

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



Date: November 20, 2024

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 1:00 p.m.

Board Members Present: Nancy Sullivan, Chair; Jimmy Granbery, Vice Chair; Andrew Byrd, Secretary; Bobby Joslin; Joycelyn Stevenson; Glenda Glover; and Glenn Farner

Board Members Absent:

MNAA Staff & Guests Present: Doug Kreulen, Cindy Barnett, Lisa Lankford, Trish Saxman, Marge Basrai, Kristy Bork, Adam Bouchard, John Cooper, Kristen Deuben, Adam Floyd, KC Hampton, Traci Holton, Eric Johnson, Rachel Johnson, Roman Keselman, Alyssa Kontos, Carrie Logan, Rachel Moore, Ted Morrissey, Stacey Nickens, Karolina Podryadchikova, Brandi Porter, Josh Powell, Robert Ramsey, Chris Saunders, Capt. Shuff, Erin Smith, Davita Taylor, Tiffany Underwood, Puneet Vedi, Vivian Walley, and Adam Wolf

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.4, Chair Sullivan called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 1:00 p.m., pursuant to Public Notice dated November 15, 2024.

II. PUBLIC COMMENTS

Chair Sullivan stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Sullivan called for a motion to approve the Minutes of the October 16, 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 Stevenson.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

IV. CHAIR'S REPORT

Chair Sullivan had no Chair's report. Chair Sullivan stated she would like to recognize the great work of Commissioner Freeman here at MNAA. He served on the MNAA Board of Commissioners from January 19, 2016 through March 26, 2024. He loved BNA and JWN and served as Chair, Secretary and Commissioner and served on several other Committees. Chair Sullivan asked for a moment of silence.

V. PRESIDENT'S REPORT

President Kreulen thanked Chair Sullivan and stated the MNAA staff also understood how much he loved BNA and JWN. President Kreulen stated he spoke with him recently on December 1st on his birthday and commented that Commissioner Freeman was a great mentor to him. President Kreulen presented several photographs including one of Commissioner Freeman and his family (his wife and three sons) at his office where President Kreulen presented him with the MNAA Resolution along with a frame of a B51 with Commissioner Freeman's name on it and a Taxiway Light. Commissioner Freeman was on the MNAA Board of Commissioners at the start of BNA Vision and also here to open the hotel to end BNA Vision. On behalf of the MNAA Staff we offered our condolences to the Freeman family.

President Kreulen stated the Air Service Team, Josh Powell, Chris Saunders, and Vivian Walley have done a really great job of taking care of the airlines at BNA. There are lots of announcements on the next several slides and a culmination of these airside improvements will be next April and will have an all-time high of 106 nonstop destinations. Thanks to the support of the Board of Commissioners and the incentives that we offer for international service we are starting to see a successful year.

President Kreulen stated starting on October 25, 2024 for the winter months, British Airways changed its aircraft to Boeing 787-8 with 214 seats. It will return to the 777-200ER in the spring, with 272 seats.

President Kreulen stated Southwest continues to grow as Nashville continues to grow. On October 31, 2024 Southwest announced its new summer schedule, June 5 through August 4, 2025, with 3 new markets, San Francisco, CA (SFO), Seattle, WA (SEA) and Portland, OR (PDX). The increased departures, represent year-over-year growth for the period of +9.5%. BNA has four red-eye flights, SFO, SEA, LAX and LAS.

President Kreulen stated Air Canada is expanding its air service at BNA. On November 6, 2024, Air Canada announced it will be adding seasonal service to Vancouver International Airport (YVR) beginning May 1, 2025, 3 times weekly, which provides easy connections via Vancouver to destinations in Japan and Korea.

President Kreulen stated Icelandair accelerated its Reykjavik Service 5 weeks earlier than the original date of May 16, 2025. Flights will operate Monday, Wednesday, Friday and Sunday until the end of October 2025. President Kreulen stated an international air service fun fact is in 2024, only seven US cities, all larger than BNA, have non-stop service from all three of these carriers: 1) British Airways, 2) Icelandair, and 3) Aer Lingus. Nashville (#28) will join this list in April of 2025.

President Kreulen reported that Allegiant Air announced on November 19, 2024, that it will add a new route to Shreveport, LA beginning May 22, 2025, 2 times weekly. Frontier Airlines also announced on November 19, 2024 that it will add a new route to Orlando, FL 3 times weekly with the first flight on March 7, 2025. Commissioner Glover asked if Jet Blue goes to Orlando, FL, to which President Kreulen replied no.

President Kreulen presented several photographs of the MNAA Halloween Celebrations on October 31, 2024, the first-place winner was Carina Lumpkin dressed as Rainbow Brite, and one staff member, Karolina Podryadchikova, dressed as a Future Board Member. Commissioner Granbery motioned Ms. Podryadchikova to speak and she stated, "Dress for the job you want, not the job you have." President Kreulen also presented a photograph of Commissioner Stevenson who won the costume contest at her firm.

President Kreulen acknowledged that for the 5th year in a row, MNAA passed the Payment Card Industry (PCI) Audit. The MNAA staff, KC Hampton, and the Audit team assisted in the audit. The PCI Data Security Standard (DSS) Compliance Assessment is a security standard for organizations that handle branded payment cards and applies to companies of any size that store, process or transmit cardholder data. MNAA first became PCI DSS compliant in FY19. New PCI DSS 4.0 standards have increased testing inside and outside the Authority's credit card environment. The Assessment was performed by Plante Moran and resulted in a compliant Attestation of Compliance (AOC).

President Kreulen stated the Flying Solo Series Fall/Winter Showcase is now on display at BNA through February 28, 2025, showcasing talented Tennessee artists. Every 6 months MNAA changes the art in the Flying Solo Series. Arts at the Airport was created in 1988 and is governed by a 15-member Board of the local community that specializes in local art.

Vice Chair Granbery stated he would like to make an announcement. He congratulated Ms. Stacey Nickens, VP, Corporate Communications, for being nominated and elected to the Nashville Zoo Board this week and they look forward to her celebrating the travelers that come through Nashville and serving on the Board. He thanked her and stated she will fit perfectly. Round of applause.

President Kreulen stated through MNAA's Metro Makes a Difference Giving Campaign that MNAA employees donated \$54,159.36, a 46% increase over 2023, and the employees exceeded the goal of \$40,000. The 2024 Chair, Alyssa Kontos, Brand Manager, Corporate Communications, did a great job.

President Kreulen reported Kroll affirmed airport revenue bond ratings, the Senior Airport Revenue Bonds at AA-/Stable, and Subordinate Lien Airport Revenue Bonds at A+/Stable. The ratings reflect that MNAA maintains ample debt service coverage and liquidity. Moody's updated its credit analysis for the airport revenue bond ratings, the Senior Airport Revenue Bonds at A1/Stable and Subordinate Lien Airport Revenue Bonds at A2/Stable. The ratings reflect that liquidity will remain robust during construction. Kroll, Moody's and Fitch (which was reported last month, all discuss debt service coverage, liquidity and growing air service.

President Kreulen stated MNAA closed on the Amended and Restated Note Purchase Agreement (NPA) with Bank of America on October 30, 2024. After issuance of debt, a governmental entity is required to file a "State Debt Report" on that issuance of debt. The two State Debt Reports were filed on October 30th, one for Taxable Notes and one for Tax Exempt Notes. These reports must be included in a Board Package within 45 days of closing on the debt and must be presented at a public meeting of the body. They were included in the Board Package distributed on November 15, 2024.

President Kreulen congratulated Ms. Traci Holton, VP, New Horizon, on receiving the Design Build Institute of America recognition on November 7, 2024. The terminal Lobby and International Arrivals Facility won the National Award of Excellence in Aviation, National Award of Merit and the best in virtual design construction and was selected among 64 projects across 10 categories. Round of applause.

President Kreulen congratulated Ms. Rachel Johnson on her promotion to Director, Business Diversity Development. Ms. Johnson is a Memphis native, and she brings nearly a decade of procurement and business diversity experience to MNAA. In this role, Ms. Johnson will lead MNAA's efforts to increase opportunities for diverse-owned businesses to participate in airport contracts and concessions.

President Kreulen announced the BNA Passengers for November FY25 are projected to be 2M passengers, and fiscal year at 25.3M. Now BNA will be trending down through the holidays and ramp back up in the new year.

President Kreulen presented the Committee 30-day Outlook for December which is planned to have 3 items for approval in the Operations Committee and 3 items in the Finance Committee. The Management Committee has none at this time. The Committee 60-Day Outlook for January will have 2 items for approval in the Operations Committee and 1 approval for the Finance and none for the Management Committee.

President Kreulen concluded the President's update.

Vice Chair Granbery asked where we keep the awards that MNAA has won. Ms. Holton replied they are spread out through the engineering offices, and we are in the process of building a display in the main conference room at the Program Management Office (PMO).

VI. ITEMS FOR APPROVAL

1. Baggage Handling System (BHS) CGMP 2 – Facilities Construction (Operations)

President Kreulen introduced Ms. Traci Holton, VP, New Horizon, to brief the Board on the Baggage Handling System (BHS) CGMP 2 – Facilities Construction. Ms. Holton stated the Component Guaranteed Maximum Price (CGMP) 2 for the Baggage Handling System consists of facilities expansion to expand the outbound handling system to increase capacity and meet future enplanement projections. In November 2022 the Board approved CGMP 1 to Messer Construction, for design to 32 MAP. CGMP 2 is \$90M and the SMWBE commitment is 4.94% MBE and/or WBE. During the design process, the scope was increased for design to 40 MAP. The Operations Committee voted 3 to 0 to recommend approval on November 13, 2024. Ms. Holton requested the Board of Commissioners authorize the Chair and President & CEO to execute CGMP2 for facilities construction related to the BHS Expansion contract with Messer Construction for \$90M.

Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Joslin seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

- Chair Sullivan – Yes
- Vice Chair Granbery – Yes
- Secretary Byrd – Yes
- Commissioner Joslin – Yes
- Commissioner Stevenson – Yes
- Commissioner Glover – Yes
- Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

2. Amendment 1 to Professional Services Contract for Terminal Access Roadway Improvements (TARI) (Operations)

Ms. Holton stated the Amendment 1 to the Professional Services Contract for Terminal Access Roadway Improvements (TARI) is for the design and construction services for TARI Phase 2 and 3. The amendment cost will be \$2.5M for Atkins North America, Inc. to provide the design of an additional 7th lane on the northeast portion of Terminal Drive which includes widening the bridge over Fly Nashville Way, 10% bridging documents and cost estimate for TARI and Garage and Rental Car Complex, which will be used to procure a progressive design-build team. The SMWBE commitment is 10.17% MBE and/or WBE.

The Operations Committee voted 3 to 0 to recommend approval on November 13, 2024. Ms. Holton requested the Board of Commissioners authorize the Chair and President and CEO to execute Amendment 1 to the professional services contract with Atkins in the amount of \$2,500,000.

Vice Chair Granbery asked for the status of the contract with TDOT. Ms. Holton replied they are on schedule, and they will meet the date to get the incentives. There will be another bid package that Atkins is putting together so that we can put shovel in ground shortly thereafter. President Kreulen stated when the Legislators and Governor Lee toured BNA they really understood that once TDOT opens, then MNAA will start demo and get the road ready.

Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Joslin seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

3. On-Call Contract for Snow & Ice Clearing and Removal

President Kreulen introduced Adam Floyd, SVP, Chief Operating Officer, to brief the Board on the On-Call Contract for Snow & Ice Clearing and Removal. Mr. Floyd stated the On-Call Snow and Ice Clearing and Removal Services will support areas utilized by the public, airport

employees and airline personnel. To answer a question that was asked at the Operations Committee meeting on November 13, 2024 Grade A Construction, a WBE and DBE out of Mt. Juliet, TN, has been doing business at MNAA since January 2017.

The Operations Committee voted 3 to 0 to recommend approval on November 13, 2024. Mr. Floyd requested that the Board of Commissioners accept the proposal submitted by Grade-A for On-Call Ice and Snow Clearing and Removal and authorize the Chair and President and CEO to execute the proposed contract for \$3M NTE annually.

Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Joslin seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

4. Contract for Ramp Control Services

President Kreulen introduced Adam Bouchard, VP, Operations, to brief the Board on the Contract for Ramp Control Services. Mr. Bouchard stated this Service Agreement with Robinson Aviation, Inc. (“RVA”) is to provide ramp control services at BNA. The Service Agreement provides for all equipment, maintenance, and operating costs associated with providing ramp control services at least 18-hours a day to ensure the safe and efficient movement of aircraft across the terminal complex. In late 2023 Southwest Airlines contracted with Robinson Aviation, Inc. to provide these services and that contract expires December 31, 2024. To ensure there is no lapse in ramp control services the emergency procurement waiver was approved for two years under the proposal before you today with a competitive solicitation for these services planned in year 2 of the contract. Mr. Bouchard stated although Southwest is the current holder, it is important to note that the current and future Ramp

Control Services are provided as a benefit to all air carriers at BNA and it was always MNAA's intent to ultimately maintain the contract for these services. As you may recall we originally intended to build a Virtual Ramp Control Facility in our Consolidated Services Facility ("CSF"); however, given that this building will ultimately need to be relocated for Terminal II development that effort was paused, and these services will continue to be provided within our traditional Ramp Control Facility located on top of Concourse C. The Service Agreement will commence on January 1, 2025, and it is a 2-year agreement. The total not-to-exceed amount is \$5,719,322 and the funding source is MNAA O&M and Capital.

The Operations Committee voted 3 to 0 to recommend approval on November 13, 2024. Mr. Bouchard requested the Board of Commissioners approve the service agreement with Robinson Aviation, Inc., and authorize the Chair and President and CEO to execute the proposed contract in the amount of \$5,719,322.

Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Glover seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

Commissioner Joslin asked when MNAA would be able to relocate the virtual tower. President Kreulen replied because of the scope we did with Terminal II, we did not want to build in the Terminal II site, and that is why we are using this contract until we figure it out. He asked if the AA tower is too small, and President Kreulen replied no, but it needs to be off airport area.

5. On-Call Contract for Airfield Pavement Repair Services

President Kreulen introduced Mr. Puneet Vedi, VP, Airport Capital Development, to brief the Board on the On-Call Contract for Airfield Pavement Repair Services. The existing on-call contract for airfield pavement repair contract expired on November 8, 2024. An RFP was advertised on September 16, 2024, and on October 17, 2024, MNAA received one proposal from Hi-Way Paving. The contract value is annual not to exceed \$10,000,000 for 1 year with four 1-year renewal options. The SMWBE goal is 11.36% MBE and/or WBE.

The Operations Committee voted 3 to 0 to recommend approval on November 13, 2024. Mr. Vedi requested the Board of Commissioners accept the proposal from Hi-Way Paving, Inc. and authorize the Chair and President and CEO to execute the On-Call Contract for Airfield Pavement Repair Services for \$10,000,000 NTE per year.

Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Stevenson seconded the motion.

Commissioner Farner asked if there was only one proposal. Mr. Vedi responded yes, we only received one proposal and MNAA did reach out to other potential bidders. There was a fair amount of advertisement and outreach, and 23 firms downloaded the RFP. President Kreulen responded the biggest challenge is that it is an On-Call contract.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

6. Amendment to On-Call Contract for Low Voltage Years 4 and 5

Mr. Vedi stated the Amendment to On-Call Contract for Low Voltage Years 4 and 5 is for low voltage communication and power services to maintain the various power, lighting and

communications systems throughout BNA, JWN and MPC. On February 17, 2021 the Board approved and awarded the contract to Simino Electric, LLC. The current contract value is \$750K NTE/year for a 1 year + 4 one-year renewal options.

As of November 9, 2024, the Year 4 NTE limit has been reached and MNAA has approximately 3.5 more months before we start Year 5. Based on known projects requiring low voltage construction projects as needed, MNAA is requesting the Board to modify years 4 and 5 NTE limits to \$2M each year. The SMWBE goal is 4.3% MBE, and it is 100% funded through MNAA.

The Operations Committee voted 3 to 0 to recommend approval on November 13, 2024. Mr. Vedi requested the Board of Commissioners authorize the Chair and President and CEO to amend the On-Call Low Voltage Contract with Simino Electric, LLC year 4 & year 5 limit from \$750,000 to \$2,000,000 NTE, for a total 5-year amount of \$5,361,000 NTE.

Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Byrd seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

7. Amendment to On-Call General Construction Services Contract (Job Order Contract) Year 2

Mr. Vedi stated the Amendment to On-Call General Construction Services Contract (Job Order Contract) Year 2 is for on-call general construction services for maintenance, repair, alteration, renovation, remediation or minor construction of facilities. On February 15, 2023, the Board approved and awarded the Job Order Contract to Utopia Building Group, LLC for \$3M NTE/year for 1 year with four 1-year renewal options. MNAA expects to fill projects for

approximately \$2M including Administration Building Reconfiguration and miscellaneous building demolition. The SMWBE goal is 24% MBE and/or WBE which is unchanged.

The Operations Committee voted 3 to 0 to recommend approval on November 13, 2024. Mr. Vedi requested the Board of Commissioners authorize the Chair and President and CEO to amend the Job Order Contract with Utopia Year 2 limit from \$3,000,000 to \$5,000,000 NTE, for a total 5-year contract amount of \$14,777,000 NTE.

Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

8. Task Order for Administration Building Modifications

Mr. Vedi stated the Task Order for Administration Building Modifications is to design and build-out to add additional cubicles, offices, and conference rooms to the Administration Building, utilizing the Job Order Contract. Mr. Vedi stated the MNAA Administration Building was completed in 2021 and with MNAA's rapid growth and adding 128 employees since 2021, it has become necessary to reconfigure the Administration Building. This task order was awarded to Utopia Building Gorup, LLC for a total task order cost NTE \$1M. The project consists of build-out of 35 additional cubicles, 3 conference rooms convertible to C-level offices, 2 VP level offices, and conference room reconfiguration to allow for the upgrades. The project will start November 2024 and will be completed May 2025. The SMWBE goal is 24% for MBE and/or WBE.

The Operations Committee voted 3 to 0 to recommend approval on November 13, 2024. Mr. VEDI requested the Board of Commissioners authorize the proposed Task Order through the Job Order Contract with Utopia for an amount Not to Exceed \$1,000,000.

Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Chair Sullivan seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

9. Customer Facility Charge (CFC) Increase, MNAA Resolution 2024-08

President Kreulen introduced Marge Basrai, EVP, Chief Financial Officer, to brief the Board on the Customer Facility Charge (CFC) Increase, MNAA Resolution 2024-08. In November 2007, the Board authorized the imposition of a CFC on the customers of on-airport car rental companies effective January 1, 2008. The rate was \$4.00 per transaction day and raised to \$4.50 per transaction day on November 18, 2009. CFCs are to be used to pay or reimburse MNAA for all costs associated with the Consolidated Rental Car Facility (“CONRAC Facility”). Car rental companies collect the CFCs from customers and remit to MNAA monthly.

In January 2010, MNAA issued \$66.3M in Special Facility Revenue Bonds, Series 2010, to finance the construction of the CONRAC Facility. In May 2018, MNAA issued \$27.4M in Direct Placement CONRAC Refunding Series 2018 Bonds to refund the 2010 Bonds. CFC proceeds are pledged for the payment of and as collateral for the Bonds. Outstanding amount on the bonds were \$14.6M, which mature on July 1, 2028.

MNAA is in the planning stages of a new Garage and Rental Car Complex. Preliminary estimates for a new CONRAC are \$564M - \$663M. MNAA tasked Landrum & Brown to conduct

a preliminary CONRAC Affordability Analysis. The following assumptions were made: Three Traffic Projections: Conservative – 3% annual enplanement growth; Baseline – annual growth of 590,000 enplanements; Moderate – 7% annual enplanement growth; CFC Rate remains at \$4.50 per transaction day; and CFCs will be needed to pay for O&M Expenses and Debt on current and future CONRAC Facility.

Ms. Basrai stated that based on the assumptions, the total CFC Project funding available would be \$188.7M - \$219.2M and that is significantly under the projected cost estimates for the new CONRAC Facility which is \$564M - \$663M. An increase in the CFC rate is necessary to afford a new CONRAC Facility.

MNAA started the process of establishing a CFC increase by researching current CFC rates at other airports. Ms. Basrai presented a chart listing approved CFC rates effective for 2025 by airport hub size, which was provided by BofA Securities. This chart does not include every airport but does include many of the airports that have outstanding debt on a CONRAC Facility or are collecting CFCs currently with the intent to issue debt for a new facility in the future. She stated that Fort Lauderdale is at \$3.95, and Reno is at \$11.00. Denver showing on chart at \$6.00 has just gone up to \$10.00. BNA at \$4.50 is at the low end of the range. A \$9 - \$11 CFC rate is reasonable given the current market.

Ms. Basrai asked Landrum & Brown to run a new affordability analysis using a \$10.00 CFC rate effective January 1, 2025 (all other assumptions remain the same). The funding availability range is between \$397.2M and \$463.3M, which is over \$200M more than the previous analysis, however, it is still less than the projected estimates for the new CONRAC Facility. MNAA may need to increase the CFC rate above \$10.00 in the future, however, it is still early in the planning process and more information is needed to make that determination. MNAA will start negotiations with the rental cars on a new CONRAC agreement.

MNAA believes it is prudent to act timely to start that CFC rate at \$10.00 per transaction date as soon as possible, the longer we delay we keep reducing the project fundability that is available to us. Ms. Basrai stated MNAA had meetings with the rental car companies, and they would support MNAA to start collecting right away so we are able to start funding for the new CONRAC and have the space needed.

The Finance Committee voted 3 to 0 to recommend approval on November 13, 2024. Ms. Basrai requested the Board of Commissioners that it approve MNAAB Resolution No. 2024-08 to amend MNAAB Resolution No. 2009-14 by increasing the Customer Facility Charge currently imposed on customers of on-airport car rental companies from \$4.50 per transaction day to \$10.00 per transaction day to fund costs associated with the current and future CONRAC Facility, effective on date of adoption of the Resolution.

Chair Sullivan asked for a motion to approve as presented. Commissioner Byrd made a motion and Commissioner Farner seconded the motion.

Commissioner Glover asked which rental car companies MNAAB met with. Ms. Basrai replied MNAAB met with all the rental car companies and discussed the CONRAC facility we want to build for them and also discussed the increased cost to build and how we will need to increase the CFC to \$10.00. Commissioner Glover asked if any of them had any concerns. Ms. Basrai replied no. President Kreulen stated that really gave us comfort and that is why we did a financial analysis and went to the rental cars to make sure we are conducting business as other airports.

Vice Chair Granbery asked about Denver went from \$6.00 to \$10.00 CFCs, and what they are using the money for. Ms. Basrai replied she does not know. President Kreulen stated we will verify with other airports what they are doing.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

10. Lease Agreement for 2nd Fixed Base Operator (FBO) at JWN

President Kreulen introduced Adam Wolf, AVP, John C. Tune Airport Manager, to brief the Commissioners on the Lease Agreement for the 2nd Fixed Base Operator at JWN. Mr. Wolf

stated Atlantic Aviation Nashville, LLC (Atlantic) has proposed a 3-year construction term, a 30-year initial term, and one 5-year renewal option. It is a Triple Net Lease. Phase 1 is \$35.6M, will be completed November 2027, and includes new 7,500 sq ft terminal; new fuel farm – 60k gallon Jet A; 10k gallon AVGAS with self-serve fueling; new 38K sq ft hangar with 3800 sq/ft office space and new aircraft ramp/parking area. Phase 2 is ~\$31.1M and includes the demolition of the old terminal & fuel farm and construction of two additional 30K sq ft hangars with 3K sq ft office space. The services outlined in the RFP and Atlantic proposal met or exceeded those services and within those services.

Atlantic's proposal proposes that all parcels that were identified in the Request for Proposal (RFP) are developed and maximize MNAA's revenue. Overall revenue estimate to JWN is \$315.6 million over the term of the lease - Total Base Rent over 38-year term = \$83.9M; and Total Supplemental Rent over 38-year term = \$231.7M.

The Finance Committee voted 3 to 0 to recommend approval on November 13, 2024. Mr. Wolf requested the Board of Commissioners:

- Approve the terms negotiated between MNAA and Atlantic Aviation for the 2nd FBO at John C. Tune Airport; and
- Authorize the Chair and President & CEO to execute a lease agreement between MNAA and Atlantic Aviation that is consistent with these terms, as well as materially consistent with the RFP and Atlantic Aviation Nashville LLC's proposal.

Chair Sullivan asked for a motion to approve as presented. Secretary Byrd made a motion and Commissioner Farner seconded the motion.

Vice Chair Granbery asked Mr. Wolf to explain the Triple Net Charges. Mr. Wolf responded as of now, regarding the FBO itself, MNAA is maintaining snow removal and the ramp/grass areas. Those facilities will be owned and maintained by the FBO in this proposal. President Kreulen stated as an example when we did it similar with Signature and Atlantic here at BNA, they maintain all their facilities, ramp, pavement, and continue ongoing maintenance so the Triple Net Charges makes them responsible. Anything within that leasehold they maintain. Vice Chair Granbery asked if they must pay property taxes for that building. President Kreulen replied yes. If MNAA does not build it, we do not pay property taxes.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

President Kreulen thanked the Board for their approval and stated where it says you approve us to enter into this lease with Atlantic based on the terms of the RFP and Atlantic signs with those terms, then we have approval to enter into that agreement. If Atlantic does not honor what is in the RFP, then we would terminate the solicitation and go back out. Commissioner Glover asked if there will be food service. President Kreulen replied when MNAA researched into FBO and had industry days and discussed terms, we could not find anyone wanting to invest in a restaurant.

11. Icelandair Incentive Agreement - Reykjavik

President Kreulen introduced Josh Powell, AVP, Airline & Government Relations, to brief the Board on the Icelandair Incentive Agreement. Mr. Powell introduced two members of his team, Chris Saunders and Vivian Walley, and thanked them for joining today. Mr. Powell stated Icelandair will begin new weekly seasonal nonstop service on April 10, 2025. For this type of service they qualify for a 3-year incentive which will be 100% landing fee and facility fee abatement and \$400,000 marketing funds for year 1, and 100% landing fee and facility fee abatement and \$300,000 in marketing funds for years 2 and 3. The incentive starts on April 10, 2025 and ends April 9, 2028. The incentive is variable based upon actual flight activity; Max amount = \$2,654,134 (7 flights/week); Mid-range = \$2,300,000 recommended. Any amount exceeding \$2,300,000 requires additional Board approval. The current balance of the NAE Incentive Account is \$9.1M and is funded at \$2M per year. The only other active incentive drawing from that account is WestJet Vancouver which has \$140,000 remaining that expires May 2025.

The Finance Committee voted 3 to 0 to recommend approval on November 13, 2024. Mr. Powell requested the Commissioners approve funding for the proposed marketing incentives and landing fee abatements, up to \$2,300,000 and authorize the Chair and President & CEO to execute the Letter of Agreement (LOA) by and between MNAA and Icelandair outlining the specific terms of the proposed incentive.

Chair Sullivan asked for a motion to approved as presented. Secretary Byrd made a motion and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

12. Aer Lingus Incentive Agreement - Dublin

Mr. Powell stated the Aer Lingus Service Incentive Agreement begins April 12, 2025 for service to Dublin, 4x weekly initially. The Air Service Incentive Policy (ASIP) authorizes incentives for new scheduled year-round Trans-Oceanic service. The Aer Lingus Service includes a 2-year length of term and for Years 1-2 it qualifies for 100% landing fee and facility fee abatement as well as \$500,000 marketing funds/year. Additionally, in recognition of the flight's ability to pre-clear U.S. Customs in Dublin, staff is requesting an additional \$500,000 in marketing funds (\$250,000 per year) to recognize the additional cost to Aer Lingus of customs fees in Dublin that would otherwise be abated as part of the incentive if they utilized the Federal Inspection Services (FIS) (Customs) facilities at BNA.

The term of this Agreement is 2 years from start of service on April 12, 2025 with recommended value of \$2,750,000 based on mid-range flight activity and \$1,500,000 in marketing funds.

The Finance Committee voted 3 to 0 to recommend approval on November 13, 2024. Mr. Powell requested that the Board of Commissioners approve funding for the proposed marketing incentives and landing fee abatements, up to \$2,750,000, and authorize the Chair and President & CEO to execute the Letter of Agreement (LOA) by and between MNAA and Aer Lingus outlining the specific terms of the proposed incentive.

Chair Sullivan asked for a motion to approve as presented. Secretary Byrd made a motion and Commissioner Glover seconded the motion.

President Kreulen stated both airlines have asked if we would like a community group to travel and arrive on the 1st flight. We need to organize that if we are taking that on as a challenge. Vice Chair Granbery asked if MNAA is funding the customs in Ireland before it comes to BNA. Mr. Powell replied Dublin is a pre-cleared airport much like all the airports in Canada and when you are flying nonstop from Dublin to Nashville you can clear US Customs in Dublin. That is an expense Aer Lingus will have. MNAA is not allowed to pay for that expense per the FAA in the ASIP, so we are granting them additional reimbursable marketing funds that offset that expense. Vice Chair Granbery asked if that limitation excludes doing something creative with British Airways knowing all the problems we are having with US Customs. Mr. Powell replied that direct payments to airlines are prohibited however there are mutual funding agreements done with the Customs and Border Protection (CBP) but that is outside the airline agreement. President Kreulen stated in this case, Aer Lingus lost funding they would have received from their airport and that loss is on them, but we can make them whole by giving them additional marketing dollars. Vice Chair Granbery stated to be a little more direct, is there a way to help the problems we are having here, because people are waiting 2 hours to clear customs. President Kreulen replied, our COO Adam Floyd plans to travel to DC to talk with customs border officials on December 10, 2024 and he will have those discussions as well.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

VII. INFORMATION ITEMS

1. BNA & JWN Development Update

President Kreulen stated we provide informational updates at the Committee meetings and asked the Board if they want to continue to provide at Committee meetings or want a summary at the Board meetings, and he would like to work with the Chair going forward.

President Kreulen stated Concourse D Extension is on schedule to turn over the space needed for the concessions turnover on March 4, 2025, and completion July 2, 2025. Concourse A Ramp Paving had a Notice to Proceed issued October 24, 2024 and Phase 1.1 completion is scheduled for April 22, 2025 with full schedule completion July 21, 2025. The roadways/curbside work continues, and we moved taxis/limos to the South Wing Lot. The bridge demo is scheduled for January 2025.

President Kreulen stated the JWN Development update includes V3 opened October 31, 2024, the MNPD parcel 10 grading continues with 75% complete and working on Metro Water approval. The DN LLC (Tootsie's) parcel 1 received FAA 7460 determination. The fuel sales set a record in October for 356K gallons sold. Year to date fuel sales is 1.17 gallons. When we show JWN gallons and BNA we are showing general aviation and corporate. We are not showing commercial airline fuel sales. JWN has 350K gallons a month and BNA had 1.12M gallons. It is amazing how much business we are doing in both airports. By the year BNA sells approximately 3.4 times as much fuel to corporate and general aviation. BNA is valuable to JWN because it does relieve general aviation traffic.

President Kreulen reported that the Concessions revenue program shows Fraport sales at \$142.1M and Paradies is coming up in strength and we are making some concessions to help them out. Concourse D will have 8 new food & beverage and retail locations added in March 2025.

2. Quarterly Retirement /OPEB/Treasury Investment Reports

President Kreulen reported the Quarterly Retirement FY25-Q1 market value is \$88.3M up \$3.5M and OPEB FY25 Q1 market value is \$45.4M up \$2.2M. The treasury total available funds are \$1.230B with 99.6% funds invested. The first quarter earnings were at \$14.4M.

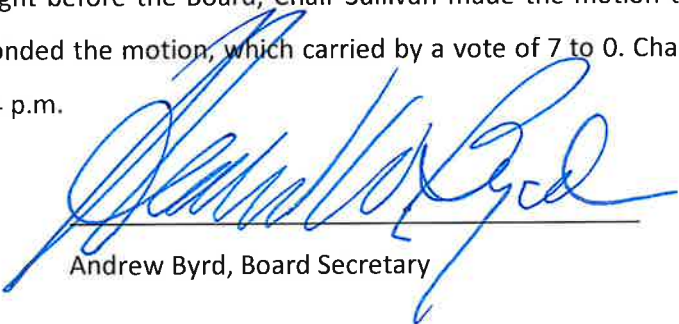
President Kreulen reported the Y24 External Audit Update was completed by Plante Moran. There were 3 audits performed, the Financial Statement Audit had an unmodified (clean) opinion, the Federal Expenditures Audit had an unmodified (clean) opinion, and the Passenger Facility Charge (PFC) Audit also had an unmodified (clean) opinion.

President Kreulen concluded the presentation of the informational items.

Commissioner Farner asked if the Spirit bankruptcy has caused any disruptions. President Kreulen replied MNAA received direct correspondence from Gary Jones, the head of airport affairs, and they are restructuring and have reassured the airports that there is no loss in service and no reduction. A few years ago, Spirit had ambitious plans to add more flights but ran into aircraft availability troubles and other things. The good news is Allegiant is starting to add flights.

I. ADJOURN

There being no further business brought before the Board, Chair Sullivan made the motion to adjourn, and Vice Chair Granbery seconded the motion, which carried by a vote of 7 to 0. Chair Sullivan adjourned the meeting at 2:04 p.m.



Andrew Byrd, Board Secretary