



## Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development ("Finance") Committees

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May 8, 2024

**BNA**

# Call to Order

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May 8, 2024

# Public Comment

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

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

No Public Comment Requests Received by Monday, May 6, 2024, 9:00 pm

# Approval of Minutes

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Joint Meeting of the MNAA & MPC Finance, Diversity & Workforce Development (“Finance”) Committees

April 10, 2024

# Chair's Report

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Andrew Byrd

Finance Committee Chair

# Items for Approval

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May 8, 2024

- Amendment to MNPD Lease Agreement

## Item for Approval

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

# First Amendment to MNPD Lease Agreement

## **Background:**

- Metropolitan Government of Nashville and Davidson County (“Metro”) and Authority entered into Lease on Dec. 22, 2022.
  - Authority is responsible for the design and construction of a hangar for Metropolitan Nashville Police Department (“MNPD”).
  - Metro is responsible for reimbursing Authority for the cost of the design and construction through Supplemental Rent.
- Metro has the right to terminate the Lease within 60 days from the date they were notified of the Supplemental Rent, no later than June 23, 2024.

## **Property Description:**

- 0.84 acres or 36,624 square feet of unimproved land at JWN (parcel 10)

## **Key Amendment Terms:**

- **Effective Date:** July 1, 2024
- **Supplemental Rent:** \$66,746.54 monthly (\$800,958.48 annually)
- Domestic water submeter will be installed to measure the consumption of water by Metro.
- Authority grants Metro an access easement in, to, and across the drainage culvert located between the access road known as Tune Airport Drive and the Premises for the purpose of vehicular access for ingress and egress to and from the Premises.



# First Amendment to MNPD Lease Agreement

## Impact:

- Ground rent remains \$83,367 annually
- Supplemental rent begins July 1st at \$800,958.48 annually for payback of design and construction of hangar
- New assets will vest in approximately 29 years



## Staff Recommendation:

- Staff requests the Finance Committee recommend to the Board of Commissioners that it:
  - Approve the First Amendment; and
  - Authorize the Chair and President and CEO to execute the First Amendment.



- **NOTE: Amendment requires approval by Metro Council via Resolution (by June 24, 2024) to reimburse the airport authority for design and construction costs.**

- Amendment to IT Staffing Services Purchase Order (PO)

## Item for Approval

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Randy Dorsten, SPHR  
AVP, Human Resources

# Amendment to IT Staffing Services Purchase Order (PO)

**Project Description:** Staff augmentation services for Information Technology Terminal Operations Team.

**Contractor:** Innova

**Total Cost:**

Initial PO	\$ 400,000
<b>Amendment</b>	<b>\$ 600,000</b>
Total Cost	\$1,000,000

**Schedule:** PO Start: November 2023  
PO End: May 2024

**SMWBE:** Race & Gender Neutral

**Funding Sources:** IT Operating Budget

**Staff Recommendation:** Finance Committee recommend to the Board of Commissioners that it authorize the President and CEO to execute an amendment to the IT Staffing Services, transferring \$600,000 from the IT O&M budget to pay for 13 personnel procured through Innova, for 24/7 Common Use IT Services Team. The PO value increased to a total of \$1,000,000. Project complete.



- Sublease Amendments for Fraport Subtenants

## Item for Approval

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Colleen Von Hoene  
Associate Principal, Paslay Group

# Sublease Amendments for Fraport Concession Subtenants

## Background:

- MNAA has a Lease and Concession Agreement (Agreement) with Fraport, Tennessee, Inc. (Fraport) to develop a terminal-wide concessions program, including food, beverage, services, retail, and vending offerings.
- The term of the agreement commenced on February 1, 2019, and will expire on January 31, 2029.
- Fraport has several existing subleases that require amendments to incorporate minor modifications to sublease terms.
- Since the sublease terms extend beyond the expiration of the Fraport Agreement, MNAA must therefore become a party to and consent to the sublease amendments so that all rights and obligations of the subleases to attorn to MNAA at the expiration of Fraport's Lease and Concession Agreement.

# Sublease Amendments for Fraport Concession Subtenants

- The concession sublease amendments include the following:

Tenant	Locations	Change to Sublease Terms
SNA Nashville, LLC	ACME, Slim & Huskey's, Hattie B's	Deletes CAM fee, revised Grease Trap Maintenance provision to require fee
Tennessee F&B, LLC	TN Moonshine Bar, Bongo Java, Southern Steak & Oyster, Half Moon Empanadas	Deletes CAM fee, revised Grease Trap Maintenance provision to require fee
Transfare II, LLC	Burger King	Deletes CAM fee, revised Grease Trap Maintenance provision to require fee
Music City Retailers JV	Donelson Emporium	Deletes CAM fee
Host TRN Nashville FB III, LLC	Starbucks, Shake Shack, Pharmacy Burger	Adds CAM fee, revised Grease Trap Maintenance provision to require fee
Ferncroft Airport, LLC	Music City Shop, Kitty Hawk	Aligns operating hours for adjacent units

## Staff Recommendation:

- Staff requests that the Finance Committee recommend to the Board of Commissioners that it:
  - Approve the six (6) sublease amendments; and
  - Authorize the Chair and President & CEO to execute the sublease amendments.

# Information Items

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May 8, 2024

- BNA Concessions Program Update
  - Quarterly Sales Report
  - Concourse D Extension Renderings

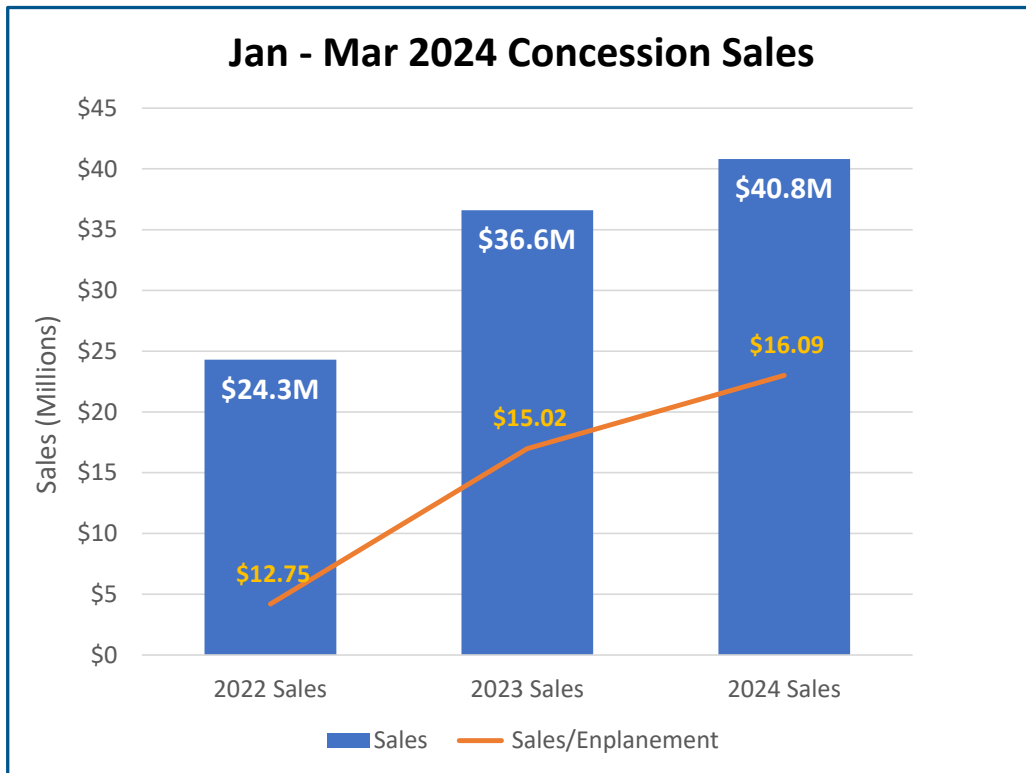
## Information Item

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Colleen Von Hoene  
Associate Principal, Paslay Group



**2024 Q1 Sales are 11.5% higher than 2023 Q1**  
 (Enplanements up 4%)



## 2024 Q1 Concession Sales

### Fraport:

- Sales (per Epax): \$39.1M (\$16.95)

### Paradies (Satellite Concourse):

- Sales (per Epax): \$1.7M (\$7.47)

### Top Performers (Jan - Mar monthly average):

- Sit Down Restaurants:
  - Ole Red \$614,927
  - Tootsie's \$485,824
- Quick Service Food:
  - Chick-fil-A \$388,728
  - Hattie B's \$371,111
- News & Gift:
  - Evolve \$490,457
  - TN Trading Post \$339,304
- Specialty Retail:
  - Whiskey Trailhead \$217,584
  - True to TN (Conc. B) \$171,833

## Fraport Terminal Concessions Program

- Status of new Concourse D Extension locations
  - 5 locations have approved 30% designs and met contract due date
  - 2 locations have received 30% design reviews. Tenants required to submit revised drawings
  - 1 location to be reviewed 5/8/24

## BNA Concessions Program Update

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- 8 new concession locations
- 30% Design Approval Date:
  - 5/31/24
- Construction Start Date:
  - 3/4/25
- Tenant Opening Date:
  - 7/2/25



# Concourse D Extension Renderings (April 18, 2024)



# Concourse D Extension Renderings (April 18, 2024)

- Quarterly Retirement/OPEB/Treasury Investment Reports

## Information Item

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Kristy Bork, CPA, AAE  
AVP, Finance

## Retirement Plan

- **FY24-Q3 Market Value: \$83.5M (+\$2.1M)**
- Gross Return
  - FY24 Q3: 4.19%  
*Net of fees 4.14%; Composite benchmark 3.86%*
  - FY24 YTD: 9.96%  
*Net of fees 9.80%; Composite benchmark 9.54%*

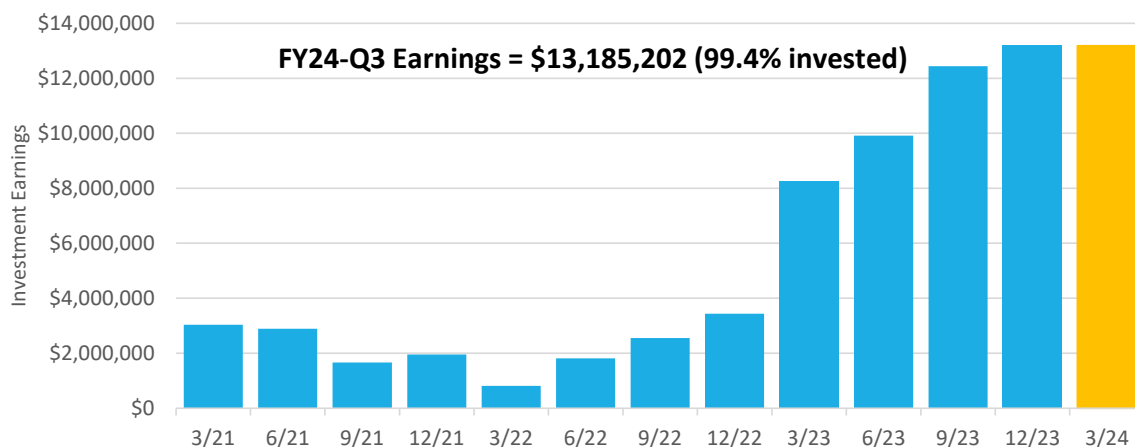
## OPEB

- **FY24-Q3 Market Value \$42.8M (+\$1.8M)**
- Gross Return
  - FY24 Q2: 5.10%  
*Net of fees 5.06%; Composite benchmark 4.91%*
  - FY24 YTD: 11.27%  
*Net of fees 11.11%; Composite benchmark 11.33%*

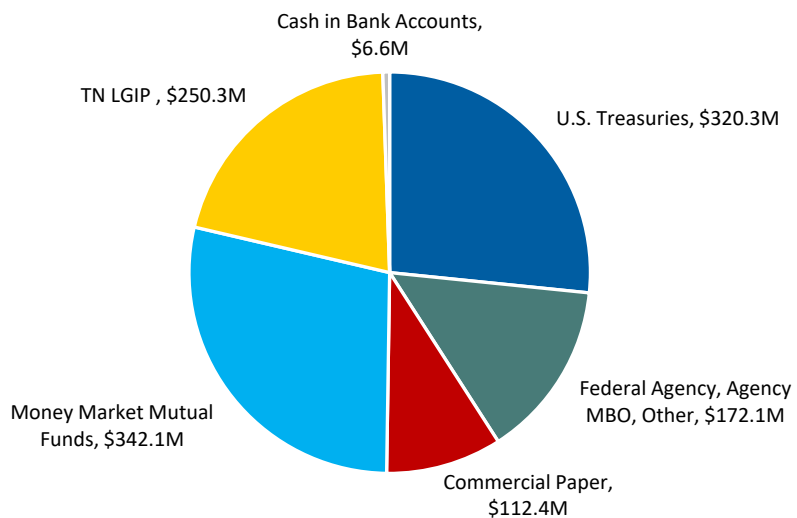
# Quarterly Retirement/ OPEB Investment Report

Quarter ending March 31, 2024

## Investment Earnings and % Invested



## Investment Accounts



# Quarterly Treasury Investment Report

Quarter ending March 31, 2024

- Total available funds: \$1.20B
- Funds invested: 99.4%
- Investment portfolio in compliance and meeting policy objectives
- 3Q24 combined yield: 5.02%
- Total cash & investment earnings
  - 3Q24: \$13,185,202
  - 3Q23: \$8,274,769
  - 3Q24 had \$22M less available funds than 3Q23



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Meeting Adjourned