

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: February 16, 2022

Place: Cascade Room, Airport Hilton
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority (Airport Authority) met pursuant to notice at 4:00 p.m. on Wednesday, February 16, 2022, 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, Joe Dawson, Charlie Harr, Maribel Koella, Jeff Smith, and Howard Vogel. 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 December 15, 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 introduced Karen Illg, the Air Traffic Manager for the Federal Aviation Administration (FAA) at McGhee Tyson Airport (TYS), and explained that Ms. Illg and her team were an integral part of completing the construction of Runway 5L/23R. Mr. Wilson thanked Ms. Illg and her team for their support throughout the project.

IV. New Business.

A. Consideration of Approval of Air Service Incentives for New Allegiant Air Nonstop Service between TYS and Phoenix Sky Harbor International Airport (PHX). Jim Evans, Vice President of Marketing and Air Service Development at the Airport Authority, informed the Board that the proposed incentives relate to twice weekly flights to PHX by Allegiant Air. The flights will start on February 16, 2022, and are required to operate for a minimum of 18 months. The staff recommends providing \$30,000 of initial marketing and advertising fees, \$1 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 Mr. Vogel, seconded by Mr. Harr, that the incentive package to Allegiant Air for the PHX flights be approved as presented. The motion was unanimously approved by a voice vote.

B. Consideration of Approval of Air Service Incentives for New Allegiant Air Nonstop Service between TYS and Minneapolis/St. Paul International Airport (MSP). Mr. Evans informed the Board that the proposed incentives relate to twice weekly flights to MSP by Allegiant Air. The flights will start on March 9, 2022 and are required to operate for a minimum of 18 months. The staff recommends

providing \$30,000 of initial marketing and advertising fees, \$1 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 Mr. Vogel, seconded by Ms. Bentley, that the incentive package to Allegiant Air for the MSP flights be approved as presented. The motion was unanimously approved by a voice vote.

C. Consideration of Ratification of Work Authorization Number 21-137B with CHA Consulting, Inc. (CHA) for Terminal Apron Expansion Design and Bidding at TYS. Bryan White, Vice President of Engineering at the Airport Authority, explained to the Board that FAA's guidance required bids in hand by April 11, 2022 to use the Airport Improvement Program entitlement funds for the fiscal year ending in September 30, 2022. In order to meet that schedule, the Airport Authority initiated the design and bid document phase for the terminal apron expansion project with CHA. Mr. White explained that the project will add up to nine additional aircraft parking spots, and 90% of the project would be funded by the FAA grants. The total amount of the work authorization is \$1,031,144. It was moved by Ms. Bentley, seconded by Ms. Koella, that the work authorization with CHA be ratified. The motion was unanimously approved by a voice vote.

D. Consideration of Approval of Final Balance Change Order Number 11 to the Contract with The Harper Company, Inc. (Harper) for Runway 5L/23R Reconstruction, Taxiway G Lighting System. Mr. White explained to the Board that the proposed change order with Harper is the final balancing change order for the Taxiway G lighting system. The change order is for an overall decrease of \$2,944.90 due to a decrease in quantity of unreinforced concrete. It was moved by Ms. Koella, seconded by Mr. Vogel, that the change order with Harper be approved. The motion was unanimously approved by a voice vote.

E. Consideration of Approval of Professional Services Work Authorization for Assessment of In-Terminal Concessions Program. Dave Schroth, the Properties and Risk Manager at the Airport Authority, informed the Board that two of the Airport Authority's concession agreements expire in 2024 and 2025. The proposed work authorization with Ricondo & Associates, Inc. (Ricondo) would provide a situational assessment of the existing concession program and provide a projection of the additional space needed to support future demand. Ricondo would also work with Airport Authority's staff to outline goals, alternative leasing strategies and recommendations. The work authorization is in an amount not-to-exceed \$54,000. It was moved by Ms. Bailey, seconded by Mr. Dawson, that the work authorization with Ricondo be approved. The motion was unanimously approved by a voice vote.

F. Consideration of Approval of Addendum Number Five to the Public Parking Management Agreement. Mr. Schroth explained to the Board that the proposed addendum to the agreement with Republic Parking of Knoxville (Republic) extends the term for a period of two years and adds shuttle services to Republic's scope of work. Republic receives a management fee equal to \$26,878 and an incentive fee that cannot exceed \$26,878 for the fiscal year ending June 30, 2022 under the Agreement. Both fees escalate 3% each year. It was moved by Mr. Dawson, seconded by Ms. Bentley, that the addendum with Republic be approved. The motion was unanimously approved by a voice vote.

G. Consideration of Purchase Approval of Three Shuttle Buses for Employee and Public Shuttle Service. Mr. Schroth informed the Board that the increase in passenger traffic will continue to push tenants, employees, and passengers to parking spaces further from the terminal. To meet the near-term shuttle needs, Republic, the Airport Authority's parking management company, has recommended the purchase of three additional shuttles. Due to vehicle shortages and supply chain challenges, the Airport Authority is requesting purchase approval in advance in an amount not-to-exceed \$465,000, including accessories, so the Airport Authority can proceed as soon as a shuttle can be procured. It was moved by Ms. Koella, seconded by Ms. Bailey, that the Airport Authority be authorized to purchase three shuttle buses for a cost not to exceed \$465,000. The motion was unanimously approved by a voice vote.

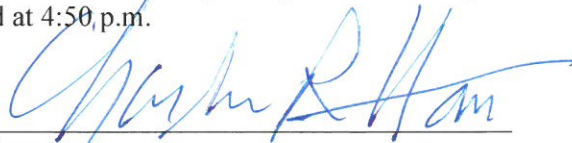
H. Consideration of Ratification of Acceptance of Concessions Rent Relief Airport Rescue Grant. Mr. Wilson informed the Board that the deadline to accept Concessions Rent Relief Airport Rescue Grants was December 31, 2021, on behalf of the TYS concessionaires. The Airport Authority received \$1,062,569 under this grant program. Mr. Wilson explained that the grant funds will be used to reimburse the Airport Authority for providing relief from rents and minimum annual guarantees (MAG) to eligible in-terminal concession providers at TYS. There is no local match required for this grant. It was moved by Ms. Bentley, seconded by Mr. Vogel, that the Airport Authority's acceptance of this grant be ratified. Following discussion, the motion was unanimously approved by a voice vote.

VII. Staff Reports.

Trevis Gardner, Vice President of Operations at the Airport Authority, updated the Board on the Knoxville Downtown Island Airport runway project and related closures and the Airport Authority's progress related to the Smoky Mountain Air Show scheduled for September 10-11, 2022.

Becky Huckaby, Vice President of Public Relations at the Airport Authority, provided the Board with a printed copy of the Airport Authority strategic plan and explained that the copy provided was a printed version of the digital plan (and that the image quality was not as clear as the digital version).

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 4:50 p.m.


Secretary