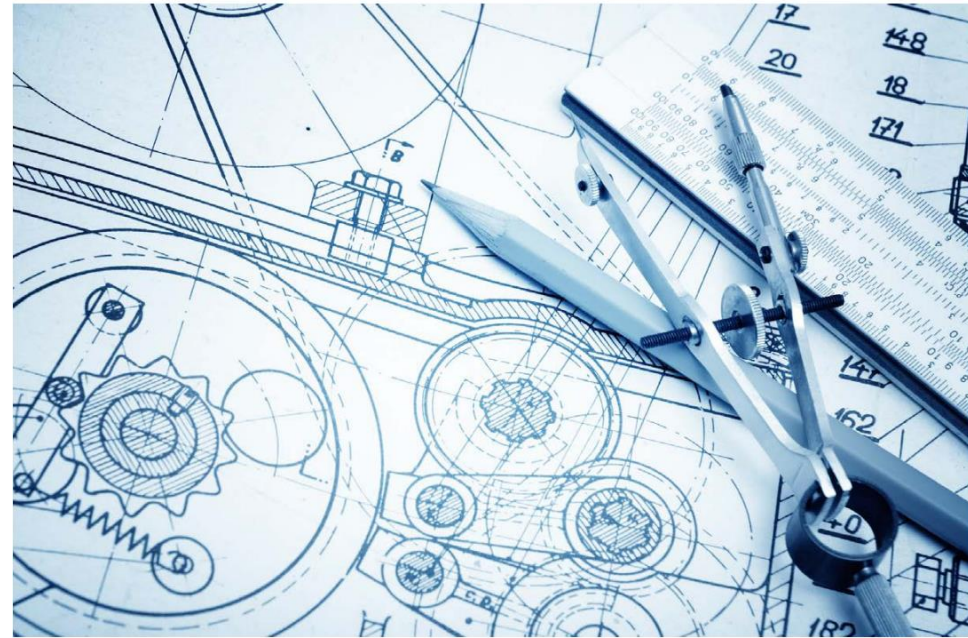
Term: 1 year with two 1-year renewal options

Total Contract Cost:

Year 1:	\$ 5,000,000 NTE
Year 2 (option)	\$ 5,000,000 NTE
Year 3 (option)	<u>\$ 5,000,000 NTE</u>
Total:	\$15,000,000 NTE <i>(with 2 renewal options)</i>

Schedule: December 21, 2023 - December 21, 2026

SMWBE: Goal = 6% MBE/WBE; Commitment = 6% MBE/WBE



Funding Sources:



■ Task by Task

Committee Review: Operations Committee voted 3 to 0 to recommend approval on December 13, 2023

Staff Recommendation: Board of Commissioners authorize the Chair and President and CEO to execute the On Call Architecture Professional Services Contract with Gresham Smith for \$5M NTE per year.

Construction Contract for Taxiway (T/W) B5 Repairs

Project Description: Replace asphalt at T/W B5 with full depth, full strength concrete. Project includes new markings.

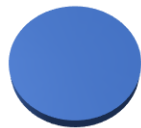
Contractor: Hi-Way Paving, Inc.

Total Contract Cost: \$970,100

Schedule: Contract Start: March 2024
Contract End : April 2024

SMWBE: Goal = 8.17% MBE & 7.15% WBE
Commitment = 8.25% MBE & 7.19% WBE

Funding Sources:



■ 100% MNAA



Committee Review: Operations Committee voted 3 to 0 to recommend approval on December 13, 2023

Staff Recommendation: Board of Commissioners authorize the Chair and President and CEO to execute the proposed contract with Hi-Way Paving, Inc. in the amount of \$970,100.

Design-Build Contract for Virtual Ramp Control Implementation CGMP 1 of 2

Project Description: Provide structural, mechanical and communications infrastructure for the Virtual Ramp Control System and Virtual Ramp Control Room.

Contractor: Hensel Phelps

Total Contract Cost:

CGMP 1 \$5,000,000 (Preconstruction and Construction)

CGMP 2 \$1,000,000 (Furniture, Fixtures and Equipment)

GMP \$6,000,000

Schedule: December 2023 - October 2024

SMWBE: Goal = 5.33% MBE/WBE; Commitment = 5.33% MBE/WBE

Funding Sources:



Committee Review: Operations Committee voted 3 to 0 to recommend approval on December 13, 2023

Staff Recommendation: Board of Commissioners authorize the Chair and President and CEO to execute the proposed contract with Hensel Phelps for the Component Guaranteed Maximum Price #1 of \$5M.

- Short Term Credit Facility - 3rd Amendment to Note Purchase Agreement with Bank of America, N.A.
 - Resolution 2023-12

Item for Approval

Marge Basrai, CPA, CGMA, CM
EVP, Chief Financial Officer

Note Purchase Agreement Background

- On January 7, 2019, MNAA entered into a Note Purchase Agreement (NPA) with Bank of America (BofA) to provide short-term cash flow funding for MNAA's capital projects during early stages of construction:
 - Commitment to make advances up to \$300 million
 - Variable rate interest rates (taxable and tax exempt) based on LIBOR or its successor index
 - Commitment term of 5 years, terminating every two years unless renewed, with initial maturity date of 3 years
 - 15 bps or 0.15% commitment fee until 50% (\$150 million) is drawn
- On November 26, 2019, MNAA executed the First Amendment of the NPA with BofA:
 - Increased commitment amount to \$400 million
 - Added accordion feature to increase/decrease commitment amount from base amount of \$100 million as needed

Note Purchase Agreement Background

- On December 1, 2021, MNAA executed the Second Amendment of the NPA with BofA:
 - Decreased commitment to \$300 million
 - The accordion feature added in the First Amendment was removed
 - New maturity date for the NPA of January 7, 2024
 - With the LIBOR publication ceasing on June 30, 2023, and due to market conditions at the time, the interest rates and indices were updated as follows:

Interest Rate Type	Original Interest Rate	Amended Interest Rate
Tax-Exempt Interest Rate	80% of 1 Month LIBOR + 33 bps (0.33%)	80% of BSBY + 42 bps (0.42%)
Taxable Interest Rate	1 Month Libor + 40 bps (0.40%)	BSBY + 52 bps (0.52%)

- Commitment fee increased to 20 bps (0.20%) from 15 bps (0.15%) until 50% (\$150 million) is drawn

Third Amendment to Note Purchase Agreement

- MNAA discussed a new short-term credit facility with PFM, Financial Advisors
- Recommendation to begin negotiations directly with BofA for a new NPA given current market conditions and excellent results/flexibility from BofA
- New NPA considered a new issuance of debt, which is time consuming to execute and most likely not able to be completed prior to maturity date of January 7, 2024
- MNAA and BofA have agreed to an extension of the maturity of the notes and the commitment expiration date not to exceed one year, January 7, 2025
 - All other terms of the NPA remain the same
 - Will allow time to complete negotiations, prepare documents, and obtain Board approval

Third Amendment to Note Purchase Agreement

- Terms under the Third Amendment:

Available Commitment	\$300,000,000
Maturity Date/Mandatory Tender Date	January 7, 2025
Tax-Exempt Interest Rate	80% of BSBY + 42 bps (0.42%)
Taxable Interest Rate	BSBY + 52 bps (0.52%)
Commitment Fee	Available Commitment > 50% = 20 bps (0.20%) Available Commitment ≤ 50% = 0 bps (0.00%)

- Per Bond Counsel no new TEFRA hearing or Authorizing Resolution is required for the Third Amendment

Committee Review: Finance Committee voted 3 to 0 to recommend approval on December 13, 2023

Staff Recommendation: Staff requests the Board of Commissioners to:

- 1) Approve MNAA Resolution No. 2023-12, which authorizes both the extension of the maturity of the notes and the commitment expiration date for a period not to exceed one year, in the NPA with BofA
- 2) Authorize the President and CEO to execute the Third Amendment to the NPA with BofA

Staff Recommendation

- Amendment to Fraport Sublease
 - Pyramids of Nashville, LLC Extension

Item for Approval

Colleen Von Hoene
Associate Principal, The Paslay Group

Amendment to Fraport Sublease with Pyramids of Nashville, Inc.

Background:

- The term of the Lease and Concession Agreement with Fraport Tennessee, Inc. (Fraport) commenced on February 1, 2019, and expires January 31, 2029. For sublease terms that extend beyond January 31, 2029, MNAA must become a party to the sublease so that all rights & obligations of the sublease attach to MNAA at the expiration of Fraport's Lease and Concession Agreement.
- Fraport has a sublease with Pyramids of Nashville, Inc. for a restaurant that opened on June 5, 2021, with a term that expires on January 31, 2029.
- The Pyramids sublease provides an option to extend the term to a full ten years from the Date of Beneficial Occupancy, subject to Fraport and MNAA approval. Fraport has requested to exercise the extension option based on the following:
 - The additional term provides more time for the tenant to amortize its construction costs, which were among the highest construction costs/square foot for airport food and beverage tenants.
 - The ten-year term is consistent with industry standards for food and beverage locations.

Committee Review: Finance Committed voted 3 to 0 to recommend approval on December 13, 2023

Staff Recommendation: Staff requests the Board of Commissioners to:

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

Staff Recommendation

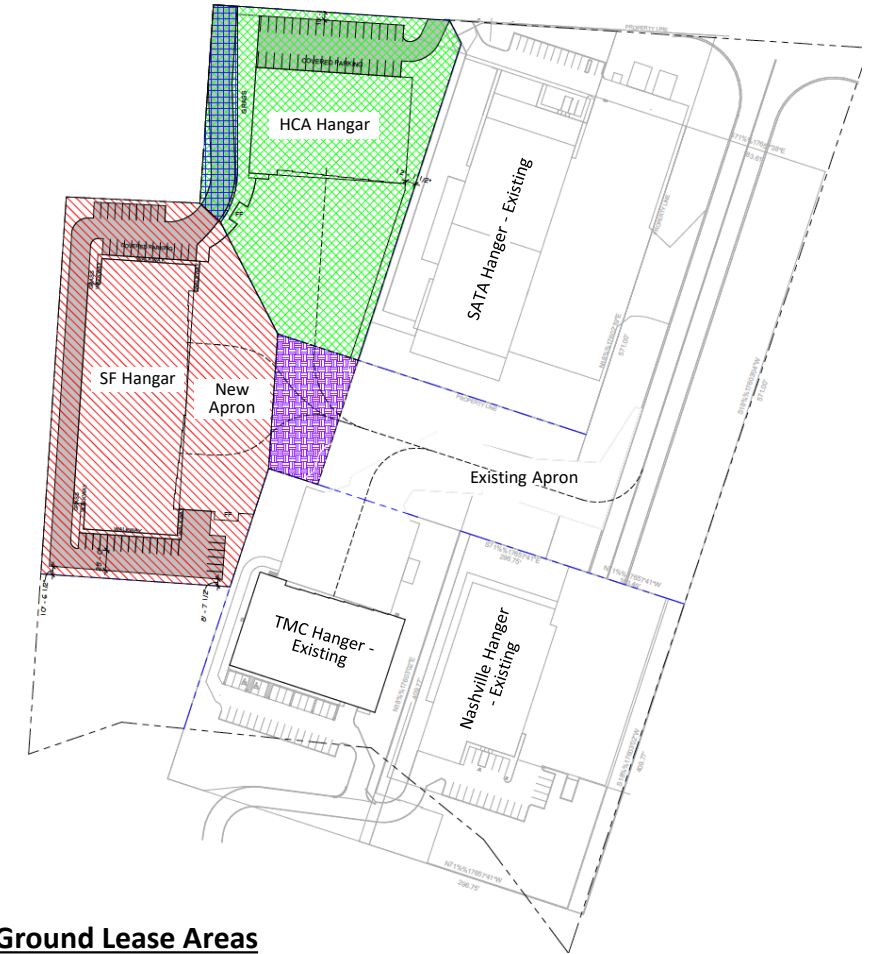
- BNA West Development – Revised LOIs
 - SF Aviation, LLC
 - HCA Management Services, L.P

Item for Approval

Carrie R. Logan, C.M.

Vice President, Deputy General Counsel

West Side Private or Corporate Space - Future SPE for SF Aviation, LLC & HCA Management Services, L.P.



Ground Lease Areas

	HCA Ground Lease Area	102,783 SF
	SFA Ground Lease Area	121,492 SF
	Taxilane Area	14,044 SF
	Access Easement Area	

West Side Private or Corporate Space

Property Description:

- SF Aviation, LLC: Development of 2.79 acres of the 5.97-acre parcel of land, approximately 121,492 SF
- HCA Management Services, L.P.: Development of 2.36 acres of the 5.97-acre parcel of land, approximately 102,783 SF

Key Lease Terms:

- **Effective Date:** Rent commences upon execution of the lease agreement
- **Term:** 18-month construction term, 30-year initial term, one 5-year renewal option (total potential 36.5 years).
- **Base Rent:** \$2.40/sf; 3% annual escalation; FMRV adjustments in year 10 and 20 of initial term
 - Max 110% increase over prior year; No rent decrease
 - Monthly fuel flowage; current rate \$0.08/gallon
 - Easement fee of \$0.50 beginning on the effective date of the lease for the Taxilane B extension (SF Aviation, LLC) and \$0.25 for this tract's share of Taxilane A & B (both tenants); the easement fee includes a 3% annual escalation.
- **Improvements:**
 - SF Aviation, LLC: Minimum \$9M for construction of hangar facilities (approximately 41,000 sq ft), ramp/apron space and fuel farm. Tenant will complete Taxilane B extension and hangar within 18 months of the effective date.
 - HCA Management Services, L.P.: Minimum \$5M for construction of hangar facilities (approximately 25,000 sq ft), ramp/apron space and fuel farm. Tenant will complete the hangar within 18 months of the effective date.

West Side Private or Corporate Space

Key Lease Terms (continued):

- **Lease Type:** Triple Net Lease; Property Condition and Pavement Condition Assessments every 5 years
- Tenant has right to lease to affiliate or successor organization with notice to MNAA; other assignments require prior written consent from MNAA
 - MNAA receives 20% of gross transaction value if 10+ years remaining, 15% if less than 10 years remaining but more than 5 years, and 10% if less than 5 years remaining

Impact:

- Immediate combined revenue source of \$579,590 in year one
 - SF Aviation, LLC: \$291,580.80 in base rent and \$27,177.50 in easement fees, for a total of \$318,758.30
 - HCA Management Services, L.P.: \$260,831.70 in base rent and \$14,152.50 in easement fees, for a total of \$260,831.70
- New assets that will vest in 31.5 – 36.5 years
- SF Aviation, LLC has committed to executing a lease for the entire 5.97-acre tract should the other tenant not execute a lease by January 15, 2024.

Committee Review: Finance Committee voted 3 to 0 to recommend approval on December 13, 2023

Staff Recommendation:

- 1) Staff requests the Board of Commissioners to:
 - Approve the terms negotiated between MNAA and SF Aviation, LLC via Letter of Intent; and
 - Authorize the Chair and President and CEO to execute a lease agreement with SF Aviation, LLC consistent with these terms.

- 2) Staff requests the Board of Commissioners to:
 - Approve the terms negotiated between MNAA and HCA Management Services, L.P. via Letter of Intent; and
 - Authorize the Chair and President and CEO to execute a lease agreement with HCA Management Services, L.P., consistent with these terms.

Staff Recommendation

Information Items

December 20, 2023

- Satellite Concourse Performance Update (Operations)
- 2023 - 2024 Snow and Ice Control Plan (Operations)
- BNA Development Update (including TDOT/Roadways update) (Operations)
- JWN Development Update (Operations)
- BNA Concessions Program Update (Finance)

Information Items

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

Satellite Concourse Performance Update

October 21, 2023, to December 1, 2023

Gates: 8 gates - 3 common use & 5 Preferential (3 Allegiant, 2 Spirit)

Operating Airlines: Allegiant, Avelo, Contour, Spirit, Sun Country

Operations:

- 2,207 operations
- 9.4% of aircraft operations have moved to SATCON

Passengers: Estimated 108,627 passenger departures

Baggage: 33,200+ checked bags

Shuttles: 98,400 shuttle trips between SATCON & Shuttle Station

- 5 shuttles optimal performance
- 4.5 min Satellite Concourse to Terminal
- 2.5 min Terminal to Satellite Concourse
- Average roundtrip time 9m 35s
- Passenger pickup approximately every 3 min



2023-24 Snow & Ice Control Plan

- Required by FAA Part 139
 - Airport Snow & Ice Control Committee (SICC)
 - Snow Control Center (SCC)
 - Snow & Ice Control Plan (SICP)
- SICC 2023-24 Planning
 - August 2023: Reviewed and updated of SICP
 - October 2023: SICP reviewed with airlines, concessions and tenants
 - New Guitar Pick area will be utilized for de-ice operations
 - Managed by Interim Ramp Control



BNA Development Update: Visual Arts

- Executed Contract Don Hardin Group for Visual Arts Consulting Services, to:
 - Prepare Arts at the Airport RFQ/RFP's, grant proposals and required annual government forms
 - Coordinate artist selection process, including solicitations, evaluations, contracts and installation/de-installation
 - Maintain MNAA private art collection
- \$152K NTE/year
- 5-year term with 2 renewal options



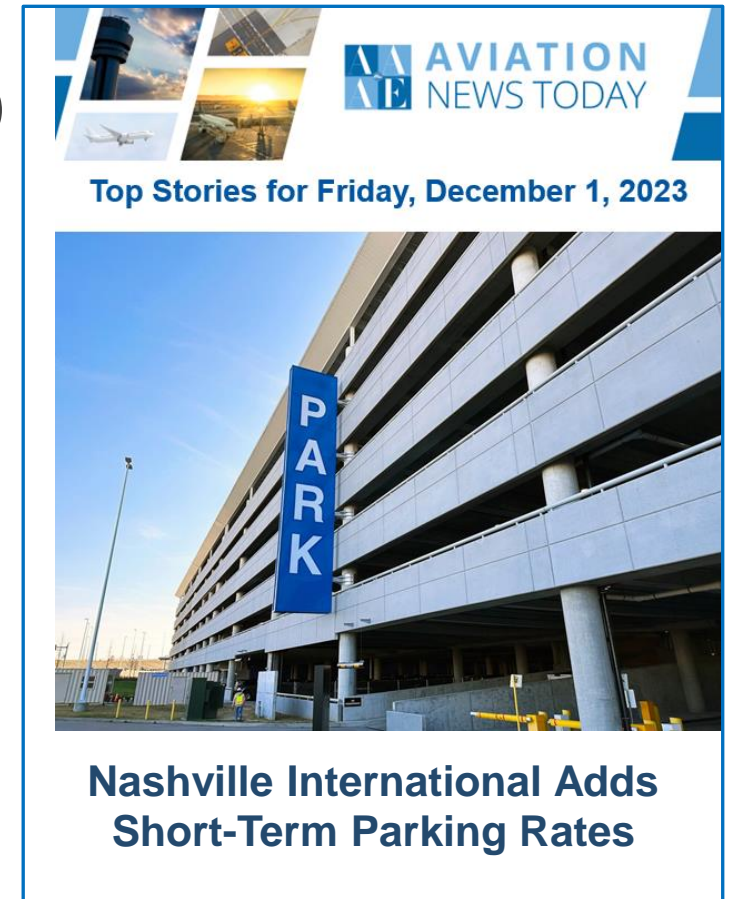
Tre Hardin, Art Curator



Morgan Thompson, Art Curator

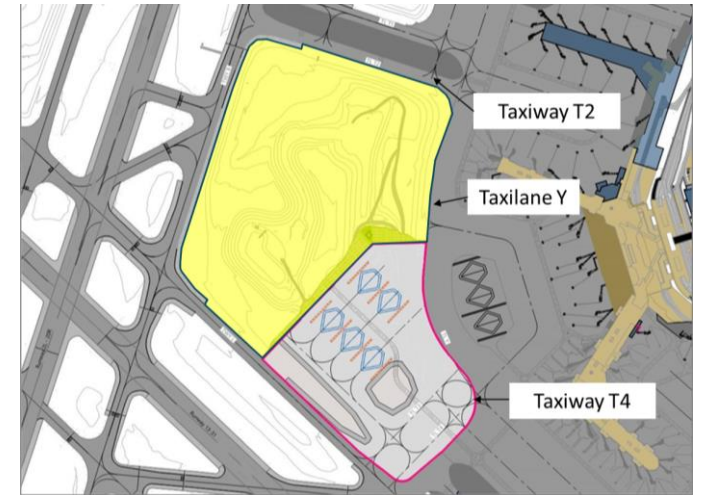
BNA Development Update: Roadways & Parking

- Implemented New Parking Rates December 1, 2023
 - 12,147 short-term (0 – 2 hours) parkers December 1 – 10 (13% increase)
- Documented 17 actions taken & planned to reduce roadway congestion
 - Shared with Vice Mayor Henderson, Metro Council, TDOT, Media
- Donelson Pike Acceleration (TDOT)
 - Draft change order received December 11, 2023
 - Board approval planned for January 2024
- Exit 216A Widening (TDOT)
 - Collecting information requested by TDOT
 - Board approval planned for February/March 2024



BNA Development Update: December 4th Visit to Southwest

- Southwest concurs with:
 - Building a Centralized Ramp for aircraft to Remain Over Night (RON) and to expedite aircraft deicing
 - Building a combined Multi-purpose/Air Freight facility (2025)
 - Renting 12,344 sq ft airside ramp space below Concourse D extension plus the open space below the node
 - Increasing employee parking rates to ensure operational cost recovery
 - Leasing 29 gates at the completion of Concourse A (2028)
 - Desired growth to 39 gates
 - Involvement in development of Terminal 2 siting study
 - Determining future jet fuel storage requirements
- Southwest wants to explore building a \$100M hangar on the westside of the airfield to support simultaneous maintenance of 3 x 737's
 - Will require Airport Authority/State investment to prepare the site



Central Ramp



Multi-purpose/Air Freight Facility

JWN Development Update



North Development, 12/11/23

North Development

- ✓ Substantial completion: November 2023
- Parcels 2/3 and 4/5 under construction

Contour FBO Schedule (currently ahead of 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

R3 Ramp Expansion

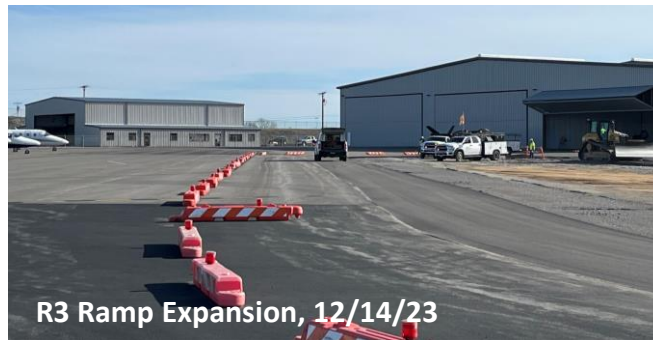
- Substantial Completion: Mar 2024

2nd FBO Solicitation

- Request for Information (“RFI”) issued December 15, 2023



Hangar 1, 12/11/23



R3 Ramp Expansion, 12/14/23



R3 Ramp Expansion, 12/14/23



R3 Ramp Expansion, 12/14/23

Fraport Terminal Concessions Program

- 2 Food & Beverage locations under construction, scheduled to open in April 2024
 - Prince's Hot Chicken (C/D)
 - Half Moon Empanadas (Conc. B)

Paradies Satellite Concourse Concessions Program

- 3 Retail locations open:
 - Distillery District Market, Gulch Goods, Nashville Supply
- 3 Food & Beverage locations open (late):
 - TX/MX, Bongo Java, Jimmy John's
- 1 Food & Beverage location under construction:
 - Fat Bottom Brewery (opening to public December 21, 2023)

BNA Concessions Program Update



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

Meeting Adjourned

Items for Ratification

Supplemental Slides

July – October 2023 Board Actions

- 1) Professional Services Contract for Executive Program Management (Operations)
- 2) Professional Services Contract for Terminal 2 Siting Study (Operations)
- 3) Professional Services Contract for On Call Engineering Services (Operations)
- 4) TARI -Telecommunication Provider License and Access Fees Agreement - Crown Castle (Operations)
- 5) Professional Services Contract for Commercial Trash, Recycled Materials and Electronics Disposal (Operations)
- 6) Amendment to Professional Services Contract for Custodial Services – Satellite Concourse (Operations)
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① Professional Services Contract for Executive Program Management

Description: Executive Program Management Services for airport planning and capital improvement projects at BNA.

- Provides additional staff and expertise
- Assists and advises MNAA in developing overall program strategy from project sequencing, phasing, delivery methods, SMWBE project packaging, internal & external communications, project controls and determination of necessary skill sets & staffing levels.

Contractor: Paslay Group (PG)

Total Contract Cost:

Annual Cost	\$ 6,500,000 NTE
Total Contract w/six renewal options	\$45,500,000 NTE

Contract Duration: One year with six, one-year renewals

Contract Start Date: August 2023

Funding Sources:



Review & Approval: Staff and the Operations Committee recommended approval to the full Board on July 19, 2023. The Board of Commissioners voted 6 to 0 to accept the Statement of Qualifications by Paslay Group to provide executive program management services and authorize the Chair and President & CEO to execute the contract for \$6.5M NTE annually.

② Professional Services Contract for Terminal 2 Siting Study

Project Description: Comprehensive analysis to determine location of second terminal. Analysis includes operational and financial feasibility, as well as connection to the existing terminal complex and connection to the off-airport systems such as roads, parking, people mover, transit, jet fuel, utilities, etc. A future CONRAC will also be analyzed, including the size, location, and infrastructure connections necessary to serve both terminal complexes.

Consultant: Strategic Planning Services, Inc. (SPS)

Total Contract Cost: \$3,500,000 NTE

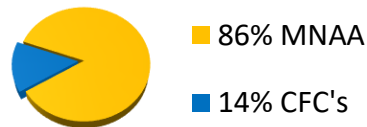
Term: 1 year

Schedule:

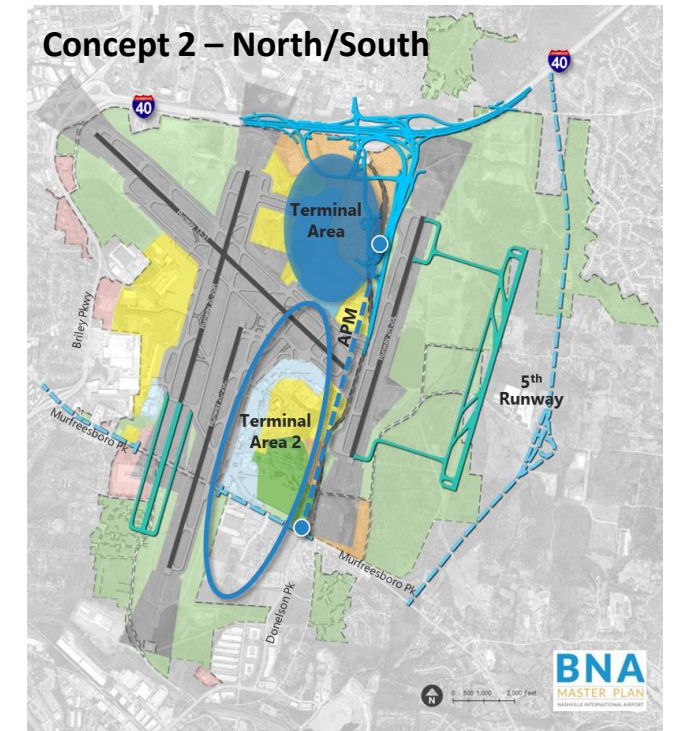
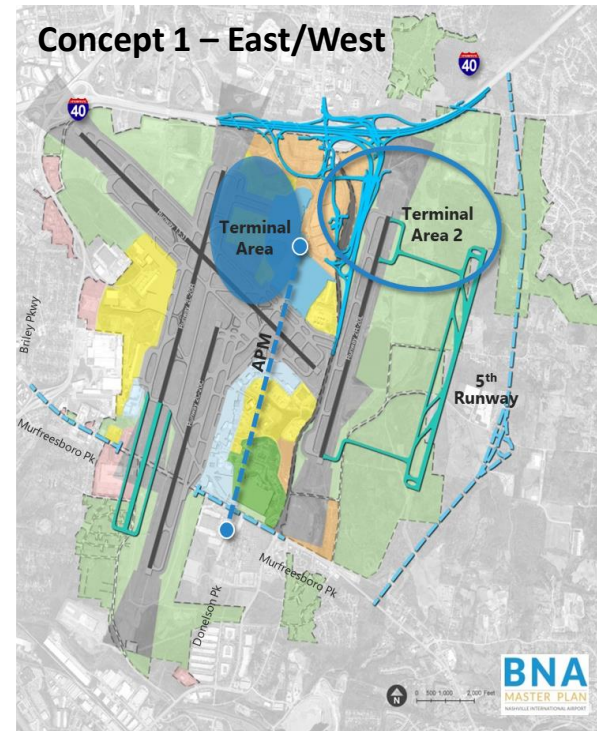
Contract Start: August 16, 2023

Contract End: August 16, 2024

Funding Sources:



Review & Approval: Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to authorize the Chair and President and CEO to execute the Professional Services Contract with SPS for a not-to-exceed contract value of \$3,500,000.



③ Professional Services Contract for On Call Professional Engineering Services

Description: Provide on call professional engineering design services for all engineering-led, capital projects for the next 3 years.

Contractor: Garver, LLC

Term: 1 year with two 1-year renewal options

Total Contract Cost:

Year 1:	\$ 5,000,000 NTE
Year 2 (option)	\$ 5,000,000 NTE
Year 3 (option)	<u>\$ 5,000,000 NTE</u>
Total:	\$15,000,000 NTE (with 2 renewal options)

Schedule:

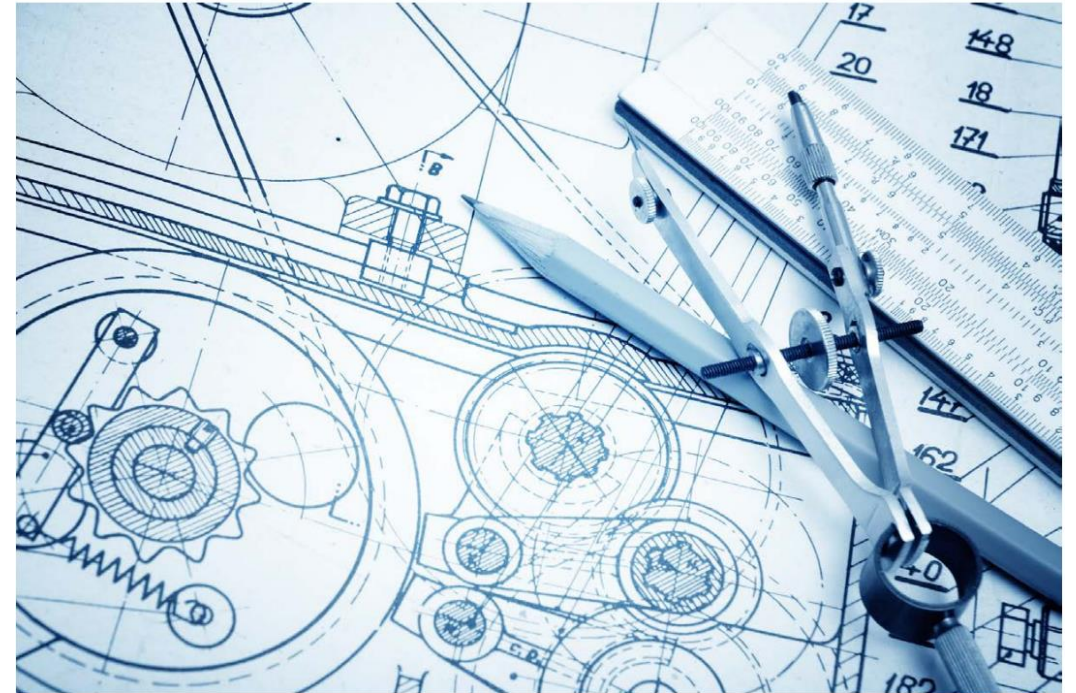
Contract Start: August 16, 2023

Contract End: August 16, 2026

Funding Sources:



■ Task by Task



Review & Approval:

Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to authorize the Chair and President and CEO to execute the On Call Engineering Professional Services Contract with Garver for an annual not-to-exceed contract value of \$5,000,000.

④ TARI – Telecommunication Provider License and Access Fee Agreement

Background

- TARI impacts telecommunications providers.
- Consolidated ductbank constructed to not be impacted by future project construction.
- Each provider to license individual conduits for exclusive use, with fee for:
 - Construction Cost: Prorated based on total conduit length
 - Property Access Fee: Based on length of ductbank occupied
- In November 2021, the Board authorized MNAA to execute license and receive fees associated with telecommunication service providers in the amount of \$2.8M for AT&T, Lumen, Comcast and Verizon.

Crown Castle Agreement

- Crown Castle previously sublet to AT&T but is now seeking its own conduit, which they will pay a license fee for \$343,639

Review & Approval: Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to authorize the Chair and President and CEO to execute the license and receive \$343,639 in fees from Crown Castle.



⑤ Professional Services Contract for Commercial Trash, Recycled Materials and Electronics Disposal

Project Description: Trash Removal Services for BNA and Outlying Properties; Contractor to perform and provide all labor, tools, transportation, services, and equipment necessary and reasonably essential to perform trash removal services for 1.7M sq ft.

Contractor: Waste Management, Inc.

Schedule: Start Date: September 01, 2023

Contract Duration: 3 years plus two 1-year renewal options

<u>Contract Cost:</u>	Contract Cost Year 1	\$ 726,146.80
	Contract Cost Year 2	\$ 765,954.14
	Contract Cost Year 3	\$ 807,751.85
	Contract Cost Year 4 (Option)	\$ 851,639.44
	Contract Cost Year 5 (Option)	<u>\$ 897,721.41</u>
	Total Cost w/options:	\$4,049,213.64 <i>(with 2 renewal options)</i>

Funding Source: O&M

Review & Approval: Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to accept the proposal by Waste Management, Inc. for Trash Removal Services for BNA and Outlying Properties and authorize the Chair and President and CEO to execute the proposed contract for \$4M.

⑥ Amendment to Professional Services Contract for Custodial Services - Satellite Concourse

Project Description: Professional (Custodial) Services for Satellite Concourse; Contractor to perform and provide all labor, tools, transportation, services, and equipment necessary and reasonably essential to perform custodial services for 90K sq. ft.

Contractor: Bestway Services, Inc.

Schedule & Term: Initial Contract: January 24, 2023 – January 24, 2026
Amendment: October 21, 2023 – January 24, 2026 (Remainder of year 1 + two years)

Contract Cost:	<u>Amendment</u>	<u>Initial Contract</u>	<u>Total Contract</u>
Contract Year 1	\$ 321,003	\$ 2,216,528	\$ 2,537,532
Contract Year 2	\$ 1,293,643	\$ 2,280,324	\$ 3,573,967
Contract Year 3	\$ 1,445,980	\$ 2,348,734	\$ 3,794,714
Total Cost	\$ 3,060,626	\$ 6,845,586	\$ 9,906,213

Funding Source: O&M (Current custodial contract will be amended in September 2023)

Review & Approval: Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to accept the proposal by Bestway Services, Inc. for Professional (Custodial) Services for the Satellite Concourse and authorize the Chair and President and CEO to execute the proposed contract amendment for \$3.06M.

⑦ Design, Build, Operate & Maintain Remote Virtual Control System

Project Description: Remote virtual ramp control services for the BNA ramp; Provider shall provide all labor, materials, transportation, services, and equipment necessary and reasonably essential to provide a Virtual Ramp Control System (VRC) for the Nashville International Airport (BNA); Located at Consolidated Services Facility (CSF); 4:00 am – 12:00 am operation

Contractor: SAAB Sensis

Schedule: Start Date: October 30, 2023 (start of design-build)

Contract Duration: 1 year to design-build, 3 years to operate, plus two 1-year renewal options

<u>Contract Cost:</u>	Design-Build Cost (October 2023)	\$ 8,318,200
	Operating Cost Year 1 (October 2024)	\$ 5,345,154
	Operating Cost Year 2 (October 2025)	\$ 5,612,412 <i>(estimated)</i>
	Operating Cost Year 3 (October 2026)	<u>\$ 5,893,033 <i>(estimated)</i></u>
	Estimated Contract Cost 3 Years	\$25,168,799 NTE
	Operating Cost Year 4 (October 2027)	\$ 6,187,685 <i>(Option Year 1)</i>
	Operating Cost Year 5 (October 2028)	<u>\$ 6,497,069 <i>(Option Year 2)</i></u>
	Estimated Cost w/options:	\$ 37,853,553 NTE <i>(with 2 renewal options)</i>

Funding Source: O&M, charged to the airlines for reimbursement

Review & Approval: Staff and the Operations Committee recommended approval to the full Board on September 20, 2023. The Board of Commissioners voted 6 to 0 to accept the proposal by SAAB Sensis for the design, build, operation & maintenance of a Remote Virtual Ramp Control System and authorize the Chair and President and CEO to execute the proposed contract for \$37.9M NTE (w/2 renewal options).

⑧ Construction Contract for Terminal Access Roadway Improvements Ph 2

Project Description: Demolition of existing Donelson Pike south of the TDOT connector roadway, between Donelson Pike, Terminal Drive, and the Taxiway Bridges, and construction of a new Airport Service Road.

Contractor: Jones Bros. Contractors, LLC

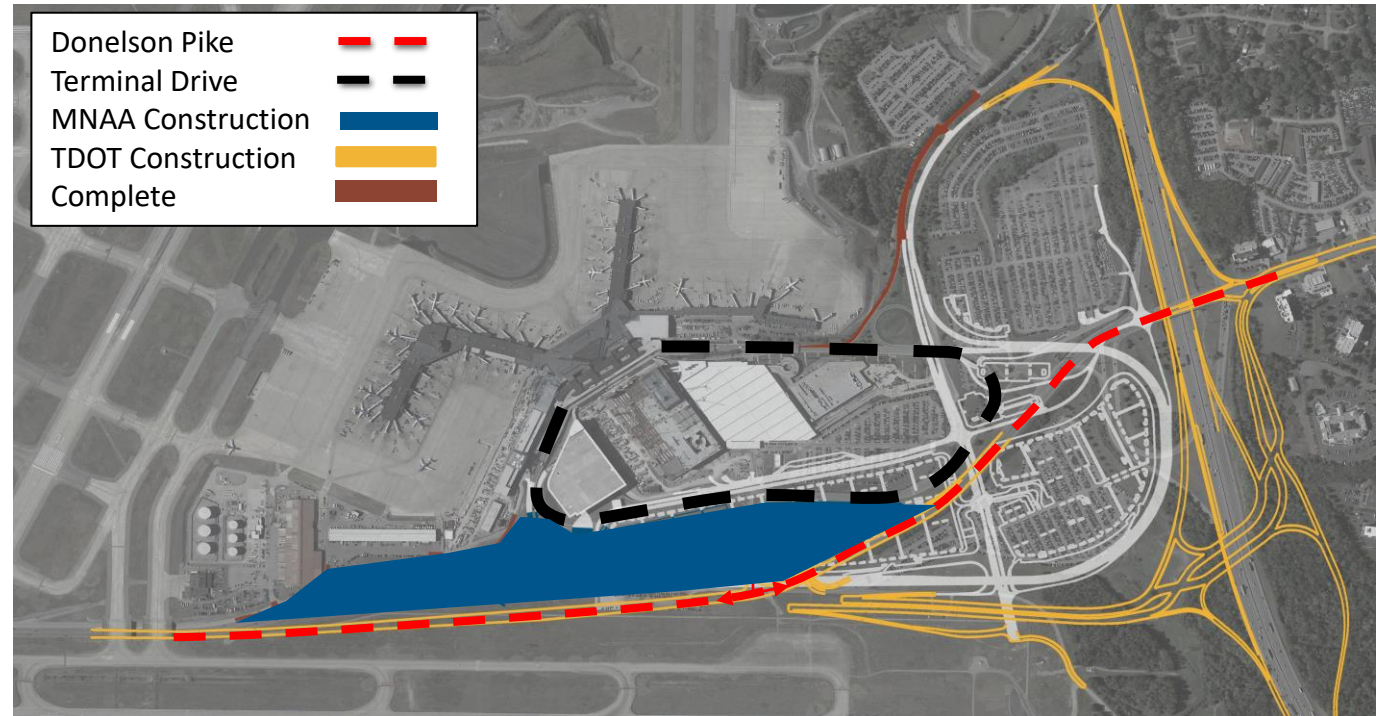
Total Contract Cost: \$23,759,322.50

Schedule:

Contract Start: December 2023

Contract End : October 2025

Funding Sources:



Review & Approval: Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to authorize the Chair and President and CEO to execute the proposed contract with Jones Bros. Contractors, LLC in the amount of \$23,759,322.50.

⑨ Construction Contract for Taxiway Bravo/Kilo Intersection Reconstruction

Project Description: Reconstruct the intersection of Taxiway Bravo and Taxiway Kilo and remove Taxiway Tango 3.

Contractor: Hi-Way Paving, Inc.

Total Contract Cost: \$16,483,880

Schedule:

Anticipated Contract Start: November 2023

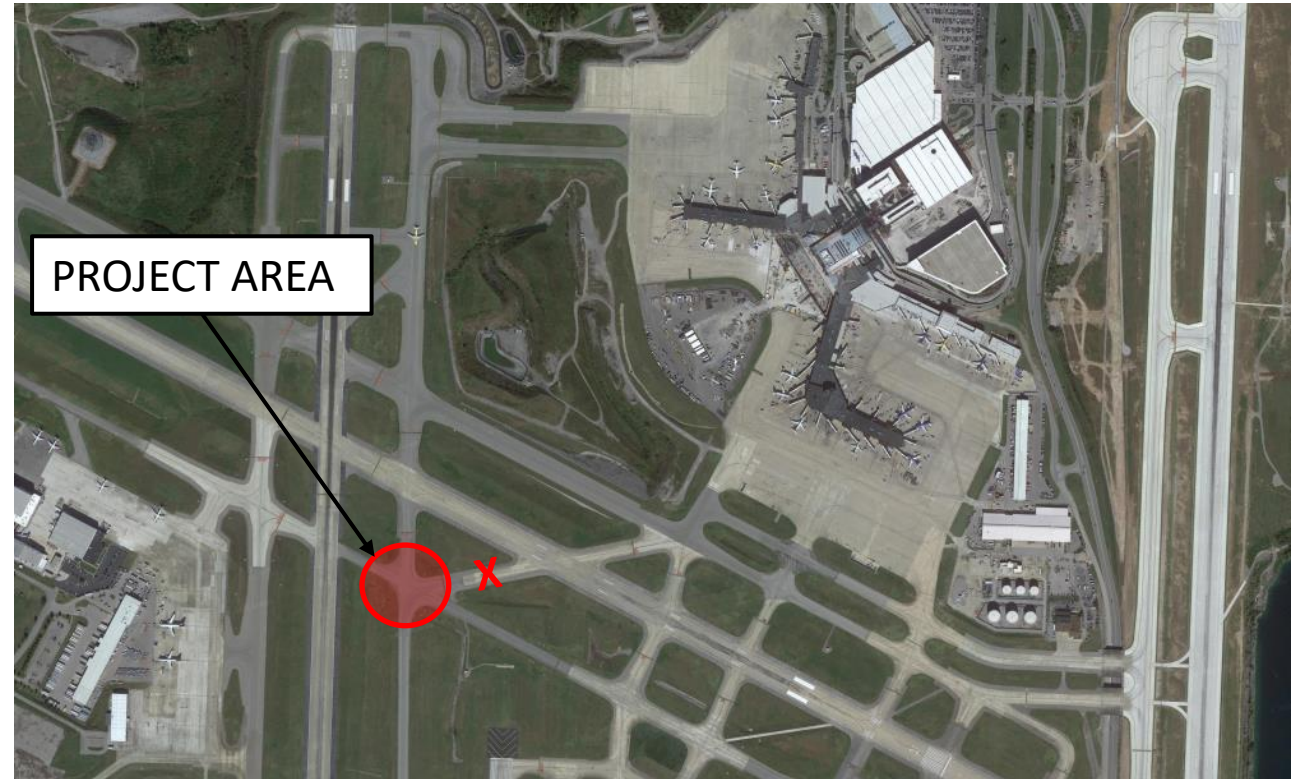
Contract End: July 2024

Funding Sources:



■ Airline Investment Fund - 25%

■ Federal - 75%



Review & Approval:

Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to authorize the Chair and President and CEO to execute the proposed contract with Hi-Way Paving, Inc. in the amount \$16,483,880.

⑩ Professional Services Contracts for Staff Augmentation – BNA Vision/ New Horizon

Description: Provide supplemental staffing to the Engineering Department to support the capital improvement programs.

Contractors: WSP USA, Inc. (project management, majority)
Accura Engineering (project management, small business)
Innova Solutions (project controls, majority)
TBD (project controls, small business)

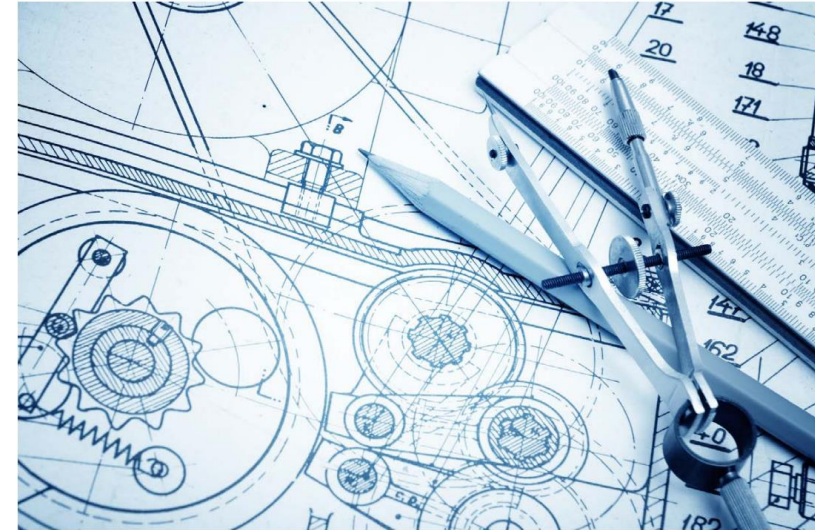
Total Contract Cost: \$8,700,000 NTE Annual Aggregate (per year)

Schedule: Anticipated Contract Start: November 01, 2023
Contract End: December 31, 2031

Funding Sources: Task-by-task

Review & Approval: Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to:

- 1) Accept the statements of qualifications by Innova Solutions, Accura Engineering and Consulting Services, Inc., and WSP USA Inc. to provide staff augmentation services at Nashville International Airport (BNA); and
- 2) Authorize the Chair and President and CEO to execute the Staff Augmentation Professional Services Contract(s) for an annual not-to-exceed aggregate contract value of \$8.7 Million annually; and,
- 3) Authorize the President and CEO to execute any amendments for the Staff Augmentation Professional Services Contracts as long as the total value of the contracts does not exceed the \$8.7M annual NTE amount.



11 Professional Services (Design) Contract for Concourse A Demo & Reconstruction

Project Description: Design consulting services for demolition of Concourse A and reconstruction of a 16-gate concourse.

Consultant: Fentress Architects

Total Contract Cost: \$47,126,684

Schedule:

Contract Start: October 2023

Contract End : October 2028

Funding Sources:



Review & Approval: Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to authorize the Chair and President and CEO to execute the professional service contract to Fentress Architects in the amount of \$47,126,684.

12 Construction Contract for JWN Terminal Parking Lot Expansion

Project Description: Construct additional vehicular parking near the terminal building & repave a portion of Tune Airport Drive.

Contractor: Rogers Group, Inc.

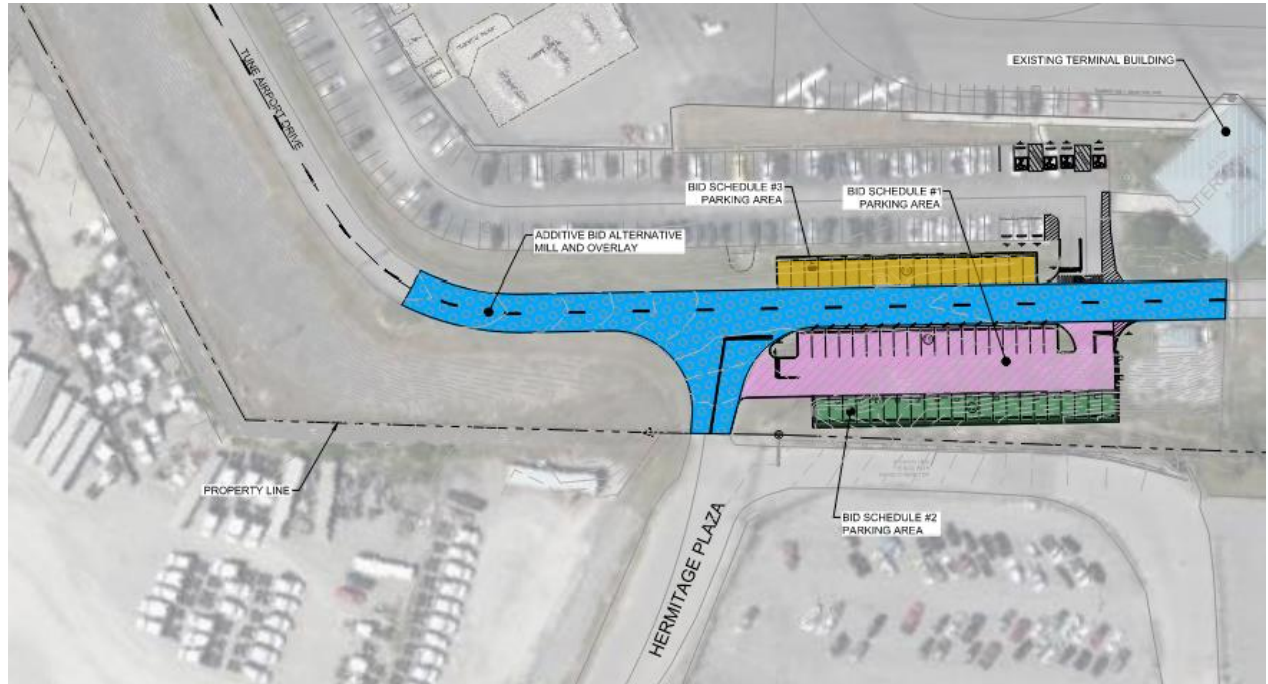
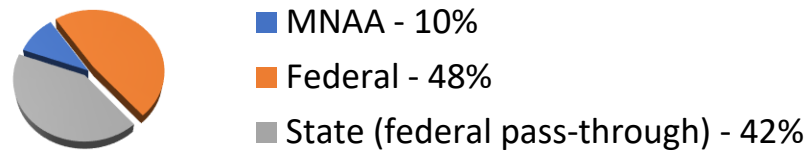
Total Contract Cost: \$1,582,781.25

Schedule:

Contract Start: November 2023

Contract End : June 2024

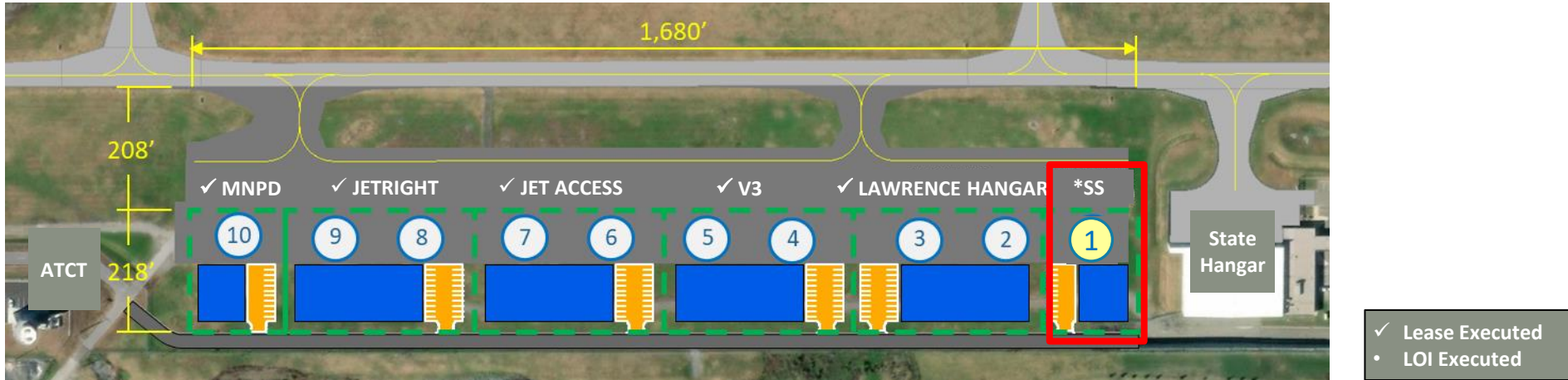
Funding Sources:



Review & Approval: Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to authorize the Chair and President and CEO to execute the construction contract with Rogers Group, Inc. in the amount of \$1,582,781.25.

⑬ JWN North Development Parcel 1 - Future SPE for Steve Smith

Property Description: One parcel of land for a total of 0.84 acres



Key Lease Terms:

- **Effective Date:** Rent commences upon execution, on or before October 15, 2023
- **Term:** 18-month construction term, 30-year initial term, one 5-year renewal option (total potential 36.5 years)
- **Base Rent:** \$2.70/sf; 3% annual escalation; FMRV adjustments in year 10 and 20 of initial term
 - Max 110% increase over prior year; No rent decrease
 - Monthly fuel flowage; current rate \$0.06/gallon
- **Improvements:** Minimum \$2.5M for construction of a hangar facility (at least 10,000 sq ft)

⑬ JWN North Development Parcel 1 - Future SPE for Steve Smith

Key Lease Terms (continued):

- **Lease Type:** Triple Net Lease; Property Condition and Pavement Condition Assessments every 5 years
- Tenant has right to lease to affiliate or successor organization with notice to MNAA
 - MNAA receives 20% of gross transaction value if 10+ years remaining, 15% if less than 10 years remaining but more than 5 years, and 10% if less than 5 years remaining

Impact:

- Immediate revenue source of \$98,884.80 in year one
- New asset that will vest in 31.5 – 36.5 years

Review & Approval: Staff and the Finance Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to approve the terms negotiated between MNAA & future Special Purpose Entity for Steve Smith via Letter of Intent; and authorize the Chair and President and CEO to execute a lease agreement with future special purpose entity for Steve Smith, consistent with these terms.

⑭ Amendment 1 to Fraport Subleases with Ferncroft Airport LLC

Background:

- The term of the Lease and Concession Agreement with Fraport Tennessee, Inc. (Fraport) commenced on February 1, 2019, and expires January 31, 2029.
- If sublease terms extend beyond January 31, 2029, MNAA must become a party to the sublease so that all rights & obligations of the sublease attorn to MNAA at the expiration of Fraport's Lease and Concession Agreement.
- Fraport has two subleases with Ferncroft Airport, LLC, to which MNAA is a party. Ferncroft requested changes to location names, which were formally approved in Amendment 8 to the Fraport Agreement.

Original Name

Nashville Music City

The All Day

Titans Sports Bar

New Name

The Music City Shop

Kitty Hawk Eat and Drink

The Titans Press Box

Review & Approval:

Staff and the Finance Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to accept and authorize the Chair and President and CEO to execute the amendments to the subleases between Fraport, Ferncroft Airport, LLC and MNAA.

Property Description: Development of 5.15 acres of the 5.97-acre parcel of land and the extension of Taxilane B

Key Lease Terms:

- **Effective Date:** Rent commences upon execution of the lease agreement
- **Term:** 18-month construction term, 30-year initial term, one 5-year renewal option (total potential 36.5 years)
- **Base Rent:** \$2.40/sf; 3% annual escalation; FMRV adjustments in year 10 and 20 of initial term
 - Max 110% increase over prior year; No rent decrease
 - Monthly fuel flowage; current rate \$0.08/gallon
 - Easement fee of \$0.50/sf beginning on the effective date of the lease for the Taxilane B extension and this tract's share of Taxilane A & B; the easement fee includes a 3% annual escalation.
- **Improvements:** Minimum \$14M for construction of hangar facilities (approximately 66,000 sq ft), ramp/apron space and fuel farm. Tenant will complete Taxilane B extension and first hangar within 18 months of the effective date and the second hangar within 30 months.



15 BNA Westside Development - Future SPE for Scott Sohr

Key Lease Terms (continued):

- **Lease Type:** Triple Net Lease; Property Condition and Pavement Condition Assessments every 5 years
- Tenant has right to lease to affiliate or successor organization with notice to MNAA
 - MNAA receives 20% of gross transaction value if 10+ years remaining, 15% if less than 10 years remaining but more than 5 years, and 10% if less than 5 years remaining

Impact:

- Immediate revenue source of \$579,590 in year one
- New asset that will vest in 31.5 – 36.5 years

Review & Approval:

- Staff and the Finance Committee recommended approval to the full Board on September 20, 2023. The Board of Commissioners voted 6 to 0 to:
 - Approve the terms negotiated between MNAA and future Special Purpose Entity for Scott Sohr, via Letter of Intent; and
 - Authorize the Chair and President and CEO to execute a lease agreement with future special purpose entity for Scott Sohr, consistent with these terms.

16 Amendment to British Airways Incentive Agreement (London)

British Airways Service: Daily Service to London, England (Heathrow)

British Airways Incentive (London), Board Approved June 16, 2021

- Per the Air Service Incentive Plan (ASIP), approved by the Board on November 2, 2020, MNAA entered into a new 2-year incentive with British Airways for non-stop service to London (Heathrow) effective December 9, 2021.
 - Year 1: 100% abatement of landing and facility fees; \$100,000 marketing funds
 - Year 2: 100% abatement of landing and facility fees
 - Monetary approved maximum incentive \$2M

Recommended Incentive Amendment:

- Extend Term from expiring on December 8, 2023, to February 29, 2024, to recognize the period in which no flights occurred due to the reemergence of the pandemic (February 2022 - May 2022).
- Raise the maximum available incentive from \$2M to \$2.5M, due to increased flight activity and increased rates and charges

Review & Approval:

- Staff & the Finance Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to approve funding for the proposed amendment to the British Airways LOA including extend the term to February 29, 2024, and increase the cap of landing and facility fee abatements to \$2.5M; and authorize the Chair and President & CEO to execute the Letter of Agreement (LOA) Amendment by and between MNAA and British Airways outlining the specific terms of the proposed incentive amendment.

17 Trademark License Agreement - Nashville Airport Hotel Partners, LLC

Description:

- Project Lease Agreement contemplates the use of BNA® in the name of the hotel and a restaurant concept.
 - Hotel: “Hilton BNA Nashville Airport Terminal” and “Hilton BNA”
 - Restaurant: BNA Sky Pavilion
- The use of the BNA word mark and logo will be submitted as support for MNAA’s application to register the BNA marks for hotel and restaurant services.

Trademark License Agreement Terms

- Gratis license, based on the provisions of the existing Project Lease Agreement.
- Seven-year terms, which auto renew.
- Tenant is required to follow MNAA quality and brand standards

Impact: Allows MNAA to file additional trademark applications and continue to build the BNA brand.

Review & Approval:

- Staff and the Finance Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 5 to 0 (1 recuse) to approve the terms negotiated between MNAA and Nashville Airport Hotel Partners, LLC (the “Tenant”) via the trademark license agreement and authorize MNAA Staff and the Board of Commissioners to execute a trademark license agreement between MNAA and Tenant.

⑱ Background – CEO Employment Agreement

- Initial Agreement – Effective December 1, 2017
 - Replaced by current agreement
- Current Agreement - Effective July 1, 2022, to June 30, 2025
- FY2023 Annual review
 - CEO Performance review
 - August 9, 2023 (Management Committee)
 - August 16, 2023 (Board)
 - CEO Contract review
 - August 30, 2023 (Chair/CEO 1:1)

Chair's Recommendation

- Amend Term of Employment
 - Current: July 1, 2023 – June 30, 2025.
 - Proposed: July 1, 2023 – **December 31, 2026.**
- Change Terms
 - Extend Board notice of non-renewal from 6 months to 12 months prior to contract expiration; allows time for new CEO search.
 - Automatically extend contract by 12-months if written notice of non-renewal not provided by Board 12 months prior to expiration.
 - Revise special cash incentive. CEO eligible for additional 10% bonus if Concourse D Extension completed and Concourse A construction started by December 31, 2026.
- Adjust CEO Compensation Strategy
 - CEO no longer eligible for Cost-of-Living Adjustments (COLA).
 - CEO to provide annual benchmarking study of Large Hub Airport CEO compensation data to Management Committee by June 30, 2024.
 - CEO to provide Management Committee with a proposed Board roadmap outlining CEO succession plan by December 31, 2024.

18 CEO Employment Agreement

18 Adjust CEO Compensation Strategy – Large Hub Benchmarking

- CEO’s salary was increased by 5% COLA August 9, 2023 (effective July 1, 2023)
 - CEO’s base salary at the 33rd percentile of large hub airports
- Chair/Management Committee should review benchmark report annually to determine if any adjustments are warranted.

	Base Salary						Total Cash Compensation					
	P10	P25	P50	P75	P90	P99	P10	P25	P50	P75	P90	P99
Large Hubs	\$218,808	\$360,538	\$487,542	\$671,880	\$813,610	\$1,057,572	\$291,872	\$542,325	\$757,725	\$1,092,500	\$1,342,953	\$1,774,060
CEO Today		\$409,500 (P33)					\$421,500 - \$585,300 (P18 - P29)					
Chair’s Proposal			\$600,000 (P65)						\$612,000 - \$852,000 (P30 - P53)			

P25, P50 & P75 provided by Korn Ferry, November 2022; P10, P90 & P99 calculated based on normal distribution.
 CEO Total Cash Compensation = FY24 Base Salary + Car Allowance + FY24 Bonus (0 – 40% to be awarded in FY25)

Chair's Recommendation: Board of Commissioners approve the following, as presented to the Management Committee:

- Revisions to the CEO's employment contract:
 - Employment term (12/31/26);
 - Renewal/non-renewal terms (12 months);
 - Compensation strategy/benchmarking (annually);
 - Adjustment to 2026 special cash incentive; and
- Increase CEO's annual base salary to \$600,000, effective September 1, 2023
 - CEO ineligible for COLA
- Authorize Chair to execute amendment to existing CEO contract, consistent with above terms.

- **Review & Approval:** The Chair and the Management Committee recommended approval to the full Board on September 20, 2023. The Board of Commissioners voted 6 to 0 to approve.

⑱ CEO Employment Agreement

- Notes:
 - Total MNAA Salaries for 367 employees is: \$30,156,310
 - If approved, CEO Salary equates to 1.98% of total

19 CEO FY24 Performance Evaluation KPI's

KPI Evaluation Criteria	90% Eligibility	100% Eligibility	110%+ Eligibility
Financial (50%)			
<u>Operating Income (BNA+JWN+MPC) (25%)</u>			
Operating Revenue	Meets budget: \$288.4M	5% over budget: \$302.8M	10% over budget: \$317.2M
Operating Expense	Meets budget: \$170.2M	5% under budget: \$161.7M	10% under budget: \$153.2M
<u>Fiscal Responsibility / Strength (25%)</u>			
Senior Debt Coverage	1.25%	1.3% - 1.5%	Greater than 1.5%
Sr/Subordinate Debt Coverage	1.10%	1.2% - 1.25%	Greater than 1.25%
Days Cash on Hand	500 days (OS)	550 - 650 day (Policy)	Greater than 650 days
Pension Funding	80% - 89%	90% - 100%	Greater than 100%
OPEB Funding	80% - 89%	90% - 100%	Greater than 100%
Operational (50%)			
<u>Overall Airport Satisfaction (25%)</u>	80% - 84% top 2 box	85% - 90% top 2 box	Greater than 90% top 2 box
<u>Strategic Goals (25%)</u>	Meets expectations:	Exceeds expectations:	Outstanding:
Invest in BNA/JWN	70% - 79%	80% - 90%	Greater than 90%
Plan for the Future			
Prepare for the Unexpected			

Review & Approval: Staff and the Management Committee recommended approval to the full Board on September 20, 2023. The Board of Commissioners voted 6 to 0 to approve the CEO FY24 Key Performance Indicators.