

**NOTICE OF OPPORTUNITY FOR PUBLIC COMMENT RELATED TO
PASSENGER FACILITY CHARGES
PFC Application 23-14-C-00-EUG**

The Metropolitan Knoxville Airport Authority (Authority or MKAA) is providing an opportunity for public comment until **February 24, 2025** on its proposed new Passenger Facility Charge (PFC) Application 25-09-C-00-TYS (PFC #9) for the McGhee Tyson Airport (Airport or TYS). PFC proceeds will be used to fund eligible project costs for certain projects at the Airport. This written notice is provided in accordance with requirements contained in Federal Aviation Regulation 49 CFR Part 158.24 Passenger Facility Charge. Accordingly, the MKAA is providing the public with the following information regarding the proposed new PFC #9 application.

HISTORY OF THE PFC PROGRAM AT THE AIRPORT

The Airport has previously received approval from the FAA for eight (8) PFC applications, as well as several amendments to the applications dating back to 1993 totaling \$107,172,380. The current amounts approved to be collected under all PFC applications are shown in **Table 1**. Since its inception, through September 30, 2024, the Airport has collected \$100,457,485 in PFCs and PFC interest earnings and has \$6,714,895 of PFC left to collect on its current PFC projects.

DESCRIPTION OF PFC PROJECTS PURSUANT TO SECTION 158.23 (a)(1)

As presented in **Table 2** a total of eleven (11) new projects are proposed for PFC #9. In total, the Airport is seeking authority to impose and use \$20,303,422 of PFCs in PFC #9. A summary of each new project proposed for PFC #9 is provided in **Attachment A** to this Notice, including the project descriptions, need and justification, and a plan of funding.

PFC LEVEL, PROPOSED CHARGE EFFECTIVE DATES, ESTIMATED CHARGE EXPIRATION DATES, AND ESTIMATED TOTAL PFC REVENUE PURSUANT TO SECTION 158.23(a)(2)

Table 3 presents the forecasted PFC revenue collections at TYS and the updated charge expiration date for PFC #19.

Based on the proposed new PFC #9 Application projects described previously, **PFC 25-09-C-00-TYS** will have the following characteristics:

- A PFC collection rate of \$4.50.
- The total PFC authority to Impose and Use under the PFC #9 Application of \$20,303,422, which would increase the Airport's total PFC collection authority for PFC applications #1 through #9 to \$127,475,802.
- Proposed charge effective date of December 1, 2025 (the month of the legal charge expiration date for the last authorized PFC application (PFC #8)) or upon expiration of collection of PFCs for currently approved applications, whichever comes first.
- Estimated charge expiration date of October 1, 2029 (or until collected revenues plus interest thereon equal the allowable costs of the approved projects, as permitted by regulation).

These dates are estimated based on the Airport's actual PFC collections and expenditures as of September 30, 2024; actual enplaned passengers for Fiscal Year (FY) 2024, an estimated 15% increase of enplaned passengers in FY 2025, a 5% increase in FY 2026, and an assumed compounded annual growth rate of 1.9% thereafter which is based on the FAA's most recent Terminal Area Forecast prepared for the Airport.

CLASS OF CARRIERS NOT REQUIRED TO COLLECT THE PFC PURSUANT TO SECTION 158.23(a)(3)

The Airport plans to request the exclusion of PFC collection from Nonscheduled/On-demand Air Carriers (ATCO) filing FAA Form 1800-31 and Commuters or Small Certificated Air Carriers (CAC) filing FAA Form T-100. The two most recent official enplanement figures from the FAA, for the year-end December 31, 2022 and December 31, 2023 show that these carriers enplaned 56 and 361 passengers, respectively, representing only 0.005% and 0.026% of total annual enplanements at the Airport in CY 2022 and CY 2023. The known carriers in these carrier classes in CY 2022 and CY 2023 and their enplanement levels consist of the following:

ATCO & CAC Carriers Enplaning Less than One Percent to Total Airport Enplanements

Type of Carrier / Carrier Name	CY 2022 Enplaned Passengers	CY 2023 Enplaned Passengers
<u>ATCO Carriers</u>		
Cobalt Air Llc (6CBA)	21	108
Northeastern Aviation Corp (AOYA)	7	
M and N Equipment LLC (MY5A)		6
TALON AIR LLC (OZTA)		8
Subtotal ATCO Carriers	28	122
<u>CAC Carriers</u>		
CFM INC D/B/A CONTOUR AIRLINES (LF#)	18	54
TAILWIND AIR, LLC (TQ)	9	
NEW PACIFIC AIRLINES (7H###)		180
Tradewind Aviation LLC (04Q)	1	5
Subtotal CAC Carriers	28	239
TOTAL ATCO & CAC CARRIERS	56	361
Total Airport Enplaned Passengers	1,216,383	1,382,197
% of ATCO & CAC Enplaned Passengers	0.005%	0.026%

Source: FAA Air Carrier Activity Information System (ACAIS) for CY 2022 and CY 2023.

As shown above, the number of passengers enplaned annually by these classes of carriers represents an amount less than one percent (1%) of the total enplaned passengers at TYS. In accordance with 14 CFR § 158.25, these classes of air carriers may be requested to be exempted based on their enplanement levels and cost to the Airport to collect PFCs from this class of air carriers.

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As required under 14 CFR Section 158.24, the MKAA will be accepting public comments on the proposed new PFC Application 25-09-C-00-TYS up to **February 24, 2025**, which is at least thirty (30) days after the date of posting of this Notice on our website. Any comments or questions should be sent to:

Yin Chen
Controller
Metropolitan Knoxville Airport Authority
P.O. Box 15600, Knoxville, TN 37701
yin.chen@tys.org

**Table 1
Summary of Existing PFC Program Approvals**

Application Number	Approved to Impose	Approved for Use	Collection Level	Effective Date	Expiration Date	Status
93-01-C-00-TYS	\$4,453,055	\$3,753,400	\$4.50	January 1, 1994	February 1, 1997	Closed
96-02-C-00-TYS	552,931	552,931	\$4.50	February 1, 1997	May 1, 1997	Closed
97-03-C-00-TYS	1,497,864	1,497,864	\$4.50	May 1, 1997	June 1, 1998	Closed
97-04-U-00-TYS	0	699,655	\$4.50	--	--	Closed
97-05-C-00-TYS	1,467,737	1,467,737	\$4.50	June 1, 1998	May 1, 1999	Closed
98-06-C-00-TYS	79,638,206	79,638,206	\$4.50	May 1, 1999	October 1, 2022	Open
03-07-C-00-TYS	4,691,627	4,691,627	\$4.50	October 1, 2022	July 1, 2023	Open
23-08-C-00-TYS	14,870,960	14,870,960	\$4.50	July 1, 2023	December 1, 2025	Open
TOTAL	\$107,172,380	\$107,172,380				

Sources: Metropolitan Knoxville Airport Authority and FAA Final Agency Decisions.

**Table 2
Proposed PFC #9 Projects**

PFC Project #	PROJECT	Est. Project Start	Est. Project End	Total Cost	Funding Sources			
					FAA / Federal		Local Share	
					FAA AIP Entitlements	BIL	Airport Share	Estimated Potential PFCs
1	Terminal Apron Expansion (Construction)	Sep-23	Mar-25	\$16,572,461	\$14,915,215			\$1,657,246
2	Holdroom Capacity Modifications (Construction)	May-24	May-25	1,500,000				1,500,000
3	RWY 5R-23L Rehabilitation and RSA Improvements (Design & Construction)	Jul-24	Dec-28	47,480,466	42,732,419			4,748,047
4	Acquisition of Snow Removal Equipment	Jun-24	10/1/25	3,231,290		2,908,161		323,129
5	Runway 5L-23R Pavement Remarking	Feb-24	Jul-25	715,000				715,000
6	Terminal Escalator Replacement (Design & Construction)	May-24	Sep-25	2,200,000				2,200,000
7	Acquire & Install Two Boarding Bridges	Mar-24	Apr-25	4,500,000				4,500,000
8	TSA Checkpoint Expansion (Planning & Design)	Aug-25	Dec-26	1,750,000				1,750,000
9	Public Restroom Expansion (Planning & Design)	Aug-25	Jul-26	1,000,000				1,000,000
10	Concourse Development Program (Schematic Design & Environmental Study)	May-24	Jan-26	2,500,000			625,000	1,875,000
11	PFC Application Preparation Costs	Nov-24	Jun-25	35,000				35,000
TOTALS				\$81,484,217	\$57,647,634	\$2,908,161	\$625,000	\$20,303,422

Source: Metropolitan Knoxville Airport Authority.

Table 3
FORECAST OF PFC REVENUE COLLECTIONS & ESTIMATED PFC CHARGE EXPIRATION DATES
(Fiscal Years Ending June 30)

		Actual					
		2024	2025	2026	2027	2028	2029
Total Enplaned Passengers	[A]	1,514,648	1,741,845	1,828,937	1,864,028	1,901,161	1,937,306
Annual increase (decrease) ¹		15.0%	15.0%	5.0%	1.9%	2.0%	1.9%
% Enplaned Passengers paying PFCs	[C]	81.2%	85.0%	85.0%	85.0%	85.0%	85.0%
PFC Enplanements		1,229,267	1,480,568	1,554,597	1,584,424	1,615,987	1,646,710
PFC Level	[D]	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
PFC Administrative Fee	[E]	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)
Net PFC Level	[F = D - E]	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39
Annual PFC Collections	[G = A*C*F]	\$5,531,702	\$6,500,000	\$6,825,000	\$6,956,000	\$7,094,000	\$7,229,000
Interest earnings ²	[H]	\$27,904	\$32,500	\$34,125	\$34,780	\$35,470	\$36,145
Service Fees	[I]	(3,191)	(3,750)	(3,937)	(4,013)	(4,092)	(4,170)
Total annual PFC revenues	[J = G + H + I]	\$5,556,415	\$6,528,750	\$6,855,188	\$6,986,767	\$7,125,378	\$7,260,975
Cumulative PFC Revenues Collected thru End of Fiscal Year		\$97,979,934	\$104,508,684	\$111,363,872	\$118,350,639	\$125,476,017	\$132,736,992
Cumulative PFC Revenues Collected thru Total PFC Collection Authority of PFC #9		\$97,979,934	\$104,508,684	\$111,363,872	\$118,350,639	\$125,476,017	\$127,475,802

PFC APPLICATION	Authorized PFC Collection Amount
93-01-C-00-TYS	\$3,753,400
96-02-C-00-TYS	\$552,931
97-03-C-00-TYS	\$1,497,864
97-04-U-00-TYS	\$699,655
97-05-C-00-TYS	\$1,467,737
98-06-C-00-TYS	\$79,638,206
03-07-C-00-TYS	\$4,691,627
23-08-C-00-TYS	\$14,870,960
25-09-C-00-TYS	\$20,303,422
Total PFC Collection Authorization	\$127,475,802

Estimated Expiration Date (PFC #9)

October 1, 2028

¹ Enplaned Passenger growth from FY 2027 and beyond is based on growth rates from FAA Terminal Area Forecast dated January 22, 2024.

² Assumes interest rate of 0.5%.

Sources: Metropolitan Knoxville Airport Authority (FY 2024).

Prepared by Landrum & Brown, Inc.

**ATTACHMENT A
PFC 25-09-C-00-TYS
PROJECT DESCRIPTIONS, JUSTIFICATIONS AND OBJECTIVES**

Project 1: Terminal Apron Expansion

PFC Total: \$1,657,246

Project Description:

The Terminal Apron Expansion project will expand the Airport's current remain overnight (RON) apron by a total of approximately 20,200 square yards to allow for seven (7) aircraft to be parked overnight. The new RON apron will be expanded in two areas located to the west and east of the current terminal apron, each encompassing approximately 10,000 and 10,200 square yards of RON apron, respectively. The RON apron can be used by aircraft awaiting an open gate for departure.

Project Justification:

The Airport currently has three (3) RON aircraft parking positions. However, these remote parking positions are often occupied by aircraft, especially during the airport's early morning peak departure period. The planned terminal concourse expansion will eventually displace the existing RON parking spaces, necessitating the expansion of the terminal apron. Additionally, with commercial passenger traffic at TYS continuing to grow and increased airline operations to support this growth, the Airport is currently in need of additional overnight/remote aircraft parking. The Airport Layout Plan (ALP), completed in January 2024 and conditionally approved by the FAA in November of 2024 identified a need for additional parking for aircraft that remain overnight at the passenger terminal. The post-COVID-19 RON forecast update indicates a need for ten (10) additional parking spaces for ADG II and ADG III aircraft by FY 2025.

As a result of continued increased passenger demand and additional flights at TYS by American Airlines, Delta Airlines, United Airlines, Allegiant Airlines, Avelo Airlines and Frontier Airlines, the capacity for RON aircraft parking near the terminal has now been exceeded. Allegiant has continued to increase their based aircraft at TYS where staff is housed. Airlines have informed MKAA leadership that without additional RON space, the lack of RON parking will negatively impact their ability to meet the local passenger demand.

The Terminal RON Expansion project will also provide important safety enhancements. At present, Airport staff must escort airline personnel to retrieve their aircraft from the Charlie ramp through the movement area. Upon completion of the project, this process will be streamlined as the aircraft will be parked directly on the terminal apron (a non-movement area), greatly reducing the need for access to the movement area. This change will improve safety by limiting exposure to areas with active aircraft operations.

Benefits of this project includes the ability to meet the aviation demand for morning departures by scheduled carriers, and improved safety of personnel and equipment by providing designated RON parking adjacent to the terminal apron which is outside the movement area and in a well-lit and secure location.

Project Objective:

This project will preserve and enhance capacity through additional parking space for aircraft.

Project #2 - Holdroom Capacity Modifications (Construction)

PFC Total: \$1,500,000

Project Description:

This project encompasses the design of modernized holdrooms, along with the procurement and installation of holdroom seating, other equipment (such as energy-efficient lighting and updated technology/systems), and furniture enhancements. The project's costs also include the purchase and installation of furniture for concourse holdrooms, including various seating options, tables, and charging stations to accommodate increased seating capacity.

Project Justification:

As identified in the Airport's Airport Layout Plan and Terminal Programming Study, the existing concourse holdrooms require modernization to enhance the Airport's ability to provide a higher level of service (LOS) and seating capacity for its passengers. The existing passenger holdroom seating is approximately 24 years old and is outdated compared to the modern terminal amenities and requirements of today's travelers. Moreover, the existing seating lacks adequate seating, tables, and charging options to meet the demands of the contemporary travel public. This project aims to improve passenger seating capacity and efficiency in the passenger holdrooms by adding 600 additional seating options (67% increase), providing additional electrical charging options (40% increase), providing convenience/work tables, and increase accessible table options for enhanced ADA compliance.

Project Objective:

This project will preserve and enhance capacity by providing a higher LOS and seating capacity for passengers in the terminal holdrooms.

Project #3 - Runway 5R-23L Rehabilitation and RSA Improvements (Design & Construction)

PFC Total: \$4,748,047

Project Description:

This project encompasses the design and construction of rehabilitating Runway 5R-23L pavements, lighting, and signing systems, and improving the runway's safety area (RSA) to meet current design standards in Advisory Circular 5200-13B: Airport Design. The project will be completed over a period of 3 to 5 years based on AIP grants as the primary funding source. The project improves the functional condition of the runway and runway shoulder pavements by employing multiple pavement rehabilitation and repair methods, ranging from a 4" mill and overlay in some sections to full reconstruction in other sections where significant changes are being made to the runway transverse grades to significantly improve the drainage characteristics of the pavement surface, which was originally constructed in the 1940's and has been lengthened and overlaid multiple times since then. Runway safety area improvements include major corrections to the transverse grades between Taxiway T and the 23L Glide Slope. In addition, the declared distance for Runway 5R LDA and ASDA are being increased by 50 feet to provide the full length and width of the RSA beyond the runway end.

As part of this project, the Hot Spot at Taxiways R4 and A7 that provides direct runway access from the General Aviation Ramp will be removed by relocating Taxiway R5.

Project Justification:

The pavement on Runway 5R-23L, which was originally constructed in the 1940's and has been lengthened and overlaid multiple times since then, now requires substantial rehabilitation. Several design standards deficiencies also exist on this runway. The pavement rehabilitation will improve the pavement surface condition and eliminate areas of poor drainage. During a 2022 Part 139 Inspection, the FAA's Certification Inspector identified areas of the Runway 5R-23L Safety Area at TYS that don't meet current design criteria. The 2022 PCI report revealed that major sections of the runway have a PCI classification of "very poor and serious." Consequently, Runway 5R-23L requires significant rehabilitation or reconstruction of its pavements to comply with minimum PCI requirements. When deemed feasible by the MKAA and the FAA, other improvements will be incorporated into the project addressing runway longitudinal and transverse gradients and crossing taxiway locations and alignment to achieve current FAA design standards.

Benefits include airport safety, improved infrastructure, compliance with standards, compliance with the wildlife hazard assessment, hot spot mitigation, and durable pavements.

Project Objective:

This project will preserve and enhance capacity and maintain safety to the traveling public by rehabilitating Runway 5R-23L and improving its associated RSA grading deficiencies.

Project #4 – Acquisition of Snow Removal Equipment

PFC Total: \$323,129

Project Description:

This project involves acquiring three (3) new Multi-Tasking Equipment (MTE) vehicles and one (1) Continuous Friction Measuring Equipment (CFME) to assist in the removal of snow at the Airport. This new snow removal equipment will replace the aging, obsolete equipment that has reached the end of its useful life.

Project Justification:

The Airport does not currently own any CFME and MTE equipment, which is currently outsourced. Its other existing snow removal equipment is all over 20 years old, consequently, maintaining these systems is challenging, and obtaining replacement parts can be difficult. As a result, when one of the Airport's snow removal equipment breaks down, there can be delays in snow removal operations. Lead time on repairs and parts is significant and results in significant downtime for crucial pieces of equipment as the Airport does not have any back-up equipment when these pieces break down.

The new MTE will significantly enhance airport operations by providing greater efficiency and reliability to ensure that the Airport meets the requirements of AC 150-5200-30. It enables a single operator to simultaneously operate a plow, runway broom, and air-blast system, effectively clearing the runway surface. The MTE's design places the plow at the front and the broom in the middle, allowing for faster snow removal. This streamlined approach reduces labor costs, equipment maintenance expenses, and the number of vehicles on the airfield, ultimately enhancing safety.

Project Objective:

To preserve or enhance safety as well as maintain the capacity by allowing the Airport to reliably clear the priority one surfaces within the required timeframe.

Project #5 - Runway 5L-23R Pavement Marking

PFC Total: \$715,000

Project Description:

This project consists of repainting and restoring the pavement markings on Runway 5L-23R back to their original state.

Project Justification:

The pavement markings on Runway 5L-23R were initially installed in May 2021 in conjunction with the runway reconstruction. Following the FAA Cert inspection in June 2024, the FAA Airport Certification Safety Inspector noted marking discrepancies that required the runway to be remarked.

Project Objective:

To preserve or enhance safety by remarking the Runway 5L-23R pavement in accordance with AC 150/5340-1M, allowing aircraft and vehicle operators to operate safely at the Airport. The project will also maintain capacity at the Airport by maintaining its airfield operations.

Project #6 - Terminal Escalator Replacement (Design & Construction)

PFC Total: \$2,200,000

Project Description:

The Airport currently has two (2) automated escalators located just inside the main entrance of the terminal building that were put into service in 1998. The purpose of these escalators is to provide deplaning passengers arriving from the concourse direct access to the baggage claim and ground transportation services, and enplaning passengers entering the terminal on the ground level direct access to the ticket lobby and TSA checkpoint. This project includes the design and installation of the Airport's two aging escalators with two new 42-inch tread width escalators.

Project Justification:

The Airport's escalators, which are 26 years old and nearing the end of their useful life, have been experiencing frequent shutdowns for routine maintenance and system failures. During these periods, passengers are forced to use the fixed stairways or elevator, which significantly reduces the terminal's level of service and increases passenger travel times. Therefore, it's crucial for the Airport to replace the escalators to improve operational uptime, enhance reliability, reduce costs, and expand vertical transportation capacity.

Project Objective:

To preserve capacity by replacing the existing escalators with new ones that provide more reliability, greater operational uptime, and a higher LOS capacity for passengers in the terminal.

Project #7 - Acquire & Install Two Boarding Bridges

PFC Total: \$4,500,000

Project Description:

This project aims to enhance the Airport's existing terminal capacity by acquiring and adding two new aircraft gates. To achieve this, existing aircraft gates will be relocated and reconfigured, while two new gates will be installed on the existing terminal concourse. Additionally, adjustments to the concourse seating layout may be necessary. Notably, this project does not necessitate the construction of new terminal space or expansion.

Project Justification:

The Airport currently has 12 passenger loading bridges that were put in service in 2018. Eleven of these gates are leased to the airlines on a Preferential basis and one is operated by the Airport as a common use gate. Since 2000, the Airport's passengers have increased from approximately 670,000 enplaned passengers and just over 10,000 scheduled commercial passenger flights to approximately 1.2 million and nearly 16,700 scheduled flights in CY 2023. This represents an increase of 82% and 63% for enplaned passengers and schedule passenger flights from CY 2000 to CY 2023, respectively. Furthermore, the Airport's enplaned passengers and commercial flights are expected to reach over 1.7 million enplaned passengers and nearly 20,000 flights in CY 2024, increasing nearly 42% and 20%, respectively over CY 2023 levels.

As outlined in the TYS Airport Layout Plan (ALP) approved by the FAA in November 2024, additional aircraft gate capacity is essential to accommodate the Airport's rapid growth in passengers and scheduled commercial aircraft operations. Continued increased passenger demand and additional flights at TYS by American Airlines, Delta Airlines, United Airlines, Allegiant Airlines, Avelo Airlines and Frontier Airlines have resulted in increased gate utilization and demand which have made it difficult to accommodate additional flights by either existing or new potential airlines at the Airport. The most recent FAA-approved forecast predicts enplaned passengers to reach 2.2 million in 2040. However, updated forecasts based on anticipated activity levels in FY 2024 indicate that the Airport will attain 2040 activity levels by 2028. Consequently, TYS currently lacks seven (7) gates, which will increase to thirteen (13) by 2040. To help address this gate deficiency, the Airport plans to construct two loading bridges to the existing terminal, providing additional gate capacity.

Project Objective:

To enhance capacity and enhance competition by providing two additional aircraft gates on the existing terminal building footprint.

Project #8 – TSA Checkpoint Expansion (Planning & Design)

PFC Total: \$1,750,000

Project Description:

This project involves undertaking the planning and design for a future expansion of the Airport's TSA checkpoint from four (4) to six (6) security checkpoint lanes, all of which are provided with baggage Computer Tomography X-ray (CTX) equipment. The project will be undertaken entirely within the Airport's existing terminal building envelope by repurposing and/or reconfiguring existing terminal concessions space and will not alter the building's footprint. This project will involve iterative planning and design alternatives with the TSA to identify the preferred development alternative to achieve federal compliance.

The planning process will involve identifying various alternatives and selecting the preferred options for expanding the existing TSA security checkpoint in the terminal building. Once the planning phase is complete, a comprehensive design of the preferred TSA expansion alternative will be initiated to prepare the necessary specifications and design documentations for construction. This design effort will encompass both architectural and civil professional services and will provide project specifications, floor plans, demo plans, wall sections, wayfinding, utilities, reflected ceiling plans, finishes, checkpoint lane electrical, and data/communications.

The goal of the TSA checkpoint expansion project is to expand the existing TSA security checkpoint to enable the Airport to accommodate the anticipated passenger and operational growth to meet the Planning Activity Level (PAL) 2 (approximately 2.3 million annual enplaned passengers) identified in the Airport's Terminal Area Plan (TAP) and Project Development Document (PDD).

Project Justification:

The current TSA checkpoint within the terminal building of the Airport houses four security checkpoint lanes that span approximately 4,815 square feet. In 2019, the TSA checkpoint was expanded from three to four lanes. This expansion was implemented as an interim solution to best address capacity constraints at the time. These four existing lanes do not fully comply with the TSA's preferred lane length specifications and space requirements.

The Airport's actual enplaned passengers continue to surpass the forecast projections established in the 2019 Terminal Area Plan. In CY 2023, the Airport had 1.2 million enplaned passengers and is estimated to have approximately 1.7 million enplaned passengers in CY 2024. Additional TSA checkpoint capacity is essential to accommodate the Airport's rapid growth in passengers and scheduled commercial aircraft operations. Recent updated forecasts based on anticipated activity levels in FY 2024 predict that the Airport will reach 2.2 million annual enplaned passengers by 2028. Consequently, the existing TSA checkpoint is already at and will soon exceed its designed capacity, resulting in long security checkpoint lines, reduced customer service levels, and potentially missed flights for passengers. To address this issue, the Airport plans to expand the terminal's TSA checkpoint lanes from four to six lanes to provide additional checkpoint capacity.

Project Objective:

To preserve and enhance capacity and maintain security by expanding the TSA security checkpoint in the terminal from four to six security lanes to continue to adequately serve passengers in the future.

Project #9 – Public Restroom Expansion (Planning & Design)

PFC Total: \$1,000,000

Project Description:

This project involves planning and designing of an expansion of the Airport's public restrooms within the terminal building, as well as updates to the existing public restrooms. This project will provide for expansion of the public restroom space within the existing terminal building envelope and will not alter the buildings footprint. This project will involve the preparation of planning and design efforts necessary to better define the public restroom needs, identify a preferred development alternative, and design of the recommended alternative.

The planning process will involve identifying various alternatives and selecting the preferred options for expanding the existing public restrooms or developing new ones within the terminal building. Once the planning phase is complete, a comprehensive design of the preferred public restroom expansion development will be initiated to prepare the necessary design documentation for construction. This design effort will encompass architecture, interior, and wayfinding design for the public restrooms, including an interior floor plan, elevations, water and electrical utility locations, wall sections, and penetration details.

The public restroom expansion project aims to expand the existing terminal public restrooms to enable the Airport to accommodate the anticipated passenger and operational growth to meet the Planning Activity Level (PAL) 2 identified in the Airport's Terminal Area Plan (TAP).

Project Justification:

The Airport's existing four public restrooms, which have been in service for nearly 25 years, are nearing the end of their useful life. The terminal building currently houses four public restrooms, located in the concourse beyond the TSA security checkpoint. These restrooms comprise two women's and two men's facilities, spanning a total of approximately 2,775 square feet.

The existing public restrooms were designed to handle a capacity of approximately 2.6 million total passengers, including both enplaned and deplaned passengers. However, in CY 2023, the Airport served 2.4 million passengers, and it is projected to surpass 3.4 million passengers in CY 2024. As outlined in the Airport Layout Plan (ALP), approved by the FAA in November 2024, additional terminal capacity is crucial to accommodate the Airport's rapid growth in passengers and scheduled commercial aircraft operations. Recent updated forecasts based on anticipated activity levels in FY 2024 predict that the Airport will reach 4.4 million total passengers by 2028. Consequently, the current public restrooms are already at and will soon exceed their designed capacity, leading to reduced customer service levels. To address this issue, the Airport plans to expand the terminals' public restrooms to provide additional restroom capacity.

Project Objective:

To preserve and enhance capacity by expanding the public restrooms in the terminal to provide additional restroom space to continue to adequately serve passengers in the future.

Project #10 - Concourse Development Program (Schematic Design & Environmental Study)

PFC Total: \$1,875,000

Project Description:

This project entails the design and preparation of an environmental study necessary for the Airport's Concourse Development Program. The program aims to expand the existing concourses by six aircraft gates, enabling the Airport to accommodate the anticipated passenger and operational growth to meet the Planning Activity Level (PAL) 2 identified in the Airport's Terminal Area Plan (TAP).

In addition to the new aircraft gates, the terminal concourse program will also include additional passenger holdrooms, check-in podiums, public circulation and corridors, public restrooms, concessions space, and airline operations space.

This project will provide architecture, interior, and wayfinding design for the concourse to accommodate new aircraft gates. The design will encompass an interior floor plan, elevations, exterior elevations, wall sections, and penetration details. Additionally, a gate configuration signage plan will be submitted as part of the schematic design, design delivery, and finalized for the construction document deliverable.

The specific terminal space square footage expected to be constructed under the Concourse Development Program are currently unknown but are anticipated to be refined during the schematic design process. Therefore, it is assumed that the PFC-eligible space in the Concourse Development Program will comprise approximately 75%.

In addition, the project will also include the preparation of an environmental study to satisfy the National Environmental Policy Act (NEPA) requirements which is necessary to identify any environmental impacts and obtain the necessary environmental approvals to construct the Concourse Development Program. The environmental review will be conducted for all the environmental resources outlined in the FAA Order 1050.1F Desk Reference and SOP 5.1. In addition, an air quality construction emissions analysis and a desktop noise analysis will be performed. Any identified environmental impacts will be documented, and a plan for mitigation will be included within the design of the Concourse Development Program.

Project Justification:

The Airport currently has 12 passenger loading bridges that have been in service since 2018. Eleven of these gates are leased to the airlines on a Preferential basis and one is operated by the Airport as a common use gate. Since 2000, the Airport's passengers have increased from approximately 670,000 enplaned passengers and just over 10,000 scheduled commercial passenger flights to approximately 1.2 million and nearly 16,700 scheduled flights in CY 2023. This represents an increase of 82% and 63% for enplaned passengers and schedule passenger flights from CY 2000 to CY 2023, respectively. Furthermore, the Airport's enplaned passengers and commercial flights are expected to reach over 1.7 million enplaned passengers and nearly 20,000 flights in CY 2024, increasing nearly 42% and 20%, respectively over CY 2023 levels.

As outlined in the Airport Layout Plan (ALP), approved by the FAA in November 2024, additional aircraft gate capacity is essential to accommodate the Airport's rapid growth in passengers and scheduled commercial aircraft operations. Continued increased passenger demand and additional flights at TYS by American Airlines, Delta Airlines, United Airlines, Allegiant Airlines, and Frontier Airlines have resulted in increased gate utilization and demand

which have made it difficult to accommodate additional flights by either existing or new potential airlines at the Airport. The most recent FAA-approved forecast predicts enplaned passengers to reach 2.2 million in 2040. However, updated forecasts based on anticipated activity levels in FY 2024 indicate that the Airport will attain 2040 activity levels by 2028. Consequently, TYS currently lacks seven (7) gates, which will increase to thirteen (13) by 2040. To help address this gate deficiency, the Airport plans to expand the terminal concourses to provide an additional 6 loading bridges to the existing terminal, providing additional gate capacity.

This project will prepare the schematic design necessary to better define the Concourse Development Program and conduct the environmental study needed to meet the FAA's requirements.

Project Objective:

To enhance capacity and enhance competition by expanding the terminal concourses to provide an additional six (6) aircraft gates.

Project 11:PFC Application Preparation Costs

PFC Total: \$35,000

Description: This project includes the costs to develop the proposed new PFC #9 application, consult with the airlines, provide for public comment, prepare and file Application No. 25-09-C-00-TYS, related attachments, and notify airlines of collection requirements.

Objective: This project recovers, as a separate project, the PFC application preparation costs (as described in the foregoing description) related to Projects 1 through 8 included in this Application and, therefore, relies on the objectives that are described in those projects for PFC approval. Therefore, this project supports the objectives of preserving or enhancing capacity, safety and security of the airport and the national air transportation system pursuant to the objectives of Section 158.15(a)(1) of the Regulation.

Justification: The preparation costs (as delineated in the description for this project) incurred to prepare the new PFC #9 application will be reimbursed under this project. These costs will be incurred in conjunction with the projects that are proposed for approval under either Section 158.15(b)(1), (b)(2), (b)(3), or (b)(6) of the Regulation. Therefore, the Airport submits these costs as reasonable and necessary costs of preparing the PFC program submitted under this Application as prescribed under Section 158.3 of the Regulation.