TRI-CITIES AIRPORT

Tri-Cities Airport Authority Board Meeting
April 23, 2026, at 10:00 a.m.
In the TCAA Boardroom

AGENDA
Chair J. Parker Smith

Introduction: Tamrya Spradlin
Jason Arnold

1. **CONSIDER: Minutes from the February 26, 2026, TCAA Board Meeting**
2. **REPORT: Committee Updates**
3. **REPORT: CIP Update**
4. **CONSIDER: By-Laws Update, First Reading**
5. **CONSIDER: Paid Time Off Policy**
6. **CONSIDER: Employee Evaluation and Bonus Policy**
7. **CONSIDER: FY2027 Budget**
8. **CONSIDER: Continuation of JLL Contract to Market Aerospace Park**
9. **CONSIDER: Uniform Rental Program**
10. **CONSIDER: Gate Management Software**
11. **CONSIDER: Terminal Ramp Marking Rehab**
12. **CONSIDER: Ticket Counter Internet Installation**
13. **CONSIDER: Gate D Emergency Repairs**
14. **CONSENT**
    a. **CUPPS/FIDS Change Order #1**
15. **STAFF REPORTS:**
    a. **Legal Counsel, Stephen Darden**
    b. **Director of Finance, Rachel Squibb**
    c. **Director of Marketing and Air Service, Trevor Rice**
    d. **Director of Business Development, Mark Canty**
    e. **Director of Operations, Chris Stipo**
    f. **President/CEO, Gene Cossey**

Food Trucks will be on site following the meeting.

Tri-Cities Airport Authority Board Meeting
February 26, 2026, at 10:00 a.m.
Held in the TCAA Boardroom

Board Members	**Staff**	**Others**
Mr. Mark Ireson	Gene Cossey	Stephen Darden - HS&D Attorney
Mr. Mark Ireson	Mark Canty	Clay Walker - NETWORKS
Mr. Randall Eads	Chris Stipo	John Rose – BRIDGE
Mr. Lewis Wexler	Rachel Squibb	Allison Winters – Six Rivers Media
Mr. Chris McCartt	Rebecca O’Quinn	Pam Phillips – Tri-City Aviation
Mr. Ken Huffine	Rachel Squibb	Mike Lloyd – Tri-City Aviation
Mr. Todd Hensley	Jennifer Solorio	Elise Taylor – BP&H
Mr. Jeff Bedard	Dan Martin	Rush Powers – BP&H
Mr. John Hunter	Erick Lanier	Andrew Powers – BP&H
Mr. Zane Vanover	Tyler Baker	Tim Haskell – Hanson
Ms. Cathy Ball	Gabe Sherrill	Melissa Vasher – Hanson

With a quorum present, the meeting was called to order at 10:00 a.m., by TCAA Chair Parker Smith.

The board members not in attendance was Mr. Paker Smith, Mr. Lewis Wexler, and Ms. Kelli Bourgeois.

INTRODUCTIONS:

Mr. Gene Cossey started by introducing Dan Martin, Erick Lanier, and Tyler Baker. Mr. Chris Stipo introduced them to the board and explained their positions. Dan Martin and his team from Metropolis have been brought in house as “Landside Operations” which are also new positions. We have hired Erick Lanier as our FBO Manager. Then Tyler Baker as our new Operations Manager.

CONSIDER: Minutes from December 11, 2025, TCAA Board Meeting

TCAA 02/26/2026 – 1 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Chris McCartt, the following was adopted: BE IT RESOLVED the Minutes from December 11, 2025, TCAA Board Meeting was approved as presented.

The motion passed unanimously.

REPORT: Committee Updates

Mr. Mark Ireson gave an update about the previous Administration and Operations Committee and the Airfield Development Committee. Neither of the meetings that were held had a quorum so only reports were given. He asked the members to please consider if you really want to be on the committee and if so, then try to attend these meetings.

REPORT: FBO name and Brand Introduction

Kylie Toler presented the name and brand for the FBO. Staff developed a name and visual identity that resonates locally while remaining distinct from the airport's primary brand. This effort resulted in a finalized name, logo, and foundational branding guidelines to support the launch of the airport-operated FBO. The new name of the FBO will be "Holston Point Aviation".

REPORT: RFQ for Modular Design Services Indutrial Aircraft Hangar Concepts

The Authority is preparing to issue an RFQ to pre-qualify professional design firms to develop modular industrial aircraft hangar concepts supporting future Aerospace Park tenants. A few key points of the concepts are modular, scalable hangar concepts, accelerate development timelines, improve cost certainty and delivery efficiency, and enhance aerospace park competitiveness. Mark Canty then gave the anticipated schedule for the RFQ.

CONSIDER: Continuation of JLL Contract to Market Aerospace Park

The prior agreement with JLL for Aerospace Park marketing expired in December 2025, JLL has proposed a one-year extension amendment to ensure continuity of marketing and brokerage services. To ensure continuity of marketing and brokerage services and to formally authorize the contractual relationship going forward, Board approval is requested. Some key points mentioned are the rates form the prior agreement will remain unchanged, the agreement will have a one-year term commencing upon execution, and all other material terms and conditions will remain unchanged. Mr. Chris McCartt suggested us to invite JLL to the next board meeting to give a presentation and a report about the progress that they have made. It was recommended that we only renew their contract on a month-to-month basis until the April board meeting.

TCAA 02/26/2026– 2 Upon the motion made by Mr. Chris McCartt, and seconded by Ms. Cathy Ball, the following was adopted: BE IT RESOLVED the TCAA approved JLL Contract to Market Aerospace Park on a month-to-month basis until the April Board Meeting.

The motion passed unanimously.

CONSIDER: Nomination and Election of Secretary Treasurer

Due to the vacancy of the Secretary/Treasurer the Board is accepting nominations for the position. Since Mr. Parker Smith was not in attendance, he was asked for his recommendation before. His recommendation was to nominate Mr. Chris McCartt to be the new Secretary/Treasurer of the TCAA Board. No other members had nominations.

TCAA 02/26/2026 – 3 Upon the motion made by Ms. Cathy Ball, and seconded by Mr. Kenneth Huffine, the following was adopted: BE IT RESOLVED the TCAA approved the nomination of the Secretary/Treasurer.

The motion passed unanimously.

CONSIDER: Airport Liability Insurance Renewal

Ms. Elise Powers from Burkes, Powers, and Harty presented the Airport Liability insurance Renewal. The Cincinnati policy is in the middle of a multi-year term. The difference in premium is due to any auto changes and additions to adding equipment. The bond is also on a multi-year term and the premium has remained the same. Chubb is offering a two-year term at the same premium; the premium is paid annually but will remain the same for the two years. The change in Cyber premium is due to increased revenues reported.

TCAA 02/26/2026 – 4 Upon the motion made by Ms. Cathy Ball, and seconded by Mr. Zane Vanover, the following was adopted: BE IT RESOLVED the TCAA approved the proposed limits of liability and associated premiums for the term of 04/01/2026 - 03/31/2027.

The motion passed unanimously.

CONSIDER: Extension of Auditing Contract to BCS for FY2026

Ms. Rachel Squibb presented that the Airport Authority Board of Commissioners is requested to consider approval of a renewal audit engagement with Blackburn, Childers and Steagall, PLC to provide professional auditing services in FY 2026. Per the engagement letter, fees for FY 2026 auditing services will be at standard hourly rates plus out-of-pocket expenses, with a total amount not to exceed $59,500. This represents a modest increase of $2,000 compared to the prior two fiscal years, during which the audit fee remained unchanged at $57,500.

TCAA 02/26/2026 – 5 Upon a motion made by Ms. Cathy Ball and seconded by Mr. Todd Hensley, the following was adopted: BE IT RESOLVED the TCAA approved Blackburn, Childers and Steagall, PLC to be retained as independent certified public accountants to perform professional auditing services for fiscal year 2026.

The motion passed unanimously.

CONSIDER: Parking Rate Adjustments

Ms. Rachel Squibb proposed new parking rate adjustments. At the beginning of fiscal year 2025, the parking lot rates were $16.00 a day for Short-term and $10.00 a day for Long-term. Due to operational issues with the short-term lot gate during Spring of 2025, the Commission adopted one rate for all gates, of $13.00 max per day. This change was implemented as of July 1, 2025, with the understanding that rates would be re-evaluated upon completion of the entrance gate. Once the system becomes fully functional the recommended rate adjustments, and name changes are $18.00 a day for Premium Lot (formerly Short-term), $15.00 Standard Lot 1 (formerly Long-Term), $12.00 a day for Economy Lot 1 (formerly Employee lot), and $12.00 a day for Economy Lot 2 (formerly Credit card lot).

TCAA 02/26/2026 – 6 Upon a motion made by Mr. Kenneth Huffine, and seconded by Mr. Chris McCartt, the following was adopted: BE IT RESOLVED the TCAA approved the following changes $18.00 a day for Premium Lot, $15.00 Standard Lot 1, $12.00 a day for Economy Lot 1, and $12.00 a day for Economy Lot 2.

The motion passed unanimously.

CONSIDER: X-1FBO Software

X-1FBO is a comprehensive, cloud-based operations and management software platform built by aviation and FBO industry professionals to enhance efficiency, safety, customer service, and revenue performance for FBOs and airport ground handling organizations. Signing today would place our estimated go-live date in June–July, aligning with the arrival of our new fuel trucks already equipped with X-1 cellular modems from the factory as well as the 100LL self-serve fuel tank

TCAA 02/26/2026 – 7 Upon a motion made by Mr. Todd Hensley and seconded by Ms. Cathy Ball, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to sign and enter into agreement with X-1 in the approximate total amount of $175,757.11 over the period 5yrs.

The motion passed unanimously.

CONSIDER: Airline Improvement Projects

The airport is seeking to improve upon the current structure and implement some new changes. Some of the changes include new ramp markings in a pushback setup to allow for more aircraft to park at the concourse, renovations of airline offices to accommodate new airlines, additional passenger wayfinding, expansion of CUPPS and FIDS, and gate management software to automate the assignment of aircraft parking.

TCAA 02/26/2026 – 8 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Kenneth Huffine, the following as adopted: BE IT RESOLVED the TCAA authorized the President/CEO to sign all agreements and contracts related to the project. Items over $25,000 will come to the board for retroactive approval and a report will be given at the end of the project to outline final costs.

The motion passed unanimously.

CONSIDER: State and Federal Grant Acceptance

The TCAA receives state, federal, and other airport capital project grants at various times during the year. Receipt and execution of grants sometimes require a quick turnaround to sign and return them to the issuing agencies in a timely manner. These grants are part of prior board approved capital project funding. To expeditiously receive and execute all types of capital grant funding, it is recommended to have the grants reviewed and executed by Legal Counsel and the Chairman as those grants become available throughout the year. The Airport Legal Counsel will review all applicable grants and contracts prior to the Chair’s execution.

TCAA 02/26/2026– 9 Upon a motion made by Mr. Chris McCartt and seconded by Mr. John Hunter, the following as adopted: BE IT RESOLVED TCAA approved the Chair to execute state, federal, and other airport capital improvement project grants as those grants become available throughout the calendar year.

The motion passed unanimously.

CONSIDER: Parking Garage PER – Kimley-Horn

The recent announcements of new airlines and routes will result in an increased need for parking. Surface parking options within walking distance of the terminal are limited, with future options consisting of shuttle lots or a parking garage. The PER will accomplish the following primary objectives such as updating projected parking demand and analyzing available date to better understand customer preferences and behaviors and recommending the preferred location and primary user group for a new parking structure to maximize the airport's investment and preserve long-term operational flexibility. The PER will be funded using state aeronautics grant funds in the amount of $29,770.

TCAA 02/26/2026 – 10 Upon a motion made by Ms. Cathy Ball and seconded by Mr. Todd Hensley, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute the Parking Garage PER contract with Kimely-Horn for $29,770.

The motion passed unanimously.

CONSIDER: ARFF Truck Lease Emergency Expenditure – Company Two Fire

Part 139.315 and 139.317 outlines the ARFF standards that the airport must follow for the airlines to operate. The airport's ARFF trucks were manufactured in 2001 and 2006 and have frequent issues. A new truck is on order but will not arrive until October 2026. Staff have been exploring the possibility of leasing a truck that is in better condition to help bridge the gap until October 2026. Company Two came back to the airport months after the initial request with a truck that is available for lease. To avoid missing out on this opportunity, an 8-month lease was signed with Company Two Fire for 1,500-gallon ARFF truck, with the option to extend it if necessary. The lease will be funded through the airport's capital improvement funds.

TCAA 02/26/2026 – 11 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Zane Vanover, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to retroactively approve the eight-month lease agreement for a 1,500 gallon ARFF truck with Company Two Fire at a total cost of $69,800.

The motion passed unanimously.

CONSIDER: Consent Agenda Items

a. Tri-City Aviation Restroom Rehabilitation – SB White and Comsa Construction
b. Tri-City Aviation Restroom Rehabilitation Change Order #1 – SB White
c. Airport and Airfield Mowing and Landscaping Services Renewal – Klean Kut
d. Terminal Concourse Connector Expansion – Change Order #1
e. Terminal Concourse Connector Expansion – Amendment #1
f. Taxiway A Bank Slide Rehabilitation – Consolidating Change Order
g. Parking Access and Revenue Control System Upgrades – Change Order #1

TCAA 02/26/2026 – 12 Upon the motion made by Mr. Todd Hensley, and seconded by Mr. Zane Vanover, the following was adopted: BE IT RESOLVED the TCAA approved consent item ratifications.

The motion passed unanimously.

STAFF REPORTS:

Legal Counsel, Stephen Darden – He stated he had no updates to give to the Board.

Director of Finance, Rachel Squibb – She went over the FY2026 Financial Snapshot for the period ending December 31, 2025 (Unaudited). This included revenue performance, expense management, and net results and outlook. The revenue highlight is 16% over budget, and our strongest categories were parking and rental cars. Operating expenses overall were managed in line with budget expectations. While cost results were mixed across categories, the primary negative variance occurred within the Airfield Area cost center, reflecting necessary expenditures for terminal apron markings and increase in snow/ice control activity. Snow/Ice removal costs are trending significantly higher than prior years due to severe winter conditions. The six months of the new fiscal year, FY2026, closed with results exceeding expectations. As of December 31, 2025, we are yielding net operating income of $485,993, which exceeds the budget and demonstrates growth across core revenue streams. Revenue performance, particularly within key non-aeronautical categories, has strengthened the Authority's financial position and provided flexibility as we enter a period of expansion

Director of Marketing and Air Service, Trevor Rice – He went over the traffic and capacity updates, upcoming projected seat capacity, and the airlines schedules for January thru May of this year. Kylie Toler then went over their social media performance. The months of October and November focused on seasonal travel messaging, holiday content, the TSA/FAA Donation Drive, and timely operational updates. Engagement trends improved month over month, particularly on Instagram, LinkedIn, and TikTok, where holiday storytelling and community-driven posts performed well. She then went over some media and community engagements that have happened since the December Board meeting such as the inaugural flight celebrations, new air service announcement, Pol-Air express passenger event, etc.

Director of Business Development, Mark Canty – Mr. Mark Canty spoke about how he has been collaborating with airport staff to develop a formal ground transportation policy, including stakeholder outreach and policy framework design. The final policy will include a fee-collection mechanism for rideshare operators. He is also continuing to assist Eastman with a Foreign-Trade Zone (FTZ) expansion to increase the volume of imported merchandise eligible for privileged or non-privileged foreign-status. These designations determine when U.S. Customs assesses tariffs. At the time of this report, the FTZ Board was preparing a Federal Register notice for the proposed expansion. He briefly then discussed how he is working with Becker, a company with a location in Bristol, VA, to evaluate potential FTZ benefits related to importing electronic equipment for integration into mining machinery prior to re-export. Re-exports are often a key indicator of FTZ value.

Director of Operations, Chris Stipo– He discussed the following with the Board:

<u>CAPITAL PROJECTS</u>

1. **Airport Master Plan Update Project (Professional Services)**
    a. Project Amount $ 1,432,847.00
    b. Estimated Project Percent Completion 90%

2. **Sound System Improvements (Design/Bid)**
    a. Project Amount $ 141,070.00
    b. Estimated Project Percent Completion 80%

3. **Airport - Public Parking Lot Expansion (Construction)**
    a. Project Amount $ 2,684,006.50
    b. Estimated Project Percent Completion 90%

4. **Airport - TWY A Extension, TWY C Removal West of RWY 23 and RWY 5 RSA Improvements (Construction)**
    a. Project Amount $ 7,375,279.00
    b. Estimated Project Percent Completion 95%

5. **Airport – Parking and Revenue Control System (PARCS) (Construction)**
    a. Project Amount $ 806,792.00
    b. Estimated Project Percent Completion 60%

6. **Airport – LT Parking Rehab/Exit Plaza Replacement/Cell Phone Lot Expansion (Construction)**
    a. Project Amount $ 3,047,200.00
    b. Estimated Project Percent Completion 10%

7. **Airport – Terminal/Concourse – Passenger Check Point Improvements (Construction)**
    a. Project Amount $ 9,434,600.00
    b. Estimated Project Percent Completion 5%

8. **Airport – TWY A Bank Slide Rehabilitation (Closeout)**
    a. Project Amount $ 321,324.15
    b. Estimated Project Percent Completion 95%

9. **Airport – TWY R1 Corporate Hangar Expansion Project (Construction)**
    a. Project Amount $ 4,229,200.00
    b. Estimated Project Percent Completion 5%

10. **Airport – Terminal Ramp Markings (Design/Bid)**
    a. Project Amount $ 4,229,200.00
    b. Estimated Project Percent Completion 5%

11. **Airport – TWY R1 Corporate Hangar Expansion Project (Construction)**
    a. Project Amount $ 24,862.00
    b. Estimated Project Percent Completion 50%

12. **Airport – Fuel Farm Expansion (Design/Bid)**
    a. Project Amount $ 376,136.00
    b. Estimated Project Percent Completion 20%

President/CEO, Gene Cossey – Mr. Cossey reminded everyone about the Evening with TRI event coming up on March 18th and about the Board Retreat that will occur the following day at The Bristol Hotel. He encouraged all board members to attend. He then thanked everyone for attending the meeting.

The meeting was adjourned at 11:51 p.m.

Respectfully submitted,

____
Parker Smith, TCAA Chair

____
Chris McCartt, TCAA Secretary/Treasurer

Minutes taken by: Gracie Beach
NOTE: The Minutes are intended to reflect the general account of the events of the meeting and are not a verbatim transcription.

Committee Updates

Verbal Reports

Tri-Cities Airport Authority
April 23, 2026

REPORT:

Capital Improvement Projects (CIP) Update

Summary:

Staff have begun developing the CIP for the next five years with a heavy focus on the next two years. While funding plans are still in development, below is a draft of anticipated projects over the next two years.

- Runway 5/23 Restriping
- Airfield Pavement Rehab
- Air Handler Replacement
- Roof Replacement
- New Fuel Farm
- New Fire Station
- Parking Garage
- Concourse Expansion
- Access Control Upgrades
- ARFF Truck Replacement
- Property Acquisition
- Avigation Easement Acquisitions

Staff is seeking comments and feedback from the board as the CIP is prepared for the June Board Meeting.

Submitted By: Chris Stipo
Director of Operations

Tri-Cities Airport Authority
April 23, 2026

Report:

TCAA By-Laws Update, First Reading

Summary

Recent legislative reforms have altered the governance and compliance requirements for airport authorities in Tennessee, with the specific impact focusing on how our board members will be appointed. To remain compliant and ensure our operations align with the updated legal framework, we are amending our by-laws to reflect new statutory requirements for board composition, officer roles, and term limits. These amendments will ensure the TCAA Board operates within the current legal framework, maintains good standing, and continues to serve our mission effectively.

Notice and Discussion

The TCAA by-laws require a minimum 30-day notice for presenting amendments to the by-laws. This report and discussion will serve as notice with the following action being recommended for the June 2026 Board Meeting.

The Executive Committee recommends the adoption of the amendment to the by-laws reflecting legislative requirement changes for Tri-Cities Airport Authority.

Submitted by: TCAA
Executive Committee

BY-LAWS

OF

TRI-CITIES AIRPORT AUTHORITY

ARTICLE I

FORMATION

The Tri-Cities Airport Authority was created by the Owners of the Tri-Cities Airport, TN/VA, (herein, "Airport"), same being the City of Bristol, Tennessee, the City of Bristol, Virginia, the City of Johnson City, Tennessee, the City of Kingsport, Tennessee, Sullivan County, Tennessee, and Washington County, Tennessee, (herein, "Creating Municipality") pursuant to the procedure set forth in T.C.A. § 42-3-104 (a) (3) and T.C.A. § 42-3-105. Prior to the creation of the Tri-Cities Airport Authority, the Airport had operated as an unincorporated joint venture of said Creating Municipalities who appointed an Airport Commission, consisting of twelve (12) persons, to operate and manage said Airport. The By-Laws of that Airport Commission are hereby revoked and rendered null and void.

ARTICLE II

PURPOSE OF AUTHORITY

The purpose of the Authority is to own and operate the Tri-Cities Airport, TN/VA, exercise all powers granted to Regional Airport Authorities under the Airport Authorities Act, T.C.A. § 42-3-101 *et seq*., (only as applicable to Regional Airport Authorities) and exercise all other powers granted generally to Regional Airport Authorities under the laws of the State of Tennessee and the County of Sullivan, Tennessee.

The Authority assumes all contracts, obligations, real property, personal property, employer-related obligations, and any other requirements and assets previously held and assumed by the Tri-Cities Airport Commission and/or performed by the Tri-Cities Airport

Commission on behalf of the Creating Municipalities prior to the formation of the Authority. This assumption of contracts, obligations, etc., shall not include assumption of any outstanding bond obligations as of the date of the issuance of the Charter of the Authority by the State of Tennessee, as said bond obligations reside and will remain the obligations of Sullivan County, Tennessee, supported by indemnity agreements executed by the other Creating Municipalities. However, the Authority will continue to administer said bond obligations in a manner identical to that previously performed by the Tri-Cities Airport Commission. All employees of the Tri-Cities Airport Commission will become employees of the Authority at the same compensation rates and with the same benefits enjoyed as employees of the Tri-Cities Airport Commission, subject to any changes the Authority may hereafter make. All employees of the Authority shall be at-will employees, with there being no civil service or similar systems.

ARTICLE III

NAME AND OFFICES

Section 1. Name

The name of the Regional Airport Authority created pursuant to T.C.A. § 42-3-104 (a) (3) and T.C.A. § 42-3-105 is Tri-Cities Airport Authority ("Authority").

Section 2. Principal Office

The principal office of the Authority is Tri-Cities Regional Airport, TN/VA, 2525 Highway 75, Suite 301, Blountville, TN 37617, or such other location as may be established by the Board.

ARTICLE IV

COMMISSION

Section 1. Appointment; Term

The Authority shall be governed by a Board of Commissioners (herein, sometimes, "Board") in alignment with TCA (TBD) adopted by the Tennessee Legislature in (month) of 2026 shall be appointed by the by the Governor of Tennessee, the Speaker of the Senate of Tennessee, the Speaker of the House of Tennessee, and the Creating Municipalities excluding Bristol Virginia in the same numbers as said Creating Municipalities formerly appointed Commissioners to the Tri-Cities Airport Commission prior to the creation of the Authority. The Board shall be comprised of twelve (12) persons, each with one vote, appointed as follows:

Creating Municipality City of Bristol, TN	1 member	Appointed by Bristol TN
Creating Municipality City of Bristol, VA	1 member	Appointed by Speaker of House
Creating Municipality City of Johnson City, TN	1 member	Appointed by Johnson City TN
	1 member	Appointed by The Governor of TN
	1 member	Appointed by Speaker of Senate
Creating Municipality City of Kingsport, TN	1 member	Appointed by Kingsport TN
	1 member	Appointed by Speaker of Senate
Creating Municipality Sullivan County, TN	1 member	Appointed by Sullivan County
	1 member	Appointed by Speaker of House
Creating Municipality Washington County, TN	1 member	Appointed by Washington County
	1 member	Appointed by The Governor of TN
	1 member	Appointed by The Governor of TN

Board members, as appointed, shall serve at the pleasure of the Creating Municipality or government official which appointed the Board member(s). Beginning July 1, 2026 board members shall serve the following initial terms:

Appointed by the Governor of TN – two-year terms,

Appointed by the Speaker of the House – three-year terms,

Appointed by the Speaker of the Senate – four-year terms, Appointed by the Creating Municipality – five-yar terms.

Following the expiration of the initial terms, all terms are four-year terms to begin on July 1 and to terminate on June 30, four-years thereafter.

Section 2. Removal

The removal of a Board members shall be in accordance with the policies and practices of the Creating Municipality or government official that appointed the Board member to the Board, unless State Law provides a different means of removal, and any other manner provided by Tennessee law.

Section 3. Resignation

Any Board member may resign by submitting a written resignation to the Board and to the governing body of the Creating Municipality and/or government official which appointed him/her. Membership on the Board of Commissioners is non-transferable or assignable by a Board member.

Section 4. Powers and Duties

The Board of Commissioners shall be the governing body of the Authority. The Board shall have and exercise on behalf of the Authority all of the powers provided in Airport Authorities Act, T.C.A. § 42-3-101 *et seq.*, (as applicable to Regional Airport Authorities), and otherwise vested in the Authority by the laws of the State of Tennessee and the County of Sullivan, Tennessee.

Section 5. Officers

The officers of the Board shall consist of a Chair, Vice-Chair, a Secretary-Treasurer, and an Assistant Secretary-Treasurer, each of whom shall be voting members of the Board:

A. Chair: The Chair of the Board shall:

(1) Preside at all regular and special meetings of the Board,

(2) Sign all official documents requiring formal action/or approval of the Board;

(3) Appoint committees and committee chairmen as required to review and report on matters affecting the Board; and

(4) Serve as the primary liaison between the Board and management, and coordinate activities of the President and Chief Executive Officer and Board.

B. Vice-Chair: The Vice-Chair shall serve in such elected capacity in the same manner as specified for the Chair. In the absence of the duly-elected Chair, the Vice-Chair shall act as Chair of the Board, performing all duties and responsibilities normally performed by the regular Chair.

C. Secretary-Treasurer: The Secretary-Treasurer shall oversee the preparation, accuracy, and dissemination of minutes of Board meetings and all Authority financial reports only as instructed by the Board. In the absence of the duly elected Chair and Vice-Chair, the Secretary-Treasurer shall act as the Chair of the Board, performing all duties and responsibilities normally performed by the regular Chair.

D. Assistant Secretary-Treasurer: The Assistant Secretary-Treasurer shall serve in the absence of the Secretary-Treasurer.

Section 6. Terms of Office

The officers of the Board shall be elected to a two-year term of office commencing on July 1 of even-numbered years, or until a successor is elected.

Section 7. Election of Officers

Beginning July 1, 2026 the full board shall meet to appoint and elect officers, thereafter in succeeding years the Chair shall appoint a nominating committee from the Board comprised of a presiding officer and not more than three (3) members to recommend a slate of officers. Said recommendations and any nominations from the Board will be presented to the full Board for a vote prior to commencement of the new term on July 1 of the following year.

To be nominated and elected, candidates for board officers must have a minimum of two-years' experience either serving on the Board or serving on a committee of the Board prior to being qualified to serve as an officer.

Section 8. Vacancies

In the case of vacancies in the above-discussed officers' positions through death, resignation, disqualification, removal, incapacitation, or other cause, the remaining Board members, by affirmative vote of Board, shall fill such vacancy; and, the person elected shall hold office for the unexpired portion of the term in respect of which such vacancy occurred or was created, or until the appointment of a successor. Should a successor be appointed to replace the Board member who has been elected to fill the unexpired term, the office shall be, once again, filled by affirmative vote of the full Board or a quorum thereof to serve the remainder of the unexpired term.

ARTICLE V

MEETINGS OF THE BOARD OF COMMISSIONERS

Section 1. Regular and Special Meetings

A. The Board of Commissioners shall meet regularly on a bi-monthly schedule at 10:00 a.m. on the fourth Thursday of each February, April, June, August, October, and December at the Tri-Cities Airport, TN/VA, or at such other location, date, and time as the Board may designate. All meetings shall be open to the public unless otherwise permitted by law. The President and Chief Executive Officer shall cause a written agenda to be prepared and distributed with the Notice of the regular or special meeting to each Board member not less than three (3) days prior to each such meeting. The Notice shall be given in person or by electronic, rapid delivery, or any other means which the President and Chief Executive Officer deems appropriate. If Notice is given other than in person, it shall be sent to the street address or electronic address of the Board member as shown on the records of the Authority. Attendance by a Board member at a meeting shall constitute a waiver of notice of such meeting, except where a Board member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Whenever any notice is required to be given a Board member under the law of the State of Tennessee or these By-Laws, a waiver thereof in writing, signed by the Board member entitled to said Notice, whether before or after the time stated therein, shall have the full legal effect of notice properly given.

B. Notwithstanding the foregoing, each Board member shall be entitled to bring to the Board's attention any issue or matter of general or specific concern to the Board or otherwise relevant to the business of Tri-Cities Airport Authority.

C. In the event a meeting date falls on a holiday or in the event a quorum cannot be achieved, such meeting shall be rescheduled by the Chair to a more convenient date, with all Board members being duly notified of such change.

D. Special meetings may be called by the Chair, or in his/her absence, by the Vice—Chair, or at any time by any seven (7) Board members.

Section 2. Action by the Board of Commissioners

A majority of the Board shall constitute a quorum for the purpose of conducting the business of the Authority and exercising its powers. Action taken by the Board upon a vote of not less than a majority of the Board members present will constitute valid and binding action by the Board of Commissioners.

ARTICLE VI

RECORDS AND MINUTES

All actions of the Board shall be made a part of the minutes of each and every meeting. These minutes shall constitute the official record of the Authority actions and shall be maintained on a calendar year basis.

All minutes of the Board shall be approved and signed as directed by the Board , after which a copy shall be furnished to each Board member not less than three (3)

days prior to the next regular meeting of the Board. A record copy of all minutes shall become a part of the permanent official records of the Authority, and made available for public inspection.

Actions of the Board shall be introduced in the form of a motion or resolution. In addition to the above mentioned minutes, all actions approved by the Board shall become part of the official records of the Authority.

ARTICLE VII

COMMITTEES

Section 1. Designation

The Board may, from time to time, establish such standing and special Committees as it deems advisable and in the best interests of the Authority. Such Committees shall work with the President and Chief Executive Officer in developing recommendations for presentation to the full Board. Although such Committees shall be advisory in nature, they may be authorized to make decisions which are binding on the full Board with prior approval by the Board and subject to applicable open meetings laws. In any instance where the Board furnishes such prior approval to a Committee, such authorization shall be with reference to a specific item or issue and shall be limited to such item or issue.

Section 2. Committee Members

Each Committee shall be comprised of Board members; provided, however, the Chair may appoint non-Board members as Committee members in instances where the Chair believes the Committee process will be benefited or improved. Subject to Section 7 herein, Board members shall represent a majority of the total membership of each standing or special committee. Any appointment by the Chair of a non-Board member to a Committee shall be approved in advance by the Board. Committee members shall be appointed by the Commission Chair on an annual basis for a one year term, or on such other basis or for such other terms as are set forth in the resolutions establishing such committees. Notwithstanding, members of Committees shall serve at the pleasure of the Board. Vacancies on a Committee due to death, resignation, expiration of term, or removal shall be filled by the Commission Chair.

Section 3. Voting and Quorum Requirements

All Committee meetings shall be held in public unless otherwise authorized by law. A majority of the members of a Committee shall constitute a quorum; provided, however, for Committees which include non-Board members, a quorum shall also require that a majority of the Board members appointed to such Committee must be in attendance. Except as otherwise limited by the Board, all actions of a Committee shall require the affirmative vote of the majority of the members of the Committee in attendance at a meeting at which a quorum is present. Committee members may participate in any Committee meeting by means of a conference telephone or other similar communications equipment through which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at such meeting. Each Committee shall have a presiding officer who shall be a Board member and who shall be appointed by the Commission Chair. The presiding officer of each Committee shall participate in all discussions and shall vote on all matters presented for a formal Committee vote. Each Committee shall hold such meetings as it deems appropriate or as otherwise required by the Board.

Section 4. Standing Committees

The Board of Commissioners shall have the following standing committees: Executive Committee; Administration/Operations Committee; Marketing and Air Service Development Committee; Airfield Development Committee; and Economic Development Committee.

Section 5. Executive Committee

The Executive Committee shall consist of the Chair, Vice-Chair, Secretary-Treasurer, and the most immediate Past Chair still serving on the board. Duties of the Executive Committee shall be as follows: Monitoring legal actions and formal complaints involving the Authority or Board; consideration of changes to the By-Laws of the Authority; monitoring and/or formulating state and federal legislation affecting the Authority or the Airport; and such other duties as may be assigned by the Board from time to time. The Executive Committee shall be empowered to act and make decisions on behalf of the Board under emergency circumstances, subject to ratification by the Board after the fact. For purposes of this Section, "emergency circumstances" shall mean those circumstances or conditions which (i) could not have been addressed in the ordinary course of the Board's business, and (ii) require reasonably immediate action in the interests of public safety or in order to avoid material prejudice to the interests of the Authority. Executive Committee Action under "emergency conditions" requires the consent of at least two of its members.

Section 6. Administration/Operations Committee

The Administration/Operations Committee shall be responsible for the oversight of financial matters affecting the Authority including leases and contracts; fixed based operators; specialized aviation service operators; private and corporate aviation operations; coordination of and compliance with issues related to federal and state regulatory agencies; environmental issues and considerations; general revenue development matters; banking and investments; review of all debt obligations; insurance; financial audits and other financial reports; engagement of independent public accountants and other financial consultants; review of annual budgets; selection and coordination of Authority matters with legal counsel; organizational structure, staffing, personnel policies, job descriptions, and performance reviews; annual review of wages, salaries and fringe benefits; and such other issues as may be assigned by the Board from time to time.

Section 7. Marketing and Air Service Development Committee

The Marketing and Air Service Development Committee shall be responsible for promoting the Airport and its facilities and services and shall be particularly responsible for oversight in the development, implementation and execution of appropriate marketing plans; development of new or improved passenger air service; selection and engagement of marketing and air service consultants; coordination of Airport business with local and regional travel entities; community public relations; coordination with Chambers of Commerce, tourism agencies, and convention and visitor bureaus; and such other issues as may be assigned by the Board from time to time.

The Chair, with input from the Executive Director and the TCAA Director of Marketing, shall appoint the following persons to the Committee: (i) Committee Chair and a Co-Chair, both of whom shall be members of the TCAA Board of Commissioners; (ii) a representative of the Northeast Tennessee regional tourism organization; (iii) a representative of the Southwest Virginia regional tourism organization; (iv) three (3) representatives of local regional Chambers of Commerce; (v) a representative of large business; and (vi) a representative of small business; and (vii) an at-large representative of a regional attraction, lodging or other regional tourism asset. Appointments to the Marketing and Air Service Development Committee shall be approved by the TCAA Board of Commissioners. The Marketing and Air Service Development Committee will be advisory only and will not be authorized to make decisions on the Board's behalf.

Section 8. Airfield Development Committee

The Airfield Development Committee shall be responsible for oversight related to planning of long range capital projects and other improvements to the Authority's physical facilities including development, review and updating of the Authority's master plan; development and review of the capital projects budget and capital expenditures; matters related to federal and state funding grants; capital development funding sources; buildings and grounds improvements; land acquisition; engineering, architectural and other related professional services; aviation-related and non-aviation related airfield improvements; and such other issues as may be assigned by the Board from time to time.

Section 9. Economic Development Committee

This Committee, formerly the Foreign Trade Zone Committee, shall provide advice and guidance to the TCAA Board of Commissioners regarding (i) the promotion of economic development on TCAA property; (ii) the promotion of aeronautical economic development in Northeast Tennessee, Southwest Virginia, and other areas served by Tri-Cities Airport; (iii) the development of and recruitment to TCAA Aerospace Park; (iv) the development of air cargo; (v) the development of TCAA non-aeronautical property; (vi) the development of general aviation business and activity; (vii) the development and promotion of aviation education; (viii) the administration of Foreign Trade Zone #204; (ix) the development of foreign trade and promotion and coordination with the U.S. Customs Port located on TCAA property; (x) the coordination and cooperation with regional, state, and national economic development organizations; (xi) the coordination, communication, and collaboration with other regional governmental organizations as necessary; and (xii) other economic development issues as they arise. The Chair shall appoint the following members to the Committee: one (1) committee member each from Bristol, Virginia; Bristol, Tennessee; Kingsport, Tennessee; Johnson City, Tennessee; Washington County, Tennessee; Sullivan County, Tennessee; and two (2) additional members from the TCAA Board of Commissioners. The Chair shall appoint a Committee Chair and Co-Chair. Non-board appointments to the Economic Development Committee will be approved by the TCAA Board of Commissioners. The Economic Development Committee will be advisory only and will not be authorized to make decisions on the Board's behalf.

Section 10. Chairman of the Authority Commission - Committee Role

The Chair of the Board of Commissioners shall be an ex-officio, voting member of all standing Committees of the Board.

ARTICLE VIII

CONDUCT OF COMMISSIONERS AND OTHERS

Section 1. Contracts/Transactions

No Member of the Board, non-Board member of a Committee, and/or employee of the Authority nor any member of their respective immediate families shall, directly or indirectly, be personally interested in any contract or transaction to which the Authority is a party. Any Member of the Board, non-Board member of a Committee, or employee of the Authority who becomes aware that he/she may have an interest in a contract or transaction, whether directly or indirectly, shall immediately advise the President and Chief Executive Officer and Chair of the Board of Commissioners, fully and accurately of said circumstance. In a case of doubt as to the propriety of entering into a contract or transaction which could be subject to this Article VIII, the Board member, Committee member and/or employee shall make a full disclosure to the Board which shall, in turn, after a consideration of all relevant facts, advise said person(s) as to the propriety of such proposed actions. The Board may refer the matter to legal counsel who shall determine whether such contract/transaction is a violation of applicable law or these By-Laws.

Section 2. Investments

No Member of the Board, non-Board member of a Committee, or employee of the Authority shall own, hold, or invest in any bonds, warrants, or other evidences of indebtedness of the Authority.

Section 3. Compensation of Board Members; Gratuities

No Member of the Board nor non-Board members of a Committee shall receive any compensation for the performance of their duties. They shall, however, be entitled to payment of reasonable and proper expenses incurred in the course and scope of their official duties. No employee of the Authority shall be entitled to receive or retain any extra remuneration, pay, compensation, or gratuity except as may be directly and properly payable in the discharge of his/her official duties or as may represent proper disbursement of expenses incurred in the course and scope of his/her official duties.

Section 4. Scope

It is intended that these provisions shall be addition to and supplement all applicable laws concerning conflicts of interest and the interests of public officials in public contracts and transactions.

ARTICLE IX

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Authority shall employ a President and Chief Executive Officer who will be the chief administrative officer of the Authority and the Airport, and who shall serve under the oversight of the Board as pursuant to the terms of the Employment Agreement between the Board and the President and Chief Executive Officer. The President and Chief Executive Officer shall be a person with experience in an executive or major administrative position, being knowledgeable and familiar with the administration and operation of civil airports and state and federal rules and regulations concerning public aviation and airport operations, business administration, transportation and similar issues pertinent to airport operation and administration.

The President and Chief Executive Officer should attend all meetings of the Board, report on operations of the Airport, and provide information requested by the Board; but shall have no vote The President and Chief Executive Officer shall hire and terminate all employees of the Authority, subject to guidelines established by the Board, in order to carry out the policies of the Authority.

In the temporary absence of the President and Chief Executive Officer, the President and Chief Executive Officer shall appoint a person to serve in his/her capacity until such time as the President and Chief Executive Officer returns to duty.

In the temporary incapacity of the President and Chief Executive Officer, the Board shall appoint a person to serve in his/her capacity until the President and Chief Executive Officer returns to duty, or a permanent replacement is named by the Board. The Board shall cause an annual review of the President and Chief Executive Officer's performance to be undertaken no later than June 30 of each year. The results of such revfiews shall be reduced to writing by the Chair of the Board of Commissioners and reported to the Board.

ARTICLE X

GENERAL POLICIES OF THE AUTHORITY

Section 1. Personnel Administration

For the effective conduct of the business affairs of the Authority, the Board shall adopt a personnel policy embodying the principles of open competition and merit based selection. The President and Chief Executive Officer shall be responsible for overseeing, developing and fostering the effectiveness of the personnel policy.

The President and Chief Executive Officer shall recommend to the Board for approval, a classification and salary plan containing:

A. A job description of each classification.
B. An assignment of each classification to salary ranges equitably related to each other on the basis of function, responsibility and non-wage benefits, if any.

It shall be the responsibility of the President and Chief Executive Officer to recommend needed changes to the adopted classification and salary plan in order that said adopted plans are internally equitable and externally competitive with other similar positions in the public sector.

The Board will either adopt or otherwise provide for an employee fringe benefit system which may, among other programs, include a retirement plan, hospitalization/insurance benefits and provisions for vacation, sick leave, holidays and other related benefits.

Section 2. Purchasing

For the effective conduct of the business affairs of the Authority, the Board shall adopt a purchasing policy embodying the principles of free and open competition.

The President and Chief Executive Officer shall be responsible for implementing the purchasing policy in the procurement of various services and supplies, including but not limited to professional services, service/maintenance contracts, capital expenditures, and commodities and supplies.

No purchase shall be made in the name of the Authority for the private use of a Board member, an officer, employee of the Authority, or non-Board member of a Committee.

Section 3. Fiscal Affairs

The Authority's fiscal year is July 1 through June 30, inclusive. The Board shall approve and enter into a contract appointing an accounting firm qualified to conduct an independent annual financial and compliance audit of the Authority's financial and fiscal affairs and public reports relative thereto.

Annual independent audits shall be completed following the close of the Authority's fiscal year with results relative thereto published in printed form being delivered to all Board members within one hundred eighty (180) days following the close of each fiscal year

A. The accounts for administration, management and operation activities shall be maintained as a self-balancing group and kept on a double entry basis.

B. A general ledger shall be maintained in which all transactions are posted. Also, journals shall be kept in which day-to-day entries shall be made and summarized.

C. Financial reports shall be prepared on at least a quarterly basis to show the results of operations. Also, special financial information shall be provided as required.

Section 4. Contracts, Leases and Agreements

No person, agency or corporation, public or private, shall utilize nor be authorized to utilize any portion of the Authority's real property or any structure thereon for revenue producing commercial or private activities except under the terms of a contract, lease, agreement, or privilege permit entered into and executed by the Board.

In determining the rates, fees and charges, the Board shall adhere to sound business practices, prudent operating methods and good real estate management principles, insuring establishment of fair and equitable rates, fees and charges for use of the Airport and appurtenances relative thereto.

All contracts, leases, agreements or privilege permits entered into and executed by or on behalf of the Authority shall be made a part of the Authority's official records and a matter of public record.

Section 5. Airport Rules and Regulations

The Board shall adopt and approve rules and regulations relating to the operation and control of Airport. A permanent record of such rules and regulations shall be kept available for public inspection.

The President and Chief Executive Officer will recommend necessary rules and regulations to the Board for adoption. All users of and persons on the Airport shall be governed by these regulations and the directions of the President and Chief Executive Officer and/or designated representative. In addition, all concessionaires utilizing Authority facilities or services shall be governed by minimum standards as adopted by the Board.

ARTICLE XI

INSPECTION OF BOOKS AND RECORDS

All books and records of the Authority shall be maintained in its principal office or at such remote locations as the President and Chief Executive Officer may deem necessary and proper, and may be inspected by citizens and residents of the State of Tennessee and the Commonwealth of Virginia, at such times and under such conditions as are provided under Tennessee law and under the procedures established by the President and Chief Executive Officer and approved by the Board.

ARTICE XII

AMENDMENT OF BY-LAWS

These By-Laws may be amended by a vote of a majority of the entire membership of the Board at any regular or special meeting of the Board, provided notice of such proposed amendment be provided to Members of the Board no less than thirty (30) days prior to the Board meeting where the Amendment(s) will be considered.

ARTICLE XIII

DISSOLUTION

Should the Airport cease to be a functioning commercial and general aviation airport, the Board shall direct that proper filings be made to dissolve the Authority and, once dissolved, ownership of the Airport facility and all Authority assets and liabilities shall be conveyed back to the Creating Municipalities in the same ownership percentages as existed prior to the creation of the Authority, same being:

City of Bristol, TN ……………………………..	10%
City of Bristol, VA ……………………………..	10%
City of Johnson City, TN ……………………...	20%
City of Kingsport, TN ………………………….	20%
Sullivan County, TN …………..........................	20%
Washington County, TN ……………………….	20%

CONSIDER

Paid Time Off Policy

Summary:

TCAA staff provides the following recommendations move from the current vacation and time off policy to a Paid Time Off (PTO) benefit program. Staff have designed the PTO program, described in the attached policy, to provide a more attractive time off benefit that will assist in retaining and attracting employees while also streamlining the program and correcting current policy discrepancies.

Recommendation:

Staff recommends the Board approve the Paid Time Off Policy effective January 1, 2027.

Submitted by: Rebecca O'Quinn
Director of Administration & HR

YOUR VACATION WITH PAY

If you are like most of us, you look forward to a time of rest and relaxation each year. Paid vacation is one of the ways we show our appreciation for your length of service and good work.

Paid vacation hours are granted to all qualified regular, full-time employees working a normal work week and carried on the regular payroll.
Upon completion of six months continuous service, a new employee will receive forty (40) hours of paid vacation which is to be used prior to the employee’s first anniversary. Upon completing one year continuous service, eighty (80) hours will be awarded to be used during the employee’s second year.

Vacations hours should normally be taken within the twelve-month period following the employee’s employment anniversary date; however, unused vacation leave of up to 120 hours can be carried forward into the next year. Vacation hours that are “carried forward” cannot accumulate for more than a one year period, and the employee cannot have a prior year’s vacation “carry forward amount” at any time that exceeds 120 hours.

Years of Service	***Paid Vacation***
Completion of 1 year but less than 5 years	80 hours (10 days)
Completion of 5 years of continuous employment	120 hours (15 days)
Completion of 12 years of continuous employment	160 hours (20 days)
Completion of 25 years of continuous employment	200 hours (25 days)

Following your first year of employment, your date of hire (anniversary date) will be used for the purpose of computing your vacation leave.

Regardless of whether the employee works a regular eight (8) hour day, forty (40) hours per week, or as a Public Safety Officer who may work varying hours per day and week, paid vacation "days" for all employees will be considered as eight (8) hours of straight-time hourly rate. Paid vacation weeks will consist of forty (40) hours of straight-time hourly rate. Salaried employees will receive their regular daily or weekly salaries.

Since air travel demands are seasonal, vacations must be scheduled in such a way that we can best serve our customers by maintaining sufficient manpower to meet their needs. Employees scheduling vacation time during snow season do so with the understanding that they may be required to reschedule part or all of that vacation time if circumstances make it necessary.

You should make certain to schedule your vacation with your supervisor at least two weeks in advance of your requested vacation date. Vacations will be scheduled by way of a sign-up sheet, which will be posted prior to the first of each year. Employees will be given a period of time to select their choice of their first week of vacation, with the more senior employee getting first choice in the event of a conflict. The same procedure will be followed for the second and subsequent weeks of vacation. Any vacation time not scheduled can be taken, if it is open, after consulting your supervisor.

Employees are encouraged to spread vacation time evenly during the year, so that your fellow employees will have a chance to schedule theirs.

Vacations or Personal Holidays may be taken in increments of 2 or more hours, daily, or one week at a time. If half or full day's vacation is to be taken, at least 24 hours notice is required. If you are eligible for three (3) weeks (120 hours) of vacation, special permission is required from your supervisor in order to take three (3) or more consecutive weeks (120 hours) of vacation. **If you are eligible for an annual award of 160 or more hours of vacation, you may take pay for over 120 hours of any vacation time awarded in that year.**

Because we believe an employee needs some time away from work each year to rest and relax, we encourage you to take your vacation. Vacation days will not be considered as hours worked for the purpose of computing overtime. Any days taken off other than for legitimate sickness or emergencies will be treated as vacation days, unless the employee designates that personal holidays apply.

In the event of resignation or involuntary termination from employment for reasons other than gross misconduct, an employee will receive pay for any unused awarded vacation leave, and unused compensatory time, or holiday pay.

Every effort should be made by employees and supervisors to insure employees use their paid-time-off during the year in which it was awarded. If operational conditions have prevented an employee from using accumulated paid-time-off, the Executive Director may approve payment in lieu of time off for hours exceeding the carry-forward limit. Prior coordination is required by the employee's department director.

Tri-Cities Airport Authority
Administrative Policies and Procedures

Policy and Procedure Number: **240**	Subject: **PAID TIME OFF POLICY**
Approved by: **TCAA Board**	Approval Date: **04/23/2026**
Effective Date: **January 1, 2027**	New, Revision, Rescinds:

Purpose

This Paid Time Off Policy replaces and supersedes all previous policies for time off, vacation pay, sick pay, and any other past employe leave program and is effective on January 1, 2027, and will align with the calendar year for all employees. TCAA will pay out existing leave accumulations that exceed the current limitations prior to the implementation of this policy. This policy eliminates the accumulation of excessive vacation or holiday pay. TCAA will continue to save accumulated sick leave and report unused balances to TCRS for service credit.

Policy

This policy establishes a Paid Time Off (PTO) Bank to be used for vacation, sick leave, and holidays. The policy requires employees to schedule time off and work with their supervisor for approval of time off. TCAA may use disciplinary action on employees taking time off without the approval of the supervisor. TCAA may require proof of sufficient cause for employees taking unscheduled time off for emergencies, illness, or other unscheduled absences.

1. Compensatory Time
    a. TCAA will require employees to use current compensatory accumulations before the end of the final calendar year of the previous policy, and TCAA will pay out remaining unused compensatory time at the current wage rates at the end of the final calendar year of the previous policy.
    b. TCAA will no longer award compensatory time. TCAA will pay non-exempt employees normal OT for any time worked over OT limitations.
2. Paid Time Off allotments.
    a. 6-months to 3 years: 180 hours.
    b. 3 to 4 years: 248 hours.
    c. 5 to 10 years: 288 hours.
    d. 10 to 15 years: 328 hours.
    e. 15 to 20 plus years: 368 hours.
    f. Exempt employees: 40 hours in addition to those listed above.
3. PTO allotments do not accumulate. TCAA will reset PTO hours at the beginning of each calendar year.
    a. TCAA will encourage employees to take a minimum of 80 hours of leave each year with at least 40 consecutive work hours off.

    b. In cases where TCAA operational requirements do not allow an employee to take a minimum of 80 hours leave per year with at least 40 consecutive work hours of time off, the President/CEO may authorize the payment of up to 80 hours of pay in lieu of time off.
4. Holidays and illness
    a. TCAA has included within the PTO allotment enough hours to accommodate time off for holidays and illness.
        i. Required holiday work – TCAA will pay non-exempt employees who TCAA requires to work on the following holidays 1 ½ times normal wages.
            1. New Year's Day
            2. Memorial Day
            3. Independence Day
            4. Labor Day
            5. Thanksgiving
            6. Christmas
        ii. Employees who volunteer to work on any one of these holidays and plan to use PTO on another day will not be eligible for time and a half pay.
        iii. Employees may use PTO to observe any holiday and should coordinate the time off with their supervisor. TCAA will not unduly deny an employee the time off in order to observe a holiday, however, time off cannot be guaranteed due to airport operational demands.
    b. Illness – Employees should not come to work if sick, if employees come to work with a fever or showing visible signs of illness, the following policy will apply.
        i. TCAA will require employees who come to work sick to leave work and use PTO for those hours.
        ii. If all PTO is used, TCAA will require the employee to take the hours off without pay, except as described in "Extended sick leave" below.
    c. Extended sick leave.
        i. Employees will accrue extended sick leave of 80 hours per year at the rate of 6.67 hours per month. Employees may only use extended sick leave when the employee has used all PTO time.
        ii. TCAA will only approve the use of extended sick time with a doctor's certification.
        iii. TCAA will only approve the use of extended sick time for periods that exceed three workdays.
        iv. TCAA will not pay extended sick time upon separation of employment but will report unused sick time to TCRS for additional service credit.
5. Other leave
    a. Jury Duty and Military leave
        i. Employees may receive both paid and unpaid leave for jury duty and military leave as required by state and federal laws.

Exempt Employees

TCAA does not pay an exempt employee overtime for hours worked more than 40 hours per week. TCAA expects an exempt employee to put in the necessary hours for the completion of work, operations of the airport, fill in operational needs, and to provide service to the communities. This means that with few exceptions an exempt employee is continuously responsible to the airport job. TCAA will evaluate and review an exempt employee based on the quality, completion, and timeliness of their work and responsibilities. As such, TCAA will give an exempt employee trust and flexibility to manage time off within the requirements and responsibilities of their position. TCAA will provide an exempt employee with the PTO benefits as outlined below with the following additional considerations.

1. Flexible Leave Benefit
    a. TCAA considers exempt employees normal work week to be a 40-hour week during weekday hours; however, TCAA and the employee recognize that duties and responsibilities can require work more than 40-hours per week and at all hours of the day. With that, TCAA gives the employee the flexibility to collaborate with the employee's supervisor to balance work hours across weeks in a manner that is fair to the employee while still providing the time necessary to complete all duties and responsibilities.
    b. TCAA expects exempt employees to work most of their work hours at the airport offices and be available to employees and the public, however, they may work from home or other locations at their discretion so long as the employee is meeting the responsibilities to the public and other airport employees.
        i. Exempt employees working away from the airport shall provide notice to co-workers, assistants, and subordinates that they will be out of the office.
        ii. Exempt employees working out of the office for more than three (3) consecutive days should coordinate approval with their supervisor or the President/CEO.
    c. TCAA expects exempt employees to schedule and manage their time off in a way that does not interfere with the operations of the airport, their duties and responsibilities, or the completion of time sensitive tasks when they are on vacation or away for other events during which they will not be working or will not be available.
        i. TCAA requires exempt employees to notify their supervisor and their employees and assistants of time off as early as possible.
        ii. Exempt employees should coordinate time off periods of 2 weeks or more in advance with their supervisor.
        iii. The President/CEO will coordinate time off with all direct reports to ensure there is no interruption or interference with the operations of the airport.
        iv. The President/CEO will notify the TCAA Board of Commissioners of any extended time off in which they will not have access to direct communication via phone, email, or text.

Tri-Cities Airport Authority
April 23, 2026

CONSIDER:

Employee Evaluation and Bonus Structure

Summary:

Employee reviews influence salaries, bonuses, promotions and transfers, and it is critical that supervisors/managers are objective in conducting reviews and in assigning overall performance ratings. The bonus plan at TCAA is designed to provide incentive compensation for eligible employees. All full and part-time employees are provided with an annual review and consideration for merit pay increases, salary adjustments, promotions, transfers, and bonuses as warranted. To be eligible an employee must receive a satisfactory employee review, have made satisfactory progress on all assigned goals, and must be employed as of June 30th of the bonus plan year.

Recommendation:

Staff recommends approval of the Employee Evaluation and Bonus Structure package as presented, or deferral to the June 2026 Board Meeting if revisions are needed.

Submitted by:
Rebecca O'Quinn
Director of Administration & HR

Tri-Cities Airport Authority
Administrative Policies and Procedures

Policy and Procedure Number: **250**	Subject: **Employee Evaluation and Bonus Structure**
Approved by: **TCAA Board**	Approval Date: **04/23/2026**
Effective Date: **July 1, 2026**	New, Revision, Rescinds:

Purpose

The review process provides a means for discussing, planning and continually evaluating and improving the performance of each employee. Employee reviews influence salaries, bonuses, promotions and transfers, and it is critical that supervisors/managers are objective in conducting reviews and in assigning overall performance ratings. The bonus plan at TCAA is designed to provide incentive compensation for eligible employees.

Eligibility for Salary Increase, Promotions, Transfers, and Bonuses

All full and part-time employees are provided with an annual review and consideration for merit pay increases, salary adjustments, promotions, transfers, and bonuses as warranted. To be eligible an employee must receive a satisfactory employee review, have made satisfactory progress on all assigned goals, and must be employed as of June 30th of the bonus plan year.

Performance Review Schedule

Supervisors will conduct performance reviews continually throughout the year with a final annual assessment due by May 31st. Each TCAA supervisor is responsible for the timely and equitable assessment of the performance and contribution of subordinate employees.

Processes

Human Resources will establish the format and timing of all review processes that will be appended to this policy and reviewed and updated annually. The completed evaluations will be retained in the employee's personnel file.

Salary Increases

Salary increase requests must be supported by a satisfactory review for salary change processing. Supervisors may not discuss any proposed action with the employee until all written approvals are obtained.

Human Resources will review all salary increase/adjustment requests to ensure compliance with company policy and that they fall within the guidelines provided and within annual budgetary constraints. A performance appraisal does not always result in an automatic salary increase. The employee's overall performance and salary level relative to position responsibilities must be evaluated to determine whether a salary increase is warranted. Out-of-cycle salary increases must be preapproved by the department manager, Director of Admin/HR and TCAA President/CEO.

Bonus Policy

A fiscal year-end bonus pool will be established by the President/CEO, Director of Finance, Director of Admin/HR and approved by the TCAA executive committee. The amount of the bonus pool will be established as a percentage of the fiscal year-end total airport earnings for revenue surplus.

The President/CEO, Director of Finance, and Director of Admin/HR will compute individual employee bonuses as a weighted percentage of the year-end bonus pool with eligible employees receiving a percentage of base salary received as of fiscal year-end, in years in which a bonus pool is established. A bonus pool may not be established if adequate net revenue for the fiscal year is not available. Bonus payments will generally be made no later than September 30th of the following fiscal year. The payment will be taxed at the flat Internal Revenue Service (IRS) rate plus applicable state rates for bonus payments.

The President/CEO will approve direct report administrative staff bonuses as a weighted percentage of the year-end bonus pool.

The TCAA Executive Committee will approve the President/CEO bonus as a part of an annual employee review conducted prior to the end of the Fiscal Year, unless otherwise established through separate contracts or agreements between TCAA and the President/CEO.

Bonus compensation, and any other compensation, may be subject to federal or other regulations that supersede this bonus plan.

Plan Modifications

The President/CEO has the right to change, modify or approve exceptions to this policy at any time with or without notice. Any modifications will be reviewed and approved/disapproved by the TCAA board at the next scheduled board meeting.

REPORT:

Projected FY 2026 Operating Results And
Proposed FY 2027 Operating Budget

Summary:
The Projected FY2026 operating results have been developed using the most current actual financial data available. The forecast begins with actual operating results for the six months ending December 31, 2025, and projects the remaining six months using a proportionate allocation of the approved FY2026 budget, adjusted to reflect current trends, operational statistics and economic conditions observed during the fiscal year.

Based on forecasting results, the fiscal year ending June 30, 2026 is expected to represent a period of growth and transition for TRI. Passenger Traffic trends remain strong, with enplanements increasing 10.8% compared to the same period in the prior fiscal year. Rental car activity has also demonstrated favorable performance, with on-airport car rentals increasing 9.5% over the prior fiscal year. Parking trends show modest growth of 1.1% in the number of cars from July through February as compared to the previous year, during this time of construction and rehab of the parking system.

Projected expenditures for FY2026 are estimated to exceed the approved budget by $136,507 or 1.4%. Expense variances across cost centers are mixed, however, the most significant negative variance related to Aviation Area expenses. The Aviation Area cost center accounts for expenses related to the daily operations and maintenance of the airfield, including runway, apron and taxiway infrastructure. Within the first 6 months, additional costs were incurred for repainting terminal apron markings and runway center lines. In addition, this cost center also accounts for expenses related to snow removal which we experienced an increase in winter weather this season.

The proposed FY2027 operating budget has been developed using the most current financial data and reflects a conservative approach based on current operational trends. Total revenues for FY2027 are budgeted to increase approximately 10% compared to the FY2026 budget. Total operating expenses are projected to increase 12.5%, primarily due to the addition of new positions required to support expanded airline service and cost / pricing increases in the goods and services.

The proposed FY2027 budget results in projected net operating income of $13,150. The comparatively lower net operating income is anticipated and reflects a strategic investment period for TRI. During FY2027, the Airport expects to incur startup costs associated with expanded air service, including additional staffing, equipment, and airline incentive programs such as temporary waivers of landing fees during the initial one- to two-year service period. Following the expiration of these incentive agreements, net operating income is expected to return to levels more consistent with historical performance.

There are several factors which the staff is monitoring closely that will have an impact on the proposed FY2027 operating budget.

Presentation Note: *The agenda items for the Projected FY2026 Operating Results and the Proposed FY2027 Operating Budget are included on the same worksheet. The Projected FY2026 Operating Results are shown on the left side and the Proposed FY2027 Operating Budget are presented on the right side of the worksheet.*

Submitted by: Rachel Squibb
Director of Finance
Tri-Cities Airport Authority
April 23, 2026

TRI-CITIES AIRPORT AUTHORITY

FY 2027 Proposed Operating Budget

Presented to Tri-Cities Airport Authority April 23, 2026

Exhibit: 1

Projected Year-End FY2026	FY 2026 Budget	$ Variance from 26 Budget	% Variance from 26 Budget	Description	Proposed Budget FY2027	$ Variance from 26 Budget	% Variance from 26 Budget	$ Variance from Projected FY2026	% Variance from Projected FY2026
$873,835	$836,620	$37,215	4.4%	Airline Landing Fees	$1,000,000	$163,380	19.5%	$126,165	14.4%
1,831,645	1,818,600	13,045	0.7%	Airline Rents	1,884,750	66,150	3.6%	53,105	2.9%
$2,705,480	$2,655,220	$50,260	1.9%	**TOTAL AIRLINE REVENUE**	$2,884,750	$229,530	8.6%	$179,270	6.6%
$1,229,748	$1,191,650	$38,098	3.2%	General Aviation	$1,235,300	$43,650	3.7%	$5,552	0.5%
105,514	107,500	(1,986)	-1.8%	Air Cargo	107,500	0	0.0%	1,986	1.9%
3,605,275	3,170,245	435,030	13.7%	Parking Revenue	3,698,000	527,755	16.6%	92,725	2.6%
2,017,317	1,874,700	142,617	7.6%	Rental Car Revenue	2,014,700	140,000	7.5%	(2,617)	-0.1%
263,958	251,500	12,458	5.0%	Terminal Concessions	261,000	9,500	3.8%	(2,958)	-1.1%
116,938	112,200	4,738	4.2%	Terminal Space Rents	112,500	300	0.3%	(4,438)	-3.8%
447,451	365,800	81,651	22.3%	Other Revenues	381,000	15,200	4.2%	(66,451)	-14.9%
$7,786,201	$7,073,595	$712,606	10.1%	**TOTAL NON-AIRLINE REVENUE**	$7,810,000	$736,405	10.4%	$23,799	0.3%
$10,491,681	$9,728,815	$762,866	7.8%	**TOTAL REVENUE**	$10,694,750	$965,935	9.9%	$203,069	1.9%
$418,586	$279,500	$139,086	49.8%	Aviation Area Expenses	$322,500	$43,000	15.4%	($96,086)	-23.0%
96,537	73,000	23,537	32.2%	Aviation Properties Expense	80,000	7,000	9.6%	(16,537)	-17.1%
993,868	929,500	64,368	6.9%	Terminal Area	1,060,000	130,500	14.0%	66,132	6.7%
24,949	31,000	(6,051)	-19.5%	Air Cargo Center	31,000	0	0.0%	6,051	24.3%
117,668	123,000	(5,332)	-4.3%	Other Properties	127,000	4,000	3.3%	9,332	7.9%
238,991	277,000	(38,009)	0.0%	Fixed Base Operation	482,000	205,000	74.0%	243,009	101.7%
1,630,822	1,539,500	91,322	5.9%	Public Safety	1,441,000	(98,500)	-6.4%	(189,822)	-11.6%
992,918	952,700	40,218	4.2%	Maintenance Department	997,700	45,000	4.7%	4,782	0.5%
746,082	760,300	(14,218)	-1.9%	Building Services Department	778,700	18,400	2.4%	32,618	4.4%
2,088,668	2,158,000	(69,332)	-3.2%	Administrative Department	2,047,000	(111,000)	-5.1%	(41,668)	-2.0%
864,118	961,300	(97,182)	-10.1%	Marketing Department	988,100	26,800	2.8%	123,982	14.3%
190,709	186,250	4,459	2.4%	Trade Development	201,600	15,350	8.2%	10,891	5.7%
425,433	330,000	95,433	28.9%	Ground Handling Services	903,000	573,000	173.6%	477,567	112.3%
131,897	184,000	(52,103)	-28.3%	Customer Experience	178,500	(5,500)	-3.0%	46,603	35.3%
133,587	181,000	(47,413)	-26.2%	Airport Business Development	152,000	(29,000)	-16.0%	18,413	13.8%
540,224	532,500	7,724	1.5%	Operations Expenses	891,500	359,000	67.4%	351,276	65.0%
$9,635,057	$9,498,550	$136,507	1.4%	**TOTAL EXPENSES**	$10,681,600	$1,183,050	12.5%	$1,046,543	10.9%
$856,624	$230,265	**$626,359**	-272.0%	**NET OPERATING INCOME**	$13,150	($217,115)	94.3%	($843,474)	98.5%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

AIRLINE REVENUE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2025	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
51010-201	Landing Fees: Delta Connection	385,139	352,270	32,869	9%	450,000	97,730	28%
51016-201	Landing Fees: Breeze Airways	4,274	-	4,274	0%	-	-	0%
51020-201	Landing Fees: United	-	-	-	0%	-	-	0%
51025-201	Landing Fees: American Airlines	414,630	417,350	(2,720)	-1%	460,000	42,650	10%
51040-201	Landing Fees: Allegiant Airlines	69,792	67,000	2,792	4%	90,000	23,000	34%
	TOTAL AIRLINE LANDING FEES	873,835	836,620	37,215	4%	1,000,000	163,380	20%
51507-202	Floor Space: American Airlines	136,172	132,700	3,472	3%	136,000	3,300	2%
51515-202	Floor Space: Delta Connection	163,622	159,400	4,222	3%	163,000	3,600	2%
51518-202	Joint Use Space	8,322	8,000	322	4%	8,000	-	0%
51519-202	Terminal Apron Charge	55,306	55,000	306	1%	59,000	4,000	7%
51525-202	Terminal Space Area Use	611,059	611,000	59	0%	640,000	29,000	5%
51526-202	Ground Equipment Storage	2,696	2,750	(54)	-2%	2,750	-	0%
51530-202	Jetway Use Fee	69,151	60,300	8,851	15%	69,000	8,700	14%
51535-202	PSO Security Reimbursement	780,646	784,750	(4,104)	-1%	802,300	17,550	2%
51546-202	Janitorial & Trash Reimbursement	4,671	4,700	(29)	-1%	4,700	-	0%
	TOTAL AIRLINE RENTS	1,831,645	1,818,600	13,045	1%	1,884,750	66,150	4%
	TOTAL AIRLINE REVENUE	2,705,480	2,655,220	50,260	2%	2,884,750	229,530	9%

Note: Fiscal Year, "FY 2027", is from July 1, 2026 to June 30, 2027.
Note: Fiscal Year, "FY 2026", is from July 1, 2025 to June 30, 2026.

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

GEN. AVIATION REVENUE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
52005-203	Charters - Landing Fees	8,312	**8,640**	(328)	-4%	**9,000**	360	4%
52007-203	Charters - Terminal Facilities Fees	16,224	**11,900**	4,324	36%	**12,000**	100	1%
52010-203	FBO - Hangar Rents	4,946	**-**	4,946	0%	**5,000**	5,000	0%
52020-203	FBO - Minimum Annual Operating Fee	354,273	**356,300**	(2,027)	-1%	**365,000**	8,700	2%
52030-203	FBO - 3% Gross Revenue Fee	217,864	**213,600**	4,264	2%	**206,000**	(7,600)	-4%
52070-203	FBO - Fuel Flowage Fees	99,781	**99,360**	421	0%	**91,000**	(8,360)	-8%
52072-203	FBO - Utility Reimbursement	10,022	**9,800**	222	2%	**12,300**	2,500	26%
52075-203	Flying Service - Rents	5,410	**5,450**	(40)	-1%	**5,000**	(450)	-8%
52076-203	Flying Service - Utility Reimb	2,679	**2,500**	179	7%	**4,500**	2,000	80%
52080-203	Speciality Service Operations	149,786	**150,600**	(814)	-1%	**157,000**	6,400	4%
52110-203	Corporate Hangar, Land & Access	289,385	**295,000**	(5,615)	-2%	**299,000**	4,000	1%
52160-203	Corporate Fuel Fees	29,646	**35,000**	(5,354)	-15%	**26,000**	(9,000)	-26%
52165-203	GA - Self-Fueling	3,930	**3,500**	430	12%	**3,500**	-	0%
52170-203	GA - Titan Fuel Sales	37,490	**-**	37,490	0%	**40,000**	40,000	0%
	TOTAL GEN. AVIATION REVENUE	1,229,748	**1,191,650**	38,098	3%	**1,235,300**	43,650	4%

Note: Fiscal Year, "FY 2027", is from July 1, 2026 to June 30, 2027.
Note: Fiscal Year, "FY 2026", is from July 1, 2025 to June 30, 2026.

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

AIR CARGO REVENUE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
52510-204	Cargo: Landing Fees	4,158	**4,000**	158	4%	**4,000**	-	0%
52540-204	Cargo: Cargo Center - Terminal Space	89,750	**90,000**	(250)	0%	**90,000**	-	0%
52542-204	Cargo: Cargo Center - Ramp Fees	869	**-**	869	0%	**-**	-	0%
52543-204	Cargo: Services Reimbursements	6,185	**7,500**	(1,315)	-18%	**7,500**	-	0%
52544-204	Cargo: Cargo Center - Utility Reimb	4,552	**6,000**	(1,448)	-24%	**6,000**	-	0%
	TOTAL AIR CARGO REVENUE	105,514	**107,500**	(1,986)	-2%	**107,500**	-	0%

Note: Fiscal Year, "FY 2076", is from July 1, 2026 to June 30, 2027.
Note: Fiscal Year, "FY 2026", is from July 1, 2025 to June 30, 2026.

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

PARKING REVENUE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
53150-205	Parking: Long-Term	3,186,339	2,339,555	(846,784)	-36%	2,742,000	402,445	17%
53151-205	Parking: Short-Term	394,326	805,000	410,674	51%	926,000	121,000	15%
53154-205	Parking: Other Revenue	24,610	25,690	1,080	4%	30,000	4,310	17%
	TOTAL PARKING REVENUE	3,605,275	3,170,245	(435,030)	-14%	3,698,000	527,755	17%

Note: Fiscal Year, "FY 2027", is from July 1, 2026 to June 30, 2027.
Note: Fiscal Year, "FY 2026", is from July 1, 2025 to June 30, 2026.

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

RENTAL CAR REVENUE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
53605-206	RAC: Floor Space Rents	63,565	62,200	1,365	2%	62,200	-	0%
53610-206	RAC: Commissions	1,746,878	1,610,000	136,878	9%	1,750,000	140,000	9%
53620-206	RAC: Service Facility	106,743	102,500	4,243	4%	102,500	-	0%
53623-206	RAC: RAC - Utility Reimbursement	36,195	40,000	(3,805)	-10%	40,000	-	0%
53627-206	RAC: Service Facility - Maint CFC Reimb	63,936	60,000	3,936	7%	60,000	-	0%
	TOTAL RENTAL CAR REVENUE	2,017,317	1,874,700	142,617	8%	2,014,700	140,000	7%

Note: Fiscal Year, "FY 2027", is from July 1, 2026 to June 30, 2027.
Note: Fiscal Year, "FY 2026", is from July 1, 2025 to June 30, 2026.

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

TERMINAL CONCESSIONS and SPACE RENTS

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
TERMINAL CONCESSION REVENUE											
14,600	5,667	8,933	54100-207	Terminal: Advertising	63,331	**68,000**	(4,669)	-7%	**68,000**	-	0%
15,114	14,375	739	54106-207	Terminal: Restaurant & Gift Shop	189,620	**172,500**	17,120	10%	**182,000**	9,500	6%
1,020	833	187	54107-207	Terminal: Tailwinds - Util Reimbursement	10,505	**10,000**	505	5%	**10,000**	-	0%
-	83	(83)	54125-207	Terminal: Miscellaneous Revenue	502	**1,000**	(498)	-50%	**1,000**	-	0%
30,734	20,958	9,776		TOTAL TERMINAL CONCESSIONS	263,958	**251,500**	12,458	5%	**261,000**	9,500	4%
TERMINAL SPACE RENTS											
9,090	8,358	732	54290-208	Terminal Rents: Office Space	104,693	**100,300**	4,393	4%	**100,300**	-	0%
815	725	90	54360-208	Terminal Rents: Utility Reimbursement	9,231	**8,700**	531	6%	**9,000**	300	3%
175	208	(33)	54410-208	Terminal Rents: Janitorial & Trash Reimbursement	2,302	**2,500**	(198)	-8%	**2,500**	-	0%
60	58	2	54520-208	Terminal Rents: PA System	712	**700**	12	2%	**700**	-	0%
10,140	9,349	791		TOTAL TERMINAL SPACE RENTS	116,938	**112,200**	4,738	4%	**112,500**	300	0%

Note: Fiscal Year, "FY 2027", is from July 1, 2026 to June 30, 2027.
Note: Fiscal Year, "FY 2026", is from July 1, 2025 to June 30, 2026.

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

OTHER REVENUE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
51550-202	Ground Handling Services	132,099	114,000	18,099	16%	120,000	6,000	5%
52008-203	Charters - Ground Handling	16,168	12,500	3,668	29%	13,000	500	4%
55210-209	Other Properties: Ground Leases-Farm Land	3,931	5,000	(1,069)	-21%	5,000	-	0%
55300-209	Other Properties: Other Leases	35,159	34,700	459	1%	35,000	300	1%
55302-209	Other Properties: Utility Reimb	7,660	6,000	1,660	28%	7,000	1,000	17%
55421-209	Other: Salary Supplements	4,800	9,600	(4,800)	-50%	9,000	(600)	-6%
55432-000	Other: FTZ Contributions	127,162	125,000	2,162	2%	125,000	-	0%
55435-209	Other: Ice Revenue	10,068	9,000	1,068	12%	10,000	1,000	11%
55440-209	Other: ID's & Fingerprinting Revenue	25,527	19,000	6,527	34%	25,000	6,000	32%
55445-209	Other: Gasoline Sales	14,002	9,000	5,002	56%	9,000	-	0%
55450-209	Other: Miscellaneous Billings	44,656	9,000	35,656	396%	10,000	1,000	11%
55500-210	Aerospace Park - Ground Revenue	13,019	13,000	19	0%	13,000	-	0%
93106-000	Contributions from Tailwinds	13,200	-	13,200	0%	-	-	0%
	TOTAL OTHER REVENUE	447,451	365,800	81,651	22%	381,000	15,200	4%

Note: Fiscal Year, "FY 2027", is from July 1, 2026 to June 30, 2027.
Note: Fiscal Year, "FY 2026", is from July 1, 2025 to June 30, 2026.

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

AVIATION AREA EXPENSES

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
60010-301	Aviation - Utilities	17,159.00	15,000.00	(2,159.00)	-14%	17,000.00	2,000.00	13%
60070-301	Aviation - Power Vault Diesel	9,904.00	12,000.00	2,096.00	17%	12,000.00	-	0%
60080-301	Aviation - Power Vault Repairs	1,036.00	2,000.00	964.00	48%	2,000.00	-	0%
60110-301	Aviation - Runways/Taxiways/Field	128,001.00	100,000.00	(28,001.00)	-28%	100,000.00	-	0%
60400-301	Aviation - Ramps and Aprons	89,841.00	30,000.00	(59,841.00)	-199%	30,000.00	-	0%
60500-301	Aviation - Fence & Gate Repair	18,296.00	8,000.00	(10,296.00)	-129%	15,000.00	7,000.00	88%
60520-301	Aviation - Electrical Maintenance	28,687.00	40,000.00	11,313.00	28%	40,000.00	-	0%
60560-301	Aviation - Snow & Ice Control	67,362.00	33,000.00	(34,362.00)	-104%	33,000.00	-	0%
60570-301	Aviation - Wildlife Control	7,832.00	6,000.00	(1,832.00)	-31%	8,000.00	2,000.00	33%
60630-301	Aviation - Equipment Rental	7,978.00	7,000.00	(978.00)	-14%	7,000.00	-	0%
60650-301	Aviation - Fuel Farm Maintenance	20,662.00	10,500.00	(10,162.00)	-97%	10,500.00	-	0%
60655-301	Aviation - Contract Mowing	1,036.00	2,000.00	964.00	48%	2,000.00	-	0%
60700-301	Aviation - Environmental Compliance	7,280.00	6,000.00	(1,280.00)	-21%	6,000.00	-	0%
60705-301	Aviation-Part 139 Field Reporting	13,512.00	8,000.00	(5,512.00)	-69%	40,000.00	32,000.00	400%
	TOTAL AIRFIELD AREA EXPENSE	418,586.00	279,500.00	(139,086.00)	-50%	322,500.00	43,000.00	15%
60030-301	Aviation - Domed Hangar/Offices	25,664.00	8,000.00	(17,664.00)	-221%	10,000.00	2,000.00	25%
60040-301	Aviation - Tri-City Aviation, Inc.	44,439.00	45,000.00	561.00	1%	45,000.00	-	0%
60045-301	Aviation - Corporate Hangar Maint	4,907.00	10,000.00	5,093.00	51%	10,000.00	-	0%
60050-301	Aviation - Wysong	21,527.00	10,000.00	(11,527.00)	-115%	15,000.00	5,000.00	50%
	TOTAL AVIATION PROPERTIES EXPENSE	96,537.00	73,000.00	(23,537.00)	-32%	80,000.00	7,000.00	10%

Note: Fiscal Year, "FY 2027", is from July 1, 2026 to June 30, 2027.
Note: Fiscal Year, "FY 2026", is from July 1, 2025 to June 30, 2026.

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

TERMINAL AREA EXPENSES

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
61010-302	Terminal - Electricity - BTES	299,530.00	290,000.00	9,530.00	3%	300,000.00	10,000.00	3%
61020-302	Terminal - Heating Fuel	26,743.00	25,000.00	1,743.00	7%	25,000.00	-	0%
61030-302	Terminal - Water & Sewer	45,287.00	45,000.00	287.00	1%	45,000.00	-	0%
61035-302	Terminal - Landscape Water	3,015.00	5,000.00	(1,985.00)	-40%	5,000.00	-	0%
61040-302	Terminal - Telephone & Internet	12,624.00	18,000.00	(5,376.00)	-30%	30,000.00	12,000.00	67%
61050-302	Terminal - Electrical Maintenance	7,576.00	15,000.00	(7,424.00)	-49%	10,000.00	(5,000.00)	-33%
61055-302	Terminal - HVAC Maintenance	42,853.00	30,500.00	12,353.00	41%	35,000.00	4,500.00	15%
61057-302	Terminal - Building Repairs	46,920.00	55,000.00	(8,080.00)	-15%	50,000.00	(5,000.00)	-9%
61060-302	Terminal - Plumbing	39,676.00	22,500.00	17,176.00	76%	40,000.00	17,500.00	78%
61065-302	Terminal - Landscape Service	41,995.00	55,000.00	(13,005.00)	-24%	53,000.00	(2,000.00)	-4%
61070-302	Terminal - Equipment/Furnishing Mtn	5,797.00	7,000.00	(1,203.00)	-17%	7,000.00	-	0%
61075-302	Terminal - Roadway, Parking Lot	33,892.00	24,500.00	9,392.00	38%	30,000.00	5,500.00	22%
61080-302	Terminal - Contract Mowing	30,155.00	40,000.00	(9,845.00)	-25%	40,000.00	-	0%
61081-302	Terminal - Lawn Treatment	450.00	-	450.00	0%	-	-	0%
61570-302	Terminal - Contract (Elevator)	55,728.00	50,000.00	5,728.00	11%	55,000.00	5,000.00	10%
61580-302	Terminal - Contract (Trash Service)	43,573.00	40,000.00	3,573.00	9%	45,000.00	5,000.00	13%
61610-302	Terminal - Other Contracts	27,985.00	45,000.00	(17,015.00)	-38%	45,000.00	-	0%
61960-302	Terminal - Jetway Maintenance	40,926.00	100,000.00	(59,074.00)	-59%	95,000.00	(5,000.00)	-5%
61970-302	Terminal - IT Equipment & Services	171,677.00	50,000.00	121,677.00	243%	100,000.00	50,000.00	100%
61980-302	Terminal - FIDS System	17,466.00	12,000.00	5,466.00	46%	50,000.00	38,000.00	317%
		-	-	-	0%	-	-	0%
	TOTAL TERMINAL AREA EXPENSE	993,868.00	929,500.00	64,368.00	7%	1,060,000.00	130,500.00	14%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

AIR CARGO EXPENSE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
62560-303	Air Cargo Center: Utilities	12,142.00	12,000.00	142.00	1%	12,000.00	-	0%
62562-303	Air Cargo Center: Heating Fuel	238.00	1,000.00	(762.00)	-76%	1,000.00	-	0%
62565-303	Air Cargo Center: HVAC Maintenance	715.00	3,000.00	(2,285.00)	-76%	3,000.00	-	0%
62566-303	Air Cargo Center: Building Repairs	11,854.00	15,000.00	(3,146.00)	-21%	15,000.00	-	0%
	TOTAL AIR CARGO EXPENSE	24,949.00	31,000.00	(6,051.00)	-20%	31,000.00	-	0%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

OTHER PROPERTIES

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
62556-303	Other Prop: Non-Aviation Land	1,178.00	**2,000.00**	(822.00)	**2,000.00**	-	0%
62555-303	Other Prop: Other Buildings	9,070.00	**7,000.00**	2,070.00	**9,000.00**	2,000.00	29%
62557-303	RAC Service Facility Utilities	36,330.00	**40,000.00**	(3,670.00)	**40,000.00**	-	0%
62558-303	RAC Service Facility Maint	47,831.00	**50,000.00**	(2,169.00)	**50,000.00**	-	0%
62010-303	Hamilton Road Garages - Utilities	7,460.00	**6,000.00**	1,460.00	**8,000.00**	2,000.00	33%
62580-303	Other Expense: Ice Expense	4,397.00	**5,000.00**	(603.00)	**5,000.00**	-	0%
62581-303	Other Expense: Airline GSE Gasoline	11,402.00	**13,000.00**	(1,598.00)	**13,000.00**	-	0%
	TOTAL OTHER PROPERTIES EXP.	117,668.00	**123,000.00**	(5,332.00)	**127,000.00**	4,000.00	3%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

Fixed Based Operation

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance	% Variance from Projected FY 2025	Proposed Budget FY26	$ Variance from Budget FY25	% Variance from Budget FY25
68000-319	FBO - Supplies	6,689.00	**80,000.00**	73,311.00	92%	**5,000.00**	(75,000.00)	-94%
68002-319	FBO - Equipment Fuel	6,901.00	-	(6,901.00)	0%	**5,000.00**	5,000.00	0%
68003-319	FBO - Equipment Mainenance	7,130.00	-	(7,130.00)	0%	**7,000.00**	7,000.00	0%
68004-319	FBO - Miscellaneous	8,747.00	-	(8,747.00)	0%	**8,000.00**	8,000.00	0%
68007-319	FBO - Salaries	76,002.00	**152,000.00**	75,998.00	50%	**152,000.00**	-	0%
68008-319	FBO - FICA	6,000.00	**12,000.00**	6,000.00	50%	**12,000.00**	-	0%
68009-319	FBO - Retirement	5,501.00	**11,000.00**	5,499.00	50%	**11,000.00**	-	0%
68010-319	FBO - Group Insurance	10,000.00	**20,000.00**	10,000.00	50%	**20,000.00**	-	0%
68011-319	FBO - General Personnel	1,150.00	**2,000.00**	850.00	43%	**2,000.00**	-	0%
68018-319	FBO - Titan Fuel Purchases	107,885.00	-	(107,885.00)	0%	**200,000.00**	200,000.00	0%
68020-319	FBO - Website, programs & materials	-	-	-	0%	**40,000.00**	40,000.00	0%
68021-319	FBO - Marketing Promotional Items	-	-	-	0%	**10,000.00**	10,000.00	0%
68022-319	FBO - Marketing Advertising	-	-	-	0%	**10,000.00**	10,000.00	0%
	TOTAL FIXED BASED OPERATION	236,005.00	277,000.00	40,995.00	15%	482,000.00	205,000.00	74%

TRI-CITIES AIRPORT AUTHORITY
FY 2027 Proposed Operating Budget
Present to Tri-Cities Airport Authority April 23, 2026

PUBLIC SAFETY EXPENSE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
63040-304	Safety - Fire Hall Expense	20,780.00	**12,000.00**	8,780.00	73%	**17,000.00**	5,000.00	42%
63041-304	Safety - Fire Hall Heating Fuel	3,299.00	**4,000.00**	(701.00)	-18%	**5,000.00**	1,000.00	25%
63100-304	Safety - Equipment/Furniture/Fixtures	2,340.00	**4,000.00**	(1,660.00)	-42%	**5,000.00**	1,000.00	25%
63210-304	Safety - Equipment Maintenance	101,043.00	**49,000.00**	52,043.00	106%	**50,000.00**	1,000.00	2%
63420-304	Safety - Vehicle Fuel	17,639.00	**25,000.00**	(7,361.00)	-29%	**20,000.00**	(5,000.00)	-20%
63550-304	Safety - Training	37,818.00	**45,000.00**	(7,182.00)	-16%	**40,000.00**	(5,000.00)	-11%
63600-304	Safety - Uniforms	26,341.00	**19,500.00**	6,841.00	35%	**25,000.00**	5,500.00	28%
63650-304	Safety - Dues & Subscriptions	13,991.00	**12,500.00**	1,491.00	12%	**12,500.00**	-	0%
63670-304	Safety - Office Supplies	2,500.00	**5,000.00**	(2,500.00)	-50%	**3,000.00**	(2,000.00)	-40%
63700-304	Safety - General Expense	2,796.00	**2,500.00**	296.00	12%	**2,500.00**	-	0%
63730-304	Safety - Telephone & Internet	4,282.00	**3,500.00**	782.00	22%	**4,500.00**	1,000.00	29%
63740-304	Safety - Radios/Communications	2,282.00	**5,000.00**	(2,718.00)	-54%	**5,000.00**	-	0%
63760-304	Safety - Medical & Psy Testing	1,767.00	**2,500.00**	(733.00)	-29%	**2,500.00**	-	0%
63800-304	Safety - Medical Supplies	16,763.00	**2,000.00**	14,763.00	738%	**5,000.00**	3,000.00	150%
63910-304	Safety - ID's & Fingerprinting	8,568.00	**10,000.00**	(1,432.00)	-14%	**10,000.00**	-	0%
63915-304	Safety - Security Parking	228.00	**500.00**	(272.00)	-54%	**1,000.00**	500.00	100%
63985-304	Safety - Access Control	82,586.00	**30,000.00**	52,586.00	175%	**30,000.00**	-	0%
63986-304	Safety-Worker's Comp Insurance	12,737.00	**15,000.00**	(2,263.00)	-15%	**11,000.00**	(4,000.00)	-27%
63988-304	Safety - Overtime	42,550.00	**35,000.00**	7,550.00	22%	**40,000.00**	5,000.00	14%
63989-304	Safety - Part-Time Salaries	55,720.00	**39,000.00**	16,720.00	43%	**51,000.00**	12,000.00	31%
63990-304	Safety - Full-Time Salaries	789,946.00	**815,000.00**	(25,054.00)	-3%	**746,000.00**	(69,000.00)	-8%
63991-304	Safety - FICA Expense	67,251.00	**69,500.00**	(2,249.00)	-3%	**63,000.00**	(6,500.00)	-9%
63992-304	Safety - Retirement Expense	81,302.00	**80,000.00**	1,302.00	2%	**53,000.00**	(27,000.00)	-34%
63994-304	Safety - General Personnel	10,958.00	**24,000.00**	(13,042.00)	-54%	**27,000.00**	3,000.00	13%
63995-304	Safety - Group Insurance	225,335.00	**230,000.00**	(4,665.00)	-2%	**212,000.00**	(18,000.00)	-8%
	TOTAL PUBLIC SAFETY EXPENSE	1,630,822.00	**1,539,500.00**	91,322.00	8.55	**1,441,000.00**	(98,500.00)	-6%

Footnote: 50% of Public Safety Budget reimbursed by Airlines **720,500.00**

TRI-CITIES AIRPORT AUTHORITY
FY 2027 Proposed Operating Budget
Presented to Tri-Cities Airport Authority April 23, 2026

MAINTENANCE EXPENSE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
64020-305	Maintenance - Utilities	10,739.00	**10,000.00**	(739.00)	-7%	**10,000.00**	-	0%
64030-305	Maintenance - Telephone	2,552.00	**1,500.00**	(1,052.00)	-70%	**2,500.00**	1,000.00	67%
64050-305	Maintenance - Heating Fuel	2,995.00	**3,000.00**	5.00	0%	**3,000.00**	-	0%
64120-305	Maintenance - Building Repair	6,704.00	**12,000.00**	5,296.00	44%	**12,000.00**	-	0%
64150-305	Maintenance - Equipment Mtn	64,772.00	**60,000.00**	(4,772.00)	-8%	**60,000.00**	-	0%
64610-305	Maintenance - Vehicle Fuel & Oil	29,422.00	**25,000.00**	(4,422.00)	-18%	**25,000.00**	-	0%
64650-305	Maintenance - Tools & Hardware	40,481.00	**12,000.00**	(28,481.00)	-237%	**12,000.00**	-	0%
64700-305	Maintenance - Training	4,635.00	**8,500.00**	3,865.00	45%	**8,500.00**	-	0%
64750-305	Maintenance - Uniforms	10,479.00	**10,000.00**	(479.00)	-5%	**10,000.00**	-	0%
64800-305	Maintenance - General Expense	11,437.00	**10,000.00**	(1,437.00)	-14%	**10,000.00**	-	0%
64900-305	Maintenance - Salaries	486,098.00	**490,000.00**	3,902.00	1%	**516,000.00**	26,000.00	5%
64901-305	Maintenance - FICA Expense	40,038.00	**41,000.00**	962.00	2%	**41,000.00**	-	0%
64902-305	Maintenance - Retirement Expense	56,437.00	**50,000.00**	(6,437.00)	-13%	**51,000.00**	1,000.00	2%
64903-305	Maintenance - Overtime	43,858.00	**30,000.00**	(13,858.00)	-46%	**40,000.00**	10,000.00	33%
64904-305	Maintenance - Group Insurance	177,896.00	**180,700.00**	2,804.00	2%	**184,000.00**	3,300.00	2%
64907-305	Maintenance - General Personnel	4,375.00	**9,000.00**	4,625.00	51%	**12,700.00**	3,700.00	41%
	TOTAL MAINTENANCE EXPENSE	992,918.00	**952,700.00**	(40,218.00)	-4%	**997,700.00**	45,000.00	5%

TRI-CITIES AIRPORT AUTHORITY
FY 2027 Proposed Operating Budget
Present to Tri-Cities Airport Authority April 23, 2026

BUILDING SERVICES EXPENSE

Current Actual	Current Budget	Dollar$ Variance	General Ledger	BUILDING SERVICES EXPENSE	Projected Year-End 2026	Approved Budget FY26	Projected Variance	% Variance ·om Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
5,184.00	4,527.00	657.00	65100-306	Building Services - Supplies	65,044.00	60,000.00	(5,044.00)	-8%	65,000.00	5,000.00	8%
133.00	528.00	(395.00)	65105-306	Building Services - Equipment Purchases	6,934.00	7,000.00	66.00	1%	7,500.00	500.00	7%
-	128.00	(128.00)	65110-306	Building Services - Furniture & Fixtures	1,000.00	1,700.00	700.00	41%	1,700.00	-	0%
608.00	302.00	306.00	65115-306	Building Services - Equipment Mtn	7,277.00	4,000.00	(3,277.00)	-82%	7,000.00	3,000.00	75%
136.00	679.00	(543.00)	65120-306	Building Services - Uniforms	8,785.00	9,000.00	215.00	2%	9,000.00	-	0%
338.00	189.00	149.00	65125-306	Building Services - General Expense	3,203.00	2,500.00	(703.00)	-28%	3,500.00	1,000.00	40%
-	38.00	(38.00)	65130-306	Building Services - Snow Removal	256.00	500.00	244.00	49%	500.00	-	0%
32,914.00	33,077.00	(163.00)	65200-306	Building Services - Salaries	414,389.00	430,000.00	15,611.00	4%	450,000.00	20,000.00	5%
986.00	1,154.00	(168.00)	65205-306	Building Services - Overtime	22,452.00	15,000.00	(7,452.00)	-50%	20,000.00	5,000.00	33%
2,465.00	2,615.00	(150.00)	65210-306	Building Services - FICA Expense	32,679.00	34,000.00	1,321.00	4%	35,000.00	1,000.00	3%
3,180.00	3,400.00	(220.00)	65220-306	Building Services - Retirement Expense	44,485.00	44,200.00	(285.00)	-1%	38,000.00	(6,200.00)	-14%
10,864.00	10,933.00	(69.00)	65230-306	Building Services - Group Insurance	135,389.00	144,900.00	9,511.00	7%	135,000.00	(9,900.00)	-7%
-	415.00	(415.00)	65237-306	Building Services - General Personnel	2,952.00	5,500.00	2,548.00	46%	4,500.00	(1,000.00)	-18%
-	151.00	(151.00)	65238-306	Building Services - Training	1,237.00	2,000.00	763.00	38%	2,000.00	-	0%
56,808.00	58,136.00	(1,328.00)		TOTAL BUILDING SERVICES EXPENSE	746,082.00	760,300.00	14,218.00	2%	778,700.00	18,400.00	2%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

ADMINISTRATIVE DEPARTMENT EXPENSE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
66010-307	Admin - Auditing	60,985.00	62,000.00	1,015.00	2%	63,000.00	1,000.00	2%
66030-307	Admin - Legal	23,469.00	30,000.00	6,531.00	22%	25,000.00	(5,000.00)	-17%
66060-307	Admin - Insurance & Bonding	264,695.00	300,000.00	35,305.00	12%	300,000.00	-	0%
66210-307	Admin - Dues & Subscriptions	40,895.00	30,000.00	(10,895.00)	-36%	42,000.00	12,000.00	40%
66260-307	Admin - Consulting Services	73,722.00	36,000.00	(37,722.00)	-105%	75,000.00	39,000.00	108%
66300-307	Admin - Engineering Services	11,245.00	25,000.00	13,755.00	55%	25,000.00	-	0%
66550-307	Admin - Furniture & Fixtures	5,925.00	5,000.00	(925.00)	-19%	10,000.00	5,000.00	100%
66560-307	Admin - Office Equipment	15,734.00	5,000.00	(10,734.00)	-215%	10,000.00	5,000.00	100%
66570-307	Admin - Office Supplies	9,155.00	10,000.00	845.00	8%	10,000.00	-	0%
66660-307	Admin - Telephone & Internet	26,851.00	26,500.00	(351.00)	-1%	27,000.00	500.00	2%
66750-307	Admin - Office Equipment Maintenance	20,181.00	37,000.00	16,819.00	45%	50,000.00	13,000.00	35%
66850-307	Admin - General Administrative	39,566.00	30,000.00	(9,566.00)	-32%	40,000.00	10,000.00	33%
66861-307	Admin - Education & Training	5,167.00	4,000.00	(1,167.00)	-29%	6,000.00	2,000.00	50%
66940-307	Admin - Seminars & Conferences	35,901.00	30,000.00	(5,901.00)	-20%	38,000.00	8,000.00	27%
66970-307	Admin - Postage & Shipping	1,686.00	1,500.00	(186.00)	-12%	2,000.00	500.00	33%
66990-307	Admin - Salaries	1,089,844.00	1,150,000.00	60,156.00	5%	1,015,000.00	(135,000.00)	-12%
66991-307	Admin - FICA Expense	77,695.00	94,000.00	16,305.00	17%	81,000.00	(13,000.00)	-14%
66992-307	Admin - Retirement Expense	113,597.00	110,000.00	(3,597.00)	-3%	72,000.00	(38,000.00)	-35%
66993-307	Admin - Health Ins - Retirees	34.00	-	(34.00)	0%	11,300.00	11,300.00	0%
66994-307	Admin - Group Insurance	153,588.00	165,000.00	11,412.00	7%	132,000.00	(33,000.00)	-20%
66996-307	Admin - General Personnel	34,125.00	32,000.00	(2,125.00)	-7%	37,700.00	5,700.00	18%
67001-307	Admin - Capitalized Salaries (Projects)	(15,392.00)	(25,000.00)	(9,608.00)	38%	(25,000.00)	-	0%
	TOTAL ADMINISTRATIVE EXP.	2,088,668.00	2,158,000.00	69,332.00	(2.67)	2,047,000.00	(111,000.00)	-5%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

MARKETING & AIR SERVICE DEV EXPENSE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance	% Variance rom Projected FY26	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
67215-308	Marketing - Advertising	7,514.00	15,000.00	7,486.00	50%	15,000.00	-	0%
67225-308	Mkt - Website, Programs & Materials	33,551.00	40,000.00	6,449.00	16%	40,000.00	-	0%
67244-308	Marketing - Community Relations	29,216.00	30,000.00	784.00	3%	15,000.00	(15,000.00)	-50%
67246-308	Marketing - Sponsorships	-	-	-	0%	15,000.00	15,000.00	0%
	SUB-TOTAL AIRPORT & COMMUNITY RELATIONS	70,281.00	85,000.00	14,719.00	17%	85,000.00	-	0%
67291-308	Marketing - Research & Development	21,132.00	30,000.00	8,868.00	30%	30,000.00	-	0%
67292-308	Marketing - Consulting Services	105,228.00	130,000.00	24,772.00	19%	130,000.00	-	0%
67293-308	Marketing - Airline Relations	29,373.00	35,000.00	5,627.00	16%	35,000.00	-	0%
67294-308	Marketing - Marketing Initiative	374,903.00	420,000.00	45,097.00	11%	230,000.00	(190,000.00)	-45%
67297-308	Marketing - Breeze		-	-	0%	80,000.00	80,000.00	0%
67298-308	Marketing - SCASD Grant		-	-	0%	100,000.00	100,000.00	0%
67299-308	Marketing - United		-	-	0%	10,000.00	10,000.00	0%
	SUB-TOTAL AIR SERVICE DEVELOPMENT	530,636.00	615,000.00	84,364.00	14%	615,000.00	-	0%
67262-308	Marketing - Travel	42,463.00	42,000.00	(463.00)	-1%	42,000.00	-	0%
67264-308	Marketing - Auto & Fuel	845.00	1,800.00	955.00	53%	1,800.00	-	0%
67272-308	Marketing - Professional Affliliations	3,190.00	2,800.00	(390.00)	-14%	3,200.00	400.00	14%
67285-308	Marketing - Supplies & Misc	2,549.00	4,000.00	1,451.00	36%	4,000.00	-	0%
67287-308	Mkt - Phones & Data Communications	6,770.00	2,600.00	(4,170.00)	-160%	2,600.00	-	0%
67900-308	Marketing - Salaries	152,238.00	151,000.00	(1,238.00)	-1%	174,000.00	23,000.00	15%
67901-308	Marketing - FICA Expense	11,700.00	12,000.00	300.00	3%	13,500.00	1,500.00	13%
67903-308	Marketing - Retirement Expense	14,634.00	15,000.00	366.00	2%	13,000.00	(2,000.00)	-13%
67905-308	Marketing - Group Insurance	27,872.00	28,100.00	228.00	1%	31,000.00	2,900.00	10%
67911-308	Marketing - General Personnel	940.00	2,000.00	1,060.00	53%	3,000.00	1,000.00	50%
	SUB-TOTAL MARKETING SUPPORT	263,201.00	261,300.00	(1,901.00)	-1%	288,100.00	26,800.00	10%
	TOTAL MARKETING & AIR SERVICE	864,118.00	961,300.00	97,182.00	10%	988,100.00	26,800.00	3%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

TRADE DEVELOPMENT EXPENSE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2023	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
69050-309	FTZ: Programs & Materials	123.00	200.00	77.00	39%	200.00	-	0%
69051-309	FTZ: Contract Services	2,359.00	1,000.00	(1,359.00)	-136%	1,000.00	-	0%
69052-309	FTZ: Marketing & Advertising	123.00	200.00	77.00	39%	200.00	-	0%
69053-309	FTZ: Professional Affiliations	609.00	1,000.00	391.00	39%	1,000.00	-	0%
69054-309	FTZ: Subscriptions	304.00	500.00	196.00	39%	500.00	-	0%
69055-309	FTZ: Meetings, Registration	304.00	500.00	196.00	39%	500.00	-	0%
69057-309	FTZ: Special Events	61.00	100.00	39.00	39%	100.00	-	0%
69059-309	FTZ: Legal	609.00	1,000.00	391.00	39%	1,000.00	-	0%
	TOTAL FOREIGN TRADE ZONE EXP	4,492.00	4,500.00	8.00	0%	4,500.00	-	0%
69070-309	DEV: ADMIN - Travel & Auto	1,184.00	2,000.00	816.00	41%	1,500.00	(500.00)	-25%
69071-309	DEV: ADMIN - Airport Promotion	61.00	100.00	39.00	39%	100.00	-	0%
69072-309	DEV: ADMIN - Office Supplies	838.00	800.00	(38.00)	-5%	800.00	-	0%
69073-309	DEV: ADMIN - Furniture & Equipment	123.00	200.00	77.00	39%	200.00	-	0%
69074-309	DEV: ADMIN - Communications	1,119.00	1,000.00	(119.00)	-12%	1,000.00	-	0%
69075-309	DEV: ADMIN - Postage & Courier	61.00	100.00	39.00	39%	100.00	-	0%
69076-309	DEV: ADMIN - Printing & Forms	61.00	100.00	39.00	39%	100.00	-	0%
69077-309	DEV: ADMIN - Staff Training	92.00	150.00	58.00	39%	100.00	(50.00)	-33%
	TOTAL ADMINISTRATIVE EXPENSE	3,539.00	4,450.00	911.00	20%	3,900.00	(550.00)	-12%
69080-309	DEV: Salaries	117,417.00	117,200.00	(217.00)	0%	127,000.00	9,800.00	8%
69082-309	DEV: FICA	8,868.00	9,100.00	232.00	3%	10,000.00	900.00	10%
69083-309	DEV: Retirement	26,339.00	23,800.00	(2,539.00)	-11%	26,000.00	2,200.00	9%
69084-309	DEV: Group Insurance	29,323.00	26,000.00	(3,323.00)	-13%	29,000.00	3,000.00	12%
69086-309	DEV: General Personnel	731.00	1,200.00	469.00	39%	1,200.00	-	0%
	TOTAL PERSONNEL COST	182,678.00	177,300.00	(5,378.00)	-3%	193,200.00	15,900.00	9%
	TOTAL TRADE DEVELOPMENT EXP	190,709.00	186,250.00	(4,459.00)	-2%	201,600.00	15,350.00	8%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

GROUND HANDLING SVCS EXP

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance	% Variance rom Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
68921-310	GHS - Supplies	27,549.00	**2,500.00**	(25,049.00)	-1002%	**4,000.00**	1,500.00	60%
68923-310	GHS - Equipment Maintenance	51,858.00	**9,000.00**	(42,858.00)	-476%	**72,000.00**	63,000.00	700%
68925-310	GHS - Equipment Fuel	2,580.00	**2,000.00**	(580.00)	-29%	**3,000.00**	1,000.00	50%
68926-310	GHS - Telephone & Communication	1,817.00	**1,200.00**	(617.00)	-51%	**2,000.00**	800.00	67%
68927-310	GHS - Miscellaneous	15,044.00	**1,000.00**	(14,044.00)	-1404%	**3,000.00**	2,000.00	200%
68928-310	GHS - 3rd Party Services	(1,400.00)	**-**	1,400.00		**-**	-	
68929-310	GHS - Staff Training	6,649.00	**2,000.00**	(4,649.00)	-232%	**6,000.00**	4,000.00	200%
68930-310	GHS - Uniforms	11,506.00	**8,000.00**	(3,506.00)	-44%	**25,000.00**	17,000.00	213%
68931-310	GHS - Salaries	169,793.00	**68,000.00**	(101,793.00)	-150%	**578,000.00**	510,000.00	
68932-310	GHS - Part-time	90,001.00	**180,000.00**	89,999.00	50%	**-**	(180,000.00)	-100%
68933-310	GHS - FICA	19,739.00	**19,000.00**	(739.00)		**45,000.00**	26,000.00	
68935-310	GHS - Retirement	8,181.00	**6,300.00**	(1,881.00)	-30%	**34,000.00**	27,700.00	440%
68937-310	GHS - Group Insurance	19,268.00	**28,000.00**	8,732.00	31%	**124,000.00**	96,000.00	
68939-310	GHS - General Personnel	2,848.00	**3,000.00**	152.00	5%	**7,000.00**	4,000.00	133%
	TOTAL GND HANDLING SVCS EXP	425,433.00	**330,000.00**	(95,433.00)	-29%	**903,000.00**	573,000.00	174%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

CUSTOMER EXPERIENCE EXPENSE

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance 2026	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
65510-316	Customer Experience - Supplies	1,121.00	**2,000.00**	879.00	44%	**2,000.00**	-	0%
65515-316	Customer Experience - Programs & Materials	53,804.00	**100,300.00**	46,496.00	46%	**70,000.00**	(30,300.00)	-30%
65516-316	Customer Experience - Promotional Items					**20,000.00**		
65520-316	Customer Experience - Uniforms	1,207.00	**2,250.00**	1,043.00	46%	**2,000.00**	(250.00)	-11%
65530-316	Customer Experience - Training	2,682.00	**5,000.00**	2,318.00	46%	**3,000.00**	(2,000.00)	-40%
65535-316	Customer Experience - Salaries	46,137.00	**47,200.00**	1,063.00	2%	**52,000.00**	4,800.00	10%
65540-316	Customer Experience - FICA Expense	3,458.00	**3,650.00**	192.00	5%	**4,000.00**	350.00	10%
65545-316	Customer Experience - Retirement	4,029.00	**4,600.00**	571.00	12%	**4,000.00**	(600.00)	-13%
65550-316	Customer Experience - Group Insurance	18,744.00	**18,500.00**	(244.00)	-1%	**20,500.00**	2,000.00	11%
65556-316	Customer Experience - General Personnel	715.00	**500.00**	(215.00)	-43%	**1,000.00**	500.00	100%
	TOTAL CUSTOMER EXPERIENCE EXPENSE	131,897.00	**184,000.00**	52,103.00	28%	**178,500.00**	(5,500.00)	-3%

TRI-CITIES AIRPORT AUTHORITY
Proposed Operating Budget for FY 2027
Presented to Tri-Cities Airport Authority April 23, 2026

AIR BUSINESS DEV EXP.

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance	% Variance rom Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
68950-318	Business Dev: Partnerships	7,252.00	**6,000.00**	(1,252.00)	-21%	**6,000.00**	-	0%
68952-318	Business Dev: Programs & Materials	5,489.00	**10,000.00**	4,511.00	45%	**6,000.00**	(4,000.00)	-40%
68954-318	Aerospace Industry Travel	19,142.00	**30,000.00**	10,858.00	36%	**20,000.00**	(10,000.00)	-33%
68956-318	Aerospace Park Marketing	65,178.00	**75,000.00**	9,822.00	13%	**75,000.00**	-	0%
68958-318	Aerospace Park Contracted Services	33,816.00	**55,000.00**	21,184.00	39%	**40,000.00**	(15,000.00)	-27%
68960-318	Aerospace Park Website	2,710.00	**5,000.00**	2,290.00	46%	**5,000.00**	-	0%
	TOTAL AIR BUSINESS DEV EXP.	133,587.00	**181,000.00**	47,413.00	26%	**152,000.00**	(29,000.00)	-16%

TRI-CITIES AIRPORT AUTHORITY
FY 2027 Proposed Operating Budget
Presented to Tri-Cities Airport Authority April 23, 2026

OPERATIONS EXPENSES

General Ledger		Projected Year-End 2026	Approved Budget FY26	Projected Variance	% Variance from Projected FY 2026	Proposed Budget FY27	$ Variance from Budget FY26	% Variance from Budget FY26
69300-320	Operations: Salaries & Wages	293,905.00	289,000.00	(4,905.00)	-2%	565,000.00	276,000.00	96%
69301-320	Operations: FICA	22,051.00	22,000.00	(51.00)	0%	42,000.00	20,000.00	91%
69302-320	Operations: Uniforms	695.00	1,500.00	805.00	54%	10,000.00	8,500.00	567%
69303-320	Operations: Health Care	56,465.00	55,000.00	(1,465.00)	-3%	114,000.00	59,000.00	107%
69304-320	Operations: Retirement	2,547.00	5,000.00	2,453.00	49%	35,000.00	30,000.00	600%
69306-320	Operations: Printing & Ticket Expense	2,302.00	4,000.00	1,698.00	42%	5,000.00	1,000.00	25%
69308-320	Operations: Office Supplies	1,885.00	3,500.00	1,615.00	46%	3,500.00	-	0%
69309-320	Operations: Office Equipment	883.00	500.00	(383.00)	-77%	1,000.00	500.00	100%
69310-320	Operations: Repairs & Maint.	6,311.00	10,000.00	3,689.00	37%	-	(10,000.00)	-100%
69314-320	Operations: License & Fees	262.00	500.00	238.00	48%	500.00	-	0%
69315-320	Operations: General Personnel	120.00	-	(120.00)	0%	5,500.00	5,500.00	0%
69316-320	Operations: Liability & Other Insurance	352.00	500.00	148.00	30%	-	(500.00)	-100%
69317-320	Operations: Worker's Comp	9,627.00	8,600.00	(1,027.00)	-12%	9,500.00	900.00	10%
69318-320	Operations: Utilities-Water	906.00	850.00	(56.00)	-7%	-	(850.00)	-100%
69320-320	Operations: Utilities-Electricity	6,128.00	6,000.00	(128.00)	-2%	-	(6,000.00)	-100%
69322-320	Operations: Postage & Freight	119.00	250.00	131.00	52%	-	(250.00)	-100%
69324-320	Operations: Telephone & Communications	4,520.00	5,000.00	480.00	10%	5,000.00	-	0%
69326-320	Operations: Recruiting Expense	260.00	500.00	240.00	48%	-	(500.00)	-100%
69327-320	Operations: Advertising & Publicity	383.00	-	(383.00)	0%	-	-	0%
69328-320	Operations: Financial Services	3,079.00	2,500.00	(579.00)	-23%	2,500.00	-	0%
69330-320	Operations: Credit Card Processing	92,037.00	78,500.00	(13,537.00)	-17%	85,000.00	6,500.00	8%
69331-320	Operations: Truck Fuel	2,704.00	4,000.00	1,296.00	32%	4,000.00	-	0%
69332-320	Operations: Miscellaneous Expense	4,029.00	3,700.00	(329.00)	-9%	4,000.00	300.00	8%
69334-320	Operations: Management Fee	28,654.00	31,100.00	2,446.00	8%	-	(31,100.00)	-100%
	TOTAL PUBLIC PARKING EXPENSE	540,224.00	532,500.00	(7,724.00)	-1%	891,500.00	359,000.00	67%

Tri-Cities Airport Authority
April 23, 2026

CONSIDER:

One-Year Agreement with JLL to Provide Marketing and Brokerage Services

Summary:

The prior agreement with JLL for marketing Aerospace Park expired in December, 2025. Following expiration, JLL provided an amendment to extend the term of the agreement for an additional year. To ensure continuity of marketing and brokerage services and to formally authorize the contractual relationship going forward, Board approval is requested.

Key Points:

- The rates from the prior agreement will remain unchanged.
- The agreement will have a one-year term commencing upon execution.
- All other material terms and conditions will remain unchanged.
- Monthly fee for services is $4,000, shared evenly with NETWORKS Sullivan Partnership.

Recommendation:

Staff recommends approval of a new one-year agreement with JLL to market Aerospace Park, with the term commencing upon execution and with rates and all other material terms and conditions unchanged from the prior agreement.

Attachments:

1) Prior Exclusive Listing Agreement between TCAA and JLL
2) Proposed First Amendment to the Exclusive Listing Agreement extending the term one year
3) 2026 Q1 Aerospace Park Strategy Report by David Lotterer of JLL

Submitted by: Mark Canty
Director of Business Development

EXCLUSIVE LEASING AGREEMENT

THIS EXCLUSIVE LEASING AGREEMENT (herein, "Agreement") effective the 15th day of December, 2023 by and between **TRI-CITIES AIRPORT AUTHORITY**, a regional airport authority chartered under Tennessee law (herein, "Owner"), and **JONES LANG LASALLE BROKERAGE, INC.**, a Texas Corporation, authorized to do business in Tennessee (herein, "JLL"),

RECITALS

WHEREAS, Owner owns and operates TRI-CITIES AEROSPACE PARK, (herein, "Property") which is pictured on EXHIBIT A hereto; and

WHEREAS, Owner desires to engage JLL as its exclusive leasing agent for the Property, subject to said Pre-Existing Leases, as set forth herein;

WHEREAS, JLL is engaged in the business of leasing and marketing aerospace properties and desires to accept employment by Owner under the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1. TERM; TERMINATION

1.1 Initial Term. JLL's duties and responsibilities under this Agreement shall begin on the 15th day of December, 2023 and shall end on the 14th day of December, 2025, ("Term") unless sooner terminated as provided herein.

1.2 Termination. Either party may, at its option and in its sole and absolute discretion, elect to terminate this Agreement upon thirty (30) days prior written notice to the other party.

1.3 Pending Matters. In addition to all amounts payable to JLL during the Term as more particularly set forth on Schedule A "Compensation", Owner shall pay JLL a commission for a Qualifying Tenant (defined on Schedule A) with respect to any new leases, lease expansions, renewals and extensions executed and delivered by Owner within nine (9) months following the expiration or earlier termination of this Agreement, if (a) prior to such expiration or termination (i) JLL has engaged in negotiations with the Qualifying Tenant (or its agent), regarding the possibility of a lease or other transaction, or (ii) the Qualifying Tenant (or its agent) has toured the Property: and (b) within nine (9) months immediately following the expiration or termination of this Agreement, a lease or other agreement between Owner and the Qualifying Tenant is executed. JLL shall deliver a written list of all such Qualifying Tenants to Owner no later than ten (10) business days after the expiration or termination of this Agreement and JLL agrees that any claims for payment of a commission in accordance with the terms of this Section 1.3 and Schedule A shall be limited to such List of Qualifying Tenants.

ARTICLE 2. SERVICES

2.1 Services. Subject to the exclusions set forth in Section 2.2, and the options of Owner set forth herein, Owner engages JLL as its sole and exclusive leasing agent for the purpose of leasing any or all space in the Property ("Services"). JLL shall perform the Services in accordance with applicable professional standards. Owner and JLL will strive to use a team approach in the handling of such Services. The Team shall consist of Owner, and any representatives of Owner and the JLL Project Team (the "Team"). Owner shall have the option to (i) refer inquiries regarding the Services directly to JLL to handle, (ii) refer inquiries to the Team, or (iii) vet such inquiries and negotiate with such prospects and include JLL at such times as is reasonably necessary, in Owner's sole opinion.

Regardless of whether Owner elects (i), (ii), or (iii) above, Owner shall inform JLL of such prospective tenant(s) and will notify JLL, when and if, Owner desires JLL's assistance with any such Services. If a prospective tenant leases any Property in the Project, whether or not under (i), (ii), or (iii) above, JLL shall be due a commission. JLL shall have no authority to obligate Owner until expressly authorized in writing by Owner.

2.2 Pre-Existing Leases. Prior to the date of this Agreement, Owner has leased portion(s) of the Property to Final Forge (as shown on Exhibit B) and has previously agreed to allow Hybrid LLC to lease an undefined portion of the Property, as provided under in Article III, Section B and C of the lease executed August 24, 2023 ("Pre-Existing Leases"). JLL agrees that JLL will not receive any commission or compensation for any Pre-Existing Leases.

2.3 Cooperating Economic Development Agencies. Owner acknowledges it is a governmental entity organized under the laws of the State of Tennessee and certain economic development agencies within the State of Tennessee, including but not limited to NETWORKS-SULLIVAN PARTNERSHIP, NETNHUB and the State of Tennessee economic development services are permitted and encouraged to find prospective tenants for the Property (singularly, "Cooperating Economic Development Agency" and collectively, "Cooperating Economic Development Agencies"). JLL will cooperate with the Cooperating Economic Development Agencies, if any, as directed by Owner pursuant to the terms hereof. Owner will request JLL to provide the Services described under this Agreement to assist Owner and any Cooperating Economic Development Agency, and JLL shall be compensated by Owner in accordance with the terms of this agreement.

2.4 Activities of JLL Project Team Member and JLL Non-Team Brokers. The initial members of the JLL Project Team will be David Lotterer and Jeff Feste and those individuals will perform the Services under this Agreement. JLL will cooperate with cooperating brokers, including representatives of JLL or its affiliates, other than Project Team members (herein, "JLL Non-Team Brokers"), in leasing space within the Property. In such case, the JLL Non-Team Brokers shall be considered cooperating brokers for purposes of this Agreement. In the event that a JLL Non-Team Broker shall procure a tenant for space within the Property, and such tenant enters into a lease with the Owner, Owner shall pay JLL and the JLL Non-Team Broker the total commission computed in accordance with rates as set forth in Schedule A to this Agreement and such commission shall be split in accordance with a written agreement between JLL and the Non-Team Broker. Owner shall rely on such statement as being true and correct and JLL shall be indemnify Owner from any further commissions claimed by the Non-Team Broker or any other broker in regard to such signed lease. In the event any Project Team member exclusively represents a prospective tenant, such Project Team member will notify Owner in writing and recuse himself or herself from representation of Owner hereunder, and shall be deemed a Non-Team Broker for purposes of the applicable lease transaction. The remaining JLL Project Team members will continue to represent Owner pursuant to the terms of this Agreement. Such recused Project Team member shall in all events maintain the confidentiality of Owner's confidential information. Owner shall have the right to request difference members of the JLL Project Team and JLL shall have ten (10) business days to notify Owner of such new JLL Project Team Member. All final business decisions shall be made solely by Owner. All tenant leases shall be prepared by Owner's counsel with assistance, as requested by Owner's counsel, from JLL.

2.5 Advertising. JLL shall prepare and submit to Owner for approval a proposed marketing plan and budget for the leasing, promotion, and marketing of the Property (which once approved shall be the "Approved Marketing Plan and Budget"). Such proposed plan shall include proposed leasing guidelines (including allowances for tenant improvements, commission rates and any broker incentives, if applicable) for use in marketing and leasing the Property. JLL shall cause advertising plans and promotional material to be prepared to further rentals in accordance with the Approved Marketing Plan and Budget. Such plans or material shall only be used if approved in advance by Owner.

2.6 Additional Expenses. Owner agrees to reimburse JLL for all out-of-pocket expenses, not included on the Approved Marketing Plan and Budget directly related to negotiating leases for space in the Property, provided such expenses (or an estimate thereof) is submitted to Owner for prior approval. Such expenses may include, but are not necessarily limited to, travel, lodging and meals. If JLL uses internal resources to create the website, then upon the expiration or earlier termination of this Agreement, JLL will transfer the rights to the website, along with any and all passwords and protected content, to Owner, at no additional expense to Owner. If JLL uses an external resource to create the website, all such work shall be in the name of, and created for the benefit of Owner and shall be owned by Owner.

2.7 Security Deposits. JLL shall not accept security deposits, letters of credit or any other security or financial instruments on behalf of Owner, and shall instruct tenants to tender such deposits and instruments directly to Owner or persons designated by Owner.

2.8 Technical Matters. Owner acknowledges that JLL is not an expert in and is not responsible for any legal, regulatory, environmental or other technical matters, all of which shall be solely Owner's responsibility; provided, however, JLL shall, based on its professional expertise, assist Owner in connection with such matters, including giving Owner recommendations as to experts to use for such matters and coordinating the work of such experts with the other parties working on the transaction, but in no event shall JLL have responsibility for the work of such experts.

ARTICLE 3. INDEMNIFICATION.

JLL will defend (with Counsel reasonably acceptable to Owner), indemnify and hold harmless Owner, its affiliates, and each and all of their officers, employers, partners and agents from and against all third-party claims, losses, liabilities, and expenses, including reasonable attorney's fees, expert witness fees, and Court costs ("Loss") arising out of or related to JLL's gross negligence or willful misconduct in connection with this Agreement. To the extent permitted under the law and Constitution of the State of Tennessee, Owner will defend (with Counsel reasonably acceptable to JLL), indemnify and hold harmless JLL and its affiliates , and each of their officers, directors, employees, shareholders, and agents from and against any loss arising out of or in connection with the condition of the Property or any incorrect information, or any direction or consent, given by Owner to JLL, or any claim by a Non-Team Broker from a breach by Owner of its obligation to pay commission hereunder.

ARTICLE 4. COMPENSATION

JLL shall receive remuneration for its services in accordance with and subject to the terms of this Agreement and Schedule A.

ARTICLE 5. NOTICES

All notices, demands, consents and reports provided for in this Agreement shall be in writing and shall be given to the Owner or JLL at the address set forth below or at such other address as they individually may specify thereafter in writing:

OWNER: Tri-Cities Airport Authority
2525 TN-75

Blountville, TN 37617
Attention: Gene Cossey, Executive Director

JLL: Jones Lang LaSalle
1801 West End Ave, Suite 1200
Nashville, TN 37203
Attention: Jeff Feste, Executive Vice President

with copies to: Jones Lang LaSalle
200 East Randolph Drive
Chicago, IL 60601
Attention: Regional Counsel

Such notice or other communication shall be delivered by hand or by nationally recognized overnight courier service. For purposes of this Agreement, notices will be deemed to have been given upon receipt or refusal of receipt.

ARTICLE 6. GENERAL PROVISIONS

6.1 Confidentiality; Publicity. JLL shall keep confidential all non-public information obtained from Owner relating to the Services, except as reasonably required in order to perform the Services set forth herein. In addition, any and all data and studies created in connection with the Services shall belong to Owner. Owner agrees that JLL may publicize its role in any transaction Owner enters into, provided JLL does not disclose any financial information regarding such transaction. JLL may use Owner's name in a list of clients for marketing and promotional purposes.

6.2 Miscellaneous. This Agreement, together with the Schedule(s) and Exhibit(s), if any, attached hereto, represents the complete and final understanding between JLL and Owner with respect to the Services and may not be waived, amended, or modified by either party, unless such waiver, amendment or modification is in writing and signed by both parties. If any provision of this Agreement is invalid under applicable law, such invalidity shall not affect the other provisions of this Agreement. This Agreement shall be governed by the laws of the State of Tennessee. Venue for any civil action filed relating to this Agreement or these parties must be filed in the Circuit Court for Sullivan County at Blountville, Tennessee or the United States District Court for the Eastern District of Tennessee, at Greenville, Tennessee. This Agreement is binding upon the parties hereto and their respective successors and assigns; provided, however, this Agreement may not be assigned by either party except to any other entity which acquires all or substantially all of the business and employees of such party, and except that JLL may delegate its duties to a state-licensed affiliate, subject to Owner's approval.

6.3 Non-Discrimination. The parties hereto acknowledge that it is illegal to refuse to display, lease or sell to or from any person because of one's membership in a protected class. e.g.: race. color, religion, national origin, sex, ancestry, age, marital status, physical or mental handicap, familial status, or any other protected class and agree not to discriminate unlawfully against anyone in a protected class.

6.4 Survival. The provisions of Sections 1.3, 2.2 and 2.3, Articles 3, 4 and Sections 6.1, 6.2, 6.5, 6.6, and 6.7 of this Agreement shall survive the expiration or termination of the term of this Agreement.

6.5 Attorney's Fees: JURY WAIVER; Late Payments. If either party shall institute any action or proceeding against the other relating to the provisions of this Agreement, the unsuccessful party in the action or proceeding shall reimburse the prevailing party for all reasonable expenses and attorneys' fees and disbursements. THE PARTIES HEREBY WAIVE TRIAL BY JURY. Delinquent payments hereunder shall earn interest at the rate of one-and-a-half (1-1/2) percent per month from the date due until paid.

6.6 Sale of the Property. In the event of a sale or other conveyance of the Property by Owner, any portion of the commission due under any leases procured by JLL, in accordance with Schedule A, which has not yet been paid to JLL pursuant to this Agreement shall thereupon become due and payable by Owner in full on the closing of the conveyance of the Property unless the buyer of the Property or Owner executes and delivers to JLL an assignment and assumption agreement, in which the buyer of the Property assumes the obligation to pay the unearned portion of the commission, in which event, Owner shall be relieved of any and all liability for the unearned portion of the commission. If Owner or the buyer of the Property fail to deliver to JLL such assignment and assumption agreement, Owner will remain liable to JLL for the unearned portion of the commission and any future commissions.

6.7 Taxes. Owner shall be responsible for all taxes due and payable on the fees or other payments hereunder, including any sales tax, value-added tax or gross receipts tax; provided. however, in no event shall Owner be responsible for any net income, franchise or property tax assessed against JLL, all of which shall be the responsibility of JLL.

6.8 Limited liability. Neither party shall be liable to the other for, and each party hereby waives any and all rights to claim against the other, any special, indirect, incidental, consequential, punitive or exemplary damages in connection with this Agreement, including, but not limited to, lost profits, even if the party has knowledge of the possibility of such damages; and in no event shall JLL's liability to Owner for any transaction exceed the fees paid to JLL in connection with such transaction.

6.9 OFAC. Each party represents and warrants that it is not, and none of its subsidiaries, affiliates, majority owners or employees are, a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action.

IN WITNESS WHEREOF, the parties hereto have execute this Agreement to date and year first above written.

TRI-CITIES AIRPORT AUTHORTY

By: ______________________________

Name: David E. Cossey
Title: Executive Director

JONES LANG LASALLE BROKERAGE, INC.

DocuSigned by:

By: ______________________________

494273EB47AD4B9

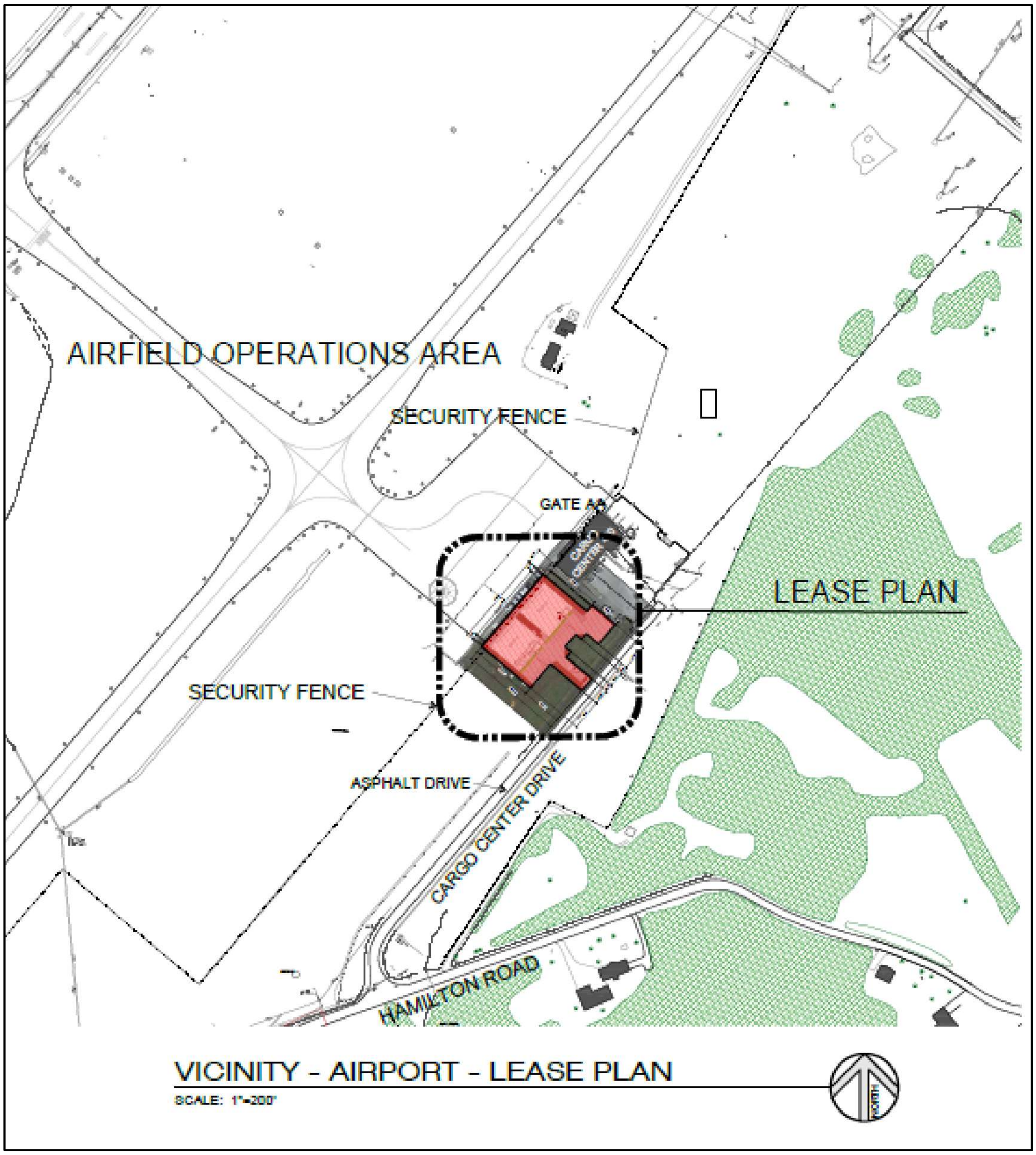
Name: Tom Hooper
Title: Principal Broker

EXHIBIT A

Approximately 160 acres, outlined in red:

EXHIBIT B

Final Forge Leased Area



Approximately 160 acres, outlined in red:

Schedule A

COMPENSATION

Monthly Fee: A monthly fee of $4,000 per month will be charged for JLL's ongoing services, including market research, strategy development, marketing collateral creation, targeted outreach, regular progress updates, presentations to prospective clients, negotiating with prospective clients, working with the Team on prospective clients and all such work necessary to obtain new tenants for the Property.

Success Fee: A brokerage commission will be applicable for completed transactions on the Property, resulting from JLL's efforts, which shall specifically exclude Pre-Existing Leases and tenants brought about through the efforts of the Excluded Agencies. The commission will be calculated as a percentage of the total transaction value per the schedule below:

Ground Leases:

A. New leases and expansions.

- Transaction Without a cooperating broker –calculated in accordance with the Commission Rates below, shall be paid by Owner to JLL:

  For vacant land leases - the greater of (i) 6% of the Base Rent for such years or (ii) a minimum commission of $200/acre/yr.

  a. For years 1-5 of the lease term, 100% of the above amounts.
  b. For years 6-10 of the lease term, 50% of the above amounts.
  c. For years 10-20 of the lease term, 25% of the above amounts.

- Transaction With a cooperating broker– One full commission, calculated in accordance with the Commission Rates above, shall be paid by Owner, with 1/2 of the commission being paid to JLL, and 1/2 of the commission being paid to the cooperating broker.

B. Renewals and Extensions – one half of the amounts listed above.

Ground Leases after Term has expired or has been Terminated: Owner shall be responsible for paying a commission fee as set forth above only for Qualifying Tenants who meet the following criteria: A Qualifying Tenant shall be defined as any tenant under a ground lease executed during the nine (9) month period following the expiration or earlier termination of this Agreement that (i) JLL has included in its List of Qualifying Tenants (as set forth in Section 1.3 of the Agreement); and (ii) is for a new lease or a lease expansion.

Time of Payment:

For new leases 50% of the commission shall be due and payable upon execution of the lease by Owner and the tenant; the remaining 50% shall be due and payable after the scheduled commencement date of the lease. For expansions, renewals and extensions, 100% of the commission shall be due and payable upon execution of the lease amendment or other definitive document evidencing such transaction by Owner and the tenant. Owner shall pay all amounts payable within thirty (30) days of the date of JLL's invoice to Owner for same.

Sale Transaction Fee: If JLL procures a buyer during the Term or earlier termination of this Agreement, or if such buyer was included on the List of Qualifying Tenants as set forth above and such transactions closes within such nine (9) month period, then JLL shall be due a sales commission of six percent (6%) of the sales price. In the event a cooperating broker is involved in the Sale Transaction, then JLL and the cooperating broker shall each be due a commission of three percent (3%) of the sales price, which shall be paid at the closing of the sale.

Additional Expenses not included in the Approved Marketing Plan and Budget:

Owner shall reimburse JLL for all Owner approved direct out-of-pocket costs and expenses incurred by JLL within the scope of its engagement, including travel, lodging and meal expenses and Owner approved expenses not included in the Approved Marketing Plan and Budget. In addition, JLL shall be reimbursed by Owner for any payments made by JLL to third-party consultants provided such third-party consultants have been pre-approved by Owner and are not included in the Approved Marketing Plan and Budget. Travel expenses paid by the Owner which are related to a completed transaction, shall be deducted from the commission fee due to JLL, up to 20% of the total commission fee due.

If the Lease provides that tenant may cancel the lease for a portion of the initial term, then the commission shall be calculated and paid only upon the uncancelable portion of such term; provided, however, that if tenant is obligated to pay a cancellation fee which includes the commission for the balance of such lease term, the commission shall be calculated and paid as though no such cancellation right existed.

FIRST AMENDMENT TO
EXCLUSIVE LISTING AGREEMENT

THIS FIRST AMENDMENT to the Exclusive Listing Agreement executed on December 15th, 2023, is made and entered into this 28th day of February, 2026, by and between the Tri-Cities Airport Authority (“Client”) and the brokerage firm of Jones Lang LaSalle Brokerage, Inc. ("JLL").

WITNESSETH:

WHEREAS, Client and JLL have heretofore entered into a certain Exclusive Listing Agreement (the “Agreement”) for the exclusive right to lease all or part of the real property known as Tri-Cities Aerospace Park (the "Property"), and

WHEREAS, Client and JLL desire to modify and amend the Agreement in order to extend its term;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto stipulate, covenant and agree as follows:

DURATION OF AGENCY: Effective December 15, 2025, the term of this Agency Agreement is extended to expire on February 28, 2027, unless sooner terminated as provided herein.

IN WITNESS WHEREOF, Client and JLL have caused this First Amendment to the Agreement to be executed as of the day and year first above written.

	TRI-CITIES AIRPORT AUTHORTY		**JONES LANG LASALLE BROKERAGE, INC.**
By:	____________________________ David E. Cossey	By:	____________________________
Its:	Executive Director	Title:	____________________________
Address:	2525 TN-75 Blountville, TN 37617		Jones Lang LaSalle, Inc. 312 Walnut St., Suite 3030 Cincinnati, OH 45202 (513) 241-4600
Date:	____________________________	Date:	____________________________

Tri-Cities Aerospace Park Strategy

Q1 2026

Executive Summary

Our tenant attraction strategy must pivot to reflect a critical market reality: Tri-Cities Aerospace Park's location is does not fit the industry model for routine, high-frequency airline maintenance. Scheduled and unscheduled maintenance site selection relies heavily on the route density of the fleet served. This is due not only to the direct cost of ferry flights but, more importantly, the opportunity cost of having a revenue-generating aircraft out of service. Therefore, our efforts must be concentrated exclusively on "ferry flight-insensitive" opportunities. This focused approach targets market segments where our core value proposition of accelerated readiness and a dedicated workforce pipeline provides a definitive competitive advantage, transforming a perceived weakness into a strategic filter for high-potential prospects.

In the MRO sector, our strategy must shift from general pursuit to specialized services. We will target infrequent, high-value maintenance events where the cost of a ferry flight and the associated downtime are justified. This includes capturing revenue from the "bow wave" of unscheduled new-generation engine overhauls, a segment facing a severe capacity crisis. It also includes offering complex services like avionics, full cabin interior retrofits to meet the growing demand for premium economy cabins and specialized aircraft painting. Here, our pre-designed hangar and the technician pipeline from Northeast State Community College offer a turnkey solution to the industry's two greatest pain points: a lack of hangar space and a critical shortage of skilled labor.

The primary and most promising vector for growth is aerospace and defense manufacturing. This segment completely bypasses the ferry flight constraint and aligns directly with acute industry needs. Our focus must be broad, encompassing the full spectrum from legacy system modernization programs to the rapid scaling required by "New Defense" autonomous systems manufacturers. Furthermore, we must aggressively target the non-military Advanced Air Mobility (AAM) sector, where well-capitalized OEMs are in a capital-intensive race to industrialize and establish their production footprint. For all these clients, we are not selling land; we are selling speed. Our shovel-ready site and pre-designed building options offer a de-risked, immediate path to production that their investors and government customers' demand.

Finally, we must develop a strategic focus on component-level MRO and supply chain solutions. This targets the repair and overhaul of high-value systems—such as engines, avionics, and landing gear—that are shipped to our facility, removing the aircraft from the logistics equation entirely. This directly addresses the industry-wide supply chain crisis and parts shortages. The most advanced expression of this strategy would be to proactively develop Parts Manufacturer Approval (PMA) capabilities, positioning Aerospace Park not just as a service location but as an integral part of the solution to the industry's most pressing operational bottleneck.

To execute this focused strategy, our approach is disciplined and multi-faceted. We will bypass traditional marketing channels through direct C-suite engagement, presenting the Aerospace Park as a strategic solution to our target companies' most urgent production and capacity challenges. This solution-oriented message will be carried into key industry events, while a parallel strategy will empower the site selector community with a comprehensive digital toolkit, making our site the 'easy button' for aerospace projects. All incoming leads and RFPs will be met with a rapid and sophisticated response protocol to ensure no opportunity is missed. Success will be measured not by activity, but by tangible results: securing high-level meetings with decision-makers, accelerating prospects through our pipeline, and converting site visits into building development and high-value employment for the region.

1. Strategic Imperative: Why Direct C-Suite Engagement is Critical

The current market is defined by unprecedented demand clashing with systemic constraints. The defense industrial base is struggling to meet surge requirements, the MRO sector is overwhelmed by a capacity and labor crisis, and new aviation segments are in a frantic race to industrialize. These are not real estate problems; they are C-suite-level emergencies demanding immediate solutions.

A conventional marketing approach would position Aerospace Park against larger aviation hubs, where its tertiary market status would be a significant disadvantage. Our direct engagement strategy circumvents this weakness. We are not selling land; we are presenting a turnkey solution to a CEO's or COO's most pressing operational bottleneck.

Our core differentiator is **accelerated readiness**. The site is not just "shovel-ready"; we are actively mitigating the "speed factor" weakness identified in our analysis by advancing plans for speculative development. Through our engagement with JA Street and other partners, we are finalizing pre-designed, customizable building options, including a ready-to-go hangar. This allows us to offer prospects a tangible path to operational readiness in record time, transforming a site search into a strategic discussion about accelerating their business plan.

2. High-Priority Target Profiles & C-Suite Messaging

Our targeting strategy is focused on segments experiencing the most acute operational pressures. We are actively engaging leaders within these profiles with tailored, solution-oriented messaging that highlights our speed-to-market advantage.

Profile 1: MRO Provider (Third-Party & Airline)

- **C-Suite Pain Points:** Inability to capture revenue from the "bow wave" of new-generation engine work due to maxed-out hangar capacity. A severe technician shortage is driving up labor costs and lengthening turn-around times, damaging client relationships. Specialists in paint, interiors, and avionics face the same capacity crunch.
- **Aerospace Park's C-Suite Solution:** "Stop turning away business. Aerospace Park offers a pre-designed, fully-priced hangar ready for immediate development, allowing you to bypass site prep delays and capture the MRO surge now. Our partnership with Northeast State Community College delivers a dedicated technician pipeline directly to your door, solving your two biggest constraints: hangar space and skilled labor."

Profile 2: "New Defense" Autonomous Systems Manufacturer

- **C-Suite Pain Points:** Facing immense pressure from the DoD and investors to deliver autonomous systems at scale and speed. They must prove they can move from prototype to high-volume production immediately to secure contracts and validate their business model.
- **Aerospace Park's C-Suite Solution:** "The Pentagon demands speed, and your investors require scale. We offer more than land; we offer a de-risked path to production. With our pre-designed factory options, you can break ground tomorrow, drastically shortening your industrialization timeline and demonstrating immediate progress to your government clients."

Profile 3: Advanced Air Mobility (AAM/eVTOL) OEM or Tier 1 Supplier

- **C-Suite Pain Points:** Engaged in a capital-intensive race to achieve FAA certification and begin manufacturing. They must secure a production footprint to demonstrate a clear path to market for investors and airline customers, but cannot afford a multi-year site development timeline.
- **Aerospace Park's C-Suite Solution:** "Win the industrialization race. While your competitors are still permitting sites, you can be building your factory. Our shovel-ready site and pre-designed building options allow you to establish your production headquarters immediately, giving you a critical time-to-market advantage in the race to certify and deliver."

Profile 4: Core Aviation Manufacturer (GA, Business & Regional Jets)

- **C-Suite Pain Points:** Existing production lines are capped by supply chain limitations and labor shortages. They need to expand production or launch new models without disrupting current operations, but finding efficient, available, and workforce-ready sites is a major hurdle.
- **Aerospace Park's C-Suite Solution:** "Expand production without disrupting your core operations. Aerospace Park is the ideal location for your next final assembly line or major component facility. Our accelerated building options and proven workforce pipeline allow you to launch new capacity quickly and efficiently, at a cost basis that legacy hubs cannot match."

3. Tactical Execution Plan: Industry Event Engagement

We are actively executing this strategy at key industry forums, transforming them into platforms for targeted C-suite engagement that showcases our speed-to-market advantage.

MRO Americas:

- **Target Audience:** C-level and VP-level executives from MROs (including specialists in paint, interiors, components) and airline maintenance operations.

- **Primary Message:** "Expand your MRO footprint in record time. We have a pre-designed hangar with a built-in technician pipeline, allowing you to capture new revenue streams while your competitors are still on a waiting list for space."
- **Execution Steps:** Our team is conducting pre-show research to schedule meetings with target executives. Outreach is framed as an invitation to review tangible building plans, not just land. On-site, our team will lead discussions focused on solving their specific TAT and capacity challenges with our accelerated solution.

AUVSI XPONENTIAL:

- **Target Audience:** Founders, CEOs, and COOs of venture-backed "New Defense" and AAM/UAS companies.
- **Primary Message:** "De-risk your path to production. Our certified site and ready-to-go building plans give you the speed and certainty your investors and DoD customers demand. Go from prototype to production faster at Aerospace Park."
- **Execution Steps:** We are leveraging our JLL network to secure introductions. The engagement focuses on understanding their specific industrialization timeline and demonstrating how our pre-designed facility options provide the fastest, most reliable path to achieving their production milestones.

4. Broker & Site Selector Engagement Strategy

While C-suite engagement is primary, the site selector community is a critical secondary channel. Our strategy is to empower them to present Aerospace Park with confidence.

- **Objective:** To equip this community with the tools and knowledge to present Aerospace Park as a premier, de-risked solution for their aerospace clients.
- **Key Messaging for this Audience:** We are framing Aerospace Park as the "easy button" for aerospace projects. The spec/pre-designed buildings shorten their deal cycle, the site certification removes risk, and our comprehensive digital toolkit makes their due diligence process seamless.
- **Execution Tactics:** We are developing a "Site Consultant Digital Toolkit” - a password-protected portal with all site data, incentive outlines, workforce studies, and the JA Street building renderings. A targeted digital campaign to aerospace-specialist brokers and site selection consultants will provide access to this site. We will continue this engagement at key events like Networks’ Red Carpet Tour.

5. RFI/RFP Response & Lead Pursuit Protocol

To ensure no opportunity is missed, we are executing a best-in-class protocol for responding to all formal inquiries, including those generated by partners like TNECD.

- **Objective:** To respond to all inquiries with unmatched speed, thoroughness, and a compelling strategic narrative.

- **Protocol Components:**
  - **Rapid Response Team:** The core team from JLL, TRI, and Networks is designated for immediate lead qualification and response coordination.
  - **Response Content Library:** Our Digital Toolkit mentioned above will double as a centralized, cloud-based library with pre-approved content modules—including workforce analysis, utility specs, and the JA Street building designs—to enable the rapid assembly of high-quality proposals.
  - **Strategic Narrative:** Every response is mandated to open with a compelling executive summary that diagnoses the prospect's likely pain points and positions Aerospace Park's accelerated readiness as the definitive strategic solution.
  - **Submission & Follow-up:** These tactics and tools enable a timely initial response submission, and a proactive and systematic follow-up cadence.

6. Ongoing Execution & Success Factors

This direct engagement strategy is a continuous, evolving effort. We are integrating these targeted narratives into all our outreach channels and will continue to refine our approach based on market feedback.

Success is ultimately measured by development of buildings, securing tenants and creation of new high-value employment. As airport development is a long-term endeavor, we will build our success on the following metrics:

- **Quality C-Suite Meetings:** Tracking direct conversations with key C-level or VP-level decision-makers.
- **Prospect Pipeline Velocity:** Monitoring the quantity, quality and activity by prospects and ultimately project stage progression.
- **In-Person Site Visits:** The most significant conversion metric of our engagement efforts is getting prospects to the site. Direct personal engagement allows for greater relationship-building and provides allows a site experience that is not possible through virtual mediums.

Tri-Cities Aerospace Park
Significant Activity Highlights
As of March 17, 2026

Development

- JA Street Leasing Proposal Received 3/16/26
    - $730,000/YR ($20/SF) for 20 year term
- JA Street Design Received 2/20/26
- RFQ – Modular Design Services for Industrial Aircraft Hangar Concepts issued 3/16/26 – Distribution in process to +/- 50 leading aviation design and construction firms
- FSB Architects – Meetings with Principal
- Arco National Construction Meetings with Head of Aviation & Director of Business Development
- Garver USA – Meeting with NC Aviation Leader (TRI would be in his area)
- Realterm – Meetings with Assoc. VP of Airport Affairs
- Coastal Steel – Call with Patrick, interested in being a resource to source steel for PEMB's.
- Davcon – Responded to RFQ, met on-site, requested major public contribution to develop.
- Ryan Companies - Responded to RFQ, met on-site, only willing to do build-to-suit
- Bascon/Lynx – Responded to RFQ but build-to-suit only
- Speculative Hangar RFQ – issued 1/2025

Tenant Prospecting

- PSA Airlines – Meeting with COO In Charlotte, NC 3/11/26
- Republic Airlines – Meeting with COO in Indianapolis 10/28/25
- AAR – Meeting with SVP – Repair & Engine Svcs. & SVP of Strategic Ops. in Greensboro, NC 3/10/26
- FCAH Meeting with CEO in Louisville, KY 11/13/26
- Empire Aerospace – Working to get meeting with President
- Pilatus Aircraft– Pursuing top US Decision-maker.
- Cirrus – Prepared promotional document for Zack Green to use in meeting with Cirrus. 8/15/26
- Beta Technologies – Working to set up meeting at AUVSI Conference.
- Envoy – Effort ongoing to get best contacts and set meeting for MRO Americas
- Sky West - Effort ongoing to get best contacts and set meeting for MRO Americas

Projects

- Project Skyforge - Aerospace manufacturing and over 1800 jobs. It needs a runway and 50-100 acres. Was in Ohio and TX, but did not consider TN.
- Project Top Gun – Standard Aero is losing their space in San Antonio. We responded, but this was a leverage play to get more incentives from TX.
- CBRE Hangar Project – National search up to 777 size– 100K SF, Search ongoing, TRI was eliminated due to location/labor concerns.
- Project Eagle - U.S. aerospace and defense manufacturer, jet engine module production and testing facility – Responded. It is my understanding that Springfield, OH is a finalist for this project (not sure of others).
- Project Aurora - U.S. aerospace and defense manufacturer, unmanned aerial vehicle assembly and integration facility – Prefer existing building

Events

- MRO Americas, Orlando, FL – 4/21-4/23/2026
- AAAE/ACC Symposium, Indianapolis – Attended Kimley Horn Event – connected with various consultants and designers, including Kimley Horn, Guernsey, Champion Door, Woolpert and Chrystalis 3/4/26
- SWAAAE Airport Management Short Course (Speaker) – Monterey, CA – 2/1-2/4/26
- North American Nearshoring Summit – El Paso, TX 10/22/26 – Expected Airbus, Boeing, Bell, Cessna, Lear, MG Aerospace, Parker, etc. but none were present.
- Networks Red Carpet Tour – 10/1 – 10/3/25, connected with other site selectors

State of the MRO Industry

Q1 2026

1. Executive Summary

The global MRO industry is in a state of high demand and significant growth, yet it is constrained by substantial operational and workforce challenges. Having surpassed pre-pandemic spending levels, the market is on a firm upward trajectory. However, this growth is tempered by critical headwinds that require strategic navigation. The key takeaways for the upcoming 3-5 year strategic period are:

- **Robust Market Growth Meets Significant Constraints:** The MRO market will grow steadily, with spending reaching $124 billion by 2034. This growth is driven by a larger global fleet and increased flight hours. However, this demand is severely hampered by a dual crisis: a persistent shortage of skilled technicians and widespread supply chain disruptions for parts, which are extending turn-around times and increasing costs.
- **The Skilled Labor Crisis is the Primary Disruptor:** The shortage of qualified maintenance technicians is a top industry disruptor. An aging workforce, high retirement rates, and an insufficient training pipeline have created intense competition for talent, driving up labor costs and threatening capacity. Proactive workforce development is no longer optional but a critical strategic imperative.
- **Supply Chain and New-Generation Aircraft Introduce Complexity:** Delays in new aircraft deliveries are forcing airlines to operate older fleets longer, increasing maintenance demand. Simultaneously, new-generation engines are proving to have unforeseen durability issues, creating a "bow wave" of unscheduled shop visits that the industry lacks the capacity to handle. This environment has elevated the importance of Used Serviceable Material (USM) as a crucial strategy to mitigate parts shortages and manage costs.
- **Digitalization is Key to Future Efficiency and Competitiveness:** The adoption of digital technologies, particularly predictive maintenance enabled by digital twins and AI, is accelerating. These technologies offer a clear path to improving maintenance efficiency, reducing downtime, and overcoming some of the current operational bottlenecks. MROs that invest in and successfully integrate these digital tools will gain a significant competitive advantage.

2. Current Market Performance Analysis (2023 - Present)

The MRO market has fully recovered from the pandemic-era downturn and is now in a growth phase, with global spending reaching a record $104 billion in 2024 and will grow to over $114 billion. However, this growth is happening in a high-pressure environment.

- **Market Segments:**

- **Engine Overhaul:** This remains the largest and most dominant segment, accounting for over 41% of global revenue. The high cost, complexity, and mandatory nature of engine maintenance are key drivers. This segment is also under the most pressure due to new-generation engine issues and supply chain delays for critical parts.
- **Airframe Heavy Maintenance:** Demand is high as airlines catch up on deferred maintenance and keep older aircraft in service longer.
- **Component MRO:** This segment is experiencing steady growth, fueled by the need for repairs on a wide range of aircraft parts. It is also a key area for the application of USM.
- **Line Maintenance:** The increase in flight hours globally is driving consistent demand for line maintenance services.
- **Painting:** Demand is steady, driven by airline rebranding efforts, end-of-lease transitions, and routine corrosion control. This specialized segment is also influenced by marketing campaigns that require unique liveries and is subject to increasingly strict environmental regulations.
- **Interiors:** This is a significant growth area, driven by airlines investing heavily in cabin modernizations to enhance the passenger experience and improve revenue per seat. Key activities include seat retrofits (especially adding premium economy), connectivity/IFE system upgrades, and general cabin upkeep to maintain brand standards.

- **Key Performance Indicators (KPIs) and Trends:**
  - **Shop Visit Trends:** There is a significant and unexpected "bow wave" of shop visits for new-generation engines (e.g., Pratt & Whitney GTF) due to durability issues, creating a backlog that existing shop capacity cannot handle.
  - **Turn-Around Times (TATs):** TATs are lengthening across the board. This is a direct result of both material shortages and a lack of skilled labor to perform inspections and repairs efficiently.
  - **Labor & Capacity:** Labor costs have surged, with average increases of 7.3% last year, well above pre-pandemic norms. Attrition remains a problem, with frontline labor attrition between 5-10%. Hangar and engine shop slots are at a premium, with many MROs reporting full capacity.
- **Regional Comparative Analysis:**
  - **North America:** The largest MRO market, representing over 25% of global revenue in 2024. It benefits from a mature ecosystem but faces a severe technician shortfall that will reach nearly 20% by 2028.

- **Europe:** A significant market also contending with labor shortages and the operational impacts of geopolitical events affecting flight routes.
- **Asia-Pacific:** This region is the fastest-growing MRO market, holding the largest market share in 2024. This growth is driven by a rapidly expanding fleet, particularly in India and China, creating enormous demand for MRO services.

3. In-Depth Trend Analysis

Fleet & Customer Dynamics:

- **Impact of New-Generation Aircraft:** While designed for longer maintenance intervals, new-generation aircraft like the A320neo and 737 MAX are creating new challenges. Unforeseen reliability issues with their advanced engines are leading to premature and unscheduled shop visits. Furthermore, their specialized systems and materials, such as composites, require new MRO capabilities and technician skills.
- **Outsourcing vs. Insourcing:** While outsourcing MRO has been a long-term trend for airlines seeking cost reduction, the current capacity and supply chain constraints are causing some carriers to reconsider. A desire to ensure adequate maintenance capacity and control over their operations is leading some larger airlines to invest in expanding their in-house MRO capabilities, particularly in high-growth regions like Asia and the Middle East. However, for most small and mid-sized operators, outsourcing remains the most viable model.
- **Growing Importance of Used Serviceable Material (USM):** The USM market is experiencing exponential growth as a direct response to OEM supply chain disruptions and rising material costs. Airlines and MROs are increasingly turning to USM to find cost-effective and available parts to keep aircraft flying, making it a critical component of supply chain resilience. However, the USM market itself faces challenges, as fewer aircraft are being retired and parted out than initially forecast.

Profitability & Cost Drivers:

- **Skilled Labor Shortage:** This is the most significant cost driver. The competition for certified technicians is fierce, leading to substantial wage inflation and increased spending on recruitment, signing bonuses, and retention programs.
- **Supply Chain Constraints:** Persistent shortages of both new OEM parts and certain used materials are driving up costs and causing significant operational delays. These challenges are not expected to be resolved for another 1-3 years.
- **Long-Term Service Agreements:** The trend towards performance-based contracts and long-term service agreements, particularly with OEMs, continues. These agreements offer predictable revenue streams but can also squeeze margins for independent MROs if not managed carefully.

4. Forecast & Future Outlook (Next 12-20 Quarters)

The MRO industry is poised for continued expansion over the next 3-5 years, with growth at a compound annual growth rate (CAGR) between 4.4% and 5.1%. The market will surpass $120 billion by 2030.

- **MRO Market Growth Forecast:**
    - **Engine MRO:** Will continue to be the largest and a high-growth segment, driven by the expanding global fleet and the ongoing maintenance needs of both mature and new-generation engines.
    - **Component & Airframe MRO:** Will see steady growth, directly correlated with increasing flight hours and the aging of a portion of the global fleet.
- **Skilled Technician Gap:** The technician shortage is a long-term structural problem that will persist and likely worsen over the forecast period. A potential shortfall of 43,000 to 48,000 technicians will exist in North America alone by 2027. This will continue to drive up labor rates and act as a primary constraint on industry capacity.
- **Technology Adoption:** The adoption of digital tools will accelerate significantly. Investment in digital twin technologies will grow from $17.7 billion in 2024 to over $259 billion by 2032. MROs will increasingly use AI and predictive analytics for maintenance planning, diagnostics, and inventory forecasting to enhance efficiency. Successful implementation of these technologies can lead to a 15% reduction in downtime and a 20% improvement in labor productivity.

5. Risk & Opportunity Assessment

Key Risk Factors:

- **Workforce:**
    - **Talent Pipeline Collapse:** The combination of an aging workforce, accelerating retirements, and insufficient new entrants creates a critical risk of not having enough skilled labor to meet demand, leading to service delays and unsustainable wage inflation.
    - **Leadership Gap:** Pandemic-era retirements have depleted the ranks of experienced middle managers, creating a gap in the executive leadership pipeline.
- **Operational:**
    - **Prolonged Supply Chain Disruption:** Continued bottlenecks in the supply of both OEM and aftermarket parts threaten to extend TATs, increase costs, and ground aircraft.
    - **New-Gen Engine "Bow Wave":** The surge in unscheduled shop visits for new engines is overwhelming current capacity, creating a significant operational and financial challenge for the entire MRO ecosystem.
- **Economic:**

- **Recession and Inflation:** An economic slowdown could reduce flight hours, leading to deferred or reduced maintenance spend by airlines. Persistent inflation continues to elevate both labor and material costs.

- **Geopolitical:**
    - **Trade Tensions:** Global conflicts and trade tensions can disrupt the flow of critical materials and parts, further exacerbating supply chain issues.
- **Regulatory:**
    - **Sustainability Mandates:** Evolving environmental regulations may require new repair processes, materials, and certifications, adding complexity and cost to MRO operations.

Strategic Opportunities:

- **Digitalization & Predictive Maintenance:**
    - There is a clear opportunity to gain a competitive edge by investing heavily in digital infrastructure. Implementing **digital twins** allows for the creation of virtual models of aircraft and components, enabling predictive maintenance that can significantly reduce unscheduled downtime and optimize maintenance schedules. Leveraging **AI and data analytics** can improve diagnostic accuracy, streamline workflows, and enhance inventory management.
- **Workforce Solutions & Training Academies:**
    - Given the severe labor shortage, creating **in-house training academies** or partnering with educational institutions represents a powerful strategic move. Such programs can build a direct pipeline of qualified talent tailored to the company's specific needs. The use of **Augmented Reality (AR) and Virtual Reality (VR)** can accelerate training and enable remote assistance, improving technician efficiency and knowledge transfer.
- **Service Line Expansion for New Technologies:**
    - MROs should proactively develop capabilities for **advanced composite repairs**, as these materials are prevalent on new-generation aircraft. Looking further ahead, preparing for the maintenance of future technologies, such as **battery MRO** for electric or hybrid aircraft, will position the company as a forward-looking leader.
- **Vertical Integration into USM & Parts Manufacturing:**
    - To combat supply chain volatility, MROs can pursue **vertical integration**. This could involve developing a dedicated **Used Serviceable Material (USM)** sourcing and trading arm to secure a reliable and cost-effective supply of parts. An even more advanced strategy is obtaining **Parts Manufacturer Approval (PMA)** to manufacture certain in-demand parts in-house, providing greater control over supply and costs.

State of the Airline Industry

Q1 2026

1. Executive Summary

The global airline industry is navigating a period of resilient recovery and growth, with passenger numbers and revenues surpassing pre-pandemic levels. However, the landscape is marked by a complex interplay of robust demand, significant operational hurdles, and economic uncertainties. Key takeaways for the upcoming 2-3 year strategic window include:

- **Sustained Profitability Amidst Headwinds:** The industry has returned to profitability, with forecasts for 2024 showing continued improvement. However, profit margins remain thin and return on invested capital is still below the average cost of capital, highlighting the ongoing challenge of building true financial resilience.
- **Shifting Passenger Dynamics:** Leisure and "bleisure" travel continue to drive the recovery, altering historical demand patterns. There is a notable and accelerating shift towards premium economy cabins, which are proving to be a significant revenue driver for airlines.
- **Operational Constraints Limiting Growth:** Persistent supply chain disruptions for new aircraft and parts, coupled with labor shortages, are major constraints on capacity growth and are driving up operational costs. These challenges are expected to continue into 2025 and 2026.
- **Ancillary Revenue as a Cornerstone of Profitability:** Ancillary revenues have become a critical component of airline financial health, reaching record highs and helping to offset fare pressure and rising costs.

2. Current Market Performance Analysis (Q1 2023 - Present)

Recent performance data indicates a strong but complex recovery, with demand often outpacing available capacity.

- **Passenger Metrics:**
    - **Revenue Passenger Kilometers (RPKs) & Available Seat Kilometers (ASKs):** Both RPKs and ASKs have shown strong year-on-year growth. By the end of 2023, both domestic and international travel had largely returned to pre-pandemic capacity levels.
    - **Passenger Load Factors (PLFs):** With demand recovery outpacing capacity expansion, global load factors are expected to remain high, at levels similar to 2024.
- **Financial Metrics:**

- **Profitability:** The industry is projected to achieve a net profit of $30.5 billion in 2024, an improvement from $27.4 billion in 2023. Operating profits are also on an upward trend.[1] However, these profits are not evenly distributed across the industry.
- **Revenue and Costs (RASK/CASK):** Total revenues are forecast to reach a record $996 billion in 2024, growing slightly faster than total expenses, which are also at a record high of $936 billion. This indicates pressure on margins, with fluctuating fuel prices and rising labor costs being significant factors.

- **Regional Comparative Analysis:**
  - **North America:** Continues to be the most significant contributor to industry profits, supported by strong consumer spending and high passenger load factors.
  - **Europe:** Airlines are navigating challenges from airspace restrictions due to geopolitical conflicts, which increases costs on long-haul routes to Asia.
  - **Asia-Pacific:** This region has seen significant growth, with domestic air connectivity rising, particularly in markets that had a delayed post-pandemic reopening. While travel activity is robust, profitability can be pressured by soft ticket prices.

3. In-Depth Trend Analysis

Passenger Behavior:

- **Leisure vs. Business Travel:** The recovery has been led by strong leisure travel demand. Corporate travel is recovering more slowly as companies adapt to new work models and technologies. This has led to changes in historical travel patterns, with peak travel days becoming busier and off-peak days slower.
- **Rise of Premium Economy:** Premium economy is the fastest-growing cabin class, with demand from both leisure travelers seeking more comfort and business travelers looking for a cost-effective alternative to business class. Airlines are strategically increasing the number of premium economy seats, as this cabin is proving to be highly profitable per square foot.
- **Changes in Booking Windows:** Remote and hybrid work models are enabling travelers to extend their trips, leading to shifts in booking patterns.

Profitability Drivers:

- **Fluctuating Fuel Prices:** Jet fuel remains a significant and volatile operating expense for airlines. While prices have seen some relief from recent highs, geopolitical instability continues to pose a risk of price volatility.
- **Labor Costs and Agreements:** The industry is facing persistent labor shortages across pilots, maintenance crews, and air traffic controllers, which is driving up wages and training costs. Newly negotiated labor contracts are also contributing to higher operating expenses.

- **Aircraft Acquisition/Maintenance Costs:** Supply chain disruptions have led to significant delays in new aircraft deliveries from major manufacturers. This forces airlines to operate older, less fuel-efficient aircraft, increasing maintenance and fuel costs.
- **Ancillary Revenue Growth:** Ancillary revenues from services like baggage fees, seat selection, and loyalty programs have become a vital source of income, projected to reach $148.4 billion worldwide in 2024. For some low-cost carriers, ancillary revenue now accounts for over 50% of their total revenue. Loyalty programs, particularly co-branded credit cards, are a major and stable contributor to this revenue stream.

4. Forecast & Future Outlook (Next 8-12 Quarters)

The outlook for the next two to three years is one of continued, albeit potentially slower, growth, with profitability dependent on navigating a number of persistent challenges.

- **Quantitative Forecast:**
    - **RPKs and PLFs:** Passenger demand is expected to remain strong, with continued growth in 2025, although at a potentially slower rate than in the immediate post-pandemic recovery. Global load factors are anticipated to remain at high levels, similar to those seen in 2024.
    - **Profitability:** Industry net profits are projected to continue their upward trend, with one forecast suggesting a net profit of $36.6 billion in 2025. However, these forecasts are contingent on managing rising costs and navigating economic uncertainties. Total industry revenues are expected to surpass the $1 trillion mark for the first time in 2025.
- **Qualitative Forecast:**
    - The pace of growth will likely vary by region, with Asia, particularly India, expected to see robust demand.
    - Capacity constraints due to aircraft delivery delays and maintenance issues will likely persist through 2025 and 2026, limiting the industry's ability to fully capitalize on strong demand.
    - Average airfares are unlikely to see significant decreases due to the tight balance between supply and demand and rising operational costs.

5. Risk & Opportunity Assessment

Key Risk Factors:

- **Economic:**
    - **Recession and Inflation:** Elevated recession risks and persistent inflation could dampen consumer confidence and discretionary spending on travel.

- Currency Fluctuations: A strong U.S. dollar can impact the costs and revenues of airlines operating in multiple currencies.

- **Geopolitical:**
    - **Iran Conflict and Fuel Price Volatility:** The recent escalation of conflict involving Iran has introduced a significant and immediate shock to the global aviation industry. This geopolitical crisis has led to the closure of critical airspace and key trade routes like the Strait of Hormuz, which handles approximately 20% of the world's oil. The direct consequences for the airline industry are twofold and severe:
        - **Surging Jet Fuel Prices:** The disruption and associated market uncertainty have caused a dramatic spike in jet fuel prices, with some reports indicating prices soaring from a baseline of $85-$90 per barrel to as high as $150-$200. Since fuel typically accounts for 25-35% of an airline's operating costs, this surge directly erodes profitability and pressures financial stability. Airlines, particularly those in North America with lower levels of fuel hedging, face immediate cost risks. Carriers globally have begun to respond by increasing fares and adding fuel surcharges to passenger tickets.
        - **Increased Operational Costs from Rerouting:** Airspace closures in and around the conflict zone have forced widespread flight cancellations and significant rerouting for long-haul journeys, particularly between Europe and Asia. These longer flight paths not only disrupt schedules and crew logistics but also lead to higher fuel consumption per flight, compounding the financial impact of higher fuel prices. The disruption to major Middle Eastern hubs like Dubai and Doha affects the entire global network, impacting an estimated 14% of global international transit traffic.
    - **Other Regional Conflicts:** Ongoing conflicts lead to airspace closures, forcing longer and more costly routes, and can cause a sharp drop in travel demand to affected regions. This creates competitive disadvantages for airlines that must comply with sanctions and reroute flights.
    - **Trade Tensions:** Evolving trade policies and tariffs can disrupt global air freight dynamics and add to economic uncertainty.

- **Operational:**
    - **Supply Chain Constraints:** This is a critical and prolonged risk, with significant delays in the delivery of new aircraft and parts from manufacturers like Boeing and Airbus.
    - **Labor Shortages:** The industry faces a significant shortage of skilled personnel, including pilots, maintenance technicians, and air traffic controllers, which can lead to operational disruptions and increased costs.

- **Cybersecurity:** Cyber incidents are now considered a top risk for the aviation sector, with potential impacts on everything from flight operations to passenger data.

- **Regulatory/Environmental:**
    - **Sustainability Mandates:** The increasing pressure to decarbonize, including mandates for Sustainable Aviation Fuel (SAF) adoption, will impose significant costs on the industry.
    - **Passenger Rights Legislation:** Evolving regulations around passenger rights can increase compliance costs and operational complexity.

Strategic Opportunities:

- **New Technologies:**
    - **Fleet Modernization:** The introduction of new-generation, long-range single-aisle aircraft can unlock new, more efficient routes.
    - **Artificial Intelligence (AI):** AI and machine learning can be leveraged to enhance operational efficiency, from predictive maintenance to optimizing flight routes and personalizing customer offers.
- **Underserved Markets and Route Diversification:** Strategically diversifying routes away from volatile regions and exploring underserved markets can build resilience and open new revenue streams.
- **Loyalty Program Innovation:** There is a significant opportunity to evolve loyalty programs beyond simple point systems. By using data analytics and AI, airlines can create more personalized rewards, exclusive experiences, and digital engagement that foster deeper customer loyalty and generate stable revenue.
- **Ancillary Revenue Optimization:** Further developing and personalizing ancillary offers, particularly through digital platforms, can continue to drive high-margin revenue growth. The growth of the premium economy cabin is a prime example of successful product differentiation and revenue optimization.

State of Aviation Manufacturing

Q1 2026

1. Executive Summary

The global aviation manufacturing industry is at a pivotal juncture, characterized by the dual pressures of a struggling legacy production system and the rise of transformative new aviation platforms. While soaring demand and historic order backlogs for commercial aircraft create immense opportunity, the sector is fundamentally constrained by deep-rooted operational, workforce, and supply chain crises. Simultaneously, capital and talent are flowing into disruptive sectors like Advanced Air Mobility (AAM) and supersonic travel, creating new markets and further complicating the industrial landscape.

- **A Fractured Production System:** The industry holds a historic backlog exceeding 15,000 commercial aircraft. This demand is met by a crippled production system where both major OEMs are failing to meet targets due to a fragile and overstretched supply chain. This "rate vs. reality" gap remains the central challenge for the legacy sector.
- **The Rise of the New Aviation Economy:** Beyond traditional aviation, a new industrial base is rapidly materializing. Well-capitalized players in supersonic travel (Boom Supersonic) and eVTOL (Joby, Archer) are moving from design to reality, building factories and placing significant new demands on the supply chain for advanced materials, propulsion, and avionics.
- **Intensified Competition for Resources:** The emergence of these new sectors intensifies the competition for every critical resource. Suppliers now face a three-front war for skilled labor, engineering talent, raw materials (especially composites and titanium), and investment capital, pitting legacy programs against the high-growth allure of disruptive aviation.
- **Strategic Imperative: Diversify and Digitize:** For Tier 1 suppliers, the path forward requires a dual strategy. First, aggressive investment in digitalization, data analytics, and automation (Industry 4.0) is essential to improve efficiency and mitigate labor shortages in existing production lines. Second, strategic engagement with the leaders of the new aviation economy is critical for long-term growth and diversification.

2. Current Market Performance Analysis (2023 - Present)

The market is defined by a clear divergence: the mature sector struggles with volume, while the emerging sector focuses on building capacity.

- **Market Segments:**
    - **Commercial Aircraft:** Demand is concentrated in the narrowbody segment (A320neo, 737 MAX). However, production remains capped by systemic constraints. Airbus has pushed its benchmark target of 75 A320-family jets per month to 2027, and Boeing's output remains limited amid intense regulatory oversight.

- **Business & General Aviation:** This sector continues to show exceptional strength. Industry leaders like Gulfstream, Bombardier, and Textron Aviation hold multi-year backlogs for their large-cabin, long-range jets. While demand is robust, they face the exact same supply chain and labor constraints as the commercial sector, limiting their ability to accelerate deliveries.
- **Emerging & Disruptive Aviation:**
  - **Supersonic (Boom Supersonic):** This segment has moved from concept to concrete. A significant milestone is the ongoing construction of the **Boom Overture Superfactory in Greensboro, North Carolina**. With a formidable order book from carriers like American Airlines and United Airlines, Boom is creating the first new commercial aircraft manufacturing facility of its scale in years, driving new requirements for heat-resistant composites, advanced avionics, and bespoke propulsion systems.
  - **eVTOL / Advanced Air Mobility (AAM):** The AAM sector is rapidly transitioning from prototype to industrialization. Leaders are building their production infrastructure, highlighted by **Joby Aviation's new facility in Dayton, Ohio** (the birthplace of aviation) and **Archer Aviation's high-volume manufacturing facility in Covington, Georgia**. These facilities are designed for automotive-scale production rates, creating a nascent but high-potential market for lightweight aerostructures, electric motors, battery packs, and flight control systems.

- **Key Performance Indicators (KPIs):**
  - **Production & Delivery Rates:** Legacy OEM delivery performance remains below targets. Airbus delivered 735 aircraft in 2023, while Boeing delivered 528, with both facing ongoing challenges in 2024.
  - **Order Backlogs:** The commercial backlog exceeds nine years of production. Business jet backlogs extend out over two years for many popular models. For emerging players, the backlog represents foundational validation (e.g., Boom's orders) or pre-orders pending certification (eVTOLs).
  - **Supplier Performance:** On-Time Delivery (OTD) across the supply chain remains poor. The introduction of new, unproven buyers from the eVTOL space adds complexity and risk for suppliers evaluating new programs.

3. In-Depth Trend Analysis

Production & Supply Chain Dynamics:

- **The "Rate vs. Reality" Gap:** The struggle to meet production rates is the dominant narrative. This is driven by deep-tier constraints in forgings, castings, and raw materials, exacerbated by a shortage of skilled labor.

- **New Material and System Demands:** The cutting-edge sectors are introducing new demands on this already strained supply base.
    - **Supersonic:** Requires materials that balance strength, low weight, and extreme thermal resistance, pushing the boundaries of carbon composites and titanium alloys.
    - **eVTOL:** Requires an unprecedented volume of lightweight carbon fiber structures, certifiable battery systems, electric propulsion units, and simplified "fly-by-wire" avionics, demanding a fusion of aerospace-grade quality with automotive-style production efficiency.
- **The Labor Dilemma:** The skilled labor shortage (machinists, engineers, technicians) is now more acute. Legacy manufacturers must compete not only with each other but also with the high-profile, venture-backed "startup culture" of companies like Boom and Archer, which are aggressively recruiting top engineering and manufacturing talent.

Profitability & Cost Drivers:

- **Legacy Margin Squeeze:** Tier 1 suppliers continue to face margin compression from inflation, logistics costs, and long-term pricing agreements with commercial OEMs.
- **New Program Investment Risk:** Engaging with new supersonic or eVTOL programs requires significant upfront non-recurring investment from suppliers. This presents a high-risk, high-reward scenario, as the return is contingent on the successful, and still uncertain, certification and commercialization of these novel aircraft.

4. Forecast & Future Outlook (Next 12-20 Quarters)

The industry's future will be a tale of two growth stories: the slow, painful ramp-up of the old guard and the rapid, volatile emergence of the new.

- **Production & Delivery Forecast:**
    - **Commercial:** A gradual increase in narrowbody production is expected, but achieving stated OEM targets remains a significant challenge for the mid-decade.
    - **Supersonic:** While first Overture deliveries are slated for the end of the decade, the next 3-5 years will be focused on the completion of the Greensboro factory, supplier qualification, and the rollout of the first test articles.
    - **eVTOL/AAM:** Pending certification in the 2025-2026 timeframe, the first commercial eVTOLs will enter service. The subsequent years will see the start of a steep production ramp-up at facilities like those in Ohio and Georgia as manufacturers work to fulfill orders from airlines and urban mobility operators.
- **Investment Focus:** Investment will be bifurcated. In the legacy sector, it will target automation and digital tools to de-risk the existing ramp-up. In the emerging sectors, capital

will pour into greenfield factories, tooling, and securing the supply chain for high-volume production.

- **Supply Chain Stabilization:** The supply chain is not expected to fully stabilize within the next three years. The added demand from new aviation segments will ensure that constraints in critical areas like composites, specialty metals, and skilled labor will persist.

5. Risk & Opportunity Assessment

Key Risk Factors:

- **Operational & Workforce:** The inability to execute on production rates and the systemic talent deficit remain the top risks for the entire industry, affecting both legacy and emerging players.
- **Regulatory & Certification Risk:** This is the paramount risk for the emerging sectors. The path to certifying entirely new aircraft types like supersonic jets and eVTOLs is long, costly, and uncertain. Any significant delay or new requirement from the FAA or EASA could have cascading financial impacts down the supply chain.
- **Economic:** High interest rates and economic volatility could impact financing for both legacy airline orders and the capital-intensive R&D of the startup players.
- **Geopolitical:** Disruption in the supply of critical materials (e.g., titanium, rare earth minerals for magnets) remains a significant threat to all manufacturing programs.

Strategic Opportunities:

- **Advanced Manufacturing (Industry 4.0):** The need for high-volume, low-cost production in the AAM sector will accelerate the adoption of automation, robotics, and digital twins. Suppliers who master these technologies can serve both the legacy and emerging markets with greater efficiency.
- **Become a Foundational Partner for New Aviation Platforms:**
  - **AAM/eVTOL:** There is a window of opportunity for Tier 1 suppliers to become core partners for leading eVTOL OEMs. This involves co-developing and supplying critical systems like flight controls, battery management systems, integrated avionics, and lightweight composite aerostructures at scale. Securing a key role in this ecosystem could unlock decades of growth.
  - **Supersonic:** Partnering with Boom on the Overture program offers a chance to be at the forefront of high-speed flight. This provides opportunities in developing next-generation materials, thermal management systems, and specialized components that will define the future of long-haul travel.
- **Supply Chain Resilience and Vertical Integration:** The current crisis provides the impetus to re-shore critical processes, qualify alternative suppliers, and even vertically integrate to

gain control over bottleneck areas. This is attractive to both legacy OEMs seeking stability and new OEMs seeking reliable partners.

- **Sustainable Aviation Technologies:** This is no longer just about optimizing legacy products. It is about actively manufacturing the systems for the future. This means investing in R&D and production capabilities for lightweight structures, hybrid-electric propulsion components, and systems designed for sustainable aviation fuels (SAF) and, eventually, hydrogen.

State of the Aerospace Defense Industry

Q1 2026

1. Executive Summary

The Aerospace & Defense industry has entered a period of unprecedented demand and transformation, driven by a global security environment more volatile than at any time since the Cold War. The return of great power competition, coupled with active conflicts in Europe and the Middle East, is fueling historic budget growth. However, this demand is straining a "brittle" industrial base unprepared for the scale and speed now required. Key takeaways for the upcoming 3-5 year strategic period include:

- **Geopolitical Instability is the Dominant Demand Signal:** The war in Ukraine and recent conflicts in the Middle East have shattered post-Cold War assumptions. This has triggered a paradigm shift away from counter-insurgency towards peer conflict, driving urgent demand for mass, attrition tolerance, and advanced capabilities. Global defense spending is rising sharply, with NATO allies rapidly increasing budgets to meet and exceed 2% GDP targets.
- **A Strained Industrial Base is the Primary Constraint:** The Western defense industrial base is struggling to meet the surge in demand, particularly for munitions and ordnance. Decades of prioritizing efficiency over resilience have created single-source dependencies, long lead times for critical components (e.g., rocket motors, microelectronics), and significant workforce gaps, hindering the ability to rapidly scale "hot" production lines.
- **Technology is Reshaping the Battlespace at Speed:** The character of warfare is being redefined by the fusion of software, data, and hardware. The effectiveness of low-cost drones, the critical need for resilient network-centric warfare (JADC2), the race for hypersonic capabilities, and the military's growing reliance on commercial space assets are no longer theoretical concepts but demonstrated realities.
- **The Rise of "New Defense" Challenges the Status Quo:** Venture-backed, software-first companies are disrupting the traditional defense ecosystem. These entrants are developing and fielding capabilities, particularly in AI and autonomy, at speeds that legacy acquisition processes struggle to match, creating both a competitive threat and a vital partnership opportunity for established prime contractors.

2. Current Market Performance & Demand Signals (2023 - Present)

The market is characterized by record-high backlogs and urgent demand signals clashing with the physical constraints of the industrial base.

- **Market Segments:**
    - **Combat Systems & Platforms:** Demand is high for next-generation platforms, but production rates for legacy systems (e.g., F-35, armored vehicles) are capped by

supply chain limitations. The focus is shifting to modernizing existing fleets and ensuring their survivability in contested environments.

  - **Munitions & Ordnance:** This segment is experiencing an unprecedented surge. The war in Ukraine has depleted stockpiles of precision-guided munitions (PGMs) like GMLRS, artillery shells (155mm), and air defense interceptors (e.g., PAC-3). Replenishment and stockpile expansion are now top priorities for the US and its allies.
  - **C4ISR & Electronic Warfare (EW):** This area is seeing explosive growth. The need for a fully networked battlespace (JADC2) to counter peer adversaries is driving investment in resilient communications, advanced sensors, and data fusion capabilities. EW is critical for achieving spectrum dominance and countering sophisticated threats.
  - **Space & Strategic Systems:** Military space is a rapidly expanding domain, with a focus on building resilient, proliferated low-Earth orbit (pLEO) satellite constellations for ISR and communications. The race to develop and field both offensive and defensive hypersonic capabilities is a top national security priority, driving significant R&D funding.

- **Key Performance Indicators (KPIs):**
  - **Budget Appropriations vs. Outlays:** US defense budgets are approaching record levels (in nominal terms), with the FY2025 request exceeding $895 billion. Critically, allies in NATO and the Indo-Pacific are also implementing substantial budget increases, creating a globally synchronized demand signal.
  - **Contract Award Velocity & Backlogs:** Prime contractors are reporting record backlogs, providing revenue visibility for years to come. However, the velocity of contract awards for rapid replenishment and new prototyping authorities (e.g., Middle Tier of Acquisition) is a key metric for how quickly the government is adapting to new needs.
  - **Industrial Base Health Metrics:** This is the area of greatest concern. Lead times for critical components like solid rocket motors have extended to 24-36 months. A persistent shortage of skilled, security-cleared engineers, software developers, and manufacturing technicians is a primary bottleneck constraining output across the entire sector.

3. In-Depth Trend Analysis

Geopolitical & Demand Dynamics (Lessons from Recent Conflicts):

- **Shift to Peer Conflict & the "Arsenal of Democracy":** The war in Ukraine has served as a stark lesson in the industrial realities of modern warfare, demonstrating immense consumption rates for munitions and the critical need for a robust industrial base capable of producing hardware at scale—a concept often referred to as reviving the "arsenal of democracy."

- **Early Observations from the Iran Conflict:** The recent multi-pronged attack on Israel provided critical, real-world data on modern integrated air and missile defense (IAMD):
  - **Validated the System-of-Systems Approach:** The successful defense was not the result of a single system but a deeply integrated network of C4ISR assets—from space-based infrared satellites to ground and naval radars to airborne sensors—fused together to provide a single, real-time threat picture for engagement. This is a powerful proof point for JADC2.
  - **Highlighted Favorable and Unfavorable Cost Exchange Ratios:** The conflict underscored the extreme cost disparity between high-end interceptors (costing millions of dollars each) and low-cost offensive drones and missiles. This validates the need for a layered defense with a deep magazine of more affordable interceptors to handle lower-tier threats and preserve premier assets for advanced challenges.
  - **Reinforced the Need for Deep Magazines:** The sheer volume of the attack demonstrated that even the most advanced IAMD system can be stressed by mass. This drives home the urgent requirement for larger stockpiles of interceptors and a "hot" production base capable of rapid replenishment.

Industrial Base & Speed-to-Market:

- **The "Brittle" Supply Chain:** The defense supply chain is characterized by fragility, with numerous single-source suppliers for mission-critical components. The difficulty in rapidly scaling production for systems like Javelins, GMLRS, and 155mm shells has exposed a fundamental weakness in the West's defense posture.
- **The Digital Engineering Imperative:** To counter slow development timelines, the DoD and industry are accelerating the adoption of digital engineering, MBSE (Model-Based Systems Engineering), and agile software development. These tools create a "digital thread" that connects design, testing, production, and sustainment, offering the potential to dramatically shorten timelines and reduce costs, as seen in the development of next-generation Air Force programs.

Technology & New Entrants:

- **The Impact of AI and Autonomy:** AI is moving from a buzzword to a core capability, enabling everything from predictive maintenance and ISR data analysis to fully autonomous systems. The DoD's Replicator Initiative, aimed at fielding thousands of low-cost, attritable autonomous systems, signals a major shift in operational concepts toward creating mass and complicating enemy targeting.
- **The Rise of "New Defense":** Companies like Anduril (autonomous systems), Palantir (data analytics), Shield AI (AI pilots), and a host of commercial space firms like SpaceX (launch

and communications) are fundamentally challenging the A&D landscape. Their venture-capital-fueled, software-centric models allow them to innovate at commercial speeds, forcing the DoD and traditional primes to adapt.

4. Forecast & Future Outlook (Next 12-20 Quarters)

The industry is entering a sustained "super-cycle" of investment and modernization, driven by a clear and present threat environment.

- **Budget Forecast:** Defense budgets in the US are expected to remain elevated, with growth likely keeping pace with or slightly exceeding inflation. The most significant growth will come from NATO and key Indo-Pacific allies (e.g., Japan, Australia, South Korea), who are all undertaking multi-year modernization programs.
- **Industrial Base Evolution:** Expect significant government and industry co-investment to shore up the industrial base. This will focus on multi-sourcing key components, expanding production capacity for munitions, and addressing workforce gaps. However, fully resolving deep-tier bottlenecks will take 3-5 years.
- **Investment Focus:** Government and industry investment will be heavily prioritized in several key areas:
  - **Resilient Space Architectures:** Continued build-out of pLEO constellations for ISR and communications.
  - **Next-Generation Munitions:** Development of longer-range, more lethal, and more autonomous precision munitions.
  - **Hypersonics & Counter-Hypersonics:** Massive R&D investment will continue in both offensive capabilities and a layered defense against them.
  - **JADC2 Enablers:** Technologies that provide secure, resilient, and high-bandwidth connectivity across all domains.
  - **Autonomous Systems:** A major push to field low-cost, attritable systems at scale.

5. Risk & Opportunity Assessment

Key Risk Factors:

- **Geopolitical/Budgetary:** Persistent budget instability in the US, driven by the use of Continuing Resolutions (CRs), creates significant uncertainty and inefficiency, delaying program starts and disrupting production flow.
- **Industrial Base:** The failure of a critical, single-source sub-tier supplier remains a top risk that could halt major production lines. The systemic inability to hire and retain a sufficient number of security-cleared engineers and technicians poses a long-term threat to growth.
- **Technological:** The risk of adversaries achieving technological surprise, particularly in areas like AI, quantum computing, or electronic warfare, is a constant concern. The

increasing software dependency of weapon systems also expands their vulnerability to cyberattack.

- **Acquisition/Regulatory:** The DoD's slow, bureaucratic acquisition process continues to be a major impediment to fielding technology at the speed of relevance. Stringent export controls can also limit the speed at which capabilities can be shared with key allies.

Strategic Opportunities:

- **Digital Transformation (The Digital Century Series Model):** There is a clear opportunity to achieve a decisive competitive advantage by fully embracing digital engineering. Investing in an end-to-end digital thread from design through production and sustainment can dramatically accelerate development timelines, reduce costs, and enable rapid iteration, mirroring the success of digitally-native aircraft programs.
- **Autonomous & Asymmetric Systems:** Pivot to become a market leader in the design and high-volume production of low-cost, attritable autonomous systems. This aligns directly with DoD priorities (e.g., Replicator Initiative) and addresses the need for affordable mass in a peer conflict. This is a natural adjacency for a company with expertise in C4ISR and precision systems.
- **Supply Chain Modernization & On-Shoring:** Proactively address supply chain brittleness by making strategic investments. This could include vertically integrating key production processes, forming joint ventures to on-shore the manufacturing of critical components like solid rocket motors or microelectronics, and using advanced analytics to map and de-risk the entire supply base. This turns a defensive necessity into a competitive advantage.
- **Bridging the Gap with New Entrants:** Instead of viewing "new defense" companies as pure competitors, develop a flexible strategy to engage with them. This can range from forming strategic partnerships to integrate their AI/software into your hardware platforms, to creating a corporate venture arm to invest in promising startups, to outright acquisition of key technologies and talent.

Tri-Cities Airport Authority
April 23, 2026

CONSIDER:
Uniform Rental Program

Summary:

The Airport Operations and Ground Handling Departments spend vast amount of their time dealing with the public while also completing tasks that can affect their appearance, such as fueling and wildlife mitigation. To improve appearances, a standardized uniform for these departments that can scale as the departments grow has been sought.

Bids were solicited for a program that includes weekly pickups for uniform laundering and repairs. Two bids were received with Unifirst being selected to provide uniforms for fourteen ground handling and four airport operations staff members.

Also note that as of March 10, 2026, Cintas entered into an agreement to purchase Unifirst. At the moment, we do not foresee this affecting the agreement will enter with Unifirst.

The agreement is in the amount of $308.72 per week over a five-year period. The agreement includes a two-year rate lock and an up to five percent increase in each of the final three-years. The uniform rental program will be funded through a mix of Operations Expense and Ground Handling Expense funds. The following is the proposed funding plan:

Uniform Rental Program – Funding Plan

FY27 Operations Expense	$ 3,567.43
FY27 Ground Handling Expense	$12,486.01
FY28 Operations Expense	$ 3,567.43
FY28 Ground Handling Expense	$12,486.01
FY29 Operations Expense	$ 3,745.80
FY29 Ground Handling Expense	$13,110.31
FY30 Operations Expense	$ 3,924.17
FY30 Ground Handling Expense	$13,734.61
FY31 Operations Expense	$ 4,102.55
FY31 Ground Handling Expense	$14,358.91
Estimated Total	$85,083.23

Recommendation:

Authorize the Chair to execute an agreement with Unifirst over a five-year period for $85,083.23.

Submitted By: Chris Stipo
Director of Operations

VIP Proposal for Tri Cities Airport

Uniform-Focused Company

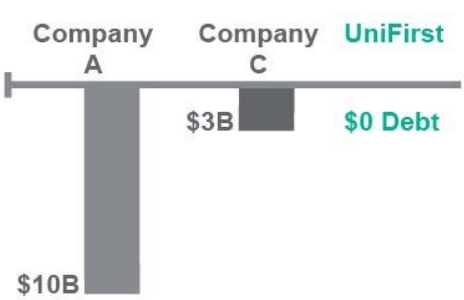
Maintains strong financial position year in and year out [financial data as of Sept. 2024].

Uniform Core Competency

UniFirst customers benefit from managed uniform programs delivered by bona fide uniform service experts. We focus everything we do on what we do best…providing consistent excellence in uniform products and services…and not diluting our offer with excessive diversification.

Annual Revenue Growth Since 1936

We're proud to report that our company has achieved consistent growth virtually every year since our founding in 1936 – even during recessions. That's a true testament to being a well-managed, customer-focused organization.

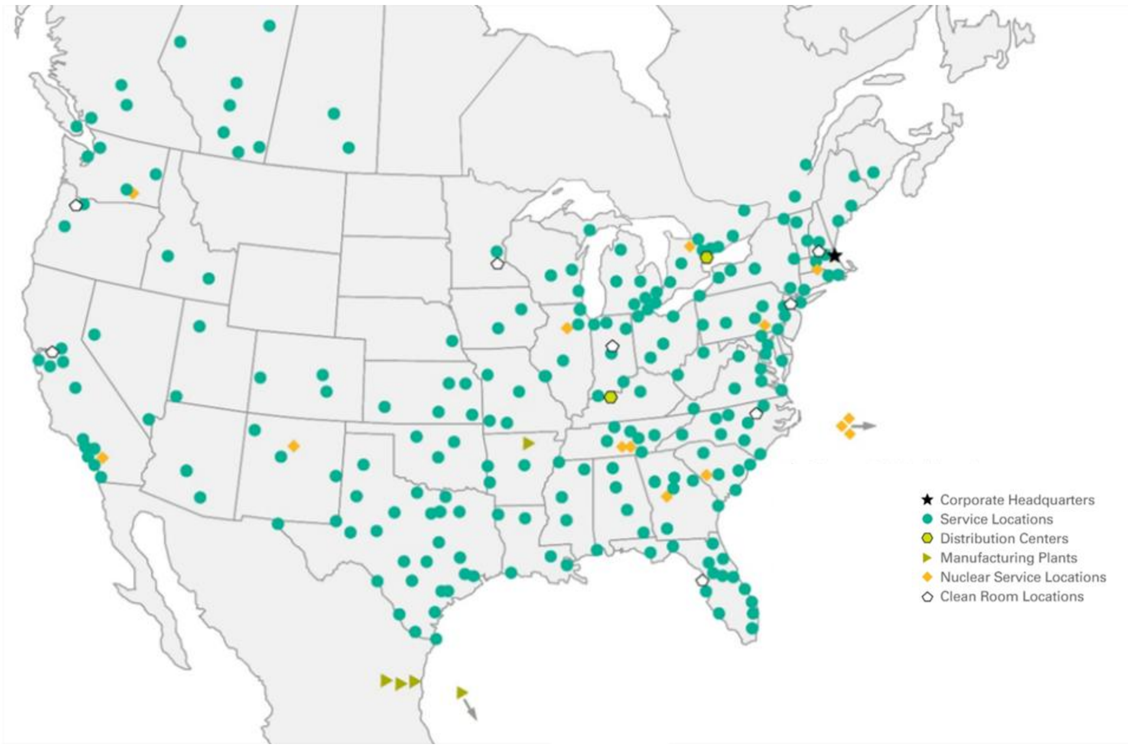


Industry's Best Balance Sheet with "Zero Debt"

With well over $400 million on hand and essentially "zero debt," UniFirst is better positioned than the competition to continually invest in our people, our infrastructure, our technologies, and our services in order to consistently deliver the most beneficial uniform service programs available.

Unique Advantages

Vertically-integrated North American supply chain.



260 North American Company Locations

UniFirst service centers are strategically located from coast to coast. This allows for efficient delivery of our managed uniform and facility service programs, no matter how many customer sites are participating or where they may be operating across the United States or Canada.

State-of-the-Art Centralized Distribution Center

Strategic location and ground-up design that includes Perfect Pick® robotics, allow for "centralized hub" deliveries faster than the competition.

Five Vertically-Integrated Manufacturing Plants

Self-made, proprietary work clothing and floor mats are of the highest quality, designed with customer-defined preferences in mind, and allow for custom products.

Unique Quality Advantages

ISO- and Hygienically Clean-Certified Processing Plants.

Latest-Generation Processing and Automation

UniFirst is committed to continuous investments in our customer-servicing infrastructure and capabilities. We're proud to operate the industry's most technologically advanced processing plants and automation.

Systematic Approach for Consistent High-Quality Products and Services

We're the only industry provider to ISO 9001 certify our customer servicing/processing plants, manufacturing facilities, and distribution center.

TRSA Hygienically Clean Food Safety (HCFS) Plant Certifications

Third-party validation of our effective UniSafe® service and Product Protection Process (PPP) for HACCP/GFSI-conscious food-related businesses.

Operational Excellence

National profile with more than 80 years of expertise.

Serving 300,000-plus Business Sites Throughout the U.S. and Canada

At UniFirst, we’re proud to partner with some of the world’s best-known brands. But we’re equally proud of the many thousands of mid- and small-sized companies – from virtually every industry category – that help to make up the UniFirst customer base. And no matter the size, national or local, every account receives our unmatched program management, customer commitment, and service expertise.

14,000 Employee Team Partners

We believe that by empowering our Team Partners at all levels to solve customer issues, we better satisfy customer needs, foster our valued *family culture*, and create an atmosphere of employee contentment and pride. Empowering our staff leads to enhanced customer service levels and overall success.

100

Barron’s 100 Most Sustainable Companies

UniFirst Named to Barron’s “100 Most Sustainable U.S. Companies” List

We continue to focus on all facets of our corporate social responsibility (CSR) strategy: workplace culture, transparent and ethical business behavior, safety initiatives, citizenship efforts, and of course, sustainability. As such, our company has been recognized for our CSR efforts aimed at benefitting the world around us and its citizens.

Pricing and Products Rental

Pricing listed here is good for 30 days from date – 04/02/26

UniFirst

Item Description	Inventory	Rental Price	Frequency	Total
Spotlite MV shirt (Short or Long sleeve)	176	$0.55	1	$96.80
Spotlite MV Pants	80	$0.48	1	$38.40
Spotlite MV Shorts	96	$0.40	1	$38.40
Spotlite MV Jacket	16	$0.75	1	$12.00
Micro Pique Polo	44	$0.25	1	$11.00
Zero Scratch Cargo Pants	44	$0.50	1	$22.00
Soft Shell Jacket	4	$0.40	1	$1.60
Garment Maintenance Insurance	460	$0.11	1	$50.60
Garment Prep Insurance	460	$0.04	1	$18.40

Item Description	Inventory	Rental Price	Frequency	Total
Ongoing Emblem Insurance	192	$0.06	1	$11.52
DEFE Charge (Service Charge)	1	$8.00	1	$8.00
Total				$308.72

Transportation Customer Examples

Jason Bowen

ORKIN

Ryder

TERMINIX

TRUGREEN

RUAN
DEDICATION THAT MOVES YOUR BUSINESS

Trimac

SWIFT

WASTE CONNECTIONS INC.
Connect with the Future

Rush Trucking

ServiceMaster

IDEALEASE
Truck Leasing & Rental

XPO Logistics

Jason Bowen

Jason_Bowen@unifirst.com

423-367-9794

Thank you.

UniFirst, with our 260 service facilities and 14,000 employee Team Partners located throughout North America, looks forward to partnering with you for many years to come.

UniFirst

UNIFORMS SERVICES SOLUTIONS

Tri-Cities Airport Authority
April 23, 2026

CONSIDER:
Gate Management Software
Award GoApron, Inc.

Summary:

Staff presented the Airline Improvements Project at the February board meeting. As part of board approval, items over $25,000 would be approved by the President/CEO and come to the board for retroactive approval. The recent announcement of new airlines and routes will result in six Remain Overnight (RON) aircraft occupying the airport's six usable gates each night. To assist with gate management a software was sought to automate the process. A Request for Proposals (RFP) was advertised to provide a gate management software with an initial award of a two-year agreement with one possible three-year extension. Four proposals we're received with GoApron, Inc. providing the most responsive proposal in the amount of $107,500 over a five-year period. The software will be funded through Terminal Expense funds, and the following is the funding plan:

Gate Management Software – Funding Plan

FY27 Terminal Expense Funds	$ 19,500
FY28 Terminal Expense Funds	$ 20,500
FY29 Terminal Expense Funds	$ 21,500
FY30 Terminal Expense Funds	$ 22,500
FY31 Terminal Expense Funds	$ 23,500
Total	$107,500

The Authority's Legal Counsel will provide/review the agreement prior to execution.

Recommendation:

Authorize the Chair to execute a contract with GoApron, Inc. for Gate Management Software for an initial award of a two-year agreement with one possible three-year extension in the amount of $107,500.

Submitted By: Chris Stipo
Director of Operations

BID TAB SHEET
Gate Management Software RFP
Bid Date: April 2, 2026

FIRM NAME & ADDRESS	GoApron, Inc.	ProDIGIQ, Inc.	AeroCloud	Concourse Tech Inc.
Fufillment of Scope of Work (40 Points)	39.8	39.6	39	35.4
Experience and Capabilities (25 Points)	24.8	24.8	25	13
Price (25 Points)	25	20.6	21	5.8
Vendor Experience & References (10 Points)	10	10	10	0.4
Total Points	99.6	95	95	54.6

GOAPRON

April 2nd, 2026 TRI Gate Management Software

Attention

Tri-Cities Airport Authority
Chris Stipo, Director of Operations
2525 Highway 75, Suite 301
Blountville, TN 37617

Contact

Shadrach Vaughn
CEO/Co-Founder
GoApron Inc.
shad@goapron.com
(760) 703-1005

Table of Contents

Scope of Work.. 3

Scope of Work – Additional GoApron Features...7

Scope of Work - Screenshots.. 9

Experience and Capabilities.. 16

Exhibit B - Pricing.. 17

Vendor Experience and References... 18

Licenses.. 24

Exhibit A – Signature Page..25

Scope of Work

GoApron provides a modern, cloud-based gate management solution that will prioritize automation, system reliability, and minimize administrative burden, while offering a flexible and intuitive interface for authorized personnel with TCAA.

Real-time scheduling capabilities for common use per-turn gates and remote parking positions.

- GoApron will automatically assign gates & remote spots based on aircraft type, availability, airline lease agreements, and data feed. This automation minimizes administrative input.
- GoApron airport and tenant users can **easily schedule and edit common use per-turn gates and remote parking positions** for real-time and future operational planning.
- GoApron allows users to select flights and assign them to new gates for parking management, updating in real-time giving other users a live look at operational changes.
- GoApron provides an easy to use reservation form allowing users to create parking reservations from scratch, often used for IROPs and charter scenarios.
- GoApron provides a key feature that allows airports to automatically sort flights to gates based on mainline and regional carriers, offering a more granular approach to automated gate assignments. For example: Automatically sorting Piedmont and Envoy flights operating for American Airlines to separate specific gates.
- GoApron features an easy to use gantt chart populated with real-time flight data, giving users the ability to quickly see and digest gates and remote spots at a glance.
- GoApron provides users with the ability to create, single-use, block, and tow-off reservations in order to meet your airport's needs in gate management and aircraft parking.
- GoApron utilizes OAG to provide real-time flight data, including landing, inbound and outbound flights, in-gate, out-gate, in-air times, baggage, delays, diversions, etc.
- GoApron provides continuous notifications of flight statuses and flight matching with gate/spot availability, arrival taxi time and departure taxi time. Additionally, we provide live turn visibility that continuously updates in real-time.

Scope of Work (continued)

Real-time scheduling capabilities for common use per-turn gates and remote parking positions.

- GoApron provides a real-time flights tab, giving airports the ability to look up any flight occurring at the airport and assign them to gates or remote parking positions.
- GoApron allows airports to take gates and spots out of service for maintenance or IROP scenarios in a single-use or recurring format.

Predictive scheduling capabilities to enhance planning and agility.

- GoApron utilizes machine learning to give your airport a future look at expected ground times for flights without any user input.
- GoApron provides arriving flight information out to three months to provide a future look at parking scenarios, enabling airports to plan for busy seasons and anticipate capacity issues before they occur.
- GoApron will offer future gate utilization scenarios by sorting flights based on smart algorithms and inventory rules, giving the airport an optimal forecast for gate assignments.
- In addition to predictive scheduling, GoApron allows users to import future flight schedules via SSIM and custom CSVs to provide a more complete look at daily turns and RON planning.
- For future construction and maintenance planning, GoApron allows airports to mark gates and spots out of service to determine how these events may impact schedules, automatically reassigning flights to the next “best-fit” gate.
- GoApron allows airports and airlines to create single & block reservations in the future for scenario planning purposes.
    - For example, TCAA will be able to plan for new air service for Breeze and United, well before the air service start date.

Scope of Work (continued)

The ability to provide different parking options based on aircraft size. For example, a gate can fit one narrow body aircraft or two regional jets.

- GoApron provides the ability for airports to designate custom spot adjacency rules to block out spots when larger aircraft impact adjacent spots.
- GoApron gives users the ability to create multiple reservations on one spot when it can accommodate multiple aircraft.
- GoApron gives airports the ability to easily configure their gate and spot inventory at any time to control how user reservations are driven.
- GoApron allows airport users to designate spots by ADG as well as configure the spots to allow/exclude/or specify specific aircraft.
- GoApron allows airport users to mark gates spots by airline and configure tiers of permissions based on airline agreements.
- GoApron displays UI elements alerting users to flight conflicts on gates for management and assists users with selecting a "best-fit" gate.

Compatibility with existing systems to facilitate data exchange, such as TCAA's Flight Information Display (FIDS) provider AeroCloud.

- GoApron can seamlessly integrate with TCAA's existing systems through a JSON API that comes with easy to read documentation and simple endpoint configurations.
- GoApron's standard REST API allows for integration into any system that can consume a JSON feed and our robust filter system allows users to dial into the exact data points needed.
- GoApron has several existing customers who have fully integrated their FIDS with the platform, allowing airlines to change FIDS information directly through GoApron.

Scope of Work (continued)

A web-based, user-friendly interface that allows airport staff to manage gate assignments efficiently.

- GoApron is focused on approachability and ease of use to facilitate quick on-boarding for new users.
- GoApron is cloud-based and can be accessed from anywhere a user has internet access.
- GoApron requires no hardware or modification to existing hardware.

Support and maintenance services throughout the contract period.

- GoApron offers continuous support, maintenance, and additional features throughout the contract period.
- GoApron users can reach support 24/7/365 via phone & email.

Ability to track fees charged by the TCAA, such as passenger boarding bridge and apron fees.

- GoApron can configure the system to automatically calculate TCAA's rates and charges sheet that provides a specific dollar amount to finance team members based on a robust set of filters provided to users.
- GoApron provides automatic financial reports for airports wanting to track the usage of gates and the number of landings that can be filtered by airline to generate monthly reports for billing.
- GoApron gives users the ability to export reports as CSVs.
- In addition to charges, GoApron also provides users with automated landing data reports.

Scope of Work – Additional GoApron Features

Comprehensive AODB.

- GoApron's AODB contains information on all flights arriving and departing at the airport, including occurrences of tail-swaps.
- GoApron's AODB is easily indexable and filterable, allowing the airport to find and view various data points on flights.
- GoApron's AODB collects and stores all flight information from the moment the airport is turned on in the system, giving airports the ability to view past data.
- GoApron gives users the ability to export all data contained within the AODB for report generation.

Defined user roles that enables self-managed organizations at various levels.

- GoApron provides the ability to grant users various permission levels based on their operational need.
- GoApron allows airports to add/edit/delete organizations and their users as they see fit.
- GoApron give airline and ground handlers the ability to manage their own users without having to contact the airport or GoApron directly

Robust reporting features for airport and finance

- GoApron provides various reporting solutions and reports for airports to export as CSVs

Unlimited user accounts and training

- GoApron is happy to provide initial implementation training for airports and airlines as the system is adopted at your airport.
- GoApron also provides any additional training for new hires or refresher training for existing users of the system.
- GoApron will meet and provide training as new features are incorporated into the system.

Scope of Work – Additional GoApron Features

Blackout Dates

- GoApron users with specific permissions can easily take gates and spots out of service on a single-use or recurring basis to accommodate maintenance and construction needs, automatically reassigning flights and reservations to new gates in the process.

Email and text message alerts

- GoApron allows for configurable text and email alerts for flight status, keeping your team up to date and aware of IROP situations.

Importing data through SSIMs or CSV templates

- GoApron accepts SSIM and CSV templates for accurate future schedule planning.

Automatically updated reservations based on flight data

- GoApron constantly receives updated flight information, giving your airport and the airlines an up to date view of the ramp and flight status.

Custom colors for airlines

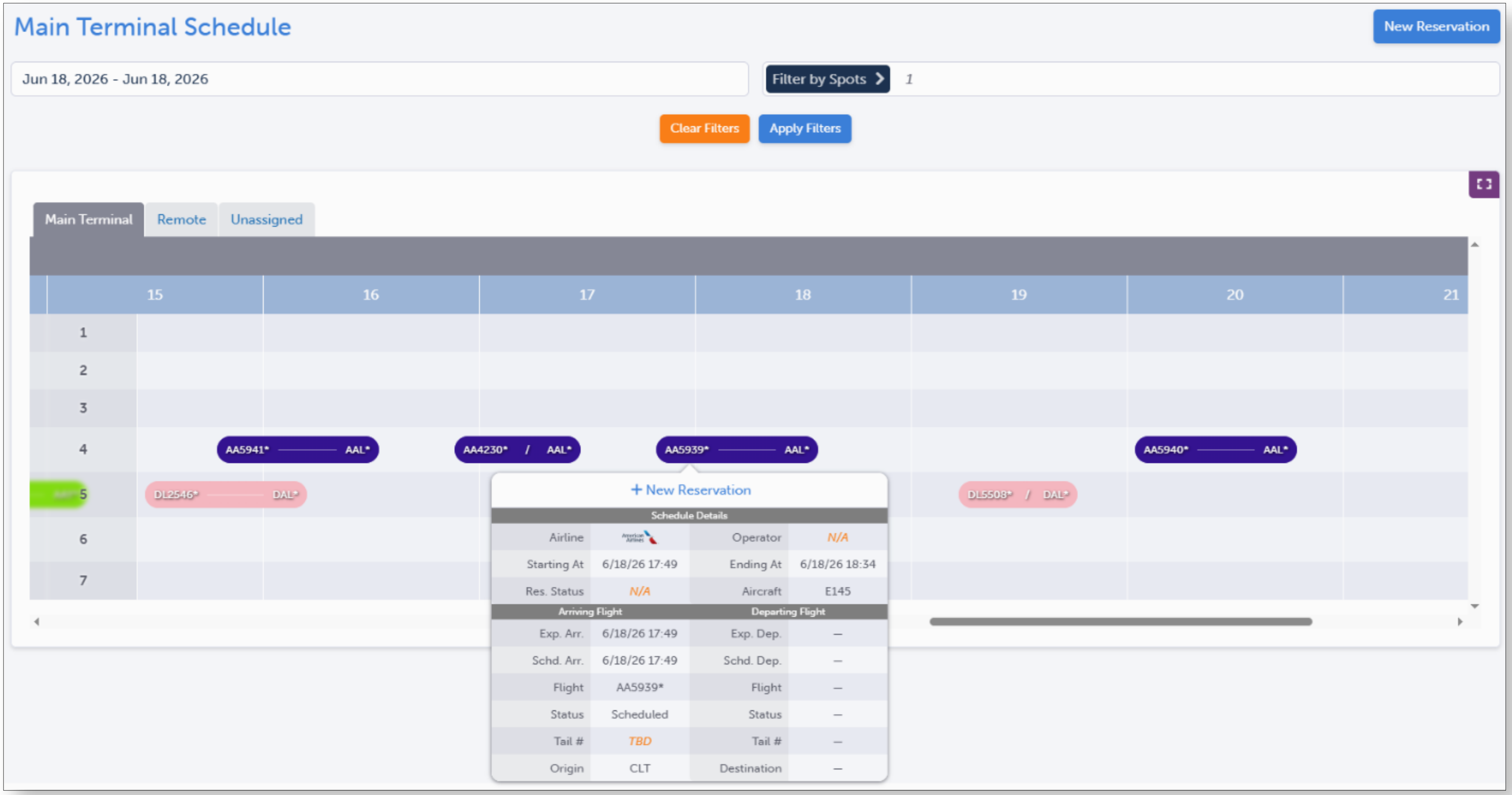
- GoApron can configure custom colors for each airline so users can quickly read gate schedules at a glance.

Continuously evolving system through regular updates and feature additions

- GoApron prides itself on constant updates and the development of new features built from user's needs and feedback.

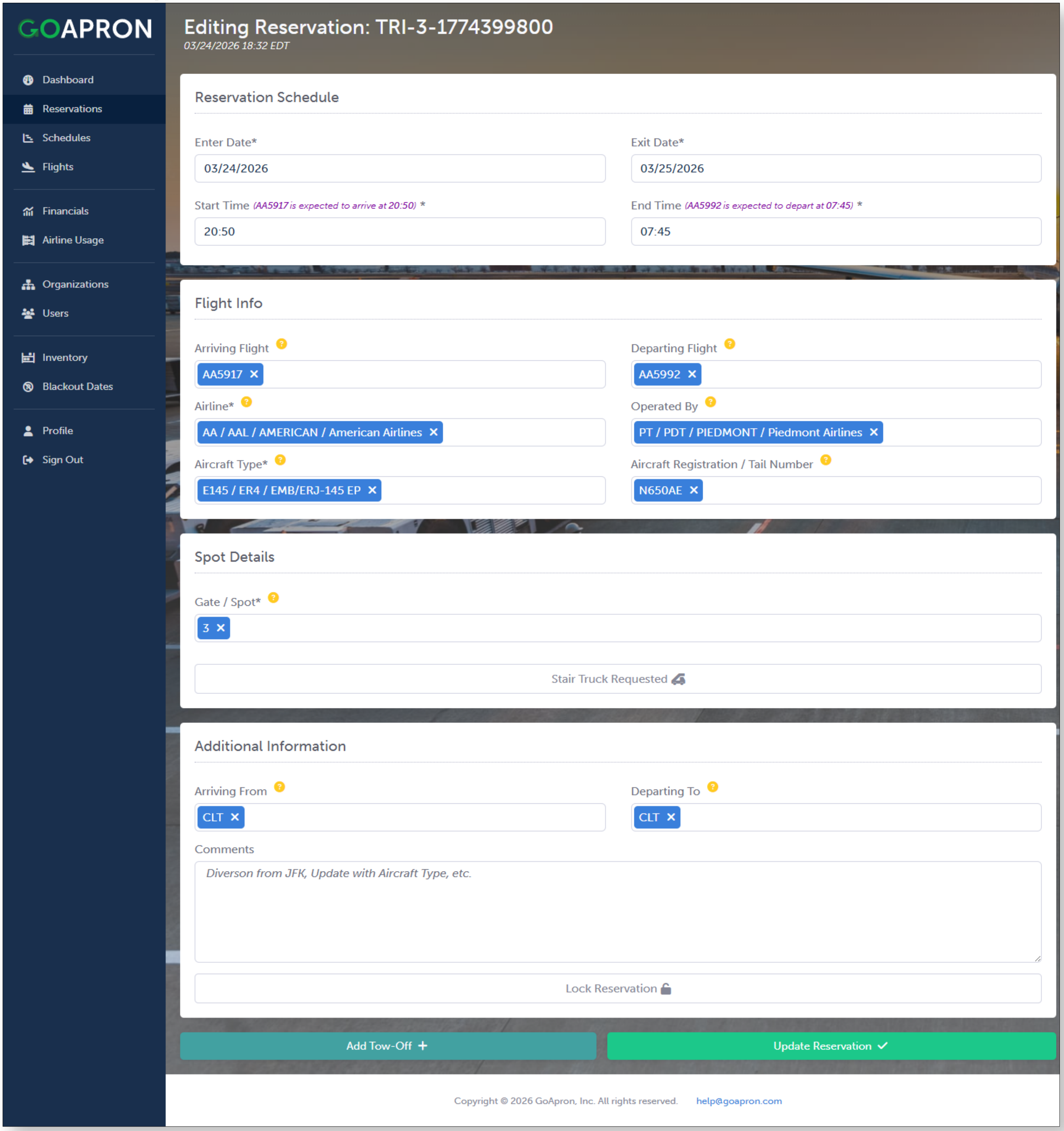
Scope of Work – Screenshots

Schedules View and Future June Forecast



Scope of Work – Screenshots

Auto Populated Reservation Form

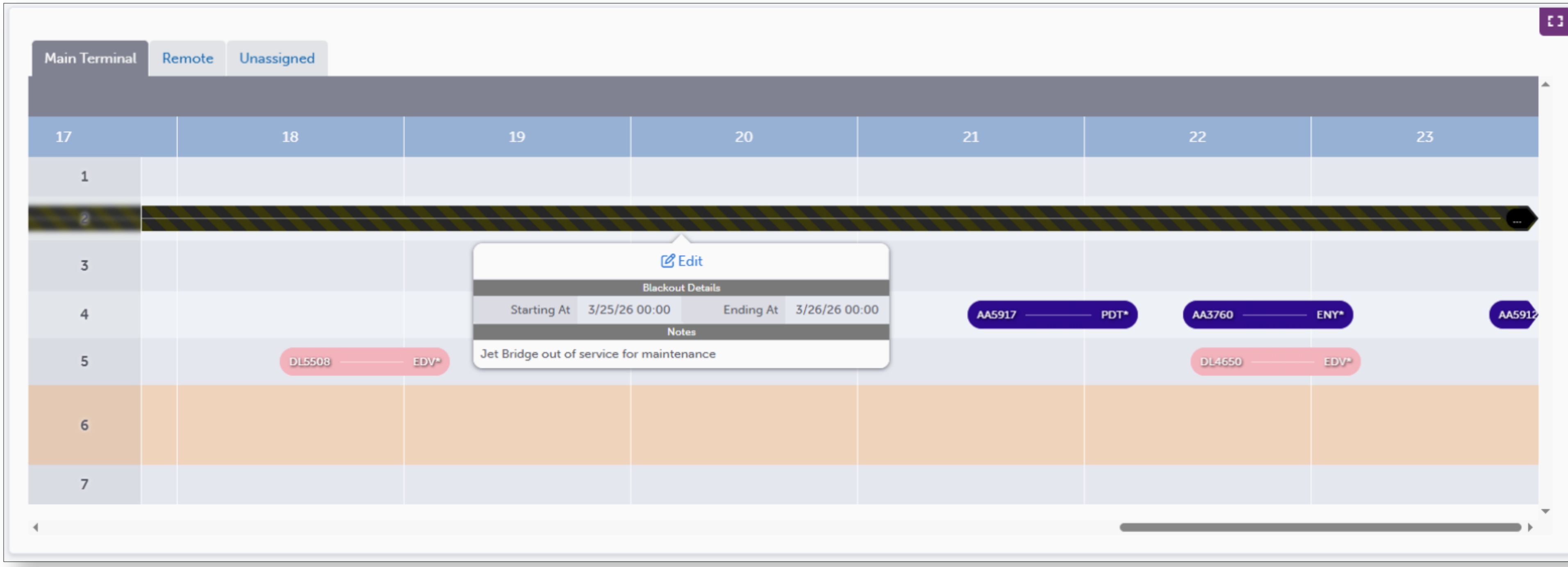


Scope of Work – Screenshots

Adjacency Rules

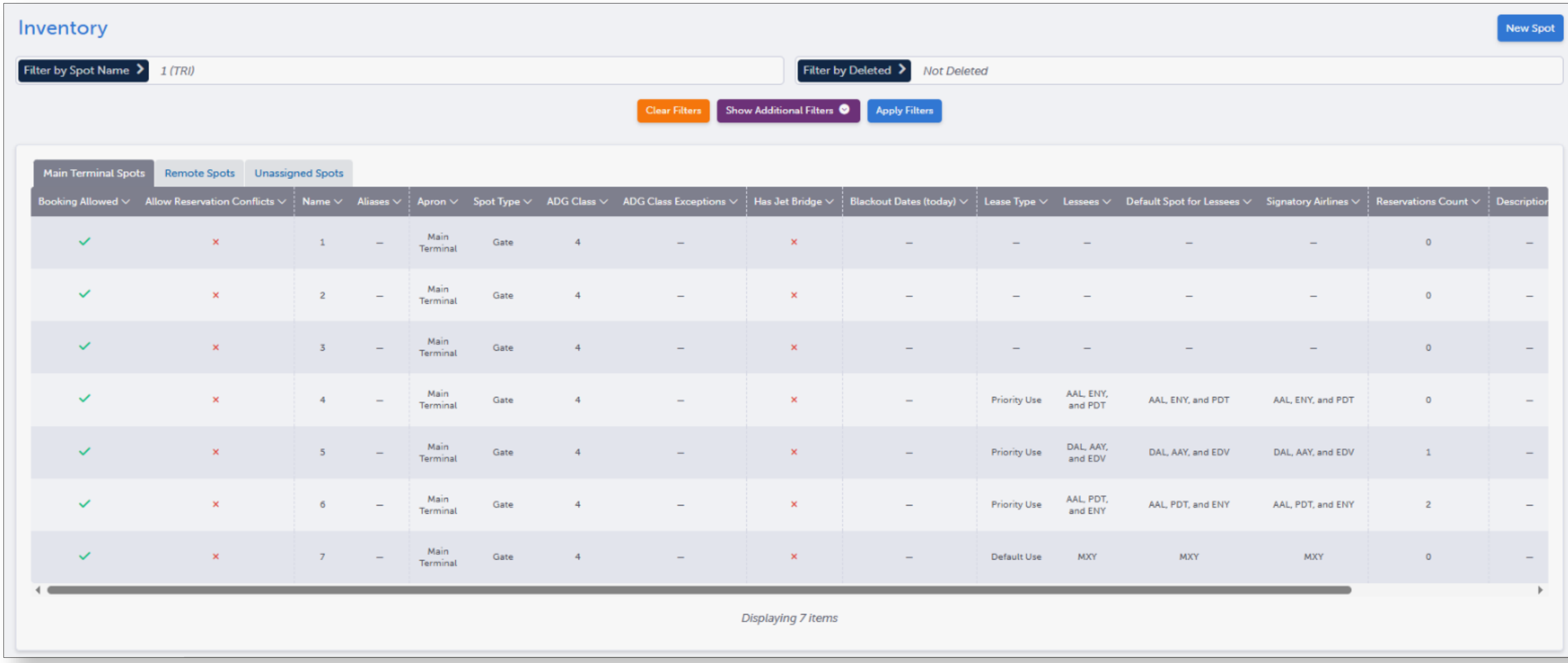
Scope of Work – Screenshots

Blackout Dates



Scope of Work – Screenshots

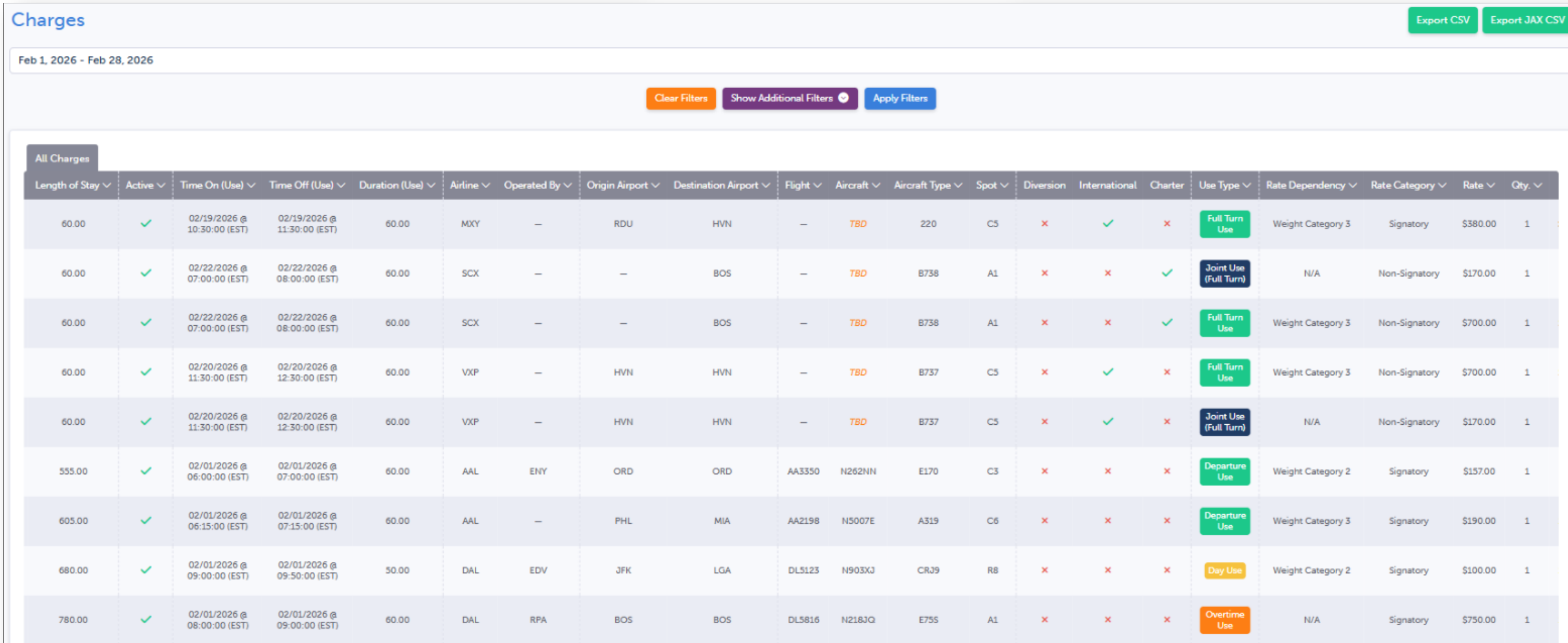
Inventory Configuration



Booking Allowed	Allow Reservation Conflicts	Name	Aliases	Apron	Spot Type	ADG Class	ADG Class Exceptions	Has Jet Bridge	Blackout Dates (today)	Lease Type	Lessees	Default Spot for Lessees	Signatory Airlines	Reservations Count	Descriptior
✓	×	1	–	Main Terminal	Gate	4	–	×	–	–	–	–	–	0	–
✓	×	2	–	Main Terminal	Gate	4	–	×	–	–	–	–	–	0	–
✓	×	3	–	Main Terminal	Gate	4	–	×	–	–	–	–	–	0	–
✓	×	4	–	Main Terminal	Gate	4	–	×	–	Priority Use	AAL, ENY, and PDT	AAL, ENY, and PDT	AAL, ENY, and PDT	0	–
✓	×	5	–	Main Terminal	Gate	4	–	×	–	Priority Use	DAL, AAY, and EDV	DAL, AAY, and EDV	DAL, AAY, and EDV	1	–
✓	×	6	–	Main Terminal	Gate	4	–	×	–	Priority Use	AAL, PDT, and ENY	AAL, PDT, and ENY	AAL, PDT, and ENY	2	–
✓	×	7	–	Main Terminal	Gate	4	–	×	–	Default Use	MXY	MXY	MXY	0	–

Scope of Work – Screenshots

Automated Rates and Charges Report



Charges

Export CSV | Export JAX CSV

Feb 1, 2026 - Feb 28, 2026

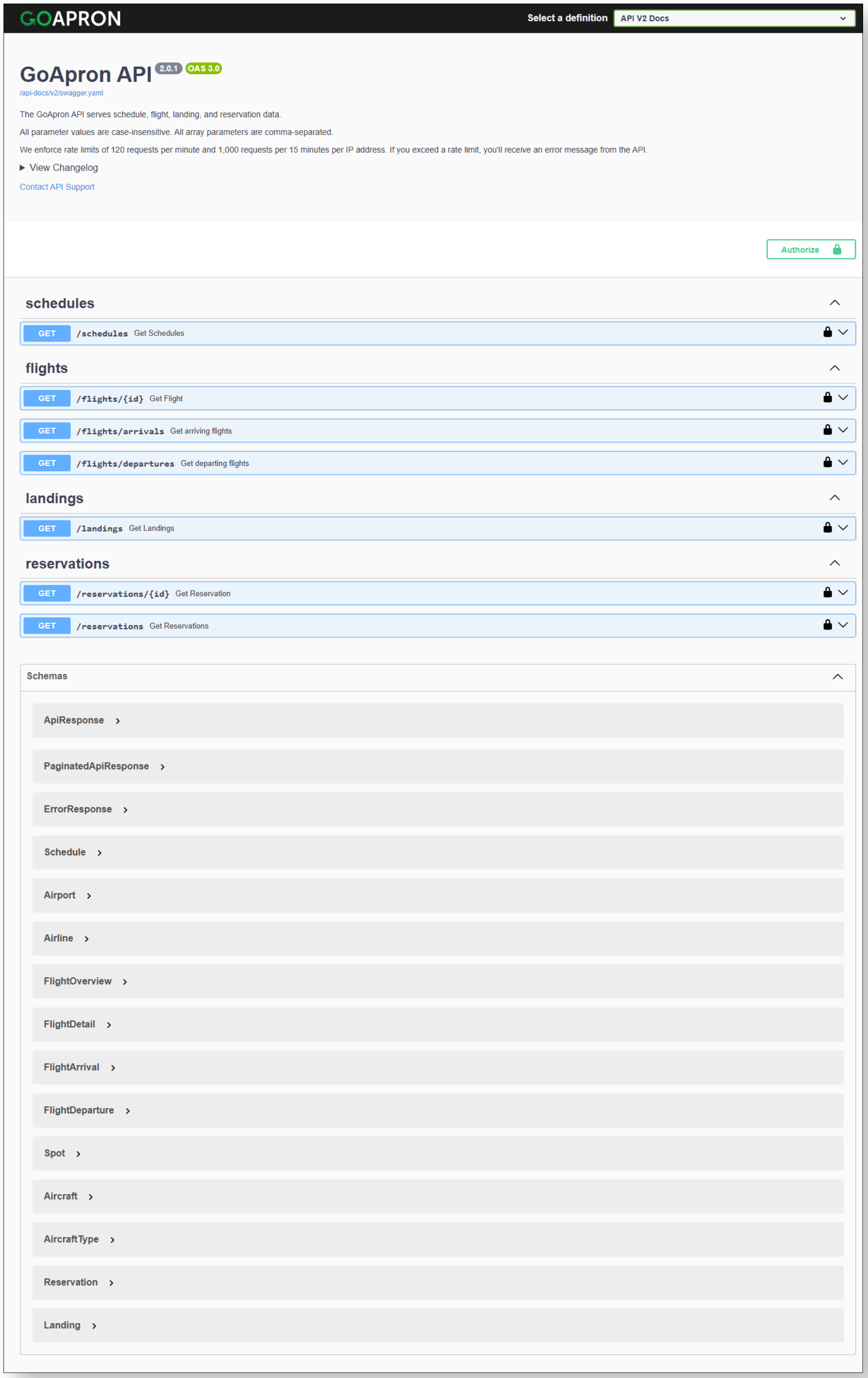
Clear Filters | Show Additional Filters | Apply Filters

All Charges

Length of Stay	Active	Time On (Use)	Time Off (Use)	Duration (Use)	Airline	Operated By	Origin Airport	Destination Airport	Flight	Aircraft	Aircraft Type	Spot	Diversion	International	Charter	Use Type	Rate Dependency	Rate Category	Rate	Qty.
60.00	✓	02/19/2026 @ 10:30:00 (EST)	02/19/2026 @ 11:30:00 (EST)	60.00	MXY	–	RDU	HVN	–	TBD	220	C5	✗	✓	✗	Full Turn Use	Weight Category 3	Signatory	$380.00	1
60.00	✓	02/22/2026 @ 07:00:00 (EST)	02/22/2026 @ 08:00:00 (EST)	60.00	SCX	–	–	BOS	–	TBD	B738	A1	✗	✗	✓	Joint Use (Full Turn)	N/A	Non-Signatory	$170.00	1
60.00	✓	02/22/2026 @ 07:00:00 (EST)	02/22/2026 @ 08:00:00 (EST)	60.00	SCX	–	–	BOS	–	TBD	B738	A1	✗	✗	✓	Full Turn Use	Weight Category 3	Non-Signatory	$700.00	1
60.00	✓	02/20/2026 @ 11:30:00 (EST)	02/20/2026 @ 12:30:00 (EST)	60.00	VXP	–	HVN	HVN	–	TBD	B737	C5	✗	✓	✗	Full Turn Use	Weight Category 3	Non-Signatory	$700.00	1
60.00	✓	02/20/2026 @ 11:30:00 (EST)	02/20/2026 @ 12:30:00 (EST)	60.00	VXP	–	HVN	HVN	–	TBD	B737	C5	✗	✓	✗	Joint Use (Full Turn)	N/A	Non-Signatory	$170.00	1
555.00	✓	02/01/2026 @ 06:00:00 (EST)	02/01/2026 @ 07:00:00 (EST)	60.00	AAL	ENY	ORD	ORD	AA3350	N262NN	E170	C3	✗	✗	✗	Departure Use	Weight Category 2	Signatory	$157.00	1
605.00	✓	02/01/2026 @ 06:15:00 (EST)	02/01/2026 @ 07:15:00 (EST)	60.00	AAL	–	PHL	MIA	AA2198	N5007E	A319	C6	✗	✗	✗	Departure Use	Weight Category 3	Signatory	$190.00	1
680.00	✓	02/01/2026 @ 09:00:00 (EST)	02/01/2026 @ 09:50:00 (EST)	50.00	DAL	EDV	JFK	LGA	DL5123	N903XJ	CRJ9	R8	✗	✗	✗	Day Use	Weight Category 2	Signatory	$100.00	1
780.00	✓	02/01/2026 @ 08:00:00 (EST)	02/01/2026 @ 09:00:00 (EST)	60.00	DAL	RPA	BOS	BOS	DL5816	N218JQ	E75S	A1	✗	✗	✗	Overtime Use	N/A	Signatory	$750.00	1

Scope of Work – Screenshots

API Documentation



Experience and Capabilities

GoApron is pleased to respond to this opportunity to provide information to the Tri-Cities Airport Authority regarding gate management solutions for the Tri-Cities Airport. As a non-hub airport serving nearly 1 million passengers annually, TCAA requires a system that balances operational efficiency, airline collaboration, financial transparency, and long-term scalability.

GoApron is purpose-built to meet those demands, with successful deployments at more than 35 airports across the US and Canada, including six non hub airports similar in size to TCAA. Non-hub airports such as STS, ABE, DAB, and IDA have benefited from taking the best of breed approach. Our experience implementing and supporting airports of comparable scale ensures a smooth transition and long-term operational success.

GoApron is a specialized provider of cloud-based Airport Operational Database (AODB) and Gate/Resource Management System (GMS/RMS) solutions designed to modernize airport operations. Our SaaS platform replaces manual processes and legacy systems with an intuitive, user-first solution that delivers real-time and forward planning data, streamlines collaboration with tenants for gate/aircraft parking requests, reduces gate conflicts, and automates revenue reporting. For finance teams, we implement rate sheets and provide a comprehensive audit trail for landings, apron fees, and per-turn billing to eliminate revenue leakage and strengthen financial oversight.

We continuously innovate based on direct airport feedback, delivering a modern, cloud-native system built on a REST-based JSON API that integrates seamlessly with existing such as FIDS and future technologies. Our platform has successfully coexisted with systems at multiple airports, demonstrating our flexibility within complex technology environments. This integration capability aligns well with airports seeking scalable and comprehensive GMS solutions.

Our approach emphasizes:

- **Tailored Solutions:** Automated gate management designed around each airport's operational and stakeholder needs.
- **Operational Efficiency**: Real-time data integration and analytics that improves situational awareness, automates predictive scheduling, and reduces gate conflicts.
- **Seamless Implementation:** Phased roll outs, comprehensive training, and dedicated support to ensure minimal operational disruption.
- **Intuitive Design:** A user-first interface that is easy to learn and easy to use, increasing productivity and adoption.

With a proven track record serving airports of all sizes, GoApron is committed to delivering innovative, scalable solutions that drive operational excellence and measurable financial results.

Exhibit B - Pricing

Yearly Cost Breakdown

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Fee	$19,500	$20,500	$21,500	$22,500	$23,500	$107,500

Vendor Experience and References

We have successfully implemented the GoApron gate management platform at 35+ airports, resulting in the on-boarding of 800+ airport employees, 1000+ airline employees, and 400+ ground handler employees.

Gate and resource management is not just one of our offerings—it is our sole focus. This dedication has allowed us to develop a highly customizable platform that evolves based on customer feedback, ensuring it meets the unique needs of each airport. We collaborate closely with airport authorities and tenants, delivering swift implementations and ensuring exceptional ongoing support post-deployment.

Our platform boasts a proven track record of adoption by both airport staff and airline tenants, with user on-boarding consistently completed within weeks of contract execution. This commitment to rapid, personalized on-boarding ensures that users quickly see value in the solution, driving both engagement and satisfaction.

McGhee Tyson Airport (TYS)

Implementation Date: June 2022

Project Type: Gate Management & Financial Reporting

Contact Names: Justin Lacky & Sierra Wanner

Telephones: 865-342-3068 & 865-342-3366

Emails: justin.lackey@tys.org & sierra.wanner@tys.org

Project Overview:

GoApron has had the privilege of supporting TYS since 2022. The past 4 years TYS has grown exponentially and we have worked side by side supporting them with gate management. With limited gates and new air service, TYS utilizes GoApron to increase visibility, streamline communication with tenants, and optimize gate usage.

Vendor Experience and References (Continued)

Northwest Arkansas National Airport (XNA)

Implementation Date: January 2025

Project Type: Gate Management, Financial Reporting, & FIDS Integration

Contact Name: Thane Seeley – Director of Operations

Telephone: (479) 790-1001

Email: thane.seeley@flyxna.com

Customer Testimonial:

"Northwest Arkansas National Airport (XNA) has significantly enhanced its operational efficiency and passenger experience through the implementation of GoApron's gate management platform and using the platform to provide data for our Flight Information Display System (FIDS).

GoApron has transformed the way we manage gate and ramp operations. Its real-time visibility into flight activity, combined with intelligent gate assignment capabilities, allows our team to optimize gate utilization and respond dynamically to operational changes. The platform's ability to integrate live flight data and automate gate/spot assignments based on aircraft type and operational rules has streamlined coordination between airport staff, airlines, and ground handlers. Additionally, GoApron's financial reporting and rate sheet automation have provided us with a clear, accurate view of airfield usage and revenue, improving both transparency and accountability. Within a year of implementation, XNA has paid for the cost of the software from unreported gate usages that were not correctly being reported from the airlines.

XNA is also using GoApron as the data source for our FIDS system. This allows airlines and airport operations to log into one system to assign gates and update the FIDS. With GoApron and the FIDS system integrated, it provides XNA with a fully operational passenger information ecosystem. This combination has improved situational awareness across the airport, enhanced collaboration with stakeholders, and elevated the overall traveler experience.

We value our partnership with GoApron and look forward to continuing to innovate with these platforms as our airport grows."

Vendor Experience and References (Continued)

St. Louis Lambert International Airport (STL)

Implementation Date: August 2023

Project Type: Gate Management & Financial Reporting

Contact Name: Cole Meyer

Telephone: (314) 426-8023

Email: CDMeyer@FlySTL.com

Customer Testimonial:

"Since implementing GoApron, our gate management has become much more streamlined and efficient. The platform offers real-time insights into gate usage, which not only improves scheduling but has also virtually eliminated revenue leakage from unauthorized or mismanaged gate use.

With GoApron, we can track everything accurately, ensuring that all gate usage and remote parking is accounted for. Some additional features allow us to track diversions, manage gate usage during construction and ensure that only aircraft of the correct design group and type are allowed to use our common use gates. Their responsive customer service and customizable features make the system even more valuable. The time and resources we've saved, along with the added control over our operations have made a huge difference for our team."

San Antonio International Airport (SAT)

Implementation Date: April 2024

Project Type: Gate Management & Financial Reporting

Contact Name: Craig Kalage – Airport Operations Manager

Telephone: (210) 973-4148

Email: Craig.Kalage@sanantonio.gov

Customer Testimonial:

"GoApron has been an asset for managing city gates and ramp spot parking at SAT. The platform has streamlined our operations and improved coordination. With real-time updates and greater visibility into gate assignments and aircraft parking availability, we can better accommodate fluctuating schedules and boost efficiency."

Vendor Experience and References (Continued)

Glacier Park International Airport (GPI)

Implementation Date: November 2020

Project Type: Gate Management & Financial Reporting

Contact Name: Ian McKay – Deputy Airport Director

Telephone: (406) 257-5994

Email: imckay@glacierairport.com

Customer Testimonial:

"For us, the standout feature of GoApron has been its capacity to bring all airport stakeholders—airlines, ground handling teams, and airport management—together on a unified platform. The transparency and collaboration it enables have not only streamlined our operations but also improved communication and decision-making across the ground handler and airline teams. The ease of data sharing and real-time updates has reduced bottlenecks and enhanced overall airport efficiency.

Thanks to GoApron, our gate assignment process is now smooth, our turnaround times are faster, and our customer satisfaction has improved. I highly recommend GoApron to any airport seeking to improve gate management and stakeholder coordination."

Charles M. Schulz – Sonoma County Airport (STS)

Implementation Date: March 2022

Project Type: Gate Management & Financial Reporting

Contact Name: Samonae Carter – Assistant Airport Manager

Telephone: (707) 565-7245

Email: samonae.carter@sonomacounty.gov

Customer Testimonial:

"Our experience with GoApron has been nothing short of exceptional. The staff is incredibly responsive, always going above and beyond to address our needs quickly and efficiently. The system itself is both user-friendly and highly customizable, allowing us to tailor it to our unique operational requirements seamlessly. It's clear the team at GoApron is deeply committed to providing top-notch service and innovative solutions. They've been fantastic partners, and we couldn't be happier working with them. Highly recommend them and their product!"

Vendor Experience and References (Continued)

Milwaukee Mitchell International Airport (MKE)

Implementation Date: February 2022

Project Type: Gate Management & Financial Reporting

Contact Name: Spencer Langhart – Director of Operations

Telephone: (414) 248-3097

Email: slanghart@mitchellairport.com

Customer Testimonial:

"Before GoApron was in place at MKE, Ryan Collins, MKE director of operations and maintenance, described the need for automation of gate management as 'painful.' The process of assigning gates and aircraft parking spots involved manual scheduling, primarily through phone calls and emails. To create a report for billing, he said, 'We had to go between three and four different places.' That changed in June 2022, when MKE deployed GoApron. Collins said, 'We took a laborious process and turned it into something that is very streamlined."

George Bush Intercontinental Airport (IAH)

Implementation Date: March 2024

Project Type: Air Cargo Ramp Management

Contact Name: Jose Escalera - Airside Operations Field Manager

Telephone: (281) 233-1158

Email: jose.escalera@houstontx.gov

Customer Testimonial:

"GoApron has modernized the way we manage our aircraft parking operations. The platform is intuitive and easy to use, making on-boarding and daily use a breeze. Its robust billing features ensure accuracy and transparency, which our team greatly values.

Airlines frequently compliment how efficiently GoApron supports our collaboration, and the customization options allow us to adapt the system to meet our unique operational needs. The customer service team is top-notch, always pro-active and attentive to our feedback. GoApron has truly enhanced our efficiency and strengthened our partnerships."

Vendor Experience and References (Continued)

Jacksonville International Airport (JAX)

Implementation Date: May 2021

Project Type: Gate Management & Financial Reporting

Contact Name: Terry Dlugos -

Telephone: (904) 741-3866

Email: terry.dlugos@flyjax.com

Project Overview:

JAX had been working with a variety of increasingly difficult to use, stand-alone systems to manage not only its gate/aircraft parking, but also its complex billing schema. Our team worked hand-in-hand with both the Operations and Finance departments to streamline their gate management and implement their detailed rate sheets. The result was an integrated financial reporting system to automate the calculation of their rates and charges without any additional steps to the workflow. Since its implementation, JAX no longer has to manually calculate common use, overtime, RONs, landing, and a variety of other charges at the end of each month. GoApron's platform automatically calculates all charges in real-time allowing multiple stakeholders full transparency of billing – increasing billing visibility by over 20%.

Licenses

GoApron, Inc. is an out-of-state business and currently falls below the $100,000 annual gross receipts threshold in any Tennessee county. As such, registration with the Tennessee Department of Revenue is not required at this time. We actively monitor our Tennessee-related revenues and will promptly register and comply with all applicable tax obligations should our activities meet or exceed the threshold.

Exhibit A

Signature Page

In Response to: Gate Management Software

(1) The individual executing this Signature Page, on behalf of the Respondent, in the above-named process represents and warrants that he/she is authorized by the Respondent's Board of Directors or other concerned parties who have an interest in the business. Further, he/she certifies by their signature that the information contained in the response is true and accurate to the best of their knowledge, that the response meets or exceeds the requested specifications that the Respondents will comply with all provisions and conditions specified, and that all requested information has been submitted.

(2) Shadrach Vaughn (name); CEO/Co-Founder (title); deposes and warrants that GoApron Inc (Respondent) has not, either directly or indirectly, entered into any contract or participated in any collusion or otherwise taken any action in restraint of free competition in connection with the response submitted to the request named above. Further, that the response has been independently produced, void of collusion with any other Respondent, competitor, or potential competitor. No information contained in this response has been knowingly disclosed prior to the official opening of the response. Lastly, no attempt has been made to induce any person or company to submit or not submit a response to the above-named request. This statement is made under penalty of perjury.

(3) By providing a response to this solicitation, the Respondent certifies that he/she does not discriminate against any employee or applicant for employment on the grounds of of race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position. He/she further agrees that he/she will obtain identical certifications from proposed sub-contractors prior to the award of sub-contracts and that he/she will forward a notice of this requirement to such proposed sub-contractors.

GoApron Inc

Company or Corporation Name

Shadrach Vaughn 3/26/26

Name *(signature)* Date

Shadrach Vaughn

Name *(printed)*

CEO/Co-Founder

Title

SAAS SERVICES ORDER FORM

Customer:	Tri-Cities Airport Authority	**Contact:**	Chris Stipo
Address:	2525 Highway 75, Suite 301 Blountville, TN 37617	**Phone:**	(423) 325-6055
		Email:	cstipo@flytri.com

SaaS Services. Company will provide to Customer for all of its gates and remote spots, **Gate Management & Aircraft Parking Solution** and automated **Landing Tracking & Financial Reporting Software Solution** (collectively, the "**Services**").

Setup Services. Company will also use commercially reasonable efforts to provide Customer the setup services as further detailed in the Statement of Work ("**SOW**") attached hereto as Exhibit A (the "**Setup Services**"), and Customer shall pay Company the Setup Fee in accordance with these terms.

Service Term: 2 years, with an option for a 3-year extension.

Year	Fees	Dates
Year 1:	$19,500	05/01/26 - 04/30/27
Year 2:	$20,500	05/01/27 - 04/30/28
Year 3:	$21,500	05/01/28 - 04/30/29
Year 4:	$22,500	05/01/29 - 04/30/30
Year 5:	$23,500	05/01/30 - 04/30/31

SAAS SERVICES AGREEMENT

Effective Date: May 01, 2026

This SaaS Services Agreement (this "**Agreement**") is entered into on the Effective Date between GoApron, Inc., a Delaware corporation ("**Company**"), and the entity or organization set forth in the signature below ("**Customer**"). This Agreement includes and incorporates the above Order Form and the attached Terms of Service, and contains, among other terms, warranty disclaimers, liability limitations and use limitations. Any different terms of any related purchase order or similar form shall be of no force or effect even if signed by the parties after the Effective Date.

for: **GOAPRON, INC.**
2305 Historic Decatur Rd Ste 100
San Diego, CA 92106

X. ______________________

Name: Shadrach Vaughn
Title: CEO
Email: shad@goapron.com

for: **Tri Cities Airport Authority**

X. ______________________

Name: Name
Title: Title
Email Email

GOAPRON

SAAS SERVICES TERMS OF SERVICE

1. SERVICES AND SETUP SERVICES

Subject to the terms of this Agreement, Company will use commercially reasonable efforts to provide to Customer the Services detailed herein and the Setup Services detailed in the SOW. Company reserves the right to, at any time, and without prior notice, release new features, improvements, updates, bug-fixes, or any other changes to the Services to comply with new laws or as it deems necessary or useful, provided that such releases do not eliminate or materially alter the core function of the Services. Company will also provide reasonable technical support for the Services to Customer's staff during local business hours, as reasonably requested by Customer from time to time.

2. CUSTOMER OBLIGATIONS

Customer is responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Services, including, without limitation, modems, hardware, servers, software, operating systems, networking, web servers and the like (collectively, "**Equipment**"). Customer is also responsible for maintaining the security of the Equipment, Customer accounts, passwords (including administrative and user passwords), and files, and for all uses of Customer accounts or the Equipment, with or without Customer's knowledge or consent.

3. RESTRICTIONS ON USE

Customer will not, directly or indirectly: (a) reverse engineer, decompile, disassemble or otherwise attempt to discover the source code, object code, or underlying structure, ideas, know-how, algorithms, or any software, documentation, or data associated with the Services; (b) modify, translate, or create derivative works based on the Services (except to the extent expressly authorized herein or by Company in writing); (c) use the Services for timesharing or service bureau purposes or otherwise for the benefit of any third-party; (d) or remove any proprietary notice or labels included with the Services. While Company has no obligation to monitor Customer's use of the Services, Company may do so and may suspend Customer's use of the Services for any actual or alleged violation of the foregoing. Further, Customer agrees to use the Services only in compliance with these terms and all applicable laws and regulations. Customer agrees to indemnify, defend, and hold harmless Company against any damages, losses, liabilities, settlements and expenses (including, without limitation, costs and attorneys' fees) in connection with any claim or action that arises from an actual or alleged violation of this section or Customer's use of Services.

4. NO EXPORT; COMMERCIAL SOFTWARE

Customer may not itself or allow others to remove or export the Services from the United States, in violation of any restrictions, laws or regulations of the United States Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, or any other United States or foreign agency or authority. As defined in FAR § 2.101, the Services and documentation are "commercial items" and according to DFAR § 252.227-7014(a)(1) and (5) are deemed to be "commercial computer software" and "commercial computer software documentation." Consistent with DFAR § 227.7202 and FAR § 12.212, any use modification, reproduction, release, performance, display, or disclosure of such commercial software or its documentation by the United States will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by these terms. "DFAR" means the Defense Federal Acquisition Regulation, and "FAR" means the Federal Acquisition Regulation.

5. CONFIDENTIALITY

Each party (as "**Receiving Party**") understands that the other party (as "**Disclosing Party**") has or may disclose confidential information about or relating to its business ("**Confidential Information**"). Company's Confidential Information includes non-public information regarding pricing, features, functionality, and performance of the Services. Customer's Confidential Information includes non-public data provided by Customer to Company to enable the provision of the Services ("**Customer Data**"). Receiving Party agrees to: (a) take reasonable precautions to protect the Confidential Information; and (b) not to use (except in performance of the Services or as otherwise permitted herein) or divulge any Confidential Information to any third-party. Confidential Information does not include any information Receiving Party can evidence: (i) was or became generally available to the public through no wrongdoing by Receiving Party; (ii) was in its possession or known by it prior to receipt from Disclosing Party; (iii) was rightfully disclosed to it without restriction by a third-party; or (iv) was independently developed without use of any Confidential Information of Disclosing Party. Receiving Party may disclose Confidential Information to the extent required to be disclosed by law.

6. INTELLECTUAL PROPERTY

Company owns and will retain all right, title, and interest in and to: (a) the Services; (b) any and all improvements, enhancements or modifications thereto; (c) any software, applications, inventions or other technology developed or support provided in connection with the Services; and (d) all intellectual property and proprietary rights related to any of the foregoing. Nothing in this Agreement or in Customer's use of the Services shall or shall be construed to transfer any ownership rights to the foregoing to Customer.

Company grants to Customer a non-exclusive, non-transferable, non-sublicensable license to use the Services during the Term of this Agreement only in connection with its ordinary use of the Services. No other rights or licenses are granted to Customer except as expressly set forth herein.

7. CUSTOMER DATA

Customer shall own all right, title, and interest in and to the Customer Data, and any data based on or derived thereupon and provided to Customer as part of the Services. Company shall have the right collect and analyze data and other information relating to the provision, use, and performance of various aspects of the Services and related systems and technologies (including, without limitation, information concerning Customer Data and data derived therefrom), and Company will be free (during and after the Term hereof) to: (a) use such information and data to improve and enhance the Services and for other development, diagnostic, and corrective purposes in connection with the Services and other Company offerings; and (b) disclose such data solely in aggregate or other de-identified form in connection with its business.

8. PAYMENT OF SERVICES FEES

Customer will pay Company the fees for the Setup Services and the Services as set forth in the Order Form (collectively, the "**Fees**"). Fees for the Services shall be paid in full at the start of each annual period in the Service Term. If Customer's use of the Services exceeds the capacity set forth in the Order Form or the SOW (if any) or incurs additional costs (per the terms of this Agreement), Customer will be billed for such usage and/or additional costs payable within 30 days of receipt of invoice. Company may modify the Fees at the end of the initial Service Term or any renewal thereof, upon 30 days prior notice to Customer (which may be sent by email). If Customer believes it has been billed incorrectly, Customer must contact Company in writing no later than 60 days after receipt of the statement in which the alleged error appeared in order to receive a review by Company and any adjustment or credit.

Company may bill through an invoice (which may be sent by email). Full payment for invoices must be received by Company within 30 days of receipt by Customer. Unpaid amounts are subject to a finance charge of 1.5% per month on any outstanding balance, or the maximum permitted by law, whichever is lower, plus all expenses of collection and may result in immediate termination of the Services. Customer shall be responsible for all taxes associated with any payments made to Company hereunder.

9. TERM AND TERMINATION

Subject to earlier termination as provided below, this Agreement is for the Service Term specified in the Order Form and shall be automatically renewed for successive periods of the same duration as the Service Term (collectively, the "**Term**"), unless either party requests termination at least 30 days prior to the end of the then-current term. Either party may terminate this Agreement upon 30 days' notice, if the other party materially breaches any of the terms of this Agreement (including nonpayment). Upon any termination, Company will make all Customer Data available to Customer for electronic retrieval for a period of 30 days. Company may, but is not obligated to, store or delete Customer Data. All sections of this Agreement which by their nature should survive termination will survive, including, without limitation, accrued rights to payment, confidentiality obligations, warranty disclaimers, and limitations of liability.

10. SERVICE WARRANTY

Company shall use reasonable efforts consistent with prevailing industry standards to maintain the Services in a manner which minimizes errors and interruptions in the Services and shall perform the Setup Services in a professional and workmanlike manner. The Services shall be available as set forth in the Service Level Terms, attached hereto as <u>Exhibit B</u>.

11. WARRANT DISCLAIMER

EXCEPT AS EXPRESSLY STATED HEREIN, THE SERVICES AND SETUP SERVICES ARE PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, OR STATUTORY, OF TITLE, MERCHANTABILITY, COMPATABILITY, COMPLETENESS, ACCURACY, FITNESS FOR A PARTICULAR PURPOSE, ARISING OUT A OF COURSE OF DEALING OR TRADE, OR NON-INFRINGEMENT.

12. LIABILITY LIMITATIONS

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EXCEPT FOR BODILY INJURY OF A PERSON, TO THE EXTENT ALLOWABLE UNDER APPLICABLE LAW, COMPANY AND ITS SUPPLIERS (INCLUDING BUT NOT LIMITED TO ALL EQUIPMENT AND TECHNOLOGY SUPPLIERS), OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS,

AND EMPLOYEES SHALL NOT BE LIABLE, WITH RESPECT TO ANY MATTER ARISING OUT OF OR CONNECTED TO THE SERVICES OR THIS AGREEMENT, EVEN IF PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY, FOR ANY: (A) SPECIAL, EXEMPLARY, PUNATIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES; (B) LOSS OF PROFITS, DATA, USE, OR GOODWILL; (C) BUSINESS INTERUPTION (D) PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES; (E) MATTER BEYOND COMPANY'S REASONABLE CONTROL; OR (F) AMOUNT EXCEEDING THE FEES PAID BY CUSTOMER TO COMPANY UNDER THIS AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT GIVING RISE TO THE LIABILITY.

13. INDEMNITY

Company shall hold Customer harmless from liability to third-parties resulting from infringement by the Service of any United States patent or copyright, or misappropriation of any trade secret, provided Company is promptly notified of any and all allegations, claims and proceedings related thereto and given reasonable assistance and the opportunity to assume sole control over defense and settlement. Company will not be responsible for any settlement it does not approve in writing. The foregoing obligations do not apply with respect to portions or components of the Service: (a) which are: (i) not supplied by Company; (ii) made in whole or in part in accordance with Customer specifications; (iii) modified after delivery by Company; (iv) combined with third-party products, processes, or materials where the alleged infringement relates to such combination; or (b) where Customer: (i) continues the allegedly infringing activity after being notified thereof or informed of modifications that would have avoided the alleged infringement; or (ii) has or is using the Service not strictly in accordance with this Agreement. If the Services are held by a court of competent jurisdiction to be or Company believes to be infringing, Company may, at its option and expense: (a) replace or modify the Services to be non-infringing, provided that such modification or replacement contains substantially similar features and functionality; (b) obtain for Customer a license to continue using the Services; or (c) if neither of the foregoing are commercially practicable, terminate this Agreement and Customer's rights hereunder and provide Customer a refund of any prepaid, unused Fees for the Services.

14. MISCELLANEOUS TERM

If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary, and this Agreement will otherwise remain in full force and effect. This Agreement may not be assigned by Customer except with Company's prior written consent, provided that, either party may transfer and assign its rights and obligations under this Agreement to the successor of all or substantially all of its assets or equity. This Agreement is the entire agreement of the parties with respect to the subject matter herein and supersedes and voids all prior written or oral agreements and understandings relating to such subject matter. And waivers or modifications of these terms must be in a writing signed by both parties. No agency, partnership, joint venture, or employment is created as a result of this Agreement. Neither party has any authority to bind the other in any respect. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees. All notices under this Agreement will be in writing and sent to the addresses of the parties in the Order Form and will be deemed to have been duly given when received, if personally delivered; on the first business day after being sent via facsimile or e-mail; the day after if sent for next-day delivery by a recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its conflict of laws provisions.

GOAPRON

EXHIBIT A

STATEMENT OF WORK

Attached in “GoApron TRI GMS RFP Response Final 3.29.26”

GOAPRON

EXHIBIT B

SERVICE LEVEL TERMS

1. SERVICE LEVELS

Company will use commercially reasonable efforts to make the Services available 99.9% (the "**Monthly Standard**"), measured monthly, excluding scheduled maintenance. Company shall use reasonable efforts to provide Customer advance notice in writing (by e-mail) of any scheduled disruption.

"**Downtime**" is any period of time in which the Services are unavailable not caused by: (a) Scheduled Maintenance; (b) third-party outages, network outages or interruptions; (c) suspension of the Services due to Customer's violation the SaaS Terms of Service; (d) Customer requested maintenance; (e) any force majeure effecting the availability of the Services; or (f) any other event beyond Company's reasonable control. Additionally, to allow Company to introduce new features to Services, Downtime shall not apply to any portion of the Services that Company identifies as a "beta" feature or service.

"**Scheduled Maintenance**" is defined as a pre-defined window of time for which the Services are unavailable. Company will notify Customer via email or notifications on the Services directly of such Scheduled Maintenance periods at least 24 hours prior to the start of Scheduled Maintenance and will provide an approximate start and end time for the Scheduled Maintenance.

2. REMEDY: SERVICE CREDITS

If Company fails to provide the Monthly Standard, as Customer's sole and exclusive remedy, and Company's entire liability, for each period of Downtime lasting longer than 1 hour, Company will credit Customer an additional 1 hour of Services (the "**Service Credit**"). Downtime shall accrue once Customer recognizes that downtime is taking place and provides written notice to Company and shall continue until the Services are restored.

To receive downtime credit, Customer must notify Company in writing within 24 hours from the time of Downtime. Failure to provide such notice will forfeit Customer's right to receive the Service Credit.

3. DOWNTIME NOTIFICATION

If any qualifying Downtime occurs, Company will provide Customer written notice via email within 10 days, which shall include: a summary of the event causing the Downtime; the date/time and duration of the Downtime; steps taken to remedy the Downtown; and a calculation of the Service Credits due to Customer.

Tri-Cities Airport Authority
April 23, 2026

CONSIDER:
Terminal Ramp Marking Rehab
Award Hasco Inc.

Summary:

Staff presented the Airline Improvements Project at the February board meeting. As part of board approval, items over $25,000 would be approved by the President/CEO and come to the board for retroactive approval. The recent announcement of new airlines and routes will result in six Remain Overnight (RON) aircraft occupying the airport's six usable gates each night. To ensure space for each aircraft, the ramp will be remarked to accommodate eight aircraft in a push back configuration. The project was advertised with the TCAA receiving two bids on March 27th with Hasco Inc. having the lowest and most responsive bid in the amount of $126,890. The project will be funded through Passenger Facility Charge (PFC) funds, and the following is the funding plan:

Terminal Ramp Marking Rehab – Funding Plan

Airport Administration (Advertise/Legal)	$ 10,000
Design/Bid Services	$ 24,862
Construction Administration	$ 6,000
Construction (Bid)	$126,890
Estimated Total	$167,752

The Authority's Legal Counsel will provide/review the construction contract agreement prior to execution.

Recommendation:

Authorize the Chair to execute a construction contract with Hasco Inc. for the Terminal Ramp Marking Rehab in the amount of $126,890.

Submitted By: Chris Stipo
Director of Operations

TRI-CITIES AIRPORT

BID TAB SHEET
Terminal Ramp Markings Rehab
Bid Date: March 27, 2026

FIRM NAME & ADDRESS	TOTAL BID
Hasco Inc. 3909 Riverdale Rd. Greensboro, NC 27406	$126,890
CKS Runway Services 272 Calhoun Station Parkway Gluckstcht, MS 39110	$239,233

CONSIDER:

Ticket Counter Internet Installation
Award Tele-Optics

Summary:

Staff presented the Airline Improvements Project at the February board meeting. As part of board approval, items over $25,000 would be approved by the President/CEO and come to the board for retroactive approval. The unoccupied ticket counters were without readily available internet connections. With the recent announcement of United Airlines, internet connections were needed at additional ticket counters to support the expansion of the airport's Common Use Passenger Processing System (CUPPS) to accommodate United. Internet was run to all unoccupied ticket counters to save on future costs and prepare the airport for any future airline expansions. As the TCAA's contracted Information Technology (IT) services provider, Tele-Optics provided a quote for the work in the amount of $47,129.41. The work will be funded through airport funds, and the following is the funding plan:

Ticket Counter Internet Installation – Funding Plan

Ticket Counter Internet Installation	$47,129.41
Estimated Total	$47,129.41

Recommendation:

Authorize the Chair to retroactively approve the Ticket Counter Internet Installation agreement with Tele-Optics in the amount of $47,129.41.

Submitted By: Chris Stipo
Director of Operations

TELE-OPTICS, INC
TOTAL COMMUNICATIONS SPECIALIST
1041 TIDEWATER COURT, KINGSPORT, TN
PHONE: 423.246.5704 / FAX: 423.578.3407

Quotation

Number AAAQ46181
Date Feb 18, 2026

Sold To

Tri-Cities Regional Airport
Travis Meade
2525 Highway 75
Blountville, TN 37617

Email tmeade@flytri.com

Phone 423-325-6336
Fax
Terms
P.O. Number
Ship Via

Your Sales Rep

Eric R. McGlothlin
423-230-8834
emcglothlin@tele-optics.com

Line	Description	Qty	Unit Price	Ext. Price
1	**Fiber Network From Admin MDF to Last Ticket Counter Office IDF and Both Ticket Counter Cabinets**			
2	FREEDM One Cable, Plenum, tight-buffered, 24 F, Single-mode (OS2)	500	$2.74	$1,370.00
3	FREEDM One Tight-Buffered Cable, Plenum, 12 fiber, Single-mode (OS2)	800	$1.28	$1,024.00
4	Closet Connector Housing (CCH), 2 rack units, accepts up to 4 CCH panels, cassettes or modules; comes with blank panels and hardware to strain-relieve cables internally or externally	1	$405.52	$405.52
5	Closet Connector Housing (CCH) One Rack Unit, Holds Two CCH Connector Panels	2	$328.06	$656.12
6	CCH Strain-Relief Bracket; internal strain-relief bracket for the CCH-01U, CCH-02U, CCH-03U	3	$37.95	$113.85
7	CCH Pigtailed Splice Cassette 12 F, LC UPC Duplex, Single-mode (OS2), Single-fiber (250 um)	4	$524.26	$2,097.04
8	CCH Pigtailed Splice Cassette 24 F, LC UPC Duplex, Single-mode (OS2), Single-fiber (250 um)	2	$937.30	$1,874.60
9	Fiber Optic Jumper, Two Fiber Single-mode OS2 2.0MM ZIPCORD LC /LC 1 Meter	5	$28.50	$142.50
10	Fiber Optic Jumper, Two Fiber Single-mode OS2 2.0MM ZIPCORD LC /LC 2 Meter	5	$31.86	$159.30
11	Fiber Optic Jumper, Two Fiber Single-mode OS2 2.0MM ZIPCORD LC /LC 3 Meter	5	$32.46	$162.30
12	CUBE-iT®Wall-Mount Cabinet; Gen 3; 24"H x 24"W x 18"D (610 mm x 610 mm x 460 mm); 12U; #12-24 Tapped Rails; Solid Metal Door; Black	3	$1,077.39	$3,232.17
13	15U Wall Mount Swing Cabinet, locking mesh door, removable key locking mesh side panels, 25-pack of M6 cage nuts and screws 30.4" Tall (add 3.81" for casters for 34.21" Total) x 25.59" Deep (23" usable mounting depth) x 23.62" Wide	2	$908.70	$1,817.40
14	Locking Heavy Duty Casters	2	$157.78	$315.56
15	UTP, Cat 6, CMP, Commercial, 23-4P UTP-CMP SOL BC CAT6, FRPO/FEP/FRLSPVC DK GRN 1000FT, NONBONDED-PAIR BOX	4	$462.81	$1,851.24

**** - Quotes are subject to Tele-Optics, Inc. Standard Terms and Conditions.**
**** - Any additional work not specified within this document will require a Change Order request - the scope of which will be approved by Tele-Optics, Inc. and the customer to determine any addiitonal charges to be accrued on the part of the customer.**

Line	Description	Qty	Unit Price	Ext. Price
16	Patch Panel, Steel, 1U, Preloaded, RJ45, 24 Ports, Black	2	$240.12	$480.24
17	Keyconnect Side Entry Box, Electric White, Non Loaded, Plastic, Flush Mount, 4 Port	8	$13.45	$107.60
18	KeyConnect Side Entry Box with Shutter Door 2-Port	2	$5.62	$11.24
19	CAT6+ Modular Jack, RJ45, KeyConnect style, Black	36	$9.04	$325.44
20	Fire Barrier Plug, 3-1/8 in. H, 4 in. L, Maroon, 2 hr. Fire Rating	1	$220.99	$220.99
21	Misc. Hooks Zipties Maounting Hardware	1	$195.00	$195.00
22	CAT 6, Small Diameter 28 AWG UTP Patch Cords, 3 FT, BLACK	10	$17.21	$172.10
23	CAT 6, Small Diameter 28 AWG UTP Patch Cords, 5 FT, BLACK	16	$18.81	$300.96
24	CAT 6, Small Diameter 28 AWG UTP Patch Cords, 20 FT, BLACK	16	$31.07	$497.12
25	Labor	1	$17,851.00	$17,851.00
26	**SubTotal for Network and Labor**			$35,383.29
27	**Electronics for Network**			
28	HPE Networking Instant On 1960 24G 20p Class4 4p Class6 PoE 2XGT 2SFP+ 370W Switch US	4	$1,454.15	$5,816.60
29	HP J9151E Comp TAA 10GBase-LR SFP+	8	$341.64	$2,733.12
30	J60 Lithium UPS	3	$478.80	$1,436.40
31	Labor	1	$1,760.00	$1,760.00
32	**SubTotal for Electronics**			$11,746.12

Accepted by

Date Accepted

SubTotal	$47,129.41
Tax	$0.00
Shipping	$0.00
Total	**$47,129.41**

Please contact me if I can be of further assistance.

CONSIDER:

Gate D Emergency Repairs
Award Ideal Manufacturing Inc.

Summary:

On March 13, 2026, a Tri-City Aviation Employee struck Vehicle Gate D with an air stair causing significant damage to the gate and rendering it unusable. TCAA Maintenance inspected the gate and determined that based on the damage the gate would need to be replaced. Due to the operational importance of the gate and long lead times, a new gate was ordered soon after the damage occurred. Ideal Manufacturing Inc. will provide a new gate in the amount of $35,134.97 with a separate contractor needed for installation once the gate arrives. Tri-City Aviation will be responsible for covering the cost of the new gate, and the following is the funding plan.

Gate D Emergency Repairs – Funding Plan

Replacement Gate	$35,134.97
Installation	$10,000.00
Estimated Total	$45,134.97

Recommendation:

Authorize the Chair to retroactively approve the purchase of a new vehicle gate from Ideal Manufacturing Inc. in the amount of $35,134.97.

Submitted By: Chris Stipo
Director of Operations

Quote

Ideal Manufacturing Inc.

2011 Harnish Blvd
Billings, MT
USA, 59101
Phone : 406-656-4360 Fax : 406-656-4363
info@idealmfginc.com

Quote No.	**24710**
Date :	03/23/2026
Contact :	ROGER NORTON Phone : 423-325-6000

Bill To	***2208***
TRI CITIES AIRPORT COMMISION	
2525 Hwy 75	
BLOUNTVILLE, TN	
USA, 37617	

Ship To	***2208***
TRI CITIES AIRPORT COMMISION	
2525 Hwy 75	
BLOUNTVILLE, TN	
USA, 37617	

Expiration Date	Price Request	Terms	Carrier	Billings MT
04/23/2026	COMPLETE REPLACEMENT	Net 30 days	ACTION TRANSPORT	BILLINGS, MT
Sales Rep		**Currency**	**Lead Time (Days)**	
Justin Wagenmann (JUSTW)		USD	84	

No.	Qty	UN	Item	Description	Net Price	Amount
1	1.000	EA	HYJG-AMPLIMESH-NOBARB	HYJG-ALUMINUM AMPLIMESH BARRIER NO BARB WIRE 1-RH-TILT-A-WAY HYDRAULIC VERTICAL PIVOT GATE MODEL HYJG-1 WITH 16' ALUMINUM AMPLIMESH BARRIER 6' TALL. WIRED FOR 208 VAC SINGLE PHASE POWER. LOOP DETECTORS-1-SAFETY	$30,534.97	$30,534.97

Options

Description	Quantity	Net Price
HYJG ALUMINUM AMPLIMESH BARRIER 16'X6' NO BARB	1	$27,389.26
COLD WEATHER PACKAGE	1	$1,000.00
LOOP DETECTOR 24VAC (LESS LOOP)	1	$185.00
PHOTO EYE INSTALLED WITH REVERSING EDGE	1	$571.56
REVERSING EDGE 16'	1	$739.15
GATE WILL BE UL-325 LISTED VAC	1	$650.00
COMPLETE HYJG 208/230 SPH OPERATOR - RIGHT HAND	1	$0.00

No.	Qty	UN	Item	Description	Net Price	Amount
2	1.000	EA	07-SHIPPING	SHIP ASSEMBLED TO BLOUNTVILLE, TN	$4,600.00	$4,600.00

Subtotal: $35,134.97

USD

Tri-Cities Airport Authority
April 23, 2026

CONSIDER:

CONSENT AGENDA

A. CUPPS/FIDS Change Order #1

Submitted By: Chris Stipo
Director of Operations

Tri-Cities Airport Authority
April 23, 2026

A. CUPPS/FIDS Change Order #1

Summary:

AeroCloud was previously approved by the board to become the TCAA's Common Use Passenger Processing System (CUPPS) and Flight Information Display System (FIDS) provider. The recent air service expansion announcements have created the need for these systems to be expanded beyond their initial scope. The work will be funded through a mix of Passenger Facility Charge (PFC) funds and Terminal Area Expense funds, and the following is the funding plan:

CUPPS/FIDS – Funding Plan

Airport Administration (Advertise/Legal)	$ 10,000.00
Construction Administration	$ 35,320.00
Concourse Gate Internet Installation	$ 71,267.25
Ticket Counter Internet Installation	$ 47,129.41
Display Monitors and Mounts	$ 30,000.00
AeroCloud One Time Costs	$239,185.54 (+$132,952.05)
CUPPS/FIDS Annual License – Year 1	$ 97,644.28 (+$28,980.00)
CUPPS/FIDS Annual License – Year 2	$ 97,644.28 (+$28,980.00)
CUPPS/FIDS Annual License – Year 3	$101,427.00 (+$28,980.00)
CUPPS/FIDS Annual License – Year 4	$104,354.20 (+$30,139.20)
CUPPS/FIDS Annual License – Year 5	$107,415.76 (+$31,344.76)
Estimated Total	$941,387.72 (+281,376.01)

CUPPS/FIDS – Funding Plan

PFC Funds	$432,902.20
Terminal Area Expense Funds	$508,485.52
Estimated Total	$941,387.72

Recommendation:

Authorize the Director of Operations to execute a change order for CUPPS/FIDS implementation with AeroCloud in the amount of $281,376.01.

Submitted By: Chris Stipo
Director of Operations

EXHIBIT - COMMERCIAL ADDENDUM

This Commercial Addendum shall incorporate by reference, terms agreed in the 'Framework Agreement' dated September 2nd, 2025 for the provisions of subscription services and ancillary support services between: (1) AeroCloud Systems Inc. and (2) Tri Cities Airport Authority ("**Framework Agreement**").

If you are entering into the Commercial Addendum for an entity, such as the company you work for, you represent that you have legal authority to bind that entity.

The Commercial Addendum may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one Commercial Addendum. Transmission of the executed signature page of a counterpart of the Commercial Addendum by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of the Commercial Addendum. If either method of delivery is adopted, without prejudice to the validity of the Commercial Addendum made, each party shall provide the other with the original of such counterpart as soon as reasonably possible thereafter. No counterpart shall be effective until each party has executed at least one (1) counterpart.

Service Term	
Commencement Date	The date of the last signature to this Commercial Addendum
Initial Service Term	5 (Five) years from and including the Commencement Date
Services:	
Implementation Services	
As agreed in contract dated 2nd September 2025.	
Subscription Services	
AeroCloud CUPPS: 6 additional workstations (Check-in: 2 Gate: 4, Back) (Total 16 Workstations) **AeroCloud FIDS**: 6 additional Boxes (Total 16 Screens)	
Support Services	
Annex applies to this Commercial Addendum and replaces the priority levels, target response and target resolution times set out in Section 4.3 in respect of the Passenger Processing Solutions only. For the avoidance of doubt, the remainder of Section 4 shall apply in entirety to the Passenger Processing Solutions.	
Hardware	
Description and quantity: PC (Workstation) – Dell i5 x7 Monitor – 24'' Dell x7 Boarding Pass Printer – CUSTOM x7 Bag Tag Printers with Roller Kits – TK180 METAL RFID x7 Barcode Scanner/BGR – Zebra x5 Handscanner x3 Document Printer – Epson LX-350 x4 Passport Swipe Reader x7 Cables x7 AeroCloud AEA Middleware x6 AeroCloud FIDS Boxes x8 **Delivery location:** 2525 TN-75 Suite 301, Blountville, TN 37617, United States	
Scope Limitations:	
n/a	
Master Users:	
To be determined by TRI operations and IT teams	
Fees, currency, invoicing and payment terms:	

Service	**Fees**	**Currency**	**Invoicing Frequency**	**Payment Terms**
Implementation Services	$6,000.00	USD	On the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) – Year 1 CUPPS and FIDS	$17,190.00	USD	On the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) – Year 2 CUPPS and FIDS	$17,190.00	USD	Annually in line with commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) – Year 3 CUPPS and FIDS	$17,190.00	USD	Annually in line with commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) – Year 4 CUPPS and FIDS	$17,877.60	USD	Annually in line with commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) – Year 5 CUPPS and FIDS	$18,592.70	USD	Annually in line with commencement date	Due upon receipt of invoice
Hardware	**Unit Cost**	**Currency**	**Invoicing Frequency**	**Payment Terms**
PC (Workstation) – Dell i5 x7	$1,874.00	USD	On the commencement date	Due upon receipt of invoice
Monitor – 24‘‘ Dell x7	$294.00	USD	On the commencement date	Due upon receipt of invoice
Boarding Pass Printer – CUSTOM x7	$1,942.00	USD	On the commencement date	Due upon receipt of invoice
Bag Tag Printers with Roller Kits – TK180 METAL RFID x7	$2,088.00	USD	On the commencement date	Due upon receipt of invoice
Barcode Scanner/BGR – Zebra x5	$632.00	USD	On the commencement date	Due upon receipt of invoice
Handscanner – Zebra x3	$343.00	USD	On the commencement date	Due upon receipt of invoice
Document Printer – Epson LX-350 x4	$289.00	USD	On the commencement date	Due upon receipt of invoice
Passport Swipe Reader x7	$655.00	USD	On the commencement date	Due upon receipt of invoice
Cables x7	$113.00	USD	On the commencement date	Due upon receipt of invoice
AeroCloud AEA Middleware x6	$120.00	USD	On the commencement date	Due upon receipt of invoice
AeroCloud FIDS Boxes x8	$617.00	USD	On the commencement date	Due upon receipt of invoice
Total Hardware Costs	**$50,299.00**	**USD**	On the commencement date	Due upon receipt of invoice
Shipping	**$555.69**	**USD**	**On the commencement date**	**Due upon receipt of invoice**
Spares	**$9,464.00**	**USD**	**On the commencement date**	**Due upon receipt of invoice**

Signature:	
AeroCloud	**Subscriber**
Name: George Richardson	Name: David E. Cossey
Title: CEO	Title: President / CEO
Signature:	Signature:
Date:	Date:

ANNEX – PASSENGER PROCESSING SOLUTION SUPPORT SERVICE LEVELS

1. Purpose of this Annex

The purpose of this Annex is to set out the service levels for the supply of the Incident support services by AeroCloud to the Subscriber in respect of the Passenger Processing Solutions only. For the avoidance of doubt, the support service levels set out in Section 4.4 shall apply to all Subscription Services (except for the Passenger Processing Solutions) provided by AeroCloud to the Subscriber.

2. Support Hours

Unless otherwise agreed by AeroCloud in writing, the support services set out in paragraphs 3 and 4 of this Annex will be provided between 08.00 - 18.00 (UK Time) during AeroCloud's normal business days, except for critical and severe Incidents which shall be provided 24/7 by AeroCloud.

Subscriber must notify AeroCloud of all critical Incidents by phone to ensure the Incident is handled promptly.

3. Priority Levels and Target Response Times

The priority levels and target response times which apply to all Incidents relating to Passenger Processing Solutions only are as follows:

Reporting Method	Priority Level	Target Response Time*
Telephone		
	Priority 1 (Critical)	15 minutes
	Priority 2 (Severe)	15 minutes
	Priority 3 (Medium)	4 working hours
	Priority 4 (Minor)	8 working hours
Email		
	Priority 1 (Critical)	4 hours
	Priority 2 (Severe)	4 hours
	Priority 3 (Medium)	4 working hours
	Priority 4 (Minor)	8 working hours

*target response times shall apply from when the Incident notification is received by AeroCloud. Where AeroCloud sends a Response by email, such Response shall be deemed to have been received by the Subscriber if AeroCloud has not received an error message.

AeroCloud shall only be required to Respond to the applicable Incident using one of the reporting methods above and the reporting method shall be chosen by AeroCloud (at its discretion).

4. Priority Levels and Target Resolution Times

The priority levels and target resolution times which apply to all Incidents relating to Passenger Processing Solutions only are as follows:

Priority Level	Target Resolution Time*	Update Frequency
Priority 1 (Critical)	2 hours	30 minutes
Priority 2 (Severe)	4 hours	60 minutes
Priority 3 (Medium)	2 working days	Daily during working days
Priority 4 (Minor)	1 month	Weekly
Requests	Advised on request received	Advised on request received

*target resolution times shall apply from the point AeroCloud Responds to an Incident.

AeroCloud shall provide the Subscriber with regular updates on the Resolution status of the applicable Incident in accordance with the update frequency timescales set out in the above table.

5. Priority Levels

For the purpose of paragraphs 3 and 4 of this Annex, the priority levels shall be defined as follows:

Priority Level	Priority Level Description

Priority 1 (Critical)	An Incident which would make the applicable Passenger Processing Solution inoperable or unworkable. Critical Business Impact: Total system failure and interruption of business- critical applications affecting all customers or gateways to partner networks. Alternative or bypass is unavailable. Impact is to all customers.
Priority 2 (Severe)	An Incident which would make the applicable Passenger Processing Solution operationally inconvenient in use. Severe Business Impact: Complete or partial service interruption of business-critical applications affecting multiple customers or gateway to partner networks. Acceptable bypass is available. Impact is to more than 50% of customers or devices.
Priority 3 (Medium)	An Incident which is inconvenient but does not reduce the system'soperational capacity. Medium Business Impact: Partial service interruption of business-critical applications affecting a single customer or gateway to partner networks. Operational impact is minimal with no immediate impact on service delivery. Workaround is available. Impact is to less than 50% of customers or devices.
Priority 4 (Minor)	An Incident of a minor nature. Minimal Business Impact: Component, procedure, or personal applicationnot critical to a customer is unusable. Alternative is available; deferred maintenance is acceptable (problems reported to suppliers). Impact is to individual customer and service delivery minimal; possible minor inconvenience.
Requests	Non-operational requests such as requests for information, additional users etc. No Business Impact: Non-service affecting faults. Alternative or bypass is not applicable. Impact to customer is non-existent.

EXHIBIT - COMMERCIAL ADDENDUM

This Commercial Addendum shall incorporate by reference, terms agreed in the 'Framework Agreement' dated September 2nd, 2025 for the provisions of subscription services and ancillary support services between: (1) AeroCloud Systems Inc. and (2) Tri-Cities Airport Authority ("**Framework Agreement**").

If you are entering into the Commercial Addendum for an entity, such as the company you work for, you represent that you have legal authority to bind that entity.

The Commercial Addendum may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one Commercial Addendum. Transmission of the executed signature page of a counterpart of the Commercial Addendum by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of the Commercial Addendum. If either method of delivery is adopted, without prejudice to the validity of the Commercial Addendum made, each party shall provide the other with the original of such counterpart as soon as reasonably possible thereafter. No counterpart shall be effective until each party has executed at least one (1) counterpart.

<table>
<tr><td colspan="2">Service Term</td></tr>
<tr><td>Commencement Date</td><td>The date of the last signature to this Commercial Addendum</td></tr>
<tr><td>Initial Service Term</td><td>5 (Five) years from and including the Commencement Date</td></tr>
<tr><td colspan="2">Services:</td></tr>
<tr><td colspan="2">Implementation Services</td></tr>
<tr><td colspan="2">Implementation Services:
o Project Management
o Software and Equipment Configuration
o Airline Onboarding o Remote Testing
o Onsite Implementation and Airline Testing
o Onsite Training System Users
o Go Live</td></tr>
<tr><td colspan="2">Subscription Services</td></tr>
<tr><td colspan="2">AeroCloud CUPPS: 6 Additional Gate Positions</td></tr>
<tr><td colspan="2">Support Services</td></tr>
<tr><td colspan="2">Annex applies to this Commercial Addendum and replaces the priority levels, target response and target resolution times set out in Section 4.3 in respect of the Passenger Processing Solutions only. For the avoidance of doubt, the remainder of Section 4 shall apply in entirety to the Passenger Processing Solutions.</td></tr>
<tr><td colspan="2">Hardware</td></tr>
<tr><td colspan="2">Description and quantity:
• PC/workstation (with Mouse & Keyboard): PC (Workstation) - Dell i5 x6
• Monitor: Monitor - 24" Dell x6
• Boarding Pass Printer: Boarding Pass Printer – CUSTOM x6
• Bag Tag Printer w/ Roll Holder: Bag Tag Printers with Roller Kits - TK180 METAL RFID x6
• Barcode Scanner/Boarding Gate Reader: Barcode Scanner/BGR – Zebra x6
• Document Printer: Document Printer - Epson LX-350 x3
• Passport Swipe Reader: Passport Swipe Reader – Desko x6
• AeroCloud AEA Middleware: x6
• Cables x6

Delivery location:
2525 TN-75 Suite 301, Blountville, TN 37617, United States</td></tr>
<tr><td colspan="2">Scope Limitations:</td></tr>
<tr><td colspan="2">n/a</td></tr>
<tr><td colspan="2">Master Users:</td></tr>
<tr><td colspan="2">To be determined by TRI Operations and IT Team.</td></tr>
</table>

Fees, currency, invoicing and payment terms:				
Service	**Fees**	**Currency**	**Invoicing Frequency**	**Payment Terms**
Implementation Services	$6,000.00	USD	On the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 1	11,790.00	USD	On the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 2	11,790.00	USD	Annually in line with the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 3	11,790.00	USD	Annually in line with the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 4	12,261.60	USD	Annually in line with the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 5	12,752.06	USD	Annually in line with the commencement date	Due upon receipt of invoice
Hardware	**Fees**	**Currency**	**Invoicing Frequency**	**Payment Terms**
PC (Workstation) – Dell i5 x6	$14,328.00	USD	On the commencement date	Due upon receipt of invoice
Monitor – 24‘‘ Dell x6	$1,806.00	USD	On the commencement date	Due upon receipt of invoice
Boarding Pass Printer – CUSTOM x6	$12,912.00	USD	On the commencement date	Due upon receipt of invoice
Bag Tag Printers with Roller Kits – TK180 METAL RFID x6	$14,358.00	USD	On the commencement date	Due upon receipt of invoice
Barcode Scanner/BGR – Zebra x6	$3,822.00	USD	On the commencement date	Due upon receipt of invoice
Document Printer – Epson LX-350 x3	$5,202.00	USD	On the commencement date	Due upon receipt of invoice
Passport Swipe Reader x6	$4,122.00	USD	On the commencement date	Due upon receipt of invoice
Cables x6	$708.00	USD	On the commencement date	Due upon receipt of invoice
AeroCloud AEA Middleware x6	$720.00	USD	On the commencement date	Due upon receipt of invoice
Shipping	$2,655.36	USD	On the commencement date	Due upon receipt of invoice
Total Hardware & Shipping Costs	**$60,633.36**	**USD**	**On the commencement date**	**Due upon receipt of invoice**

Signature:	
AeroCloud	**Subscriber**
Name: George Richardson	Name: David E. Cossey
Title: CEO	Title: President / CEO
Signature:	Signature:
Date:	Date

ANNEX – PASSENGER PROCESSING SOLUTION SUPPORT SERVICE LEVELS

1. Purpose of this Annex

The purpose of this Annex is to set out the service levels for the supply of the Incident support services by AeroCloud to the Subscriber in respect of the Passenger Processing Solutions only. For the avoidance of doubt, the support service levels set out in Section 4.4 shall apply to all Subscription Services (except for the Passenger Processing Solutions) provided by AeroCloud to the Subscriber.

2. Support Hours

Unless otherwise agreed by AeroCloud in writing, the support services set out in paragraphs 3 and 4 of this Annex will be provided between 08.00 - 18.00 (UK Time) during AeroCloud's normal business days, except for critical and severe Incidents which shall be provided 24/7 by AeroCloud.

Subscriber must notify AeroCloud of all critical Incidents by phone to ensure the Incident is handled promptly.

3. Priority Levels and Target Response Times

The priority levels and target response times which apply to all Incidents relating to Passenger Processing Solutions only are as follows:

Reporting Method	Priority Level	Target Response Time*
Telephone		
	Priority 1 (Critical)	15 minutes
	Priority 2 (Severe)	15 minutes
	Priority 3 (Medium)	4 working hours
	Priority 4 (Minor)	8 working hours
Email		
	Priority 1 (Critical)	4 hours
	Priority 2 (Severe)	4 hours
	Priority 3 (Medium)	4 working hours
	Priority 4 (Minor)	8 working hours

*target response times shall apply from when the Incident notification is received by AeroCloud. Where AeroCloud sends a Response by email, such Response shall be deemed to have been received by the Subscriber if AeroCloud has not received an error message.

AeroCloud shall only be required to Respond to the applicable Incident using one of the reporting methods above and the reporting method shall be chosen by AeroCloud (at its discretion).

4. Priority Levels and Target Resolution Times

The priority levels and target resolution times which apply to all Incidents relating to Passenger Processing Solutions only are as follows:

Priority Level	Target Resolution Time*	Update Frequency
Priority 1 (Critical)	2 hours	30 minutes
Priority 2 (Severe)	4 hours	60 minutes
Priority 3 (Medium)	2 working days	Daily during working days
Priority 4 (Minor)	1 month	Weekly
Requests	Advised on request received	Advised on request received

*target resolution times shall apply from the point AeroCloud Responds to an Incident.

AeroCloud shall provide the Subscriber with regular updates on the Resolution status of the applicable Incident in accordance with the update frequency timescales set out in the above table.

5. Priority Levels

For the purpose of paragraphs 3 and 4 of this Annex, the priority levels shall be defined as follows:

Priority Level	Priority Level Description
Priority 1 (Critical)	An Incident which would make the applicable Passenger Processing Solution inoperable or unworkable. Critical Business Impact: Total system failure and

	interruption of business- critical applications affecting all customers or gateways to partner networks. Alternative or bypass is unavailable. Impact is to all customers.
Priority 2 (Severe)	An Incident which would make the applicable Passenger Processing Solution operationally inconvenient in use. Severe Business Impact: Complete or partial service interruption of business-critical applications affecting multiple customers or gateway to partner networks. Acceptable bypass is available. Impact is to more than 50% of customers or devices.
Priority 3 (Medium)	An Incident which is inconvenient but does not reduce the system'soperational capacity. Medium Business Impact: Partial service interruption of business-critical applications affecting a single customer or gateway to partner networks. Operational impact is minimal with no immediate impact on service delivery. Workaround is available. Impact is to less than 50% of customers or devices.
Priority 4 (Minor)	An Incident of a minor nature. Minimal Business Impact: Component, procedure, or personal applicationnot critical to a customer is unusable. Alternative is available; deferred maintenance is acceptable (problems reported to suppliers). Impact is to individual customer and service delivery minimal; possible minor inconvenience.
Requests	Non-operational requests such as requests for information, additional users etc. No Business Impact: Non-service affecting faults. Alternative or bypass is not applicable. Impact to customer is non-existent.

Legal Counsel,
Stephen Darden

Verbal Report

Tri-Cities Airport Authority
April 23, 2026

REPORT:

Financial Summary – Period Ending February 28, 2026

For the fiscal year to date as of February 28, 2026, the Authority achieved an approximate Net Operating Income of $525,771, exceeding the approved budget by $548,194. The attached schedule provides unaudited actual results compared to the approved FY2026 operating budget.

Revenue Performance

Total operating revenue exceeded budget by 15%, reflecting strong growth across key categories. The most notable positive variances were in Parking and Rental Car revenue. Parking statistics showed an increase in the number of cars by 9.1% when comparing Feb 2025 to Feb 2026. Rental Car Revenues saw a significant increase, driven by a 7.9% year-over-year rise in car rentals from Feb 2025 to Feb 2026. These results underscore the continued importance of non-aeronautical revenue streams in the Authority's financial base.

Expense Management

Operating expenses overall were managed in line with budget expectations. While cost results were mixed across categories, the primary negative variance occurred within the Airfield Area cost center, reflecting necessary expenditures for terminal apron markings and increase in snow/ice control activity. Snow/Ice removal costs are trending significantly higher than prior years due to severe winter conditions. These expenditures, while unplanned, are operationally necessary and inherent in maintaining airfield safety and regulations. Another cost center we are monitoring closely is Ground Handling Services. Expenses associated with servicing the new Breeze flights were not known at the time the FY2026 budget was prepared. As a result, this area will exceed budget; however, the overage is directly tied to new service growth and corresponding revenue generation. The Terminal Area cost center also reflects negative variances due to costs associated with installing the common uses system (CUPPS software). While certain variances are above budget, they are largely growth-driven or safety-related in nature and consistent with the operational demands of an airport.

Net Results & Outlook

Eight months of the fiscal year, FY2026, closed with results exceeding expectations. As of February 28, 2026, we are yielding net operating income of $525,771, which exceeds the budget and demonstrates growth across core revenue streams. Revenue performance, particularly within key non-aeronautical categories, has strengthened the Authority's financial position and provided flexibility as we enter a period of expansion. At the same time, disciplined expense management remains a priority. Each department continues to focus on operational efficiency while strategically investing in equipment needs and readiness efforts necessary to support new routes and airline growth in 2026.

Submitted by: Rachel Squibb
Director of Finance

Tri-Cities Airport Authority
FY 2026 Operating Budget
2/28/2026

9:52:14 AM 4/17/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIRLINE LANDING FEES				
$28,327	$26,207	$2,120	51010-201	Landing Fees: Delta Connection	$271,465	$352,270	$234,785	$36,680
29,294	31,048	(1,754)	51025-201	Landing Fees: American Airlines	276,530	417,350	278,159	(1,629)
5,761	5,583	178	51040-201	Landing Fees: Allegiant Airlines	45,641	67,000	44,664	977
$63,382	**$62,838**	**$544**		**TOTAL AIRLINE LANDING FEES**	**$593,636**	**$836,620**	**$557,608**	**$36,028**
				AIRLINE RENTAL REVENUE				
$11,637	$11,058	$579	51507-202	Floor Space: American Airlines	$93,093	$132,700	$88,464	$4,629
13,987	13,283	704	51515-202	Floor Space: Delta Connection	111,893	159,400	106,264	5,629
(412)	667	(1,079)	51518-202	Joint Use Space	1,530	8,000	5,336	(3,806)
4,044	4,583	(539)	51519-202	Terminal Apron Charge	35,808	55,000	36,664	(856)
(736)	0	(736)	51521-202	Floor Space: Ticketing Lobby	(2,070)	0	0	(2,070)
50,928	50,918	10	51525-202	Terminal Space Area Use	407,416	611,000	407,337	79
220	229	(9)	51526-202	Ground Equipment Storage	1,760	2,750	1,832	(72)
6,500	5,034	1,466	51530-202	Jetway Use Fee	50,934	60,300	40,028	10,906
64,145	65,516	(1,371)	51535-202	PSO Security Reimbursement	513,167	784,750	520,935	(7,768)
387	392	(5)	51546-202	Janitorial & Trash Reimbursement	3,098	4,700	3,136	(38)
$150,700	**$151,680**	**($980)**		**TOTAL AIRLINE RENTS**	**$1,216,629**	**$1,818,600**	**$1,209,996**	**$6,633**
$214,082	**$214,518**	**($436)**		**TOTAL AIRLINE REVENUE**	**$1,810,265**	**$2,655,220**	**$1,767,604**	**$42,661**

Tri-Cities Airport Authority
FY 2026 Operating Budget
2/28/2026

9:52:15 AM 4/17/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				GENERAL AVIATION REVENUE				
$0	$650	($650)	52005-203	Charters - Landing Fees	$5,029	$8,640	$5,661	($632)
0	895	(895)	52007-203	Charters - Terminal Facilities Fees	11,929	11,900	7,799	4,130
787	0	787	52010-203	FBO - Hangar Rents	7,531	0	0	7,531
29,694	26,810	2,884	52020-203	FBO - Minimum Annual Operating Fee	237,552	356,300	233,488	4,064
12,294	16,072	(3,778)	52030-203	FBO - 3% Gross Revenue Fee	137,780	213,600	139,974	(2,194)
6,042	7,476	(1,435)	52070-203	FBO - Fuel Flowage Fees	60,741	99,360	65,111	(4,370)
1,135	737	398	52072-203	FBO - Utility Reimbursement	7,199	9,800	6,422	777
453	410	43	52075-203	Flying Service - Rents	3,621	5,450	3,571	50
521	188	333	52076-203	Flying Service - Utility Reimb	2,639	2,500	1,639	1,000
12,414	12,550	(136)	52080-203	Speciality Service Operations	99,315	150,600	100,400	(1,085)
14,275	24,583	(10,308)	52110-203	Corporate Hangar, Land & Access	170,433	295,000	196,664	(26,231)
4,016	2,604	1,412	52160-203	Corporate Fuel Fees	16,960	35,000	23,327	(6,367)
0	260	(260)	52165-203	GA - Self-Fueling	2,422	3,500	2,332	90
2,250	0	2,250	52170-203	GA - Titan Fuel Sales	68,592	0	0	68,592
$83,881	**$93,235**	**($9,354)**		**TOTAL GEN. AVIATION REVENUE**	**$831,743**	**$1,191,650**	**$786,388**	**$45,355**

Tri-Cities Airport Authority

FY 2026 Operating Budget
2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIR CARGO REVENUE				
$367	$334	$33	52510-204	Cargo: Landing Fees	$2,885	$4,000	$2,661	$224
				AIR CARGO CENTER				
7,124	7,500	(376)	52540-204	Cargo: Cargo Center - Terminal Space	58,997	90,000	60,000	(1,003)
0	0	0	52542-204	Cargo: Cargo Center - Ramp Fees	869	0	0	869
419	562	(143)	52543-204	Cargo: Services Reimbursements	3,350	7,500	4,924	(1,574)
274	450	(176)	52544-204	Cargo: Cargo Center - Utility Reimb	2,159	6,000	3,937	(1,778)
$8,184	**$8,846**	**($662)**		**TOTAL AIR CARGO REVENUE**	**$68,260**	**$107,500**	**$71,522**	**($3,262)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

9:52:16 AM 4/17/2026

2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				PARKING REVENUE				
$296,958	$175,446	$121,512	53150-205	Parking: Long-Term	$2,601,752	$2,339,555	$1,535,765	$1,065,987
0	60,368	(60,368)	53151-205	Parking: Short-Term	0	805,000	528,429	(528,429)
26,425	0	26,425	53152-205	Parking:: Express Lot	42,080	0	0	42,080
888	2,141	(1,253)	53154-205	Parking: Other Revenue	13,098	25,690	17,128	(4,030)
$324,271	**$237,955**	**$86,316**		**TOTAL PARKING REVENUE**	**$2,656,930**	**$3,170,245**	**$2,081,322**	**$575,608**

Tri-Cities Airport Authority

FY 2026 Operating Budget

2/28/2026

9:52:16 AM 4/17/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				RENTAL CAR REVENUE				
$5,411	$5,183	$228	53605-206	RAC: Floor Space Rents	$43,284	$62,200	$41,464	$1,820
125,840	142,537	(16,697)	53610-206	RAC: Commissions	1,154,218	1,610,000	1,016,747	137,471
9,249	8,542	707	53620-206	RAC: Service Facility	73,994	102,500	68,336	5,658
2,638	3,333	(695)	53623-206	RAC: RAC - Utility Reimbursement	21,159	40,000	26,664	(5,505)
0	5,000	(5,000)	53627-206	RAC: Service Facility - Maint CFC Reim	33,936	60,000	40,000	(6,064)
$143,138	**$164,595**	**($21,457)**		**TOTAL RENTAL CAR REVENUE**	**$1,326,591**	**$1,874,700**	**$1,193,211**	**$133,380**

Tri-Cities Airport Authority

FY 2026 Operating Budget

9:52:16 AM 4/17/2026

2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				TERMINAL CONCESSION REVENUE				
$0	$5,667	($5,667)	54100-207	Terminal: Advertising	$29,333	$68,000	$45,336	($16,003)
15,494	14,375	1,119	54106-207	Terminal: Restaurant & Gift Shop	131,369	172,500	115,000	16,369
711	833	(122)	54107-207	Terminal: Tailwinds - Util Reimburseme	6,945	10,000	6,664	281
0	83	(83)	54125-207	Terminal: Miscellaneous Revenue	0	1,000	664	(664)
$16,205	**$20,958**	**($4,753)**		**TOTAL TERMINAL CONCESSIONS**	**$167,647**	**$251,500**	**$167,664**	**($17)**
				TERMINAL SPACE RENTS				
$9,090	$8,358	$732	54290-208	Terminal Rents: Office Space	$72,721	$100,300	$66,864	$5,857
813	725	88	54360-208	Terminal Rents: Utility Reimbursement	7,366	8,700	5,800	1,566
175	208	(33)	54410-208	Terminal Rents: Janitorial & Trash Rein	1,400	2,500	1,664	(264)
60	58	2	54520-208	Terminal Rents: PA System	480	700	464	16
$10,138	**$9,349**	**$789**		**TOTAL TERMINAL SPACE RENTS**	**$81,967**	**$112,200**	**$74,792**	**$7,175**

Tri-Cities Airport Authority
FY 2026 Operating Budget
2/28/2026

9:52:16 AM 4/17/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				OTHER REVENUE				
$18,858	$13,424	$5,434	51550-202	Ground Handling Services	$103,486	$114,000	$69,247	$34,239
0	1,472	(1,472)	52008-203	Charters - Ground Handling	10,500	12,500	7,592	2,908
0	417	(417)	55210-209	Other Properties: Ground Leases-Farm	6,854	5,000	3,336	3,518
4,616	2,892	1,724	55300-209	Other Properties: Other Leases	25,396	34,700	23,136	2,260
1,020	500	520	55302-209	Other Properties: Utility Reimb	6,940	6,000	4,000	2,940
0	800	(800)	55421-209	Other: Salary Supplements	0	9,600	6,400	(6,400)
9,944	10,417	(473)	55432-000	Other: FTZ Contributions	84,552	125,000	83,336	1,216
651	437	214	55435-209	Other: Ice Revenue	7,393	9,000	5,803	1,590
4,025	1,583	2,442	55440-209	Other: ID's & Fingerprinting Revenue	24,450	19,000	12,664	11,786
3,695	950	2,745	55445-209	Other: Gasoline Sales	12,964	9,000	6,541	6,423
2,042	750	1,292	55450-209	Other: Miscellaneous Billings	46,466	9,000	6,000	40,466
1,086	1,083	3	55500-210	Aerospace Park - Ground Revenue	8,689	13,000	8,664	25
2,200	0	2,200	93106-000	Contributions from Tailwinds	17,600	0	0	17,600
$48,137	**$34,725**	**$13,412**		**TOTAL OTHER REVENUE**	**$355,290**	**$365,800**	**$236,719**	**$118,571**
$633,954	**$569,663**	**$64,291**		**TOTAL NON-AIRLINE REVENUE**	**$5,488,428**	**$7,073,595**	**$4,611,618**	**$876,810**
$848,036	**$784,181**	**$63,855**		**TOTAL OPERATING REVENUES**	**$7,298,693**	**$9,728,815**	**$6,379,222**	**$919,471**

Tri-Cities Airport Authority

FY 2026 Operating Budget

2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIRFIELD AREA EXPENSE				
$0	$50	($50)	60010-301	Aviation - Utilities	$11,172	$15,000	$11,171	$1
2,144	40	2,104	60070-301	Aviation - Power Vault Diesel	5,833	12,000	8,937	(3,104)
0	7	(7)	60080-301	Aviation - Power Vault Repairs	0	2,000	1,490	(1,490)
8,160	333	7,827	60110-301	Aviation - Runways/Taxiways/Field	93,925	100,000	74,480	19,445
0	100	(100)	60400-301	Aviation - Ramps and Aprons	74,302	30,000	22,344	51,958
0	27	(27)	60500-301	Aviation - Fence & Gate Repair	28,352	8,000	5,959	22,393
0	133	(133)	60520-301	Aviation - Electrical Maintenance	7,968	40,000	29,791	(21,823)
59,036	110	58,926	60560-301	Aviation - Snow & Ice Control	173,892	33,000	24,577	149,315
0	20	(20)	60570-301	Aviation - Wildlife Control	10,561	6,000	4,469	6,092
0	23	(23)	60630-301	Aviation - Equipment Rental	4,352	7,000	5,213	(861)
0	35	(35)	60650-301	Aviation - Fuel Farm Maintenance	15,269	10,500	7,820	7,449
0	7	(7)	60655-301	Aviation - Contract Mowing	0	2,000	1,490	(1,490)
2,419	20	2,399	60700-301	Aviation - Environmental Compliance	6,592	6,000	4,469	2,123
146	27	119	60705-301	Aviation-Part 139 Field Reporting	9,660	8,000	5,959	3,701
$71,905	**$932**	**$70,973**		**TOTAL AIRFIELD AREA EXPENSE**	**$441,878**	**$279,500**	**$208,169**	**$233,709**
				AVIATION PROPERTIES EXPENSE				
$0	$773	($773)	60030-301	Aviation - Domed Hangar/Offices	$23,104	$8,000	$6,261	$16,843
13,802	4,350	9,452	60040-301	Aviation - Tri-City Aviation, Inc.	100,532	45,000	35,210	65,322
126	967	(841)	60045-301	Aviation - Corporate Hangar Maint	2,879	10,000	7,825	(4,946)
40	967	(927)	60050-301	Aviation - Wysong	16,693	10,000	7,825	8,868
0	0	0	62210-303	Other: New S. Aviation Hangar - Utilities	6,263	0	0	6,263
$13,968	**$7,057**	**$6,911**		**TOTAL AVIATION PROPERTIES EXPE**	**$149,471**	**$73,000**	**$57,121**	**$92,350**

Tri-Cities Airport Authority
FY 2026 Operating Budget
2/28/2026

9:52:17 AM 4/17/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				TERMINAL AREA EXPENSE				
$0	$2,724	($2,724)	61010-302	Terminal - Electricity - BTES	$219,058	$290,000	$212,323	$6,735
0	235	(235)	61020-302	Terminal - Heating Fuel	22,967	25,000	18,304	4,663
0	423	(423)	61030-302	Terminal - Water & Sewer	26,728	45,000	32,947	(6,219)
0	47	(47)	61035-302	Terminal - Landscape Water	624	5,000	3,660	(3,036)
850	169	681	61040-302	Terminal - Telephone & Internet	7,499	18,000	13,178	(5,679)
0	141	(141)	61050-302	Terminal - Electrical Maintenance	370	15,000	10,981	(10,611)
773	287	486	61055-302	Terminal - HVAC Maintenance	32,063	30,500	22,330	9,733
5,315	517	4,798	61057-302	Terminal - Building Repairs	33,348	55,000	40,268	(6,920)
2,005	211	1,794	61060-302	Terminal - Plumbing	30,946	22,500	16,473	14,473
0	517	(517)	61065-302	Terminal - Landscape Service	47,794	55,000	40,268	7,526
0	66	(66)	61070-302	Terminal - Equipment/Furnishing Mtn	2,651	7,000	5,125	(2,474)
0	230	(230)	61075-302	Terminal - Roadway, Parking Lot	22,164	24,500	17,937	4,227
19,520	376	19,144	61080-302	Terminal - Contract Mowing	31,418	40,000	29,286	2,132
0	0	0	61081-302	Terminal - Lawn Treatment	19,521	0	0	19,521
2,521	470	2,051	61570-302	Terminal - Contract (Elevator)	36,629	50,000	36,607	22
1,391	376	1,015	61580-302	Terminal - Contract (Trash Service)	40,409	40,000	29,286	11,123
0	423	(423)	61610-302	Terminal - Other Contracts	6,365	45,000	32,947	(26,582)
0	939	(939)	61960-302	Terminal - Jetway Maintenance	21,690	100,000	73,215	(51,525)
6,269	470	5,799	61970-302	Terminal - IT Equipment & Services	167,449	50,000	36,607	130,842
0	113	(113)	61980-302	Terminal - FIDS System	14,906	12,000	8,787	6,119
$38,644	**$8,734**	**$29,910**		**TOTAL TERMINAL AREA EXPENSE**	**$784,599**	**$929,500**	**$680,529**	**$104,070**

Tri-Cities Airport Authority

FY 2026 Operating Budget
2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIR CARGO CENTER EXPENSE				
$46	$714	($668)	62560-303	Air Cargo Center: Utilities	$11,412	$12,000	$9,071	$2,341
0	60	(60)	62562-303	Air Cargo Center: Heating Fuel	0	1,000	757	(757)
0	179	(179)	62565-303	Air Cargo Center: HVAC Maintenance	0	3,000	2,269	(2,269)
0	893	(893)	62566-303	Air Cargo Center: Building Repairs	8,377	15,000	11,341	(2,964)
$46	**$1,846**	**($1,800)**		**TOTAL AIR CARGO EXPENSE**	**$19,789**	**$31,000**	**$23,438**	**($3,649)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				OTHER PROPERTIES EXPENSE				
$0	$171	($171)	62556-303	Other Prop: Non-Aviation Land	$0	$2,000	$1,404	($1,404)
0	598	(598)	62555-303	Other Prop: Other Buildings	4,649	7,000	4,916	(267)
150	3,417	(3,267)	62557-303	RAC Service Facility Utilities	21,241	40,000	28,092	(6,851)
2,761	4,271	(1,510)	62558-303	RAC Service Facility Maint	37,699	50,000	35,116	2,583
				OTHER BUILDING EXPENSE				
0	513	(513)	62010-303	Hamilton Road Garages - Utilities	6,618	6,000	4,214	2,404
				OTHER EXPENSE				
330	427	(97)	62580-303	Other Expense: Ice Expense	3,878	5,000	3,511	367
0	1,110	(1,110)	62581-303	Other Expense: Airline GSE Gasoline	3,857	13,000	9,129	(5,272)
$3,241	**$10,507**	**($7,266)**		**TOTAL OTHER PROPERTIES EXP.**	**$77,942**	**$123,000**	**$86,382**	**($8,440)**

Tri-Cities Airport Authority

FY 2026 Operating Budget
2/28/2026

9:52:18 AM 4/17/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				FIXED BASE OPERATION EXPENSE				
$5,574	$0	$5,574	68000-319	FBO - Supplies	$20,150	$80,000	$0	$20,150
0	0	0	68002-319	FBO - Equipment Fuel	6,901	0	0	6,901
0	0	0	68003-319	FBO - Equipment Mainenance	7,130	0	0	7,130
180	0	180	68004-319	FBO - Miscellaneous	9,104	0	0	9,104
18,462	11,692	6,770	68007-319	FBO - Salaries	18,462	152,000	99,382	(80,920)
1,412	923	489	68008-319	FBO - FICA	1,412	12,000	7,846	(6,434)
0	846	(846)	68009-319	FBO - Retirement	0	11,000	7,191	(7,191)
0	1,667	(1,667)	68010-319	FBO - Group Insurance	0	20,000	13,333	(13,333)
0	166	(166)	68011-319	FBO - General Personnel	150	2,000	1,333	(1,183)
0	0	0	68018-319	FBO - Titan Fuel Purchases	118,538	0	0	118,538
0	0	0	68019-319	FBO - Titan Grant Expenses	2,986	0	0	2,986
$25,628	$15,294	$10,334			$184,833	$277,000	$129,085	$55,748

Tri-Cities Airport Authority
FY 2026 Operating Budget
2/28/2026

9:52:18 AM 4/17/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				PUBLIC SAFETY DEPARTMENT EXPENSE				
$128	$1,116	($988)	63040-304	Safety - Fire Hall Expense	$13,180	$12,000	$8,690	$4,490
0	372	(372)	63041-304	Safety - Fire Hall Heating Fuel	6,112	4,000	2,897	3,215
0	372	(372)	63100-304	Safety - Equipment/Furniture/Fixtures	2,619	4,000	2,897	(278)
10,383	4,557	5,826	63210-304	Safety - Equipment Maintenance	110,782	49,000	35,481	75,301
0	2,325	(2,325)	63420-304	Safety - Vehicle Fuel	6,224	25,000	18,102	(11,878)
1,160	4,185	(3,025)	63550-304	Safety - Training	24,841	45,000	32,584	(7,743)
300	1,814	(1,514)	63600-304	Safety - Uniforms	17,738	19,500	14,121	3,617
0	1,163	(1,163)	63650-304	Safety - Dues & Subscriptions	8,284	12,500	9,052	(768)
114	465	(351)	63670-304	Safety - Office Supplies	333	5,000	3,621	(3,288)
8	233	(225)	63700-304	Safety - General Expense	1,670	2,500	1,810	(140)
284	326	(42)	63730-304	Safety - Telephone & Internet	3,247	3,500	2,534	713
0	465	(465)	63740-304	Safety - Radios/Communications	0	5,000	3,621	(3,621)
0	233	(233)	63760-304	Safety - Medical & Psy Testing	875	2,500	1,810	(935)
75	186	(111)	63800-304	Safety - Medical Supplies	15,924	2,000	1,447	14,477
8,800	930	7,870	63910-304	Safety - ID's & Fingerprinting	12,802	10,000	7,241	5,561
0	47	(47)	63915-304	Safety - Security Parking	0	500	363	(363)
1,648	2,790	(1,142)	63985-304	Safety - Access Control	38,971	30,000	21,722	17,249
0	1,395	(1,395)	63986-304	Safety-Worker's Comp Insurance	5,888	15,000	10,861	(4,974)
5,238	2,692	2,546	63988-304	Safety - Overtime	32,574	35,000	22,882	9,692
11,591	3,000	8,591	63989-304	Safety - Part-Time Salaries	60,720	39,000	25,500	35,220
29,388	62,692	(33,304)	63990-304	Safety - Full-Time Salaries	442,625	815,000	532,882	(90,257)
3,410	5,346	(1,936)	63991-304	Safety - FICA Expense	39,305	69,500	45,441	(6,136)
88	6,154	(6,066)	63992-304	Safety - Retirement Expense	44,400	80,000	52,309	(7,909)
0	2,232	(2,232)	63994-304	Safety - General Personnel	0	24,000	17,378	(17,378)
5,465	21,390	(15,925)	63995-304	Safety - Group Insurance	137,455	230,000	166,541	(29,086)
$78,080	**$126,480**	**($48,400)**		**TOTAL PUBLIC SAFETY EXPENSE**	**$1,026,569**	**$1,539,500**	**$1,041,787**	**($15,218)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				MAINTENANCE DEPARTMENT EXPENSE				
$0	$544	($544)	64020-305	Maintenance - Utilities	$6,861	$10,000	$6,720	$141
135	82	53	64030-305	Maintenance - Telephone	2,100	1,500	1,008	1,092
0	163	(163)	64050-305	Maintenance - Heating Fuel	2,616	3,000	2,016	600
2,597	653	1,944	64120-305	Maintenance - Building Repair	4,417	12,000	8,065	(3,648)
6,154	3,263	2,891	64150-305	Maintenance - Equipment Mtn	46,319	60,000	40,316	6,003
5,059	1,360	3,699	64610-305	Maintenance - Vehicle Fuel & Oil	32,568	25,000	16,799	15,769
1,175	653	522	64650-305	Maintenance - Tools & Hardware	28,536	12,000	8,065	20,471
0	462	(462)	64700-305	Maintenance - Training	545	8,500	5,711	(5,166)
0	544	(544)	64750-305	Maintenance - Uniforms	5,725	10,000	6,720	(995)
2,474	544	1,930	64800-305	Maintenance - General Expense	9,469	10,000	6,720	2,749
38,229	37,692	537	64900-305	Maintenance - Salaries	318,451	490,000	320,382	(1,931)
4,176	3,154	1,022	64901-305	Maintenance - FICA Expense	26,663	41,000	26,809	(146)
510	3,846	(3,336)	64902-305	Maintenance - Retirement Expense	36,451	50,000	32,691	3,760
19,053	2,308	16,745	64903-305	Maintenance - Overtime	49,890	30,000	19,618	30,272
14,718	9,827	4,891	64904-305	Maintenance - Group Insurance	121,077	180,700	121,419	(342)
0	489	(489)	64907-305	Maintenance - General Personnel	98	9,000	6,047	(5,949)
$94,280	**$65,584**	**$28,696**		**TOTAL MAINTENANCE EXPENSE**	**$691,786**	**$952,700**	**$629,106**	**$62,680**

Tri-Cities Airport Authority

FY 2026 Operating Budget

9:52:19 AM 4/17/2026

2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				BUILDING SERVICES EXPENSE				
$3,641	$4,145	($504)	65100-306	Building Services - Supplies	$43,986	$60,000	$38,168	$5,818
0	484	(484)	65105-306	Building Services - Equipment Purchase	5,706	7,000	4,453	1,253
0	117	(117)	65110-306	Building Services - Furniture & Fixtures	125	1,700	1,080	(955)
435	276	159	65115-306	Building Services - Equipment Mtn	6,110	4,000	2,545	3,565
0	622	(622)	65120-306	Building Services - Uniforms	4,160	9,000	5,726	(1,566)
45	173	(128)	65125-306	Building Services - General Expense	2,259	2,500	1,591	668
0	35	(35)	65130-306	Building Services - Snow Removal	0	500	319	(319)
32,719	33,077	(358)	65200-306	Building Services - Salaries	265,847	430,000	281,154	(15,307)
662	1,154	(492)	65205-306	Building Services - Overtime	15,867	15,000	9,809	6,058
2,419	2,615	(196)	65210-306	Building Services - FICA Expense	21,024	34,000	22,228	(1,204)
529	3,400	(2,871)	65220-306	Building Services - Retirement Expense	27,285	44,200	28,900	(1,615)
11,332	10,009	1,323	65230-306	Building Services - Group Insurance	83,449	144,900	92,177	(8,728)
0	380	(380)	65237-306	Building Services - General Personnel	125	5,500	3,498	(3,373)
0	138	(138)	65238-306	Building Services - Training	210	2,000	1,273	(1,063)
$51,782	**$56,625**	**($4,843)**		**TOTAL BUILDING SERVICES EXPEN**	**$476,153**	**$760,300**	**$492,921**	**($16,768)**

Tri-Cities Airport Authority

FY 2026 Operating Budget
2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				CUSTOMER EXPERIENCE EXPENSE				
$8	$160	($152)	65510-316	Customer Experience - Supplies	$202	$2,000	$1,365	($1,163)
0	7,192	(7,192)	65515-316	Customer Experience - Programs & Mat	12,926	90,000	61,418	(48,492)
0	160	(160)	65520-316	Customer Experience - Uniforms	0	2,000	1,365	(1,365)
0	240	(240)	65530-316	Customer Experience - Training	0	3,000	2,047	(2,047)
3,776	3,769	7	65535-316	Customer Experience - Salaries	31,980	49,000	32,037	(57)
266	292	(26)	65540-316	Customer Experience - FICA Expense	2,272	3,800	2,482	(210)
113	377	(264)	65545-316	Customer Experience - Retirement	2,912	4,900	3,204	(292)
1,689	1,486	203	65550-316	Customer Experience - Group Insurance	12,970	18,600	12,692	278
0	40	(40)	65556-316	Customer Experience - General Personi	0	500	342	(342)
$5,852	**$13,716**	**($7,864)**		**TOTAL CUSTOMER EXPERIENCE EX**	**$63,262**	**$173,800**	**$116,952**	**($53,690)**

Tri-Cities Airport Authority

FY 2026 Operating Budget
2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				PUBLIC PARKING EXPENSE				
$55,421	$23,716	$31,705	69300-320	Parking: Salaries & Wages	$223,513	$289,000	$212,050	$11,463
4,867	1,805	3,062	69301-320	Parking: Payroll Taxes	17,371	22,000	16,142	1,229
0	123	(123)	69302-320	Parking: Uniforms	0	1,500	1,102	(1,102)
0	4,513	(4,513)	69303-320	Parking: Health Care & Retirement	33,471	55,000	40,354	(6,883)
0	410	(410)	69304-320	Parking: Garage Supplies	228	5,000	3,670	(3,442)
0	328	(328)	69306-320	Parking: Printing & Ticket Expense	447	4,000	2,936	(2,489)
0	287	(287)	69308-320	Parking: Office Supplies	260	3,500	2,567	(2,307)
0	41	(41)	69309-320	Parking: Office Equipment	651	500	367	284
0	821	(821)	69310-320	Parking: Repairs & Maint.	5,546	10,000	7,337	(1,791)
0	41	(41)	69314-320	Parking: License & Fees	30	500	367	(337)
0	0	0	69315-320	Parking: Other Insurance	219	0	0	219
0	41	(41)	69316-320	Parking: Liability & Other Insurance	120	500	367	(247)
0	706	(706)	69317-320	Parking: Worker's Comp	6,402	8,600	6,311	91
0	70	(70)	69318-320	Parking: Utilities-Water	511	850	623	(112)
0	492	(492)	69320-320	Parking: Utilities-Electricity	4,019	6,000	4,402	(383)
0	21	(21)	69322-320	Parking: Postage & Freight	3	250	184	(181)
107	410	(303)	69324-320	Parking: Telephone & Communications	4,670	5,000	3,670	1,000
0	41	(41)	69326-320	Parking: Recruiting Expense	95	500	367	(272)
0	0	0	69327-320	Parking: Advertising & Publicity	383	0	0	383
0	205	(205)	69328-320	Parking: Financial Services	2,139	2,500	1,834	305
0	6,442	(6,442)	69330-320	Parking: Credit Card Processing	62,266	78,500	57,598	4,668
0	328	(328)	69331-320	Parking: Truck Fuel	849	4,000	2,936	(2,087)
231	304	(73)	69332-320	Parking: Miscellaneous Expense	2,651	3,700	2,715	(64)
0	2,552	(2,552)	69334-320	Parking: Management Fee	14,220	31,100	22,819	(8,599)
$60,626	**$43,697**	**$16,929**		**TOTAL PUBLIC PARKING EXPENSE**	**$380,064**	**$532,500**	**$390,718**	**($10,654)**

Tri-Cities Airport Authority

FY 2026 Operating Budget
2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				TRADE DEVELOPMENT EXPENSE				
				FOREIGN TRADE ZONE EXPENSE				
0	12	(12)	69050-309	FTZ: Programs & Materials	0	200	107	(107)
2,264	59	2,205	69051-309	FTZ: Contract Services	5,014	1,000	542	4,472
0	12	(12)	69052-309	FTZ: Marketing & Advertising	0	200	107	(107)
0	59	(59)	69053-309	FTZ: Professional Affiliations	0	1,000	542	(542)
0	29	(29)	69054-309	FTZ: Subscriptions	0	500	271	(271)
0	29	(29)	69055-309	FTZ: Meetings, Registration	0	500	271	(271)
0	6	(6)	69057-309	FTZ: Special Events	0	100	54	(54)
0	59	(59)	69059-309	FTZ: Legal	0	1,000	542	(542)
2,264	**265**	**1,999**		**TOTAL FOREIGN TRADE ZONE EXP**	**5,014**	**4,500**	**2,436**	**2,578**
				ADMINISTRATIVE EXPENSE				
0	118	(118)	69070-309	DEV: ADMIN - Travel & Auto	(35)	2,000	1,084	(1,119)
0	6	(6)	69071-309	DEV: ADMIN - Airport Promotion	0	100	54	(54)
0	47	(47)	69072-309	DEV: ADMIN - Office Supplies	352	800	435	(83)
0	12	(12)	69073-309	DEV: ADMIN - Furniture & Equipment	0	200	107	(107)
0	59	(59)	69074-309	DEV: ADMIN - Communications	510	1,000	542	(32)
0	6	(6)	69075-309	DEV: ADMIN - Postage & Courier	0	100	54	(54)
0	6	(6)	69076-309	DEV: ADMIN - Printing & Forms	0	100	54	(54)
0	9	(9)	69077-309	DEV: ADMIN - Staff Training	0	150	81	(81)
0	**263**	**(263)**		**TOTAL ADMINISTRATIVE EXPENSE**	**827**	**4,450**	**2,411**	**(1,584)**
				PERSONNEL COST				
9,282	9,015	267	69080-309	DEV: Salaries	77,378	117,200	76,628	750
678	700	(22)	69082-309	DEV: FICA	5,675	9,100	5,950	(275)
0	1,831	(1,831)	69083-309	DEV: Retirement	16,302	23,800	15,563	739
2,370	1,531	839	69084-309	DEV: Group Insurance	18,204	26,000	14,091	4,113
0	71	(71)	69086-309	DEV: General Personnel	0	1,200	651	(651)
12,330	**13,148**	**(818)**		**TOTAL PERSONNEL COST**	**117,559**	**177,300**	**112,883**	**4,676**
$14,594	**$13,676**	**$918**		**TOTAL TRADE DEVELOPMENT EXP**	**$123,400**	**$186,250**	**$117,730**	**$5,670**

Tri-Cities Airport Authority

FY 2026 Operating Budget
2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				MARKETING & AIR SERVICE DEV EXPENSE				
				AIRPORT & COMMUNITY RELATIONS				
$0	$1,375	($1,375)	67215-308	Marketing - Advertising	$461	$15,000	$10,728	($10,267)
1,180	3,666	(2,486)	67225-308	Mkt - Website, Programs & Materials	17,105	40,000	28,611	(11,506)
0	2,749	(2,749)	67244-308	Marketing - Community Relations	17,284	30,000	21,458	(4,174)
				AIR SERVICE DEVELOPMENT				
792	2,749	(1,957)	67291-308	Marketing - Research & Development	8,612	30,000	21,458	(12,846)
0	11,913	(11,913)	67292-308	Marketing - Consulting Services	75,133	130,000	92,984	(17,851)
0	3,207	(3,207)	67293-308	Marketing - Airline Relations	18,268	35,000	25,034	(6,766)
16,069	38,488	(22,419)	67294-308	Marketing - Marketing Initiative	271,608	420,000	300,407	(28,799)
				MARKETING SUPPORT				
0	3,849	(3,849)	67262-308	Marketing - Travel	22,716	42,000	30,040	(7,324)
0	165	(165)	67264-308	Marketing - Auto & Fuel	0	1,800	1,289	(1,289)
0	257	(257)	67272-308	Marketing - Professional Affliliations	1,875	2,800	2,005	(130)
0	367	(367)	67285-308	Marketing - Supplies & Misc	668	4,000	2,861	(2,193)
68	238	(170)	67287-308	Mkt - Phones & Data Communications	5,683	2,600	1,859	3,824
13,117	11,615	1,502	67900-308	Marketing - Salaries	102,353	151,000	98,728	3,625
974	923	51	67901-308	Marketing - FICA Expense	7,601	12,000	7,846	(245)
248	1,154	(906)	67903-308	Marketing - Retirement Expense	8,488	15,000	9,809	(1,321)
2,578	2,575	3	67905-308	Marketing - Group Insurance	19,792	28,100	20,100	(308)
0	183	(183)	67911-308	Marketing - General Personnel	0	2,000	1,431	(1,431)
16,985	**21,326**	**(4,341)**		**SUB-TOTAL MARKETING SUPPORT**	**169,176**	**261,300**	**175,968**	**(6,792)**
$35,026	**$85,473**	**($50,447)**		**TOTAL MARKETING & AIR SERVICE**	**$577,647**	**$961,300**	**$676,648**	**($99,001)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				GROUND HANDLING SERVICES EXPENSE				
$1,147	$115	$1,032	68921-310	GHS - Supplies	$30,981	$2,500	$1,157	$29,824
12,558	416	12,142	68923-310	GHS - Equipment Maintenance	58,526	9,000	4,170	54,356
314	92	222	68925-310	GHS - Equipment Fuel	1,569	2,000	927	642
81	55	26	68926-310	GHS - Telephone & Communication	1,640	1,200	557	1,083
3,298	46	3,252	68927-310	GHS - Miscellaneous	20,945	1,000	463	20,482
(1,200)	0	(1,200)	68928-310	GHS - 3rd Party Services	(4,100)	0	0	(4,100)
0	92	(92)	68929-310	GHS - Staff Training	5,274	2,000	927	4,347
1,285	369	916	68930-310	GHS - Uniforms	7,285	8,000	3,704	3,581
34,911	5,231	29,680	68931-310	GHS - Salaries	202,930	68,000	44,463	158,467
0	13,846	(13,846)	68932-310	GHS - Part-time	0	180,000	117,691	(117,691)
2,591	1,462	1,129	68933-310	GHS - FICA	15,265	19,000	12,426	2,839
210	291	(81)	68935-310	GHS - Retirement	5,116	6,300	2,918	2,198
0	1,293	(1,293)	68937-310	GHS - Group Insurance	0	28,000	12,970	(12,970)
160	139	21	68939-310	GHS - General Personnel	1,925	3,000	1,392	533
$55,355	**$23,447**	**$31,908**		**TOTAL GND HANDLING SVCS EXP**	**$347,356**	**$330,000**	**$203,765**	**$143,591**

Tri-Cities Airport Authority

FY 2026 Operating Budget
2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIRPORT BUSINESS DEVELOPMENT EXPENSE				
$0	$528	($528)	68950-318	Business Dev: Partnerships	$4,000	$6,000	$3,582	$418
0	879	(879)	68952-318	Business Dev: Programs & Materials	68	10,000	5,968	(5,900)
0	2,638	(2,638)	68954-318	Aerospace Industry Travel	2,879	30,000	17,906	(15,028)
0	6,594	(6,594)	68956-318	Aerospace Park Marketing	24,592	75,000	44,763	(20,171)
0	4,836	(4,836)	68958-318	Aerospace Park Contracted Services	4,000	55,000	32,827	(28,827)
0	440	(440)	68960-318	Aerospace Park Website	0	5,000	2,985	(2,985)
$0	**$15,915**	**($15,915)**		**TOTAL AIR BUSINESS DEV EXP.**	**$35,539**	**$181,000**	**$108,031**	**($72,492)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

2/28/2026

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				ADMINISTRATIVE DEPARTMENT EXPENSE				
$0	$3,406	($3,406)	66010-307	Admin - Auditing	$60,985	$62,000	$42,719	$18,266
1,674	1,648	26	66030-307	Admin - Legal	13,226	30,000	20,670	(7,444)
0	16,480	(16,480)	66060-307	Admin - Insurance & Bonding	132,750	300,000	206,695	(73,945)
325	1,648	(1,323)	66210-307	Admin - Dues & Subscriptions	29,971	30,000	20,670	9,301
2,150	1,978	172	66260-307	Admin - Consulting Services	65,517	36,000	24,802	40,715
0	1,373	(1,373)	66300-307	Admin - Engineering Services	250	25,000	17,225	(16,975)
393	275	118	66550-307	Admin - Furniture & Fixtures	4,906	5,000	3,445	1,461
122	275	(153)	66560-307	Admin - Office Equipment	13,765	5,000	3,445	10,320
162	549	(387)	66570-307	Admin - Office Supplies	6,974	10,000	6,890	84
1,698	1,456	242	66660-307	Admin - Telephone & Internet	18,625	26,500	18,259	366
123	2,033	(1,910)	66750-307	Admin - Office Equipment Maintenance	4,091	37,000	25,493	(21,402)
3,907	1,648	2,259	66850-307	Admin - General Administrative	34,949	30,000	20,670	14,279
0	220	(220)	66861-307	Admin - Education & Training	4,822	4,000	2,756	2,066
3,316	1,648	1,668	66940-307	Admin - Seminars & Conferences	29,047	30,000	20,670	8,377
100	82	18	66970-307	Admin - Postage & Shipping	1,387	1,500	1,033	354
93,257	88,462	4,795	66990-307	Admin - Salaries	704,149	1,150,000	751,926	(47,777)
6,206	7,231	(1,025)	66991-307	Admin - FICA Expense	44,516	94,000	61,463	(16,947)
3,142	8,462	(5,320)	66992-307	Admin - Retirement Expense	82,971	110,000	71,926	11,045
0	0	0	66993-307	Admin - Health Ins - Retirees	34	0	0	34
26,621	9,064	17,557	66994-307	Admin - Group Insurance	121,069	165,000	113,683	7,386
1,950	1,758	192	66996-307	Admin - General Personnel	23,027	32,000	22,048	979
0	(1,373)	1,373	67001-307	Admin - Capitalized Salaries (Projects)	(4,397)	(25,000)	(17,225)	12,828
$145,146	**$148,323**	**($3,177)**		**TOTAL ADMINISTRATIVE EXP.**	**$1,392,634**	**$2,158,000**	**$1,439,263**	**($46,629)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

9:52:24 AM 4/17/2026

2/28/2026

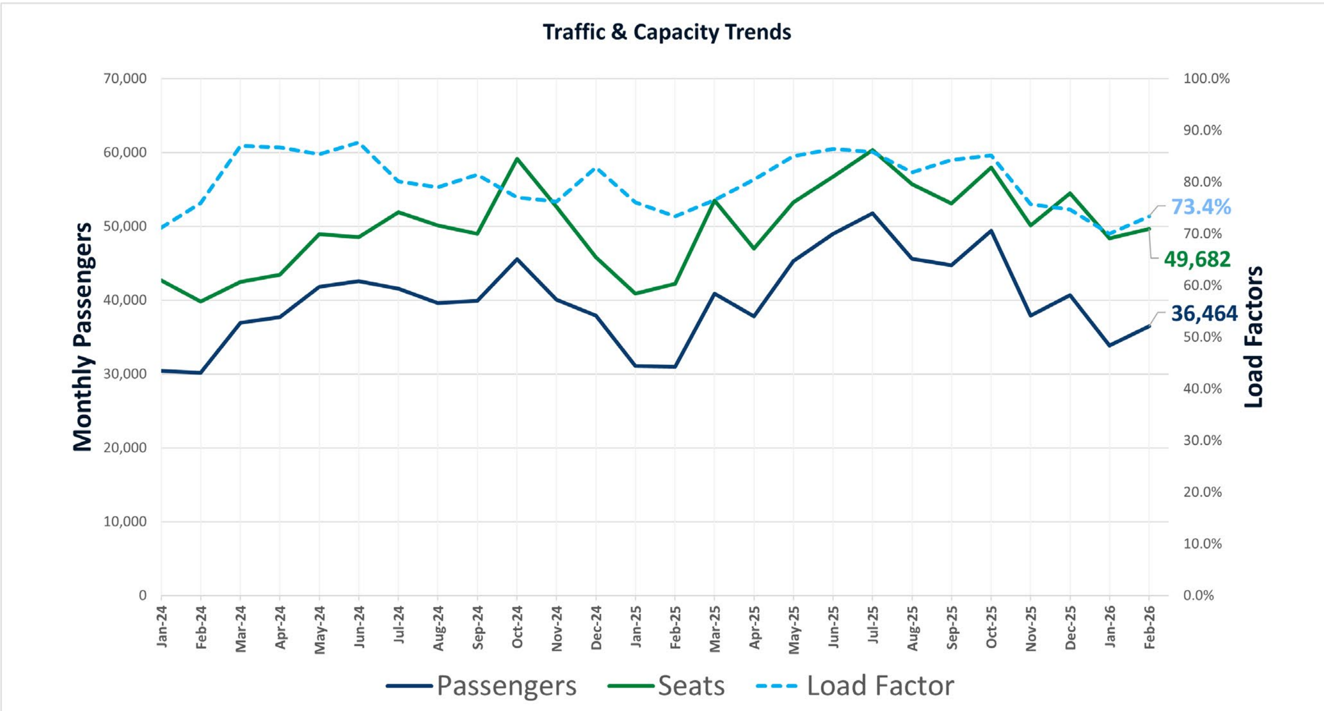
Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
$63,382	$62,838	$544		Airline Landing Fees	$593,636	$836,620	$557,608	$36,028
150,700	151,680	(980)		Airline Rents	1,216,629	1,818,600	1,209,996	6,633
214,082	**214,518**	**(436)**		**TOTAL AIRLINE REVENUE**	**1,810,265**	**2,655,220**	**1,767,604**	**42,661**
83,881	93,235	(9,354)		General Aviation	831,743	1,191,650	786,388	45,355
8,184	8,846	(662)		Air Cargo	68,260	107,500	71,522	(3,262)
324,271	237,955	86,316		Parking Revenue	2,656,930	3,170,245	2,081,322	575,608
143,138	164,595	(21,457)		Rental Car Revenue	1,326,591	1,874,700	1,193,211	133,380
16,205	20,958	(4,753)		Terminal Concessions	167,647	251,500	167,664	(17)
10,138	9,349	789		Terminal Space Rents	81,967	112,200	74,792	7,175
48,137	34,725	13,412		Other Revenues	355,290	365,800	236,719	118,571
633,954	**569,663**	**64,291**		**TOTAL NON-AIRLINE REVENUE**	**5,488,428**	**7,073,595**	**4,611,618**	**876,810**
848,036	**784,181**	**63,855**		**TOTAL REVENUE**	**7,298,693**	**9,728,815**	**6,379,222**	**919,471**
71,905	932	70,973		Airfield Area	441,878	279,500	208,169	233,709
13,968	7,057	6,911		Aviation Properties	149,471	73,000	57,121	92,350
38,644	8,734	29,910		Terminal Area	784,599	929,500	680,529	104,070
46	1,846	(1,800)		Air Cargo Center	19,789	31,000	23,438	(3,649)
3,241	10,507	(7,266)		Other Properties	77,942	123,000	86,382	(8,440)
25,628	15,294	10,334		Fixed Base Operation	184,833	277,000	129,085	55,748
78,080	126,480	(48,400)		Public Safety	1,026,569	1,539,500	1,041,787	(15,218)
94,280	65,584	28,696		Maintenance Dept.	691,786	952,700	629,106	62,680
51,782	56,625	(4,843)		Janitorial Dept.	476,153	760,300	492,921	(16,768)
5,852	13,716	(7,864)		Airport Services	63,262	173,800	116,952	(53,690)
60,626	43,697	16,929		Public Parking	380,064	532,500	390,718	(10,654)
14,594	13,676	918		Trade Development	123,400	186,250	117,730	5,670
35,026	85,473	(50,447)		Marketing Dept.	577,647	961,300	676,648	(99,001)
55,355	23,447	31,908		Ground Handling Services	347,356	330,000	203,765	143,591
0	15,915	(15,915)		Airport Business Dev	35,539	181,000	108,031	(72,492)
145,146	148,323	(3,177)		Administrative	1,392,634	2,158,000	1,439,263	(46,629)
694,173	**637,306**	**56,867**		**TOTAL EXPENSES**	**6,772,922**	**9,488,350**	**6,401,645**	**371,277**
$153,863	**$146,875**	**$6,988**			**$525,771**	**$240,465**	**($22,423)**	**$548,194**

Tri-Cities Airport Authority
April 23, 2026

REPORT:

Air Service Development & Marketing Report

Air Service Development:



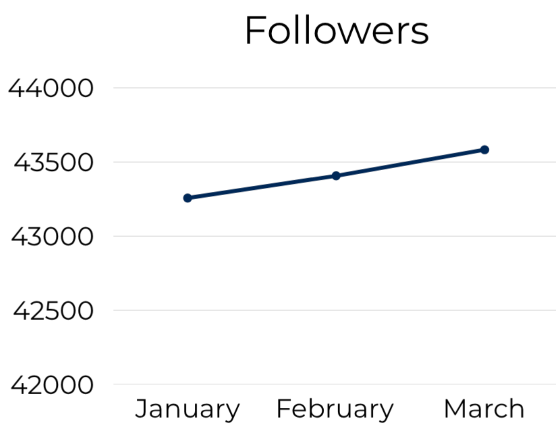
Traffic & Capacity Trends (Latest Available: February 2026)		
Metric	**Feb. 2026**	**YoY Change**
Passengers	36,464	**+17.7%**
Seats	49,682	**+17.7%**
Load Factor	73.4%	**0%**

Projected Seat Capacity (Forward-Looking)		
Month	**Projected Seats**	**YoY Change**
May	65,123	**+19.24%**
June	76,126	**+29.22%**
July	82,262	**+34.45%**
August	78,342	**+41.73%**
September	74,496	**+39.78%**
October	72,542	**+42.1%**

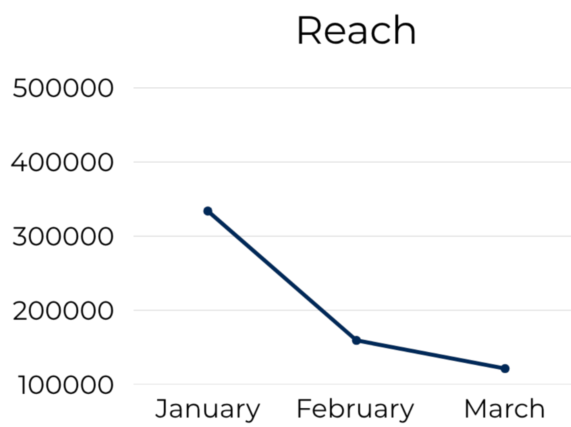
Airline Schedules (May - October)				
Airline	**Route**	**Frequency**	**Aircraft**	**Notable Changes**
Allegiant	PIE (St. Pete)	2x/week	A319/A320, B737	Pauses mid Aug – returns end of Sept.
	SFB (Orlando)	2x/week through Mid-May → 3x,4x/week through Oct.	A319/A320, B737	Increase in weekly frequency
American	CLT (Charlotte)	Avg 6x/day through Aug. → 7x/day through Sept.	ERJ-145	Stable
	DFW (Dallas)	2x/day through Oct.	ERJ-175, CRJ 900	Stable
	ORD (Chicago)	1x/day	ERJ-170	NEW Begins May 21
Breeze	MCO (Orlando)	2x/week	A220	Stable
	IAD (Washington, DC)	2x/week	A220	Stable
Delta	ATL (Atlanta)	Avg. 5x/day	CRJ-700/900, B-717	B-717 returns to 2x/day Jun - Oct
United	ORD (Chicago)	3x/day	CRJ-200/550	NEW Begins June 8

Advertising, Community Relations, Customer Experience:

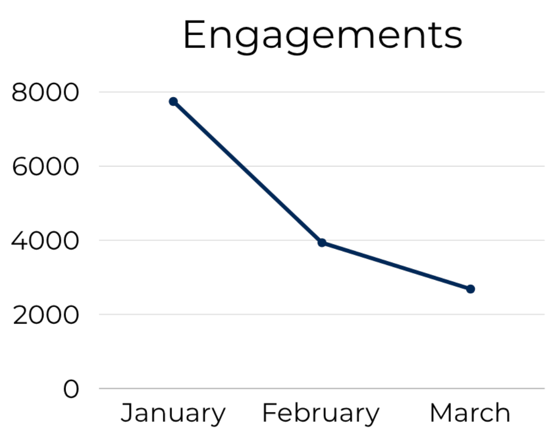
Q1 Social Media – Total Posts: 132



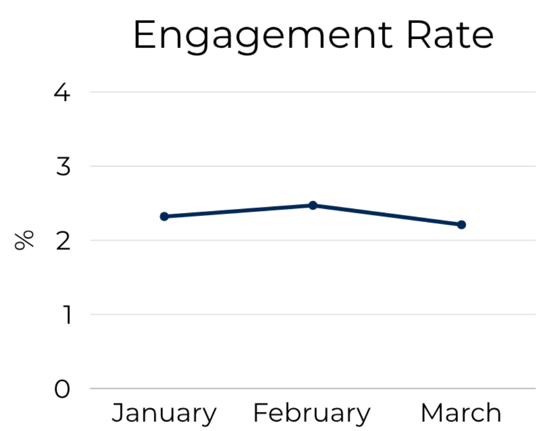
Total Followers: 43,583



Total Reach: 614,714



Total Engagements: 14,365



Average Engagement Rate: 2.33%

Social media performance this quarter reflected a typical seasonal slowdown following a high-activity end to the previous year. January had a strong start, driven by content focused on new and returning air service and timely winter weather updates, which generated higher reach and engagement across platforms.

Performance moderated in February and March, with lower overall reach and engagement compared to January. This aligns with expected seasonal trends, as Q1 is typically slower. Content during this period focused more on seasonal updates and community initiatives, including the TSA Donation Drive and TRI Madness series, which maintained consistent visibility but were less likely to drive peak engagement.

Audience growth remained steady across platforms, and engagement rates held relatively consistent, particularly on Instagram and LinkedIn. Moving into the next quarter, there will be an increased focus on incorporating more engagement-driven content to complement informational posts and drive stronger interaction.

Q1 Email - Total Campaigns: 1

Email Performance
January 1 - March 31

Total Sends	Open Rate	Click Rate	Unsubscribe Rate
2,179	39.0%	0.56%	0.32%

Email activity was limited this quarter, with one campaign distributed on Valentine's Day. Performance for this campaign remained consistent with strong open rates and low unsubscribe rates, indicating continued audience engagement and list health.

Q4 Earned Media:

Total Mentions Last quarter	Total AVE Last quarter
765 Mentions	7.42M USD

Total Potential Editorial Reach Last quarter	Total Potential Social Reach Last quarter
799M Reach	3.01M Reach

Earned media remained steady throughout the quarter, with coverage driven primarily by winter weather impacts, the partial government shutdown, the relaunch of the TSA Donation Drive, and legislative updates. January saw the highest volume of coverage, while February and March reflected more typical levels.

Paid Media

Paid media efforts continued across a full mix of channels for both the Fly Local & Breeze campaigns. The mix includes digital display, paid search, paid social, and billboards for both, with the addition of video and broadcast for the Fly Local campaign. Additionally, planning for the SCASD-funded American Airlines ORD campaign progressed during the quarter, with placements launching in Q2.

Community/Passenger Engagement

Community engagement efforts this quarter included the relaunch of the Donation Drive to support TSA workers during the partial government shutdown, as well as participation in the Northeast State Spring Career Fair.

In the terminal, a Valentine’s Day pop-up provided a simple passenger engagement touchpoint. Overall efforts focused on maintaining community presence and supporting the airport environment during the quarter.

Since the February TCAA meeting:

- Participated in monthly ACI-NA Air Service Committee Steering Group meeting.
- Staff met with community partners regarding upcoming tours.
- Staff attended Kingsport Chamber Board Meeting.
- Met with Breeze Marketing and Network Planning Departments.
- Staff provided air service data to community partners.
- Staff attended the Mead & Hunt Air Service Development conference and met with 3 airlines.
- Staff attended the Allegiant Airports Conference and met with marketing team and network planners.
- Staff attended ACI-NA/AAAE Customer Experience Symposium.
- Staff attended the Economic Development Committee.
- Staff attended Admin/Ops Committee.
- Staff attended Airfield Development Committee.
- Staff attended ETSU Distinguished President’s Trust Dinner and accepted an award.
- Staff participated in internal meetings to discuss the FBO transition.
- Staff participated in internal meetings to discuss the GA Advisory Committee.
- Staff participated in meetings to discuss FBO branding.
- Staff attended Explore Bristol’s Welcome Center opening.
- Staff attended a hiring event at Northeast State Community College.
- Staff attended Northeast Tennessee Tourism Association’s Day on the Hill in Nashville.
- Represented TRI at community events.

- Participated in internal meetings discussing various updates and possible improvements at TRI.
- Met with potential in-airport advertisers.
- Provided multiple airport tours.
- Handled media inquiries and scheduled interviews.
- The Marketing Team met regularly to discuss current and upcoming projects.

Submitted by: Trevor Rice
Director of Marketing & Air Service Development

Tri-Cities Airport Authority Board Meeting
April 23, 2026

REPORT:

Business Development

Summary:

- I gave a tour of Aerospace Park, other development areas, and the Northeast State Aviation Maintenance Hangar to the Sullivan County Industrial Development Board.

- TCAA submitted a letter of support to the Department of Commerce Foreign-Trade Zones Board for Eastman Chemical Company's application to expand the types and number of products it may enter into its FTZ site as foreign-status goods. Several additional local and regional entities also submitted letters of support.

- The RFQ for firms interested in creating flexible and configurable aviation hangar designs closed on Friday, April 17. As of the time of this report, all submissions had not yet been received. We will provide an update at a future meeting.

- We received a proposal from J.A. Street and Associates to construct a speculative hangar adjacent to the ramp in Aerospace Park. The proposal is under review, and a feasibility analysis is underway to determine whether the lease rate aligns with our market.

- I am attending MRO Americas from April 20 through April 23 in Orlando, Florida where we will have a display at the show. Michael Parker of NETWORKS Sullivan Partnership, Lynn Tully of the Tennessee Department of Economic and Community Development, and David Lotterer of JLL will help answer booth visitor questions and conduct scheduled meetings with companies.

- I submitted the FTZ annual report to the Department of Commerce Foreign-Trade Zones Board before the March 31 deadline. Extensive activity was reported by Eastman Chemical Company, and GSM Filtration's previous approval expired due to lack of activity under the sunset clause.

- Mike Michalski of MSC Solutions will be at Turtleson on April 27 to conduct in-person Foreign-Trade Zone training as their activation with U.S. Customs and Border Protection wraps up. This is the final step before the company may begin entering foreign-status merchandise into its facility.

Submitted by: Mark Canty

Director of Business Development

Tri-Cities Airport Authority
April 23, 2026

REPORT:

Director of Operations Staff Report

Project	Phase	Estimated Completion Percentage	Amount
Airport Master Plan Update	FAA Review	90%	$1,432,847
Sound System Improvements	Design/Bid	80%	$141,070
Parking Lot Expansion	Construction	90%	$2,684,006.50
Taxiway A Extension, Taxiway C Removal, Runway 5 RSA Improvements	Construction	90%	$7,375,279
Parking Lot and Revenue Control System Upgrade	Construction	60%	$806,792
Long-Term Parking Rehab, Exit Plaza Replacement, Cell Phone Lot Expansion	Construction	10%	$3,047,200
Terminal/Concourse Checkpoint Expansion	Construction	5%	$9,424,527.51
Taxiway A Bank Slide Rehab	Closeout	95%	$268,496.90
Taxiway R1 Corporate Hangar Expansion Project	Construction	5%	$4,229,200
Terminal Ramp Markings	Design/Bid	50%	$24,862
Fuel Farm Expansion	Design/Bid	20%	$376,136

Submitted By: Chris Stipo
Director of Operations

President/CEO,
Gene Cossey

Verbal Report