

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: September 19, 2018

Place: Henrietta Grant Board Room
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:00 p.m. on Wednesday, September 19, 2018 in the Henrietta Grant Board Room at McGhee Tyson Airport with the Board Chairman, Eddie Mannis, presiding.

EXECUTIVE SESSION

Chairman Mannis announced that prior to the regular business agenda the Board would be adjourning for an executive session to be briefed by the Authority's legal counsel on pending litigation involving condemnation proceedings with the Tennessee Department of Transportation (TDOT). The Executive Session terminated at 4:14 p.m.

BUSINESS AGENDA

After resuming the regular meeting, roll call developed that Board members present, in addition to Chairman Mannis, were Ursula Bailey, Joe Dawson, Charles Harr, Maribel Koella, Brian Simmons, Jeff Smith, and Howard Vogel. Also present were William F. Marrison, President of the Airport Authority, and members of his staff; Mark Mamantov, legal counsel; and other visitors.

I. Announcements. Chairman Mannis reminded those in attendance that a sign-up sheet was available for members of the audience who would like to address the Board of Commissioners. The time for presentation would be limited to three minutes and then only if time permits.

II. Minutes. The Chairman noted that the minutes of the regular meeting of July 18, 2018, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by unanimous voice vote. Then, the Chairman noted that the minutes of the special meeting of August 27, 2018, had also been distributed with the agenda materials. Upon motion duly seconded, the minutes of the special meeting were approved as presented by unanimous voice vote.

III. Consent Calendar. The Chairman noted that the Consent Calendar for September 19, 2018, had been included with the agenda materials, and he requested that Mr. Marrison review it with the Board. Following the review of the Consent Calendar, the Chairman inquired whether any Commissioner wished to move an item to the regular agenda. There being no such request, upon motion duly seconded, the Consent Calendar was approved by unanimous voice vote, and a copy will be filed with these minutes.

IV. President's Report and Financial Review. President Bill Marrison advised the Board that his written report was included with the agenda materials, that the financial report was also included with the agenda materials, and that both reports would be on file in the administrative offices of the Airport Authority. Mr. Marrison then reported the Airport had record-setting months in both June and July. In July, the Airport served 212,023 passengers, being the busiest month in the Airport's 80-year history, breaking the previous record of 210,464 travelers just achieved in June. The Airport has now achieved 27 consecutive months of year-over-year passenger traffic increases at the Airport.

Next, Mr. Marrison announced that both McGhee Tyson and Knoxville Downtown Island Airports recently welcomed different military aircraft for Hurrevac operations from the southeastern US as they evacuated from Hurricane Florence. Mr. Marrison shared photographs of some of the unique aircraft that took shelter at the Airport.

Then, Mr. Marrison introduced Becky Huckaby, Vice President of Public Relations, to provide a Milestone Moment in connection with the celebration of McGhee Tyson Airport's 80th anniversary. As that Milestone Moment, Ms. Huckaby announced that on February 14, 2000, the new terminal building opened and that it was the first terminal building constructed in the United States in the new millennium. Ms. Huckaby also shared a few other ways the Airport Authority has been celebrating the anniversary, such as having a back to school bash and giving out school supplies; hosting a lunch and learn on the runway; handing out informational flyers on Aviation Day; hosting Food Truck Tuesday every other week to support local restaurants; and sponsorship of an aviation-themed corn maze.

Finally, Mr. Marrison called on Jim Evans, Vice President of Marketing and Air Service Development, to give an update on the establishment by Allegiant Airlines of an aircraft base at the Airport. Mr. Evans explained that construction is almost complete of the new space required by Allegiant and that the new manager of the base is relocating to Knoxville from Arizona. The current plan is for the first aircraft to be located at the Airport by November 9th. Additionally, Mr. Evans explained that Allegiant Air is already discussing additional destinations to add for 2019.

V. Committee Reports.

A. Report of the Finance, Personnel and Insurance Committee. Commissioner Harr, Chair of the Finance, Personnel and Insurance Committee, advised the Board that the Committee had met prior to the Board meeting to discuss an addendum to Mr. Marrison's current employment contract. Mr. Harr explained that the addendum would allow for the smooth transition of leadership to occur between Mr. Marrison and Mr. Patrick Wilson, the hired successor. Second, it would allow Mr. Marrison to receive his severance in installment payments. Finally, it arranges for the Airport Authority to retain Mr. Marrison as a consultant through the end of 2019 in exchange for the payment of certain insurance expenses. Mr. Harr then stated that, based on the Committee's review, the Committee recommends the addendum to Mr. Marrison's employment contract substantially in the form presented. Mr. Harr then, on behalf of the Committee, moved for approval of the Committee's recommendation, which motion required no second. The motion was unanimously approved by a voice vote.

VI. New Business.

A. Consideration of Authorization to Apply for and Accept Grants from the Federal Aviation Administration and TDOT's Aeronautics Division. Mr. Marrison advised the Board that the proposed agenda item would allow the appropriate Airport Authority officers to apply for and accept Federal Aviation Administration (FAA) and TDOT's Aeronautics Division grants for the Airfield Modernization Program from October 1, 2018 through September 30, 2019. Mr. Marrison noted that all grants would be subject to the review and approval of the Airport Authority's legal counsel. It was moved by Mr. Vogel, seconded by Mr. Harr, that the authorization to apply and accept grants from the FAA and TDOT's Aeronautics Division be approved, subject to approval by legal counsel. The motion was unanimously approved by a voice vote.

B. Consideration of Authorization to Ratify the Purchase from Service One for Terminal Gates 7, 8, and 9 Envelope Netting. Mr. Marrison explained this project would provide temporary netting on Gates 7, 8 and 9, and a project for a permanent solution would be presented to the Board at a later date. Mr. Marrison advised the Board that this purchase from Service One, Inc. was estimated to be

\$50,000.00. It was moved by Mr. Dawson, seconded by Mr. Simmons, that the authorization to ratify the purchase from Service One, Inc. for envelope netting be approved. The motion was unanimously approved by a voice vote.

C. Consideration of the Purchase of the 1.87-Acre Tract of Land and House at 2046 Callahan Road. Mr. Marrison advised the Board that the property located at 2046 Callahan Road is surrounded by property owned by the Airport Authority and is directly across from the FedEx cargo location. The owner of the 1.87 acres of land and the house on 2046 Callahan Road has agreed to sell the property to the Airport Authority for \$350,750.00 plus closing costs, incidental costs, and moving expenses. Mr. Marrison explained the house will have to be demolished for safety purposes, and the approximate cost for the demolition and environmental assessment and abatement would be approximately \$40,000.00. It was moved by Ms. Bailey, seconded by Mr. Vogel, that the purchase of the 1.87-acre tract of land and house at 2046 Callahan Road be approved. Following discussion, the motion was unanimously approved by a voice vote.

D. Consideration of Approval of Work Authorization Number 18-122B to CHA Consulting, Inc., Award of Contract to Cortese Tree Specialists, a Division of Wolf Tree Inc., and Authorization to Accept a Grant for the Obstruction Removal 2018 Project for Knoxville Downtown Island Airport. Mr. Marrison explained to the Board that the presented work authorization would allow CHA Consulting, Inc. to provide support for future easements, verification surveys of obstructions removed, and needed updates to the Knoxville Downtown Island Airport Layout Plan. Mr. Marrison advised the Board that the Airport Authority has an existing contract with Cortese Tree Specialists for tree removal services, and the presented contract would allow Cortese Tree Specialists to remove obstructions on 13 properties with existing easements and also on the University of Tennessee where the Airport Authority has already obtained a Right of Entry Agreement. Finally, Mr. Marrison noted, because this project is eligible for state funding, the Airport Authority is requesting the Board authorize the appropriate staff to accept a grant from TDOT. It was moved by Mr. Simmons, seconded by Mr. Harr, that Work Authorization Number 18-122B to CHA Consulting, Inc., the award of contract to Cortese Tree Specialists, and the authorization to accept a grant for the obstruction removal from the Knoxville Downtown Island Airport be approved, subject to approval by legal counsel. Following discussion, the motion was unanimously approved by a voice vote.

E. Consideration of Approval of Work Authorization Number 18-124 with CHA Consulting, Inc. for Design Services for Airfield Electrical, Markings, and Electrical Vault for the Airfield Modernization Program Runway 5L/23R Reconstruction Project at McGhee Tyson Airport. Mr. Marrison advised the Board that this work authorization will provide bidding and award services for the procurement and installment of the necessary lighting and markings for the completion of the Runway 5L/23R Reconstruction Project. Additionally, the work authorization will also provide the necessary design and bidding services for the construction of a new airfield lighting vault. Mr. Marrison explained this project was eligible for funding through federal and state grants. It was moved by Mr. Smith, seconded by Mr. Harr, that Work Authorization Number 18-124 with CHA Consulting, Inc., for design services for the airfield electrical, markings, and electrical vault, be approved. The motion was unanimously approved by a voice vote.

F. Consideration of Approval of a Ground Lease Agreement with Massey Properties, LLC for the Construction of Hangar 3 and an Aircraft Storage Hangar Complex for Cirrus Design Corporation d/b/a Cirrus Aircraft. Mr. Marrison advised the Board that Massey Properties, LLC desires to take over the ground lease with Cirrus Design Corporation and develop both Hangar 3 and the storage complex in phases. Mr. Marrison explained that Hangar 3 is currently under construction and will be used for jet aircraft delivery and aircraft maintenance. The second phase of the project will consist of Hangars 4-6 that will serve as an aircraft storage complex. Both phases of the project are expected to be leased to

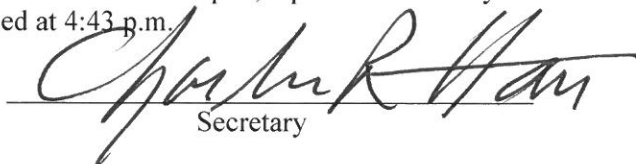
Cirrus Design Corporation. It was moved by Mr. Smith, seconded by Mr. Dawson, that the ground lease agreement with Massey Properties, LLC for the construction of Hangar 3 and an aircraft storage hangar complex for sublease to Cirrus Design Corporation be approved, subject to approval by legal counsel. The motion was unanimously approved by a voice vote.

G. Consideration of Award of a Construction Contract to Blount Excavating, Inc. for the West Aviation Area Ramp Expansion Project at McGhee Tyson Airport. Mr. Marrison advised the Board that the proposed contract provides for the grading, drainage, water quality units, utilities, fencing, and paving of two aircraft ramps in the West Aviation Area. Mr. Marrison explained that both of these ramps connected to Cirrus Design Corporation hangars. After receiving bids for this project, Blount Excavating Inc. is recommended by the Airport Authority's staff for the award of contract, at a contract price of \$862,090.00. It was moved by Mr. Dawson, seconded by Ms. Bailey, that the award of a construction contract to Blount Excavating, Inc. for the West Aviation Area ramp expansion be approved, subject to approval by legal counsel. The motion was unanimously approved by a voice vote.

H. Consideration of Approval of Contract with The Harper Company, Work Authorization Number 18-123 with CHA Consulting, Inc., and Ratify the Military Cooperative Construction Agreement Amendment for Runway 5L/23R Reconstruction Taxiway G Lighting System Repair. Mr. Marrison advised the Board that The Harper Company was the only responsive bid for the base and the additive bids (1-6) for the Runway 5L/23R Reconstruction Taxiway G lighting system repair project. Further, the work authorization to CHA Consulting, Inc., will provide for construction administration, design engineering, quality assurance and other necessary services for this project. Finally, Mr. Marrison explained the existing Military Cooperative Construction Agreement was being amended to accept additional funds. It was moved by Mr. Vogel, seconded by Ms. Koella, that the contract with The Harper Company be approved, Work Authorization Number 18-123 with CHA Consulting, Inc., be approved, and the Military Cooperative Construction Agreement Amendment for Runway 5L/23R Reconstruction Taxiway G lighting system repair be ratified, all subject to approval by legal counsel. The motion was unanimously approved by a voice vote.

I. Consideration of Approval of Disposal of Property to TDOT for Construction of Phase One of the Relocation of the Existing Alignment of State Route 115 (U.S. 129/Alcoa Highway). Mr. Marrison advised the Board that TDOT has filed condemnation proceedings in the Circuit Court for Blount County, Tennessee, for the taking of approximately 59.093 acres of Airport Authority land for the alignment of State Route 115. The Airport Authority has until October 4, 2018, to file an objection with the court for TDOT's right to take possession of and divest title of the property and to contest TDOT's valuation of the property. On August 24, 2018, the FAA issued its public notice regarding the proposed release of land to TDOT. The FAA sought public comment on or before September 24, 2018, and the notice states the FAA may approve releasing the land from federal obligations after this date. In the event FAA's response is not timely, the Airport Authority recommends that the Board allow legal counsel to file an objection for TDOT's right to take possession of and divest title of the property until FAA approval is received. Regardless of the FAA's approval, Mr. Marrison explained the Airport Authority recommends that legal counsel be authorized to contest TDOT's valuation of the property. It was moved by Mr. Vogel, seconded by Mr. Dawson, that legal counsel be authorized to respond to the pending proceedings, as presented, to be approved. Following discussion, the motion was unanimously approved by a voice vote.

The Chairman announced that the business agenda had been completed and that there were no requests by individuals wishing to address the Board. Thereupon, upon motion duly seconded and unanimously approved, the meeting was adjourned at 4:43 p.m.


Secretary