

2021-2025

Metropolitan Knoxville Airport Authority Strategic Plan

February 2022



**METROPOLITAN
KNOXVILLE
AIRPORT
AUTHORITY**

DKX is a general aviation airport located just three miles from Downtown Knoxville. MKAA operates a full-service Fixed Base Operator (FBO) that meets the needs of their customers through excellent customer service, reasonable rates, and a relaxed user friendly environment.



TYS is located just 12 miles south of downtown Knoxville and is the premier air facility in East Tennessee. The airport handles commercial airline service, air cargo operations, military, and general aviation.



Chairman's Message

Brian Simmons, Chairman

On behalf of the Metropolitan Knoxville Airport Authority's Board of Commissioners, I'm delighted to present MKAA's Strategic Plan for 2021-2025: Playbook for Recovery and Our Airports' Future.

The MKAA Strategic Plan was adopted by the Airport Authority Board on November 17, 2021. The plan is the product of extensive participation by each of the Commission's members, MKAA's CEO Patrick Wilson and his leadership team, as well as a diverse set of airport stakeholders, including our communities, users, and partners.

Our nation, the East Tennessee region and MKAA have experienced unprecedented challenges from COVID-19. Today it appears as though we are on the path to recovery; however, we know from recent experience that it may not be a straight path and that significant challenges lie ahead. Nevertheless, history suggests that the medium-to long-term prospects for U.S. aviation and East Tennessee's role within it will remain vibrant. Our region's economic success over the last decade provides a solid foundation to those prospects.

Our Commission sponsored this plan to lay out our Mission,

Vision and Strategic Goals that collectively communicate our priorities over the next five years. It places an emphasis on performance, measuring how well we do with each of the strategic goals we have identified. As a public authority, MKAA is unique in that our revenues are generated by our users and the other commercial activities taking place on McGhee Tyson and Downtown Island airports. Unlike private companies, however, our "shareholders" are the people of East Tennessee and our "profit" are the contributions we make to our quality of life and our region's economy.

It is my fervent hope that this strategic plan helps to educate our region about the benefits of our airports and builds an even stronger foundation for our community relationships. I always like to say our "Board table is round." This is meant to be an indication about the way the Commission conducts its business but is a metaphor



for how we think of each of you as having a seat at the MKAA table.

Please provide us with your thoughts on our strategic plan so we can incorporate your feedback into our continuous efforts to make our two airports the best that they can be for all of us.

President/CEO's Message

Patrick Wilson, President

Welcome to our strategic plan. Inside our plan we share MKAA's Mission, Vision and Strategic Goals for the next five years and beyond. This document provides a playbook for how our MKAA will manage, operate, and plan for the future of McGhee-Tyson and Downtown Island airports.

I'm very appreciative of the Board of Commissions' leadership and involvement in formulating and reviewing our plan. Working with our leadership team over several Board sessions, we used the feedback from dozens of conversations with stakeholders to set our strategic direction.

Our Mission Statement, To connect East Tennessee's people and businesses with the World, perfectly reflects our role and importance. It is a reminder that we not only connect people and markets today, but we must ensure that we can continue to play this vital role over the decades to come.

As we invest, develop, and operate our airports, we aim to retain and build upon what is special about our airports. Our community helped us define our Vision, To inspire through flight, service and innovation. While our stakeholders and partners understand that we must grow our facilities to meet our mission, they want us to keep that

"small airport feel" and the Knoxville hospitality that they feel when using our airports.

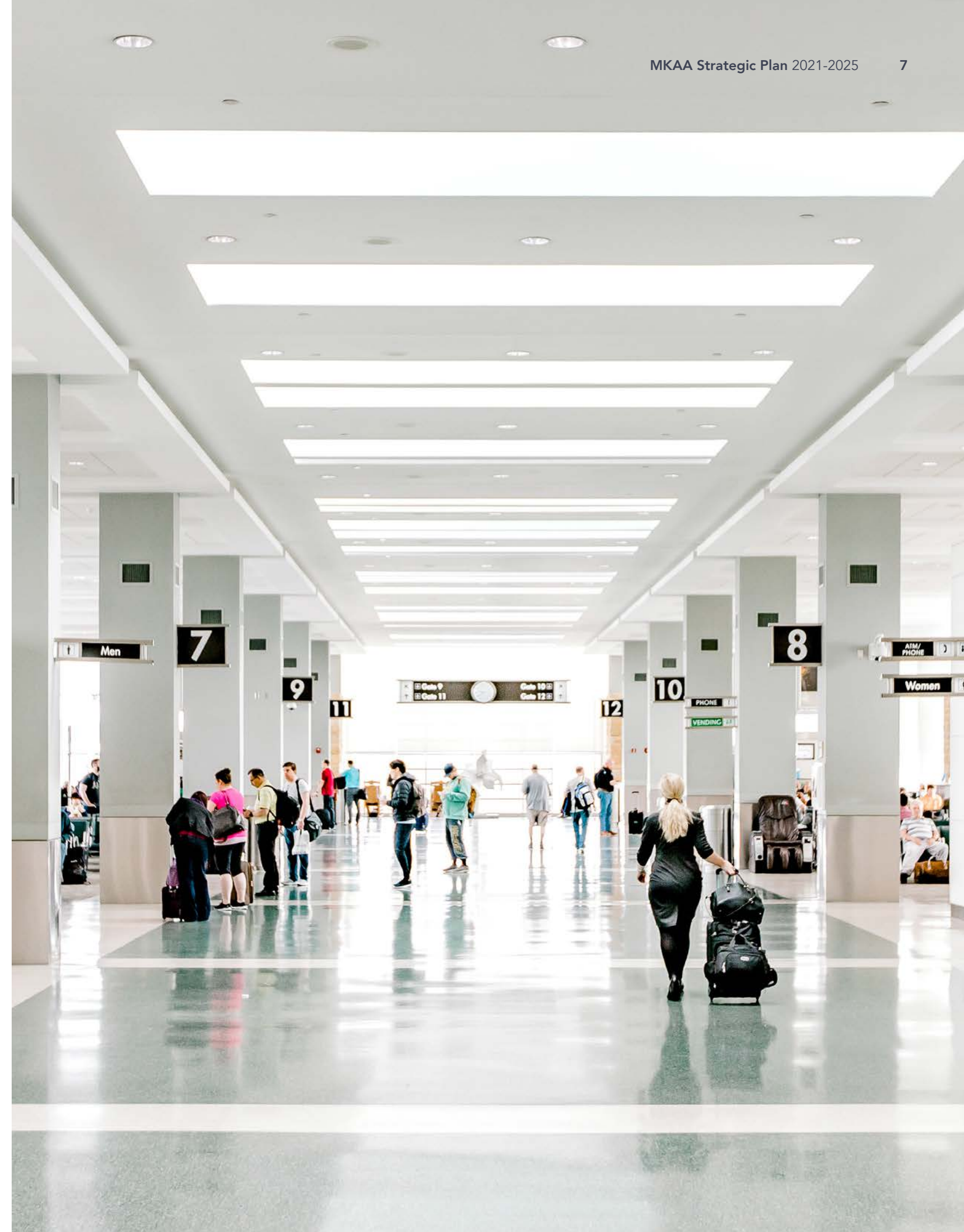
We believe our strategic goals, our seven priorities set for the five-year plan, inform our mission and their achievement will take us on the path to realizing our vision. As you review the strategic goals, you will notice that they reflect the unique organizational model of airports. We use "commercial means" for public ends. Under the law, our airports must be financially self-sustaining by the fees we charge users and the revenues we collect by providing services to our passengers. These revenues also must provide enough capital to invest and grow our landside, terminal, and airside infrastructures—all of which will be planned and developed over the next five years.

In addition to reviewing the top-line elements of our strategic plan, I hope you will take the time to review the MKAA story, which is told several different ways in our plan. Our hospital-



ity, planning, and community outreach together help make our airports unique.

As our Chairman aptly noted, we have experienced many challenges over the last 18 months. Our ethics of prudent financial management and careful planning paid off and will continue to provide dividends as we look forward. With the enduring strength of our local economy and the resiliency of our community, the challenge now will turn to a period of sustainable recovery, where we can continue to serve the people of East Tennessee and make you proud when you walk through, use and land at our facilities during these five years and beyond.



Metropolitan Knoxville Airport Authority

MKAA Board of Commissioners

The Metropolitan Knoxville Airport Authority (MKAA) was established in 1978. It is governed by a nine-member Board of Commissioners, who are appointed by the Mayor of Knoxville and confirmed by Knoxville City Council, and are charged with the financial success, future planning and development, and operation of both McGhee Tyson Airport (TYS) and Downtown Island Airport (DKX). The MKAA President/CEO reports directly to the Board of Commissioners.

Appointment of Board Members

All nine members are appointed by the Mayor and confirmed by City Council. Six of the nine Board members must be City of Knoxville residents, two must be Knox County residents outside the city limits and one member must be a Blount County resident. At least two board members must be certified pilots.

The Metropolitan Knoxville Airport Authority Board of Commissioners serves as the governing board for McGhee Tyson (TYS) and Downtown Island Airports (DKX).

TYS is located just 12 miles south of downtown Knoxville and is the premier air facility in East Tennessee. The airport handles commercial airline service, air cargo operations, military and general aviation operations.

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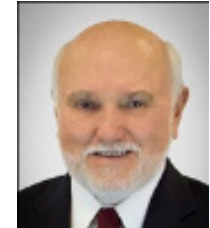
Brian Simmons
Chairman

President, Simmons Property Group LLC



Jeff Smith
Vice Chairman

Retired Deputy Director of Operations, UT Battelle, LLC/Oak Ridge National Laboratory



Charles Harr
Secretary

Chief Operation Office & Investment Officer, Patriot Investment Management



Joe Dawson
Assistant Secretary

Retired Hospital Administrator



Julia Bentley
Board Member

Vice President, Investor Relations & Employee Communications, Vera Bradley



Maribel Koella
Board Member

Director and Principal Broker, NAI Knoxville



Ursula Bailey
Board Member

Attorney, Law Office of Ursula Bailey



Eddie Mannis
Board Member

President/Managing Partner, Prestige Cleaners/Meridian USA



Howard Vogel
Board Member

Partner (Attorney)

MKAA Airports: Gateways to East Tennessee

McGhee Tyson Airport (TYS) and Downtown Island Airport (DKX) serve as gateways to the East Tennessee region, leaving a positive first impression on commercial airline passengers as well as those who fly private aircraft into our two airports. In 2019, visitors arriving at TYS spent over \$500 million in our community; while at DKX, over 22,000 additional visitors arrived at the airport.

Their destinations included the Great Smoky Mountains National Park, the most visited national park in the United States, the University of Tennessee at Knoxville, Oak Ridge National Laboratory, and many other local attractions and businesses. The combined economic impact of MKAA airports is over \$2.1 billion annually (data are sourced from <https://www.tn.gov/tdot/news/2021/2/3/tdot-releases-the-2019-aviation-economic-impact-study.html>).

Of course, our airports not only host visitors, but offer residents and businesses a connection to the national aviation system and destinations around the globe. TYS commercial airlines offer 29 non-stop destinations. This crucial access for airline, as well as general aviation, customers led our Board of Commissioners

and Leadership Team to reflect this core responsibility as part of our new mission statement, "To connect East Tennessee's people and businesses with the world."

The minute visitors enter the passenger terminal at TYS, they see a reflection of East Tennessee's natural beauty. The architects drew inspiration from the mountains and streams of our region, which are featured in the design touches found throughout the airport. Adding to the airport's natural beauty are the pieces of art that are on exhibit in the terminal's airside. Through our partnership with the Arts & Culture Alliance of Greater Knoxville, we display the works of talented artists who were born or raised in our region, which adds to the terminal's aesthetic and the passenger experience as they arrive or depart from our region.

For DKX, in contrast, the beauty surrounds the airport given its location in the Urban Wilderness. MKAA and the Downtown Island community prioritize a seamless integration of an airport into a multi-use area; one that is accessed by pilots, boaters, walkers and those just wishing to enjoy the natural environment.

DKX offers our based aircraft owners, itinerant users and visitors with the services they need from fueling to parking to arranging transportation to downtown Knoxville. In the coming years, users and those in the Downtown Island neighborhood, will see a number of infrastructure-related and visual improvements to the airport.

At TYS, not only may visitors access comprehensive information on tourist destinations and our region's many offerings inside in the terminal, we also provide a focus on individual passenger needs. From those desiring high-speed internet access to those who might require mobility assistance as they make their way from our boarding gates to our parking lots, we strive to create a safe and convenient passenger experience.

Our strategic plan prioritizes several other initiatives for the next five years, including targeting new air service, facilitating general aviation growth, and instituting a new passenger survey methodology that will evaluate our food, beverage, and retail offerings as we look to future expansion.



Our Mission



**To connect
East Tennessee's
people and
businesses
with the World**

Our Vision

**To inspire
through flight,
service and
innovation**





Strategic Goals

Safety & Security

Provide our users, tenants, and employees with safe and secure facilities

Infrastructure

Deliver commercial service, air cargo, general aviation, and aerospace industry facilities to accommodate future demand

Finance

Enhance the Authority's financial self-sufficiency

Economic Development

Support and advance regional economic development

Community

Strengthen and fortify links between MKAA and our community

Customer Service

Exceed expectations in our services and products to our customers and users

Talent and Organization

Pursue MKAA excellence and innovation

Safety & Security

Provide our users, tenants, and employees with safe and secure facilities

Management Strategies

- Maintain zero fatalities and reduce injuries among staff, tenants, and customers
- Assess risks and provide stakeholder training prior to capital development activities
- Rehabilitate DKX Runway 8-26



Infrastructure

Deliver commercial service, air cargo, general aviation, and aerospace industry facilities to accommodate future demand

Management Strategies

- Complete airline and passenger capacity improvements
- Execute Terminal Area Development Plan
- Make DKX an aviation destination that sets Knoxville apart



Finance

Enhance the Authority's financial self-sufficiency

Management Strategies

- Keep user fees cost-competitive
- Improve non-aero revenue return from leases, concessions, and parking
- Maintain 1.5 years operating reserve
- Reduce reliance on passenger related revenues



Economic Development

Support and advance regional economic development

Management Strategies

- Develop a TYS land use plan
- Promote the growth of aerospace industry investment and jobs
- Strengthen relationships with organizations recruiting business to our service area

Community

Strengthen and fortify links between MKAA and our community

Management Strategies

- Enrich DKX as a community and neighborhood asset
- Execute community programs that emphasize personal interaction, building of knowledge and creation of MKAA advocates
- Promote MKAA sustainability
- Expand opportunities for MKAA to work with area businesses



Customer Service

Exceed expectations in our services and products to our customers and users

Management Strategies

- Target air service for passengers and cargo, and facilitate general aviation growth
- Institute a passenger service quality assessment tool
- Evaluate TYS concessions strategy

Talent and Organization

Pursue MKAA excellence and innovation

Management Strategies

- Recruit, retain, and develop high-performing, diverse and innovative staff
- Modernize Authority business procedures
- Collaborate with airport industry colleagues to execute the Mission and fulfill MKAA's Vision



Meeting the Service Challenge

The Future of MKAA Airports

We are proud of the reputation we have built for our service, hospitality, and the economic benefits our airports and users provide to our community. Perhaps MKAA's greatest challenge today is planning future investments that will allow us to retain the value we provide.

As we enter 2022, uncertainty still characterizes our short-term outlook even as we expect long-term aviation growth that will require us to make significant capital investments at McGhee Tyson (TYS) and Downtown Island (DKX).

For TYS, our planning process has determined that we need to provide additional capacity at our passenger terminal, including more aircraft gates, new concession options (food/beverage and retail), increased security throughput to maintain service levels, and upgraded baggage systems. As the terminal footprint necessarily expands outside of its existing footprint, we must factor in the other needs we have including adding hangars for our general aviation users and other related facilities on the airside. We must also offer additional parking and changes to our roadway system

to ensure a positive “home to gate” customer experience.

The depiction of the adjoining Recommended Development Plan provides an illustration of the number of projects that MKAA is planning to meet future demands at TYS. At the same time, we develop the airport, we must maintain and improve our service levels, while keeping our rates and charges for our airline partners and general aviation users at reasonable levels. That is where the current economic and aviation industry uncertainties require prudent and phased investments to balance considerations of service and financial sustainability. As always, we will make the case to the Federal Aviation Administration that investing in Knoxville’s airports is a wise given the role we play in the community and in the National Aviation System.

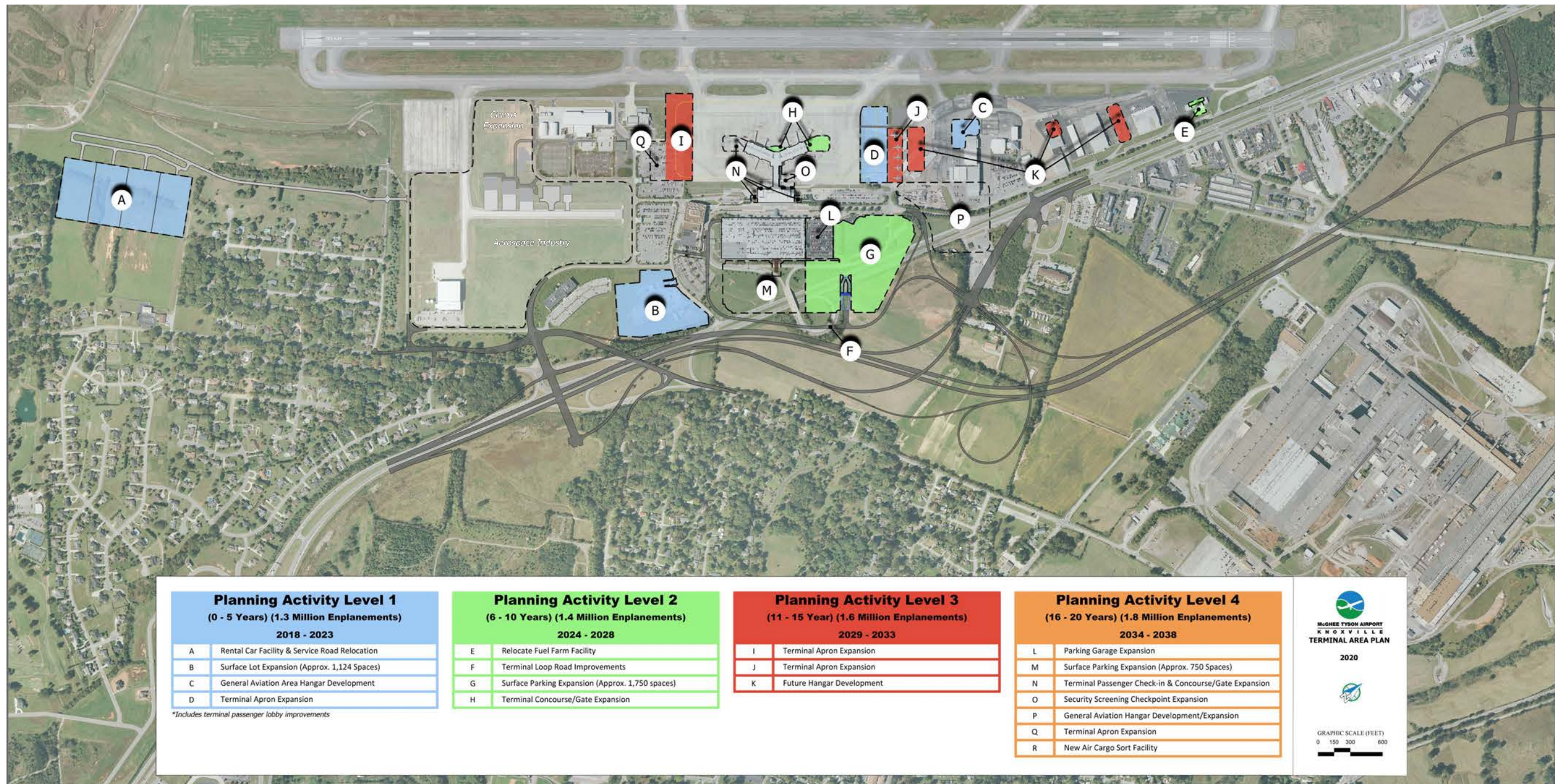
At DKX, we recently received a report from the Knoxville Chamber of Commerce on maximizing our general aviation airport as a community asset. The report was informed by an extensive outreach process, including both listening sessions and surveys. There was a clear consensus to improve

the aesthetics of the airport, upgrade existing facilities and provide plans for future aircraft hangars. The report also made clear that we should continue to partner with the community and local government to highlight the value of the Urban Wilderness so unique to DKX’s place.

MKAA is already planning DKX investments and reviewing options and phasing for projects addressing these points. These join a major project in 2022 when MKAA will embark on a critical repaving project for the airport’s runway. In addition, we are redoubling our efforts at communicating with our users about procedures and plans for DKX, as well as providing real-time information to users and the local community with the launch of our new website (more information may be found at DKXAairport.com).



TYS Recommended Development Plan



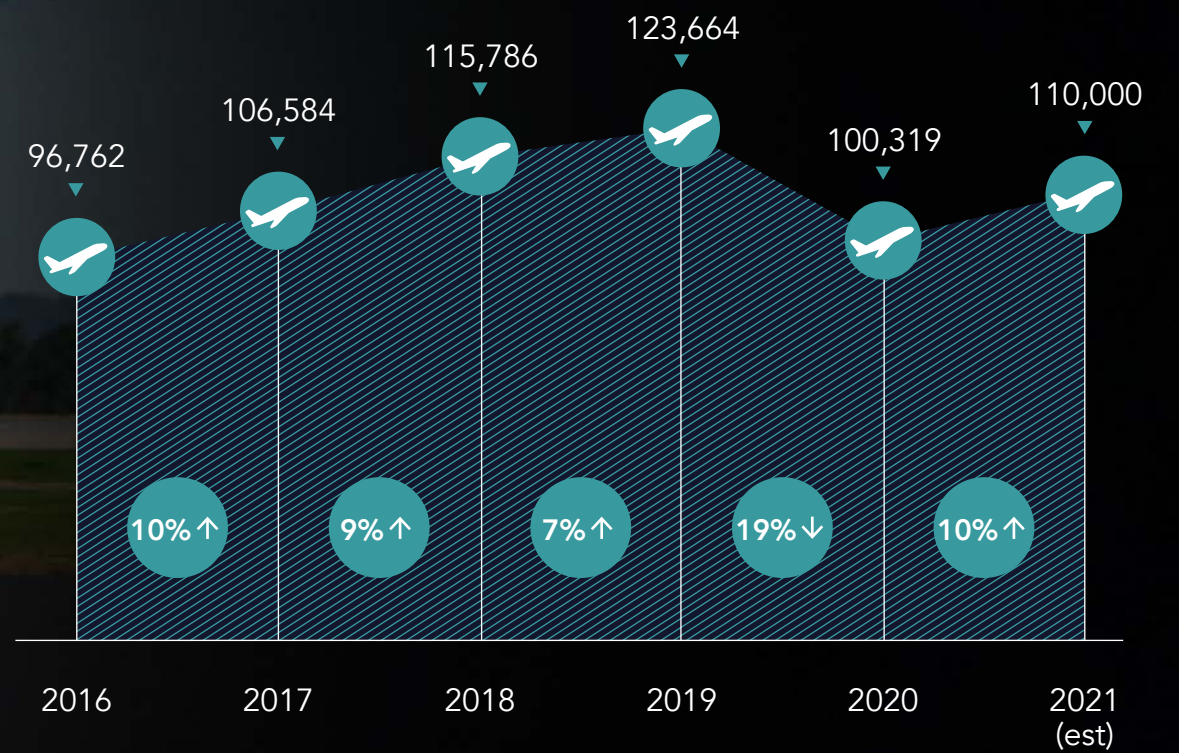
TYS Total Passengers



Air Traffic Operations



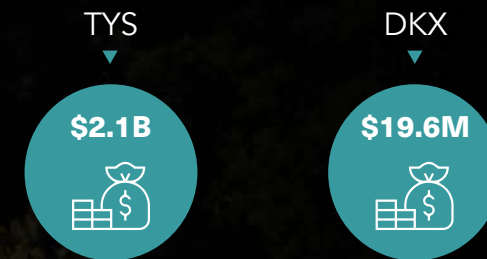
TYS serves a variety of airlines, general aviation users, and military operations.



TYS aviation operations 2016-2021

Air Cargo & MKAA Economic Impact

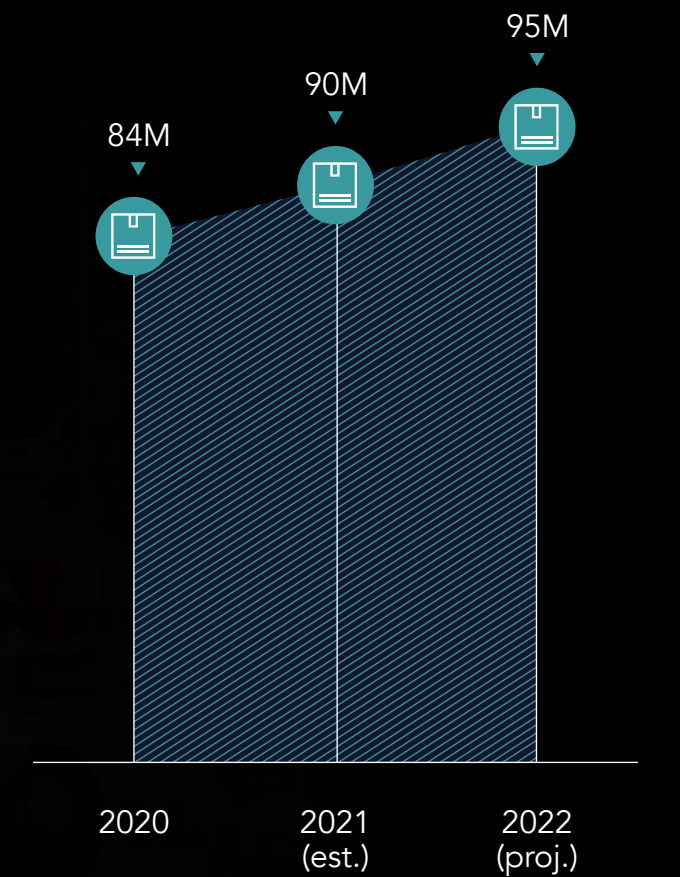
(Unit: Billion/Million)



Annual Economic Impact



Annual Visitor Spending to the Region



Cargo Statistics 2020-2022

Executive Team



Patrick Wilson
A.A.E.
President



Bryan White
PE, C.M.
Vice President of
Engineering and Planning



Trevis Gardner
A.A.E.
Vice President of
Operations



Tom Aiken
Director of Public Safety



James Evans Jr.
C.M.
Vice President of
Marketing & Air Service
Development



Becky Huckaby
A.A.E.
Vice President of
Public Relations



Treva Best
CAP, OM
Senior Executive
Assistant



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