

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: October 20, 2021

Place: Cascade Room, Airport Hilton
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:00 p.m. on Wednesday, October 20, 2021, in the Cascade Room at the Airport Hilton with the Board Chairman, Brian Simmons, presiding.

Roll call developed that Board members present, in addition to Chairman Simmons, were Ursula Bailey, Julia Bentley, Charlie Harr, and Maribel Koella. Also present were Patrick Wilson, President of the Airport Authority, and members of his staff; Mark Mamantov, legal counsel; and other visitors.

BUSINESS AGENDA

I. Announcements. Chairman Simmons 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. Chairman Simmons noted that the minutes of the regular meeting of September 22, 2021, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by unanimous voice vote.

III. President's Report and Financial Review. President Patrick Wilson provided the President's report and highlights of the activity report, the project report, and financial information that was included with the agenda materials.

Mr. Wilson then explained that the Knoxville Chamber is currently meeting with various business partners regarding Knoxville Downtown Island Airport (DKX), and a draft of the Chamber's visioning strategy should be ready to share with the Board in November. In addition, the new DKX website will launch in November.

Mr. Wilson explained that the Airport Authority will host the first media event on November 4, 2021, to promote the Smoky Mountain Air Show scheduled for 2022. Mr. Wilson invited all the Commissioners to attend.

Finally, Mr. Wilson announced that, due to the continued concerns regarding the coronavirus, the Airport Authority's annual holiday party will be cancelled again this year with the hopes of returning in 2022. (Commissioner Joe Dawson entered the meeting during the President's report.

IV. Consideration of Approval of the Amended and Restated Bylaws – Second Reading. Mr. Wilson explained that any amendments to the Bylaws must be passed at two successive meetings of the Board, and the Board provided an initial approval at the September Board meeting. It was moved by Ms. Koella, seconded by Ms. Bentley, that the Amended and Restated Bylaws be approved as presented. The motion was unanimously approved by a voice vote.

V. Auto Parking Demand Study. Mr. Wilson explained to the Board that the Airport Authority's staff, CHA Consulting, Inc. (CHA Consulting), and Walker Parking Consultants recently completed an auto parking demand study to be able to understand the parking needs at McGhee Tyson Airport (TYS). Mr. Bill Barley from CHA Consulting and Mr. Kyle Keppner from Walker Parking

Consultants presented the findings to the Board and answered the Board's questions. In summary, Mr. Keppner explained that a parking shortage is projected for 2025, and he recommends expansion of the parking garage to address the projected shortage.

VI. New Business.

A. Consideration of Approval of Work Authorization Number 21-148 to CHA Consulting for the Garage Expansion Programming at TYS. Mr. Wilson informed the Board that the need to expand the parking garage was identified in the terminal area plan and further highlighted by the auto parking demand study. The proposed work authorization will include garage size analysis for various demand intervals, programming discussions for the consideration of rental cars/ground transportation on the ground level, determination of the budget and schedule for demand intervals, defining the scope, schedule, and budget of associated projects, opinion of costs, an evaluation of various delivery methods, and a final presentation at a future Board meeting. The cost of the work authorization is \$368,048. It was moved by Ms. Bentley, seconded by Mr. Dawson, that Work Authorization Number 21-148 with CHA Consulting be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

B. Consideration of Approval of Work Authorization Number 21-147 to CHA Consulting, Inc. for the Automated Parking Guidance System at TYS. Mr. Wilson informed the Board that the need to have a more sophisticated parking guidance system has increased along with the increase in parking needs. An automated parking guidance system would allow the traveling public to have information on the number of available spots and to navigate any construction projects necessary to expand parking. The proposed work authorization will explore options for parking guidance systems, and the cost of the work authorization is \$63,605. It was moved by Mr. Harr, seconded by Ms. Koella, that Work Authorization Number 21-147 with CHA Consulting and the FY 2022 Capital Budget be amended to include the project and funding be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

C. Consideration of Approval of Lease Agreement between the Airport Authority and United Parcel Service, Inc. (UPS) at TYS. Mr. Wilson advised the Board that UPS has requested a seasonal lease agreement for the building located at 2085 Airbase Road to be used as a package facility. Mr. Wilson explained that the term would be for a maximum of three months, and the rental rate would be \$9,000 per month. It was moved by Ms. Bentley, seconded by Ms. Koella, that the President, in consultation with legal counsel, have the authority to negotiate the lease agreement with UPS and to execute the same. The motion was unanimously approved by a voice vote.

D. Consideration of Approval of Fuel and Fire Truck Insurance Policy Renewal. Mr. Wilson explained that the Airport Authority's agent, D.R. Cox and Company, negotiated quotes for the fuel and fire truck insurance at TYS and DKX. The current insurance provider, Travelers Indemnity Company, proposed a premium of \$13,178, or an increase of 5% from the previous year. This increase is below the industry average premium increase of 20%. It was moved by Ms. Bailey, seconded by Ms. Koella, that the renewal of the fuel and fire truck insurance policy with Travelers Indemnity Company be approved. The motion was unanimously approved by a voice vote.

E. Consideration of Consent to Annexation of Parcel 035 041.05 to the City of Maryville, Tennessee, and Related Matters. Mr. Wilson explained to the Board that the Airport Authority owns a piece of undeveloped property on Proffitt Springs Road, designated as Blount County Tax Parcel 035 041.05 (the Parcel), that is currently located within the boundaries of the City of Alcoa. Due to the expected location of a large corporate headquarters and related facilities on a parcel adjacent to the Parcel, and at the request of the entity locating on the adjacent parcel, the administrations of the City of Alcoa and the City of Maryville have agreed to undertake the legal process that is necessary for the Parcel owned by the Airport Authority, as well as the adjoining parcel on which the corporate headquarters and related facilities will be located, to be de-annexed from the City of Alcoa and annexed into the City of Maryville. In connection

with such annexation, the Airport Authority's Parcel would also be included in the City of Maryville's urban growth boundary and the City of Maryville would need to establish zoning for the Parcel. Mr. Wilson further explained that the administrations of the City of Alcoa and the City of Maryville have requested the Airport Authority to cooperate with this annexation process and to consent to the annexation of the Parcel by the City of Maryville. The Airport Authority's property is exempt from property taxes, and therefore, the annexation of the Parcel by the City of Maryville will not result in additional expense to the Airport Authority. It was moved by Mr. Dawson, seconded by Ms. Bailey, that the President and/or the Chairman be authorized to execute any documentation necessary to consent to the annexation of the Parcel, to consent to the Parcel's inclusion in the urban growth boundary and to seek the appropriate zoning for the Parcel. Following discussion, the motion was unanimously approved by a voice vote.

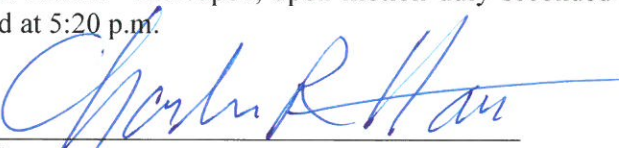
F. Consideration of Approval of MKAA Air Service Incentives for New Frontier Airlines Nonstop Service between TYS and Orlando International Airport, FL (MCO). Mr. Wilson informed the Board that the proposed incentives relate to the proposed three weekly flights to MCO by Frontier Airlines. The flights will be from November 7, 2021 to January 4, 2022, with the possibility of extension through April 2022. The staff recommends providing \$5,000 of initial marketing and advertising fees, \$1.00 per flown passenger in additional marketing funds, and a waiver of landing fees and terminal fees associated with the new flights. The proposed incentives are consistent with the Airport Authority's Enhanced Air Service Partnership Program. It was moved by Ms. Bentley, seconded by Ms. Bailey, that the incentive package to Frontier Airlines for the MCO flights be approved as presented. The motion was unanimously approved by a voice vote.

VII. Staff Reports.

Mr. Wilson provided a presentation to the Board regarding the status of the strategic plan. Mr. Wilson explained that the Board will have a workshop prior to the November Board meeting to review the initiatives and action plan that the Airport Authority's staff recommends to further the strategic plan.

Becky Huckaby, Vice President of Public Relations of the Airport Authority, reported to the Board that TYS celebrated its 84th birthday, and over 300 boxed lunches were provided to employees and tenants to express the Airport Authority's appreciation for their hard work throughout the pandemic. She also reminded the Board that the official media announcement for the Smoky Mountain Air Show would take place on November 4, 2021 at 10 a.m. at the TYS Air National Guard base.

Chairman Simmons 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 5:20 p.m.


Secretary