



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

March 20, 2024



Call to Order

March 20, 2024

Public Comment

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

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

1 Public Comment Requests Received

Approval of Minutes

Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors
February 21, 2024

Chair's Report

Joycelyn Stevenson, Board Chair

President's Report

Douglas E. Kreulen, A.A.E.

President and CEO



Hilton BNA Grand Opening

- February 20, 2024
 - Hotel Opened
- March 7, 2024
 - Ribbon Cutting
- April 3, 2024
 - Grand Opening Celebration
 - 4 pm – 7 pm

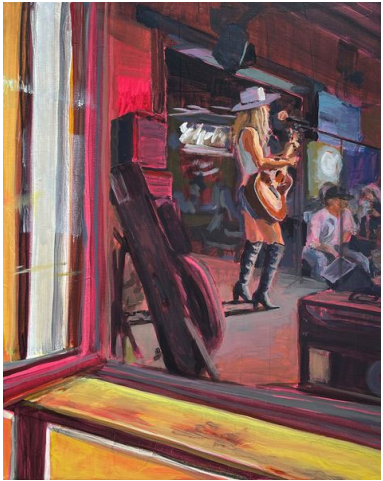
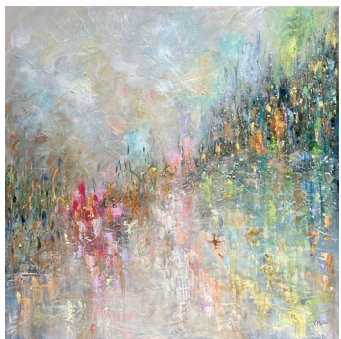


Frontier Airlines Expands Air Service

- February 28, 2024
- Chicago O'Hare International (ORD)
 - Beginning May 16, 2024
 - 3 times per week

Flying Solo Exhibit

- March 4, 2024
 - On display through June 23, 2024
 - Showcasing the works of talented Nashville Artists
 - Daniel Arite
 - Sarah Clinton
 - Joel Keas
 - DaShawn Lewis
 - Josh MacLeod
 - Vanessa Sharp Multon
 - Tammy O'Connor
 - Mary Ruden





Congressman Mark Green tours BNA

- March 14, 2024





BNA & JWN SEC AAAE Recognition

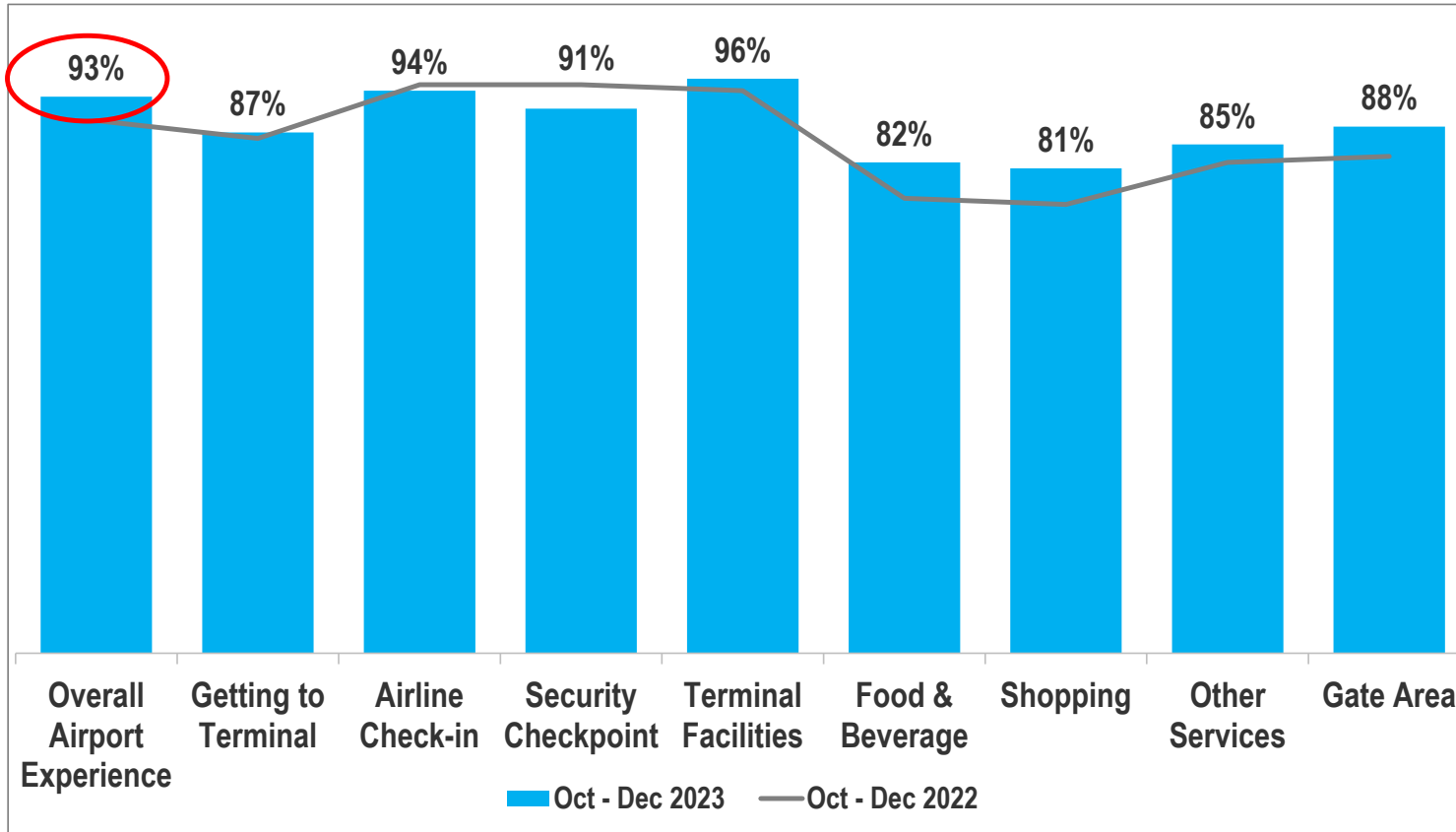
- March 19, 2024
- General Aviation Project of the Year (Architecture)
 - JWN Maintenance / Administration Building
- Commercial Service Airport Project of the Year (Architecture)
 - BNA Grand Hall Renovation



Full Scale Drill

- March 26, 2024
- Arrive 9:00 am

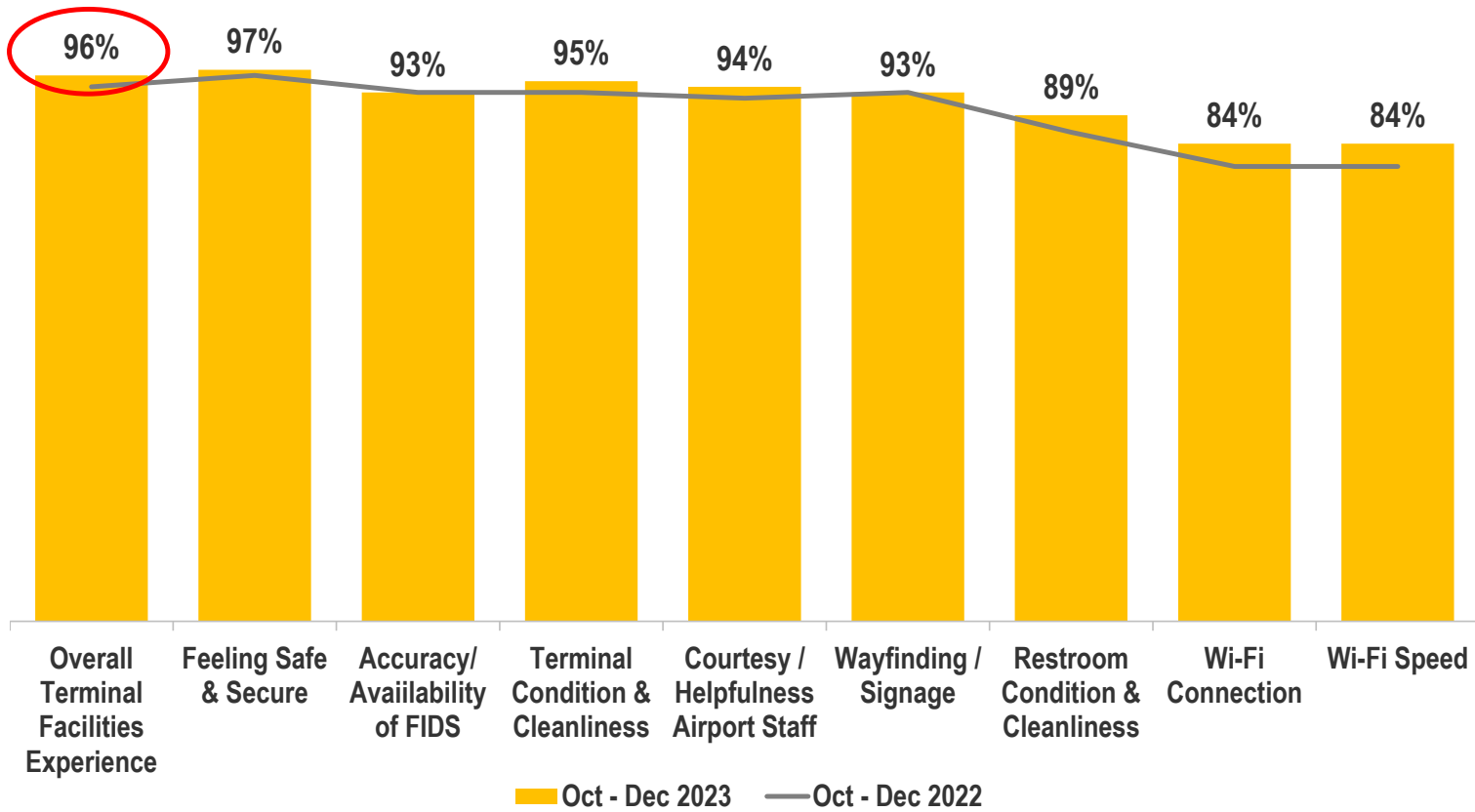
Customer Experience Survey: Overall Satisfaction



Overall Satisfaction

- Significantly more Satisfied:
 - Overall Experience
 - Terminal Facilities
 - Food & Beverage
 - Shopping
- Significantly less satisfied:
 - Security Checkpoint

Customer Experience Survey: Terminal Facilities



Terminal Facilities

- Significantly more Satisfied:
 - Overall Experience
 - Terminal Condition & Cleanliness
 - Restroom Condition & Cleanliness
 - Speed of Wi-Fi



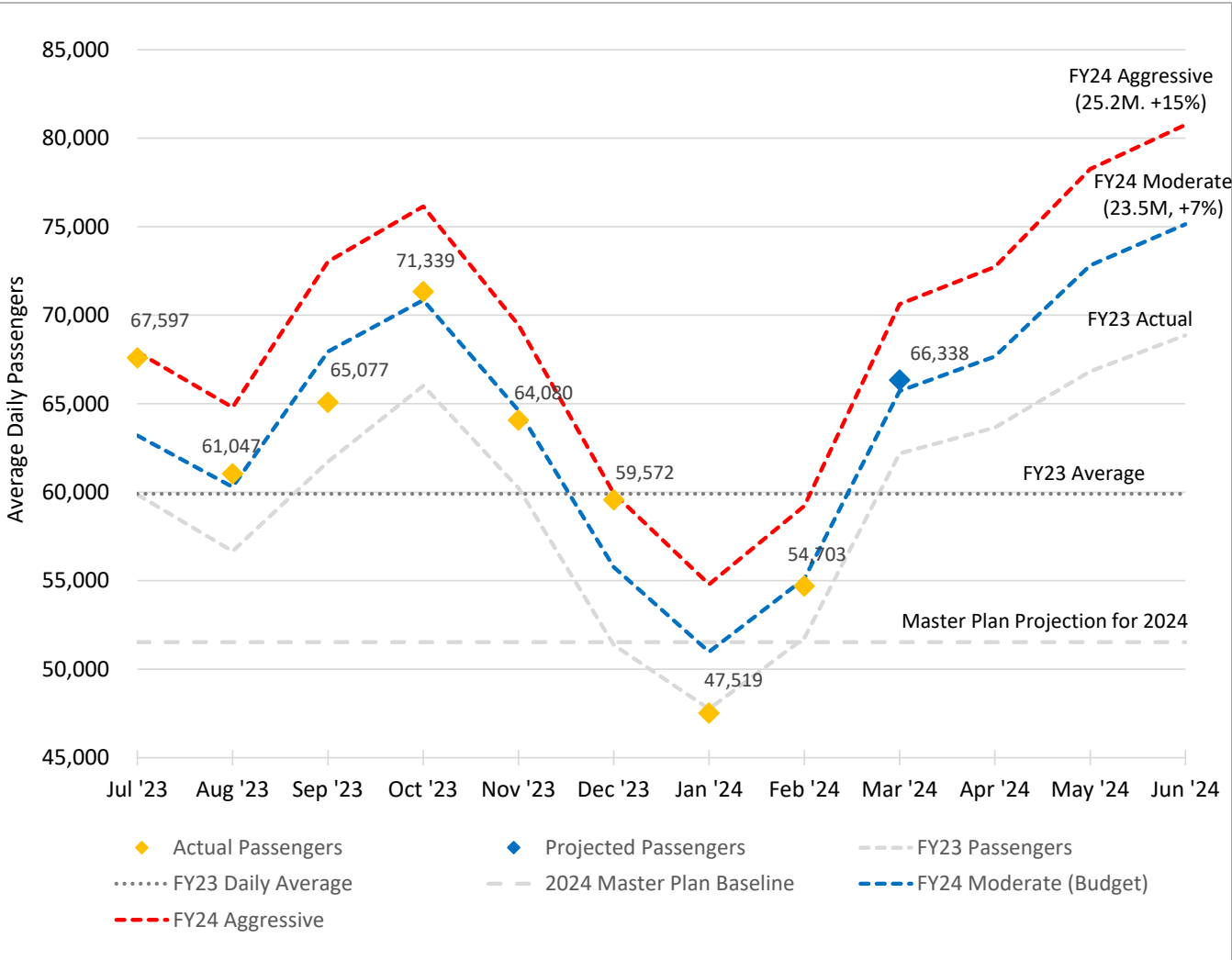
Eric Johnson, CCIM, C.M.
SVP, Chief Revenue Officer



Jeffrey Greco, Director
Facility & Maintenance

Welcome, New Leadership

FY24 BNA Passengers



- FY24 Forecast: 7%, 11%, 15%
- March FY24 Projected (+7%)
 - 2,056,470 total passengers
 - 66,338 daily passengers
- FY24 Year-to-Date (+8%)
 - 17,036,875 total passengers
 - 61,952 daily passengers
- FY24 Year-End Projection
 - 23.6M – 23.8M passengers

*March projections based on TSA data through March 18, 2024

Operations

- Approvals
 - 1) Construction Contract for South Terminal Apron Repairs, Phase 1
- Information
 - 1) Terminal II Siting Study Update 3 of 8
 - 2) BNA Development Update (including Concessions Update)
 - 3) JWN Development Update

Finance

- Approvals
 - 1) FY25 BNA O&M Budget, MNAA Resolution 2024-04
 - 2) FY25 BNA CIP Budget, MNAA Resolution 2024-05
 - 3) FY25 JWN O&M Budget, MNAA Resolution 2024-06
 - 4) FY25 JWN CIP Budget, MNAA Resolution 2024-07
 - 5) FY25 MPC O&M Budget, MPC Resolution 2024-01
 - 6) FY25 MPC CIP Budget, MPC Resolution 2024-02
 - 7) Fraport Sublease Amendments - *tentative*
- Information
 - 1) None

Management

- TBD

Committee 30-day Outlook

- April 10 & 17, 2024

Operations

- Approvals
 - 1) Construction Contract for MNPD Hangar at John C. Tune
 - 2) On Call Contract for Field and Laboratory Testing Services
 - 3) Construction Contract for Cargo Apron Slab Replacement Ph 6
 - 4) Construction Contract for West Cargo Apron Concrete Slab Replacement, Ph 5
 - 5) Professional Services Contract for Staff Augmentation (SMWBE)
- Information
 - 1) BNA Development Update
 - 2) JWN Development Update

Finance

- Approvals
 - 1) Amendment to MNPD Lease Agreement
- Information
 - 1) Quarterly Retirement/OPEB/Treasury Investment Reports
 - 2) BNA Concessions Program Update (including Quarterly Sales Report)

Management

- Information
 - 1) 2024 Affirmative Action Program (AAP) Update

Committee 60-day Outlook

- May 8 & 15, 2024

Items for Approval

March 20, 2024

- Donelson Pike Early Completion Initiative (Operations)
- Construction Contract for BNA Parking Lot Modifications (Operations)
 - Valet storage, Lot A & Employee Lot

Items for Approval

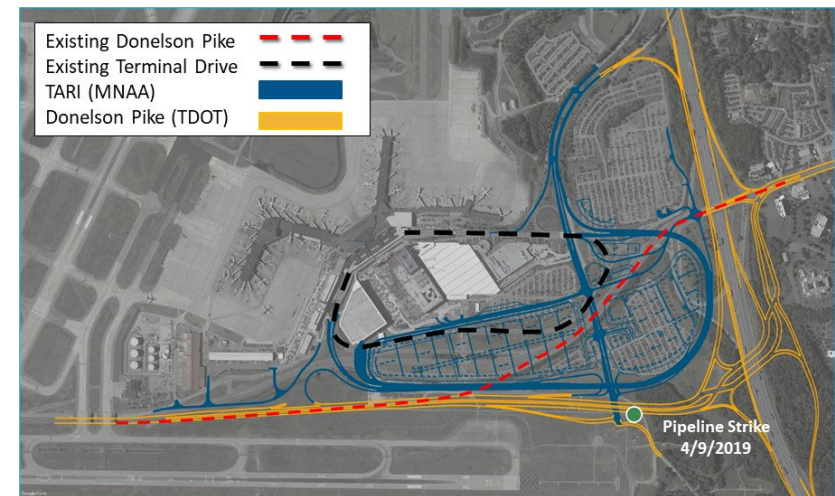
Robert Ramsey, PE, AAE, IAP
EVP, Chief Development Officer

Donelson Pike Early Completion Incentive

Project Description: Agreement with TDOT for MNAA to fund an incentive for Superior Construction Company Southeast LLC (Superior) to complete the relocation of Donelson Pike up to 365 days before the current contract completion date of May 31, 2026, and to allow Superior to borrow 200,000 CY NTE of fill material.

Incentive Terms:

- Completion date: May 31, 2025 (365 days early), with SR-255 switchover anticipated by April 15, 2025 (411 days early)
- Advance incentive of \$300,000/month, August 2024 – May 2025
 - \$300K x 10 months = \$3,000,000 advance incentive
- \$3M bonus if complete by May 31, 2025
 - \$3M + \$3M = \$6,000,000 total incentive
- Bonus reduced by \$62,500/day after May 31, 2025, until total incentive exhausted
- Liquidated damages specified in TDOT's contract begin if work is not completed by September 4, 2025, instead of May 2026 as in current contract (\$4K/day)
- Superior will be permitted to borrow up to 200,000 CY of fill material from MNAA's stockpile sites to expedite the construction and will replace the fill material after completion of the Donelson Pike project



Funding Source:



■ 100% MNAA

- **Committee Review:**

- Operations Committee voted 3 to 0 to recommend approval on March 13, 2024.

- **Staff Recommendation:**

- Board of Commissioners authorize the President and CEO to execute an agreement with Tennessee Department of Transportation for an early completion incentive to Superior Construction Southeast, LLC. at \$6M NTE, under the above terms.

Staff Recommendation

- Note: TDOT plans a press release in early May 2024

Construction Contract for BNA Parking Lot Modifications

Project Description: Repair pavement and reconfigure spaces and pavement markings to add parking capacity in Lot A, Discrete Valet Storage and the Employee Lot at BNA.

Contractor: BC Mason Group, LLC

Total Contract Cost: \$1,766,343.18

Schedule: Contract Start: April 2024
Contract End: June 2024

SMWBE: Goal = 11.62% MBE and 1.96% WBE
Commitment = 12.42% MBE and 2.12% WBE

Funding Source:  100% MNAA



Committee Review: Operations Committee voted 3 to 0 to recommend approval on March 13, 2024.


Staff Recommendation: Board of Commissioners accept the bid by BC Mason for BNA Parking Lot Modifications and authorize the Chair and President and CEO to execute the proposed contract with BC Mason Group, LLC in the amount of \$1,766,343.18.

- Concourse D Extension Concessions Node Art Finalist (Operations)

Item for Approval

Stacey Nickens
VP, Corporate Communications &
Marketing

Concourse D Extension Concessions Node Art Finalist

- **Description:** *Woven Embrace*, invites viewers to take a journey of introspection and connection with fellow travelers. We're reminded of the importance of welcoming our differences.
- **Artist:** Benjamin Ball
- **Contract Cost:** \$500,000
- **Schedule:** Start March/April 2024; Install scheduled for early 2025
- **Funding Source:**  100% MNAA
(1% Public Art budget)
- **Committee Review:** Operations Committee voted 3 to 0 to recommend approval on March 13, 2024.
- **Staff Recommendation:** Staff requests the Board of Commissioners:
 - 1) Accept the recommendation of the Arts at the Airport (AaA) Foundation Board public art selection committee and the President and CEO to commission Benjamin Ball to create the work titled, *Woven Embrace*, to be suspended in the Concourse D Extension Concessions Node, and
 - 2) Authorize the Chair and President and CEO to execute the 1% Public Art Contract for \$500,000.



- FY24 BNA O&M Budget Amendment, MNAA Resolution #2024-01 (Finance)
- FY24 BNA CIP Budget Amendment, MNAA Resolution #2024-02 (Finance)
- FY24 JWN O&M Budget Amendment, MNAA Resolution #2024-03 (Finance)

Items for Approval

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

FY24 O&M and Capital Budget Amendments – BNA and JWN

- On March 13, 2024, the Finance Committee reviewed in detail, and recommended approval of the 3 budgets by vote of 3 to 0.
- BNA adjustments driven by new passenger forecast for FY24 (23.48M forecast; 23.6M – 23.8M projected)
- Key changes to FY24 BNA O&M Budget
 - Increased concessions, space rent and landing fee revenue
 - Increased expenses for parking lot operations, concessions, travel/training and conference sponsorship
 - Snow removal contractual services and supplies
- Key changes to FY24 Capital Improvements Budget are due to project bids and timing/scope of projects
- Key changes to FY24 JWN O&M Budget
 - Increased revenue for execution of three leases (5 parcels)
 - Increased expenses for studies, equipment/hangar repairs and administration/maintenance building set-up
 - Snow removal overtime and supplies

FY24 BNA Amended O&M Budget

Total Operating Revenue:

\$295,852,000

Total Operating Expense:

\$173,515,000

Income before Depreciation & Grants:

\$139,020,000

Budget Period:

July 1, 2023 – June 30, 2024

BNA Summary (\$000)	Approved Budget FY24	Amended Budget FY24
Non-Airline Revenue	\$185,757	\$193,447
Signatory Airline Revenue	\$96,551	\$102,405
Total Operating Revenue	\$282,308	\$295,852
Operating Expense	(\$165,870)	(\$173,515)
Net Non-Operating Income	\$17,030	\$16,683
Income before Depreciation & Grants	\$133,468	\$139,020

FY24 BNA Amended Capital Improvement Budget & FY24-FY28 Amended Capital Improvement Plan

FY24 Additions

+ \$44.6M

Reductions

- \$78.3M

BNA Summary (\$000)	Approved FY24	Amended FY24	Variance
Terminal & Landside	\$71,450	\$90,959	\$19,509
Vehicles & Equipment	\$6,915	\$5,715	(\$1,200)
Airside Improvements	\$110,200	\$58,352	(\$51,848)
Total	\$188,565	\$155,026	(\$33,539)

Total FY24 CIP Budget:

\$155,025,537

Budget Period:

July 1, 2023 – June 30, 2024

BNA Summary (\$000)	FY24	FY25	FY26	FY27	FY28	Total
Terminal & Landside	\$90,959	\$881,860	\$31,000	\$207,500	\$500	\$1,211,819
Vehicles & Equipment	\$5,715	\$9,465	\$1,280	\$735	\$735	\$17,930
Airside Improvements	\$58,352	\$90,815	\$124,007	\$70,268	\$36,063	\$379,505
Total	\$155,026	\$982,140	\$156,287	\$278,503	\$37,298	\$1,609,254

FY24 JWN Amended O&M Budget

Total Operating Revenue:

\$2,804,000

Total Operating Expense:

\$2,457,000

Income before Depreciation, Grants and Transfers from MNAA:

\$423,000

Budget Period:

July 1, 2023 – June 30, 2024

JWN Summary	Approved Budget FY24	Amended Budget FY24
Operating Revenue	\$2,384,000	\$2,804,000
Operating Expense	(\$2,303,000)	(\$2,457,000)
Non-Operating Revenue	\$76,000	\$76,000
Income before Depreciation, Grants and Transfers from MNAA	\$157,000	\$423,000

- Staff requests that the Board of Commissioners:
 - 1) approve the proposed amended FY24 BNA operating budget and authorize the Chair and President & CEO to execute **MNAA Resolution No. 2024-01**.
 - 2) approve the amended FY24-FY28 BNA Capital Improvement Plan, approve the amended FY24 BNA Capital Improvement Budget, authorize MNAA to accept all grant(s) from the Federal Aviation Administration (FAA) and from the State of Tennessee, designate the President & CEO, or designee, as the authorized representative of the Authority, and authorize the Chair and President & CEO to execute **MNAA Resolution No. 2024-02**.
 - 3) approve the proposed amended FY24 JWN operating budget and authorize the Chair and President & CEO to execute **MNAA Resolution No. 2024-03**.

Staff Recommendation

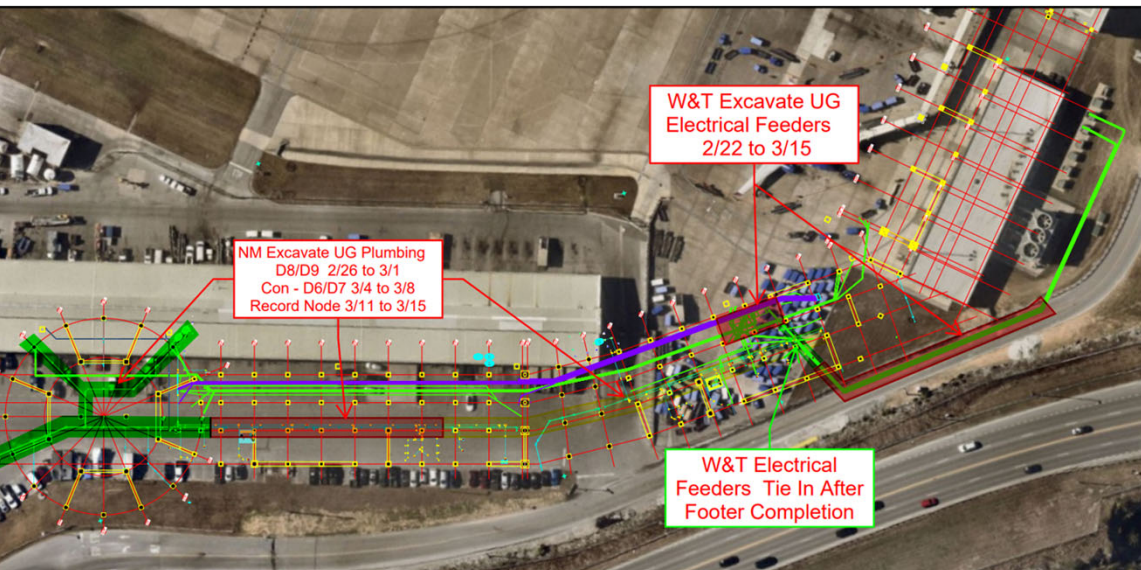
Information Items

March 20, 2024

- BNA Development Update (Operations)
- JWN Development Update (Operations)
- JWN FY25 Rental Rates (Operations)

Information Items

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



BNA Development Update

Concourse D Extension

- Scope: 5-gate extension, to serve as an "empty chair" for new Concourse A. Incorporate Air Freight functions into Multi- Purpose Building.
- Project Budget: \$287 million
- Project Schedule: August 2022 – July 2, 2025
- 90-Day Look-Ahead:
 - Steel Erection (started March 8th)
 - Start construction for Glycol Island and Ramp Drainage System
 - Wi-Fi/DAS Coordination Meetings
 - Completion of AOA Fence Phasing
 - Utility Rough-In construction
 - Begin Building Skin installation

JWN Development Update

North Development

- Parcels 2/3 and 4/5 under construction
- Retaining wall complete; Final grading/fencing underway

R3 Ramp Expansion: Substantial Completion: Apr 2024

- NOTE: Taxiway R3 opens in Mar 2024

Contour Hangar Schedule: Substantial Completion: Jul 2024

2nd FBO Request for Proposal (RFP) under development

- Staff establishing key business terms for RFP, and will update Board prior to release

Midfield Hangar Development

- Staff recommendation Apr 2024



North Development – 3/12/24
Parcels 2/3 (Lawrence)



North Development – 3/12/24
Parcels 4/5 (V3)



Hangar 2, 3/18/24

JWN FY25 Rental Rates

- **Background**

- Feb 17, 2021: Business Model approved
 - Direct Costs + Operating Costs + ROI = Total Rent
 - Annual review of operating expenditures & CPI-U escalation
- July 2021 – June 2022: Base Rent established
- July 2022 – June 2023: No Rent Increase – Pandemic & On-going development
- July 2023 – June 2024 (New rent equated to average 9.5% increase)

Hangar Size	FY24 Rates	FY25 Rates	Monthly Increase
Pre-tornado 42' T-Hangar (1,150 sq ft)	\$580	\$615	\$35
Pre-tornado 45' T-Hangar (1,450 sq ft)	\$650	\$690	\$40
Pre-tornado 47' T-Hangar (1,475 sq ft)	\$670	\$715	\$45
Pre-tornado 48' T-Hangar (1,650 sq ft)	\$700	\$755	\$55
42' T-Hangar (1,050 sq ft)	\$700	\$745	\$45
48' T-Hangar (1,440 sq ft)	\$810	\$875	\$65
Box Hangar (4,200 sq ft)	\$2,270	\$2,450	\$180
Plane Port (1,440 sq ft)	\$400	\$430	\$30

- **FY25 Financial Analysis Conducted by Staff**

- New rent equates to average 7.2%
 - Average increase in monthly rent = \$62 (\$45 for non-box hangars)
- March 20, 2024: Tenants will be notified of new rent effective July 1, 2024, to June 30, 2025.



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

Meeting Adjourned

Staff Reports

March 20, 2024

Provided for Information Only

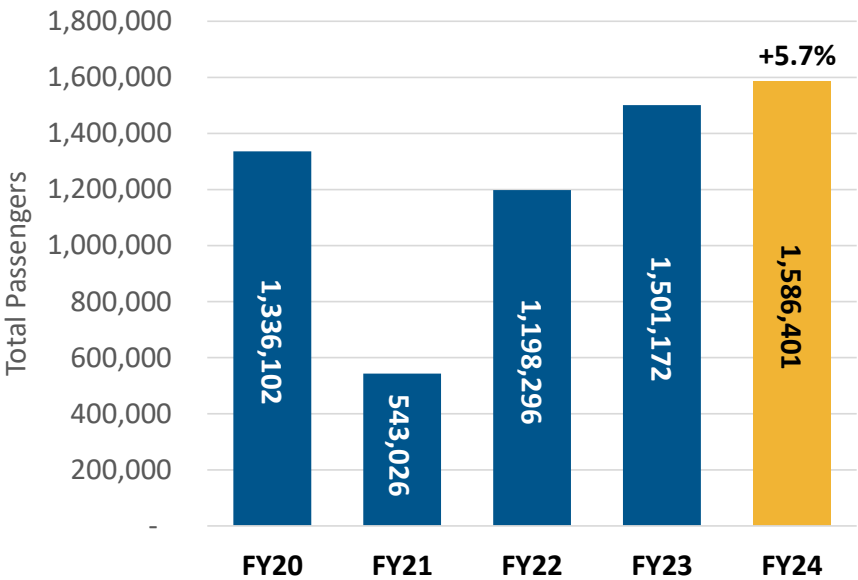
Operations Report

Adam Floyd, C.M.

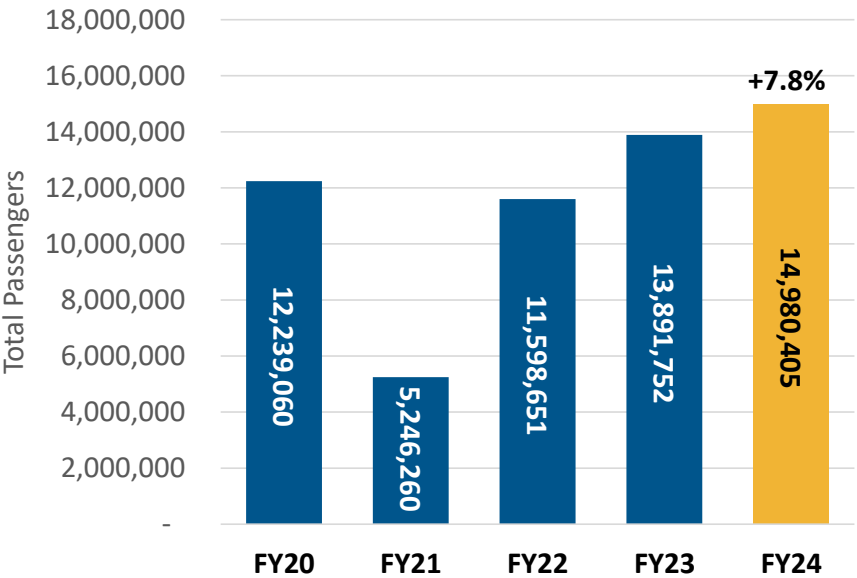
SVP, Chief Operating Officer

BNA Total Passengers

February

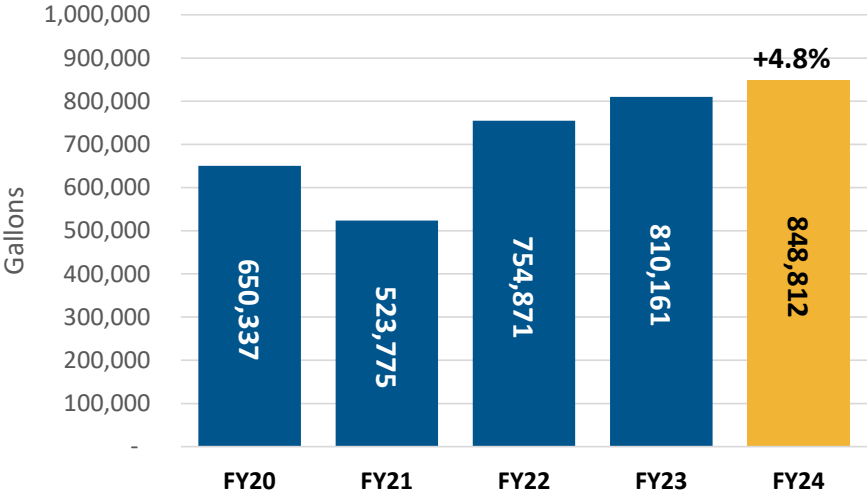


Fiscal Year to Date

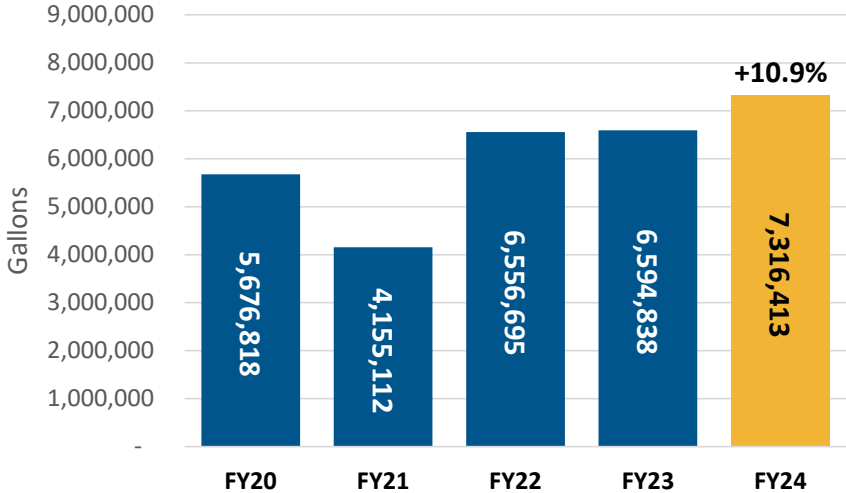


BNA Fuel Sales

February

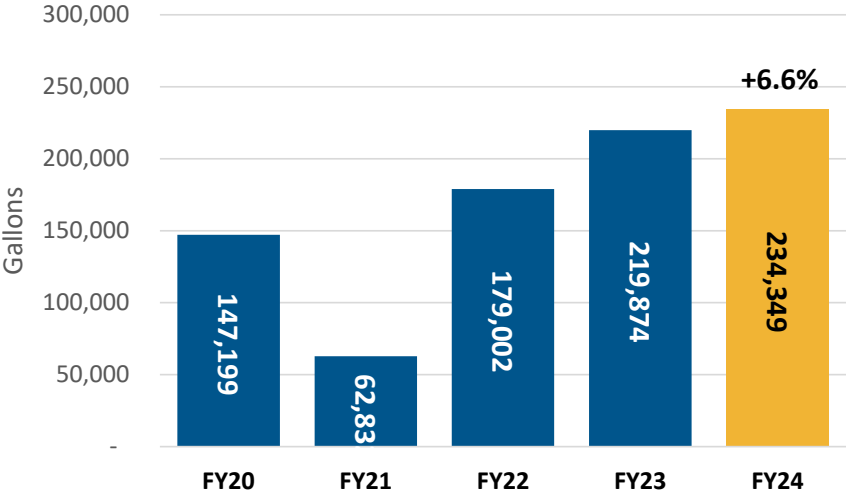


Fiscal Year to Date

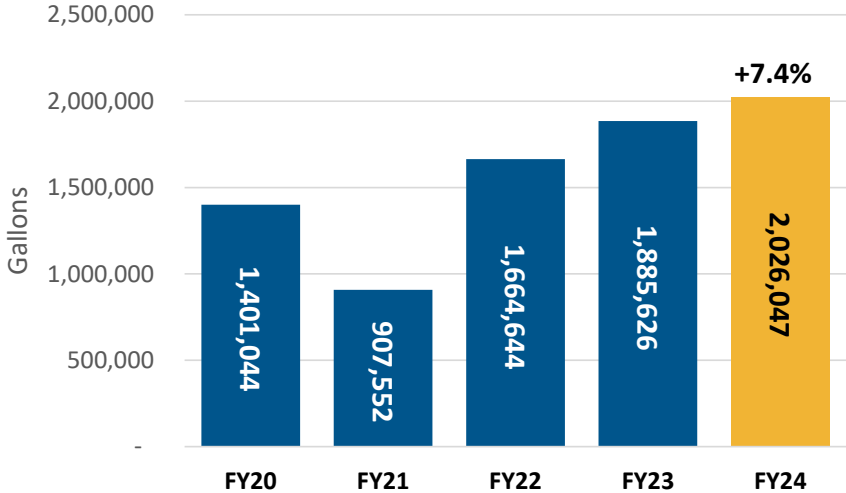


JWN Fuel Sales

February



Fiscal Year to Date



Development Report

Robert Ramsey, P.E., A.A.E., I.A.P.

EVP, Chief Development Officer

Vision 1.0 Program Budget Update: March 2024

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
VISION PROJECTS	\$ 1,224,563,416	\$ 1,215,063,416	\$ 9,500,000	\$121,290,987 / \$740,076
Parking and Transportation Center	\$ 112,565,500	\$ 112,565,500	\$ -	\$5,100,000 / \$0
Concourse D & Terminal Wings	\$ 287,637,753	\$ 287,637,753	\$ -	\$33,964,557 / \$0
Garage C & Airport Administration Building	\$ 180,995,368	\$ 180,995,368	\$ -	\$20,341,202 / \$0
Garage B	\$ 97,428,000	\$ 90,928,000	\$ 6,500,000	\$2,700,000 / \$0
Terminal Lobby & IAF	\$ 480,436,795	\$ 477,436,795	\$ 3,000,000	\$54,865,228 / \$740,076
Terminal Access Roadway Improvements Ph 1	\$ 65,500,000	\$ 65,500,000	\$ -	\$4,320,000 / \$0
VISION ENABLING PROJECTS	\$ 62,390,352	\$ 62,390,351	\$ -	\$1,408,000 / \$0
ART	\$ 5,112,550	\$ 5,112,550	\$ -	
PROGRAM CONTINGENCY	\$ 12,941,682	\$ 22,441,682	\$ (9,500,000)	
Total	\$ 1,305,008,000	\$ 1,305,008,000	\$ -	\$122,698,987 / \$740,076

Total Contingency Remaining = \$22.44M program + \$740K project ~ \$23.18M

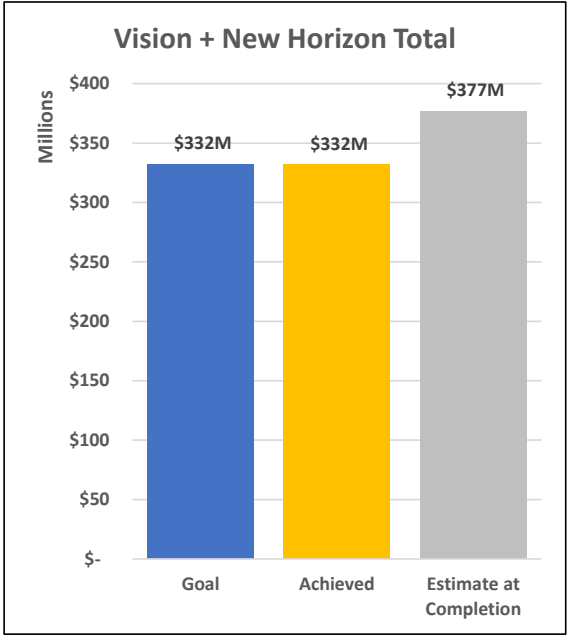
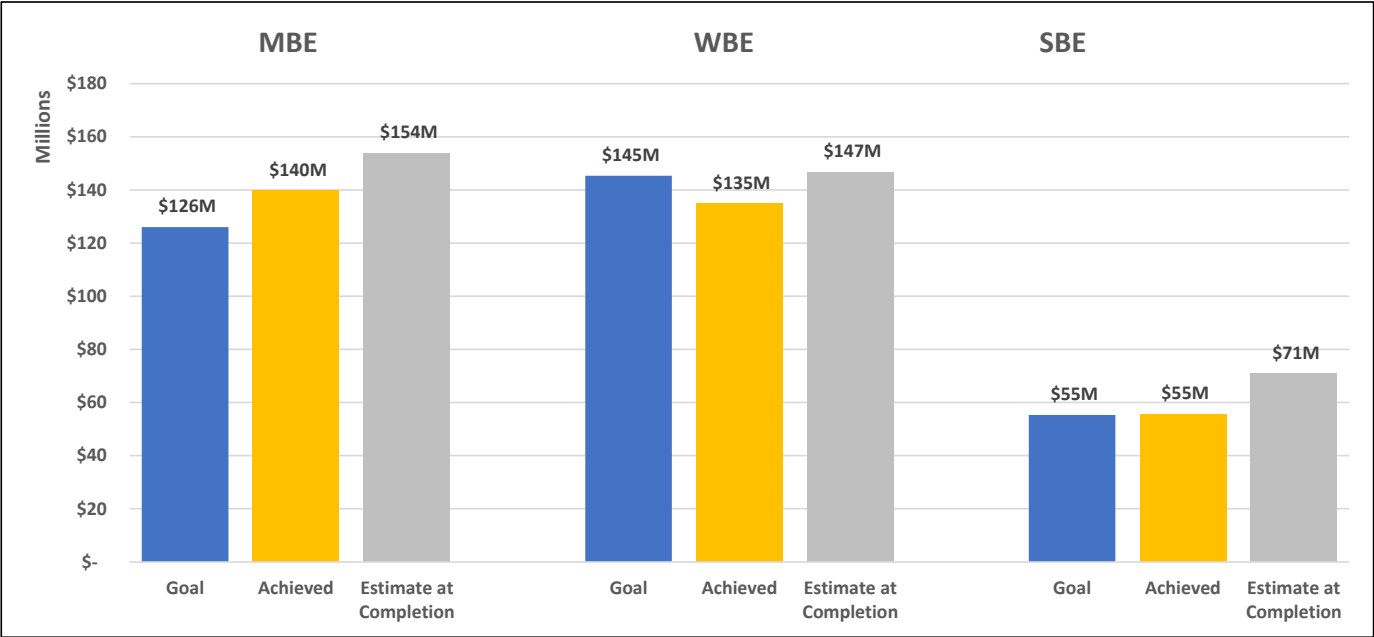
Vision 2.0 Program Budget Update: March 2024

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
VISION 2.0 PROJECTS	\$ 229,500,000	\$ 222,947,059	\$ 6,552,941	\$12,392,941 / \$3,440,000
Satellite Concourse	\$ 134,500,000	\$ 127,947,059	\$ 6,552,941	\$8,952,941 / \$0
Runway 2L/20R Extension EA/Preliminary Design/Property Acquisition	\$ 15,000,000	\$ 15,000,000	\$ -	\$0 / \$0
Concourse A Site Prep / Fill / EA	\$ 49,000,000	\$ 49,000,000	\$ -	\$2,000,000 / \$2,000,000
Concourse A Ramp Paving	\$ 31,000,000	\$ 31,000,000	\$ -	\$1,440,000 / \$1,440,000
PROGRAM CONTINGENCY	\$ -	\$ 6,552,941	\$ (6,552,941)	
Total	\$ 229,500,000	\$ 229,500,000	\$ (6,552,941)	\$12,392,941 / \$3,440,000

New Horizon Program Budget Update: March 2024

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
New Horizon Projects	\$ 1,458,500,000	\$ 1,458,500,000	\$ -	\$117,671,573 / \$117,671,573
Baggage Handling System Improvements	\$ 125,000,000	\$ 125,000,000	\$ -	\$11,329,600 / \$11,329,600
Concourse D Extension	\$ 287,000,000	\$ 287,000,000	\$ -	\$26,138,432 / \$26,138,432
Concourse A Expansion	\$ 855,000,000	\$ 855,000,000	\$ -	\$77,939,456 / \$77,939,456
Future Air Freight Building	\$ 25,000,000	\$ 25,000,000	\$ -	\$2,264,085 / \$2,264,085
Terminal Access Roadway Improvements Ph 2 & 3	\$ 166,500,000	\$ 166,500,000	\$ -	\$ -
ART	\$ 4,000,000	\$ 4,000,000	\$ -	
PROGRAM CONTINGENCY	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,462,500,000	\$ 1,462,500,000	\$ -	\$117,671,573 / \$117,671,573

SMWBE Participation – BNA Vision & New Horizon – March 2024



Includes MBE, WBE, SBE & DBE

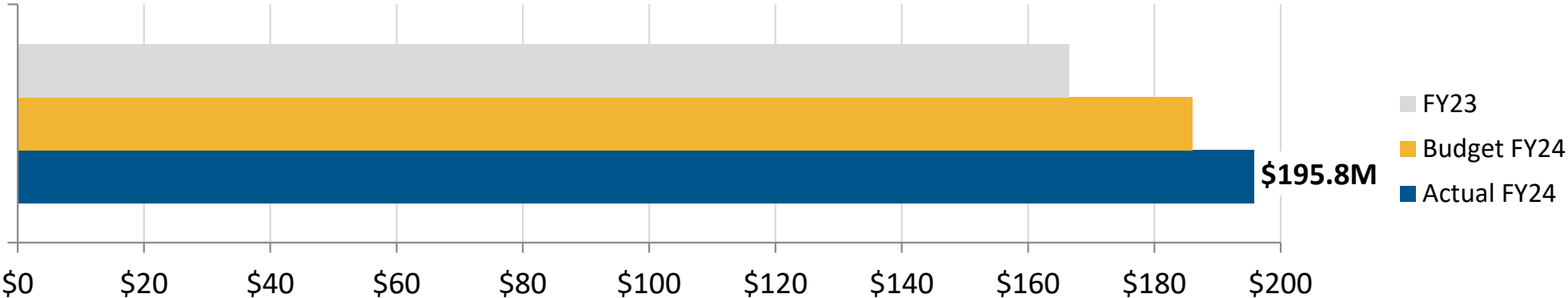
Source: Vision Project Controls – Pending validation by BDD

Finance Report

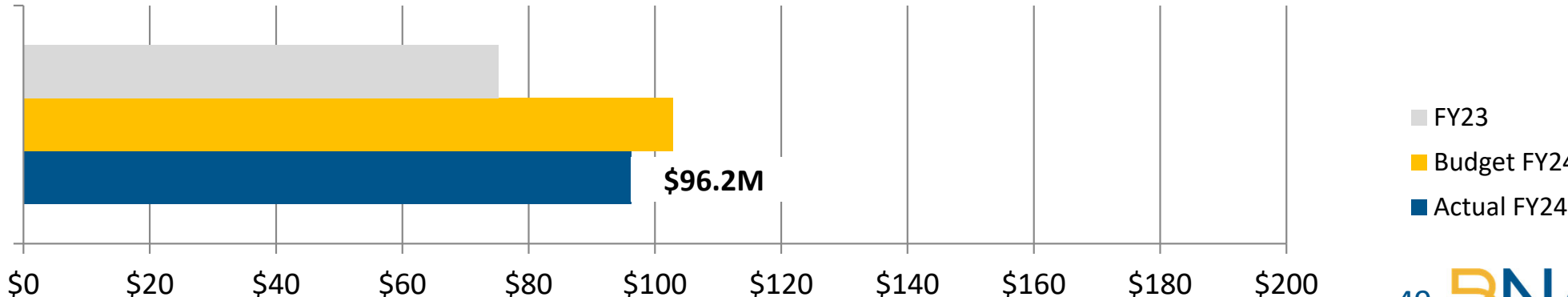
Marge Basrai, CPA, CGMA, CM
EVP, Chief Financial Officer

BNA – Revenues and Expenses YTD February 2024

Operating Revenues (\$ millions)

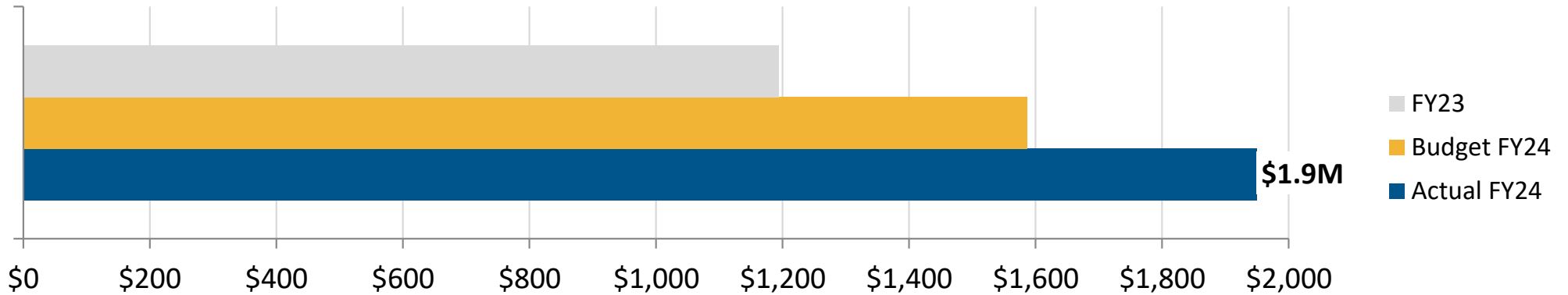


Operating Expenses (\$ millions)

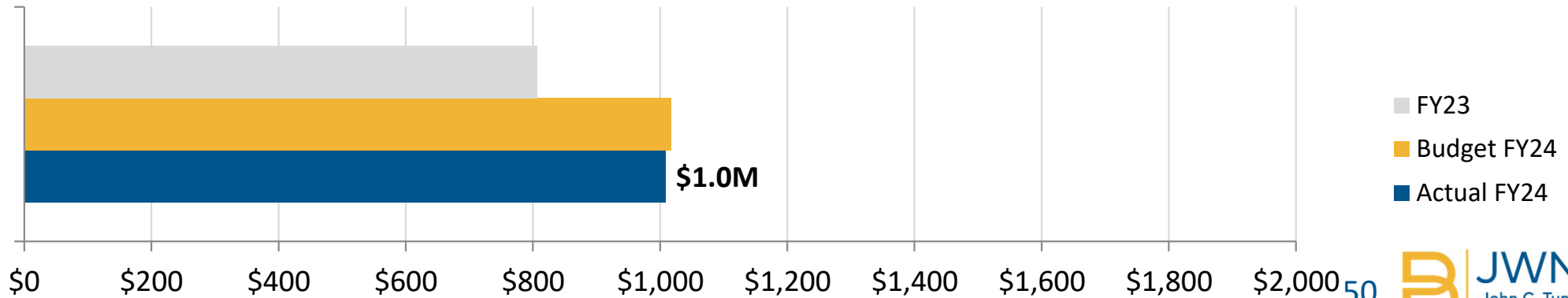


JWN – Revenues and Expenses YTD February 2024

Operating Revenues (\$ thousands)

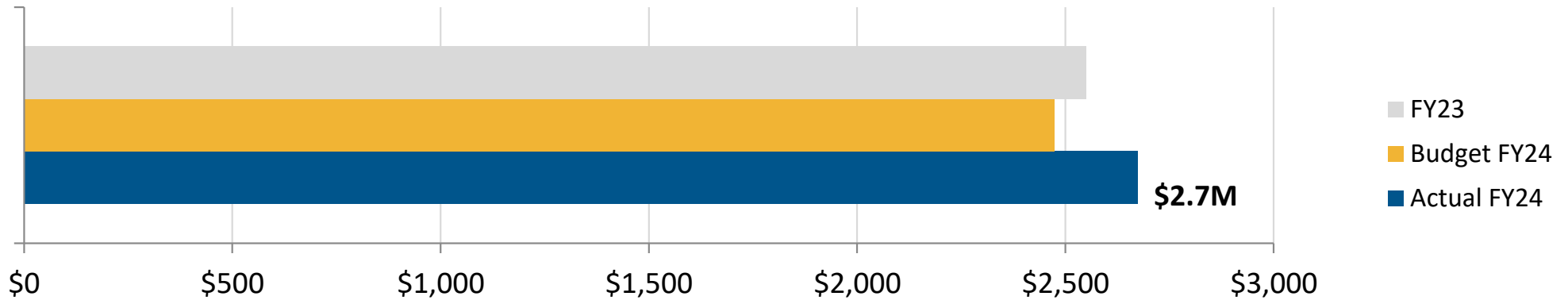


Operating Expenses (\$ thousands)

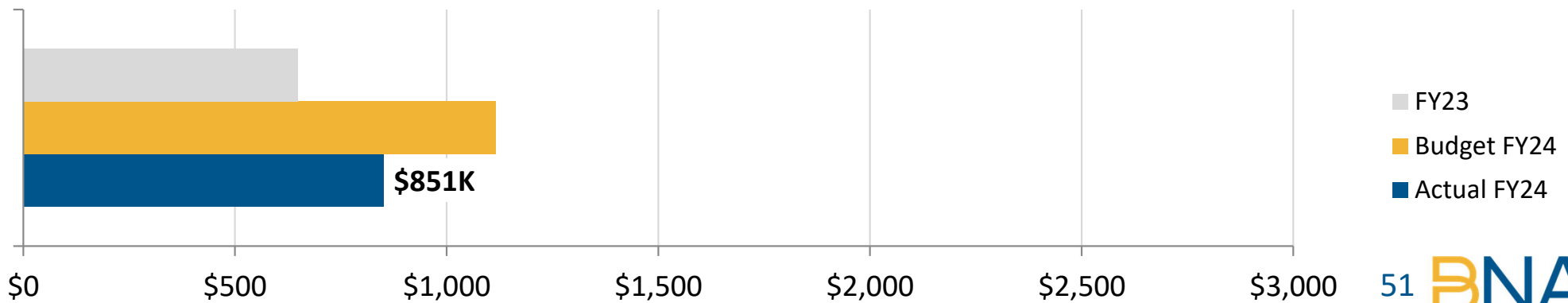


MPC – Revenues and Expenses YTD February 2024

Operating Revenues (\$ thousands)



Operating Expenses (\$ thousands)



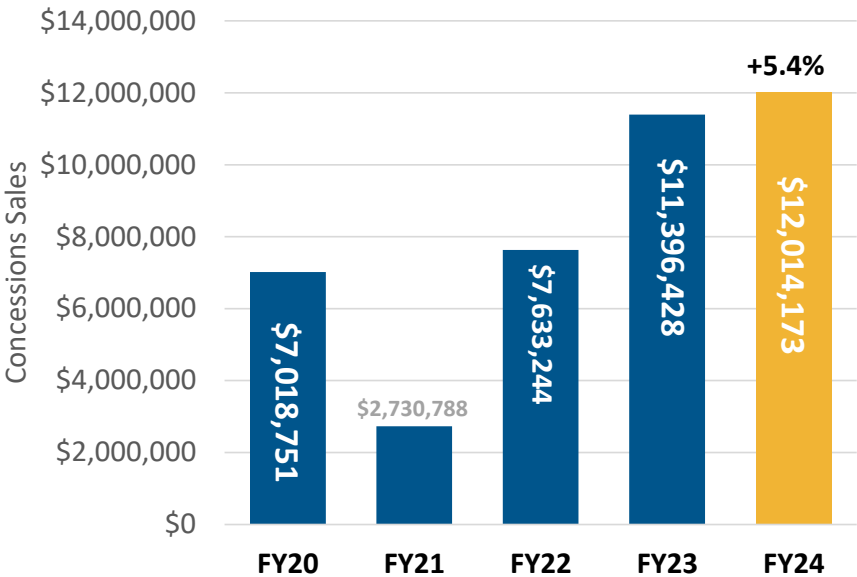
Commercial Development Report

Eric Johnson, CCIM, CM

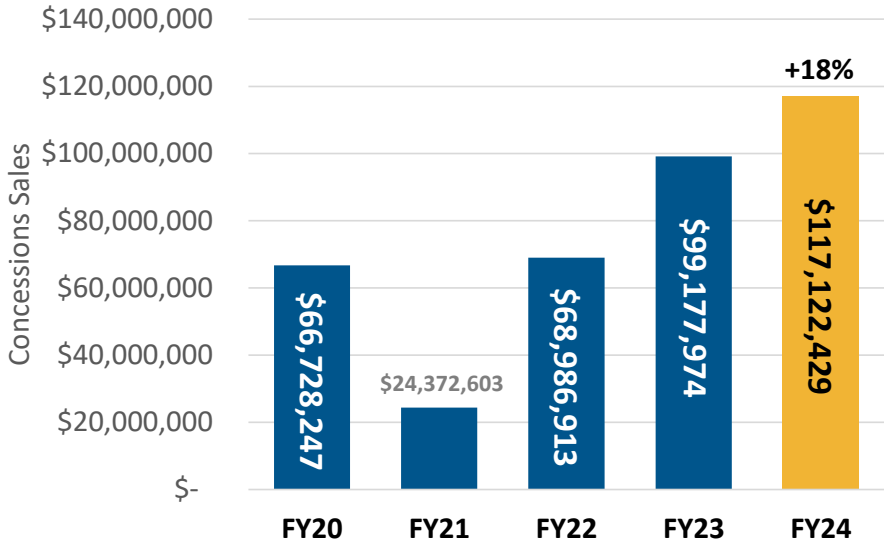
SVP, Chief Revenue Officer

Concession Sales

February



Fiscal Year to Date



Sales per Enplaned Passenger

January 2023: \$15.26

January 2024: \$15.82

*includes Fraport & Paradies