



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

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July 9, 2025

# Call to Order

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July 9, 2025

# Public Comment

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

MNAA Policy ID: 33-007, Public Comment Policy, effective November 27, 2024

No Public Comment Requests Received by Monday, July 7, 2025, 9:00 am

# Approval of Minutes

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

June 11, 2025

# Chair's Report

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Andrew Byrd

Finance Committee Chair

# Items for Approval

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July 9, 2025

- AlClear (“Clear”) Concession Agreement

## Item for Approval

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Josh Powell, A.A.E.

VP, Airline & Government Relations



# AlClear (“Clear”) Concession Agreement

**Project Description:** New Concession Agreement to provide services for the Registered Traveler Program, TSA PreCheck Enrollment Program, and Ambassador Assist Service at BNA.

**Contractor:** AlClear (“Clear”)

**Start Date:** August 1, 2025 (current agreement expires July 31, 2025)

**Duration:** 5 years + 2-year mutual option

**Agreement Terms:**

Gross Receipts (Years 1-7):

Registered Traveler: 11.5%; Increases to 12.5% if MNAA accepts proposed checkpoint layout adjustments

TSA PreCheck: 5%

Ambassador Assistance (new): 12.5%

Minimum Annual Guarantee (MAG): Year 1 - \$550,000; Subsequent MAG greater of previous year’s MAG or 85% gross receipts

Catchment Area: 34 Tennessee + 14 Kentucky Counties (includes all new sign-ups/renewals for customers living in those counties)



# AIClear (“Clear”) Concession Agreement

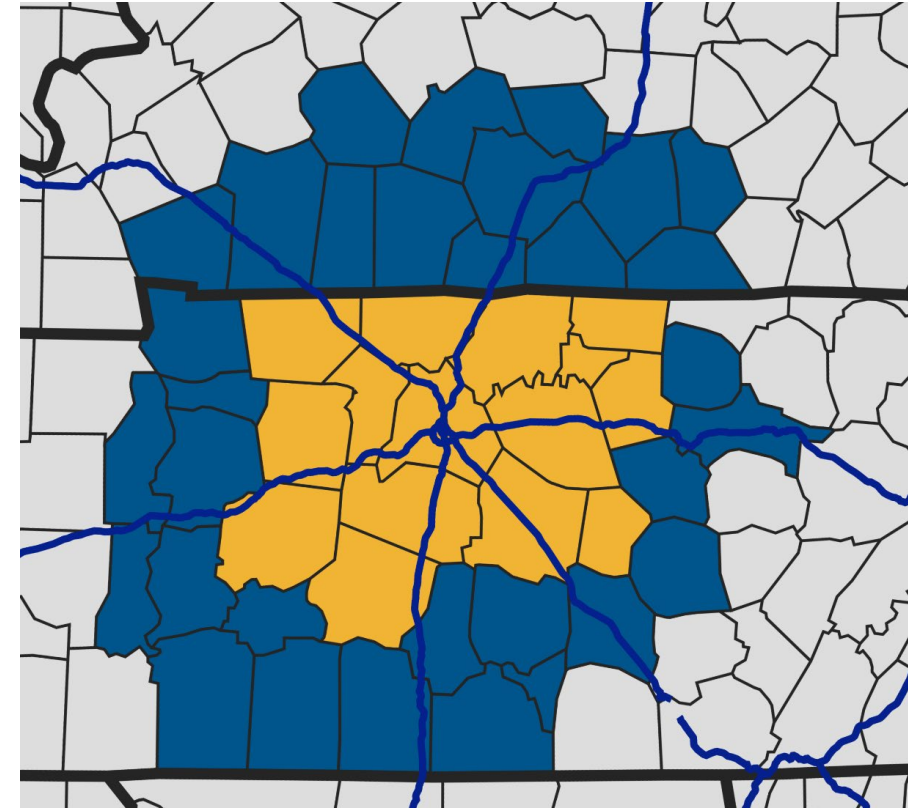
## Impact:

- Higher percentage rent
  - Registered Traveler Program increases from 10% years 3-5 to 11.5 - 12.5%
  - TSA PreCheck increases from 2.5% to 5%
  - New 12.5% Ambassador Assistance
- MAG increases from \$452,066 year 5 of current contract to \$550,000 year 1, with annual increases based on prior year
- Addition of 19 Tennessee and 13 Kentucky counties in the catchment area

## Staff Recommendation:

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

- 1) accept the AIClear (“Clear”) Concession Agreement; and
- 2) authorize the Chair, and President and CEO to execute the agreement



2020 Clear Agreement Counties

2025 Additional Clear Agreement Counties

# Information Items

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July 9, 2025

- Future BNA Concessions Development includes:
  - Concourse A – 8 locations
  - Expiring Fraport leases – 45 locations
- Background
  - June Finance Committee Review
    - 3 Options Discussed
  - Pros & Cons
- Recommendation & Next Steps

# Concessions Program Update

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Lisa Leyva  
VP, Concessions

# June Finance Committee Review

- **Option 1: Extend Fraport contract under more favorable terms**
  - Grant 5-year extension to 2034, if negotiations successful
  - Conversion to Fee Manager (no capital requirement)
  - Increase revenue split to MNAA (currently 70%)
- **Option 2: Recompete Developer Model (possible new contractor)**
  - Rebid Developer Model with Concourse A (10-year term)
  - Roll expiring locations into new Developer contract
- **Option 3: Transition to MNAA Controlled Prime Operator Packages/Direct Lease Model**
  - MNAA assume responsibility for tenant management, marketing & delivery (hire 7 full-time employees and 2 augmented staff)
  - Issue RFP for multiple packages, combining new 2028 Concourse A locations with future Fraport locations available on 2/1/29
  - Fraport extend subleases with locations expiring in 2027 and 2028 to enable phased re-leasing as of 2/1/29

# Pros & Cons of the 3 Options

- **Option 1: Extend Fraport contract under more favorable terms**
  - **Pros**: No learning curve for Fraport; Continues coordinated management of Common Area Maintenance (CAM) & Delivery; Time to prepare for direct ownership of program
  - **Cons**: Continue to share rent; Less control over program; Repetitive offerings across program
- **Option 2: Recompete Developer Model**
  - **Pros**: More competition; Less repetition of brands; Time to prepare for direct ownership of program
  - **Cons**: Continue to share rent; Less control over program; Expiring locations to be included in Concourse A
- **Option 3: Transition to MNAA Controlled Prime Operator Packages/ Direct Lease Model**
  - **Pros**: Receive all rent revenue; Greater control over program; No MNAA capital required
  - **Cons**: Requires MNAA to immediately hire staff to manage program, handle procurement and oversee design & construction; Direct management of tenant issues, deliveries and maintenance services; Timeline does not allow for gradual transition of program

## Recommendation:

1. Attempt to negotiate more favorable revenue split with Fraport before August Committee (option 1)
  - Minimum of 85% by 2029
  - If successful, grant 5-year extension
  - **If unsuccessful by August Committee, pivot to next option (analysis due by July 31, 2025)**
2. Recompete developer model (option 2)
  - Develop & Release RFP: Aug – Nov 2025
  - Award developer contract: Jan – Feb 2026
  - Fully executed leases: Dec 2026
  - Design & construct: Jan 2027 – Jul 2028

## Recommendation

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- NOTE: Options 1 & 2
  - Allow MNAA to gradually build out the staff necessary to fully manage the program in the future
- Next Steps:
  - August Finance Committee Update





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Meeting Adjourned