

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



Date/Time: Wednesday, March 20, 2024, at 1:00 p.m.
Place: Nashville International Airport – Tennessee Board Room
Board Members: Joycelyn Stevenson, Esq., Chair
Jimmy Granbery, Vice Chair
Andrew Byrd, Secretary
Bobby Joslin
Bill Freeman
Nancy Sullivan, P.E.
Dr. Glenda Glover

I. CALL TO ORDER

II. PUBLIC COMMENTS

No requests for public comments received to date. Deadline is March 19, 2024 at 1:00 a.m.

III. APPROVAL OF MINUTES

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

IV. CHAIR'S REPORT

V. PRESIDENT'S REPORT

VI. ITEMS FOR APPROVAL

1. Donelson Pike Early Completion Initiative (Superior) (Operations)
2. Construction Contract for BNA Parking Lot Modifications (Valet storage, Lot A & Employee Lot) (Operations)
3. Concourse D Concessions Node Art Finalist (Operations)
4. FY24 BNA O&M Budget Amendment, MNAA Resolution #2024-01 (Finance)
5. FY24 BNA CIP Budget Amendment and FY24-28 Capital Improvements Plan Amendment, MNAA Resolution #2024-02 (Finance)
6. FY24 JWN O&M Budget Amendment, MNAA Resolution #2024-03(Finance)

VII. INFORMATION ITEMS

1. BNA Development Update (Operations)

Agenda of the MNAA Board of Commissioners and MPC Board of Directors

2. JWN Development Update (Operations)

3. JWN FY25 Rental Rates (Operations)

VIII. ADJOURN

Minutes of the Meeting of the MNAA Board of Commissioners and MPC Board of Directors



Date: February 21, 2024

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 1:00 p.m.

Board Members Present: Joycelyn Stevenson, Chair; Jimmy Granbery, Vice Chair; Andrew Byrd, Secretary; Bobby Joslin, Bill Freeman; Nancy Sullivan; and Dr. Glenda Glover

Board Members Absent: None

MNAA Staff Present: Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman, Daniel B. Brown, Chris Davidson, Kristen Deuben, Adam Floyd, David Griswold, Traci Holton, Ijeoma Ike, Carrie Logan, Ted Morrissey, Rachel Moore, Stacey Nickens, Josh Powell, Robert Ramsey, Davita Taylor, and Colleen Von Hoene

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Chair Stevenson called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 1:00 p.m., pursuant to Public Notice dated February 16, 2024.

II. PUBLIC COMMENTS

Chair Stevenson stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Stevenson called for a motion to approve the Minutes of the December 13, 2023 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Commissioner Byrd and seconded by Commissioner Glover.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd – Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

IV. CHAIR'S REPORT

Chair Stevenson stated that the Board was not able to meet in January due to the weather and today the weather is much better. Chair Stevenson wished everyone a Happy New Year and stated that she looks forward to working with all Commissioners to get work done.

V. PRESIDENT'S REPORT

President Kreulen thanked Chair Stevenson and reported that BNA received a nice report from The Tennessean on December 26, 2023 regarding the MarketWatch report that BNA is ranked number 8 of top 15 airports for layovers based on 16 key factors. That is great news for the airport construction side of the house and also speaks volumes for the Concessions Program team and what we have been building at BNA. On January 3, 2024, Simple Flying ranked BNA number 13 of 20 top airports in the US for on-time performance at 79.30%. This includes data for the year of Southwest's big meltdown due to their scheduling problems. We may see better performance as we go forward, he said. Commissioner Glover asked who was number 1 in the top airports. President Kreulen replied number 1 is Minneapolis-St. Paul International Airport with 84.44%. Commissioner Byrd asked who Simple Flying is, to which President Kreulen replied a blog with content focused on the aviation industry. Commissioner Glover asked why are we happy. We are not number 1 and yet we are praising ourselves for being number 8. President Kreulen replied MarketWatch ranked San Diego number 1, and your point is well taken Commissioner Glover. In the Simple Flying acknowledgement, we are in the top 20 and there is always room for improvement, President Kreulen.

President Kreulen reported that MNAA was awarded the 2024 Innovative Design in Engineering & Architecture with Structural Steel (IDEAS2) by the American Institute of Steel Construction ("AISC") for the new canopy. They recognized MNAA, Fentress Architects, TMPartners, Corgan Associates and engineers, Prime Structural Engineer, and Magnusson Klemenic Associates.

President Kreulen stated another place we are number 1 is our Board of Commissioners. Commissioner Glover was recognized in December 2023 as one of Tennessee Tribune's People of the Year. On January 12, 2024, the Nashville Business Journal recognized Chair Stevenson as one of the top 10 people to watch in Nashville Business in 2024. On February 2, 2024, the Tennessean recognized both Chair Stevenson and Commissioner Glover as one of the 24 leaders making a difference in Nashville for Black History Month. On February 15, 2024, the Nashville Smart Business Network selected Commissioner Byrd as a "Dealmakers Hall of Fame Class for 2024" honoree. On February 16, 2024, the Tennessee Wildlife Resource Agency elected Vice Chair Granbery as its Chairman to serve for the 2024-25 term.

President Kreulen congratulated Commissioner Joslin on the arrival of his new granddaughter. Commissioner Freeman represented MNAA at a White House visit and Commissioner Glover attended the Superbowl. Commissioner Byrd stated he was the photographer for Commissioner Freeman's White House picture.

President Kreulen stated in celebration of Black History Month, BNA is showcasing Black musicians through our Arts at the Airport program. Joe West performed on February 13, 2024 and has another performance scheduled for February 28, 2024. Mr. West also performed at the Satellite Concourse ribbon cutting. BNA has received positive press regarding Black History Month.

President Kreulen stated he would like to take a moment and remember Nathaniel "Nate" Harris who passed away on Sunday, February 4, 2024. Mr. Harris' funeral was held Thursday, February 15, 2024. Mr. Harris was the first Board Chair for the Arts at the Airport Board and the Tennessean commented, "He is remembered for his love of art, entrepreneurial spirit and dedication to his community." President Kreulen stated we wish his family well.

President Kreulen stated Chair Stevenson and the Procurement and Business Diversity Teams did an excellent job with the 2024 Business Taking Off Conference. MNAA had 488 attendees for this conference at the Music City Center. President Kreulen presented several pictures, one of which being of the Hispanic Chamber of Nashville and stated they may have had the largest participation. Business Taking Off was a great opportunity for us to show the community what projects we have coming up over the next 365 days, he said.

President Kreulen reported on February 16, 2024, the Metro Council of Nashville visited BNA and on February 20, 2024 Mayor O'Connell visited BNA. MNAA reviewed the business, the finances, the future of BNA, MNAA challenges and MNAA support to Metro. They all toured the Emergency Operations Center (EOC) and Airport communications Center (ACC). Metro Council also toured the airside, mezzanine, IAF, GTC, and Plaza. Both Metro Council and Mayor O'Connell toured the Hilton BNA hotel to see the beautiful facility that just opened.

President Kreulen reported one of MNAA's challenges is the Runway 2L Extension. MNAA has negotiated with the FAA for 3 years now and has executed a Memorandum of Understanding ("MOU") with the FAA. In September 2023, MNAA advertised a Request for Qualifications ("RFQ") for the Environmental Impact Statement ("EIS"). MNAA came back to the Board in December 2023 with the intent to award. The Board has approved funding for this survey, but we still have to follow the FAA process. President Kreulen presented a chart showing what has been completed and items and where we are at today. Once the scope is finalized, it will cover 8 milestones we have to hit over the next couple of years. The first is the Runway Length Justification. Runway 2L is at 8,000 feet today. To cross Murfreesboro Road it must be a minimum of 10,000 feet. The extension may end up closer to 11,000 feet or 12,000 feet. MNAA is mandated to have public meetings, so once staff has the roadmap approved by the FAA, steps will be outlined, and staff will notify the Board know when the public meetings will be held. Metro Council and Mayor O'Connell saw this and are 100% supportive.

President Kreulen then reported on the Genesco building. It was built in the 1960's and vacated by Genesco in 2022, when they moved to the Bridgestone building. MNAA has done engineering and broker assessments and determined it was not commercially viable to renovate and restore. The Genesco building has had unforeseen issues such as the water line rupture last winter. The Genesco building is being demolished in sections.

President Kreulen reported the 1400 Murfreesboro Pike's (Monell's) lease holder was officially provided with a six-month expiration notice on September 29, 2023 and did not request an extension or provide alternate courses of action regarding the lease expiration. FAA guidance recommends that property inside the Airport Operating Area support aeronautical activity. The property is in poor condition with structural, fire safety and ADA concerns. President Kreulen stated he was really happy to talk with Metro Council and Mayor O'Connell about this, so we could set the record straight and gain their support.

President Kreulen reported FY24 BNA Passengers are up after a low month in January, lower than anticipated due to the 8-day snow period. Many airlines cancelled flights to stay out of the Tennessee winter weather. BNA is back up to our normal passenger enplanements that we are forecasting. BNA is at 8% growth and will finish this year strong and may end up somewhere just under the 24M passengers. We are doing well and continue to grow.

President Kreulen reported March will have 4 approvals in the Operations Committee and 4 approvals in the Finance Committee, which several are tentative. Vice Chair Granbery asked about the items identified in red on the slide, and if those are the tentative items. President Kreulen replied yes. The Finance Committee has FY24 adjusted budgets for approval.

President Kreulen stated the Committee 60-Day Outlook has approvals in both Operations and Finance Committees in April. The Finance Committee has approval of the FY25 budgets.

VI. ITEMS FOR APPROVAL

1. Contract Extension for BNA Landscaping (Operations)

President Kreulen introduced Daniel B. Brown, AVP, Maintenance, Environmental and Safety, to brief the Board on the Contract Extension for BNA Landscaping. Mr. Brown stated this contract is to continue landscaping services for the exterior of the terminal, some outlying buildings, parking lots, garages, and roadways to ensure the best customer experience and assist in MNAA's vision to be known as the premier airport for all travelers. Mr. Brown stated this extension is for 1 year in the amount of \$958,465.98, the same cost as last year, and will come out of the O&M Budget. The SMWBE participation is 10.2%.

This was presented to the Operations Committee on February 14, 2024, and the Operations Committee recommended Board approval by a vote of 3 to 0. Mr. Brown requested that the Board of Commissioners accept the proposed contract extension term with Bradshaw Landscape and Maintenance, LLC; and authorize the Chair and President & CEO to execute the proposed amendment for \$958,465.98.

Commissioner Joslin stated the Operations Committee voted 3-0 to recommend approval by the Board. Commissioner Joslin made a motion for approval and Commissioner Sullivan seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

2. Construction Contract for Part 139 RSA Improvements (Operations)

President Kreulen introduced Robert Ramsey, EVP, Chief Development Officer, to brief the Board on the Construction Contract for Part 139 RSA Improvements. Mr. Ramsey stated this contract addresses deficiencies identified by lidar survey following 2023 Part 139 inspection, including grading the extended Runway Safety Areas and will also address the blast pads and paved shoulder widening. Mr. Ramsey presented a diagram showing areas marked in red that identify those various areas. On December 11, 2023, MNAA advertised an Invitation To Bid (“ITB”) and received 2 bids. Hi-Way Paving, Inc. was the low bidder. They were approximately half the price of the next low bidder, Jones Bros, LLC. The DBE goal was 15.56% and Hi-Way Paving, Inc. committed to 15.57%. The construction will start in March with completion in September. The approximate construction value is \$7,898,324.50 with funding through MNAA airline investment fund.

This was presented to the Operations Committee on February 14, 2024, and the Operations Committee recommended Board approval by a vote of 3 to 0. Mr. Ramsey requested that the Board of Commissioners accept the bid by Hi-Way Paving, Inc. for Part 139 RSA Improvements at BNA; and authorize the Chair and President & CEO to execute the proposed contract in the amount of \$7,898,325.

Commissioner Joslin stated the Operations Committee voted 3-0 to recommend approval by the Board. Commissioner Joslin made a motion for approval and Commissioner Glover seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

3. Amendment to Air Service Incentive Policy (Finance)

President Kreulen introduced Josh Powell, AVP, Airline Affairs and Air Service Development, to brief the Board on the Amendment to Air Service Incentive Policy (“ASIP”). Mr. Powell stated the ASIP helps BNA remain competitive with other US airports trying to attract additional non-stop international/domestic service. On December 7, 2023, the FAA released the following notice: “FAA Policy Regarding Air Carrier Incentive Program”. The proposed amendment implements the above referenced directive, allowing the airport authority to take advantage of a key change regarding seasonal incentives and adding an optional third year to the program. If approved, the effective period of the amended ASIP will be February 21, 2024 – December 31, 2025. As a reminder, any specific agreement with a carrier for marketing incentives and landing fee and facility abatements, outside of the Domestic Market Agreements, require Board of Commissioner approval to execute any Letter of Agreement (“LOA”). The types and tiers of incentives are the same as the previous policy. There is no change to Year-Round Service and New Seasonal Service adds a third year and increases the Landing Fee & Facility Fee Abatement for Transoceanic flights to 100%. The balance of this fund on February 5, 2024 was \$8.28M.

This was presented to the Operations Committee on February 14, 2024, and the Operations Committee recommended Board approval by a vote of 3 to 0. Mr. Brown requested that the

Board of Commissioners approve the Air Service Incentive Policy; and authorize the Chair and President & CEO to execute the policy.

Vice Chair Granbery asked what commitments MNAA currently has. Mr. Powell replied our current largest commitment is to British Airways which expires at the end of this month for that incentive. MNAA has a couple of smaller Canadian incentives, including Montreal and Vancouver service, both in their second years.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend approval by the Board. Commissioner Byrd made a motion for approval and Vice Chair Granbery seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

4. FAA Contract Weather Observer (CWO) Lease Agreements (Finance)

President Kreulen introduced Carrie Logan, VP, Deputy General Counsel, to brief the Board on the FAA Contract Weather Observer (CWO) Lease Agreements. Ms. Logan stated this is a request for approval of a Lease Agreement with the FAA CWO for 385 SF in the Harvey P. Gassaway Building. As a reminder, MNAA is leasing to the federal government and is subject to their terms, lease forms and their timeline. The current proposal from the FAA consists of two documents. The Supplemental Lease Agreement No. 3 will extend the previous lease from September 30, 2017 to September 30, 2022. And a New Lease Agreement, with a 10-year lease term, will be backdated to begin on October 1, 2022 and will expire on September 30, 2032.

Ms. Logan stated this was presented to the Finance Committee on February 14, 2024, and the Finance Committee recommended Board approval by a vote of 3 to 0. Ms. Logan requested that the Board of Commissioners approve the terms negotiated between MNAA and the Department of Transportation Federal Aviation Administration (FAA); and authorize the Chair and President & CEO to execute the Supplemental Agreement No. 3 and the New Lease Agreement with the FAA, consistent with these terms.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend approval by the Board. Commissioner Byrd made a motion for approval and Commissioner Glover seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

President Kreulen thanked the Board for their approval and stated the CEO could not approve the \$667 per month because the term is longer than 8 years.

5. Subleases for Concourse D Extension Concessions (7) (Finance)

President Kreulen introduced Colleen Von Hoene, Associate Principal with Paslay Group. Ms. Von Hoene stated she has 3 items for approval. There are 7 subleases for the new Concourse D extension concession program. Ms. Von Hoene reminded the Board that MNAA provided Fraport the rights to develop the future Concourse D extension concession program under Amendment 8 to the Fraport Concessions Agreement. Fraport has negotiated 7 subleases for 8 concession locations, which are scheduled to open in July 2025. The sublease terms extend beyond the expiration of the Fraport Agreement and MNAA is therefore a party to the subleases and consent to the sublease terms.

Ms. Von Hoene presented a diagram of the concession locations for the Concourse D extension with 5 food and beverage and 3 retail locations. Some of the 7 subleases expire in 2032 and some a little later than that.

Ms. Von Hoene stated this was presented to the Finance Committee on February 14, 2024, and the Finance Committee recommended Board approval by a vote of 3 to 0. Ms. Von Hoene requested that the Board of Commissioners approve the 7 subleases for 8 locations in the future Concourse D extension and authorize the Chair and President & CEO to execute the subleases.

President Kreulen stated the July 2nd date is the opening of Concourse D extension so Fraport will have all of these open at 6:00 AM for both the facilities and concessions. Commissioner Glover asked what happens if a concession cannot open on that date. President Kreulen replied there will be liquidated damages for not opening on time, which Fraport has established for their subleases, and MNAA has similar liquidated damages to Fraport. Ms. Von Hoene replied this is consistent with what we have done in the past. President Kreulen replied yes, since 2019 that is how we have operated to get everything open on time.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend approval by the Board. Commissioner Byrd made a motion for approval and Commissioner Sullivan seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

6. Amendment 9 to Fraport Concessions Agreement (Exhibit G Updates) (Finance)

Ms. Von Hoene recommended approval of Amendment 9 to the Fraport Concessions Agreement with 2 key provisions: (1) Updates Exhibit G which to incorporate subtenant entities and operating names for 8 concession locations; and (2) Extends the deadline for expenditure of the \$13M Contractor Capital Investment Obligation to allow for the completion of projects that could not be completed by the original contract deadline of July 31, 2023. Under this Amendment Fraport will have until May 31, 2024 to complete work and must submit proof of payment by July 30, 2024.

Ms. Von Hoene stated this was presented to the Finance Committee on February 14, 2024, and the Finance Committee recommended Board approval by a vote of 3 to 0. Ms. Von Hoene requested that the Board of Commissioners approve the 7 subleases for 8 locations in the future Concourse D extension and authorize the Chair and President & CEO to execute the subleases.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend approval by the Board. Commissioner Byrd made a motion for approval and Vice Chair Granbery seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

7. Amendment 2 to the Boingo Concessions Agreement for Cellular Distributed Antenna System (DAS) and Wi-Fi Service (Finance)

Ms. Colleen Von Hoene stated the last approval is Amendment 2 to the existing Boingo Concession Agreement. Since 2010, MNAA has provided Cellular Distributed Antenna System (DAS) and Wi-Fi services for the public through a concessions contract with Boingo, which expires February 28, 2024. MNAA retained a technical consultant to conduct industry

research and identify airport business models to determine the best approach. The technical consultant identified the following 3 models: 1) Airport owned infrastructure, management and maintained by third-party contractor; 2) Cell carrier owned and managed infrastructure; and 3) Third-party owned and managed infrastructure (current Boingo model). Management recommends MNAAB utilize the model providing for direct airport-owned infrastructure, utilizing a third-party contractor to manage and maintain. This structure provides MNAAB several benefits such as enables MNAAB to control and coordinate expansion of DAS/Wi-Fi infrastructure with future MNAAB facility development to meet passenger growth needs; estimated to increase MNAAB gross revenue through direct contracts with cell carriers, eliminating sharing revenues with a third-party Concessionaire; and capital contribution can be negotiated with cell carriers and used to fund future capital investments. To facilitate transition to this new business model, a short-term extension of the existing Boingo contract is required through the end of this year.

Commissioner Sullivan asked if MNAAB knows of other airports that have been successful utilizing direct airport owned infrastructure model. Ms. Von Hoene responded yes, there are a couple of different airports that we identified and that is what led us in this. Ms. Von Hoene believes Pittsburgh was one of them but will confirm and let the Board know.

This was presented to the Finance Committee on February 14, 2024. Ms. Von Hoene requested that the Board approve Amendment 2 to the Boingo Concession Agreement and authorize the Chair and President & CEO to execute the amendment to agreement between Boingo & MNAAB for term February 29, 2024 through February 28, 2025.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend approval by the Board. Commissioner Byrd made a motion for approval and Commissioner Sullivan seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

VII. INFORMATION ITEMS

1. Board Counsel Engagement Discussion

Chair Stevenson stated that three months ago the Board approved outside counsel, Adams & Reese, for a limited engagement of 3 months, with a not to exceed of \$25K without prior Board approval. That agreement expires this month. Pursuant to that engagement agreement, the Board will need to determine if it wants to continue its engagement and what the parameters will be. Chair Stevenson stated she would like to put it out for discussion if the Board 1) still wants outside counsel; 2) wants to continue this engagement with same fee cap without prior approval; and 3) depending on the answer on the first two, continue with same outside counsel, Adams & Reese, or move to a different firm. Chair Stevenson stated that the Board can discuss today, or if the Board needs more time they can take time as well. Because the engagement agreement is expiring this month, she did not want the month to go by without discussion by the Board.

Commissioner Glover stated that since we are still in the middle of the legislative session, she would suggest, and maybe motion later, that the Board continue until the end of the fiscal year. Commissioner Glover asked Chair Stevenson if she would like to do a motion now or wait until the discussion is over. Chair Stevenson replied that it would be up to her. Commissioner Glover stated she would like to make a motion now. Commissioner Sullivan seconded. Chair Stevenson stated there is a motion to retain engagement with Adams & Reese for a limited scope through the end of the fiscal year, which is June 30, 2024. Chair Stevenson asked Commissioner Glover for clarification that the motion includes the same cap and not to exceed without Board approval language. Commissioner Glover responded, yes.

Commissioner Joslin asked what happens if we do not need any services from Adams & Reese through June 30, 2024, and if the Board will still be charged \$7,500 a month. Chair Stevenson replied, no, Adams & Reese will only charge us for work performed. Commissioner Joslin asked for confirmation that if Adams & Reese does no work, then there is no fee. Vice Chair Granbery asked if Chair Stevenson's definition of limited scope is "as needed." Chair Stevenson replied, yes. Vice Chair Granbery stated that in the original engagement, there was a defined scope and a

defined fee. Chair Stevenson stated the scope was defined from the original standpoint of those minutes but was broad enough that if the Board needed other things, we did not have to get a new engagement agreement. Vice Chair Granbery stated that it was capped. Chair Stevenson replied, yes, it was capped at \$25K NTE without prior Board authorization. Vice Chair Granbery asked if it should be different now because there is no scope and it is as needed and if there should be a set fee. Chair Stevenson stated that she thinks that it should be a NTE dollar amount. Vice Chair Granbery asked at what rate, to which Chair Stevenson replied she is not sure the rate matters since there will be a capped fee. The Board did not receive the rates last time, it was mostly that they did not exceed. Adams & Reese will bill up to that line and if there is more work to be done, then the Board will then need to approve.

Chair Stevenson asked President Kreulen if there were any fees on the invoices. President Kreulen replied, no. His clarification was the way the last engagement agreement read was \$25K for the first 90 days; \$7,500 month one; \$7,500 month two; and \$10,000 month three. MNAA will soon receive the final \$10K invoice from Adams & Reese. President Kreulen stated he understands the motion now to be: Extend Adams & Reese engagement agreement through the end of the fiscal year, June 30, 2024, keep the \$25K cap, and Adams & Reese will bill at an hourly rate for the jobs the Board gives them to do.

Vice Chair Granbery asked what is included in the scope. Chair Stevenson replied that the scope will be as needed and as far as the \$25K cap is concerned Adams & Reese will now bill at an hourly rate. Vice Chair Granbery asked if we do not give them a task, then there will be no bill. Chair Stevenson replied, correct. President Kreulen asked for clarification on who will give Adams & Reese the tasks. Chair Stevenson stated she has been giving Adams & Reese the tasks. Commissioner Byrd stated he thinks there are letters written where Adams & Reese can consult with Board members on matters that are on their minds, and that he does not think it necessarily needs to be just the Chairman. Chair Stevenson stated she has made it very clear that counsel has had access to the entire Board, the entire time, but for purposes of keeping things in order, she has been a point person. Chair Stevenson stated we are talking about the new engagement, deciding if the Board wants to keep the engagement agreement, and that some of the Board members are concerned about the spend and also about having the agreement to the end of the fiscal year. We can put together an engagement agreement that addresses those concerns where the Board will be billed for the work Adams & Reese does, up to a certain amount. And if it gets

to a point where we are just paying bills, or a point where the Board needs to intervene and needs to talk about authorizing more money, the Board can.

President Kreulen stated what he is hearing, the Board wishes to keep the same cap of \$25K, unless amended by the Board, and that the Board is now going from a flat fee to the hourly rate for consultations. For example, when MNAA receives the bill, it will state who Adams & Reese spoke with, the number of hours, and the hourly rate. When the bills are submitted to MNAA, they go to President Kreulen and Lisa Lankford, Deputy Chief Executive Officer and Chief Strategy Officer, because the Board's budget is under the Executive Office's budget. President Kreulen will inform the Board each month what amount the Board was billed and the total amount left.

Chair Stevenson stated that between now and June, we can gauge it and see if the amount is too low, but this gives us a starting point. Commissioner Glover stated her concern is that we are in a legislative session, and we do not know what is going to happen. She realizes the day to file bills has already passed, but amendments can come a day before and she does not want to be in the same position the Board was in last year. There was no legal counsel for the Board. There were lots of lawyers, but no Board counsel. She stated that the Board should at least keep things as are until June 30, 2024.

President Kreulen stated he believes the legislative sessions should be done by May. Chair Stevenson stated we are continuing to keep Board counsel, and we are now discussing the billing. Commissioner Glover stated yes, we do not have specific tasks right now to hand over. Chair Stevenson stated the NTE from her perspective does not mean that the Board cannot exceed that amount. She is also a lawyer and depending on what needs to be done for the Board will get done. This is for the Board to maintain responsibility and oversight. If the Board gets to a point where the amount will go over the \$25K we will come back and approve it as a Board. Commissioner Sullivan stated other than individual consultation, there is a task and the Board will approve it and the tasks will go through Chair Stevenson.

Commissioner Byrd stated that he would like to have all Board materials provided to Adams & Reese, like agendas and minutes. Chair Stevenson replied if there are any items that the Board counsel needs to review, she will give Adams & Reese the documents. When they have asked her for minutes or whatever, she has done that in the past and has worked with counsel to do that. Chair Stevenson stated she wants to make sure from a billing standpoint that we are not just

giving them stuff to read. To the extent that there is a task that requires them to review, and monitor and read documents, she will agree and provide the documents. But just by giving Adams & Reese documents for reviewing, the Board will reach the \$25K NTE very quickly.

President Kreulen replied that Adams & Reese has full access, just like the public does, to get the agendas, minutes, and other documents that are posted online. Commissioner Byrd stated they are our Board counsel, not just third party, and they are representing this Board. Chair Stevenson stated she is committed to working with Adams & Reese and will get them anything they need. (She knows that Adams & Reese communicate with MNAA's counsel on all these issues, as the Board's counsel, and she strongly encourages that.) Commissioner Joslin stated that he would like to receive a report on who makes the calls to Adams & Reese, and what the agenda was for that phone call. President Kreulen replied that it should be in their invoice. Commissioner Joslin stated he does not want to see a bill come in for \$800 - \$900 and nobody knows who made the calls. Chair Stevenson stated she will commit to handling this because she thinks there are limited ways for the Board to talk about these things outside of this meeting. To the extent that she is trusted to be the point person with Adams & Reese, to help monitor these things, she will be happy to do that and if she sees something that needs to be flagged to President Kreulen or the Board during our meetings in the public forum, she will do so. She does not want to make it harder for people who work for us, but she understands the concerns and as a lawyer who understands how billing works as well, she will do her best to make sure we are not getting overbilled, and asked the Commissioners to trust her to do that.

Chair Stevenson stated Commissioner Glover motioned and Commissioner Sullivan seconded the motion to keep the engagement agreement with Adams & Reese. Chair Stevenson will draft an engagement agreement with Adams & Reese and will get it back to the Board for approval before it is signed.

Vice Chair Granbery stated he has full confidence in Ms. Logan on the real estate side and Mr. Bedrock on the airport side and that he thinks this is a total waste of money. The prior engagement agreement solved the problem and the Board is now on a pretty good slope and is moving forward. Commissioner Glover stated that we do not know what is going to happen, it is like an insurance policy. Chair Stevenson stated every Board member gets one vote and she understands the Board members' concerns, and she has spent a lot of time with Mr. Bedrock over the past year. It has been an unusual year, and we are trying to get back on track and are moving

in a positive direction, she said. For her purposes, as she mentioned before, whatever makes the Board members feel the most comfortable to move forward, she is for that. But also, being responsible regarding those things. Chair Stevenson stated that it is a reasonable motion to get to the end of the fiscal year and get us through the end of this interesting year we have had. Chair Stevenson stated to the extent that there are opportunities to talk with the Board members about what makes them feel comfortable or what things have changed or how we can communicate better from MNAA's standpoint to the Board about issues related to legal things, that is also something we can talk about.

Commissioner Glover made a motion for approval and Commissioner Sullivan seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

- Chair Stevenson – Yes
- Vice Chair Granbery – No
- Commissioner Byrd -Yes
- Commissioner Joslin – No
- Commissioner Freeman – Yes
- Commissioner Sullivan – Yes
- Commissioner Glover – Yes

The motion was passed with a vote of 5 to 2.

2. Donelson Pike Early Completion Initiative (Operations)

President Kreulen reported MNAA received a proposal on Monday, February 19, 2024 for the Donelson Pike Early Completion Incentive and found it to be unacceptable. MNAA and TDOT met and had a subsequent call with Superior and we are inching closer to an agreement. MNAA pulled it off the approval items and owe an update to the Board next month. It is not as easy a process as we initially thought, he said.

3. Terminal II Siting Study Update 2 of 8 (Operations)

President Kreulen presented a diagram referencing our future and growth that will be used in community presentations. At the end of the fiscal year, we are going to hit approximately 24M passengers. MNAA finished BNA Vision and are now in New Horizon, opening in 2025 and 2028, so the airport can handle up to 35M passengers. We need to monitor Nashville's growth to know

when the Phase 1 will open and subsequently Phase 2, and Nashville must have the roadways to support Terminal II. As you can see, the diagram shows a roadmap of Nashville to 42M – 54M passengers. MNAA is truly laying the foundation as we have in the past for the future of BNA and Nashville. Metro Council and Mayor O’Connell really appreciated the long-term vision that we have been sharing. MNAA has evaluated Terminal II sites and we have meetings coming up with the Board every other month for updates.

President Kreulen stated the same thing is true for the CONRAC. MNAA is evaluating and may have some possible selections for a future CONRAC.

4. Roadway Access Improvements

President Kreulen stated the Operations team is already working to widen BNA property at the Exit 216A entrance; the first 1,700 feet is complete. Staff is now doing some studies on widening TDOT roads, getting off of I-40 into BNA. The widening is an added capital project and MNAA does not at this time know the cost, but we are working our way towards it.

5. BNA Development Update (Operations)

President Kreulen stated when Metro Council came to visit, they toured where the Air Freight Building used to be located. We discussed with them the future of Concourse A. President Kreulen presented a photograph of the progress of the demolition of Genesco.

6. JWN Development Update (Operations)

President Kreulen stated John C. Tune work never stops. President Kreulen presented several pictures showing Parcels 2 and 3, near the Governor’s hangars, that have the hangar coming up and parcels 4 and 5 are almost finished with the foundation and steel will be coming up soon. Contour is working hard on hangar number 2 and steel for number 3 is getting very close. MNAA has received good feedback on our Request for Information (“RFI”) on our next FBO. President Kreulen has meetings with the staff to tweak what feedback we got from all of these vendors on putting out the solicitation on the next FBO.

President Kreulen stated on the JWN Midfield Development, MNAA is running our final analysis and will come back to the Operations Committee on which of the two versions we think will be the most cost effective. Vice Chair Granbery asked how many are on the waitlist. President Kreulen replied that the waitlist for box hangars is 13. If MNAA built those, all 13 will rent, and

there are 11 requests for 42s and 20 requests for 48s. If we focus on boxes here, you use the south area and maximize your 48s closer to the maintenance building. The plan is to get the final build to you.

7. BNA Concessions Program Update (Quarterly Update, Sales Report and BNA PASSport Update) (Finance)

President Kreulen stated the Finance and Concessions teams have done a great job on concessions. Fraport is to be commended on how they have ramped up MNAA's program and now have 95 plus businesses now running and MNAA revenue continue to grow. BNA has some high performers. Paradies has done a great job at the Satellite Concourse and it is now fully outfitted. President Kreulen stated with the Board's approval a few minutes ago, we now know what the next 7 concepts will be in the Concourse D extension.

8. FY24 BNA and JWN O&M Budget Updates (Finance)

President Kreulen stated the Finance Committee saw a little bit on where our concerns are based on our rapid growth and how it might impact our budgets. MNAA will go back to the Finance Committee to readjust the budgets for BNA and JWN.

9. Quarterly Retirement/OPEB/Treasury Investments Reports (Finance)

President Kreulen stated the Finance team updated the Commissioners at the Finance Committee on the Retirement Plan, OPEB and Treasury Investments. The FY24 Q2 Retirement Plan market value was \$81.4M. The OPEB market value was \$41M. The MNAA Quarterly Treasury Investment Report for the quarter ending December 31, 2023, showed MNAA had total available funds of \$1.229B with 99.6% of the funds invested. President Kreulen stated he agrees with Ms. Kristy Bork, AVP, Finance, it was a great quarter overall.

President Kreulen presented the last slide showing the Donelson Pike area and all the rock that will have to be removed. MNAA received \$7M from Secretary Buttigieg and another \$5M is coming our way for this \$30M project to bring down to this grade and start the roadwork to handle our future roads.

Vice Chair Granbery asked with respect to fuel revenue at JWN, what percentage of fuel sales are shared. President Kreulen replied he will verify, and we will know once we do the calculation for

the rents, but last year the renters received a \$180K credit on their rent for fuel sales. MNAA will know the FY25 rates soon.

I. ADJOURN

There being no further business brought before the Board, Chair Stevenson made the motion to adjourn, and Vice Chair Granbery seconded the motion, which carried by a vote of 7 to 0. Chair Stevenson adjourned the meeting at 1:53 p.m.

Andrew Byrd, Board Secretary

STAFF ANALYSIS

Board of Commissioners

Date: March 20, 2024
Facility: Nashville International Airport
Subject: Donelson Pike Early Completion Incentive

I. Recommendation

Staff requests the Board of Commissioners:

- 1) authorize the President and CEO to execute an agreement with Tennessee Department of Transportation for an early completion incentive to Superior Construction Company Southeast, LLC. at a not to exceed amount of \$6,000,000.

II. Analysis

A. **Background – Non-Participating Work and Cost**

BNA has seen an average of ten percent year-over-year growth for the last ten years and the current roadway system cannot handle the volume at peak hours. MNAA has developed the Terminal Access Roadway Improvement (TARI) project to expand the airport's loop road and ingress/egress at BNA to meet the traffic demand. However, the TARI project cannot be completed in its entirety until Donelson Pike is fully relocated, which was delayed over 2 years due to the Colonial Pipeline strike. The current contract completion date for the relocation of Donelson Pike is May 31, 2026. At MNAA's request the Tennessee Department of Transportation (TDOT) is negotiating with Superior Construction Company Southeast, LLC. (Superior) to develop an incentive package to complete the construction of Donelson Pike sooner.

TDOT and MNAA negotiated with Superior and developed the early incentive package as follows:

- Modify the TDOT Phase 3A construction completion date from May 31, 2026 to May 31, 2025. The estimated Donelson Pike switchover date would be April 15, 2025, which would allow the airport to start the MNAA road project approximately 411 days earlier.
- MNAA would pay Superior through TDOT's contract acceleration payments of \$300,000 per month beginning in August 2024 through May 2025 for a maximum amount of \$3,000,000.
- If work is completed by May 31, 2025, the contractor would receive a bonus of \$3,000,000.
- If the work is not completed by May 31, 2025, the bonus would be reduced by \$62,500 per day until the amount of early acceleration and bonus is exhausted (\$6,000,000).
- By July 18, 2025, no additional bonus is available, and the contractor would return \$62,500 per day of the early acceleration payment until completion or until early acceleration funds are returned.

- By September 4, 2025 (96 days after May 31, 2025) the MNAA would have recovered the early acceleration payment (\$3,000,000).
- The liquidated damages specified in TDOT's contract for Phase 3A would begin September 4, 2025, instead of May 31, 2026 as specified in the existing contract.
- Superior will be authorized to borrow 200,000 CY of fill material from MNAA's stockpile sites to expedite the construction and would replace the fill material after the completion of the Donelson Pike project.

B. Impact/Findings

Early Incentive and Early Bonus Amount:	\$6,000,000 NTE
Allow Superior to Borrow Fill Material:	200,000 CY NTE
Funding Source:	MNAA

C. Strategic Priorities

- Invest in BNA
- Plan for the Future

D. Options/Alternatives

Do Nothing: The "Do Nothing" option will prevent the start of the TDOT project and subsequently the TARI project.

III. Committee Review

This item was presented to the Operations Committee on March 13, 2024. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: March 20, 2024
Facility: Nashville International Airport (BNA)
Subject: Construction Contract for BNA Parking Lot Modifications
Project No. 2460F

I. Recommendation

Staff requests the Board of Commissioners:

- 1) Accept the bid by BC Mason for BNA Parking Lot Modifications, and
- 2) authorize the Chair and President and CEO to execute the proposed contract for the amount contained herein.

II. Analysis

A. Background

In 2023, the Metropolitan Nashville Airport Authority (MNA) contracted Ricondo & Associates, MNA's on-call airport planning consultant, to study parking supply and demand at BNA and provide recommendations for improvements. Their findings included the recommendation to enhance BNA's existing parking lots to increase capacity. MNA contracted with Atkins-Realis, the on-call landside civil engineering consultant, to analyze Lot A, the Discrete Valet Storage Lot, and the Employee Lot for opportunities to increase the number of marked parking spaces without changing the size of the lot. Atkins-Realis prepared construction documents including pavement repairs, and reconfiguration of selected islands and pavement markings in the three lots.

An Invitation to Bid ("ITB") was advertised on December 11, 2023, and consisted of a base bid and an additive alternate. The base bid scope consists of island removals, pavement markings, and safety and maintenance of traffic to increase the number of spaces in each parking lot. The additive alternate scope consists of lighting modifications in the Discrete Valet Storage Lot.

On January 24, 2024, two (2) bids were received. Below is a tabulation of those bids:

Contractor	Base Bid	Add Alt 1	Total
BC Mason Group, LLC	\$1,701,343.18	\$65,000.00	\$1,766,343.18
Sessions Paving Co.	\$1,989,278.00	\$199,278.00	2,188,528.00

The SMWBE participation level established for the project is 11.65% MBE and 1.96% WBE. BC Mason Group, LLC committed to 12.42% MBE and 2.12% WBE. BC Mason, LCC committed to meeting the SMWBE participation level utilizing Athena Engineering & Environmental, EverReady Transportation, and Etchmark.

BC Mason Group, LLC's Bid is 12% lower than the Engineer of Record's (Atkins) opinion of probable construction cost of \$2,007,150.00 for Based Bid and Add Alternate 1, and 19.3% lower than the high bidder, Sessions Paving Inc.

The Metropolitan Nashville Airport Authority (MNA) and Engineer of Record, Atkins, have evaluated the bids and determined the bid from BC Mason Group, LLC to be responsive and responsible and recommend award to BC Mason Group, LLC.

B. Impact/Findings

MNA SMWBE Level: 11.65% MBE and 1.96% WBE
Contractor SMWBE Level: 12.42% MBE and 2.12% WBE
Anticipated Contract Start Date: March 2024
Duration of Contract: 45 Calendar Days
Contract Completion Date: September 2024
Contract Cost: \$1,766,343.18
Funding Source: 100% Authority Funded

C. Strategic Priorities

- Invest in BNA
- Plan for the future

D. Options/Alternatives

Do Nothing: The "Do Nothing" option will result in no improvements to parking lots at BNA, less parking revenue collection, and insufficient parking supply for customers and employees.

III. Committee Review

This item was presented to the Operations Committee on March 13, 2024. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: March 20, 2024
Facility: Nashville International Airport
Subject: Concourse D Extension Concessions Node Art Finalist

I. 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 Doug Kreulen, to commission Benjamin Ball to create the work titled, ***Woven Embrace***, to be suspended in the new Concourse D Extension Concessions Node.
- 2) Authorize the Chair and President & CEO to execute the 1% Public Art Contract.

II. Analysis

A. Background

In August 2023, through a Request for Qualifications (RFQ), the AaA Foundation Board began the process to commission a public art project for the Concourse D extension concessions node. The RFQ was advertised through Nashville Metro Arts Commission, Tennessee Arts Commission, and an international web-based program, CodaWorx, targeted to public artists. AaA received 115 applications. Through a panel member process of three rounds of scoring, three artists teams were invited to submit proposals. Artists were invited to a site visit at BNA where they met with the BNA construction team and toured the construction site.

Artist candidates presented their concepts to the eight-member AaA selection committee on October 23, 2023. The committee selected two top finalists, Donald Lipski and Benjamin Ball. On February 9, 2024, the finalists presented their concepts to the AaA selection committee, and both were scored based on (1) experience with projects of this scale, (2) setting and complexity, (3) resources available for completing the project and quality, and creativity, and (4) strength of work submitted. After careful review and consideration, the AaA selection committee voted unanimously to recommended Benjamin Ball's *Woven embrace* and MNAA President and CEO, Doug Kreulen agreed and accepted the selection committee's recommendation.

Benjamin Ball grew up in Colorado and Iowa where his mother's involvement in theatre proved influential. While studying for his degree at the Southern California Institute of Architecture, Ball logged stints at Gehry Partners and Shirdel Zago Kipnis. Upon graduation, he sought work as a set and production designer for films (including the Matrix series) as well as music videos and commercials with such influential directors as Mark Romanek and Tony Scott. His 20 year experience ranges from work on the Disney Concert Hall and small residential commissions for

boutique firms to complex medical structures and event design. In his current collaboration with Gaston Nogues, Ball is exploring the intersection of architecture, art and product design through physical modeling and the use of digital and more traditional forms of production. You can also find his work in Los Angeles International Airport (LAX), San Diego International Airport (SAN) and Nashville’s Music City Center.

B. Project Description

The Project guidelines call for a permanent public artwork integrated into and suspended in the Concourse D Extension. The Project requires the art piece to be impactful, iconic, and memorable for passengers and employees of BNA.

- **Woven Embrace**, an abstract, contemporary artwork invites viewers to take a journey of introspection and connection with fellow travelers. We’re reminded of the importance of welcoming our differences. Its yarns wrap around the people below it, and each traveler is reflected in the threads of the tapestry, and each is bound to their neighbor, person to person, one knot at a time.
- The artwork’s arching shape with metal-mirrored spheres is an ode to Newton’s cradle – a device that demonstrates the conservation of momentum.
- The crisscrossing footpaths of the structure represents the diverse journeys and shared experiences of individuals of all walks of life who we encounter on our passage through BNA.
- In summary, the design of the artwork is to be beautiful, inspirational, and meditative. It will recognize and celebrate BNA’s distinct identity. It will be a captivating, courageous, and spectacularly poetic gesture that can offer a quiet moment of grace, a moment of reflection and recognition for those who are beginning a journey or those who are coming back home.

C. Impact/Findings

Contract Cost:	\$500,000
Anticipated Contract Start Date:	March/April 2024
Installation:	Starting June 2025 (pending construction timeline)
Duration of Contract:	12 months
Contract Completion Date:	Winter 2025 (Early 2025)
Funding Sources:	100% MNAA
MNAA SMWBE Participation Level:	Project will be Race and Gender neutral and 0% goal

D. Strategic Priorities

- Invest in BNA

E. Options/Alternatives

Do Nothing: The “Do Nothing” option prevents MNAA from finalizing the Concourse D Extension art project utilizing the designated 1% public art funds. The MNAA Board can elect not to approve the artist recommendation of the AaA Foundation Board Selection Committee and request that the Board restart the RFQ and selection process.

III. Committee Review

This item was presented to the Operations Committee on March 13, 2024. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: March 20, 2024
Facility: Nashville International Airport (BNA)
Subject: MNAA Resolution 2024-01
FY24 BNA Amended Operating Budget

I. Recommendation

Staff requests the Board of Commissioners:

- 1) approve the proposed amended operating budget for Nashville International Airport (BNA) for fiscal year 2024 (FY24); and
- 2) authorize the Chair and President & CEO to execute MNAA Resolution No. 2024-01.

II. Analysis

A. Background

Pursuant to the 3rd and Amended & Restated Bylaws of the Board of Commissioners of MNAA (Bylaws), Section 4.3.2, the President & CEO must submit the operating budget to the Board for approval at least 60 days prior to the beginning of the fiscal year. Requests for additional appropriations shall be submitted to the Board for approval.

On April 19, 2023, the Board of Commissioners approved the FY24 BNA Operating Budget. Since that time, enplanements have outpaced the budgeted amount, which has resulted in several adjustments that need to be made.

MNAA uses three enplanement forecasts to monitor growth at BNA: "Moderate Forecast", "Strategic Forecast", and an "Aggressive Forecast". Enplanement numbers for the three forecasts were created in January 2023 for FY24 (see column titled "Approved FY24" in the table on page 2). The Board of Commissioners approved the FY24 BNA Operating Budget in April 2023 based on 10,973,500 enplanements, which was the "Moderate Forecast". After the budget was approved, BNA continued to monitor passenger enplanement levels and compared them against the forecast. Since enplanements were outpacing the forecast by a significant amount, MNAA revised the three forecasts in July 2023. See column titled "Amended FY24" in the table on page 2 for the new forecasted enplanements:

Enplanements	Approved FY24	Amended FY24
Moderate Forecast	10,973,500	11,743,700
Strategic Forecast	11,290,200	12,182,400
Aggressive Forecast	10,800,000	12,621,500

MNAA management decided that the new FY24 enplanement target would be 11,743,700 (moderate forecast at a 7% increase) and would be the basis for the FY24 amended budget.

The following items were evaluated to update the FY24 operating budget:

- Reviewed BNA’s operating revenues and expenses from the December 31, 2023 financial statements and compared actual versus budget to look at trends:
 - Certain revenues and expenses were increased to reflect the new projected enplanement levels.
 - Increased landing fees to airlines due to the Virtual Ramp Tower project being requested (and paid for) by the airlines.
- Finance also reviewed additional budget requests from departments to identify any other necessary changes, as well as any other circumstance that would impact the budget (i.e., January 2024 snow/weather event).

Finance also re-evaluated the use of the relief grants (CRRSSA/ARPA) and determined that no changes needed to be made. Below indicates how the relief grants are being used in FY24:

Use of CRRSSA & ARPA Funds:	FY24
Apply to Debt Service	\$ 31,369,043
Apply to Offset Salary and/or Other Expenses	-
	\$ 31,369,043

The application of these relief funds was incorporated into the amended FY24 financial rate and charges model, as well as the adjustments from the amended BNA CIP Budget for the projects funded from the Authority and Airline Facility Funds. The financial rate model projections (original versus amended budget) are shown on page 3:

**Nashville International Airport
Revenue and Expenses (Rate Model Based)
For the year ending June 30, 2024**

	FY24 - Original 10.97M Enplanements	FY24 - Amended 11.74M Enplanements
Operating Revenues:		
Signatory Airlines	96,550,734	102,405,092
Parking	101,814,581	101,814,581
Concessions	60,992,158	65,492,158
Space Rental	17,156,652	18,756,652
Other	5,793,559	7,383,359
Total Operating Revenues	282,307,684	295,851,842
Operating Expenses:		
Salaries and Benefits	57,356,768	57,356,768
Contractual Services	82,181,933	87,861,040
Materials and Supplies	8,202,443	9,789,925
Utilities	9,083,730	9,083,730
Other	9,045,459	9,423,697
Total Operating Expenses	165,870,333	173,515,160
Other Rate Model Exp/Rev:		
Total Debt Service - Bonds	90,564,717	90,564,717
Less: Debt paid by Cap Int	(19,969,532)	(19,969,532)
Less: Debt paid by PFCs	(18,898,675)	(18,898,675)
Less: Debt paid by Federal Relief Grants	(31,369,043)	(31,369,043)
Less: Operating Exp paid by Federal Relief Grants	-	-
Short Term Credit Facility Interest Expense	2,972,768	2,972,768
Operations & Maintenance Fund	8,312,232	9,563,050
Renewal & Replacement Fund	1,250,000	1,250,000
Airline Facility Fund	13,466,535	18,142,055
Authority/Amortization Facility Fund	20,473,465	25,231,921
NAE (Airline Incentive) Fund	2,000,000	2,000,000
Additional Pension/OPEB Contribution	-	-
Interest Income Transferred to Revenue Fund	(8,781,100)	(8,781,100)
Less: Budgeted Exp Excluded from Rate Model	(2,540,975)	(1,451,768)
Other Non Budgeted Rev Included in Rate Model	(2,425,920)	(2,845,631)
Total Net Other Expenses	55,054,472	66,408,762
Net Income (Deposit to NAE)	61,382,879	55,927,920

Using this new forecast, the GAAP (Generally Accepted Accounting Principles) based amended budget for FY24 was prepared. The summary is shown below:

BNA Summary (\$000)	APPROVED BUDGET 2024	AMENDED BUDGET 2024	
Non-Airline Revenue	185,757	193,447	①
Signatory Airline Revenue	96,551	102,405	②
Total Operating Revenue	282,308	295,852	
Operating Expense	(165,870)	(173,515)	③
Net Non-Operating Income	17,030	16,683	④
Income before Depreciation & Grants	133,468	139,020	

① Non-Airline revenue increased by \$7.7M:

- Food/retail concessions increased \$2.5M due to an increase in enplanements; and a change in the contract with Fraport approved in June 2023, in which MNAA receives a higher percentage of sublessee rent (70% from 60%).
- TNC (Uber & Lyft) was increased by \$1M due to higher enplanements.
- Rental car concessions revenue increased by \$1M due to an increase in deplanements.
- Space rental increased \$1.6M mainly due to more concession storage space being leased in the terminal.
- Non-signatory landing fee increased \$1.6M. The non-signatory landing fee was increased due to the following: higher airfield expenses (i.e. snow event), additional airfield project costs (i.e. virtual ramp tower), and an increase in non-signatory landed weights over the budgeted amount.

② Signatory Airline Revenue increased \$5.8M due to increased landing fee - higher airfield expenses (i.e. snow event), additional airfield project costs (i.e. virtual ramp tower), and an increase in signatory landed weights over the budgeted amount.

③ Operating Expenses increased \$7.6M:

- Contractual Services increased \$5.7M:
 - BNA incurred \$2.1M of snow removal services related to the 8-day snow/weather event that occurred in January 2024.
 - Parking lot operations increased \$1.3M due to more demand (higher enplanements), along with higher valet labor costs for both hours and pay rates.
 - Concessions contract services increased by \$1M due to an extension of time using our concession consultants (Paslay Group); and assistance from an expert to help guide us as we convert our wireless service from our current provider to a new airport owned model.

- Additional professional services increased by \$800K for services such as: assistance with establishing an SMS system, support control for the virtual ramp, additional security services for the new cell lot and Genesco, compensation study, and a study for phasing of the central ramp.
- Repairs & maintenance increased \$500K for unanticipated expenses related to homeless mitigation and restriping of BNA roads.
- Materials and Supplies increased \$1.6M:
 - BNA incurred \$731K of snow removal supplies such as salt and deicing fluid related to the 8-day snow/weather event that occurred in January 2024.
 - Small tools and minor equipment increased \$350K for the purchase of new tasers. Public Safety was informed that the taser manufacturer would no longer support the existing equipment, so new equipment will need to be purchased.
 - Gas and diesel fuel budget of \$507K was reclassified to materials and supplies from other operating expenses to better align the budget to how the expenses are reported in the Annual Comprehensive Annual Report (“ACFR”).
- Other Operating expenses increased by \$378K:
 - Travel/Training increased \$288K:
 - Additional staff professional development \$176K - MNAA hosted four AAAE classes for employees to become Certified Members.
 - \$112K was incurred for the snow/weather event in January 2024 related to food and hotel rooms for staff that were on-call during the event.
 - Airport promotion increased by \$250K for additional expenses expected for hosting the AAAE Annual Conference.
 - Intercompany revenue/expense increased by \$347K due to reclassing these budget amounts to align how these are reported in the ACFR.
 - Gas and Diesel budget of (\$507K) was reclassified from other operating expenses to material and supplies to better align the budget to how the expenses are reported in the ACFR.

④ Net Non-Operating Income decreased \$347K due to reclass of intercompany revenue/expense to align the budget with how these are reported in the ACFR.

B. Strategic Priorities

- Invest in MNAA
- Plan for the Future
- Prepare for the Unexpected

C. Options/Alternatives

Revise the FY24 Operating Budget by adding or reducing revenue and expense items.

III. Committee Review

This item was presented to the Finance Committee on March 13, 2024. The Finance Committee voted 2 to 0 to recommend approval to the Board of Commissioners.

MNAA RESOLUTION NO. 2024-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AMENDING MNAA RESOLUTION 2023-02 AND APPROVING THE AMENDED OPERATING BUDGET FOR NASHVILLE INTERNATIONAL AIRPORT COVERING THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024.

WHEREAS, the President has submitted, for Board approval, an Amended Operating Budget for Nashville International Airport, covering fiscal year beginning July 1, 2023, and ending June 30, 2024, pursuant to Article IV, Section 4.3.2 of the Third Amended and Restated Bylaws of the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AS FOLLOWS:

Section 1. That the Board of Commissioners hereby amends MNAA Resolution No. 2023-02 by approving the Amended Operating Budget as presented, which has been made a part hereof as if copied verbatim herein as the Operating Budget for the Nashville International Airport for fiscal year 2024.

Section 2. This Resolution shall take effect from and after its adoption and be made a part of the Board of Commissioners official Minutes of Record.

RECOMMENDED:

ADOPTED:

Douglas E. Kreulen, President & CEO

Joycelyn A. Stevenson, Board Chair

APPROVED AS TO FORM AND LEGALITY:

ATTEST:

Neale R. Bedrock, EVP, General Counsel & CCO

Andrew W. Byrd, Board Secretary

This 20th day of March 2024.

STAFF ANALYSIS

Board of Commissioners

Date: March 20, 2024

Facility: Nashville International Airport (BNA)

Subject: MNAA Resolution 2024-02
FY24 BNA Amended Capital Improvements Budget and FY24-28 Amended Capital Improvement Plan

I. Recommendation

Staff requests the Board of Commissioners:

- 1) approve the proposed amended FY24-FY28 BNA Capital Improvements Plan; and
- 2) approve the proposed amended FY24 BNA Capital Improvements Budget; and
- 3) authorize MNAA to accept the grant(s) from the Federal Aviation Administration (FAA) for Federally funded projects and from the State of Tennessee for state funded projects, and to designate the President & CEO, or delegate, as the authorized representative of the Authority; and
- 4) authorize the Chair and President & CEO to execute MNAA Resolution No. 2024-02.

II. Analysis

A. **Background**

Staff annually presents a five-year capital improvements plan and the forthcoming year capital improvements budget for approval by the Board of Commissioners.

Pursuant to the 3rd and Amended & Restated Bylaws of the Board of Commissioners of MNAA (Bylaws), Section 4.3.3, a capital improvements budget shall be prepared annually for a 5-year period and submitted to the Board for approval at least 60 days prior to the beginning of the Authority's fiscal year. Requests for additional appropriations shall be submitted to the Board for approval.

On April 19, 2023, the Board of Commissioners approved the FY24-FY28 BNA Capital Improvements Plan and the FY24 BNA Capital Improvements Budget. Since that time, there have been items identified on the FY24 BNA Capital Improvements Budget that require adjustment. The proposed amended BNA Capital Improvements Budget for FY24 is \$155,025,537, reflecting a decrease of \$33,539,463 in project costs.

The changes to the FY24 BNA Capital Improvements Budget by project are as follows:

Project	Approved FY24 BNA CIP	Amended FY24 BNA CIP	Change	Reason for Change
New Parking Bridging Documents Terminal Loop Parking/GT/Bridging Study	\$ 10,000,000 -	\$ - 2,000,000	\$ (10,000,000) 2,000,000	Reduce/Modify scope and adjust project title
Virtual Ramp Control Tower	-	14,318,200	14,318,200	Add virtual ramp control service for BNA ramp
Restriping for Discrete/Lot A/Employee Lot	-	2,100,000	2,100,000	Project to increase parking spaces in current lots
Future RON/Deicing Ramp Plan	-	1,750,000	1,750,000	Phase I to add aircraft parking and deicing positions
2nd Terminal Siting Study	3,000,000	4,158,456	1,158,456	Add project manager to scope to assist MNAA
Apron Dual Taxilanes	70,000,000	-	(70,000,000)	Removed - study determined not needed at this time
Concourse A Recon/Expansion - Design	30,000,000	50,000,000	20,000,000	Additional design cost to match approved contract
Reconstruct Bravo/Kilo Inter. - Construction	13,100,000	16,483,881	3,383,881	Additional cost added due to bids received
K9 Kennel in ARFF	550,000	50,000	(500,000)	Reduced scope to only add additional fencing
Concourse B&C Upgrades	-	2,000,000	2,000,000	Additional cost added to prior year project due to bids received
New Friction Tester w/ Vehicle (Airfield)	-	250,000	250,000	Correction of error - vehicle was in CIP, however, cost was not in total
Total Change			\$ (33,539,463)	

Based on the above changes, the amended BNA Capital Improvements Plan for FY24-FY28 is summarized below:

BNA Summary:	2024	2025	2026	2027	2028	TOTAL
Terminal & Landside	\$ 90,958,456	\$ 881,860,000	\$ 31,000,000	\$ 207,500,000	\$ 500,000	\$ 1,211,818,456
Vehicles & Equipment	5,715,000	9,465,000	1,280,000	735,000	735,000	17,930,000
Airside Improvements	58,352,081	90,815,000	124,007,450	70,268,364	36,062,754	379,505,649
Total	\$ 155,025,537	\$ 982,140,000	\$ 156,287,450	\$ 278,503,364	\$ 37,297,754	\$ 1,609,254,105

Funding Allocation:	2024	2025	2026	2027	2028	TOTAL
MNAA Authority Fund	\$ 24,381,921	\$ 10,561,400	\$ 5,206,050	\$ 1,895,364	\$ 1,326,754	\$ 43,371,489
MNAA Amortization Fund	2,600,000	2,300,000	-	3,500,000	-	8,400,000
MNAA Airline Fund	28,880,705	18,123,600	27,521,400	13,458,000	5,536,000	93,519,705
Federal (Entitlement)	5,955,911	3,670,000	-	8,401,000	5,000,000	23,026,911
Federal (Discretionary)	6,407,000	10,000,000	32,746,124	15,000,000	17,500,000	81,653,124
Federal (BIL)	-	-	35,757,752	-	-	35,757,752
Bond Funded	84,500,000	937,050,000	54,621,124	35,899,000	7,500,000	1,119,570,124
Customer Facilities Charges	2,300,000	-	-	200,000,000	-	202,300,000
Other	-	435,000	435,000	350,000	435,000	1,655,000
Total	\$ 155,025,537	\$ 982,140,000	\$ 156,287,450	\$ 278,503,364	\$ 37,297,754	\$ 1,609,254,105

All projects are contingent upon the approval and availability of the various funding sources. The projects programmed for FY24, and their anticipated funding sources are shown in the attached Capital Improvements Plan. The projects and costs shown for FY25-FY28 are a planning tool and are only estimates at this time. They will be updated annually and presented to the Board.

B. Strategic Priorities

- Invest in MNAA
- Plan for the Future
- Prepare for the Unexpected

C. Options/Alternatives

Revise the amended FY24 Capital Improvements Budget by adding or omitting projects from the proposed capital budget.

Attachment: FY2024-2028 BNA Amended Capital Improvements Plan

III. Committee Review

This item was presented to the Finance Committee on March 13, 2024. The Finance Committee voted 2 to 0 to recommend approval to the Board of Commissioners.

MNAA RESOLUTION NO. 2024-02

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AMENDING MNAA RESOLUTION 2023-03 AND APPROVING THE AMENDED CAPITAL IMPROVEMENTS PLAN FOR FISCAL YEARS 2024 TO 2028, THE CAPITAL IMPROVEMENTS BUDGET FOR NASHVILLE INTERNATIONAL AIRPORT FOR FISCAL YEAR 2024 AND AUTHORIZING ACCEPTANCE OF THE GRANT(S) FROM THE FEDERAL AVIATION ADMINISTRATION FOR FEDERALLY FUNDED PROJECTS AND FROM THE STATE OF TENNESSEE FOR STATE FUNDED PROJECTS.

WHEREAS, the President has submitted, for Board approval, an Amended Capital Improvements Plan for Nashville International Airport, covering fiscal year beginning July 1, 2023, and ending June 30, 2024, pursuant to Article IV, Section 4.3.3 of the Third Amended and Restated Bylaws of the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AS FOLLOWS:

Section 1. That the Board of Commissioners hereby amends MNAA Resolution No. 2023-03 by approving the Amended Capital Improvements Budget as presented, which has been made a part hereof as if copied verbatim herein as the Capital Improvements Budget for the Nashville International Airport for fiscal year 2024.

Section 2. That the Board of Commissioners authorizes acceptance of the grant(s) from the Federal Aviation Administration for federally funded projects and from the State of Tennessee for state funded projects.

Section 3. This Resolution shall take effect from and after its adoption and be made a part of the Board of Commissioners official Minutes of Record.

RECOMMENDED:

Douglas E. Kreulen, President & CEO

ADOPTED:

Joycelyn A. Stevenson, Board Chair

APPROVED AS TO FORM AND LEGALITY:

Neale R. Bedrock, EVP, General Counsel & CCO

ATTEST:

Andrew W. Byrd, Board Secretary

This 20th day of March 2024.

STAFF ANALYSIS

Board of Commissioners

Date: March 20, 2024
 Facility: John C. Tune Airport (JWN)
 Subject: MNAA Resolution 2024-03
 FY24 JWN Amended Operating Budget

I. Recommendation

Staff requests the Board of Commissioners:

- 1) approve the amended operating budget for John C. Tune Airport (JWN) for fiscal year 2024 (FY24); and
- 2) authorize the Chair and President & CEO to execute MNAA Resolution No. 2024-03.

II. Analysis

A. Background

Pursuant to the 3rd and Amended & Restated Bylaws of the Board of Commissioners of MNAA (Bylaws), Section 4.3.2, the President & CEO must submit the operating budget to the Board for approval at least 60 days prior to the beginning of the fiscal year. Requests for additional appropriations shall be submitted to the Board for approval.

On April 19, 2023, the Board of Commissioners approved the FY24 JWN Operating Budget. Since that time, there have been several adjustments identified that need to be made to the budget.

The proposed JWN amended Operating Budget for FY24 is summarized below:

	APPROVED BUDGET 2024	AMENDED BUDGET 2024	
JWN Summary			
Operating Revenue	\$ 2,384,000	\$ 2,804,000	①
Operating Expense	(2,303,000)	(2,457,000)	②
Non-Operating Revenue	76,000	76,000	
Income before Depreciation, Grants, and Transfers from MNAA	\$ 157,000	\$ 423,000	

① Budgeted operating revenue increased by \$420,000 due to the execution of three additional North Development leases (5 parcels).

② Budgeted operating expenses increased by \$154,000:

- Overtime increased by \$13,000 due to the 8-day weather event that occurred in January of this year.
- Contract services increased by \$110,000:
 - Taxiway Bravo study - \$27K
 - Unanticipated tractor repair - \$13K
 - Unanticipated repairs for hangar damage - \$6K
 - Outside consultant to advised on the 2nd FBO process - \$64K.
- Material and supplies increased \$31,000:
 - New administration/maintenance building set-up - \$10K
 - Snow removal supplies from January weather event - \$21K.

B. Strategic Priorities

- Invest in MNAA
- Plan for the Future
- Prepare for the Unexpected

C. Options/Alternatives

Revise the FY24 Operating Budget by adding or reducing revenue and expense items.

III. Committee Review

This item was presented to the Finance Committee on March 13, 2024. The Finance Committee voted 2 to 0 to recommend approval to the Board of Commissioners.

MNAA RESOLUTION NO. 2024-03

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AMENDING MNAA RESOLUTION 2023-04 AND APPROVING THE AMENDED OPERATING BUDGET FOR JOHN C. TUNE AIRPORT COVERING THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024.

WHEREAS, the President has submitted, for Board approval, an Amended Operating Budget for John C. Tune Airport, covering fiscal year beginning July 1, 2023, and ending June 30, 2024, pursuant to Article IV, Section 4.3.2 of the Third Amended and Restated Bylaws of the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AS FOLLOWS:

Section 1. That the Board of Commissioners hereby amends MNAA Resolution No. 2023-04 by approving the Amended Operating Budget as presented, which has been made a part hereof as if copied verbatim herein as the Operating Budget for the John C. Tune Airport for fiscal year 2024.

Section 2. This Resolution shall take effect from and after its adoption and be made a part of the Board of Commissioners official Minutes of Record.

RECOMMENDED:

ADOPTED:

Douglas E. Kreulen, President & CEO

Joycelyn A. Stevenson, Board Chair

APPROVED AS TO FORM AND LEGALITY:

ATTEST:

Neale R. Bedrock, EVP, General Counsel & CCO

Andrew W. Byrd, Board Secretary

This 20th day of March 2024.