Metropolitan Knoxville Airport Authority
Public Notice
Passenger Facility Charge (PFC) Notice of Intent No. 22-08-C-00-TYS

Effective Date of Public Notice: July 25, 2022

Pursuant to Title 14 Code of Federal Regulations (CFR) 158, *Passenger Facility Charges,* the Metropolitan Knoxville Airport Authority (Authority), as owner and operator of the McGhee Tyson Airport (the Airport), hereby provides public notice of its intention to file Passenger Facility Charge Application (PFC) Notice of Intent No. 22-08-C-00-TYS with the Federal Aviation Administration (FAA) to impose and use a PFC to fund, in whole, or, in part, eligible projects at the Airport. The Authority is posting this public notice as part of the PFC application process pursuant to 14 CFR Part 158.24.

Public comment deadline:
As required under 14 CFR Part 158.24, the Authority is accepting public comments on PFC Notice of Intent No. 22-08-C-00-TYS up to thirty (30) days after the date of posting this public notice on the Authority's website. Comments must be received on or before ***August 24, 2022***.

Comments may be mailed to:
Yin Chen
Controller
Metropolitan Knoxville Airport Authority
P.O. Box 15600, Knoxville, TN 37701
Yin.chen@tys.org

The following sections provide descriptions, justification statements, and plans of finance for the projects to be included in PFC Notice of Intent 22-08-C-00-TYS.

Projects for which the Authority is Seeking PFC Impose and Use Authority:

1. Design, Acquire, and Install Baggage Claim Device

Project Start Date: April 2021

Project End Date: July 2022

Impose and Use: $4.50

Funding Sources:

		Amount
PFC (Pay-as-you-go) – 100%	$	2,472,260
Total Project Costs	$	2,472,260

Project Description:
Design, acquire, construct, and install a third baggage claim device in the air carrier terminal building.

Project Justification:
Prior to the decrease in passenger volumes due to COVID-19, the Airport experienced 42 months of consecutive growth to record the highest level of passenger activity in its history. During peak hours, the operational capacity of the two existing baggage claim devices is insufficient to meet the demand of arriving aircraft and passengers. According to published airline schedule data for July 2022, the peak hour for aircraft operations indicates seven aircraft arrivals in one hour, which is a high level of demand that puts operational stress on the two existing baggage claim devices. A third device enables the Authority to adequately service passengers during peak hour operations, reducing wait times for closely spaced aircraft arrivals and enhancing the capacity of the air carrier terminal building to accommodate baggage claim operations.

Based on the Airport Terminal Area Plan (TAP) study completed in 2020 and the FAA approved forecast for the Master Plan in 2021, a third baggage claim device is needed to support existing demand through Planning Activity Level (PAL) 3 (1.6 million enplanements), which is forecast to occur in the near-term planning horizon. The Authority anticipates that annual enplaned passengers will exceed 1.5 million in FY 2025, based on the TAP, the 2021 FAA approved passenger activity forecast, and current passenger volumes. A third baggage claim device is justified given current passenger activity and forecasts of passenger activity.

2. Design, Acquire, and Install Passenger Boarding Bridges

***Project Start Date**:* July 2017

***Project End Date**:* September 2018

***Impose and Use**:* $4.50

***Funding Sources**:*

		Amount
PFC (Pay-as-you-go)	$	6,378,772
Other Revenue	$	2,063,082
Total Project Costs	$	8,441,854

***Project Description**:*
Design, acquire, and install 12 passenger boarding bridges (PBBs), including 10 replacement PBBs and 2 new PBBs. The project also included modifications to the PBB foundations located on the apron; installation of new PC AIR and ground power units, and associated electrical upgrades. No modifications to the footprint of the terminal building were required. Approval of this project will allow PFC funding to be provided for the unamortized (prior to this application for PFC funding, the project was amortized for the expected lifetime of the PBBs and charged to the airlines through rates and charges) amount of the project not previously charged to the airlines serving the Airport. The Authority's request for PFC funding is approximately 75.6 percent of the total project cost.

***Project Justification**:*
At the time of replacement, the existing 10 PBBs were approximately 20 years old and had exceeded their useful life. The PBBs were also becoming prohibitively difficult to maintain due to the unavailability of replacement parts, leading to excessive down-time. The electrical controls and software serving the PBBs were obsolete and not supported by the manufacturer or third-party vendors. As a result, several PBBs had essential components that were past their useful life and the PBBs were beginning to fail. In addition, seven of the PBBs were only able to accommodate regional jet aircraft, which reduced the capacity of the terminal to accommodate larger aircraft currently being used by airlines serving the Airport. Each of the 12 PBBs are regularly used by airlines operating from the Airport. Eleven of the PBBs are leased by Signatory Airlines on a preferential basis while one is unleased but controlled by the Authority on a Per Turn basis. As many as 18-20 aircraft overnight during the evening hours, resulting in use of all 12 gates and associated PBBs during the morning block of activity. The installation of the two additional PBBs was necessary to enhance capacity and furnish opportunities for enhanced competition between airlines. Currently an average of approximately five aircraft turns per day occur on each PBB.

3. Runway 5R-23L Safety Enhancement Project

Project Start Date: August 2014

Project End Date: February 2015

Impose and Use: $4.50

Funding Sources:

	Amount
PFC (Pay-as-you-go)	$ 215,461
Approved AIP Funding	$ 3,801,631
State Funding	$ 206,943
Total Project Costs	$ 4,224,035

Project Description:
Design and construct Runway 5R-23L safety area improvements including the rehabilitation of pavement; grading and drainage improvements; and the installation of an Instrument Landing System (ILS), including a glide slope, localizer, and distance measuring equipment (DME).

Project Justification:
Improvements to Runway 5R-23L were needed to preserve airfield pavement and to enhance safety . Safety was improved through modifications to the Runway 5R-23L safety areas to meet FAA design standards for profile and transverse grades. All-weather capabilities of the Airport were enhanced through the installation of a full ILS system (i.e., glide slope, localizer, and DME) which decreased landing minima for Runway 23L and allows for continued operations in adverse weather conditions. The installation of the ILS provides a safer environment for aircraft landing in reduced visibility conditions.

4. Rehabilitate Runway 5L-23R Phases 1 through 7

***Project Start Date**:* July 2015

***Project End Date**:* September 2020

***Impose and Use**:* $4.50

***Funding Sources**:*

		Amount
PFC (Pay-as-you-go)	$	5,764,365
Approved AIP Funding	$	102,272,027
State Funding	$	5,599,200
Air National Guard Funding	$	6,152,182
Local Funding	$	22,623
Total Project Costs	$	119,810,397

***Project Description**:*
Design, reconstruct, and extend Runway 5L-23R. This project was constructed in seven phases between 2015 and 2020 as more fully described below:

- Phases 1 and 2 included the removal and recycling of approximately 3,000 linear feet (LF) of runway pavement, Taxiways B6 and B7 between Runway 23R and Taxiway B, and miscellaneous airfield pavements. This project also involved the reconstruction of approximately 1,800 LF and corrected line of site for Runway 23R; the reconstruction of Taxiways B6, B7, G8; a portion of Taxiway G; modifications to Airfield Lighting Control System (ALCS) graphics; installation of 30 airfield guidance signs; and removal of FAA owned NAVAIDS.

- Phase 3 included the relocation of a 12" natural gas main and the South Perimeter Access Road, as well as the removal and stockpiling of: 6,000 LF of runway pavement; Taxiways B1, B2, B5, G1, G2, G3, G4, and a portion of Taxiway B; and miscellaneous abandoned airfield pavements. This phase also involved the removal of storm sewer structures and duct banks; the excavation and placement of approximately 1,400,000 cubic yards of earth as additional work needed to correct runway line of sight; installation of 18,000 LF of storm sewer; and the installation of a ground-to-ground rotation beacon radio control.

- Phases 4, 5, and 6 included the construction of Runway 5L-23R (approximately 7,250' x 150') and subgrade pavement from the end of the work completed previously to the 5L threshold including the electrical infrastructure exclusive of wiring and lighting. These phases also included the construction of Taxiways B2, G3, G1, G2, B1, and B3, including subgrade, pavement, edge lighting, signing, and pavement markings.

- Phase 7 included the construction of Taxiways B4, B5, G4, and a portion of B including subgrade, pavement, and electrical infrastructure exclusive of wiring and lighting.

Project Justification:
Based on the pavement management system for the Airport, the Runway 5L-23R pavement was at the end of its service life prior to its reconstruction. The Pavement Condition Index (PCI) study commissioned by the Authority in 2011 rated the keel section of the runway as poor and requiring reconstruction. During the reconstruction, the runway was improved to meet the current FAA design standards for profile and transverse grades, safety areas, and exit/entrance taxiway geometrics. Other safety and FAA design criteria compliance improvements included:

- Horizontal and vertical geometric improvements
- Profile changes to meet line-of-sight and gradient requirements
- Grading and drainage improvements
- Storm water management improvements in accordance with recommendations in the Airport's Wildlife Management Plan,
- Reconfiguration of crossing taxiways to eliminate the direct access to runways, and
- Reduction of high energy taxiway/runway intersections.

5. PFC Administrative Services

Project Start Date: September 2021

Project End Date: September 2022

Impose and Use: $4.50

Funding Sources:

	Amount
PFC (Pay-as-you-go) -100%	$ 40,102
Total Project Costs	$ 40,102

Project Description:
This project includes consulting costs associated with the development of the Authority's Notice of Intent to impose and use PFC revenue in accordance with 14 CFR 158.

Project Justification:
Retaining a PFC consultant assists with ensuring Notices of Intent are filed according to the rules and regulations determined by the FAA. This project is eligible in accordance with 14 CFR 158.3, "allowable cost," as explained in that section's preamble.