Joint Meeting of the MNAA and MPC Finance Committee

August 12, 2026

Call to Order

August 12, 2026

Public Comment

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

MNAA Policy ID: 33-007, Public Comment Policy, effective September 8, 2025

No Public Comment Requests Received by Monday, August 10, 2026, 9:00 am

Approval of Minutes

Joint Meeting of the MNAA & MPC Finance Committee

July 8, 2026

Chair's Report

Tony Giarratana

Finance Committee Chair

Items for Approval

August 12, 2026

- **MPC Lease Agreements**
  - Suite 101, International Plaza Building
  - Suite 800, International Plaza Building
  - Suite 825, International Plaza Building

Items for Approval

Roman Keselman, MBA, C.M.

AVP, Real Estate

MPC Lease Agreement with Woods Personnel, Suite 101

- **Suite 101, International Plaza Building**
  - 1,637 square feet.
  - Commences August 1, 2026
  - Term - five (5) years; two (2) additional two (2) year renewal options
  - Rent commences upon receipt of Temporary Use and Occupancy Permit
  - Year 1 Rent - $37,650.96; $23.00 psf – less three (3) months first year rent abatement ($9,412.74)
  - Rent escalates 3% every year
  - The broker commission ($7,619.26) and Tenant Improvement allowance ($85,000; both Suite 101 / 800) paid with MPC O&M.
  - MPC can terminate the lease at any time with a twelve (12) month notice

MPC Lease Agreement with Woods Personnel, Suite 800

- **Suite 800, International Plaza Building**
  - 5,250 square feet.
  - Commences October 1, 2026
  - Term - five (5) years; two (2) additional two (2) year renewal options
  - Year 1 Rent - $120,750.00; $23.00 psf – less two (2) months first year rent abatement ($20,125.00)
  - Rent escalates 3% every year
  - The broker commission ($12,419.06) and Tenant Improvement allowance ($85,000; both Suite 101/800) paid with MPC O&M.
  - MPC can terminate the lease at any time with a twelve (12) month notice

MPC Lease Agreement with Metro, Suite 825

- **Suite 825, International Plaza Building**
  - 3,913 square feet.
  - Lease term commences upon receipt of Temporary Use and Occupancy Permit
  - Term - five (5) years; two (2) additional two (2) year renewal options
  - Year 1 Rent - $89,990.00; $22.945 psf
  - Rent escalates 3% every year
  - Tenant Improvement allowance (~$25,000) paid with MPC O&M.
  - MPC can terminate the lease at any time with a twelve (12) month notice

MPC Lease Agreements

Recommendations:

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

- Accept the following lease agreements between
  - Woods Personnel and the MPC for Suite 100
  - Woods Personnel and the MPC for Suite 800
  - Metro and the MPC for Suite 825
- Authorize the Chair and President & CEO to execute the Lease Agreements

- **Letter of Intent**
  - Acquisition of 7 acres
  - Acquisition of 25 acres

Items for Approval

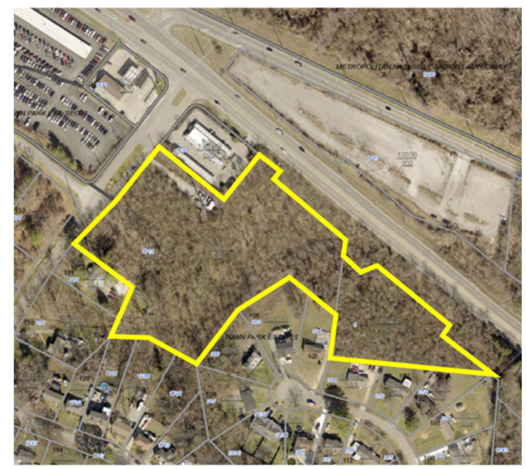
Roman Keselman, MBA, C.M.

AVP, Real Estate

Letter of Intent (LOI) for 7-acre parcel

- **Background:**
  - Site consists of 2 undeveloped parcels totaling 7.14 acres.
  - ~ 812’ of frontage along Murfreesboro Pike.
  - Adjacent to Town Park Estates & RPZ for the 4th parallel runway.

- **Terms and Next Steps:**
  - Purchase price $2,000,000.
  - Execute Purchase Agreement within 60 days of LOI approval.
    - Then MNAA has 180 days to perform due diligence and close.
    - Due diligence includes title search, survey, and Phase I Environmental
    - Open escrow account within 5 business days of Purchase Agreement.
    - Deposit $40,000 as earnest money - 2% of purchase price.



Letter of Intent (LOI) for 7-acre parcel

- **Funding:**
  - CIP project # 2603 Land Acquisition.
  - Account balance $11,666,667

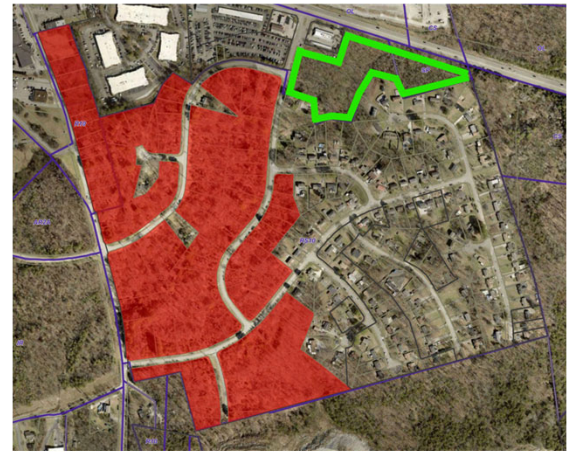
- **Recommendation:**
  - Staff requests that the Finance Committee recommend to the Board of Commissioners that it:

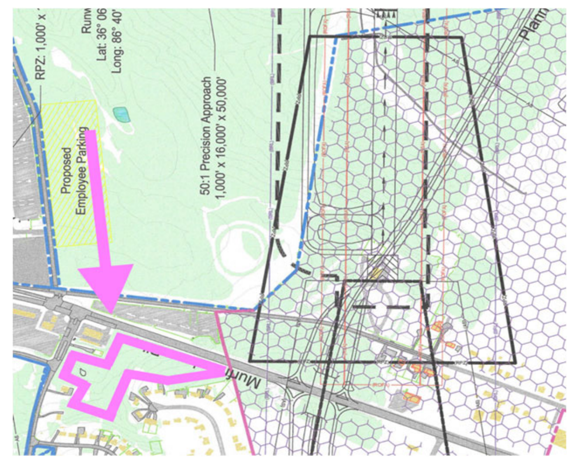
    1) Approve non-binding LOI terms,

    2) Authorize AVP Real Estate to execute the non-binding LOI,

    3) Authorize the Chair and President & CEO to execute a purchase agreement based on the non-binding LOI terms,

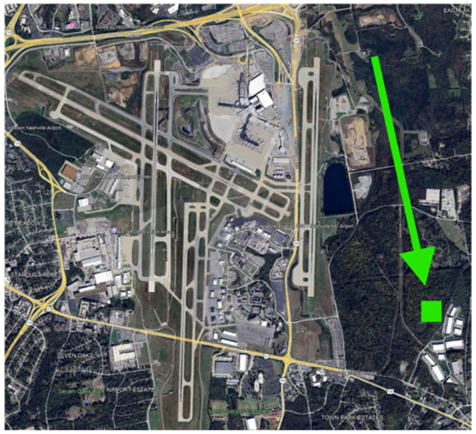
    4) Authorize the Chair and President & CEO to execute closing documentation to acquire the 7 acres.

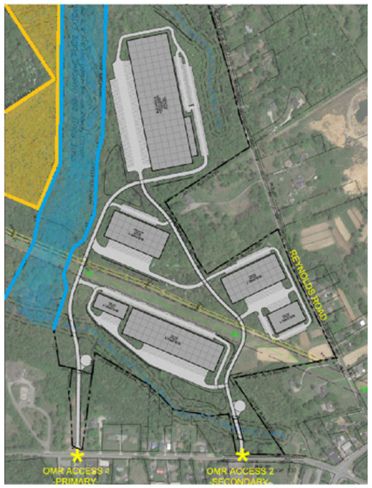




Letter of Intent (LOI) for 25-acre parcel

- **Background:**
  - Parcel consists of 25.88 acres of undeveloped land, adjacent to MNAA property.
  - ALP identified land for the 4th parallel runway.
- **Terms and Next Steps:**
  - Purchase price $5,920,000.
  - Execute Purchase Agreement within 60 days of LOI approval.
    - Then MNAA has 180 days to perform due diligence and close.
    - Due diligence includes title search, survey, and Phase I Environmental
    - Open escrow account within 5 business days of Purchase Agreement.
    - Deposit $59,200 as earnest money - 1% of purchase price.





Letter of Intent (LOI) for 25-acre parcel

- **Funding:**
  - CIP project # 2603 Land Acquisition.
  - Account balance $11,666,667, less previous parcel

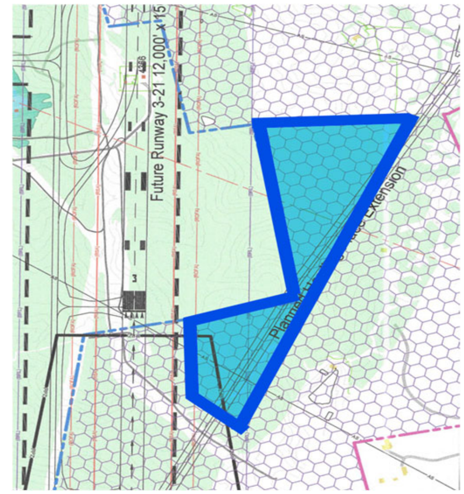
- **Recommendation:**
  - Staff requests that the Finance Committee recommend to the Board of Commissioners that it:

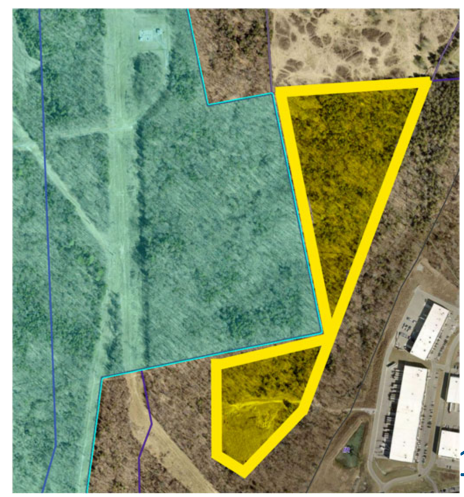
    1) Approve non-binding LOI terms,

    2) Authorize AVP Real Estate to execute the non-binding LOI,

    3) Authorize the Chair and President & CEO to execute a purchase agreement based on the non-binding LOI terms,

    4) Authorize the Chair and President & CEO to execute closing documentation to acquire the 25 acres.





Information Items

August 12, 2026

- Customer Facility Charge (“CFC”) Increase

Information Item

Marge Basrai, CPA, CGMA, C.M.
EVP, Chief Financial Officer

Background

- The Authority is authorized to impose rates & charges by its enabling statute, T.C.A. § 42-4-101, et seq.
  - T.C.A. § 52-4-107(10), the Authority has "the right and duty to establish and charge fees, rentals, rates and other charges, and collect revenues there from, not inconsistent with the rights of the holders of its bonds…."
- November 2007, the Board approved MNAA Resolution 2007-21 to authorize the imposition of a Customer Facility Charge ("CFC") on the customers of on-airport car rental companies in the amount of $4.00 per transaction day effective January 1, 2008
  - CFCs are to be used to pay or reimburse the Authority for the costs associated with the planning, design, construction, financing, and operation of the Consolidated Rental Car Facility ("CONRAC Facility")
  - Car rental companies collect the CFCs from customers and remit to MNAA monthly

Background

- November 2009, the Board approved MNAA Resolution 2009-14 to increase the amount of CFC from $4.00 per transaction day to $4.50 per transaction day
  - To enhance the financial viability and provide additional funding for the financing of the CONRAC Facility

- January 2010, MNAA issued $66.3M in Special Facility Revenue Bonds Series 2010
  - CFC proceeds were pledged for the payment of and as collateral for the Series 2010 Bonds

- In May 2018, MNAA issued $27.4M in Direct Placement CONRAC Refunding Series 2018 Bonds to SunTrust (Truist) Bank
  - CFC proceeds are pledged for the payment of and as collateral for the Series 2018 Refunding Bonds
  - As of July 31, 2026, the outstanding amount on the bonds were <u>$7.55M</u>, which mature on July 1, 2028.

Background

- October 2024, MNAA was in planning stages of a new Parking and Rental Car Complex
  - Preliminary CONRAC cost $564M - $663M
- Landrum & Brown estimated project funding available of $188.7M - $219.2M at $4.50 CFC
- CFC rates at other airports for 2024 indicated $9.00 - $10.00 CFC was reasonable
- Using a $10.00 CFC, Landrum & Brown estimated project funding available of $397.2M - $463.3M
  - Informed the Board that MNAA would most likely need to increase the rate above $10.00 in the future
  - Approving at $10.00 would allow us to start collecting additional cash now
- November 2024, the Board approved MNAA Resolution 2024-08 to increase the amount of CFC from $4.50 per transaction day to $10.00 per transaction day

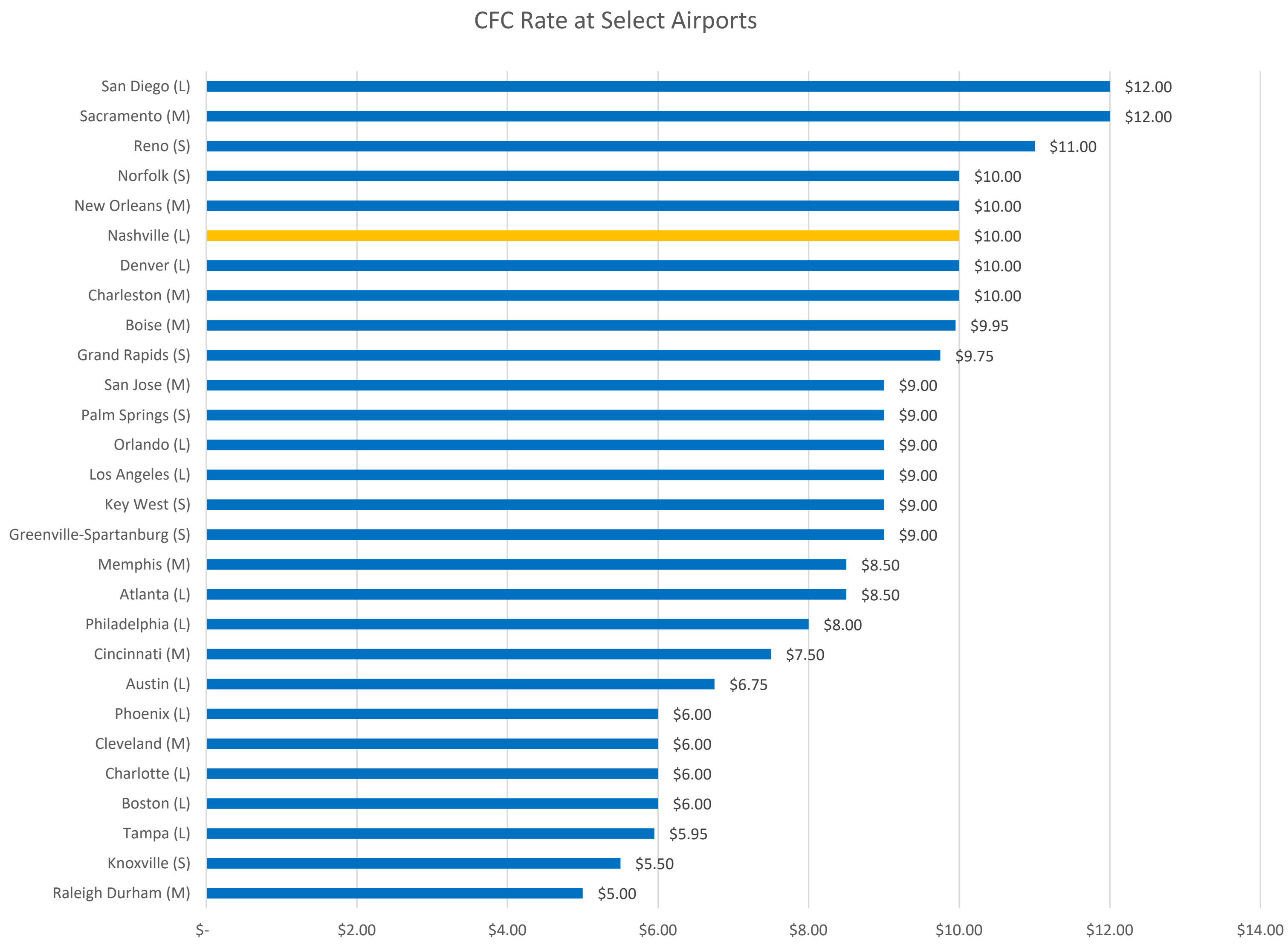
New Garage and Rental Car Complex – CFC Analysis

- CONRAC budget has been set at $564M in the New Horizon II program
- Landrum & Brown conducted an updated CONRAC Affordability Analysis at $10.00 CFC:

O&D Passenger Growth Scenario	CFC Rate	Project Costs from CFC Cash	Project Costs from Bond Financing	Total CFC Project Funding Available
Conservative 1%	$10.00	$191.6M - $192.8M	$239.9M - $245.0M	**$431.5M - $437.8M**
Baseline 3.3%	$10.00	$194.4M - $198.5M	$252.3M - $270.5M	**$446.7M - $469.0M**
Moderate 5%	$10.00	$196.2M - $202.1M	$260.9M - $288.5M	**$457.1M - $490.6M**

- The funding availability range ($431.5M - $490.6M) is still under the budget for the new CONRAC Facility ($564M)

- An increase in the CFC rate is necessary to enhance financial viability of the new CONRAC Facility



CFC Rates at Select Airports

- Provided by BofA Securities
- Rates effective for 2026
- Highest rate $12
- $10-$12 CFC rate is reasonable given current market

New Garage and Rental Car Complex – CFC Analysis

- Landrum & Brown conducted an updated CONRAC affordability analysis at $12.00 CFC rate effective January 1, 2027:

O&D Passenger Growth Scenario	CFC Rate	Project Costs from CFC Cash	Project Costs from Bond Financing	Total CFC Project Funding Available
Conservative 1%	$12.00	$210.5M - $211.9M	$290.9M - $296.9M	**$501.4M - $508.8M**
Baseline 3.3%	$12.00	$213.9M - $218.6M	$305.6M - $327.5M	**$519.5M - $546.2M**
Moderate 5%	$12.00	$216.0M - $222.9M	$316.0M - $349.3M	**$532.0M - $572.2M**

- The funding availability range ($501.4M - $572.2M) is ~$80M more than the previous analysis, with the project budget falling in the range

- Recommendation is to increase CFC rate to $12.00

Negotiation Update and Next Steps

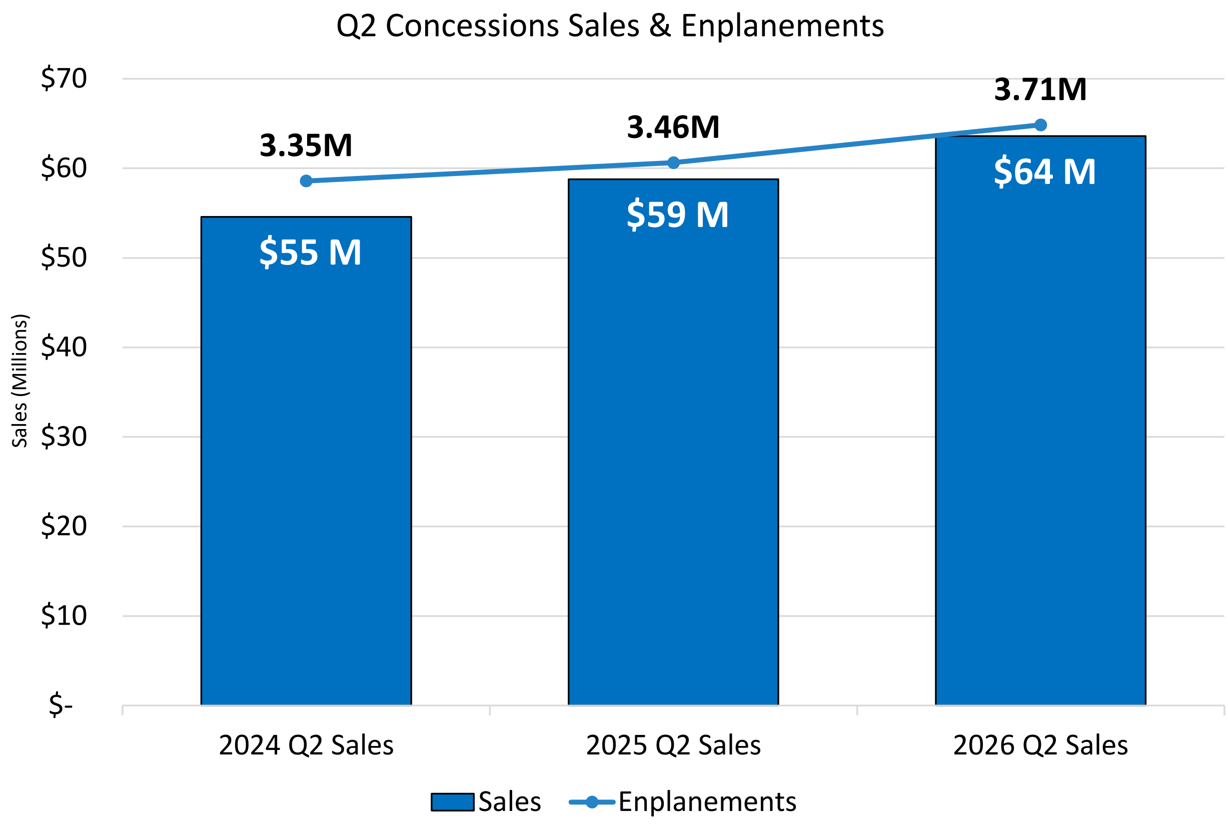
- January 2026:
  - MNAA started negotiations on a new Lease Agreement with the Rental Car companies for the new CONRAC
- February 2026 – July 2026:
  - Discussions on budget, cost allocations, and detailed design of facility
  - MNAA shared analysis of funding at $10.00 and $12.00 CFC; evaluated potential cost reduction options to keep rate at $10.00 (no major reductions identified)
- August 2026:
  - MNAA provided details of financial model and assumptions made
  - Rental Car companies and MNAA agreed to share additional information to help support the increase with their corporate offices over the next few weeks
- September 2026:
  - Staff plans to recommend approval of $12.00 CFC rate to the Board, effective January 1, 2027

- BNA Concessions Program Update
- Fraport Concourse A Concessions Award Update

Information Items

Lisa Leyva
VP, Concessions

Q2 CY26 Sales are up 8.19% over 2025 (Enplanements were up 6.96%)

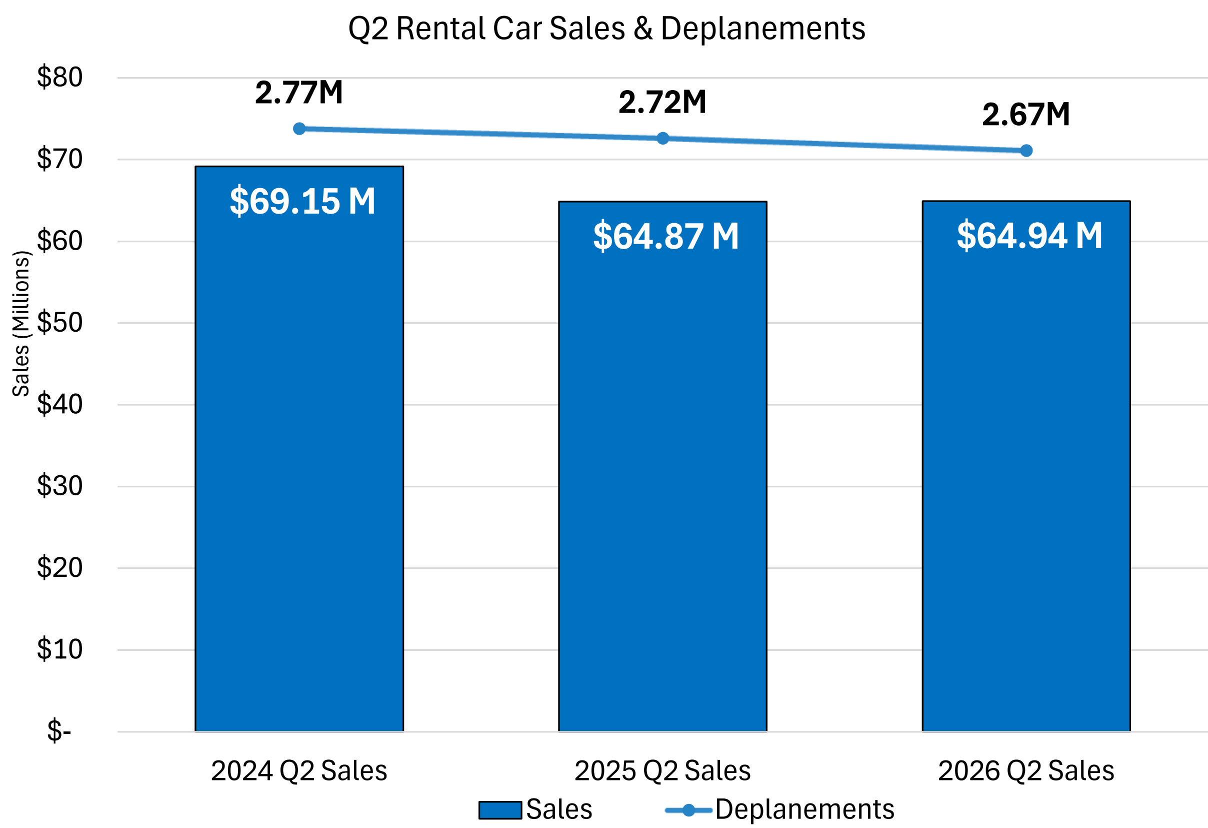


Q2 CY26 Concession Sales

Fraport:
- Sales: $61.48M
- MNAA Revenue: $6.28M
- Sales/Enplanement: $16.59
- Yr / Yr Sales Change: 8.49%

Paradies (Satellite Concourse):
- Sales: $2.10M
- MNAA Revenue: $150.5K
- Sales/Enplanement: $11.67
- Yr / Yr Sales Change: 0.13%

Q2 CY26 Sales are up 0.11% over 2025
(O&D Deplanements are down 2.06% over 2025)



Q2 CY26 Rental Car Sales

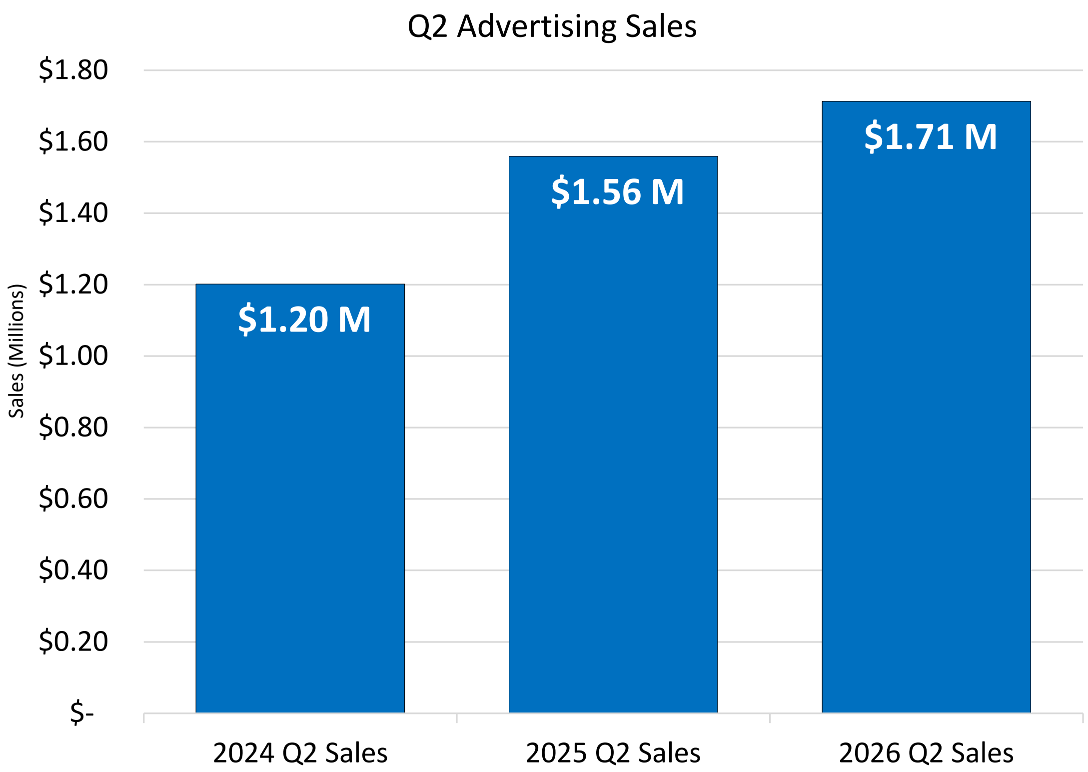
Total Q2 CY26:

- Sales: $64,939,619
- MNAA Q2 Revenue: $7.14M
- Sales/O&D Deplanement: $24.35
- Transactions: 241,781

Change:

- Sales: $73,536 or 0.11% over Q2 2025
- Transactions: -5.2%
- SPD: 2.22%

Q2 CY26 Sales are up 10% over Q2 2025



Q2 CY26 Advertising Sales

Total Q2 CY26:

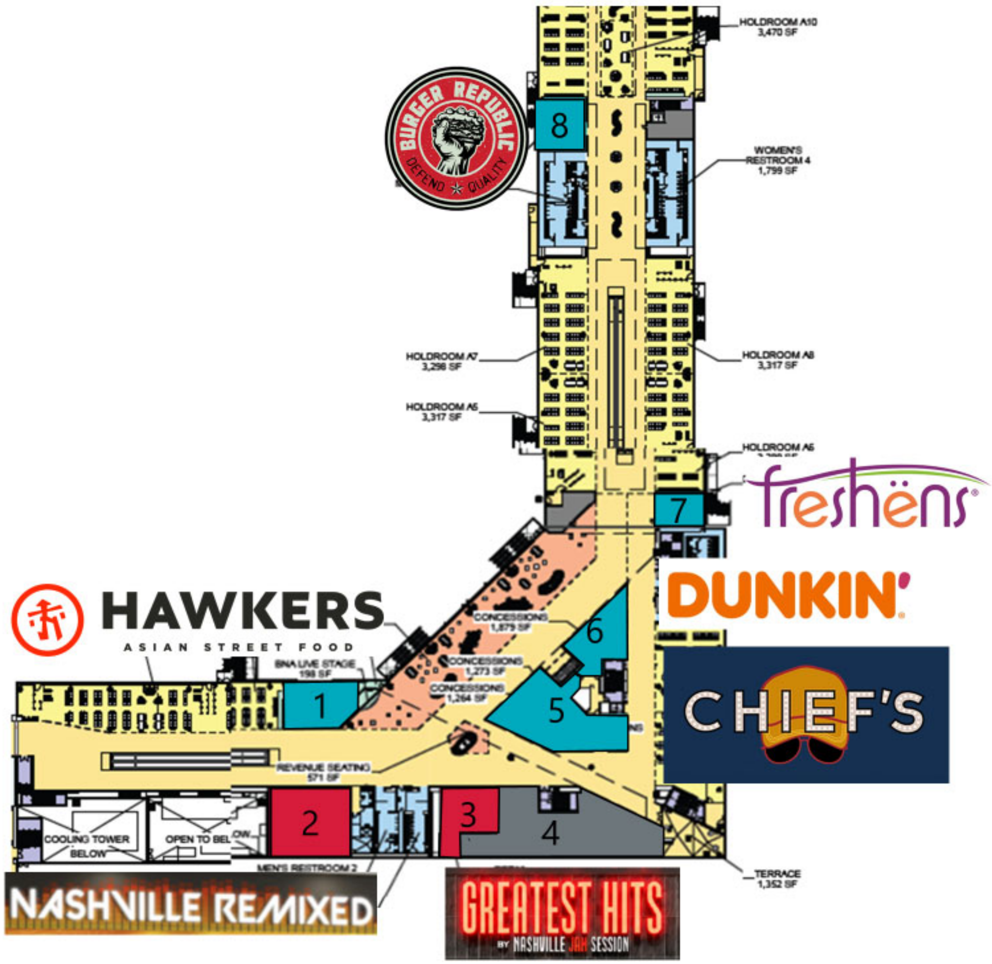
- Sales: $1.71M
- MNAA Revenue: $1.02M

Increase:

- $153,729 or 10% over 2025

Nissan Pop-Up Display

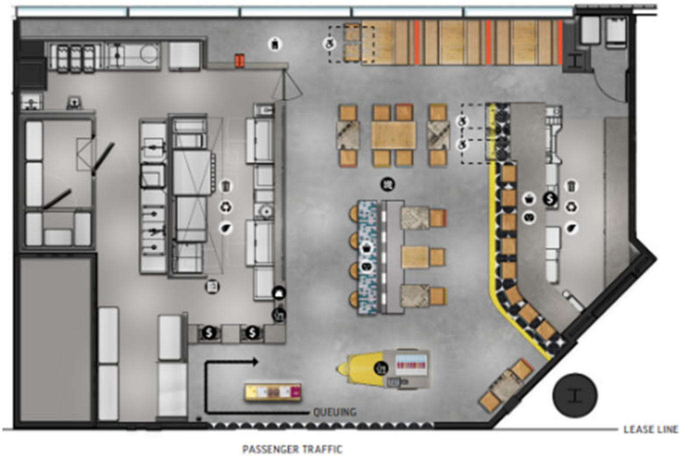
- August 8th – October 31, 2026
- $349,650 advertising cost
  - ~$209,790 MNAA Revenue
- Ribbon cutting & press event August 17th



Concourse A Recommendation

- A.01 – Hawkers
- A.02 – Nashville Remix
- A.03 – Greatest Hits by Nashville Jam Session
- A.04 – Reserved (future development)
- A.05 – Chiefs
- A.06 – Dunkin After Dark
- A.07 – Freshens
- A.08 – Burger Republic

BNA



A.01 - Hawkers

- Fast casual ethnic with bar
- Package included current Vino Fiesta location Concourse C
- HMS Host successful proposer
  - CT 14- Turkey & Wolf

BNA

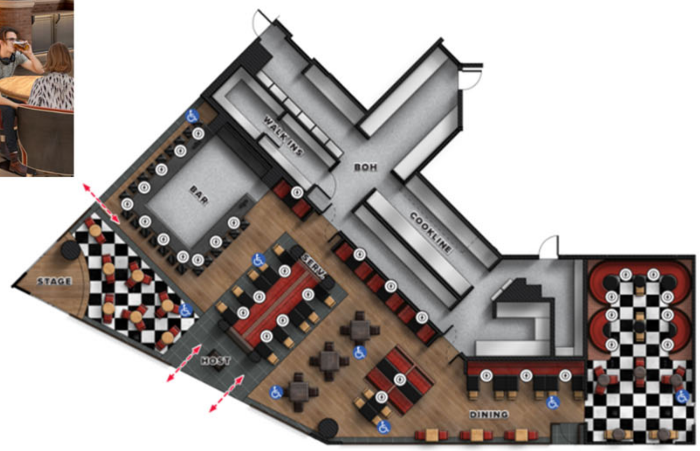
A.02 – Nashville Remixed

- Travel essentials with bottle shop
- Marshall Retail Group successful proposer

A.03- Greatest Hits by Nashville Jam Session

- Specialty retail or entertainment venue
- No conforming proposers
- Fraport direct negotiation with Wine Down Nashville for location & concept

BNA



A.05 – Chief's

- Full service local restaurant
- SSP America successful proposer
  - New operator at BNA

A.06 – Dunkin After Dark

- Coffee with all day parts & bar
- Package paired with current Kijiji Coffee House location
- M-2 successful proposer
  - New operator at BNA
  - B.04 Coolship Coffee

BNA

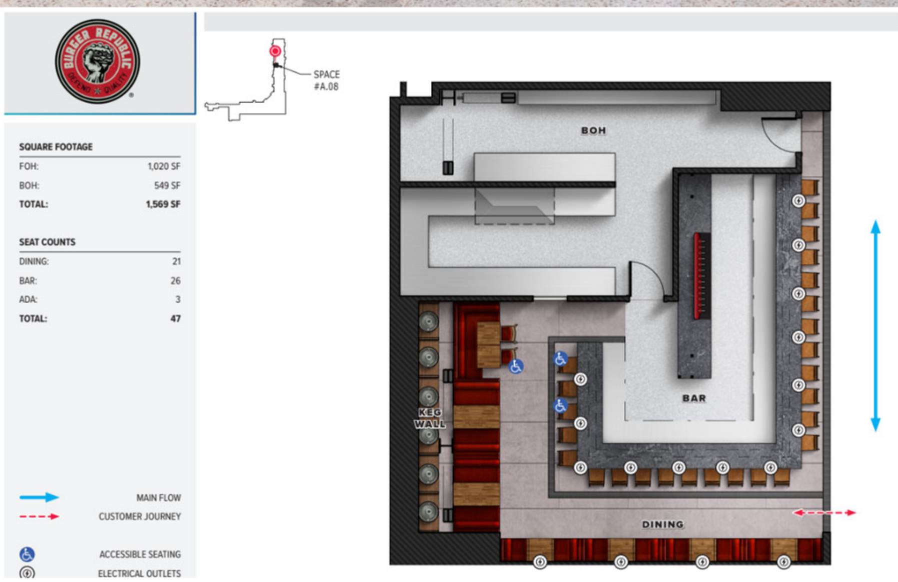
A.07 – Freshens

- Grab & Go Healthy
- Transfare successful proposer

BNA

A.08 – Burger Republic

- Fast casual with bar
- SSP America successful proposer



BNA

- Quarterly Retirement/OPEB/Treasury Investment Reports

Information Item

Kristy Bork, CPA, AAE

VP, Finance

Retirement Plan

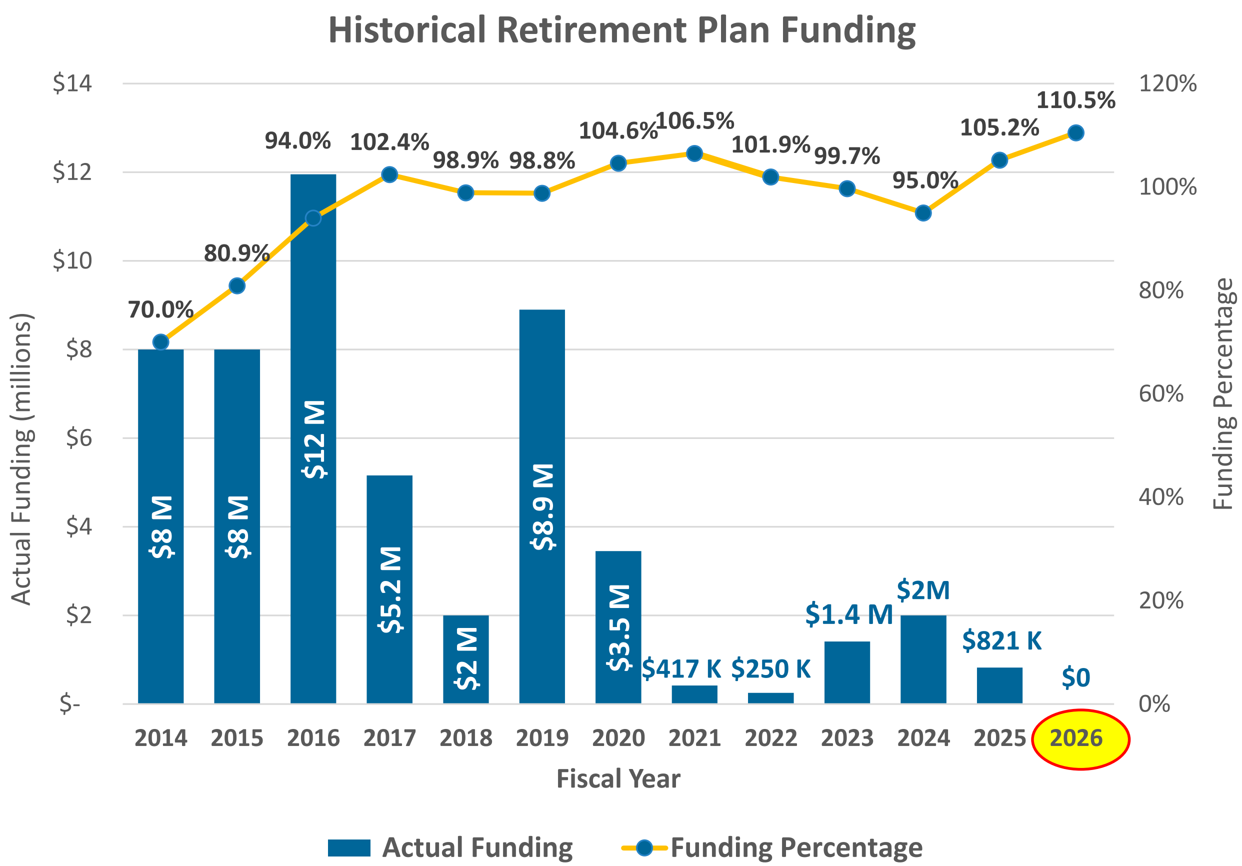
- **FY26-Q4 Market Value: $93.4M (+$5.2M)**
- Gross Return
  - FY26 Q4: 7.53%
    Net of fees 7.48%; Composite benchmark 7.99%
  - FY26 YTD: 12.33%
    Net of fees 12.11%; Composite benchmark 14.50%
- As of June 30, 2026, the retirement plan is 110.5% funded

OPEB

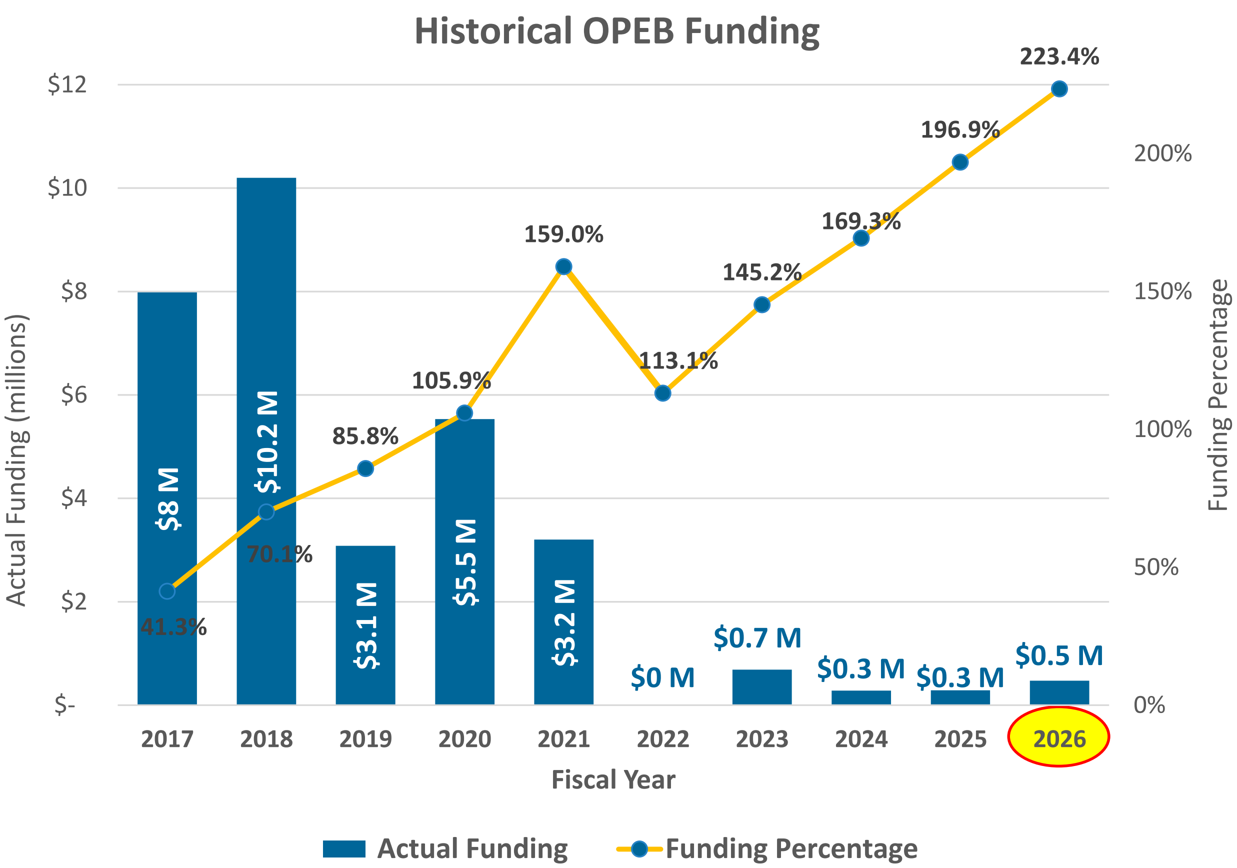
- **FY26-Q4 Market Value $50.9M (+$3.2M)**
- Gross Return
  - FY26 Q4: 7.46%
    Net of fees 7.41%; Composite benchmark 7.99%
  - FY26 YTD: 12.21%
    Net of fees 11.99%; Composite benchmark 14.50%
- As of June 30, 2026, the OPEB plan is 223.44% funded

Quarterly Retirement/ OPEB Investment Report

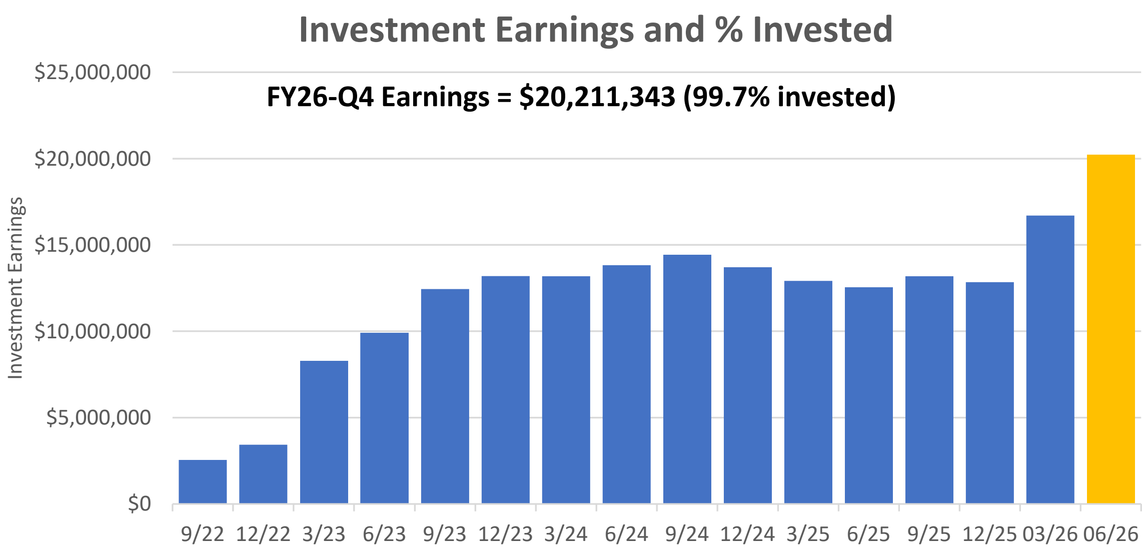
Quarter ending June 30, 2026

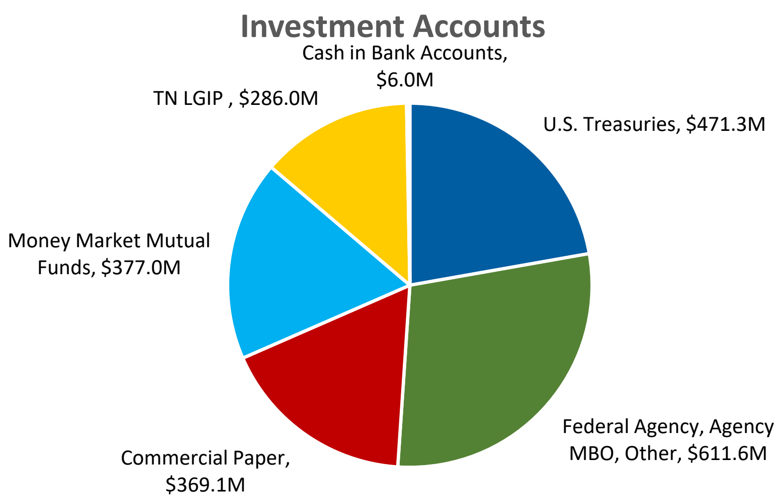


Historical Retirement Plan Funding



Historical OPEB Funding





Quarterly Treasury Investment Report

Quarter ending June 30, 2026

- Total available funds: $2.121B
- Funds invested: 99.7%
- Investment portfolio in compliance and meeting policy objectives
- 4Q26 combined yield: 3.64%
- Total cash & investment earnings
  - 4Q26: $20,211,343
  - 3Q26: $16,699,254
  - 4Q26 had $55M less available funds than 3Q26

Joint Meeting of the MNAA and MPC Finance Committee

Meeting Adjourned