



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

September 11, 2024

BNA

Call to Order

September 11, 2024

Public Comment

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

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

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

Approval of Minutes

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

August 14, 2024

Chair's Report

Andrew Byrd

Finance Committee Chair

Items for Approval

September 11, 2024

- First Amendment to Paradies Lease and Concession Agreement

Item for Approval

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

First Amendment to Paradies Lease & Concession Agreement

Background:

- MNAA (the Authority) has a Lease and Concession Agreement (Agreement) with Paradies-Lagardere@Nashville, LLC (Paradies), to develop and operate a concessions program in the Satellite Concourse. The term of the agreement started on October 19, 2023, and expires on October 18, 2033.
- Airline activity in the Satellite Concourse has not yet reached levels forecasted by Paradies in the first year of the Agreement.

Proposed Amendment:

- To provide relief for Paradies and its ACDBE partners until airline activity reaches 90% of Paradies' expected levels, staff is recommending a temporary adjustment to the Minimum Annual Guarantee (MAG) for the period Jan 1, 2024 - Dec 31, 2025.

	<u>Current MAG</u>	<u>Temporary MAG</u>	<u>Reduction</u>
2024	\$ 2,400,000	\$ 1,775,805	\$ 624,195
2025	\$ 2,472,000	\$ 2,067,494	<u>\$ 404,506</u>
			\$ 1,028,701

- Paradies will pay the temporary adjusted MAG until the earlier of the second consecutive month after which enplanements reach 90% of Paradies' forecast, or December 31, 2025.

Staff Recommendation:

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

Information Items

September 11, 2024

- FY24 Air Service Incentive Plan Update

Information Item

Josh Powell, C.M.
AVP, Airline & Government Relations

FY24 Air Service Incentive Plan Update

- FY24 Airline Incentive Activity**

– British Airways – London (LHR)	\$ 861,783
– Flair Airlines – Edmonton (YEG)	\$ 6,185
– Air Canada – Montreal (YUL)	\$ 14,807
– WestJet* – Vancouver (YVR)	<u>\$ 20,832</u>
– Total FY24 Incentive Fees	\$ 903,607



- NAE Airline Incentive Account Balance**

– July 1, 2023 Opening Balance:	\$ 7,685,817
– FY24 Incentive Fees	(\$ 903,607)
– Prior Period (6/22) Adjustments	(\$ 4,525)
– Transfers	\$ 2,000,000
– Interest reimbursed to revenue fund	<u>(\$ 87,094)</u>
– June 30, 2024 Ending Balance:	\$ 8,690,590



**The only active incentive as of July 1, 2024 is the WestJet incentive for the Vancouver route (expires May 18, 2025). All other incentives have expired.*



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Meeting Adjourned