

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



Date/Time: Wednesday, April 17, 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
Nancy Sullivan, P.E.
Dr. Glenda Glover

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
1 request for public comment received
- III. APPROVAL OF MINUTES
March 20, 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. FY25 BNA O&M Budget, MNAA Resolution #2024-04 (Finance)
 2. FY25 BNA CIP Budget, MNAA Resolution #2024-05 (Finance)
 3. FY25 JWN O&M Budget, MNAA Resolution #2024-06 (Finance)
 4. FY25 JWN CIP Budget, MNAA Resolution #2024-07 (Finance)
 5. FY25 MPC O&M Budget, MPC Resolution #2024-01 (Finance)
 6. FY25 MPC CIP Budget, MPC Resolution #2024-02 (Finance)
 7. William "Bill" H. Freeman MNAA Resolution 2024-08 (Management)
 8. Amendment to Donelson Pike Early Completion Initiative Agreement (Board)
- VII. INFORMATION ITEMS
 1. Terminal II Siting Study Update 3 of 8 (Operations)
 2. BNA Development Update (including Concessions Update) (Operations)
 3. JWN Development Update (Operations)
 4. Board Officer Elections – May (Management)
- VIII. ADJOURN

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



Date: March 20, 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; Nancy Sullivan; and Dr. Glenda Glover

Board Members Absent: Bill Freeman

MNAA Staff Present: Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman
Daniel B. Brown, Kristen Deuben, Adam Floyd, Jeffrey Greco, David
Griswold, Ijeoma Ike, Eric Johnson, Carrie Logan, Rachel Moore,
Stacey Nickens, Robert Ramsey, Davita Taylor, Colleen Von Hoene,
and Vivian Walley

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 March 15, 2024.

II. PUBLIC COMMENTS

President Kreulen stated MNAA received one Public Comment Request in accordance with MNAA Policy. Mr. Steven Swartz requested to speak on Item III, Approval of the Minutes. President Kreulen told Mr. Swartz he was recognized and had 2 minutes to speak, and asked Ms. Rachel Moore, Executive Assistant to the President and CEO, to please start the timer.

Mr. Swartz introduced himself and stated he lives west of BNA, and he would like a correction to the minutes of the last Board meeting. Mr. Swartz stated he is speaking on behalf of Monell's, MNAA's leaseholder, and that Monell's did in fact ask for a lease extension in a letter dated September 2023 by John Horton and the minutes stated that Monell's did not. Mr. Horton would be here today, he said, but he has pneumonia. Mr. Swartz provided copies of that letter to the Board. Mr. Swartz stated they gathered a petition with 3,815 signatures and a Metro Council

Resolution was unanimous asking MNAA to extend Monell's lease for one year. Mr. Swartz stated he read the letter that MNAA sent to Monell's counsel, and the reasons are good and sound, but he and he thinks Monell's should be given one year to allow that historic building to be relocated and thinks Monell's may have found a piece of property on Murfreesboro Road, right across the street, a little to the west to move that building to. Mr. Swartz stated it will also keep Monell's in District 13, which he is a resident of, and that District 13 does not have much, but they have Monell's. Mr. Swartz stated the airport is doing a great job. Chair Stevenson thanked Mr. Swartz. President Kreulen responded in kind and thanked Mr. Swartz.

Commissioner Glover asked if it is possible to see the extension that was requested. President Kreulen replied that as Commissioners are aware, the Resolution that was passed by Metro Council was a nonbinding Resolution. At the Council meeting, the question was asked if there was anything that Metro could do related to the property or related to the lease. The answer by the Metro experts was no. The property is owned and managed by the Airport Authority. The Airport Authority has been discussing this for a while and despite the nonbinding Resolution the decision has been made not to renew the lease of Monell's for a multitude of reasons. Relating to Mr. Swartz' comment regarding the minutes, President Kreulen said that as we have attested to over the last couple of months with the Board counsel's assistance and Affidavits, those same processes were used in the minutes the Board has before them and that have been provided to them. The MNAA Committee and Board minutes were produced by Ms. Trish Saxman, Executive Assistant to President and CEO, and reviewed by Ms. Ijeoma Ike, Senior Counsel, Ms. Lisa Lankford, Deputy Chief Executive Officer & Chief Strategy Officer, and President Kreulen. Staff also went back and listened to the recording. The Minutes of the February 2024 Board meeting are accurate. In reference to the discussions that Monell's counsel has had, they have always been verbal discussions. There is no lease extension document, nor is there a plan that has ever been presented to MNAA in written form. President Kreulen stated he would affirm to the Commissioners that the Minutes that they have are accurate and what was stated in the Board meeting.

Chair Stevenson thanked President Kreulen and addressed Commissioner Glover asking her if she has a comment on the minutes that needs to be discussed. Commissioner Glover stated she heard that there was a request, and she would like it to be shared and that she would like to see it. President Kreulen replied there is no request. There is a statement from the counsel that represents Monell's that they verbally talked about the possibility of an extension. On September

29, 2023, they received notification that the lease would not be extended. The only thing that has gone back and forth is MNAA telling them that we are not interested in extending the lease. Commissioner Glover stated she is not concerned about that, and her question specifically is if there is a written request for a lease extension. President Kreulen replied no. Commissioner Glover stated if there is no written request, we cannot act on it. President Kreulen replied that the letters that have been provided by Monell's legal counsel say that they had a phone conversation in the September 2023 time period discussing the possibility of a lease extension and MNAA's answer back to them was that we are not interested in pursuing a lease or extension. There was no written documentation of a new lease, or new terms related to a lease, and MNAA is not extending the existing lease because it is not in the best interest of the Airport Authority.

Chair Stevenson stated that this is in part what we entrust from a management perspective from President Kreulen and his team, to run this process, and the Board has been aware of this process and asked if that is correct. President Kreulen replied, that is correct. There are no changes to what the Board has heard over the last several months. The Board is responsible for the overview of the policies that govern the Airport Authority, and the President and CEO is responsible for the active management of the Airport Authority. It is our recommendation business wise that it is not in the best interest of the Airport Authority for multiple reasons that have been laid out in writing, to extend the lease any further.

Commissioner Glover stated her whole concern is what we hear on TV that the airport is not doing, but we cannot be expected to act on something that we do not have. If there is no written request for a lease extension, then it is impossible to act on a verbal request. President Kreulen replied there is no new lease or extension. Commissioner Glover replied OK. President Kreulen stated because we do not intend to produce a new lease and no draft lease has been provided to us, there is no written document for us to assess. MNAA has made it very clear to the owner of Monell's that the lease will not be extended.

III. APPROVAL OF MINUTES

Chair Stevenson called for a motion to approve the Minutes of the February 21, 2024 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Vice Chair Granbery and seconded by Commissioner Joslin.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd – Yes

Commissioner Joslin – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 6 to 0.

IV. CHAIR'S REPORT

Chair Stevenson stated that she did not have a Chair's Report.

V. PRESIDENT'S REPORT

President Kreulen thanked Chair Stevenson and Commissioners. President Kreulen reported that the Hilton BNA will have the second of three opening celebrations on March 7, 2024. The occupancy of February 20, 2024 was 1 guest, and by March 7th the hotel was over 40% occupied and by the time of the Grand Opening Celebration on April 3, 2024 from 4:00 -7:00 PM, the Hilton BNA is expected to be 100% occupied. BNA has over 5M passengers that travel from Kentucky and Alabama, and given the drive to get here, we think the hotel will be successful. Chair Stevenson stated it is a beautiful hotel.

President Kreulen reported that Frontier Airlines is expanding service in Nashville beginning on May 16, 2024 adding Chicago O'Hare International (ORD) three times per week. Frontier Airlines currently flies to Denver, Phoenix, Philadelphia, Orlando and Dallas. By adding this service, it will hopefully bring down prices a bit, but it will be right in the midst of other competition that flies there from other airlines servicing BNA.

President Kreulen reported the Arts at the Airport program has added a new display at BNA titled the Flying Solo Exhibit, which will be on display through June 23, 2024, showing the works of talented Nashville artists. The Flying Solo Exhibit is getting a lot of great press and art is another way that makes traveling through BNA a calming experience for travelers. This is one of the best exhibits and if you have a chance to walk and tour it will be on display through June 23, 2024.

President Kreulen reported that Congressman Mark Green, District 7, US House of Representatives, toured BNA on March 14, 2024. Congressman Green had previously visited John C. Tune, located in District 7, to look at the Air Traffic Control Tower. Congressman Green is the Chair of the House Homeland Security Committee and is interested in seeing how MNAA is dealing with several issues related to the Transportation Security Administration. Steve Wood, Federal Security Director for Tennessee, also traveled with us on the tour and Congressman Green got an in-depth, behind-the-scenes tour and was very appreciative.

President Kreulen reported that two of MNAA's VIPs, Mr. Robert Ramsey, EVP, CDO and Ms. Traci Holton, VP, New Horizon, just returned from the SEC AAE Conference that was held in Birmingham, Alabama. They received two awards for MNAA - the General Aviation Project of the Year (Architecture) for the JWN Maintenance/Administration Building; and the Commercial Service Airport Project of the Year (Architecture) for the BNA Grand Hall. Mr. Ramsey and Ms. Holton both deserve all of the applause, President Kreulen said, and informed the Board that the awards are on the table if the Commissioners would like to see them. President Kreulen congratulated Mr. Ramsey and Ms. Holton. The Board and staff provided a big round of applause.

President Kreulen stated MNAA will have a Full Scale Drill on March 26, 2024. MNAA has rented an aircraft simulator that will be set on fire to simulate responding to an aircraft accident on one of our runways. Mr. Jeff Wooden, Director of Emergency Management, is responsible for planning this exercise. It is Mr. Wooden's first time planning, and Mr. Ramsey, Ms. Lankford and he are assisting with the drill. MNAA normally has between 40-50 mutual aid partners volunteer and participate in the drill. All of the local hospitals and all of the surrounding law enforcement and fire departments come here to assist us in the event. The FAA inspectors will make sure that MNAA complies with all of their requirements as well.

President Kreulen presented a slide showing the customer experience survey, which resulted in overall satisfaction rating of 93% and welcomed several distinguished guests from Fraport AG. Fraport has been a large part of this program for us. MNAA's goal is to be number 1 and has improved the overall experience. The areas that Fraport is an expert on, food and beverage and retail, have improved from last year to this year. Commissioners know that when MNAA changed the contract in 2019, there were some challenges, including the pandemic. Out of the 52 older businesses, all but 8 closed, and eventually those 8 also closed. MNAA has built 102 new businesses over the last few years and our ratings increased from 44% for food and beverage in

2021 to 81%, and from 60% for shopping in 2021 to 82%. These are new all-time highs for MNAA, and President Kreulen complimented Fraport for all they have provided to BNA. He thanked Matt Jennings, Fraport, and stated he appreciates his leadership and what he has done at BNA. Commissioner Joslin stated Fraport flat delivered what they said they would do, and it has not gone unnoticed. Commissioner Joslin expressed his pride in the airport and what all has been done.

President Kreulen reported the terminal facilities overall satisfaction rating of 96% showed passengers were significantly more satisfied. MNAA put out a new Request for Proposal (“RFP”) for Wi-Fi. The 84% rating is high for where it has been in the past, but we are going to move a lot of this in-house and we believe that will raise satisfaction. The work that our maintenance team has done with clean restrooms, good signage, and a clean terminal, drives that overall satisfaction rate. MNAA has been making improvements in all these areas over last year. Some of the top drivers of the 96% overall rating include wayfinding, terminal condition and cleanliness, and courtesy and helpfulness of airport staff.

President Kreulen introduced Eric Johnson, the new SVP, Chief Revenue Officer. Mr. Johnson comes from St. Paul, Minneapolis, with 30 years of experience managing rental cars, airline affairs, concessions and real estate. Mr. Johnson managed 6 general aviation reliever airports. He will bring a leadership team to us improving on where Paslay Group has already brought MNAA.

President Kreulen introduced Jeffrey Greco, the new Director of Facility & Maintenance. Mr. Greco is a proud veteran of the United States Navy and has a Bachelor of Science degree in logistics and supply chain management and he also has a master’s degree. He recently joined MNAA, and we are already seeing improvements.

President Kreulen thanked Mr. Johnson and Mr. Greco for what they are doing.

President Kreulen stated that next month, the Board will meet another new employee, Jennifer Coulter, who will join our team and help us with our Safety Management System (“SMS”) program that we are starting to implement. This is a big requirement for MNAA, and she will provide us with the leadership to move forward with.

President Kreulen stated Ms. Lankford tracks 3 scenarios for forecast throughout the year, and over the last 11 years the airport has grown at 10% per year. This year we forecasted at the 7% level and are almost at the 8% level. We are averaging almost 1.2M new passengers per year and believe we will set a new record come June 30, 2024, between 23.6M and 23.8M passengers.

President Kreulen reported the Committee 30-day Outlook for April will have 1 approval in the Operations Committee and 7 approvals in the Finance Committee with the FY25 budgets. President Kreulen stated the Committee 60-Day Outlook for May will be busy with approvals in both Operations and Finance Committees.

VI. ITEMS FOR APPROVAL

1. Donelson Pike Early Completion Initiative (Operations)

President Kreulen introduced Robert Ramsey, EVP, Chief Development Officer, to brief the Committee on the Donelson Pike Early Completion Incentive. Mr. Ramsey stated MNAA has reached an 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. The key incentive terms of this deal are a completion date of May 31, 2025 (365 days early) and will allow MNAA to begin work up to 411 days earlier than currently planned to begin our work on the portion of the road to increase the size and capacity for roadway network. The details of the incentive were presented at the Operations Committee and in review, that includes an advance incentive of \$300,000/month, beginning August 2024 – May 2025, which totals \$3M; and they will also receive a \$3M bonus if the work is completed by May 31, 2025, for a total of \$6M incentive. One item to note as TDOT finalized the agreement, there was one change, if TDOT does not meet the May 31, 2025 date, the bonus will be reduced by \$62,500/day instead of the previously reported \$66,000/day. Liquidated damages specified in TDOT's contract begin if work is not completed by September 4, 2025, instead of May 2026 as in the current contract. In order to meet those timelines, 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.

Mr. Ramsey recommended the 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.

Commissioner Joslin stated the Operations Committee voted 3-0 to recommend approval by the Board. Commissioner Joslin 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 Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 6 to 0.

2. Construction Contract for BNA Parking Lot Modifications (Operations)

Mr. Ramsey stated that the Construction Contract for BNA Parking Lot Modifications is to repair pavement and reconfigure spaces and pavement markings to add parking capacity in Lot A, the Discrete Valet Storage, and the Employee Lot. The additional striping and modifications will yield approximately 837 spaces by modifying existing curbs and islands. On December 11, 2023, MNAA advertised an Invitation to Bid (“ITB”) and received two bids, BC Mason Group, LLC and Sessions Paving. BC Mason Group, LLC was the lowest responsive and responsible bidder for a total of \$1,766,343.18. The SMWBE goal for this project is 11.62% MBE and 1.96% WBE. BC Mason Group, LLC slightly exceeded this goal with 12.42% MBE and 2.12% WBE using Athena Engineering & Environmental, EverReady Transportation & Etchmark.

Mr. Ramsey recommended the 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.

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 Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 6 to 0.

3. Concourse D Extension Concessions Node Art Finalist

President Kreulen introduced Stacey Nickens, VP, Corporate Communications & Marketing, to brief the Committee on the Concourse D Extension Concessions Node Art Finalist. This beautiful piece is *Woven Embrace* by Benjamin Ball. The circular structures will be suspended from the ceiling and the crisscrossing structures represent all walks of life that will walk through the doors of BNA. Ms. Nickens stated the contract cost is \$500K, work will start March/April 2024, and it is 100% funded by the arts budget.

Commissioner Glover asked if the schedule would have more crisp dates. Ms. Holton stated Concourse D will open July 2, 2025. President Kreulen replied that is a great question that we can ask our friends from Fraport Germany, because Fraport will have 7 new leases with 7 new retail and food and beverage concessions open and ready to go on July 2, 2025 and that art piece will be hanging in the Concourse D Concessions Node. President Kreulen stated he would like to thank Tre Hardin and Morgan Thompson that lead our arts program. MNAA goes out nationally to find artists that are interested in helping us decorate and make BNA more beautiful. There were 115 different artists put in proposals, and the Arts at the Airport (“AaA”) Foundation Board selection committee picks the best of the best.

Ms. Nickens requested the Board of Commissioners accept the recommendation of the 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 authorize the Chair and President and CEO to execute the 1% Public Art Contract for \$500,000.

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 Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 6 to 0.

4. 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)

President Kreulen introduced Marge Basrai, EVP, Chief Financial Officer, to brief the Board on the amended FY24 budgets and resolutions. Ms. Basrai stated she went over details last week at the Finance Committee meeting so she will provide a high level presentation today. She stated that she will ask for approval of the 3 budgets at the end of her presentation. On March 13, 2024, the Finance Committee reviewed in detail, and recommended approval of the 3 amended FY24 budgets by vote of 3 to 0. BNA's Board approved budget was based on 21.9M passengers, as projected in April 2023. The FY24 forecast was updated in July to 23.48M passengers. We are projecting 23.6M and 23.8M by the end of the fiscal year, so now we are officially adjusting our budget to the new forecast.

Ms. Basrai stated key changes to the FY24 BNA O&M Budget Amendment are increased operating revenue for concessions which includes food and beverage, transportation network companies ("TNC") and car rental, space rent and landing fee

revenue; and increased operating expenses for parking lot operations, concessions, travel/training and conference sponsorships, and snow removal contractual services and supplies for the weather event in January.

Ms. Basrai stated key changes to the FY24 BNA CIP Budget Amendment are due to increased project bids and timing/scope of projects. The key changes to the FY24 JWN O&M Budget are increased revenue for execution of 3 leases; and increased expenses for studies, equipment, hangar repairs, administration/maintenance building set-up, and snow removal overtime and supplies for the January snow event.

Ms. Basrai presented the FY24 BNA Amended O&M Budget. Total Operating Revenue increased \$13.5M, for a new total of \$295.8M; Total Operating Expense increased by \$7.6M, for a new total of \$173.5M; and net non-operating income decreased by \$347K. The new net Income before Depreciation & Grants is \$139M.

Ms. Basrai presented the FY24 BNA Amended Capital Improvement Budget & FY24-FY28 Amended Capital Improvement Plan. The original FY24 CIP budget was \$188.5M and the amended budget is \$155M, an overall reduction of \$33.5M. MNAA added \$44.6M in additions with the two biggest additions being Concourse A design adjustment and Virtual Ramp Control Tower. MNAA reduced \$78.3M from the budget, with the largest reduction for the Apron Dual Taxiways being deferred for some other higher priority projects. The total amended FY24 CIP Budget is \$155M, and the 5 year capital plan is \$1.6B.

Ms. Basrai presented the FY24 JWN Amended O&M Budget. Total Operating Revenue increased by \$420K to \$2.8M and Total Operating Expense increased by \$154K to \$2.5M. Income before Depreciation, Grants and Transfers from MNAA is \$423K.

Ms. Basrai requested that the Board of Commissioners 1) approve the proposed amended FY24 BNA operating budget and authorize the Chair, President and 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; and 3) approve the proposed amended FY24 JWN operating budget and authorize the Chair and President & CEO to execute MNAA Resolution No. 2024-03.

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 Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 6 to 0.

VII. INFORMATION ITEMS

1. BNA Development Update (Operations)

President Kreulen updated the Commissioners on BNA Development and provided a photograph of the Concourse D Extension showing the walk path that will have the moving sidewalk to get to the new concourse, where the steel is going up, and the path that will have the moving sidewalk that will get you to the new area for our future concessions. He showed in the next photograph the end of Concourse D, the utility plant and the corridor with the moving sidewalk, the air freight

building that was demolished, how close the Concourse D extension is to the old Donelson Pike that we moved out of the way, and where the jets will be parked. MNA has the ability for 5 gates, possibly 6 or 7.

2. JWN Development Update (Operations)

President Kreulen updated the Commissioners on JWN Development. On the northside, steel going up on parcels 2 and 3 and the roof going on. Parcels 4 and 5 have cranes putting up the steel for the new corporate hangar. Contour has the skin up and are working on the inside of the new hangar 2. Taxiways are opening up shortly, staff are drafting an RFP for a 2nd FBO, with a goal to select someone in 2025 so they have approximately two years to build out their facility. In April staff plan to bring a recommendation on the midfield development. President Kreulen acknowledge that staff owes the Operations Committee more analysis on that.

3. JWN FY25 Rental Rates (Operations)

President Kreulen reported the financial model, which has been used for the past 3 years, for the 100 plus hangars has been working very well. The model includes our cost for capital and our cost for operating the airport. FY25 rates will have a small adjustment of approximately \$45 on the t hangars and \$180 on the box hangars. President Kreulen presented a slide with the rates for each of the hangar sizes. Letters will be sent this afternoon to the tenants, which gives the tenants enough time to decide whether they want to renew their lease.

Vice Chair Granbery stated he would like the minutes to reflect that he knows the Board spends a lot of time on BNA as we should because it is such a big economic engine, but 4 years ago almost to the day, JWN was completely destroyed by a tornado and what has been accomplished in last 4 years is truly remarkable. Vice Chair Granbery thanked the staff for everything that has been done and also thanked Ms. Basrai for the budget proposal turning almost \$0.5M profit. JWN is a sister airport and takes a second seat, but it is remarkable and with all the new construction going on out there and new taxiways, and the sky is the limit. President Kreulen stated BNA has approximately 4,600 acres on this campus and JWN has a little over 300 acres. BNA is the number one commercial service airport for activity in the State of Tennessee and JWN is also the number one for general aviation.

President Kreulen concluded the presentation of the informational items.

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 6 to 0. Chair Stevenson adjourned the meeting at 1:40 p.m.

Andrew Byrd, Board Secretary

STAFF ANALYSIS

Board of Commissioners

Date: April 17, 2024
Facility: Nashville International Airport (BNA)
Subject: MNAA Resolution 2024-04
FY25 BNA Operating Budget

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve the proposed operating budget for Nashville International Airport (BNA) for fiscal year 2025 (FY25); and
- 2) authorize the Chair and President and CEO to execute MNAA Resolution No. 2024-04.

A. **Background**

Pursuant to the 3rd 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.

In December 2023, the MNAA CEO gave the CFO and Finance staff financial goals/requirements for developing the FY25 budget:

- Departments should budget conservatively based on needs.
- Department budgets should not require the usage of contingency funds.
- Make our debt service payments.
- Meet Board required debt service coverage and days cash on hand.
- Maintain our credit ratings to ensure future bond issuances.
- Minimize financial impact on our business partners.

MNAA uses three enplanement forecasts to monitor growth at BNA: "Moderate Forecast", "Strategic Forecast", and an "Aggressive Forecast". In April 2023, the Board of Commissioners approved the FY24 Operating Budget based on 10,973,500 enplanements which was the "Moderate Forecast" at that time. After the budget was approved, MNAA 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 FY24 forecasts in July 2023. These new forecasts were incorporated into the amended FY24 O&M budget and approved by the Board in March 2024. For FY25, the new "Moderate/Strategic/Aggressive Forecasts" were based on 5%/7%/9% growth from the FY24 forecasted enplanements.

The amended enplanement forecasts for FY24 and the forecasts for FY25 are shown in the table below:

	Amended	
	FY24	FY25
Moderate Forecast	11,743,700	12,376,000
Strategic Forecast	12,182,400	12,611,000
Aggressive Forecast	12,621,500	12,847,000

MNAA management determined that the “Moderate Forecast”, which estimates enplanements at approximately 12,376,000, would be the basis for the FY25 Operating Budget. The “Moderate Forecast” enplanement forecast was then compared to the Financial Feasibility Model to determine the financial goals for which the FY25 budget would be based upon.

Additionally, Finance evaluated the use of the relief fund grants (CARES/CRRSSA/ARPA) – a total of \$6,554,722 of ARPA funds is projected to be remaining at the end of FY24. This has been programmed for FY25, all applied to debt service. The application of these funds was incorporated into the new FY25 financial rate model projections shown below:

**Nashville International Airport
Revenue and Expenses (Rate Model Based)
For the year ending June 30, 2025**

	FY25 12.38M Enplanements
Operating Revenues:	
Signatory Airlines	\$ 124,574,985
Parking	113,600,000
Concessions	75,762,636
Space Rental	17,216,749
Other	10,501,013
Total Operating Revenue	341,655,383
Operating Expenses:	
Salaries and Benefits	72,954,464
Contractual Services	94,259,211
Materials and Supplies	9,422,842
Utilities	8,507,889
Other	10,560,224
Total Operating Expenses	195,704,630
Other Rate Model Exp/Rev:	
Total Debt Service - Bonds	101,495,916
Less: Debt paid by Cap Int	(5,818,153)
Less: Debt paid by PFCs	(32,529,365)
Less: Debt paid by Federal Relief Grants	(6,554,722)
Less: Operating Exp paid by Federal Relief Grants	-
Short Term Credit Facility Interest Expense	5,469,942
Operations & Maintenance Fund	8,364,208
Renewal & Replacement Fund	1,250,000
Airline Facility Fund	19,924,125
Authority/Amortization Facility Fund	25,750,200
NAE (Airline Incentive) Fund	2,000,000
Additional Pension/OPEB Contribution	-
Interest Income Transferred to Revenue Fund	(24,164,600)
Less: Budgeted Exp Excluded from Rate Model	(2,454,190)
Other Non Budgeted Rev Included in Rate Model	(3,257,327)
Total Net Other Expenses	89,476,034
Net Income (Deposit to NAE)	\$ 56,474,719

The application of \$6.6M in ARPA funds to debt service in FY25 is shown above in the “Other Rate Model Exp/Rev” section as a reduction. Based on these financial projections, MNAA will not need to access any of its reserves in FY25.

Using this forecast, the GAAP (Generally Accepted Accounting Principles) based O&M budget for FY25 was prepared. The summary is shown below:

BNA Summary (\$000)	AMENDED		
	BUDGET 2024	BUDGET 2025	
Non-Airline Revenue	193,447	217,080	①
Signatory Airline Revenue	102,405	124,575	②
Total Operating Revenue	295,852	341,655	
Operating Expense	(173,515)	(195,705)	③
Net Non-Operating Income	16,683	4,938	④
Income before Depreciation & Grants	139,020	150,888	

① Budgeted non-airline revenue increased by \$23.6M. Largest variances:

- Parking revenue increased \$11.8M due to higher forecasted enplanements and increased rates.
- Concession revenue increased \$10.2M:
 - \$6.6M for Food & Beverage/Retail concessions due to increased passengers and the impact of a full year of new food & retail concessions in the Grand Hall and Satellite Concourse.
 - Rental cars - \$1.2M, TNCs - \$2.4M, and ground transportation - \$14K make up the remaining increase, which is also due to increased passengers.
- Space rent and Other operating revenue increased in total by \$1.6M due to higher non-signatory airline per use fees based on the Airline Use & Lease Agreement (“AULA”), and increased terminal rental rates.

② Budgeted signatory airline revenue increased by \$22.2M:

- As previously approved by the Board, the AULA provides a methodology for charging the airlines rates and charges based on operating expenses, debt service requirements, and capital requirements. Based on the increases in these areas for FY25, the AULA Rate Model calculated the following increases:
 - Terminal rent increased \$8.2M due to an increase in the main terminal rate from \$173.84 to \$186.82 per square foot and an increase in the satellite terminal rate from \$169.49 to \$182.15 per square foot. There was also an increase in both rentable and leased space.
 - Baggage fees increased \$2.6M to cover capital and maintenance costs of the baggage handling system. The majority of the increase is due to increases in both the terminal rental rates allocated to the baggage area and in baggage claim area space.

- Landing fees increased \$11.1M due to a rate increase from \$3.13 to \$3.75 and higher forecasted landed weights.
- Passenger boarding bridges increased \$300k due to adding 4 new bridges.

③ Operating expense increased \$22.2M. Largest variances:

- Total salaries/benefits increased \$15.6M due to: 1) the addition of 22 new positions for FY25, 2) converting 16 contract positions to full time staff, 3) implementation of a cost-of-living adjustment, and 4) corresponding increases to benefits. In addition, at mid-year in FY24, 48 additional positions were added. It was determined that a FY24 mid-year budget adjustment was not needed due to salaries and benefits being under budget from vacancies and the timing of hiring these positions. The full year impact of these additional 48 positions is included in the FY25 budget. All increases are to support airport growth.
- Contractual services increased \$6.4M. Largest variances:
 - Contract services decreased a net \$300K. This was due to the partial year implementation of the Virtual Control Ramp Tower for an increase of \$3.6M for staffing, as well as an increase in passenger boarding bridges and baggage handling system costs of \$1.0M. Offsetting this is a decrease for a one-time expense from FY24 for snow removal (\$2.1M), a decrease in converting IT contract staffing to employees of (\$2.0M) and a decrease in contract concession costs of (\$750k).
 - Shuttle bus services increased \$4.0M due to additional landside routes needed due to the TARI construction, a full year impact of the updated contract rates for landslide, and the full year impact of the electric shuttle bus services to the Satellite Concourse.
 - Janitorial services increased \$1.0M due to contract escalation and the impact of a full year of service in the Grand Hall and the Satellite Concourse.
 - Elevator and escalator maintenance services increased \$1.5M due to increased service levels needed due to expiration of warranties.
- Materials and supplies decreased (\$400K). Largest variances:
 - Minor equipment, radios and uniforms for new and existing employees decreased (\$250K).
 - Janitorial supplies increased \$300k due to an increase in passengers.
 - Various building maintenance supplies increased \$350k to maintain airport facilities.
 - IT Hardware Enhancements increased \$200k to support airport operations.
 - There is a decrease of (\$1M) due to a removal of snow supplies and tasers added during the mid-year budget adjustment.
- Utilities decreased (\$600K). Largest variances:
 - Natural Gas decreased (\$675K) from the prior year budget, moreover, FY25 budget includes estimated increase in rates, but less usage (usage estimated in prior year was too high).

- Water and Sewer increased \$45K due to increases in published rates.
- Trash Removal decreased \$65K due to a reduction of pickups in the new contract.
- Telecommunications and Wireless Services increased \$95K due to costs of maintaining current systems and the increase in the number of employees.
- Other Operating Expenses increased \$1.1M. Largest variances:
 - Special Events increased \$600K due to hosting the Airport Minority Advisory Council conference.
 - Property Insurance increased \$550K due to expected increases in rates.
 - Advertising increased \$350K due to website refresh and terminal advertising.
 - Staff Travel and Training increased \$300K due to increases in the number of employees.
 - Offsetting these is a decrease of (\$700K) for the reclassification of expenses to Net Non-Operating Income.

④ Net Non-Operating Income decreased (\$11.7M). Largest variances are:

- ARPA/CRRSAA relief fund receipts decreased (\$24.8M) due to using the remaining relief grant funds in FY25. Projected use of funds in FY24 - \$31.4M versus projected use in FY25 - \$6.6M.
- Interest income increased \$11M due to higher projected rates compared to the FY24 estimated rates and increases in projected cash balances.
- Passenger Facility Charges and Customer Facility Charges increased \$3.1M and \$3.5M respectively, due to increased enplaned passengers.
- Bond Issuance Costs increased \$3.0M due to expected costs related to a potential issuance of new bonds at the end of FY25.
- Interest expense increased \$2.4M due to anticipating a higher balance/use of the short-term credit facility.
- Inter-Company Expense increased \$900K. \$200K of this was related to the increases in MPC for lease expense and management fee increases and \$700K was related to the reclassification of expense from Other Operating Expense.

B. Strategic Priorities

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

C. Options/Alternatives

Revise the FY25 operating budget by adding or reducing revenue and expense items.

II. Committee Review

This item was presented to the Finance Committee on April 10, 2024. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

MNAA RESOLUTION NO. 2024-04

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY APPROVING THE OPERATING BUDGET FOR NASHVILLE INTERNATIONAL AIRPORT COVERING THE FISCAL YEAR BEGINNING JULY 1, 2024 AND ENDING JUNE 30, 2025.

WHEREAS, the President has submitted, for Board approval, the Operating Budget for Nashville International Airport, covering fiscal year beginning July 1, 2024, and ending June 30, 2025, 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 approves the 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 2025.

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 17th day of April 2024.

STAFF ANALYSIS

Board of Commissioners

Date: April 17, 2024

Facility: Nashville International Airport (BNA)

Subject: MNAA Resolution 2024-05
FY25 BNA Capital Improvements Budget and FY25-29 BNA Capital Improvements Plan

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve the proposed FY25-29 BNA Capital Improvements Plan; and
- 2) approve the proposed FY25 BNA Capital Improvements Budget; and
- 3) authorize MNAA to apply for and accept any 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 Authority; and
- 4) authorize the Chair and President & CEO to execute MNAA Resolution No. 2024-05.

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 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 at least 60 days prior to the beginning of the Authority’s fiscal year.

The proposed Capital Improvements Plan for FY25-29 is summarized below:

BNA Summary:	2025	2026	2027	2028	2029	TOTAL
Terminal & Landside	1,018,940,000	191,220,000	57,520,000	395,420,000	500,000	1,663,600,000
Vehicles & Equipment	4,399,000	4,482,938	2,139,650	2,164,750	1,645,000	14,831,338
Airside Improvements	244,130,000	55,450,000	85,100,000	68,000,000	18,000,000	470,680,000
AULA - Airport Reliever Contribution	515,000	530,450	546,364	562,754	579,637	2,734,205
Total	1,267,984,000	251,683,388	145,306,014	466,147,504	20,724,637	2,151,845,543

Funding Allocations:	2025	2026	2027	2028	2029	TOTAL
MNAA Authority	\$ 25,230,200	\$ 50,443,951	\$ 6,726,294	\$ 2,729,814	\$ 2,491,047	\$ 87,621,306
MNAA Amortization Fund	\$ 520,000	\$ 1,000,000	\$ 1,000,000	\$ 600,000	\$ -	\$ 3,120,000
MNAA Airline Fund	\$ 14,554,800	\$ 8,574,437	\$ 5,225,070	\$ 6,222,940	\$ 3,233,590	\$ 37,810,837
Federal (Entitlement)	\$ 3,670,000	\$ 3,930,500	\$ 4,470,500	\$ 4,795,000	\$ -	\$ 16,866,000
Federal (Discretionary)	\$ -	\$ 10,125,000	\$ 10,529,500	\$ 17,705,000	\$ -	\$ 38,359,500
Federal (BIL)	\$ 68,247,562	\$ 7,319,500	\$ 10,559,376	\$ -	\$ -	\$ 86,126,438
Bond Funded	\$ 1,145,276,438	\$ 152,125,000	\$ 106,240,624	\$ 433,500,000	\$ 15,000,000	\$ 1,852,142,062
Customer Facility Charges	\$ 10,000,000	\$ 18,000,000	\$ -	\$ -	\$ -	\$ 28,000,000
Other	\$ 485,000	\$ 165,000	\$ 554,650	\$ 594,750	\$ -	\$ 1,799,400
Total	\$ 1,267,984,000	\$ 251,683,388	\$ 145,306,014	\$ 466,147,504	\$ 20,724,637	\$ 2,151,845,543

The FY25 Capital Improvements Budget includes the following major projects: 1) Concourse A Expansion - \$798.5M; 2) TARI Phase II & Phase III - \$166.5M; 3) Central Apron Parking Expansion Phase 1 - \$154.3M.

All projects are contingent upon the approval and availability of the various funding sources. The projects programmed for FY25, and their anticipated funding sources, are shown in the attached Capital Improvements Plan. The projects, costs, and anticipated funding sources for FY26-29 are a planning tool and 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 FY25 Capital Improvements Budget by adding or removing projects from the proposed capital budget.

Attachment: FY2025-2029 BNA Capital Improvements Plan

III. Committee Review

This item was presented to the Finance Committee on April 10, 2024. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

MNAA RESOLUTION NO. 2024-05

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY APPROVING THE CAPITAL IMPROVEMENTS PLAN FOR NASHVILLE INTERNATIONAL AIRPORT FOR FISCAL YEARS 2025 TO 2029, THE CAPITAL IMPROVEMENTS BUDGET FOR NASHVILLE INTERNATIONAL AIRPORT FOR FISCAL 2025 AND AUTHORIZING APPLICATION FOR AND 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, the attached Capital Improvements Plan for Nashville International Airport for five fiscal years beginning July 1, 2024, and ending June 30, 2029, 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 approves the attached FY25 - FY29 Capital Improvements Plan and FY25 Capital Improvements Budget for fiscal year July 1, 2024 through June 30, 2025 for Nashville International Airport, which have been made a part hereof as if copied verbatim herein as the Capital Improvements Budget for the Nashville International Airport.

Section 2. That the Board of Commissioners authorizes application for and acceptance of the grant(s) from the Federal Aviation Administration for federally funded projects and from the State of Tennessee for state funded projects, and designates the President and CEO, or designee, as the authorized representative of the Authority.

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:

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 17th day of April 2024.

BNA Capital Improvements Plan
Fiscal Years 2025 - 2029
Nashville International Airport

Project Title	Total	Entitlement	Discretionary	BIL / NOFO	State	MNAA Authority Fund	Amortization Fund (AULA)	MNAA Airline Fund	CFC	Other (Baggage Fees, Seizure Funds, etc.)	Bonds/Credit Facility
<u>FY 2025 Projects</u>											
Concourse A Expansion	798,500,000										798,500,000
TARI Phase II & Phase III	166,500,000			68,247,562							98,252,438
2nd Terminal (Environmental, Programming and Preliminary Design)	15,000,000					15,000,000					
Deicing Storage Modifications (Design)	2,000,000										2,000,000
Westside Development Engineering Study	500,000					500,000					
Airport Master Plan	7,000,000					3,500,000		3,500,000			
Part 139 RSA/TSA Improvements Phase 2 - TXWY Lima East & Alpha North	15,000,000										15,000,000
Concourse B and C Upgrades - Phase 2 Holdrooms + Holdroom Seating	16,700,000										16,700,000
Snow Equipment Building	10,500,000										10,500,000
Cargo Apron Slab Replacement (Phase 9 of 22)	1,500,000							1,500,000			
Rehabilitate Taxiway S/S6/S7/T4 Intersection (Design + Construction)	9,000,000	3,670,000						5,330,000			
Terminal Apron Lighting Upgrade - B & C Concourses	520,000						520,000				
JWN Match	515,000					515,000					
Airfield Pavement Rehabilitation & Striping - 2R/20L & Associated Taxiways	1,500,000							1,500,000			
CCTV Replacement	400,000					400,000					
Airside Tree Obstruction Removal	250,000							250,000			
DPS Range Improvements	200,000									200,000	
Airside New Wildlife Fencing (FY25-FY28 - \$5M per year)	20,000,000										20,000,000
ACC Modernization	300,000					300,000					
Gassaway Parking Lot Rehab (Phase 1 of 2)	1,000,000					1,000,000					
Gassaway - Update Common Areas	170,000					170,000					
Gassaway - HVAC Upgrades (1st Floor)	150,000					150,000					
SCADA Upgrade & TOC Water Pumps	130,000							130,000			
CONRAC Expansion (Year 1 - Planning & Procurement)	10,000,000								10,000,000		
Central Ramp Expansion	154,250,000										154,250,000
Misc. Building Demolitions (Enterprise/Aerial Survey Building)	1,000,000					1,000,000					
Terminal Ramp Reconstruction (FY25-FY27 - \$10M per year)	30,000,000										30,000,000
BNA Strategic Material Stockpile Study	400,000					400,000					
Administration Building Reconfiguration	600,000					600,000					
<u>Vehicles</u>											
2013 Ford Explorer K-9 MEQ 6543 / Replace with Chevy Tahoe	95,000					81,510		13,490			
2013 Ford Explorer K-9 MEQ 6544 / Replace with Chevy Tahoe	95,000					81,510		13,490			
2013 Ford Explorer MEQ 6578 / Replace with Chevy Tahoe	95,000					81,510		13,490			
2013 Ford Explorer MEQ 6589 / Replace with Chevy Tahoe	95,000					81,510		13,490			
2013 Ford Explorer MEQ 6595 / Replace with Chevy Tahoe	95,000					81,510		13,490			
2013 Ford Explorer MEQ 6596 / Replace with Chevy Tahoe	95,000					81,510		13,490			
2017 Chevy Tahoe MEQ 6587 / Replace with Chevy Tahoe	95,000					81,510		13,490			
Staff Summary - DPS Chevy Tahoe (Not Replacement)	95,000									95,000	
Staff Summary - DPS Chevy Tahoe (Not Replacement)	95,000									95,000	
Staff Summary - DPS Chevy Tahoe (Not Replacement)	95,000									95,000	
MEQ6314 1995 GMC C7H064 TOP KICK DUMP TRUCK (WITH SALT SPREADER)	250,000					214,500		35,500			
Airfield De-Icer (MEQ 6255)	900,000							900,000			
MEQ6527 (Grounds) 2012 KUBOTA RTV 1100	45,000					38,610		6,390			
MX, 2012 KUBOTA RTV 1100	45,000					38,610		6,390			
Maintenance 3/4 Ton Service Body Truck (MEQ 6489)	85,000					72,930		12,070			
Maintenance Box Truck (MEQ 6519)	75,000					64,350		10,650			
2010 FORD WAGON E-350 XL SUPER DUTY (MEQ 6501)	65,000					55,770		9,230			
Maintenance 3/4 Ton Service Body Truck (MEQ 6520)	85,000					72,930		12,070			
MX, replacing 2013 F-150, CREW CAB, 4WD (MEQ 6532)	85,000					72,930		12,070			
MX, replacing 2008 CHEVY SILVERADO 1500, REG CAB, 2WD (MEQ 6494)	65,000					55,770		9,230			
Runway Rubber/Marking Removal Truck	1,100,000							1,100,000			
Environmental Mini-Excavator	185,000					158,730		26,270			
Maintenance Kubota Tractor	180,000					154,440		25,560			
Operations Full Size SUV (Ford Expedition XL) for airside not replacing	75,000							75,000			
Operations Full Size Truck (F150) for landside not replacing	65,000					65,000					
Operations Full Size SUV (Ford Expedition) ADMs not replacing	70,000					60,060		9,940			
Ford Maverick (New - Not Replacement) - Engineering	37,000										37,000
Ford Maverick (New - Not Replacement) - Engineering	37,000										37,000
TOTAL FY 2025 Projects	1,267,984,000	3,670,000	-	68,247,562	-	25,230,200	520,000	14,554,800	10,000,000	485,000	1,145,276,438

BNA Capital Improvements Plan
Fiscal Years 2025 - 2029
Nashville International Airport

Project Title	Total	Entitlement	Discretionary	BIL / NOFO	State	MNAA Authority Fund	Amortization Fund (AULA)	MNAA Airline Fund	CFC	Other (Baggage Fees, Seizure Funds, etc.)	Bonds/Credit Facility
<u>FY 2026 Projects</u>											
New Air Freight Bldg./Multi-purpose Bldg.	125,000,000										125,000,000
Rwy 2L/20R Extension (Design - Year 1)	15,000,000	3,930,500		7,319,500							3,750,000
2nd Terminal (Years 2+3)	40,000,000					40,000,000					
Part 139 RSA/TSA Improvements Phase 3 - Bravo North	20,000,000										20,000,000
Replace Stormwater Pipe (Phase 7 of 9)	2,000,000							2,000,000			
Cargo Apron Slab Replacement (Phase 10 of 22)	1,500,000							1,500,000			
Switch Replacement	520,000					520,000					
PBX Upgrade of CS1000	180,000					180,000					
Data Center Primary & Firewall	800,000					800,000					
IT Infrastructure Deployment	1,500,000					1,500,000					
Cell DAS & Wi-Fi Refresh	750,000					750,000					
Deicing Storage Modifications Phase 1	13,500,000		10,125,000								3,375,000
JWN Match	530,450					530,450					
Airfield Pavement Rehabilitation - 2L/20R & Associated Taxiways	1,500,000							1,500,000			
Taxiway Alpha Seal Coat	1,000,000							1,000,000			
CONRAC Expansion (Year 2 - EA & Design)	18,000,000								18,000,000		
Terminal Apron Lighting Upgrade (Concourse D)	600,000						600,000				
Gassaway Parking Lot Rehab (Phase 2 of 2)	1,000,000					1,000,000					
Pendar X10 - Hazmat & EOD Identification Tool (DPS)	70,000									70,000	
Gassaway - Sewer (Assessment may be needed)	150,000					150,000					
Landside Pavement Rehabilitation - Knapp Blvd (Phase 1 of 3)	1,000,000					1,000,000					
Hydrologic Assessment of Ramp	350,000						350,000				
FIDS / IDS to Amadeus	900,000					900,000					
RIDS	100,000					50,000	50,000				
Amadeus ACUS	250,000					250,000					
ERP Evaluation	200,000					200,000					
HRIS system (Ultipro Replacement)	200,000					200,000					
PCI Study - Airside	600,000							600,000			
<u>Vehicles</u>											
Airfield Paint Striping Vehicle	475,000							475,000			
Multi-Function Sweeper Replacing Sweeper	1,100,000							1,100,000			
Seven (7) DPS vehicles @ \$95k	665,000					570,570		94,430			
DPS - EOD Emergency Response Vehicle	412,938					354,301		58,637			
Skid Steer (ENV) (Cat 289)	110,000					94,380		15,620			
Staff Summary - DPS Chevy Tahoe (Not Replacement)	95,000									95,000	
Skid Steer with Attachments (MEQ 6493)	95,000					81,510		13,490			
MEQ6468 (Grounds) 2006 KUBOTA RTV 900	45,000					38,610		6,390			
MEQ6429 2001 CHEVY C7H042 W/SALT SPREADER & PLOW	250,000					214,500		35,500			
MEQ6430 2001 CHEVY C7H042 W/SALT SPREADER & PLOW	250,000					214,500		35,500			
MEQ6315 (Grounds) 1995 GMC C7H064 TOP KICK DUMP TRUCK (NEW DEAL SPREADER)	250,000					214,500		35,500			
MEQ6516 (ADMIN) 2012 FORD EXPLORER	65,000					55,770		9,230			
MEQ6536 (ELTR) 2012 F150	65,000					55,770		9,230			
MEQ6538 (ELEC) F-550 BUCKET TRUCK	180,000					154,440		25,560			
MEQ6542 (AFEL) 2014 CHEVY 3500 WITH CENTER CRANE	95,000					81,510		13,490			
MEQ6550 (BLDGS) 2015 FORD F250	85,000					72,930		12,070			
MEQ6559 (OPS) FORD FLEX AWD	65,000					55,770		9,230			
MEQ6561 (GRDS) 2015 CHEVY 3500 CREW CAB, 4WD	95,000					81,510		13,490			
MEQ6562 (HVAC) 2016 FORD F250, 2WD, SERVICE BODY/LADDER	85,000					72,930		12,070			
TOTAL FY 2026 Projects	251,683,388	3,930,500	10,125,000	7,319,500	-	50,443,951	1,000,000	8,574,437	18,000,000	165,000	152,125,000

BNA Capital Improvements Plan
Fiscal Years 2025 - 2029
Nashville International Airport

Project Title	Total	Entitlement	Discretionary	BIL / NOFO	State	MNAA Authority Fund	Amortization Fund (AULA)	MNAA Airline Fund	CFC	Other (Baggage Fees, Seizure Funds, etc.)	Bonds/Credit Facility
<u>FY 2027 Projects</u>											
Runway 2L Extension Enabling Project: New PMO	11,800,000										11,800,000
Runway 2L Extension Enabling Project: New ARFF Annex (Design + Construction)	20,000,000	4,470,500	10,529,500								5,000,000
Rwy 2L/20R Extension (Design - Year 2)	15,000,000			10,559,376							4,440,624
CONRAC Expansion (Year 3 - Site Prep)	40,000,000										40,000,000
Convert Concourse C gates to Max 10	3,500,000					2,500,000	1,000,000				
Deicing Storage Modifications Phase 2	25,000,000										25,000,000
Replace Stormwater Pipe (Phase 8 of 9)	2,000,000										2,000,000
Cargo Apron Slab Replacement (Phase 11 of 22)	1,500,000										1,500,000
Gassaway - Roof Replacement	1,000,000					1,000,000					
6-inch Diesel Water Pump	100,000					100,000					
JWN Match	546,364					546,364					
Airfield Pavement Rehabilitation - 2C/20C & Associated Taxiways	1,500,000										1,500,000
Landside Pavement Rehabilitation - Knapp Blvd (Phase 2 of 3)	820,000					820,000					
T1/T2 Relocation, TSA Upgrade, and Rehabilitation	20,000,000										20,000,000
PCI Study - Landside	400,000					400,000					
<u>Vehicles</u>											
Seven (7) DPS vehicles @ \$95k	665,000					570,570		94,430			
DPS - Command Vehicle	554,650									554,650	
MEQ6479 (Grounds) 2007 AVS POSI-TRAC RC-100 SKID STEER	125,000					107,250		17,750			
MEQ6306 (ENV) 1993 GMC TOP KICK WITH FLAT BED	115,000					98,670		16,330			
MEQ6322 (Grounds) 1994 JOHN DEERE 6300 TRACTOR	150,000					128,700		21,300			
MEQ6563 (HVAC) 2015 CHEVY SILVERADO 2500HD, 4WD, CREW CAB	90,000					77,220		12,780			
MEQ6564 (GRDS) 2016 CHEVY SILVERADO 2500HD, 4WD, SERVICE	90,000					77,220		12,780			
MEQ6566 (BLME) 2015 CHEVY SILVERADO 2500HD, 4WD, CREW CAB	90,000					77,220		12,780			
MEQ6567 (MOEQ) 2016 CHEVY SILVERADO 2500HD, 4WD, SERVICE	90,000					77,220		12,780			
MEQ6570 (D&E) 2016 CHEVY EQUINOX, AWD, 4DR	40,000					34,320		5,680			
MEQ6586 (OPS) 2017 FORD FLEX, AWD	40,000					34,320		5,680			
MEQ6575 (CSF) 2016 CHEVY 2500HD, CREW CAB, 4WD	90,000					77,220		12,780			
TOTAL FY 2027 Projects	145,306,014	4,470,500	10,529,500	10,559,376	-	6,726,294	1,000,000	5,225,070	-	554,650	106,240,624
<u>FY 2028 Projects</u>											
Rwy 2L/20R Extension (Construction Phase 1) [Site Prep/Utilities]	30,000,000	4,795,000	17,705,000								7,500,000
Cargo Apron Slab Replacement (Phase 12 of 22)	1,500,000							1,500,000			
Replace Stormwater Pipe (Construct Phase 9 of 9)	3,000,000							3,000,000			
CONRAC Expansion (Year 4/5 - Construction)	334,000,000										334,000,000
2nd Terminal (Sitework & Design)	60,000,000										60,000,000
Terminal Apron Lighting Replacement (IAF)	600,000						600,000				
Landside Pavement Rehabilitation - Knapp Blvd (Phase 3 of 3)	820,000					820,000					
Terminal Ramp Reconstruction (FY28-FY29 - \$10M per year)	20,000,000										20,000,000
JWN Match	562,754					562,754					
Annual Airfield Pavement Striping Rehabilitation	1,500,000							1,500,000			
Taxiway Hotel South, TSA Improvements	12,000,000										12,000,000
<u>Vehicles</u>											
Seven (7) DPS vehicles @ \$95k	665,000					570,570		94,430			
EOD Robot	594,750									594,750	
MEQ6555 (3RD SHFT) 2015 TENNANT SENTINEL SWEEPER	200,000					171,600		28,400			
MEQ6539 (GRDS) 2013 KUBOTA RTV 1100	45,000					38,610		6,390			
MEQ6540 (ENV) 2013 KUBOTA RTV 1100	45,000					38,610		6,390			
MEQ6565 (PURCH) 2015 NISSAN FORKLIFT	75,000					64,350		10,650			
MEQ6558 (ADMIN) 2015 FORD FLEX, AWD	45,000					38,610		6,390			
MEQ6572 (ELEC) 2016 FORD F250 2WD, W/SERVICE BODY	90,000					77,220		12,780			
MEQ6573 (HVAC) 2016 FORD F250 2WD, W/SERVICE BODY	90,000					77,220		12,780			
MEQ6580 (MOEQ) 2016 CHEVY 3500HD, 2WD, SERVICE BODY/CRANE	95,000					81,510		13,490			
MEQ6584 (GRDS) 2017 FORD F150, 4WD, REG CAB	65,000					55,770		9,230			
MEQ6588 (AFEL) 2017 CHEVY 2500HD, 4WD, DBL CAB, SERVICE BODY	90,000					77,220		12,780			
MEQ6604 (OPS) 2018 FORD F150, 4WD CREW CAB	65,000					55,770		9,230			
TOTAL FY 2028 Projects	466,147,504	4,795,000	17,705,000	-	-	2,729,814	600,000	6,222,940	-	594,750	433,500,000

BNA Capital Improvements Plan
Fiscal Years 2025 - 2029
Nashville International Airport

Project Title	Total	Entitlement	Discretionary	BIL / NOFO	State	MNAA Authority Fund	Amortization Fund (AULA)	MNAA Airline Fund	CFC	Other (Baggage Fees, Seizure Funds, etc.)	Bonds/Credit Facility
<u>FY2029 Projects</u>											
JWN Match	579,637					579,637					
Annual Airfield Pavement Striping Rehabilitation	1,500,000							1,500,000			
Cargo Apron Slab Replacement (Phase 13 of 22)	1,500,000							1,500,000			
Taxiway Alpha/Kilo Reconstruction (Asphalt to Concrete)	15,000,000										15,000,000
Landside Pavement Rehabilitation	500,000					500,000					
<u>Vehicles</u>											
Seven (7) DPS vehicles @ \$95k	665,000					570,570		94,430			
MEQ6569 (GRDS) 2015 TORO GROUNDMASTER 4110D MOWER	130,000					111,540		18,460			
MEQ6576 (3RD SHFT) 2016 TENNANT S30-G RIDER SWEEPER	200,000					171,600		28,400			
MEQ6571 (ADMIN) 2016 CHEV EQUINOX	45,000					38,610		6,390			
MEQ6585 (D&E) 2017 FORD F150, 4WD, REG CAB	70,000					60,060		9,940			
MEQ6598 (ELTR) 2018 FORD F150, 2WD, EXT CAB	70,000					60,060		9,940			
MEQ6599 (ELEC) 2018 FORD F350, 2WD, CREW CAB	95,000					81,510		13,490			
MEQ6600 (BLME) 2018 FORD F250, WD, SERVICE BODY	90,000					77,220		12,780			
MEQ6602 (ELEC) 2018 FORD F150, 4WD, REG CAB	70,000					60,060		9,940			
MEQ6603 (ELEC) 2018 FORD F150, 4WD, REG CAB	70,000					60,060		9,940			
MEQ6605 (D&E) 2018 FORD F150, 4WD, CREW CAB	70,000					60,060		9,940			
ACC Full Size SUV (Ford Explorer / Expedition) not replacing	70,000					60,060		9,940			
TOTAL FY 2029 Projects	20,724,637	-	-	-	-	2,491,047	-	3,233,590	-	-	15,000,000
Total 5 Year CIP	2,151,845,543	16,866,000	38,359,500	86,126,438	-	87,621,306	3,120,000	37,810,837	28,000,000	1,799,400	1,852,142,062

STAFF ANALYSIS

Board of Commissioners

Date: April 10, 2024
 Facility: John C. Tune Airport (JWN)
 Subject: MNAA Resolution 2024-06
 FY25 JWN Operating Budget

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve the proposed operating budget for John C. Tune Airport (JWN) for fiscal year 2025 (FY25); and
- 2) authorize the Chair and President and CEO to execute MNAA Resolution No. 2024-06.

A. Background

Pursuant to the 3rd 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.

The proposed Operating Budget for FY25 is summarized below:

JWN Summary	AMENDED BUDGET 2024	BUDGET 2025	
Operating Revenue	\$ 2,804,000	\$ 3,011,000	①
Operating Expense	(2,457,000)	(2,296,000)	②
Non-Operating Revenue	76,000	178,000	③
Income before Depreciation, Grants, and Transfers from MNAA	\$ 423,000	\$ 893,000	

① Budgeted operating revenue increased \$207,000. Largest variances:

- Land rental and hangar rents increased \$163,000, owing to having a full year of the North Development leases and a rise in hangar rents.
- Flowage Fees increased \$13,000 due to an increase in aviation fuel sales.

- Reimbursable Services increased \$31,000 due to the increase in reimbursable auto and equipment fuel expenses.

② Budgeted operating expense decreased \$161,000. Largest variances:

- Payroll expenses decreased \$30,000 due to a reduction of benefits (\$17k) and the removal of the added overtime to the FY24 mid-year budget adjustment for the January 2024 snow event (\$13k).
- Contractual services decreased \$98,000 due to the removal of one-time expenses for the 2nd FBO consultant study/RFP prep (\$64k), taxiway Bravo study (\$27k), unexpected tractor repair (\$13k), and unexpected hangar repairs (\$6k). These decreases were offset by an increase of \$12k for additional mowing for the North Side Development.
- Materials & supplies decreased \$3,000 due to a reduction in building maintenance supplies (\$7k) and machinery & equipment supplies (\$8k) (non-utilization of prior year budgets); and removal of one-time expenses for January 2024 snow removal and new office setup (\$31k). These decreases were offset by an increase of \$34k due to the reclass of expense account categories, and an increase in Gasoline and Diesel costs of \$9k.
- Utilities increased \$9,000 due to expected rate increases.
- Other Operating Expense decreased \$39,000 primarily driven by a decrease in Tune's share of allocable MNAA's administrative expenses (\$10k) and a reclass (\$34k) of expense account categories. These decreases were offset by an increase of (\$5k) in Airport Promotions.

③ Budgeted non-operating revenues increased \$103,000:

- Interest income increased \$103,000 due to increases in cash balances and anticipated above average interest rates.

B. Strategic Priorities

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

C. Options/Alternatives

Revise the FY25 Operating Budget by adding or reducing revenue and expense items.

II. Committee Review

This item was presented to the Finance Committee on April 10, 2024. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

MNAA RESOLUTION NO. 2024-06

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY APPROVING THE OPERATING BUDGET FOR JOHN C. TUNE AIRPORT COVERING THE FISCAL YEAR BEGINNING JULY 1, 2024 AND ENDING JUNE 30, 2025.

WHEREAS, the President has submitted, for Board approval, the Operating Budget for John C. Tune International Airport, covering fiscal year beginning July 1, 2024, and ending June 30, 2025, 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 approves the 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 2025.

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 17th day of April 2024.

STAFF ANALYSIS

Board of Commissioners

Date: April 17, 2024
Facility: John C. Tune Airport (JWN)
Subject: MNAA Resolution 2024-07
FY25 JWN Capital Improvements Budget and FY25-29 JWN Capital Improvements Plan

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve the proposed FY25-29 JWN Capital Improvements Plan; and
- 2) approve the proposed FY25 JWN Capital Improvements Budget; and
- 3) authorize MNAA to apply for and accept any 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 Authority; and
- 4) authorize the Chair and President & CEO to execute MNAA Resolution No. 2024-07.

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 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 at least 60 days prior to the beginning of the Authority's fiscal year.

The proposed Capital Improvements Plan for FY25-29 is summarized below:

JWN Summary:	2025	2026	2027	2028	2029	TOTAL
Terminal & Landside	\$ 930,000	\$ -	\$ -	\$ 6,700,000	\$ -	\$ 7,630,000
Vehicles & Equipment	-	200,000	330,000	40,000	-	570,000
Airside Improvements	-	2,900,000	3,400,000	225,000	2,700,000	9,225,000
Total	\$ 930,000	\$ 3,100,000	\$ 3,730,000	\$ 6,965,000	\$ 2,700,000	\$ 17,425,000

Funding Allocations:	2025	2026	2027	2028	2029	TOTAL
JWN Funding	\$ 930,000	\$ 2,064,000	\$ 1,592,000	\$ 935,000	\$ 2,550,000	\$ 8,071,000
Federal Funds	\$ -	\$ 1,036,000	\$ 2,138,000	\$ 300,000	\$ 150,000	\$ 3,624,000
State Funds	\$ -	\$ -	\$ -	\$ 5,730,000	\$ -	\$ 5,730,000
	\$ 930,000	\$ 3,100,000	\$ 3,730,000	\$ 6,965,000	\$ 2,700,000	\$ 17,425,000

All projects are contingent upon the approval and availability of the various funding sources. The projects programmed for FY25, and the anticipated funding sources, are shown in the attached Capital Improvements Plan.

Federal funds include entitlement and discretionary funds, as well as the Bipartisan Infrastructure Bill (BIL). The BIL funds designated as FY23 (\$292,000) and FY24 (\$294,000), which are programmed for FY26, are based on actual BIL program allocations published by the FAA. The FY25 and FY26 BIL allocations, which are programmed for FY27, are estimated at \$844,000 annually, contingent on the 2025 update to the National Plan of Integrated Airport Systems (NPIAS), in which the JWN classification is expected to change from a Regional to National designation. JWN also anticipates applying for BIL competitive funds for the RADAR system (programmed for FY27). State funds include the State Economic Community Development Fund. If any of the Federal or State funds are not available, Finance will identify other sources of funding, including bond funds, for capital projects.

The specific projects for each year are listed in the attached FY25-29 Capital Improvements Plan, with a total of \$930,000 currently programmed for the FY25 Capital Improvements Budget. The projects and costs shown for FY26-29 are a planning tool and 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 FY25 Capital Improvements Budget by adding or removing projects from the proposed capital budget.

Attachment: FY2025-2029 JWN Capital Improvements Plan

III. Committee Review

This item was presented to the Finance Committee on April 10, 2024. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

MNAA RESOLUTION NO. 2024-07

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY APPROVING THE CAPITAL IMPROVEMENTS PLAN FOR JOHN C. TUNE AIRPORT FOR FISCAL YEARS 2025 TO 2029, THE CAPITAL IMPROVEMENTS BUDGET FOR JOHN C. TUNE AIRPORT FOR FISCAL 2025 AND AUTHORIZING APPLICATION FOR AND 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, the attached Capital Improvements Plan for John C. Tune Airport for five fiscal years beginning July 1, 2024, and ending June 30, 2029, 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 approves the attached FY25-FY29 Capital Improvements Plan and FY25 Capital Improvements Budget for fiscal year July 1, 2024 through June 30, 2025 for John C. Tune Airport, which have been made a part hereof as if copied verbatim herein as the Capital Improvements Budget for the John C. Tune Airport.

Section 2. That the Board of Commissioners authorizes application for and acceptance of the grant(s) from the Federal Aviation Administration for federally funded projects and from the State of Tennessee for state funded projects, and designates the President and CEO, or designee, as the authorized representative of the Authority.

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:

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 17th day of April 2024.

JWN Capital Improvements Plan
Fiscal Years 2025 - 2029
John C Tune Airport

	Total Project Cost	AIP Entitlement	AIP Entitlement Year	State ECD	BIL (AIG) Entitlement	AIG Allocation Year	BIL (ATP) Competitive	JWN
FY 2025 Projects								
Tune Parking Lot Resurfacing	400,000							400,000
Tune Airport Drive Resurface	530,000							530,000
FY 2025 TOTAL	930,000	-		-	-			930,000
FY 2026 Projects								
Apron Pavement Rehab (Phase 1 of 2; South Area)	2,600,000	450,000	<i>FY24+FY25+FY26</i>		586,000	<i>FY23+FY24</i>		1,564,000
EMAS Rehab	300,000							300,000
Front End Loader (Tractor Replacement)	200,000							200,000
FY 2026 TOTAL	3,100,000	450,000		-	586,000		-	2,064,000
FY 2027 Projects								
Apron Pavement Rehab (Phase 2 of 2; North Area)	1,900,000				1,688,000	<i>FY25+FY26</i>		212,000
RADAR system for JWN ATCT	500,000						450,000	50,000
South Side Apron Development	1,000,000							1,000,000
New 72" Mower	145,000							145,000
Replace JC CX-15 Bush Hog Mower	185,000							185,000
FY 2027 TOTAL	3,730,000	-		-	1,688,000		450,000	1,592,000
FY 2028 Projects								
West Side Access Road and Utilities	6,700,000	300,000	<i>FY27+FY28</i>	5,730,000				670,000
PAPI Light Replacement	225,000							225,000
Scissor Lift (MEQ 7406- 25' working height)	40,000							40,000
FY 2028 TOTAL	6,965,000	300,000		5,730,000	-		-	935,000
FY 2029 Projects								
Runway Pavement Rehabilitation (Mill and Overlay)	2,700,000	150,000	<i>FY29</i>					2,550,000
FY 2029 TOTAL	2,700,000	150,000		-	-		-	2,550,000
JWN TOTAL	17,425,000	900,000		5,730,000	2,274,000		450,000	8,071,000

STAFF ANALYSIS

MPC Board of Commissioners

Date: April 17, 2024
 Facility: MNAA Properties Corporation (MPC)
 Subject: MPC Resolution 2024-01
 FY25 MPC Operating Budget

I. Recommendation

Staff requests that the MPC Board of Directors:

- 1) approve the proposed operating budget for MNAA Properties Corporation (MPC) for fiscal year 2025 (FY25); and
- 2) authorize the Chair and President & CEO to execute MPC Resolution No. 2024-01.

II. Analysis

A. Background

Pursuant to the Amended & Restated Bylaws of the Board of Directors of MNAA Properties Corporation (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.

The proposed operating budget for FY25 is summarized below:

MPC Summary	BUDGET 2024^①	BUDGET 2025	
Operating Revenue	\$ 3,711,000	\$ 5,345,000	②
Operating Expense	(1,681,000)	(1,845,000)	③
Non-Operating Revenue	258,000	516,000	④
Non-Operating Expense	(347,000)	(588,000)	⑤
Income before Depreciation	\$ 1,941,000	\$ 3,428,000	

MPC Budget by Subsidiary/Parent	International Plaza	Multi-Purpose Building	Global Tire	MPC Parent	TOTAL MPC BUDGET 2025
Operating Revenue	\$ 3,185,000	\$ 2,106,000	\$ 54,000	\$ -	\$ 5,345,000
Operating Expense	(1,598,000)	(245,000)	-	(2,000)	(1,845,000)
Non-Operating Revenue	-	-	-	516,000	516,000
Non-Operating Expense	(146,000)	(72,000)	-	(370,000)	(588,000)
Income before Depreciation	\$ 1,441,000	\$ 1,789,000	\$ 54,000	\$ 144,000	\$ 3,428,000

① When the FY24 Operating Budget was presented to the Board for approval in April 2023, Operating Expense was \$2,028,000 and Non-Operating Expense was \$0. Subsequent to Board approval, Finance reclassified \$347,000 of Inter-Company expenses from Operating Expense to the Non-Operating Expense line to better align the budget to how the expenses are reported in the Annual Comprehensive Financial Report.

② Budgeted operating revenue increased by \$1,634,000: based on current lease agreements, the transfer of Air Freight Building tenants to the Multi-Purpose Building in December 2023, and assumption that only 85% of leases that expire in FY25 will renew.

③ Budgeted operating expense increased by \$164,000. Largest variances:

- Total contractual services increased by \$75,000: \$50,000 to work with Real Estate Broker to assist with vacancies, \$21,000 for increases in Maintenance Contracts, and a \$4,000 increase in Security Services.
- Materials and supplies increased by \$8,000 due to an increase in janitorial and HVAC supplies.
- Total utilities increased by \$73,000, to account for an estimated 4% increase in rates, along with more usage from the additional Multi-Purpose Building tenants.
- Other operating expenses increased by \$8,000 due to an increase in MPC's share of anticipated insurance premiums.

④ Interest income increased by \$258,000 due to increases in cash balances and anticipated interest rates.

⑤ Inter-Company expenses increased by \$241,000 due to increases in lease payments and increased management fees as a result of additional revenue from Air Freight tenants moving to the Multi-Purpose Building.

B. Strategic Priorities

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

C. Options/Alternatives

Revise the FY25 Operating Budget by increasing or decreasing revenue and expense items.

III. Committee Review

This item was presented to the MPC Finance Committee on April 10, 2024. The MPC Finance Committee voted 3 to 0 to recommend approval to the MPC Board of Directors.

MPC RESOLUTION NO. 2024-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF MNAА PROPERTIES CORPORATION IN ITS CAPACITY AS SOLE MEMBER OF MPC HOLDINGS, LLC APPROVING THE OPERATING BUDGET FOR MPC HOLDINGS, LLC COVERING THE FISCAL YEAR 2025, BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025.

WHEREAS, the President has submitted, for Board approval, the attached Operating Budget for MPC Holdings, LLC, Nashville, Tennessee, covering fiscal year beginning July 1, 2024, and ending June 30, 2025, pursuant to Article IV, Section 4.3.2 of the Amended and Restated Bylaws of the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MNAА PROPERTIES CORPORATION AS FOLLOWS:

Section 1. That the Board of Directors hereby approves the Operating Budget as presented, which has been made a part hereof as if copied verbatim herein as the Operating Budget for MNAА Properties Corporation for fiscal year 2025.

Section 2. This Resolution shall take effect from and after its adoption and be made a part of the Board of Directors 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 17th day of April 2024.

STAFF ANALYSIS

MPC Board of Directors

Date: April 17, 2024

Facility: MNAA Properties Corporation (MPC)

Subject: MPC Resolution 2024-02
FY25 MPC Special Projects Budget and FY25-29 Special Projects Plan

I. Recommendation

Staff requests that the MPC Finance Committee recommend to the Board of Commissioners that it:

- 1) approve the proposed FY25-29 MPC Special Projects Plan (FY25-29 Capital Improvements Plan); and
- 2) approve the proposed FY25 MPC Special Projects Budget (FY25 MPC Capital Improvements Budget); and
- 3) authorize MPC to apply for and accept any 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 corporation; and
- 4) authorize the Chair and President and CEO to execute MPC Resolution No. 2024-02.

II. Analysis

A. **Background**

Staff annually presents a five-year special projects plan (capital improvements plan) and the forthcoming year special projects budget (capital improvements budget) for approval by the Board of Directors.

Pursuant to the Amended & Restated Bylaws of the Board of Directors of MNAA Properties Corporation (Bylaws), Section 4.3.3, a budget for special projects (capital improvements project) shall be prepared and submitted to the Board for approval prior to the closing date of such capital improvements project.

The proposed Special Projects Plan for FY25-29 is summarized below:

MPC Summary:	2025	2026	2027	2028	2029	TOTAL
Total	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000

MNAA is studying the west side of BNA for future development, which may include the International Plaza Building (“IPB”). While no decision has been made on the future of the IPB, the building is occupied by tenants and some projects are needed to ensure the building is safe and in general working order. In 2022, MNAA contracted with outside consultants to perform an appraisal/evaluation of the IPB to assess the value and the major CIP projects needed to keep the building in working condition. Several projects were identified, and most were included in the FY24 Special Projects Budget. The final project from the evaluation is the roof replacement (\$1M), which is programmed for FY25.

All projects are contingent upon the identification and approval of a funding source. The projects programmed for FY25 are shown in the attached Special Projects Plan. There are currently no projects planned for FY26-29. Currently the only identified funding source for the projects on the FY25 Special Projects Plan is IPB’s operating cash account, which is \$11M as of March 14, 2024.

B. Strategic Priorities

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

C. Options/Alternatives

Revise the FY25 MPC Special Projects Budget by adding/deleting projects from the proposed capital plan.

Attachment: FY2025 – 2029 MPC Special Projects Plan

III. Committee Review

This item was presented to the MPC Finance Committee on April 10, 2024. The MPC Finance Committee voted 3 to 0 to recommend approval to the MPC Board of Directors.

MPC RESOLUTION NO. 2024-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF MNAA PROPERTIES CORPORATION IN ITS CAPACITY AS SOLE MEMBER OF MPC HOLDINGS, LLC APPROVING THE SPECIAL PROJECTS PLAN FOR FISCAL YEARS 2025 TO 2029, THE SPECIAL PROJECTS BUDGET FOR MNAA PROPERTIES CORPORATION FOR FISCAL YEAR 2025, AND AUTHORIZING APPLICATION FOR AND 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, the attached Special Projects Plan for MNAA Properties Corporation for five fiscal years beginning July 1, 2024, and ending June 30, 2029, pursuant to Article IV, Section 4.3.3 of the Amended and Restated Bylaws of the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MNAA PROPERTIES CORPORATION AS FOLLOWS:

Section 1. That the Board of Directors hereby approves the attached FY25-FY29 Special Projects Plan and FY25 Special Projects Budget for fiscal year July 1, 2024 through June 30, 2025 for the MNAA Properties Corporation, which have been made a part hereof as if copied verbatim herein as the Special Projects Budget for the MNAA Properties Corporation.

Section 2: That the Board of Directors also authorizes application for and acceptance of the grant(s) from the Federal Aviation Administration for federally funded projects and from the State of Tennessee for State funded projects, and designates the President and CEO, or designee, as the authorized representative of the Authority.

Section 3. This Resolution shall take effect from and after its adoption and be made a part of the Board of Directors 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 17th day of April 2024.

MPC Capital Improvement Plan
Fiscal Years 2025 - 2029

Project #		Total Project Cost
		FY 2025
PY New	IPB: Roof Replacement	1,000,000
	IPB: Demo LL Café	100,000
FY 2025 Total		1,100,000
		FY 2026
FY 2026 Total		0
		FY 2027
FY 2027 Total		0
		FY 2028
FY 2028 Total		0
		FY 2029
FY 2029 Total		0
MPC TOTAL		\$ 1,100,000