

# METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

## Minutes of the Board of Commissioners

Date: April 17, 2024

Place: Airport Operations Center  
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 17, 2024, at the Airport Operations Center, located at 100 Cirrus Landing, Alcoa, Tennessee, 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, Caryn Hawthorne, Maribel Koella, Wes Stowers, 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 as to an item on the agenda or to speak during the public forum at the conclusion of the meeting.

II. Minutes. The minutes of the regular meeting of March 20, 2024 had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by a unanimous voice vote.

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

Mr. Wilson announced that Jay Prince, the Transportation Security Administration lead for McGhee Tyson Airport (TYS), passed away on April 15. The Board and the meeting attendees held a moment of silence in remembrance of Mr. Prince.

Mr. Wilson also announced that the Knoxville Downtown Island Airport (DKX) held an open house on Saturday, April 13. Mr. Wilson said the event had a great turnout and a detailed update would be presented to the Board at a future meeting.

IV. 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 review the draft airport capital improvement program for TYS and DKX for the fiscal year ending June 30, 2025. The report was informational only to be voted on at the next Committee meeting.

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 and reviewed the personnel program and the operating budget for the fiscal year ending June 30, 2025. Both reports were informational only to be voted on at the next Committee meeting.

Mr. Harr advised the Board that the Committee also considered updates to the employee handbook. The updates include the addition of Juneteenth as an observed holiday, paying employees working on a holiday during the pay period of observance, and adding the aircraft rescue and firefighting certification to the Safety Department Career Advancement Program. On behalf of the Committee, Mr. Harr moved for

approval of the updates to the employee handbook, which motion required no second. The motion was unanimously approved by a voice vote.

VI. New Business.

A. Consideration of Approval of Air Service Incentives for New Avelo Airlines (Avelo) Nonstop Service Between TYS and Tweed New Haven Airport (HVN). Mr. Wilson explained that the first seven items of new business related to incentives under the Airport Authority's New Air Service Partnership Program. The Board agreed to vote on all seven incentive packages together following the presentation of all seven packages to the Board. 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 HVN by Avelo. The flights will start on May 9, 2024 and operate on a seasonal basis not to exceed three seasons of seven months each. The staff recommends providing \$40,000 of initial marketing assistance, \$1.00 per flown passenger in additional marketing assistance, and a waiver of gate area fees and ticketing area fees associated with the new flights. The proposed incentives are consistent with the Airport Authority's New Air Service Partnership Program.

B. Consideration of the Approval of Air Service Incentives for New Frontier Air Lines, Inc. Nonstop Service Between TYS and Philadelphia International Airport (PHL). Mr. Evans informed the Board that the proposed incentives relate to three weekly flights to PHL by Frontier Air Lines, Inc. The flights will start on May 16, 2024 and are required to operate for one year. The staff recommends providing \$30,000 of initial marketing assistance, \$1.00 per flown passenger in additional marketing assistance, and a waiver of gate area fees and ticketing area fees associated with the new flights. The proposed incentives are consistent with the Airport Authority's New Air Service Partnership Program.

C. Consideration of Approval of Air Service Incentives for New Allegiant Air, LLC (Allegiant) Nonstop Service Between TYS and Orlando International Airport (MCO). Mr. Evans informed the Board that the proposed incentives relate to twice-weekly flights to MCO by Allegiant. The flights will start on May 17, 2024 and are required to operate for one year. The staff recommends providing \$30,000 of initial marketing assistance, \$1.00 per flown passenger in additional marketing assistance, and a waiver of gate area fees and ticketing area fees associated with the new flights. The proposed incentives are consistent with the Airport Authority's New Air Service Partnership Program.

D. Consideration of Approval of Air Service Incentives for New Delta Air Lines, Inc. Nonstop Service Between TYS and Minneapolis/St. Paul International Airport (MSP). Mr. Evans informed the Board that the proposed incentives relate to daily flights to MSP by Delta Air Lines, Inc. The flights will start on June 7, 2024 and are required to operate for one year. The staff recommends providing \$30,000 of initial marketing assistance, \$1.00 per flown passenger in additional marketing assistance, and a waiver of gate area fees and ticketing area fees associated with the new flights. The proposed incentives are consistent with the Airport Authority's New Air Service Partnership Program.

E. Consideration of Approval of Air Service Incentives for New Allegiant Nonstop Service Between TYS and MidAmerica St. Louis Airport (BLV). Mr. Evans informed the Board that the proposed incentives relate to twice-weekly flights to BLV by Allegiant. The flights will start on June 13, 2024 and are required to operate for one year. The staff recommends providing \$30,000 of initial marketing assistance, \$1.00 per flown passenger in additional marketing assistance, and a waiver of gate area fees and ticketing area fees associated with the new flights. The proposed incentives are consistent with the Airport Authority's New Air Service Partnership Program.

F. Consideration of Approval of Air Service Incentives for New Allegiant Nonstop Service Between TYS and South Bend International Airport (SBN). Mr. Evans informed the Board that the proposed incentives relate to twice-weekly flights to SBN by Allegiant. The flights will start on June 14, 2024 and are required to operate for seven months. The staff recommends providing \$30,000 of initial

marketing assistance, \$1.00 per flown passenger in additional marketing assistance, and a waiver of gate area fees and ticketing area fees associated with the new flights. The proposed incentives are consistent with the Airport Authority's New Air Service Partnership Program.

G. Consideration of Approval of Air Service Incentives for New Allegiant Nonstop Service Between TYS and Jacksonville International Airport (JAX). Mr. Evans informed the Board that the proposed incentives relate to twice-weekly flights to JAX by Allegiant. The flights will start on June 14, 2024 and are required to operate for one year. The staff recommends providing \$30,000 of initial marketing assistance, \$1.00 per flown passenger in additional marketing assistance, and a waiver of gate area fees and ticketing area fees associated with the new flights. The proposed incentives are consistent with the Airport Authority's New Air Service Partnership Program. It was moved by Ms. Koella, seconded by Mr. Vogel, that all seven incentive packages be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

H. Consideration of Approval of Airport Lease and Use Agreement, with Addendum Number One, Between the Airport Authority and Avelo Airlines at TYS. Dave Schroth, the Director of Properties and Risk Management at the Airport Authority, informed the Board that Avelo desires to obtain an agreement to begin operations at TYS on May 9, 2024. The proposed Airport Lease and Use Agreement is identical to the agreement signed by the other signatory airlines. In addition to the proposed agreement, Mr. Schroth explained that an addendum to the agreement was necessary to grant Avelo the right to operate on a per-turn basis. As a per-turn airline, Avelo is required to pay an additional 20% surcharge on terminal fees and charges and give up approval rights over material changes to any capital projects during the term of the agreement. It was moved by Mr. Vogel, seconded by Mr. Stowers, that the agreement and addendum with Avelo be approved as presented. The motion was unanimously approved by a voice vote.

I. Consideration of Approval of Addendum Number Two to the Airport Lease and Use Agreement Between the Airport Authority and Allegiant at TYS. Mr. Schroth explained that Allegiant requested to relocate their ticket counter and related facilities to increase their footprint by 2,337 square feet. The proposed addendum reflects the new ticket counter and related facilities. It was moved by Mr. Stowers, seconded by Mr. Vogel, that the addendum with Allegiant be approved as presented. The motion was unanimously approved by a voice vote.

J. Consideration of License Agreement with Arconic US LLC (Arconic) for Parking Lot Located on East Hunt Road. Mr. Schroth explained that Arconic has agreed to grant a license to the Airport Authority to use a portion of its parking lot for the Airport Authority's employees, tenant employees, and monthly parkers. The lot will provide an additional 435 spaces to cover the Airport Authority's projected parking deficit. The cost of the license is \$5,000 per month. It was moved by Ms. Bentley, seconded by Ms. Bailey, that the license with Arconic for a parking lot located on East Hunt Road be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

K. Consideration of New Passenger Facility Charge (PFC) Application Services. Susan Gennoe, the Vice President of Finance at the Airport Authority, requested that the Board approve a task order with Landrum and Brown to assist with the preparation and submission of a new PFC application to the Federal Aviation Administration. The proposed task order is for an amount not to exceed \$35,000. It was moved by Ms. Bentley, seconded by Mr. Vogel, that the task order with Landrum and Brown for the PFC application be approved as presented. The motion was unanimously approved by a voice vote.

L. Consideration of a Ratification of a Purchase and Increase of Spend Limit with KONE. Trey Meadows, the Senior Director of Facilities at the Airport Authority, explained to the Board that the elevator and escalators have seen significant downtime during the last several months. The down escalator in the terminal had a serious issue, which required replacement of steps and other critical parts. KONE provided the best plan and the lowest price to restore services. The Airport Authority's staff requests the ratification of repair services from KONE in an amount equal to \$74,950. The Airport Authority's staff also

requests an increase in the spending limit with KONE to \$150,000 for the fiscal year ending June 30, 2024. It was moved by Mr. Harr, seconded by Mr. Stowers, that the ratification of a purchase and increase of spend limit with KONE be approved as presented. The motion was unanimously approved by a voice vote.

M. Consideration of a Ratification of a Purchase, Pre-Approval of a Purchase and Increase of Spend Limit with Service One. Mr. Meadows explained to the Board that upgrades were needed to the current power and data infrastructure for Parking Lots D and E. The Airport Authority's staff requests the ratification of services for Lots D and E in an amount equal to \$35,400 to Service One. The Airport Authority's staff also requests the approval for up to \$75,000 of expenses to Service One for the upgrades needed to the entrance of Lot F. The Airport Authority's staff also requests an increase in the spending limit with Service One to \$150,000 for the fiscal year ending June 30, 2024. It was moved by Ms. Bailey, seconded by Mr. Vogel, that the ratification of a purchase, pre-approval of a purchase and an increase of the spend limit with Service One be approved as presented. The motion was unanimously approved by a voice vote.

N. Consideration of Approval of Resolution No. 24-01 to Establish an Updated Occupational Safety and Health Program Plan. Mr. Meadows informed the Board that the Airport Authority recently updated its Occupational Safety and Health Program plan to comply with state law requirements. The Tennessee Occupational Safety and Health Administration also requested the Board to adopt a resolution approving the updated plan. Mr. Meadows explained that legal counsel prepared the proposed Resolution No. 24-01 to comply with the Tennessee Occupational Safety and Health Administration's request. It was moved by Mr. Vogel, seconded by Mr. Dawson, that Resolution No. 24-01 be adopted. The motion was unanimously approved by a voice vote.

VII. Public Forum. Chairman Simmons announced that the business agenda had been completed and that there were no requests by individuals wishing to address the Board.

VIII. Adjournment. Thereupon, upon motion duly seconded and unanimously approved, the meeting was adjourned at 4:44 p.m.

  
Secretary

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