

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



Date: January 15, 2025

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, John Cooper, Chief Findlen, Adam Floyd, Traci Holton, Eric Johnson, Roman Keselman, Lisa Leyva, Carrie Logan, Ted Morrissey, Stacey Nickens, Brandi Porter, Josh Powell, Robert Ramsey, Davita Taylor, and Puneet Vedi

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 January 10, 2025.

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 December 18, 2024, Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Secretary Byrd and seconded by Commissioner Glover.

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 thanked MNAA staff for their hard work during the snow event and for being away from their family. Chair Sullivan also thanked President Kreulen for all the updates to the Commissioners.

V. PRESIDENT'S REPORT

President Kreulen thanked Chair Sullivan. He stated that on January 9, 2025, Spirit Airlines announced new routes from BNA beginning March 5, 2025 to Houston and Boston, and new spring break routes to Pensacola, Ft. Myers and Miami. Spirit Airlines has had some challenges, and this is great for Nashville that they are continuing to add flights and service to BNA.

President Kreulen reported that on January 10 and 11, 2025, Mr. Adam Floyd, SVP, COO, and the MNAA Executive staff organized the 200-plus MNAA staff to handle the Winter Storm Cora @ BNA. The Board approved the purchase of the new snow machines that plow, broom, and blow, which cut the maintenance team's time in half with clearing the runways. During the snow event all 3 parallel runways at BNA remained open and it made a big difference to the service we were able to provide to our airlines. President Kreulen stated on Saturday, during the storm, he received a call from Southwest Airlines headquarters letting us know we are their new benchmark airport for snow removal, and they will have other airports reach out to Mr. Floyd to see what lessons were learned.

President Kreulen stated the international guitar pick area is where most of the deicing operations happen and we now have new procedures managing which airlines go into that area and requiring they have two deicing trucks ready. Commissioner Glover asked which peer airports called us. President Kreulen replied that Reagan National, Kansas City, and St. Louis also had some issues, and we do not know of others coming but Southwest Airlines put three of their larger stations on

notice to reach out to BNA to review our handling of snow events. We take that as a step in the right direction and we applaud our dedicated staff. The newer equipment is also a big improvement.

President Kreulen reported that the MNAA staff also did a great job at John C. Tune (“JWN”) airport handling the Winter Storm Cora @ BNA, keeping the runway running. This has been the best we have seen JWN over time. After all events, we complete a lessons learned to figure out how to improve the processes.

President Kreulen welcomed a new member of the MNAA leadership team, Ms. Lisa Leyva, VP, Concessions, who has already started assisting teams with improving the airport. Ms. Leyva joined us from Raleigh Durham International Airport where she was a Senior Director of Commercial Management. Ms. Leyva has been honored as an Albuquerque Business First Women of Influence Honoree in 2018 and an Albuquerque 40 Under Forty Honoree in 2017.

President Kreulen stated as our staff continues to grow, we continue to expand our outreach to all the Leadership development programs in the state of Tennessee. The Leadership Program Nominations include Stacey Nickens, VP, Corporate Communications & Market for Leadership Tennessee; Mr. Floyd for Leadership Middle Tennessee; John Cooper, SVP, Chief Administrative Officer for Leadership Nashville; Puneet VEDI, VP, Airport Capital Development for Leadership Brentwood and Franklin Carver, Director, Community Affairs for L’Evate (Leadership Donelson, Hermitage & Old Hickory). Thank you all for being part of our Leadership Program.

President Kreulen announced the BNA Passengers for January FY25 are projected to be 1.5M passengers, and fiscal year at 25.2M. In January, BNA will be low as expected due to cancellation with the weather. Overall, the fiscal year is averaging 66K daily passengers and soon we will be seeing the jump to spring and summer travel records.

President Kreulen presented the Committee 30-day Outlook for February which is planned to have 6 items for approval in the Operations Committee and information and quarterly updates in the Finance Committee. The Management Committee has no agenda items at this time. The Committee 60-Day Outlook for March will have 4 items for approval in the Operations Committee. The Finance Committee will also have 4 approvals and no items for the Management Committee.

The finance team will update the long-term financing underwriting pool. MNAA is working nonstop to complete the Terminal II plan of finance and will be ready to present the capital financial strategy.

President Kreulen asked the Commissioners the Save the Date for Business Taking Off on Friday, March 28, 2025 at 8:30 a.m. at the Music City Center. The invitations will be going out this week and over 450 attendees are expected. President Kreulen stated the Business Taking Off program will provide an opportunity for businesses to see what is ahead for MNAA over the next 12 months and to network. The Commissioners are more than welcome to attend this event.

President Kreulen stated additional Save the Dates are the Iceland and Ireland Inaugural Flights. Icelandair first flight is scheduled to arrive Thursday, April 10, 2025 at 7:30 p.m. This is five weeks earlier than originally planned. The Aer Lingus first flight is scheduled to arrive on Saturday, April 12, 2025 at 5:10 p.m. The invites for these events will be sent out soon.

President Kreulen stated the BNA 5K on the Runway will be held on Saturday, May 3, 2025. We plan to have 1,000 participants and this is limited by our ability to park them. The 5K will be held on Runway 2R/20L. It has been a huge event for public relations, and it is surprising what we take for granted in terms of runway lighting and signage and that people who are not around the airport love being out here. The Commissioners are welcome to attend, and you can bring your pets.

President Kreulen concluded the President's update.

VI. ITEMS FOR APPROVAL

1. New Horizon II Program Scope and Budget (Operations)

President Kreulen gave a quick overview of New Horizon II stating in October 2021 the New Horizon concept was introduced to the Board. In August 2024 the Board approved dividing the Program into New Horizon I and New Horizon II and approved New Horizon I Scope and Budget. At the October 2024 Board Retreat, staff presented landside requirements, including surface and garage parking, rental car spaces, and roadway improvements traffic modeling.

In December 2024 staff conducted a Financial Summit with Landrum & Brown, PFM and Bank of America for the affordability of New Horizon I and New Horizon II.

President Kreulen presented a BNA Major Development Programs diagram stating he is very proud of this document. MNAA took on the challenge in 2017 with BNA Vision I with a budget of \$1.3B. As we continue to grow along with Nashville and the state of Tennessee, MNAA added BNA Vision II. The Board gave us approval for New Horizon I (Airside) for \$1.62B, all in the works for the most part and which the Commissioners will see on the Board Tour. The last part shows New Horizon II (Landside) which is another \$1.3B. The timelines show MNAA is busy through 2029. The Airport Authority has built up this airport to be able to fund \$4.492B over time. The Finance team has a 10-year plan that shows the coverages are good and the reserves are growing even during this time period. MNAA is in a solid position to move forward with the New Horizon II budget.

President Kreulen presented the New Horizon II (Landside) Cost Summary slide showing the \$300M to improve Terminal Access Roadway Improvements (TARI) Ph I & II; \$310M to build the Parking Garage with 3,000 spaces; \$95M to add Surface Parking with 5,000 spaces; and \$564M for the CONRAC with 4,700 spaces. Using the same percentages for program and project contingency, which has proven successful for the past 7-8 years now, both have been added into this budget.

The Operations Committee voted 2 to 0 to recommend approval on January 8, 2025. President Kreulen requested the Board of Commissioners accept the proposed New Horizon II Program Scope and Budget of \$1.34B and authorize the Chair and President and CEO to proceed with the New Horizon II Program Execution.

Secretary Byrd inquired if MNAA received a report from the financial summit with the analysis for being able to incur and repay indebtedness as well as the operations of the airport. President Kreulen stated yes and passed out the document. President Kreulen stated this document was reviewed by the Board at the Board Retreat for New Horizon I and we now have New Horizon II. The Board will receive another financial plan in March on the bonding for this kind of activity and the first look at how we will finance New Horizon II.

Commissioner Joslin asked if the old employee parking by Murfreesboro Road is going away. President Kreulen replied we have not decided yet, but the new employee lot is 0.6 miles from terminal, so we will save 120K miles a year shuttling employees back and forth. This will be all on internal roads, so buses will not be stopped if there is an accident on Donelson while shuttling employees. This will be a huge improvement, and all our business partners are happy with this capability.

Secretary Byrd asked why there are items highlighted in yellow on the handout he provided. President Kreulen replied they are highlighted for instance, in Scenario I the debt coverage is highlighted at \$1.62M and if we took that down to the minimum per our policy of \$1.5M coverage, we could borrow another \$148M to \$177M. It is letting us know that the regulatory requirement would be \$1.25M, but if we stay above \$1.5M, according to Landrum & Brown, PFM and Bank of America, we will not expect to put the airport at risk of receiving a downgrade. Secretary Byrd asked if this includes the indebtedness that already exists from New Horizon I. President Kreulen replied it includes BNA Vision I & II, New Horizon I, and now we have added New Horizon II. President Kreulen stated as a resource it should give the Board comfort that if you give approval for the scope of \$1.337B we are set to continue financial strength and financially fund what we need to do to execute the Horizon Programs.

Vice Chair Granbery asked President Kreulen to speak on the \$133.5M increase since he missed the Finance Committee last week. President Kreulen replied the \$133.5M increase is in the \$300M for Terminal Access Roadway Improvements (TARI). We wanted to footnote that over time we raised that up due to our engineering team hiring an outside consultant to develop a computer model that found a couple of areas that would create roadway hiccups and not continue the flow. We still have 2 items to work out with TDOT, and the added bridges are so that there will not be slowdowns or stops. The TARI is the most analyzed roadway we have done with our models, and we have a high confidence level that as our passengers grow, we will be able to handle the roadway up to 40MAP. Vice Chair Granbery commented that most of these are to enhance the roadways and not due to inflation. President Kreulen replied yes.

Secretary Byrd asked what the scope is for what the state is spending on their Donelson Pike project. Ms. Traci Holton, VP, New Horizon, replied \$156M. President Kreulen stated once

Donelson Pike is out of our way, then MNAA must replace that vacancy with the roads that we need and anything on our 4,600 acres MNAA will pay. Secretary Byrd asked if the Board has already approved the budget for New Horizon I (Airside). President Kreulen replied yes, it was approved in August 2024, and we are now on Step 4 of the BNA Major Development Programs. The New Horizon I (Airside) is being worked on now. Secretary Byrd asked if the \$1.6B in bonds has been issued. President Kreulen replied no, the Finance team will come back and give a plan for 2025 and 2027 and what is related to that is Bank of America, Landrum & Brown and PFM have all given costs to borrow and interest we will pay. Secretary Byrd asked if the proposed interest rates are built into the scenario. Ms. Marge Basrai, EVP, CFO, replied yes, right now it is 6%. Secretary Byrd asked what the amortization schedule is, and if it is mostly backloaded, due at end. MS. Basrai replied it is mostly level debt service, so the debt stays the same year to year. We do not do too heavy at the end because that is considered a balloon payment, and you must have state approval for that. Secretary Byrd asked if during the 30-year period does the entire bond indebtedness get amortized. Ms. Basrai replied yes, closer to the end. President Kreulen stated the Board is giving us authority to begin the financing based on the calculations by Ms. Basrai and the Finance team and our 3 consultants. Ms. Basrai stated the Board will have to give specific authority to go to bond funds, which may be later this year, but we do not have the cash flow schedules to plan.

Chair Sullivan asked Ms. Holton if she had something to add. Ms. Holton replied yes, she wanted to clarify that the TARI Phase I in Vision I is \$65M, and the Airside is \$300M was originally \$155M. President Kreulen stated we moved that when we cut it down so that we saved it. This is the scope and budget that has been factored in, Ms. Basrai will have to come back for permission to obtain bonds to fund this and the engineering team will have to come back to request approval for specific projects. This is giving us the authority to move forward on developing these programs.

Commissioner Joslin stated the Operations Committee voted 2 to 0 to recommend approval on January 8, 2025. Chair Sullivan asked for a motion to approve as presented. Commissioner Joslin 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.

2. 2nd Amendment to Advertising Concession Agreement (Finance)

President Kreulen introduced Eric Johnson, SVP, Chief Revenue Officer, to brief the Commissioners on the 2nd Amendment to the Advertising Concession Agreement. Mr. Johnson stated that MNAA has a Concession Agreement with Clear Channel Airports (CCA) to develop and operate the advertising program. The term of the agreement commenced on June 30, 2017, and will expire on June 30, 2027. CCA has invested \$1.9M in the advertising program.

The Amendment will provide updates to Exhibits A and B for additional inventory added as part of the BNA Vision projects. Additionally, MNAA will extend the term 3-years, commencing July 1, 2027, through June 30, 2030, and increase revenue share from 60% to 64%, effective July 1, 2027. CCA is responsible for providing MNAA with access to the iHeart Radio program that allows the airport to provide public notices, and we are reducing that commitment by 50% effective July 1, 2027. There will also be some added provisions for new Concourse A where MNAA plans to add 11 new assets. The ACDBE goal for this project is 15% and the participation level is 46.3%.

Secretary Byrd asked if we are talking about the advertising up and down the terminal that people look at as they are walking through and CCA controls all of that. President Kreulen stated yes, any business that wants to advertise in BNA, CCA is the method to get inside.

Mr. Johnson requested the Board of Commissioners accept the 2nd Amendment to the Advertising Concession Agreement between MNAA and Clear Channel Airports and authorize the Chair and President & CEO to execute the Amendment.

Commissioner Glover stated the Finance Committee voted 2 to 0 to recommend approval on January 8, 2025. Chair Sullivan asked for a motion to approve as presented. Commissioner Glover made a motion and Commissioner Farner 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. FY25 and FY26 Capital Improvement Amendment (JWN Apron Pavement Rehabilitation); MNAA Resolution 2025-01 (Finance)

President Kreulen introduced Kristy Bork, AVP, Finance, to brief the Commissioners on the FY25/FY26 Capital Improvement Amendment (JWN Apron Pavement Rehabilitation). Ms. Bork stated that on April 17, 2024, the Board adopted Resolution 2024-07 which approved the FY25-FY29 JWN Capital Improvements Plan and the FY25 JWN Capital Improvements Budget (Resolution No. 2024-07). A portion of this project is to be funded with Bipartisan Infrastructure Law (BIL) funds. In December 2024, Tennessee Department of Transportation (TDOT) notified MNAA that \$120K of the programmed federal BIL funding will expire on April 16, 2025.

To ensure this funding is not lost, MNAA is asking to move \$500K from the design portion of this project from FY26 to FY25. The design contract is estimated not to exceed \$500K.

Ms. Bork requested that the Board of Commissioners authorize and approve an amendment to the FY25-FY29 Capital Improvements Plan (CIP) by transferring \$500K of the FY26 proposed project budget for the JWN Apron Pavement Rehabilitation Design (Phase 1 of 2; South Area) to FY25, and authorize and approve an amendment to the FY25 Capital Improvements Budget (CIB) by adding the \$500K project budget, and authorize the Chair and President & CEO to execute MNAA Resolution 2025-01 amending Resolution 2024-07.

Commissioner Glover stated the Finance Committee voted 2 to 0 to recommend approval on January 8, 2025. Chair Sullivan asked for a motion to approve as presented. Commissioner Glover made a motion and Commissioner Farner 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.

VII. INFORMATION ITEMS

1. None

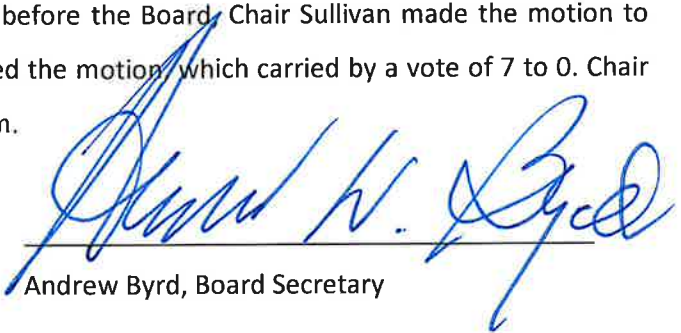
President Kreulen stated after Chair Sullivan adjourns this meeting, we will take a quick break and then go on the New Horizon Construction Tour. The New Horizon Construction Tour will include the Concourse D Extension, Central Ramp Expansion, Concourse A Ramp Expansion, and the Terminal Access Roadway Improvements.

President Kreulen concluded the presentation.

Chair Sullivan stated she noticed Mr. Josh Powell come in and congratulated him on the great article in Nashville Business Journal.

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 1:41 p.m.



Andrew Byrd, Board Secretary