

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: April 19, 2023

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, April 19, 2023, 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, 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. The minutes of the regular meeting of March 22, 2023, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by a unanimous voice vote.

III. Nominating Committee. Chairman Simmons explained that the Airport Authority's bylaws require that the Nominating Committee, comprised of three Board members, meet and then present a recommended slate of officers to the Board at the June Board meeting. Mr. Simmons reported that Ms. Bailey, Ms. Bentley and Ms. Koella have expressed a willingness to serve on the Nominating Committee. Mr. Simmons recommended that Ms. Bailey serve as Chair to the Nominating Committee. It was moved by Mr. Dawson, seconded by Mr. Harr, that Ms. Bailey, Ms. Bentley and Ms. Koella serve on the Nominating Committee and that Ms. Bailey serve as Chair to the Committee. The motion was unanimously approved by a voice vote.

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

Mr. Wilson also noted that Jim Evans, the Vice President of Marketing and Air Service Development at the Airport Authority, was meeting with Allegiant Airlines this week at their headquarters in Las Vegas.

Mr. Wilson then thanked his staff for their hard work and dedication for making the HonorAir Knoxville Flight 32 at McGhee Tyson Airport (TYS) a success.

Mr. Wilson also explained that individual Board members would be contacted in the coming weeks to set up a meeting with the Airport Authority's staff to review the Airport Authority's visioning process, and Steve Van Beek will also be at the August Board meeting to provide an airline and airport update and to provide a workshop on strategic projections.

V. Report of the Administration and Finance Committee. Commissioner Harr, Chair of the Administration and Finance Committee, advised the Board that the Committee had met prior to the Board

meeting to review the operating budget for the fiscal year ending on June 30, 2024. This report was informational only.

Next, Mr. Harr reported that the Committee considered the personnel program for the fiscal year ending on June 30, 2024. Mr. Harr noted that the costs of the personnel program are included in the operating budget for the fiscal year ending on June 30, 2024. Mr. Harr then, on behalf of the Committee, moved for approval of the personnel program for the fiscal year ending on June 30, 2024, which motion required no second. The motion was unanimously approved by a voice vote.

Finally, Mr. Harr explained that the Committee considered Resolution No. 23-01 to allow the Airport Authority to reimburse itself from bonds or other debt obligations for costs associated with the acquisition or construction of airport facilities, including land and building acquisition, hangar construction, airport terminal improvements, and parking facilities. Mr. Harr noted that the resolution does not require the Airport Authority to undertake such reimbursement, nor does it require the Airport Authority to issue bonds or other debt obligations. Mr. Harr then, on behalf of the Committee, moved for approval of Resolution 23-01, which motion required no second. The motion was unanimously approved by a voice vote.

VI. Report of the Capital Development Committee. Commissioner Koella, Chair of the Capital Development Committee, advised the Board that the Committee had met prior to the Board meeting to consider the revised airport capital improvement program for McGhee Tyson Airport (TYS) and Knoxville Downtown Island Airport (DKX) for the fiscal year ending June 30, 2024. Ms. Koella then, on behalf of the Committee, moved for approval of the revised airport capital improvement program for the fiscal year ending June 30, 2024, which motion required no second. The motion was unanimously approved by a voice vote.

VII. New Business.

A. Consideration of Approval to Purchase Property Located at 411 East Cunningham Street. Dave Schroth, the Director of Properties and Risk Management at the Airport Authority, informed the Board that a residential home located at 411 East Cunningham Street is near property owned by the Airport Authority and is important to the Airport Authority's future expansion and development. The lot is 0.65 acres, and the house on the lot is 3,127 square feet. The cost of the property is \$680,000 plus closing costs. The purchase will be contingent on a property inspection, appraisal, and title report. The staff further recommends that a contingency of \$20,000 be made available at the President's discretion for property repairs. It was moved by Mr. Dawson, seconded by Ms. Koella, that the purchase of property located at 411 East Cunningham Street be approved as presented. The motion was unanimously approved by a voice vote.

B. Consideration of Approval to Purchase Property Located at 563 Link Drive. Mr. Schroth informed the Board that a residential home located at 563 Link Drive is near property owned by the Airport Authority and is important to the Airport Authority's future expansion and development. The lot is 0.65 acres, and the house on the lot is 3,420 square feet. The cost of the property is \$649,800 plus closing costs. The purchase will be contingent on a property inspection, appraisal, and title report. The staff further recommends that a contingency of \$20,000 be made available at the President's discretion for property repairs. It was moved by Ms. Koella, seconded by Ms. Bentley, that the purchase of property located at 563 Link Drive be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

C. Consideration of Approval to Purchase the Tyson Centre Office Building Located at 110 Tyson Boulevard and Ground Lease Termination. Mr. Schroth explained to the Board that Airport Office Partners, LLC has agreed to sell to the Airport Authority the Tyson Centre office building located at 110 Tyson Boulevard for \$8,750,000. The purchase will be contingent on a property inspection and appraisal. The building is approximately 60,000 square feet and is currently leased to four tenants. In order to

consummate the purchase, the existing ground lease agreement with that Airport Office Partners, LLC would be terminated. It was moved by Ms. Koella, seconded by Mr. Harr, that the purchase of the Tyson Centre office building and ground lease termination be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

D. Consideration of Amendment Number One to the Air Cargo/GSE Maintenance Building Lease Agreement between the Airport Authority and Delta Air Lines, Inc. (Delta). Mr. Schroth explained that Delta currently leases a cargo and maintenance building at TYS. The current lease term expires on June 30, 2023. The proposed amendment extends the lease term for an initial period of three years with two additional one-year extensions. Mr. Schroth explained the proposed amendment also increases the rental rate by 37%, matching the rates paid by other cargo operators at TYS. The land and building rental rates will increase at 2.5% annually under the proposed amendment. It was moved by Ms. Bentley, seconded by Mr. Dawson, that the amendment to the Air Cargo/GSE Maintenance Building Lease Agreement be approved as presented. The motion was unanimously approved by a voice vote.

E. Consideration of Approval of Contract with Navcon, LLC for Runway 5L/23R Reconstruction Project MALSR Improvements at TYS. Bryan White, the Vice President of Planning and Development at the Airport Authority, informed the Board that the proposed contract is for the access ladder and fall protection system attached to the four light towers serving the medium intensity approach light system with runway alignment indicator lights. The proposed improvements have been requested by the Federal Aviation Administration (FAA). The Airport Authority's staff advertised the improvements for bid, and Navcon, LLC was the only bid. The proposed contract cost is \$73,450, and 90% of the cost will be covered by federal grants. It was moved by Ms. Bailey, seconded by Ms. Bentley, that the contract with Navcon, LLC be approved as presented. The motion was unanimously approved by a voice vote.

F. Consideration of Ratification of Change Order Number 1 to the Contract with Pullman SST, Inc. for Terminal Netting Replacement. Mr. White explained the proposed change order included labor and materials to complete the envelope netting replacement located at Gates 5, 6, 11 and 12 at TYS. The original contract with Pullman SST, Inc. was less than \$75,000 and approved by the President under the Airport Authority's policies. The change order brings the total cost of the contract to \$85,935.08, requiring Board approval. It was moved by Mr. Dawson, seconded by Ms. Bailey, that ratification of Change Order Number 1 to the Contract with Pullman SST, Inc. be approved as presented. The motion was unanimously approved by a voice vote.

G. Consideration of Approval of Work Authorization Number 23-156 to CHA Consulting, Inc. (CHA) for Short-Term Boarding Gate Expansion Analysis and Recommendations at TYS. Mr. White explained that the proposed work authorization included professional services related to the analysis of the current passenger boarding bridge configurations and recommendations for alternative passenger boarding bridge configurations, additional parking and boarding positions, and lease agreements to maximize airline parking and passenger capacity. CHA will lead this study in collaboration with Gresham Smith and Ricondo and Associates. This short-term strategic plan will help accommodate airline and passenger needs while a larger concourse and gate expansion project is being formulated and developed. The cost of the proposed work authorization is \$189,924. It was moved by Ms. Koella, seconded by Ms. Bailey, that Work Authorization Number 23-156 to CHA be approved. The motion was unanimously approved by a voice vote.

H. Consideration of Approval of Work Authorization Number 23-157 to CHA for TYS and DKX BIL ATP Application. Mr. White explained that the proposed work authorization provided for the preparation of FAA grant application packages for airport terminal program funding, under the Public Law 117-58-Infrastructure Investment and Jobs Act, referred to as the Bipartisan Infrastructure Law. The application package for TYS will target a concourse gate expansion, and the application package for DKX will target a new terminal facility. It was moved by Ms. Bentley, seconded by Mr. Dawson, that Work Authorization Number 23-157 in the amount of \$42,546 to CHA Consulting, Inc. for TYS and DKX BIL

ATP Application at McGhee Tyson and Knoxville Downtown Island Airports be approved as presented. The motion was unanimously approved by a voice vote.

I. Consideration of Award of Change Order Number 1 to Complete Construction Management for Sinkhole Remediation Project and Acceptance of a TDOT Division of Aeronautics Grant at TYS. Mr. White explained that excavation of the sinkholes revealed an extensive network of additional sinkholes not seen on the surface. The geotechnical consultant has prepared a new plan for remediation, and the proposed change order provides for the additional excavation, embankment, and concrete needed to remediate the sinkholes. Due to the unexpected amount of work, the Airport Authority has coordinated with the Tennessee Department of Transportation's Aeronautics Division (TDOT) for funding, and a grant of \$598,426.47 has been provided for the Board's approval. It was moved by Ms. Bentley, seconded by Ms. Bailey, that the award of Change Order Number 1 for \$517,533.47 to Complete Construction Management for the sinkhole remediation project and acceptance of a TDOT grant be approved as presented. The motion was unanimously approved by a voice vote.

J. Consideration of Approval of Work Authorization Number 23-600 to Internetwork Engineering (IE) for Network Equipment and Professional Services in Support of the Boarding Gates Common Use Initiative for TYS. Mr. White explained that IE was the Airport Authority's approved network integration service provider. The proposed work authorization allows for planning and program support and the procurement of network switches and hardware accessories to support the future passenger processing system, common use initiative and public address system. The cost of the work authorization is \$836,394.28. It was moved by Ms. Koella, seconded by Ms. Bailey, that Work Authorization Number 23-600 to IE for network equipment and professional services be approved. The motion was unanimously approved by a voice vote.

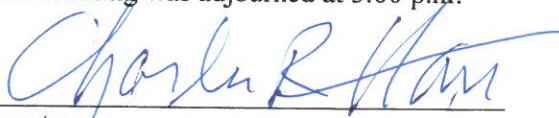
K. Consideration of Award of Contract to Solotech for Audio Visual and Public Address Systems at TYS. Mr. White informed the Board that the current terminal and concourse audio visual and public address system was installed in 1999 and has reached the end of its service and support life. The system is being replaced in coordination with the shared/common use initiative. After issuing a request for proposals and receiving three qualified responses, the Airport Authority's staff and The Faith Group recommend Solotech for the project. The amount of the contract is \$1,983,677. It was moved by Ms. Koella, seconded by Mr. Dawson, that the award of a contract to Solotech for audio visual and public address systems be approved. The motion was unanimously approved by a voice vote.

L. Consideration of Award of an Agreement to System Integrations, Inc. (System Integrations) for Access Control Services for TYS and DKX. Tom Aiken, the Director of Public Safety at the Airport Authority, informed the Board that the Airport Authority needs support, repair and maintenance for its access control system at TYS and DKX. System Integrations has been interviewed and confirmed as a qualified vendor. System Integrations currently has a contract with The Public Building Authority of the County of Knox and the City of Knoxville (PBA). The Airport Authority is authorized to participate in cooperative agreements with approved agencies, and the PBA is an approved agency. Mr. Aiken noted the proposed agreement has been approved by the Airport Authority's legal counsel. The term of the contract is for one year with two additional one-year extensions. It was moved by Ms. Bailey, seconded by Mr. Dawson, that the award of an agreement to System Integrations for access control services be approved. The motion was unanimously approved by a voice vote.

VIII. Staff Reports. At the request of Mr. White, Vincent Rodriguez and David King from Gresham Smith reported to the Board on the parking garage expansion alternative selection.

Next, Becky Huckaby, the Vice President of Public Relations at the Airport Authority, reported to the Board on the recent Honor Air program, the Elite Aces program and the DKX Spring Open House, and she also explained that the Aviation Academy at the Airport Authority is starting this week.

IX. Adjournment. 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 5:00 p.m.


Secretary