

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: September 18, 2024

Place: Henrietta Grant Board Room
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:04 p.m. on Wednesday, September 18, 2024, in the Henrietta Grant Board Room at McGhee Tyson Airport with the Board Chairman, Brian Simmons, presiding.

Roll call developed that Board members present, in addition to Chairman Simmons, were Ursula Bailey, Joe Dawson, Caryn Hawthorne, Maribel Koella, Allison Page, 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 August 21, 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 then recognized the Airport Authority's building services team and thanked them for their hard work during the last three months of record passenger numbers.

IV. New Business.

A. Report Regarding Garage Program Costs. Eric Williamson, the Director of Design and Construction at the Airport Authority, presented the final program costs for the new parking garage to the Board. The total program cost is \$185,535,670.40. The report was informational only.

B. Report Regarding Garage Program Financing Plan. Lauren Lowe, from PFM Financial Advisors, the Airport Authority's financial advisor, presented the financing plan for the new parking garage to the Board. The report was informational only.

C. Consideration of Adoption of Resolution No. 24-03: Master Resolution Authorizing the Issuance of Airport Revenue Bonds. Mr. Mamantov explained to the Board that in connection with the proposed issuance of bonds to finance the new parking garage, the Airport Authority needs to adopt a new master resolution under which its airport revenue bonds would be issued. The master resolution provides the covenants and terms under which all Airport Authority bonds would be issued in the future and would replace and substantially update the prior master resolution under which the Airport Authority's bonds were previously issued. Mr. Mamantov noted that the proposed master resolution was previously presented at a workshop of the Board, and no significant changes have been made to the proposed master resolution since

that workshop. It was moved by Mr. Vogel, seconded by Ms. Hawthorne, that Resolution No. 24-03 be adopted as presented. The motion was unanimously approved by a voice vote.

D. Consideration of Adoption of Resolution No. 24-04: Initial Resolution Authorizing the Metropolitan Knoxville Airport Authority to Issue Revenue Bonds in an Aggregate Principal Amount of Not-to-Exceed \$185,000,000 to Finance Airport Improvements. Mr. Mamantov informed the Board that in connection with the issuance of the bonds to finance the new parking garage, state law requires the Board to adopt an initial resolution stating certain basic terms regarding the issuance of the bonds. The initial resolution is required to be published in the newspaper following adoption by the Board. The purpose of the resolution is to provide information regarding the financing to the public. It was moved by Ms. Koella, seconded by Ms. Bailey, that Resolution No. 24-04 be adopted as presented. The motion was unanimously approved by a voice vote.

E. Consideration of Adoption of Resolution 24-05: A Supplemental Resolution Authorizing the Issuance of Not-To-Exceed \$150,000,000 in Aggregate Principal Amount of Airport Revenue Bonds, Series 2024, in One or More Series, to Finance Costs of Parking Facilities; Authorizing a Negotiated Sale of Such Bonds; Delegating Certain Authority to the Officers of the Authority Relating to the Approval, Execution and Delivery of Documents Related to the Issuance of Such Bonds, Including a Bond Purchase Agreement, a Continuing Disclosure Agreement and All Other Documents Necessary or Appropriate to Provide for the Issuance of Such Bonds; and Authorizing the Distribution of a Preliminary Official Statement and the Execution and Delivery of an Official Statement with Respect Thereto. Mr. Mamantov informed the Board that the Airport Authority is ready to proceed with the issuance of the fixed-rate bonds that will provide the majority of the funding for the new parking garage. Because the Airport Authority expects to lease a portion of the new garage to rental car companies, a portion of the bonds will be issued on a taxable basis, with the remaining, and larger, portion being issued on a tax-exempt basis. In order to issue these bonds, a resolution supplementing the master bond resolution needs to be adopted in order to authorize the issuance of these specific bonds. Mr. Mamantov noted that the supplemental resolution provides the parameters under which the bonds can be issued and authorizes the officers of the authority to take all actions needed to consummate the bond issue. It was moved by Ms. Bailey, seconded by Mr. Stowers, that Resolution No. 24-05 be adopted as presented. The motion was unanimously approved by a voice vote.

F. Consideration of Approval of Guaranteed Maximum Price Amendment with Messer Construction for Parking Garage Project and Approval of Issuance of Work Authorizations to Gresham Smith for Construction Administration for Parking Garage Project. Mr. Williamson explained to the Board that Messer Construction has presented its guaranteed maximum price of \$164,718,296 as the Airport Authority's construction manager at risk for the new parking garage project. In order to memorialize the guaranteed maximum price, the Airport Authority and Messer Construction will execute an amendment to the construction contract. The amendment will be prepared by the Airport Authority's legal counsel. The guaranteed maximum price also includes contingencies to address any unforeseen conditions that may arise as well as any additional scope required during construction of the project. The requested approval from the Board would authorize the Airport Authority's staff to direct the expenditure of those contingencies as required during the construction process. The Airport Authority is also requesting the issuance of work authorizations with Gresham Smith for construction administration during the parking garage project in an amount not exceeding \$10,519,186. Mr. Williamson also noted that a limited notice to proceed ("LNTP") needs to be issued to Messer Construction to commence work on portions of the rental car facility access in an amount not to exceed \$1,966,079. The cost of the LNTP would be included in the guaranteed maximum price amendment. It was moved by Ms. Koella, seconded by Mr. Vogel, that (i) the President be authorized to execute the guaranteed maximum price amendment with Messer Construction, (ii) the issuance of work authorizations to Gresham Smith for construction administration be approved, and (iii) that the Airport Authority's staff be authorized to issue a LNTP to Messer Construction in the amount not to exceed \$1,966,079 for additional preliminary work as presented. Commissioner Stowers recused himself

from the vote due to a potential, indirect conflict of interest. The remaining Commissioners unanimously approved the motion by a voice vote.

G. Consideration of Approval for a Purchase for Access Control Equipment. Michael Giles, the Procurement Manager at the Airport Authority, explained that the current access control system at TYS requires an update. The current system is provided by Matrix, and the Airport Authority staff recommends using Matrix for the upgrades to ensure continuity and quality. The proposed cost is \$275,000. It was moved by Ms. Bailey, seconded by Ms. Hawthorne, that the purchase for the access control equipment and related services be approved as presented. The motion was unanimously approved by a voice vote.

H. Consideration of Approval for a Purchase for Replacement HVAC Units at the Tyson Centre. Trey Meadows, the Senior Director of Facilities at the Airport Authority, explained that the HVAC units at the Tyson Centre need to be replaced. Mr. Meadows explained that there were eight units total at the Tyson Centre, and the Airport Authority planned to replace two each year. Cook's Mechanical, the Airport Authority's approved HVAC vendor, provided an estimate and evaluation to replace two units. The cost of the two units and installation by Cook's Mechanical is \$185,466. It was moved by Mr. Vogel, seconded by Mr. Dawson, that the purchase for the replacement of 2 HVAC units at the Tyson Centre be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

I. Consideration of Approval of Work Authorization Number 24-320 under the General Consultant Agreement with Gresham Smith for Additional Regulatory Compliance and Operational Procedures Assistance for McGhee Tyson (TYS) and Knoxville Downtown Island Airports (DKX). Mr. Williamson explained that the proposed work authorization would include additional regulatory compliance, including an assessment of all air emissions sources, evaluation of associated regulatory changes, and the permit renewal application support for both air and water regulations. The proposed work authorization would also include an environmental audit and associated summary report, to develop improved environmental standard operating procedures and related training support. The cost of the proposed work authorization is \$76,840. It was moved by Mr. Stowers, seconded by Ms. Bailey, that the proposed work authorization with Gresham Smith for additional regulatory compliance and operational procedures assistance be approved as presented. The motion was unanimously approved by a voice vote.

J. Consideration of Approval of Work Authorization Number 24-172 with CHA Consulting, Inc. for the Hangar Roof Repairs Project Formulation Services at DKX. Jason Bennett, the Director of Planning at the Airport Authority, explained to the Board that the roofs of the museum hangar and the support shop area of the terminal hangar at DKX are reaching the end of their useful life. The roof of the museum hangar has existing water damage. The proposed work authorization will formulate the scope of work, satisfy the environmental documentation requirements of the project with the Tennessee Department of Transportation (TDOT), establish budgets and estimates for the roof replacement, and establish the construction schedule expectations. This project will be funded by a TDOT grant. The cost of the proposed work authorization is \$45,129. It was moved by Mr. Dawson, seconded by Ms. Hawthorne, that the work authorization with CHA Consulting, Inc. for the roof repairs project formulation services at DKX be approved as presented. The motion was unanimously approved by a voice vote.

K. Consideration of Approval of Work Authorization Number 23-165 with CHA Consulting, Inc. for Taxilane Expansion Project Formulation, Environmental Phase Services, and TDOT Grant Acceptance at DKX. Mr. Bennett informed the Board that the proposed work authorization will provide environmental documentation services to satisfy the National Environmental Protection Act (NEPA) requirements and coordination with TDOT on the taxilane expansion project at DKX. This project will be funded by a TDOT grant. The cost of the proposed work authorization is \$37,338. It was moved by Ms. Koella, seconded by Mr. Stowers, that the proposed work authorization with CHA Consulting, Inc. for the taxilane expansion project be approved and that the President be authorized to accept a grant from TDOT for such project. The motion was unanimously approved by a voice vote.

L. Consideration of Approval of Work Authorization Number 24-171 to CHA Consulting, Inc. for Terminal Sanitary Lift Station Improvement Design and Bidding Phase Services at TYS. Mr. Bennett informed the Board that the proposed work authorization will provide for the design and bidding phase professional services for the terminal and concourse facilities sanitary sewer lift station. The existing lift station is reaching the end of its useful life and has been refurbished on several occasions. It is currently expected that the lift station will be relocated and constructed in a new location to support the terminal and concourse for future expansion. While future expansion most likely will warrant a brand new/relocated lift station, there is a need to provide short-term improvements that will allow for safe and efficient operation of this station for the next three to seven years until further improvements can be undertaken. Mr. Bennett explained the specific scope for these design services will be focused on the most economical and operational solution given the knowledge that a future new lift station will be required. The cost of the proposed work authorization is \$97,741. It was moved by Mr. Stowers, seconded by Ms. Bailey, that the proposed work authorization to CHA Consulting, Inc. for the design and bidding services for the terminal sanitary lift station at TYS be approved as presented. Following discussion, the motion was unanimously approved the motion by a voice vote.

M. Consideration of Approval of a Cooperative Service Agreement with the United States Department of Agriculture (USDA), Animal and Plant Health Services, and Wildlife Services for Supplemental Wildlife Management Services. Justin Lackey, the Director of Airfield Operations at the Airport, explained that the proposed agreement with USDA is for wildlife management services at TYS. USDA has assisted the Airport Authority with its wildlife hazard management program since 2010. The term of the agreement would be five years, and the cost of the services for five years is \$468,900. It was moved by Mr. Vogel, seconded by Ms. Bailey, that an agreement with USDA for wildlife management services be approved as presented and that the President be authorized to execute the agreement with USDA. Following discussion, the motion was unanimously approved by a voice vote.

N. Consideration of Approval to Enter into Contracts with Shambaugh and Son, L.P. and Gallaher and Associates for Improvements to the Hangar 800 Fire Suppression System at TYS. Mr. Bennett explained to the Board that Hangar 800 has been unoccupied for a few years, and a potential tenant has expressed interest in leasing Hangar 800 if it can be available for use by December 31, 2024. To accommodate the potential tenant or any other future tenant, the fire suppression system in Hangar 800 requires improvements and modernization. The fire suppression improvements would update various critical components of the system, including the sprinkler heads, and convert the system to a water-based system from a foam system. The system currently in place uses a type of foam that is being phased out where possible due to environmental concerns. The Airport Authority recommends that Shambaugh & Son, L.P. and Gallaher & Associates work collaboratively on the project due to their specific expertise and experience. The proposed cost of the contract with Shambaugh & Son, L.P. is \$398,824, and the proposed cost of the contract with Gallaher & Associates is \$15,690. Because the hangar has not been occupied for several years, unknown conditions associated with the fire protection systems may exist that cannot be addressed as part of the initial contracting. Therefore, a 15% contingency of \$62,177 is requested for this project to be spent if deemed necessary by the President. It was moved by Ms. Koella, seconded by Mr. Stowers, that the contracts with Shambaugh and Son, L.P. and Gallaher and Associates for improvements to the Hangar 800 fire suppression system be approved as presented and that the President be authorized to spend the 15% contingency if needed on the project. The motion was unanimously approved by a voice vote.

V. Staff Reports. Becky Huckaby, the Vice President of Public Relations at the Airport Authority, provided an overview of the Airport's outreach efforts over the summer through various media outlets. Ms. Huckaby noted that the Airport was expecting a record number of passengers for fall break between October 3 and 17, and her team would be spreading the message that all passengers should arrive at least two hours before their flight during fall break.

Jim Evans, the Vice President of Marketing and Air Service Development at the Airport Authority, reported to the Board on the increased flights and passengers at TYS over the summer.

VI. Public Forum. Chairman Simmons announced that the business agenda had been completed and three individuals requested to speak during the public forum. Benjamin Tiernan requested that the monthly parking program for tenant employees be re-opened. James Lance requested that free parking for veterans be implemented at TYS. Amy Adams expressed concerns regarding the parking area available for airline employees.

VII. Adjournment. Thereupon, upon motion duly seconded and unanimously approved, the meeting was adjourned at 5:31 p.m.


Asst. Secretary

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