Minutes of the Joint Meeting of the MNAA and MPC Finance Committee

Nashville International Airport

Date: May 13, 2026	Location: Metropolitan Nashville Airport Authority Tennessee Boardroom
Time: 9:30 a.m.	
Committee Members Present:	Andrew Byrd, Committee Chair; Glenda Glover, Committee Vice Chair
Committee Members Absent:	Glenn Farner
Other Board Members Present:	Nancy Sullivan, Jimmy Granbery, and Bobby Joslin
MNAA Staff & Guests Present:	Doug Kreulen, Cindy Barnett, Josh Powell, Trish Saxman Marge Basrai, Zach Blair, Kristy Bork, John Cooper, Kristen Deuben, Adam Floyd, Traci Holton, Eric Johnson, Lisa Leyva, Carrie Logan, Rachel Moore, Ted Morrissey, Stacey Nickens, Brandi Porter, Robert Ramsey, Chris Saunders, Puneet Vedi; and Charlotte Weatherington

I. CALL TO ORDER

Chair Byrd called the Joint Meeting of the MNAA and MPC Finance Committee to order at 9:30 a.m. pursuant to Public Notice posted on the BNA website at flynashville.com.

II. PUBLIC COMMENT

Chair Byrd stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Byrd asked for a motion to approve the April 8, 2026, Minutes of the Joint Meeting of the MNAA & MPC Finance Committee. Vice Chair Glover made a motion, and Chair Byrd seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

The motion passed with a vote of 2 to 0.

IV. CHAIR'S REPORT

Chair Byrd had no Chair's report.

V. ITEMS FOR APPROVAL

1. Future Admirals Club Reimbursable Agreement

President Kreulen introduced Josh Powell, VP, Strategy, Airline & Government Relations to brief the Commissioners on the Future Admirals Club Reimbursable Agreement. Mr. Powell stated American Airlines (American) currently leases 8,866 sqft of space on Concourse C for their Admiral's Club (Club) and certain administrative offices, of which 6,424 sqft is utilized for the Club. As a part of this move, American agrees to lease the mezzanine level of the future Concourse A and increase the size of their Club and certain administrative offices to 17,300 sqft, of which 14,800 sqft will be utilized by the Club and another 260 sqft0 that will be outdoor balcony space. Per the AULA, the Authority must provide similar space as a part of a required relocation; however we would not fund the additional space they are requesting to lease.

Mr. Powell stated MNAA and American agree the recognized value of the existing Club is $5,139,200. This amount will be funded by MNAA, as part of the AULA, without reimbursement by American. The new estimated cost of the Club in 2028 is $17,760,000, less the cost of recognized value is $12,620,800. Additionally, the Authority will fund a not to exceed (NTE) amount of $12,620,800 to be reimbursed by American over 10 years in equal monthly installments with 5% interest.

Chair Byrd asked if we typically finance people. Mr. Powell replied, yes, we have in the past. This will allow American to build out all that space in addition to repaying that over 10 years, they will also be leasing the space. MNAA will be repaid for all the money expensed to build the Club less the $5M plus they will lease all that space at the Terminal. Chair Byrd asked what happens to the old space. Mr. Powell replied maybe Southwest will want that as office space, or we may look at it from the revenue standpoint and put out to bid and it could be a future concession. Chair Byrd asked how do you determine the value of the Club. Vice Chair Glover asked how is it put on the balance sheet. Ms. Marge Basrai, CFO, replied through the construction it will be a fixed asset as part of Concourse A, and when it is final, we will have a loan with American on our books. Vice Chair Glover asked at what value. Ms. Basrai replied the principal value will be at $12.5M or lower and that will be a loan that they pay us similar to a bank loan with 5% interest. Vice Chair Glover asked if the value is $12.6M and it will be shown as a contract. Ms. Basrai replied we will have a value on our fixed assets of $17.7M because we are putting in the $5M that American does not have to reimburse, according to our AULA.

Mr. Powell stated to respond to the question of the value of the Club, if American were to construct a Club in today's dollars, it is $1K per sqft and if you multiple that times the amount that they have. However we recognize that there is some age to that Club, and so the value of the $1K was discounted 20%, so we recognized 80% based on the AULA that requires us to provide like for like space. Chair Byrd asked President Kreulen if this is a deal that we cut with American to get them in there to take this 14,800, sqft. President Kreulen replied yes, every year, the MNAA Finance Team and Strategy and Airline Team make trips to airlines and we try to plot out the future of multiple years. We go to Southwest, United, Delta and America and get their information on how many gates they want, and Southwest wants all these gates so we have to move American to get Southwest those gates. American agrees to take all that space and it is a nice first class experience for American. President Kreulen stated regarding the comment of "do we finance", we have not traditionally, but if an airline asks us to help, then we finance their construction with an agreement that they pay us back over 10 years with market rate interest. This is part of the airports and airlines working together and investing in our airport. More service and better amenities for our passengers, so it is a win.

Chair Byrd asked if we get a loan for the $12M, how do we get reimbursed? Ms. Basrai replied it is a separate stand alone agreement. Vice Chair Glover asked what is the probability of Southwest taking the space American is moving out of it. President Kreulen replied he would say 33%, because we may want it for operations or for revenue. We will know once we seal this deal, we will have to do some internal analysis on the best option. Chair Byrd asked if the cost of the Club includes fixtures. Mr. Powell replied it is for design, construction and build out of the Club.

Mr. Powell stated American will design and construct the Club and will be reimbursed up to the NTE amount. Any cost above the NTE will be the responsibility of American; if the cost is less, the reimbursed amount will be reduced accordingly. Reimbursement will begin upon occupancy of the space, or within 12 months of access to the space for buildout. Additionally, American will lease the space at the Signatory Terminal Rental Rate, calculated annually through Rates and Charges. American will also lease outdoor terraces and a balcony for 70% of the Signatory Terminal Rental Rate.

Mr. Powell requests that the Finance Committee recommend to the Board of Commissioners to accept the Letter of Agreement (LOA) between American Airlines, Inc. (American Airlines) and the Metropolitan Nashville Airport Authority (the Authority) for the funding and reimbursement of the Admiral's Club (the "Club") as part of the new Concourse A; and authorize the Chair and President & CEO to execute the LOA between American Airlines and the Authority.

Chair Byrd asked for a motion to approve as presented. Vice Chair Glover made a motion, and Chair Byrd seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

The motion passed with a vote of 2 to 0.

President Kreulen stated on this list of Revenue Items for Approval, there is one approval item the Parking and Valet Management Agreement, that the CEO made the decision last night to defer. He was notified at 4:20 PM yesterday afternoon that we had not properly notified one of the finalists that was not awarded. We are required to notify them that they did not get awarded and they saw that we notified the winner. We had a meeting to discuss the procurement error and the one that did not win had their law firm send us a letter. Our counsel, Mr. Ted Morrissey, wrote a letter back to Baker Donelson and apologized for the oversight and they received it at 7:11 PM with 16 pages of score sheets and all of our data to show exactly how everything was calculated and that this was an administrative error on our part. We asked their counsel to talk with their client and get back to us. Our goal is to bring this back to the Board next Wednesday.

Chair Byrd asked if this is a new parking agreement. President Kreulen replied yes, to start July 1, 2026, and one of the finalists that did not win sent this notice. We need a new company to take over by the start of the fiscal year. Chair Byrd asked if we will be considering this at the Board meeting. President Kreulen replied yes, if we receive a suitable answer back through counsel, if not, we will have to figure out Plan B.

2. Cellular Carrier Distributed Antenna System (DAS) License Agreements

President Kreulen introduced Lisa Leyva, VP, Concessions to brief the Commissioners on the Cellular Carrier Distributed Antenna System (DAS) License Agreements.

Ms. Leyva stated the Authority owns and operates the Distributed Antenna System (DAS). We entered into Temporary DAS License Agreements with AT&T, T-Mobile, and Verizon on January 16, 2025. The Temporary Agreements expire June 30, 2026. We have negotiated long term agreements with each of the carriers and they are as follows: 20 years total; 10 Year Initial term + two (2) 5-year automatic renewals unless Carriers give notice not to renew. Upon execution Authority will receive: capital contribution from T-Mobile and Verizon of $750,000 to (i) reimburse capital invested during BNA Vision for the Grand Hall - $500,000 and (ii) $250,000 for future Concourse A. Capital contribution from AT&T of $500,000 to reimburse capital invested during BNA Vision for the Grand Hall - $500,000; plus, an additional $250,000 after the future Concourse A opens. A payment of $279,000 from AT&T and T-Mobile and $279,868.50 from Verizon for the period from January 1, 2025 - June 30, 2026. Annual revenue is $186,000 from AT&T and T-Mobile and $186,579 from Verizon effective July 1, 2026 with 3% annual escalation.

The additional terms include that the Authority retains full ownership and control of the DAS and is responsible for system operation, maintenance, and performance; use of the DAS will remain subordinate to airport operations and regulatory requirements. Any future upgrades or expansions requiring additional capital investment are subject to airport requirements and Authority approval and will be mutually agreed to with the Carriers on a case-by-case basis. The Carriers are responsible for their own equipment, utilities, and installation costs as well as environmental compliance and remediation. The Carriers are responsible for equipment removal and site restoration upon expiration of the DAS Agreements.

Ms. Leyva requests that the Finance Committee recommend to the Board of Commissioners that they accept the DAS License Agreements between Authority and each carrier, AT&T, T-Mobile, & Verizon, and authorize the Chair and President & CEO to execute each of the DAS Agreements.

Vice Chair Glover asked if they have the same terms, 20 years for each. Ms. Leyva replied yes, that is correct. Chair Byrd stated there are a lot of changes in this type of business, it is not a static business and we are entering into a 10 year agreement with options they hold for 2 five year extensions for a set price. He asked if there are consultants or people MNAA works with from a telecommunications standpoint to make sure we are getting the right structure in place. President Kreulen replied yes, CellSite has been working through this for us and this has been a way longer process than we would have liked due to the complexities of negotiating this agreement. This was an initiative that we overtook with the Board's support from complaints we used to receive from passengers inside the terminal and after analyzing we realized we can provide better service once we get the state of the art and distribute an antenna system in there and they can provide us to ride on our network to be able to provide 5G service. Chair Byrd asked if the pricing is a certain amount up front and a license fee after that. President Kreulen replied yes, and they are paying us back from January 1, 2025, this is how long we have been negotiating this with 3 different carriers who are competitors with each other to agree.

Chair Byrd asked for a motion to approve as presented. Vice Chair Glover made a motion, and Chair Byrd seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

The motion passed with a vote of 2 to 0.

3. Rental Car Concession and Consolidated Rental Car (ConRAC) Facility Lease Agreement Amendments

Ms. Leyva stated The Authority entered into six (6) Concession and Facility Lease Agreements with Rental Car Companies: Avis Budget Car Rental, LLC., EAN Holdings, DTG Operations, Inc. DBA Dollar Rent A Car, Burgner Enterprises, INC. DBA Thrifty Car Rental, The Hertz Corporation, effective November 1, 2011 & Sixt Rent A Car, LLC effective September 1, 2022. The Concession and Facility Agreements are set to expire October 31, 2026. The Facility Lease Agreements have 5-year extension options at Rental Car discretion; Concession agreement has no extension or hold over language. The Authority's goal is to align the term for both Concession and Facility agreements to coincide with the opening of the new Consolidated Rental Car Facility. The terms will add language to Concession Agreement to co-terminate with Facility Lease. The Lease Agreement Renewal Term definition changed to 5 years or execution of new agreement, whichever comes first to coincide with the Effective Date of Agreements for occupancy of the New ConRAC. This also memorializes reallocation of ConRAC Facility that was completed in 2020.

Ms. Leyva requests that the Finance Committee recommend to the Board of Commissioners that it accept the Amendments to the Rental Car Concession Agreements as well as the Rental Car Facility Lease Agreements and authorize the Chair and President & CEO to execute each of the agreements.

Chair Byrd asked what does it mean by memorializing reallocation of the facility? Ms. Leyva replied the Concession Agreements allow for reallocation based off of market share. That took place in 2020 and this aligned that to memorialize what took place in 2020. We utilized this as an opportunity to get some of the language where we need it to be. So some of the FAA language that has been updated because most of these agreements started in 2011. Chair Byrd asked if it is a reallocation of costs. Ms. Leyva replied no, it is just a reallocation of space. President Kreulen replied if you are the largest rental car you get the most space, but if you have 60% market share, you only get 60% of the space and as the rental cars grow they can get more space. Chair Byrd asked how often do you reallocate. President Kreulen replied when the rental cars ask for more space. Chair Byrd asked who authorizes the reallocation. President Kreulen replied, our Revenue Team handles and it does not happen that often. For instance Sixt Rental Car, a German rental car company, came here and we have to allow everyone to participate in the airport process, so we had to make space to allow Sixt to come in. Chair Byrd stated we are aligning the terms of the concession facility agreement to coincide with the opening of the rental car facility, when do we expect the rental car facility to open and what are the various terms? President Kreulen replied 2029, this agreement allows them to stay in the existing rental car facility until the new facility opens. Once this is all done, we will begin negotiating for the future rental car facility.

Chair Byrd asked for a motion to approve as presented. Vice Chair Glover made a motion, and Chair Byrd seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

The motion passed with a vote of 2 to 0.

4. Parking and Valet Management Agreement (deferred by CEO)

Deferred by CEO.

President Kreulen concluded the presentation of the approval items.

VI. INFORMATION ITEMS

1. BNA Concessions Program Update

Mr. Leyva stated the Q1 2026 Sales for the Concessions are up 13% over Q1 2025. We ended Q1 with $47M in gross sales. Fraport had $45.98M with a revenue of $5.37M to MNAA. Paradies sales were $1.39M (up 9.4%) with a revenue of $98K to MNAA. Commissioner Granbery asked if 9.4% is good news. Ms. Leyva replied yes, that is great. President Kreulen replied sales per enplanement were at $7 and now at $10.48 and we are heading in the right direction with more passengers. Commissioner Granbery asked if there is anything that MNAA did that would drive that increase. Ms. Leyva replied yes, Paradies invested in some additional signage and now passengers know that there are options out at the Satellite Concourse.

Ms. Leyva stated the Q1 2026 Rental Car Sales are up 1.24% over Q1 2025. We saw a total of $44M with $4.88M revenue to MNAA. Sales per deplanement are flat but it is good to see that those numbers increased over Q1 in 2025. Commissioner Granbery stated nationwide it was trending down and 1.2% is not great, but better than negative, what is the nation average. Ms. Leyva said she will get that information. President Kreulen replied at the CEO Forum, that is what came out is that rental cars are hanging in there, not setting new records, but everyone is seeing the same impact.

Ms. Leyva stated the Q1 2026 Advertising Sales are up 9% over Q1 2025. We saw a total of $1.51M with $912K revenue to MNAA.

Ms. Leyva stated for the Concourse A Concessions Update, Fraport did release the RFP for Concourse A locations on March 2, 2026. We are currently in the quiet period. We had a lot of interests, approximately 200 people that came to both the in person and online information sessions . Those responses are due June 5, 2026. She anticipates that we will have a lot of great responses and she looks forward to coming to the Board with a recommendation for Approval in September 16, 2026. Chair Byrd asked how are Uber and Lyft doing. Ms. Leyva replied they are doing great, right there revenue wise very similar to where our rental cars are. President Kreulen stated there will be other packages that change out concepts of Concourses B, C and D over time and you will see lot of activity on concessions.

2. Quarterly Retirement/OPEB/Treasury Investment Reports

President Kreulen introduced Kristy Bork, VP, Finance, to brief the Commissioners on the Quarterly Retirement, Other Post Employment Benefits (OPEB) and Treasury Investment Reports. Ms. Bork presented the 3rd Quarter of FY26 update for the quarter ended March 31, 2026. The Retirement Plan market value was $88.2M, which was down $2.8M. Gross returns for the quarter were down 1.57%, but on the fiscal year to date we were still up 4.46. The OPEB market value was $47.7M, which is a decrease of $0.9M over the prior quarter with gross returns at negative 1.60%.

Ms. Bork stated the MNAA Quarterly Treasury Investment Report for the 3rd Quarter ending March 31, 2026, had total available funds of $2.176B with 99.7% of those funds invested. We had $6.9M in DDA accounts. The investment portfolio is in compliance and meeting our policy objectives. We had a combined deals with all of our investments of 3.73% and earnings just under $16.7M. The main driver this quarter was that we closed on our bonds in February of 2026 which increased our deposits with our construction bonds.

Commissioner Granbery said back to Terminal A and American taking the lounge, we anticipated them taking the lounge and that is why we built the mezzanine. President Kreulen stated the long term goal of trying to convince American off of concourse C to Concourse A, the sweetener was the lounge.

President Kreulen concluded the presentation.

1) <u>ADJOURN</u>

There being no further business brought before the Finance Committee, Chair Byrd adjourned the meeting at 10:06 a.m.

Andrew W. Byrd, Board Secretary