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

AGENDA
Chair J. Parker Smith

Introductions: Dan Martin
Erick Lanier
Tyler Baker

1. **CONSIDER: Minutes from the December 11, 2025, TCAA Board Meeting**
2. **REPORT: Committee Updates**
3. **REPORT: FBO Name and Brand Introduction**
4. **REPORT: RFQ for Modular Design Services Industrial Aircraft Hangar Concepts**
5. **CONSIDER: Continuation of JLL Contract to Market Aerospace Park**
6. **CONSIDER: Nomination and Election of Secretary Treasurer**
7. **CONSIDER: Airport Liability Insurance Renewal**
8. **CONSIDER: Extension of Auditing Contract to BCS for FY2026**
9. **CONSIDER: Parking Rate Adjustments**
10. **CONSIDER: X1FBO Software**
11. **CONSIDER: Airline Improvement Projects**
12. **CONSIDER: State and Federal Grant Acceptance**
13. **CONSIDER: Parking Garage PER - Kimley-Horn**
14. **CONSIDER: ARFF Truck Lease Emergency Expenditure – Company Two Fire**
15. **CONSENT**
    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**
16. **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**

Lunch will be served following the meeting.

Tri-Cities Airport Authority Board Meeting
December 11, 2025, at 10:00 a.m.
Held in the TCAA Boardroom

Board Members	**Staff**	**Others**
Mr. Parker Smith, Chair	Gene Cossey	Stephen Darden - HS&D Attorney
Mr. Mark Ireson	David Jones	Clay Walker - NETWORKS
Mr. Randall Eads	Mark Canty	Ally Craft - Hanson
Mr. Lewis Wexler	Trevor Rice	Melissa Vasher - Hanson
Mr. Chris McCartt	Chris Stipo	Nate Lemon - Kimley-Horn
Mr. Ken Huffine	Rachel Squibb	Jeff Reilly - Kimley-Horn
Mr. Todd Hensley	Rebecca O'Quinn	Bill Marrison - Holt Consulting
Mr. Jeff Bedard	Kylie Toler	Jeff Pike - Holt Consulting
Mr. John Hunter	Jennifer Solorio	Melissa Steagall-Jones - BCS
Mr. Zane Vanover	Dan Martin	Mckenzie Potter - BCS
Ms. Cathy Ball		David Pendelton - DP & Associates

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

The board member not in attendance was Ms. Kelli Bourgeois.

CONSIDER: Minutes from October 23, 2025, TCAA Board Meeting

TCAA 12/11/2025 – 1 Upon a motion made by Mr. Randall Eads and seconded by Mr. Mark Ireson, the following was adopted: BE IT RESOLVED the Minutes from October 23, 2025, TCAA Board Meeting was approved as presented.

The motion passed unanimously.

Before the Committee Updates were given, Mr. Parker Smith announced the retirement of Mr. David Jones, the Chief Operations Officer here at the Tri-Cities Airport. David briefly spoke about his time at the Tri-Cities Airport then a few Board Members and Mr. Gene Cossey gave thanks to David for all his hard work and support.

REPORT: Committee Updates

Mr. Mark Ireson and Mr. Todd Henlsey gave some brief updates on what their committees have been working on. Mr. Mark Ireson stated that the Economic Development Committee and Administration and Operations Committee last spoke about the J.A. Street Letter of Agreement and the Aviation New Generation Hanger. He stated that he was very excited for these upcoming projects and they would be presented to the board in today's meeting. Mr. Todd Henlsey stated that they also spoke about these two projects in the last Airfield Development Committee Meeting and they had some great discussions.

CONSIDER: Annual Comprehensive Financial Report

Melissa Steagall-Jones, Partner with Blackburn, Childers & Steagall, PLC (BCS) presented the audit results and highlights to the board. The Board was given a hard copy of the FY2025 ACFR to review.

TCAA 12/11/2025– 2 Upon the motion made by Mr. Todd Hensley, and seconded by Mr. Kenneth Huffine, the following was adopted: BE IT RESOLVED the FY2025 Annual Comprehensive Financial Report was accepted as presented.

The motion passed unanimously.

CONSIDER: 2026 Employee Group Insurance Program

The CY2026 review of available employee group insurance program plans and associated premiums for medical/vision/drug plans has been completed. The renewal premiums show an overall increase of 5.5%. The employee pays 100% of the additional cost for the buy-up plan. Rates for dental coverage through Delta Dental of TN increased 3.74%. Full-time employees continue to be eligible to participate in a Flex-Spending Plan which can defray medical expenses to the extent that contributions are made to the plan.

TCAA 12/11/2025 – 3 Upon the motion made by Mr. Mark Ireson, and seconded by Mr. Jeff Bedard, the following was adopted: BE IT RESOLVED the TCAA approved the adoption of the CY2025 group insurance program as outlined in documentation provided to the Board.

The motion passed unanimously.

REPORT: Eastman Foreign-Trade Zone Expansion

Eastman is filing production notifications with the FTZ Board to expand the number of products they are allowed to enter as foreign-status. Currently, they import feedstock for their plastics recycling processes under FTZ guidelines. They are requesting FTZ Board approval of three new products: TEP, Wood Pulp, and Paraxylene. According to Eastman, this expansion would represent a dramatic increase in FTZ usage both in quantity and value. FTZ Board will review to ensure these products can't feasibly be sourced domestically and that approval won't negatively affect the domestic economy.

CONSIDER: Preliminary Construction Services Letter of Agreement (LOA) with J.A. Street and Associates

TCAA issued an RFQ for a developer to design and build a shell hangar in Aerospace Park. J.A. Street was a respondent and later proposed a package of preliminary construction services to expedite a project. The letter of agreement outlines those services and the terms of payment. A few key points are that the cost of preliminary design services is $66,000 and if the partnership is entered, TCAA will contribute cost of services. If there is no partnership agreement then TCAA will pay for design services upon completion and receipt of all items listed in the Letter of Agreement, and TRI will retain ownership of all deliverables and may use them without restriction.

TCAA 12/11/2025 – 4 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Mark Ireson, the following was adopted: BE IT RESOLVED the TCAA authorized the President/CEO to enter into agreement with

J.A. Street and Associates to provide preliminary construction services and items listed in Letter of Agreement in the amount of $66,000.

The motion passed unanimously.

CONSIDER: Addendum to Aviation New Generation Land Lease

Aviation New Generation (ANG) entered into a land lease with TCAA in February with the intent to construct a new hangar on airport property. The proposed land lease addendum outlines an agreement under which TRI will purchase the hangar from ANG upon full closure of construction. Some key points of the agreement are buyback at 80% of construction cost, capped at $2.5 million, TCAA is to approve the design and costs before any construction begins, TCAA and Aviation New Generation will enter a leaseback agreement, concession/management agreement option will be provided at the end of the 20-year lease, and SASO Fees will be waived during year one of the leaseback.

TCAA 12/11/2025 – 5 Upon a motion made by Mr. Mark Ireson, and seconded by Mr. Zane Vanover, the following was adopted: BE IT RESOLVED the TCAA authorized the President/CEO to execute land lease addendum with Aviation New Generation, LLC.

The motion passed unanimously.

CONSIDER: Pilot Controlled Lighting Preliminary Engineering Report – Award Kimley-Horn PER Agreement

This allows the airfield lights to be controlled by pilots when the ATCT is closed. It will result in cost savings since the lights will not remain on unless they are in use. Pilot Controlled Lighting is common at airports without a 24/7 ATCT and was recommended by the airport's Part 139 certification inspector. The PER will evaluate different options, cost, and how this system can be implemented at TRI.

TCAA 12/11/2025 – 6 Upon a motion made by Mr. John Hunter and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the TCAA authorized the Chairman to execute the Pilot Controlled Lighting PER contract with Kimley-Horn for $19,800.

The motion passed unanimously.

CONSIDER: Slope Mower Replacement – Award Jet-Vac Equipment Company, LLC

The airport's two manned sloped mowers, used to mow 30° banks, are over 10 years old and past their useful life. A remote-controlled option was explored due to some safety benefits such as being able to operate faster, improved mobility with rubber tracks instead of wheels, and the capability of operating on a slope of up to 50°, compared to 30°. The cost of the remote-controlled mowers is within a couple thousand dollars of a traditional manned mower, which resulted in the RC Mowers R-60 Remote-Operated Mower being determined to be the best option for the airport. The total cost of the equipment is $136,757 from Jet-Vac Equipment Company, LLC and will be funded through FY26 Airport Funded Projects.

TCAA 12/11/2025 – 7 Upon a motion made by Mr. Chris McCartt and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the TCAA authorized the Director of Operations to issue a purchase order to Jet-Vac Equipment Company, LLC for two RC Mowers R-60 Remote-Operated Mowers in the amount of $136,757.
The motion passed unanimously.

CONSIDER: Air start Lease – Award Mercury GSE

The TCAA was awarded the ground handling contract for Breeze. An air start was one of the pieces of equipment that Breeze stated that they would need for their service. Air starts are used by the airline to help start engines in certain instances. A 12-month lease agreement was entered into with Mercury GSE. The cost of the lease will be funded through the FY26 and FY27 GHS-Equipment Maintenance fund

TCAA 12/11/2025 – 8 Upon a motion made by Mr. Lewis Wexler and seconded by Mr. Randall Eads, the following as adopted: BE IT RESOLVED TCAA authorized the Director of Operations to issue a purchase order to Mercury GSE to lease an air start over a 12-month period in the amount of $94,781.

The motion passed unanimously.

CONSIDER: Conditioning Unit Lease – Award Mercury GSE

The TCAA was awarded the ground handling contract for Breeze. A conditioning unit was one of the pieces of equipment that Breeze stated they would need for their service. Conditioning units are used by airlines to cool and heat aircraft cabins when on the ground. There is a conditioning unit mounted on each jet bridge, but no mobile units are available in the event a hard stand gate is used. After consideration, staff have determined that leasing a conditioning unit is the best course of action due to time constraints and up-front costs. A 12-month lease agreement was entered into with Mercury GSE. The cost of the lease will be funded through the FY26 and FY27 GHS-Equipment Maintenance fund.

TCAA 12/11/2025 – 9 Upon a motion made by Mr. Randall Eads and seconded by Mr. Zane Vanover, the following as adopted: BE IT RESOLVED the TCAA authorized the Director of Operations to issue a purchase order to Mercury GSE to lease a conditioning unit over a 12-month period in the amount of $72,473.

The motion passed unanimously.

CONSIDER: Cross Property Counteroffer – Kimley-Horn/Hanson

The airport's CIP and ALP include acquisition of the Cross property in the RWY 23 approach Runway Protection Zone (RPZ) located at the west corner of Muddy Creek and Hamilton Road. FAA approval to proceed was granted in September 2024. The acquisition consists of 14.04 Acres +/- of farmland pasture and farm buildings. Kimley-Horn/Hanson completed the property survey, appraisal, appraisal review and is finalizing the environmental assessment. Following the federal property acquisition process, the appraisal and appraisal review resulted in a property offer in the amount of $ 634,800 and a farm business relocation cost of $11,250, which will be included in the overall purchase separately. The airport presented the "Offer" to the Cross-estate October 23, 2025, and received a counteroffer on November 11, 2025.

TCAA 12/11/2025 – 10 Upon a motion made by Mr. Kenneth Huffine and seconded by Mr. Jeff Bedard, the following as adopted: BE IT RESOLVED the TCAA authorized the President/CEO to execute a final property acquisition, along with property closing costs for the Airport - Cross Property Partial Acquisition – Parcel 094 063.00, pending final FAA approval.

The motion passed unanimously.

CONSIDER: Runway Obstruction Mitigation – Phase I Award South East Mowing, LLC

The Airport Runway Obstruction Mitigation project includes removing tree obstructions, clearing and land refurbishment for seven avigation easement properties. The tree obstructions impact Runway 5/23 aircraft approach surfaces. The project includes various tree obstruction clearing efforts on each individual property. The airport advertised the project and received bids on December 2, 2025, at 2:00 PM, with South East Mowing, LLC submitting the lowest bid for $579,651.60. Kimley-Horn reviewed and recommends award to Sout East Mowing, LLC. The proposed project funding will be from FAA FY2026 BIL grant, airport and future PFC funds.

TCAA 12/11/2025 – 11 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 a construction services contract with South East Mowing, LLC in the amount of $579,651.60 for the Airport Runway 5/23 - Tree Obstruction Mitigation project, pending final FAA grant funding approval.

The motion passed unanimously.

CONSIDER: Runway Obstruction Mitigation – Phase I Award Kimley-Horn/Hanson Construction Administration Services Agreement

The Airport Runway Obstruction Mitigation project includes removing tree obstructions for seven avigation easement properties. Tree obstructions have a safety impact on Runway 5/23 aircraft approach surfaces. Kimley-Horn prepared a construction administration services agreement for $226,654 to include on-site construction observation, airport and property owner coordination, progress meetings, contactor submittals and invoice review, project contract formulation and documentation, FAA close out documents and update the FAA Airport Data Input Portal (ADIP) surveying data. The project funding is anticipated from FAA FY2026 BIL grant, airport and future PFC funds.

TCAA 12/11/2025 – 12 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Mark Ireson, the following as adopted: BE IT RESOLVED the TCAA authorized Chair to execute a construction administration services agreement with Kimley-Horn for $226,654 for the Airport Runway 5/23 - Tree Obstruction Mitigation project, pending final FAA grant funding approval.

The motion passed unanimously.

CONSIDER: Taxiway B Rehab, Taxiway Y Reconfigure, Air Carrier Apron Trench Drain Rehab – Award Kimley-Horn Design/Bid Agreement

The Airport Taxiway B asphalt pavement has been identified for rehabilitation due to age and condition, Taxiway Y requires geometric reconfiguration to meet FAA standards, and the Air Carrier Apron Trench Drains require safety rehabilitation due to drain grate movement. Kimley-Horn prepared a project design-bid services agreement for $329,141 to include geotechnical exploration, horizontal and vertical surveying geometry, design progress meetings, electrical circuits with edge lights and sign replacement, navaid coordination with the FAA, prepare bid plans and specifications, bid review and recommendation. The project funding is anticipated from FAA FY2026 BIL/AIP Entitlement grants and future PFC # 11 funds.

TCAA 12/11/2025 – 13 Upon a motion made by Ms. Cathy Ball and seconded by Mr. John Hunter, with two "No's" from Mr. Mark Ireson and Mr. Todd Hensley, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a design-bid services agreement with Kimley-Horn for $329,141 for the Airport TWY B Rehab, TWY Y Reconfigure and Apron Trench Drain Rehab project, pending final FAA grant funding approval.

The motion passed unanimously.

CONSIDER: Consent Agenda Items

a. TVA MOA Tree Mitigation Permit – Kimley-Horn/Hanson
b. ARFF Truck Tires Replacement – Southern Tire Mart

TCAA 12/11/2025 – 17 Upon the motion made by Mr. John Hunter, and seconded by Ms. Cathy Ball, 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 October 31, 2025 (Unaudited). This included revenue performance, expense management, and net results and outlook. Some key takeaways are that the Airports financial performance exceeded expectations and that we have a healthy financial foundation entering FY2026. The revenue highlight is it is 18% over budgeted, and our strongest categories were parking and rental cars. For expenses, they were overall in line with the budget, the only two exceeding were the Airfield Area and Terminal Area.

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. Ms. Kylie Toler then spoke about a few community engagement events that they have been involved in such as the ETSU Women's Basketball game sponsor, the Tri-Cities Airport Ice Rink at Bristol Motor Speedway title sponsor, and the donation drive held at the airport for our TSA and FAA employees. She then spoke about the inaugural flight celebrations coming up December 12 and December 15.

Director of Business Development, Mark Canty – Mr. Mark Canty reported that Turtleson LLC is now in the activation phase of their FTZ startup operations. They have retained the services of a Customs Broker to process entries and an in-person meeting with Turtleson, their broker, Customs and Border Protection, and TRI will take place within the coming weeks. He then spoke about how J.A. Street has proposed a list of preliminary construction items to be performed in Aerospace Park with the goal of expediting development. The fee for services would be $66,000 and paid after completion. Finally, he touched on the Aviation New Generation Hangar, the Eastman FTZ Expansion, and the J.A. Street Preliminary Construction Services Letter of Agreement which was all already talked about prior during the Board Meeting.

Chief Operations Officer, David Jones – He discussed the following with the Board:

FY 2023 CAPITAL PROJECTS

1. **Airport Master Plan Update Project (Professional Services)**
   Project Amount $ 1,432,847.00
   Estimated Project Percent Completion 90%
2. **Airport Terminal Public Adress System Improvements Project (Design/Bid)**
   Project Amount $ 141,070.00
   Estimated Project Percent Completion 100%

FY 2025 CAPITAL PROJECTS

1. **Airport - Public Parking Lot Expansion (Construction)**
   Project Amount $ 2,684,006.50
   Estimated Project Percent Completion 85%
2. **Airport - TWY A Extension, TWY C Removal West of RWY 23 and RWY 5 RSA Improvements (Construction)**
   Project Amount $ 7,375,279.00
   Estimated Project Percent Completion 95%
3. **Airport – Parking and Revenue Control System (PARCS) (Construction)**
   Project Amount $ 806,792.00
   Estimated Project Percent Completion 50%

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

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

6. **Airport – TWY A Bank Slide Rehabilitation (Construction)**
   Project Amount $ 321,324.15
   Estimated Project Percent Completion 95%

7. **Airport – TWY R1 Corporate Hangar Expansion Project (Construction)**

Project Amount	$ 4,229,200.00
Estimated Project Percent Completion	5%

President/CEO, Gene Cossey – Mr. Cossey gave his final appreciation to Mr. Jones and thanked him for his time here at the Tri-Cities Airport. He then introduced Dan Martin. He was brought onto the Airport team as Land Side Operations Manager. Finally, he thanked everyone for being here.

The meeting was adjourned at 11:53 p.m.

Respectfully submitted,

____
Parker Smith, TCAA Chair

____
Randall Eads, 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

REPORT:

FBO Name and Brand Introduction

Summary:

In preparation for assuming FBO operations, 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.

Recommendation:

Verbal report only.

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

Tri-Cities Airport Authority
February 26, 2026

REPORT:

RFQ for Design Services for Modular Industrial Aircraft Hangar Concepts

Summary:

The Tri-Cities Airport Authority is preparing to issue a Request for Qualifications (RFQ) to identify professional design firms with expertise in planning, architectural, and engineering services for industrial aircraft hangars. The RFQ, anticipated to be issued at the end of February, is intended to pre-qualify firms capable of developing flexible, modular hangar design concepts that can be efficiently adapted for future aviation-related industrial tenants at Tri-Cities Airport and Aerospace Park. Because future tenant requirements have not yet been defined, the modular design approach is intended to accelerate future development timelines, improve cost certainty, and enhance Aerospace Park's competitiveness in attracting aviation and aerospace industry users.

Key Points:

- The selected firm will develop modular, scalable hangar concepts adaptable to a variety of aviation-related industrial uses.
- Designs will focus exclusively on industrial aviation applications and will exclude non-aviation uses.
- The modular design framework is intended to reduce future design timelines and streamline project delivery.
- TCAA anticipates establishing a Master Services Agreement with the selected firm to support future tenant-specific hangar projects.

Anticipated Schedule:

RFQ Issued	February 27, 2026
Deadline for Questions	March 18, 2026
Responses to Questions Issued	March 25, 2026
Submittal Deadline	April 8, 2026
Evaluation of Submittals	April 22, 2026
Interviews (if necessary)	Week of May 4, 2026
Selection / Negotiation	May 13, 2026

Attachment:

RFQ for Design Services for Modular, Industrial Aircraft Hangar Concepts

Submitted by: Mark Canty
Director of Business Development

TRI
TRI-CITIES AIRPORT

REQUEST FOR QUALIFICATIONS

Design Services for Modular, Industrial Aircraft Hangar Concepts

RFQ Issue Date: February 27, 2026
RFQ Responses Due: April 8, 2026

Send any questions on the RFQ to:
Mark Canty, Director of Business Development, mcanty@flytri.com

Send responses to:

Tri-Cities Airport Authority
Attn: Mark Canty
mcanty@flytri.com

Request Overview

Tri-Cities Airport is seeking statements of qualifications from professional design firms with expertise in the planning, architecture, and engineering of aircraft hangars intended for industrial use. The selected firm will develop flexible, modular design concepts that can be adapted to various aviation-related industrial applications, supporting future tenant development opportunities.

Project Purpose

The purpose of this Request for Qualifications (RFQ) is to identify qualified design firms with demonstrated experience in the planning and design of aircraft hangars intended for industrial use. These facilities may support a range of activities, including but not limited to maintenance, manufacturing, painting, and other aviation-related industrial operations.

Because future tenants and their specific operational requirements have not yet been determined, the selected design firm(s) will be expected to develop flexible, *ready-to-deploy* design concepts that can be adapted to accommodate a variety of industrial uses and aircraft types. The intent is to create a suite of modular, configurable design solutions that can be efficiently assembled or tailored to meet the space, functionality, and performance needs of future tenants.

While the resulting designs should allow for scalability and adaptability, they should be focused exclusively on industrial aviation applications—uses outside this profile will not be considered.

Tri-Cities Airport intends to negotiate a Master Services Agreement (MSA) with the selected firm to establish an ongoing professional relationship with the selected design firm to refine and implement these modular designs into complete, tenant-specific hangar solutions as development opportunities arise. The overarching goal is to leverage this modular design concept as part of a process that offers the Tri-Cities Aerospace Park a competitive advantage versus our peers, with an accelerated design timeline, and streamlined cost-estimating and project delivery. Additional information on Aerospace Park can be found at https://www.triaerospacepark.com.

About the Tri-Cities Airport

Tri-Cities Airport (TRI) is the leading air transportation provider for Northeast Tennessee, Southwest Virginia, portions of Western North Carolina, and Eastern Kentucky. TRI features wide-ranging services for scores of diverse travelers and offers nonstop flights to five hubs (Atlanta, Charlotte, Dallas Fort Worth, Orlando Sanford, St. Pete-Clearwater, and Washington D.C.) on Allegiant, American, Breeze, and Delta.

Located in Blountville, TN, TRI is situated between the Tennessee cities of Bristol, Johnson City, and Kingsport. The airport is managed and operated by the Tri-Cities Airport Authority. The TCAA is tax exempt, and a regional airport authority organized under Tenn. Code Ann. 42-3-104. The facility houses nearly 30 businesses that employee more than 400 individuals. The team at TRI takes pride in maintaining a sparkling clean facility to prioritize the health and comfort of all passengers. Reviews of the airport frequently referred to TRI as “a hidden gem,” “easy to get around, very clean and very hospitable,” and “super friendly and helpful to the public.” TRI is also home to Aerospace Park, a fixed base operator (FBO), government services, a flight school, helicopter maintenance, and private hangars.

With an annual economic impact (2019) of over $233 million, $109 million in visitor spending, and $80.6 million in payroll, TRI is one of the leading economic generators in the region.

Scope of Work

Tri-Cities Airport intends to select a qualified design firm to develop a suite of flexible, modular hangar design concepts to support future industrial aviation tenants. The selected firm will provide planning, architectural, and engineering design services necessary to produce adaptable, permit-ready design packages that can be configured and assembled to meet a range of industrial aviation needs.

Tasks

1. Pre-Design and Concept Development
    - Collaborate with Tri-Cities Airport staff to review project objectives, site conditions, infrastructure capacities, and long-term development goals.
    - Develop conceptual layouts supporting various industrial aviation uses, including maintenance, manufacturing, and painting.
    - Identify structural systems, materials, and utilities promoting cost-effective construction and long-term flexibility.
    - Ensure scalability to accommodate diverse aircraft sizes and operational activities.
2. Modular Design Framework

    - Create a modular design system comprising base modules that can be combined or adapted into complete hangar configurations.
    - Incorporate standardized utility connections, structural grids, and architectural elements to ensure efficiency and adaptability.
    - Provide design standards enabling future modification or expansion with minimal redesign.
3. Design Development and Documentation
    - Develop design documents suitable for adaptation and permitting.
    - Include illustrative renderings and layout options demonstrating modular flexibility.
    - Integrate sustainable design strategies and industry best practices.
4. Coordination and Support
    - Participate in coordination and review meetings with Airport staff.
    - Provide ongoing consultation support for adapting modular designs to tenant-specific needs.
5. Deliverables and Ownership
    - Concept-level and preliminary design documents, including plans, elevations, and renderings.
    - Written design guidelines describing modular standards, materials, and systems.
    - "Ready-to-go" modular design packages for future tenant adaptation.
    - All deliverables, drawings, design documents, studies, reports, renderings, and electronic files produced under this engagement shall be the sole property of Tri-Cities Airport. The selected firm waives all ownership or proprietary rights to materials created under this project. Tri-Cities Airport shall have full rights to use, reproduce, or modify any deliverables for current or future projects without restriction.

Submission Requirements

Firms responding to this RFQ should provide clear, concise, and well-organized submissions containing the following information:

1. **Cover Letter**
    - Introduce the firm and identify the primary contact (name, title, phone, and email).
    - Summarize interest in the project and key qualifications.
2. **Firm Overview and Qualifications**
    - Describe firm history, disciplines, and relevant expertise.
    - Highlight experience designing aviation-related industrial facilities and modular design systems.
3. **Key Personnel and Team Structure**

    - Provide an organizational chart with roles, key personnel, and subconsultants.
    - Include resumes of key team members with relevant experience.
4. **Relevant Project Experience**
    - Provide up to five comparable projects, including client, location, and scope.
    - Emphasize modular or flexible design experience.
5. **Project Understanding and Approach**
    - Explain understanding of Tri-Cities Airport's objectives.
    - Describe your design philosophy, innovation strategies, and coordination process.
6. **Schedule and Availability**
    - Provide estimated timeline for completion and confirm availability of key staff.
7. **Legal and Administrative Information**
    - Include licenses, registrations, certificates of insurance, and disclosures of conflicts of interest.
8. **Submittal Format**
    - Limit response to [insert number] pages, excluding dividers and résumés.
    - Provide one digital PDF copy.
    - Submissions due no later than **[insert deadline date and time]** to:

Tri-Cities Airport
Mark Canty
Director of Business Development
Email: ***mcanty@flytri.com***

Evaluation Criteria

Submittals will be evaluated by a selection committee based on the following:

Criteria	**Points**
Firm Qualifications and Experience	25
Key Personnel and Team Expertise	20
Project Understanding and Approach	25
Relevant Projects and References	15
Capacity and Availability	10
Quality and Completeness of Response	5
Total	**100**

Following initial evaluation, Tri-Cities Airport may shortlist firms for interviews or presentations. Final selection will be based on the overall qualifications and alignment with Airport objectives.

Selection Process and Schedule

Tri-Cities Airport will use a transparent qualifications-based selection process as follows:

1. **Review of Submittals**
   - Confirm compliance and completeness.
2. **Evaluation and Scoring**
   - Review and score each submittal per evaluation criteria.
3. **Shortlisting (if applicable)**
   - Invite top-ranked firms for presentations or interviews.
4. **Final Selection and Negotiation**
   - Select most qualified firm and negotiate terms of a professional services agreement.

Anticipated Schedule (Tentative):

Activity	Date
RFQ Issued	February 27, 2026
Deadline for Questions	March 18, 2026
Responses to Questions Issued	March 25, 2026
Submittal Deadline	April 8, 2026
Evaluation of Submittals	April 22, 2026
Interviews (if necessary)	Week of May 4, 2026
Selection / Negotiation	May 13, 2026

Tri-Cities Airport reserves the right to revise this schedule as necessary.

Terms and Conditions

- **Ownership of Deliverables:** All documents produced belong exclusively to Tri-Cities Airport.
- **Professional Responsibility:** The selected firm must perform services consistent with professional standards.
- **Insurance & Indemnification:** The firm shall maintain required insurance and indemnify Tri-Cities Airport.
- **Cost of Submittal:** Firms are responsible for all preparation and participation expenses.

- **No Obligation:** The RFQ issuance does not guarantee award of any contract.
- **Compliance:** The selected firm must comply with all applicable laws and regulations.

Questions and Communication

All questions must be submitted in writing via email no later than the date specified in the schedule. Submit questions to:

Tri-Cities Airport
Mark Canty
Director of Business Development
Email: ***mcanty@flytri.com***

Verbal inquiries are not permitted. Responses and addenda will be distributed electronically to all interested firms.

Reservation of Rights

Tri-Cities Airport reserves the right to:

- Reject any or all submittals.
- Waive informalities or irregularities.
- Request additional information or clarification.
- Modify, cancel, or reissue this RFQ in whole or in part.
- Select one or more firms or proceed in a manner deemed most advantageous.

Closing Statement

Tri-Cities Airport appreciates your interest in supporting the advancement of aviation and aerospace development throughout the region. By developing modular, ready-to-deploy hangar design solutions, the Airport seeks to create a foundation for rapid, efficient industrial growth that benefits the broader community and its economic future.

We look forward to reviewing your qualifications and exploring opportunities for partnership in shaping the future of industrial aviation at Tri-Cities Airport.

Tri-Cities Airport Authority
February 26, 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 of 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.
- The monthly fee of $4,000 will continue to be split evenly (50/50) between NETWORKS Sullivan Partnership and TCAA.

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

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.

By: ______________________________

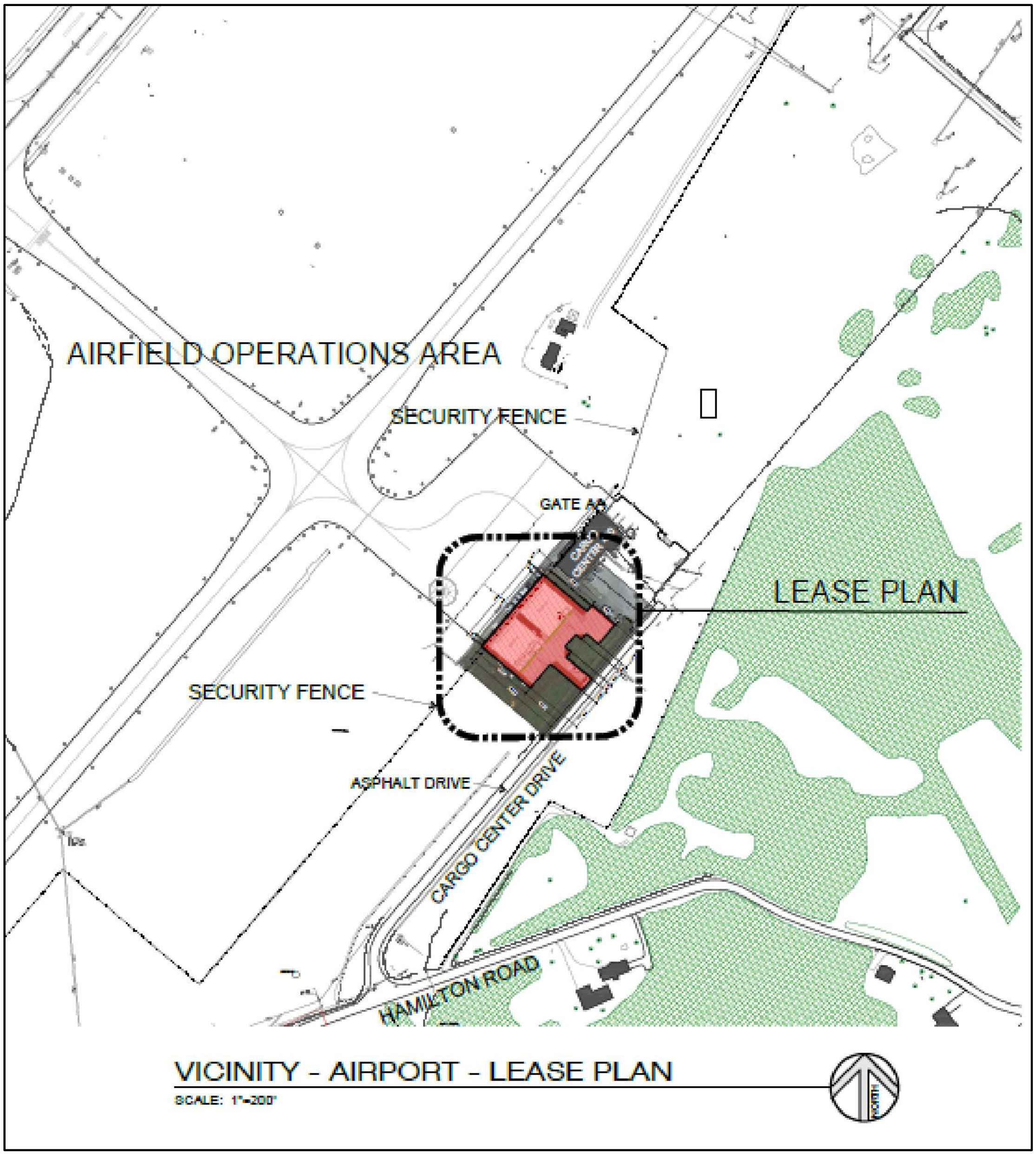
Name: Tom Hooper
Title: Principal Broker

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 Airport Authority
February 26, 2026

CONSIDER

Nominations and Approval of Secretary/Treasurer

Summary:

Due to the vacancy of the Secretary/Treasurer the Board is accepting nominations for the position.

Recommendation:

Recommend the Board nominate and approve the position of Secretary/Treasurer.

Submitted by: Gene Cossey
President/CEO

Tri-Cities Airport Authority
February 26, 2026

CONSIDER
AIRPORT LIABILITY INSURANCE ANNUAL RENEWAL

Summary
Burke, Powers, Harty, and Aviation Insurance Resources, have completed the request for quotes for the annual renewal of the airport liability policies which renew April 1, 2026.

2025-2026	COVERAGE	UNDERWRITER	Proposed PREMIUM
$ 75,396	*Aviation* - $100M - no deductible includes ground handling support & public parking $25 M Excess coverage for Auto & Emp Liability	Chubb	$ 83,529
$ 9,235	*Environmental Liability (renewed 01/2025)*	Partnerone Environmental	$ 5,204
$ 2,771	*Faithful Performance Bond*	Travelers	$ 2,771
$126,894	*Property*	Cincinnati	$ 126,894
$ 39,779	*Business Auto*	Cincinnati	$ 42,206
$ 33,098	*Workers Comp* – annual adjustment per audit	AIG Property	$ 32,691
$ 23,458	*Professional Liability Employment Practices*	Darwin Select	$ 25,117
$ 11,963	*Cyber Security/Crime*	Connected Risk	$ 20,115
$328,576			$ 338,527

AVIATION LIABILITY
Same limits include liability for Parking and the ground handling operation. This coverage will also include Aircraft Deicing that was added at a cost of $1,000 premium. There is no deductible with exception of the ground handling endorsement. It is $20,000 deductible for property damage to each ircraft.

ENVIRONMENTAL LIABILITY
A Policy with $1M limit of liability renewed January 2026 and covers any environmental exposure due to tank leakage. This type coverage was specifically excluded from our primary liability policy. The policy has a $25,000 deductible.

FAITHFUL PERFORMANCE BOND - $250,000 coverage with $25K for forgery.

PROPERTY
Cincinnati Insurance provides coverage for 15 buildings and contents, 3 fueling sites, and on-premises mobile equipment which includes snow removal/maintenance/airline services. There is a $5K deductible Values have been adjusted for inflation.

BUSINESS AUTO
The 26 vehicles currently covered include those used by Maintenance, Public Safety, Building Services, administrative, two shuttles, and on-demand over the road coverage for special events on equipment normally used on premises.

WORKERS COMPENSATION
The current MOD rate is .66 which is roughly the same as the previous year. The renewal premium is calculated for a 3-year period. Policy also reflects an increase in the total wages paid.

PUBLIC OFFICIALS/EMPLOYMENT LIABILITY
This $5M ($10K retention) policy covers directors and officers, errors and omissions, and employment practices liability.

CYBER SECURITY
Proposed premium summary provides coverage for data breach and privacy liability insurance, media liability coverage, business interruption coverage, and terrorism risk insurance. This was increased to a $5M policy per the request of the Board.

Recommendation
Staff recommends approval of the proposed limits of liability and associated premiums for the term of 4/1/2026– 3/31/2027.

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

Tri-Cities Airport Authority
February 26, 2026

CONSIDER:

Selection of Independent Certified Public Accountants to Perform Professional Audit Services

Under a prior request for proposals process (RFP), Blackburn, Childers and Steagall, PLC was awarded three-year contract to provide auditing services. The RFP included a provision allowing the Authority to renew the agreement on a year-to-year basis after the initial three-year period.

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.

Recommendation:

Staff recommend that Blackburn, Childers and Steagall, PLC be retained as independent certified public accountants to perform professional auditing services for fiscal year 2026.

Submitted by: Rachel C. Squibb
Director of Finance

February 19, 2026

To Mr. David Cossey, President/CEO and
To the Authority Commissioners
Tri-Cities Airport Authority
P.O. Box 1055
Blountville, Tennessee 37617

We are pleased to confirm our understanding of the services we are to provide the Tri-Cities Airport Authority (the Airport) for the fiscal year ended June 30, 2026.

Audit Scope and Objectives

We will audit the financial statements of the business-type activity, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Airport as of and for the fiscal year ended June 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Airport's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Airport's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by U.S. GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis
2) Schedule of Changes in the Airport's Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan 1 of TCRS
3) Schedule of the Airport's Contributions Based on Participation in the Public Employee Pension Plan 1 of TCRS
4) Schedule of Changes in the Airport's Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan 2 of TCRS
5) Schedule of the Airport's Contributions Based on Participation in the Public Employee Pension Plan 2 of TCRS
6) Schedule of Changes in Post-Employment Healthcare Benefits Liability and Related Ratios

We have also been engaged to report on supplementary information other than RSI that accompanies the Airport's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditors' report on the financial statements.

1) Schedule of Expenditures of Federal Awards
2) Notes to the Schedule of Expenditures of Federal Awards
3) Comparison of Actual Expenditures to Budget – Federal Grant Awards
4) Schedule of Expenditures of State Awards
5) Comparison of Actual Expenditures to Budget – State Grant Awards
6) Schedule of Passenger Facility Charges, Investment Income and Related Expenditures
7) Schedule of Changes in Long-term Debt by Individual Issue
8) Schedule of Bond Principal and Interest Requirements – Aerospace Park Series 2018 Bonds

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1) Airport Vision and Mission
2) Airport Commissioners and Senior Staff
3) Letter of Transmittal
4) GFOA Certificate of Achievement
5) Organization Chart
6) Statistical Section (Unaudited)

The objectives of our audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditors' report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditors' Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee.

Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Accounting for grants.

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We will receive relevant pension information to include in the audited financial statements from the Tennessee Consolidated Retirement System (TCRS).

In addition, we will perform testing of census data for active TCRS employees. This will involve a test for accuracy and a test of completeness. Our procedures will be performed in conjunction with the Division of Tennessee State Audit.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Airport's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Airport's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Airport's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Airport in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedures or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditure of federal awards, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

With regard to including the auditors' report in an exempt offering document, you agree that the aforementioned auditors' report, or reference to Blackburn, Childers & Steagall, PLC, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

With regard to an exempt offering document with which Blackburn, Childers & Steagall, PLC is not involved, you agree to clearly indicate in the exempt offering document that Blackburn, Childers & Steagall, PLC is not involved with the contents of such offering document.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies.

You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the publishing the financial statements on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Airport; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Blackburn, Childers & Steagall, PLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulatory agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Blackburn, Childers & Steagall, PLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the regulatory agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Mrs. Melissa Steagall-Jones is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to them. We expect to begin our audit in September 2026 and to issue our reports no later than December 31, 2026.

To ensure that Blackburn, Childers & Steagall, PLC's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fee for these services will be at our standard hourly rates plus expenses (such as word processing, postage, travel, telephone, etc.) except that we agree that our gross fee, including the listed expenses, will not exceed $59,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter, and our fees will be adjusted accordingly.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to Board Members and management of Tri-Cities Airport Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the Tri-Cities Airport Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2024 peer review report accompanies this letter.

Very truly yours,

BLACKBURN, CHILDERS & STEAGALL, PLC

Melissa Steagall-Jones

Melissa Steagall-Jones, CPA, CICA
Member of the Firm

RESPONSE:

This letter correctly sets forth the understanding of the Tri-Cities Airport Authority.

By: ____

Title: ____

Date: ____

Tri-Cities Airport Commission
February 26, 2026

CONSIDER:

Parking Rate Adjustments

Summary

Parking fees represents the largest non-aeronautical source of funds for the Airport. As such, parking rates are a critical tool in funding the airport operations and maintenance without increasing costs to the airlines, in turn supporting air service recruitment and retention.

At the beginning of fiscal year 2025, the parking lot rates were as follows:

Rates effective 7.1.2024			
Hours	Short-term	Hours	Long-term
0.5	$ 2.00	0.5	$ 2.00
1	$ 4.00	1	$ 4.00
1.5	$ 6.00	1.5	$ 6.00
2	$ 8.00	2	$ 8.00
2.5	$ 10.00	2.5 -24	$ 10.00
3	$ 12.00		
3.5	$ 14.00		
4-24	$ 16.00		

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.

New Rate (effective 7.1.2025)			
Hours	Short-term	Hours	Long-term
0.5	$ 2.00	0.5	$ 2.00
1	$ 4.00	1	$ 4.00
1.5	$ 6.00	1.5	$ 6.00
2	$ 8.00	2	$ 8.00
2.5	$ 10.00	2.5	$ 10.00
3	$ 11.00	3	$ 11.00
3.5	$ 12.00	3.5	$ 12.00
4-24	$ 13.00	4-24	$ 13.00

The new Amano parking ticket system is expected to be operational within the coming weeks. Once operational, passengers will again have the option to enter one of the following:

- **Premium Lot** (formerly Short-Term)
- **Standard Lot 1** (formerly Long-Term)
- **Economy Lot 1** (formerly Employee lot)
- **Economy Lot 2** (formerly Credit card lot)

With the system fully functional, differentiated pricing between the lots is operationally feasible and appropriate.

Recommendation

Staff recommends:

- **Premium Lot:** maximum daily rate of $18.00 (incremental hourly rate)
- **Standard Lot 1:** maximum daily rate of $15.00 (incremental hourly rate)
- **Economy Lot 1:** Flat daily rate of $12.00
- **Economy Lot 2:** Flat daily rate of $12.00

This structure reestablishes the pricing differential reflective of convenience, proximity, and helps with turnover expectations associated with the Premium lot.

Submitted by: Rachel Squibb
Director of Finance

Tri-Cities Airport Authority
February 26, 2026

Consider:
X-1FBO Software

Summary:

X-1FBO is a comprehensive, cloud-based operations and management software platform designed specifically for FBOs (Fixed Base Operators) and airport ground handling organizations. Built by aviation and FBO industry veterans, its focus is on improving operational efficiency, safety, customer service, and revenue performance.

With the potential to accelerate the timeline for installing the new self-service Avgas fuel tank, we recommend moving forward with the purchase now. X-1FBO has confirmed they will work with our accounting team on GL integrations in the future, and early adoption places us ahead of two major FBO chains that are nearing agreements with X-1FBO. If we sign today, our estimated go-live window would be June–July, which aligns perfectly with the delivery of our new fuel trucks—already scheduled to arrive equipped with X-1 cellular modems from the factory.

The agreement with X-1FBO would begin on date of contract execution and remain in effect for 5yrs. Monthly subscription charges, processing fees and data and infrastructure annual fee will remain unchanged for the first 12 months. Following the first 12 months, fees increase annually by no more than 5%. Monthly fees may also be billed in the terms of our choosing, monthly or annually.

Recommendation:

Authorize the Chairman to sign and enter into agreement with X-1 in the amount of $175,757.11 over the period 5yrs.

Submitted By: Erick Lanier
FBO General Manager

Tri-Cities Airport Authority
February 26, 2026

X-1FBO Annual Costs (5-yr term)

One-Time Set Up Fees	$ 8,609.98	
Annual Data & Infrastructure		
****Calculated with max 5% YoY increase***		
Year 1 (Prorated)	$ 1,166.66	
Year 2	$ 1,470.00	
Year 3	$ 1,543.50	
Year 4	$ 1,620.67	
Year 5	$ 1,701.70	
Monthly Fees (Full Year)		
****Calculated with max 5% YoY increase***	**Per Month**	**Per Year**
Year 1	$ 1,946.98	$ 19,469.80
Year 2	$ 2,044.32	$ 24,531.84
Year 3	$ 2,146.53	$ 25,758.36
Year 4	$ 2,253.85	$ 27,046.20
Year 5	$ 2,366.54	$ 28,398.48
Total Estimated Cost over 5yr Term		$ 175,757.11

Submitted By: Erick Lanier
FBO General Manager

Tri-Cities Airport Authority
February 26, 2026

CONSIDER:

Airline Improvements Project

Summary:

The recent announcements of new airlines and routes will place additional strain on the airport's current structure with the airlines. The airport is seeking to improve upon the current structure and implement some new changes as well. Below is a brief summary of some of the changes:

- New ramp markings in a pushback setup to allow for more aircraft to park at the concourse.
- Renovations of the airline offices to accommodate new airlines.
- Additional passenger wayfinding.
- An expansion of the Common Use Passenger Processing System (CUPPS) and Fight Information Display System (FIDS).
- A gate management software to automate the assignment of aircraft parking.

Historically, the airport will bring individual projects to the board for approval. Due to the time sensitive nature of many of these projects, they have been combined into an overall larger project. Staff is seeking approval for the overall project as outlined in the funding plan. The President/CEO would sign all agreements and contracts related to the project with items over $25,000 coming to the board for retroactive approval at the next board meeting. A report would be given at the end of the project outlining the final cost.

The Authority's Legal Counsel will provide/review any agreement or contract prior to execution. A breakdown of the cost and a funding plan have been included as part of the consider item.

Recommendation:

Approve the overall project as outlined in the attached funding plan and authorize the President/CEO to sign all agreements and contracts related to the project. Items over $25,000 will come to the board to retroactive approval and a report will be given at the end of the project to outline final costs.

Submitted By: Chris Stipo
Director of Operations

AIRLINE IMPROVEMENTS PROJECTS

Item	Units	Unit Price	Total
Terminal Ramp Markings			
Terminal Ramp Markings	1	$ 200,000.00	$ 200,000.00
		Subtotal	**$ 200,000.00**
United Airlines Office Renovations			
United Airlines Office Renovations	1	$ 20,000.00	$ 20,000.00
		Subtotal	**$ 20,000.00**
TCAA Office Renovations			
TCAA Office Renovations	1	$ 20,000.00	$ 20,000.00
		Subtotal	**$ 20,000.00**
Passenger Way Finding			
Terminal Door Wayfinding	6	$ 1,000.00	$ 6,000.00
		Subtotal	**$ 6,000.00**
Common Use Ticket Counters			
Additonal Counter and Renovations	1	$ 10,000.00	$ 10,000.00
Internet Installation	1	$ 70,000.00	$ 70,000.00
		Subtotal	**$ 80,000.00**
Common Use Supplies			
Stanchions	20	$ 119.00	$ 2,380.00
Scales	8	$ 3,000.00	$ 24,000.00
Phones	10	$ 1,000.00	$ 10,000.00
		Subtotal	**$ 36,380.00**
CUPPS			
6 Additional Stations	1	$ 59,818.69	$ 59,818.69
		Subtotal	**$ 59,818.69**
CUPPS Maintenance			
New Carrier Set Up Fee	1	$ 1,500.00	$ 1,500.00
Implementation Fee	1	$ 6,000.00	$ 6,000.00
Annual Licensing Fee	1	$ 17,190.00	$ 17,190.00
		Subtotal	**$ 24,690.00**
FIDS			
FIDS Boxes	8	$ 617.00	$ 4,936.00
55" Monitor	4	$ 1,400.00	$ 5,600.00
86" Monitor	4	$ 3,600.00	$ 14,400.00
		Subtotal	**$ 24,936.00**
Gate Management Software			
Gate Management Software	1	$30,000	$ 30,000.00
		Subtotal	**$ 30,000.00**

TRI-CITIES AIRPORT

AIRLINE IMPROVEMENTS PROJECTS

Item	Amount	Funding Source
Terminal Ramp Markings	$ 200,000.00	PFC
United Airlines Office Renovatior	$ 20,000.00	Airport
TCAA Office Renovations	$ 20,000.00	Airport
Passenger Way Finding	$ 6,000.00	Airport
Common Use Ticket Counters	$ 80,000.00	Airport
Common Use Supplies	$ 36,380.00	Airport
CUPPS	$ 59,818.69	PFC
CUPPS Maintenance	$ 24,690.00	Airport
FIDS	$ 24,936.00	Airport
Gate Management Software	$ 30,000.00	Airport
Total	**$ 501,824.69**	
10% Contingency	**$ 50,182.47**	
Total with Contingency	**$ 552,007.16**	
PFC	52%	$ 259,818.69
Airport	48%	$ 242,006.00
	Total	**$ 501,824.69**
	10% Contingency	**$ 50,182.47**
	Total with Contingency	**$ 552,007.16**

Tri-Cities Airport Authority
February 26, 2026

REPORT:

State and Federal Grant Acceptance

Summary:

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.

Airport Legal Counsel will review all applicable grants and contracts prior to the Chairman's execution.

Recommendation:

Approve the Chairman to execute state, federal, and other airport capital improvement project grants as those grants become available throughout the calendar year.

Submitted By: Chris Stipo
Director of Operations

Tri-Cities Airport Authority
February 12, 2026

REPORT:

Parking Garage Professional Engineering Report (PER)

Summary:

The recent announcement of new airlines and routes will result in the increased need for available parking. The expanded mixed-use employee and passenger parking lot takes up the last bit of readily available land for surface parking expansion within walking distance of the terminal. Kimley-Horn is preparing an agreement to conduct a PER to evaluate the following:

- Potential locations for a parking garage.
- The feasibility of including a Consolidated Rental Car (ConRac) facility as part of the parking garage.
- The potential of constructing a shuttle lot instead.

Staff will adjust the scope of the PER after considering feedback and recommendations from the committee.

Submitted By: Chris Stipo
Director of Operations

**PROJECT SPECIFIC CONTRACT
BETWEEN TRI-CITIES AIRPORT AUTHORITY
AND ENGINEER OR CONSULTANT**

TCAA Project No. ______________________________
AIP Project No. ______________________________
Project No. ______________________________
Project Title: Parking Garage Preliminary Engineering Report

THIS PROJECT SPECIFIC CONTRACT ("Contract") made and entered into effective the 2nd day of March, 2026 by and between **TRI-CITIES AIRPORT AUTHORITY**, and **KIMLEY-HORN AND ASSOCIATES, INC**., whose address is 10 Lea Avenue, Suite 400, Nashville, TN 37210, its successors, affiliates, and related entities (herein referred to as "Engineer" or "Consultant").

RECITALS

WHEREAS, the Tri-Cities Airport Authority (herein, "Owner") is the owner and operator of Tri-Cities Airport, TN/VA (herein, "Airport") and is empowered, pursuant to the law of the State of Tennessee and its Charter, to enter into contracts which impact the Airport; and

WHEREAS, Engineer or Consultant was chosen to provide services on a non-exclusive basis for a term and pursuant to the terms and conditions of a STANDARD FORM CONTRACT BETWEEN TRI-CITIES AIRPORT AUTHORITY AND ENGINEER OR CONSULTANT FOR PROFESSIONAL SERVICES (2023 EDITION), ("Contract") which was effective the 26th day of October, 2023, and which is incorporated herein by reference as if reproduced verbatim and whose terms and conditions shall govern and control this Contract unless stated herein; and

WHEREAS, the Contract contemplates and requires that Owner and Engineer or Consultant enter into separate contracts for each project on which Owner chooses to utilize the services of Engineer or Consultant;

NOW THEREFORE, in consideration of the mutual covenants contained both in the Contract and herein, and for other good and valuable consideration, same being deemed wholly adequate by the parties hereto, Owner and Engineer or Consultant agree and have agreed as follows:

ARTICLE 1. <u>PROJECT DESCRIPTION</u> (See, EXHIBIT "1" hereto).

ARTICLE 2. <u>PROJECT SCOPE OF SERVICES</u> (See EXHIBIT "2" hereto).

ARTICLE 3. <u>PROJECT SCHEDULE.</u> (See EXHIBIT "3" hereto).

ARTICLE 4. <u>PROJECT SPECIFIC CONTRACT COMPENSATION</u>.

Engineer or Consultant shall be compensated for its work on the project pursuant to as follows:

____

____

____

(See, EXHIBIT "4" hereto).

ARTICLE 5. <u>OWNER'S BUDGET SUMMARY</u>

The following Budget Summary encompasses all known project costs, including, but not limited to the following: Engineer's or Consultant's Total Fixed Consultant Fees, Engineer's or Consultant's Estimated Construction Costs, Owner's Budget including Owner's Administration Costs, Owner's Representative, and Contingency Costs. (See EXHIBIT "5" hereto).

~~**ARTICLE 6. ADDITIONAL SPECIAL PROVISIONS**~~

~~State of Tennessee; Local or Other Provisions (See, EXHIBIT 6).~~

~~**ARTICLE 7. CONDITIONS (See, EXHIBIT 7)**~~

~~Owner and Engineer or Consultant acknowledge and agree that each project may have associated with it certain General Conditions, Special Conditions and/or Technical Specifications which may be contained in the contract(s) between Owner and general contractor or subcontractors. Further, said General Conditions, Special Conditions and/or Technical Specifications may place additional duties and/or responsibilities upon Owner and/or Engineer or Consultant and those additional duties and/or responsibilities are incorporated herein and made a part of this Contract by reference as if reproduced verbatim.~~

~~**ARTICLE 8. ADDITIONAL TERMS**~~

~~The following terms, in addition to those imposed on Engineer or Consultant herein, or as contained in the Contract, and/or General Conditions/Special Conditions/Technical Specifications referenced in Article 6, Exhibit above, will be applicable to this Contract:~~

____

____

~~(See, EXHIBIT 8).~~

~~**ARTICLE 9. DOCUMENTS, ITEMS INCORPORATED INTO PROJECT SPECIFIC CONTRACT.**~~

~~In addition to the Contract and the various Exhibits hereto mentioned above, the following documents, items and things are incorporated into this Project Specific Contract by reference and made a part hereof as if they were reproduced verbatim:~~

~~(See, EXHIBIT 9).~~

ARTICLE 10. <u>TOTAL CONTRACT: AMENDMENTS</u>

This Project Specific Contract, whose form is incorporated in and is an Exhibit to the Standard Form Contract Between Tri-Cities Airport Authority and Engineer or Consultant for Professional Services (2023 Edition), together with all Exhibits and attachments to both the Project Specific Contract and said Standard Form Contract, constitute the entire agreement between Owner and Engineer or Consultant and supersedes all prior written or oral understandings. This Project Specific Contract may only be amended, supplemented, modified or cancelled by written instrument executed by the duly authorized representatives of Owner and Engineer or Consultant. There shall be no presumption of authorship.

<u>ARTICLE 11. INSURANCE</u> (See, EXHIBIT 11).

IN WITNESS WHEREOF, the duly-authorized official of Owner, by authority vested in him/her, has hereunto subscribed his/her name on behalf of Owner and said Engineer or Consultant, Kimley-Horn, has caused this Contract to be executed by a duly authorized representative, effective the date first above written.

TRI-CITIES AIRPORT AUTHORITY

By:__________________________________

Title:________________________________

ENGINEER OR CONSULTANT:

By:__________________________________

Title:________________________________

Approved as to Form: _____________________________________
Attorney for Tri-Cities Airport Authority

TRI PARKING GARAGE SITING STUDY

Scope of Work

Tri-Cities Airport

Blountville, TN

February 17, 2026

Prepared By:

Kimley»Horn

Exhibit 1

Project Description

Kimley-Horn and Associates, Inc. (“Kimley-Horn” or “Consultant”) is pleased to submit a proposal to the Tri-Cities Airport Authority (“Owner” or “Client”) for providing landside planning support for Tri-Cities Airport (“Airport” or “TRI”).

With continued growth in enplanements and limited available landside development area, the Airport is evaluating opportunities for vertical expansion to support public parking, rental car operations, or a combination of both. We understand that TRI recently completed an update to its Master Plan, which identifies a preferred alternative featuring two future parking structures located within the existing Long-Term parking areas. This study is intended to validate projected parking needs and confirm the optimal location for a new structured parking facility.

Kimley-Horn understands the primary objectives of this study to include:

- Updating projected parking demand and analyzing available data to better understand customer preferences and behaviors.
- 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.

Exhibit 2

Project Scope of Services

Task 1 Due Diligence Research

The Consultant will perform a comprehensive review of the recently completed Airport Master Plan to understand previously identified landside challenges, the rationale behind the preferred development alternative, and any existing or future development constraints that may influence structured parking opportunities. As part of this task, the Consultant will:

- Review relevant Master Plan documents, graphics, forecasts, and alternatives analyses.
- Identify key factors that guided the selection of the preferred landside alternative, including physical, operational, financial, and environmental considerations.
- Document existing inventory of public parking and rental car facilities, including capacity, layout, user groups, and operational characteristics.
- Conduct up to one (1) virtual meeting with Airport staff to discuss observations, confirm potential sites for structured parking, and collaboratively identify up to three (3) candidate sites for further evaluation in subsequent tasks.

Task 2 Update Parking Requirements

The Consultant will update landside parking demand projections to reflect current activity levels and anticipated future growth. The demand analysis will incorporate the following:

- Assessment of current parking utilization and space requirements based on existing operational characteristics.
- Development of future public parking demand forecasts using a ratio of parking activity to airline passenger activity, informed by the Master Plan forecasts and industry-standard methodologies.
- Determination of total Airport-wide public parking requirements across the planning horizon.

The Consultant will prepare for and attend up to one (1) virtual meeting with Airport staff to review methodology, assumptions, and preliminary results. Findings from this task will guide concept development in Task 3.

Task 3 Concept Development

The Consultant will develop up to three (3) structured parking concepts to evaluate feasible development configurations for public parking, rental car operations, or a combination of both. The number of concepts per site will depend on how many sites are carried forward from Task 1. Each concept will include:

- Identification of the entry plaza location and vehicle access points.
- Location and type of vehicular vertical circulation (e.g., ramps).

- Location of pedestrian vertical circulation elements. (Evaluation of the number and type of elevators is not included in this scope.)
- Estimated number of structured parking levels.
- Estimated number of stalls per concept based on the proposed footprint and typical stall efficiencies.

In addition, the Consultant will prepare an engineer's estimate of probable construction cost for each concept based on:

- Per-stall cost metrics informed by current market conditions and recent comparable projects.
- Inclusion of soft costs such as design fees and owner development costs, developed in coordination with Airport staff.

Each concept will be presented in a format suitable for comparative evaluation in Task 4.

Task 4 Preferred Concept

The Consultant will compare the characteristics and implications of each developed concept to identify the preferred solution. The comparison will consider:

- Overall size and configuration.
- Construction feasibility and potential phasing or operational impacts.
- Funding and procurement considerations, including potential eligibility for CFC funding.
- Operational considerations such as circulation, user experience, and adaptability for future needs.
- Comparison of a structured parking facility and a long-term shuttle operation for a remote parking lot.

Based on this comparative assessment, the Consultant will recommend a preferred location and user group program for a new structured parking facility that maximizes the Airport's investment and preserves long-term flexibility.

The Consultant will participate in up to one (1) virtual meeting with Airport staff to present, review, and refine the concepts and the preferred recommendation.

Task 5 Documentation

The Consultant will prepare a comprehensive technical memorandum summarizing the methods, findings, and recommendations of the study. The memorandum will include:

- Summary of due diligence findings and site identification.
- Updated parking demand analysis and assumptions.
- Description of each concept developed, including layouts and cost estimates.
- Evaluation of alternatives and identification of the preferred concept.
- Final recommendations for the Airport.

A draft memorandum will be submitted to the Client for review. The Consultant will incorporate up to two (2) rounds of Client comments before finalizing the document.

Exhibit 3

Information Provided by Client

Kimley-Horn shall be entitled to rely on the completeness and accuracy of all information provided by the Client or the Client's consultants or representatives. The Client shall provide all information requested by Kimley-Horn during the project, including but not limited to the following:

- 2025 Airport Master Plan and all associated data (as needed).
- Notification of any changes to existing conditions or assumptions presented in the Master Plan.
- Existing facility CAD files
- Peak parking occupancy, by parking lot, for each day where data is available from January 2025 to December 2025.
- Rental car transaction data, for each day where data is available from January 2025 to December 2025.
- Transaction data (vehicle entry and exit time) for one (1) month of parking transactions.

Exhibit 4

Project Schedule

Kimley-Horn will provide our services as expeditiously as practicable with the goal of meeting the completing the work within two months of notice to proceed. The project schedule relies on the Airport staff's timely responsiveness and decision making.

Exhibit 5

Contract Compensation

The Consultant will perform the scope of services in the tasks noted as "LS" in the table below for the total lump sum fee. Individual task amounts are informational only. See Attachment A for a breakdown of costs.

For the services set forth above, Client shall pay Consultant the following compensation:

Task Summary		Labor Fee	Fee Type
Task 1	Due Diligence Research	$ 4,440.00	LS
Task 2	Update Parking Requirements	$ 4,540.00	LS
Task 3	Concept Development	$ 8,080.00	LS
Task 4	Preferred Concept	$ 7,640.00	LS
Task 5	Documentation	$ 5,070.00	LS
	Total Lump Sum Fee	**$ 29,770.00**	**LS**

LS: Lump Sum Fee

Tri-Cities Airport Authority
February 26, 2026

CONSIDER:

ARFF Truck Lease Emergency Expenditure
Award Company Two Fire

Summary:

The Tri-Cities Airport maintains an airport operating certificate that has been issued to the airport by the Federal Aviation Administration (FAA) which subjects the airport to the regulations and standards outlined in CFR 14 Part 139. Part 139.315 and 139.317 mandates that the airport must maintain an Index B Aircraft Rescue and Firefighting (ARFF) response consisting of one vehicle that contains 1,500 gallons of water, 500 pounds of dry chemical, and foam. A new ARFF truck has been ordered and is expected to be delivered in October 2026. In the meantime, the airport's two ARFF trucks are twenty years old and have frequent maintenance issues that put them out of service for months at a time. Commercial air service would be suspended from operating at the airport in the event that both trucks go out of service at the same time.

Staff have been exploring the possibility of leasing a truck that is in better condition to help bridge the gap until October 2026. Trucks available for lease have become increasingly rare since the FAA implemented a new type of firefighting foam. 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, a lease for eight months was signed with Company Two that also includes the option to be extended if needed. The lease will be funded through the airport's capital improvement funds, and below is the summary of cost:

Deposit (covers shipping and first months rent)	$17,300
Lease (7 months)	$52,500
Total Cost	**$69,800**

The lease agreement has been included in the packet for review.

Recommendation:

Approve the Chairman 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.

Submitted By: Chris Stipo
Director of Operations

Tri-Cities Airport Authority
February 26, 2026

CONSIDER:

CONSENT AGENDA

A. Tri-City Aviation Restroom Rehabilitation – SB White and Comsa Construction
B. Tri-City Aviation Restroom Rehabilitation – Change Order #1
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

Submitted By: Chris Stipo
Director of Operations

A. Tri-City Aviation Restroom Rehabilitation – SB White and Comsa Construction

Summary:

The existing sanitary sewer lines at Tri-City Aviation were frequently clogging which resulted in repeated restroom closures, with mobile restrooms being utilized during the outages. SB White and Comsa Construction were contracted to replace the sanitary piping and restore the restrooms to their original state after the completion of work. The work will be funded through FY26 Aviation Property Expenses, and the following is the funding plan:

<u>Tri-City Aviation Restroom Rehabilitation – Funding Plan</u>

SB White	$31,885
Comsa Construction	<u>$12,970</u>
Total	$44,855

Recommendation:

Authorize the Director of Operations to execute a purchase order to SB White for $31,885 and Comsa Construction for $12,970 for a total amount of $44,855.

Submitted By: Chris Stipo
Director of Operations

PHONE: (423) 926-8127
www.sbwhiteco.com

S. B. WHITE CO, INC.

Mechanical Contractors Since 1891
P O BOX 1734
JOHNSON CITY, TN 37605-1734

CONTRACTOR'S LICENSE NO.
TENNESSEE - 4333
CLASSIFICATION: CMC UNLIMITED

QUOTATION

TO:	TRI	**JOB NAME:**	General Aviation Toilets	**SUBJECT:**	Sewer Line Replacement
ATTENTION:	Craig South	**QUOTE NO:**	101 - 25	**DATE:**	10/3/2025

Furnish labor and materials to replace approximately 23ft of existing sanitary sewer main underslab with new PVC sanitary piping as requested at site visit on 9.26.25 including the following:

Remove existing water closets and urinals as required in each bathroom
Cutting & removing the existing walls and floor slab as required to replace sanitary piping as listed above
Excavation of existing material and discarding if unsuitable for backfill
Cutting out & replacing existing sanitary piping as listed above ensuring that no back to back tees are installed
Reconnecting sanitary sewer branch lines to existing urinals, sinks, floor drains and water closetes across room
Backfilling new sanitary sewer piping with previously excavated material if suitable or # 57 stone
Reinstalling previously removed plumbing fixtures after floor/wall patched and finished

Total for work listed above: $31,885.00

Clarifications:

1. All work quoted to be done during normal Monday thru Friday daytime working hours.
2. **NO** costs associated with stamped engineered drawings included.
3. **NO** asbestos, mold, lead paint, or hazardous material handling and/or abatement included if required.
4. **NO** drain cleaning or plumbing repairs or any other plumbing work not listed above included.
5. **NO** HVAC work included.
6. **NO** patching back concrete slab or walls after pipe installed
7. **NO** patching back flooring or painting walls or any other finishes included.
8. **NO** electrical work, fire alarm work or any other controls work included.
9. **NO** replacement of branch lines to sinks, urinals, floor drains, waterclosets on other side of room included.
10. We **DO** include cutting hole in wall between terminal bathroom and shop bathroom so majority of work could occur without going in and out of terminal lobby
11. We estimate it will take one week from when we start to being able to open the upstairs bathrooms back up for general public to use. It will take longer than that to finish the lower bathrooms but we can get the upstairs ones back open in a week we feel if all goes as planned.

David W. Jones

Proceed 12-18-25
Purchase Order # 76636
Acct. No.: 60040-301

By David W. McKinney

David W. McKinney

Comsa Construction
142 Elizabeth Avenue • Gray Tennessee • 37615 • (423)335-6094 • ccomsa@comsaconstruction.com

Mr. Craig South
Tri City Airport

December 23, 2025

RE: Tri City Aviation Restroom Repair

Mr. South,
Per your request, please find below the scope of work and related cost.

Scope of Work

1) Compact backfill, install vapor barrier, reinforcement, place and finish concrete slab.
2) Frame wood stud walls, install blocking, insulate wall.
3) Repair 12" block wall.
4) Install drywall and paint walls.
5) Install mosaic tile floor and 6" base chosen by Mike Lloyd.
6) Re install toilet partitions,
7) Repair ceiling, Rebuild plywood box and paint.
8) Clean up and haul off debris.

TOTAL COST $12,970.00

Clarifications: owner to supply water, electricity and restrooms.

Respectfully,
Craig Comsa
Craig Comsa

David W. Jones 1-7-26
Purchase Order No.: 76767
Acct. No.: 60040-301 Aviation Tri-City Aviation Maint.

B. Tri-City Aviation Restroom Rehabilitation – Change Order #1

Summary:

The existing sanitary sewer lines at Tri-City Aviation were frequently clogging which resulted in repeated restroom closures, with mobile restrooms being utilized during the outages. SB White and Comsa Construction were contracted to replace the sanitary piping and restore the restrooms to their original state after the completion of work. During the excavation work, it was discovered that additional piping would be needed outside of the originally quoted amount. The change will be funded through FY26 Aviation Property Expenses, and the following is the funding plan:

Tri-City Aviation Restroom Rehabilitation – Funding Plan

SB White	$31,885.00
Comsa Construction	$12,970.00
SB White – Change Order #1	$ 5,725.73
Total	$50,580.73

Recommendation:

Authorize the Director of Operations to execute a purchase order for Change Order #1 to SB White for $5,725.73.

Submitted By: Chris Stipo
Director of Operations

SINCE 1891
S.B. WHITE CO., INC.

Project Name:	TRI GA Restrooms
SubContractor Name	S. B. White Company
Work Itemized By	David McKinney
Date	1/12/2026
Change Order Number	TRI-GA-01

Description	Materials				Labor		
	Quanity	Unit	Cost	Extension	Hours	Rate	Total
1 1/2" Type "L" copper pipe	10	ft	$19.13	$191.30			
1" Type "L" copper pipe	10	ft	$8.46	$84.60			$0.00
1" propress 90s	8	ea	$12.48	$99.84			$0.00
1 1/2" x 1 1/2" x 1" press tee	4	ea	$59.37	$237.48			$0.00
1 1/2" propress repair coupling	4	ea	$25.21	$100.84			$0.00
1" propress repair coupling	4	ea	$14.68	$58.72			$0.00
1" propress caps	4	ea	$19.88	$79.52			$0.00
				$0.00			$0.00
				$0.00			$0.00
				$0.00			$0.00
				$0.00			$0.00
Flush Valve water closet with battery sensor	4	ea	$565.04	$2,260.16			$0.00
				$0.00			$0.00
				$0.00			$0.00
				$0.00			$0.00
				$0.00			$0.00
				$0.00			$0.00
				$0.00			$0.00
propress gun expense	1	lot	$200.00	$200.00			$0.00
				$0.00			$0.00
				$0.00			$0.00
				$0.00			$0.00
Plumbing Foreman				$0.00	8.00	$61.70	$493.60
Plumber				$0.00	8.00	$51.75	$414.00
Plumbing Helper				$0.00	8.00	$40.95	$327.60
Project Manager				$0.00	1.00	$95.00	$95.00

Description of Work:

Rework existing domestic water rough-in and install four (4) battery sensor operated flush valve water closets at First Floor GA restrooms

All work quoted during normal daytime hours
NO insulation included. Existing not insulated.

Material Subtotal	$3,312.46		
9.5% Sales Tax	$314.68		
Material Total	$3,627.14	Labor Total	$1,330.20
Total Materials + Labor			$4,957.34
		10% Overhead	$495.73
		Subtotal	$5,453.08
		5% Profit	$272.65
		Total Amount	$5,725.73

David W. Jones

Notice to Proceed: CO#1
Approved

C. Airport and Airfield Mowing and Landscaping Services Renewal – Klean Kut

Summary:

The airport requested bids from qualified contractors to provide mowing and landscaping services for the airport. Klean Kut was awarded a one-year contract with the option of three additional one-year contract renewals. The airport is seeking to sign the last one-year contract renewal as part of the overall reward in the amount of $143,435. The work will be funded through a mix of FY26 and FY 27 Airfield, Terminal, and Aviation Property Expenses.

Recommendation:

Authorize the Director of Operations to execute a one-year contract renewal with Klean Kut for $143,435.

Submitted By: Chris Stipo
Director of Operations

TRI-CITIES AIRPORT

TERMINAL FRONTAGE (EX. 1.1 – CORE CONTRACT ITEMS
(Submitted for an estimated one-year period)

Item	202~~5~~6
A. Watering (Irrigation System) (Include Planter Beds in winter as needed)	$ 1250
B. Pruning of Trees and Shrubs (Maintain natural form while allowing plant to fill out. See Maintenance Manual)	$ 18450
C. Pre-emergent weed/fungicide control (Once per year)	$ 4800
D. Bi-Annual Mulching (Estimated 120 yards per occurrence – 2" hardwood bark)	$ 29400
E. Fertilize planting beds shrubs/trees (See maintenance manual)	$ 1625
F. Insecticide/disease control (TN HLT Licensed – Horticulture, Lawn, & Turf)	$ see below
TOTAL FOR TERMINAL FRONTAGE	$ 55525

*This is for a contract length of one year.

HLT Charter #4912
price will depend on what is found
and the pesticide used

TRI
TRI-CITIES AIRPORT

TERMINAL/AIRFIELD MOWING – CORE CONTRACT ITEMS
(Submitted for an estimated one-year period)

Item	202~~5~~6
A. Terminal Frontage (EX. 1.1)	$ 33200
B. FBO Terminal Frontage (EX. 1.2)	$ 6930
C. Highway 75 Bank (Village Market to Wysong)	$ 8490
D. ~~Perimeter Fence~~ New Areas ~~(Minimum 4' inside/outside)~~	$ 25840
E. ~~Gammon Creek~~ Farm (Shrub Cleaning)	$ 7045
F. ANR Bank	$ 1680
G. Fertilization	$ 4725
H. Weed Control (As needed)	$ See below
TOTAL FOR TERMINAL/AIRFIELD MOWING AREA	$ 87910

*This is for a contract length of one year.

H. Weed Control

Terminal Frontage

- Spring - $2600
- Fall - 2600
- spot spray - dependant on time/material used

TRI-CITIES AIRPORT

TOTAL 2025 COST FOR MAINTENANCE SHALL BE:

One Hundred Forty Three Thousand Four Hundred Thirty five **DOLLARS**
(Bid in ALPHA notation)

$ 143,435
(Bid in Numeric notation)

SUBMITTED BY: Jason Hill Klean Kut Lawn Care

DATE: 2/14/2026

D. Terminal Concourse Connector Expansion – Change Order #1

Summary:

Comsa Construction was awarded the Terminal Concourse Connector Expansion project. Comsa Construction has proposed changing the foundation system to an alternative method that would save on cost for the project. The change order has been reviewed by Kimley-Horn.

Terminal Concourse Connector Expansion – Funding Plan

Original Contract Price	$9,434,600.00
Change Order #1	$ -10,072.49
Total	$9,424,527.51

Recommendation:

Authorize Change Order #1 for a deduction of $10,072.49.

Submitted By: Chris Stipo
Director of Operations

CONTRACT CHANGE ORDER NO. 1

Tri-Cities Airport Authority
Blountville, TN

PROJECT: **Terminal Concourse Connector Expansion**

DATE: **2/17/2026**

TO: **Comsa Construction**
142 Elizabeth Avenue
Gray, TN 37615

TCAA PROJECT NO. **18890-001,002,003**
KIMLEY-HORN PROJECT NO. **118579028**

TERMS: The following described changes to the above project being completed for the Tri-Cities Airport Authority are hereby authorized. This Change Order constitutes a formal amendment to the Contract entered into between parties on the 28th day of August, 2025 upon execution by duly authorized representatives of each party in the spaces below.

CHANGE: This change order shall provide all labor, equipment, material, and incidentals for the completion of the items listed below.

Item No.	*Description*	*Unit*	*Quant.*	*Unit Price*	*Sub-Total Cost*
A1	Replace Piers with Micro Piles	LS	1	($26,500.00)	($26,500.00)
A2	Change Ceiling Grid to Heavy Duty	LS	1	($9,335.00)	($9,335.00)
A3	IT Stat-x Fire Suppression System	LS	1	$17,749.91	$17,749.91
A4	New 200 Amp Panel and Disconnects in IT Room	LS	1	$64,112.60	$64,112.60
4	Additional Pier Depth, Including Reinforcement	FT	-50	$170.00	($8,500.00)
5	Pier Rock Excavation	CY	-20	$5,380.00	($107,600.00)
6	Additional Pile Depth	LF	100	$200.00	$20,000.00
7	Pile Rock Excavation	LF	200	$200.00	$40,000.00
				TOTAL:	***($10,072.49)***

JUSTIFICATION AND NEED: This change order reflects changes associated with a change in the foundation system to a micro pile system and the addition of a new IT equipment to facilitate phasing.

TOTAL ADDITIONS OR REDUCTION TO CONTRACT PRICE
(Note: Numbers in parentheses are deductions).

ORIGINAL CONTRACT PRICE	$9,434,600.00
NET TOTAL OF PREVIOUS CHANGE ORDERS	$0.00
PREVIOUS REVISED PRICE	$9,434,600.00
THIS CHANGE ORDER NO. 1	-$10,072.49
REVISED CONTRACT PRICE THIS DATE	$9,424,527.51

EXTENSION OF TIME RESULTING FROM THIS CHANGE ORDER - 12 CALENDAR DAYS

This Contract Modification constitutes full and mutual accord and satisfaction for all time and all cost related to this change. By acceptance of this Contract Modification, the Contractor hereby agrees that the modification represents an equitable adjustment to the Contract, and further, agrees to waive all right to file any further claims or changes arising out of or as a result of this change, or the accumulation of executed Contract Modifications on this Contract.

The Contractor and Owner(s) hereby agree to the terms of this Change Order as contained herein.

CONSENT OF SURETY:

____

By: ______________________________
Date

CONTRACTOR:

COMSA CONSTRUCTION

By: ______________________________
Date

ENGINEER

KIMLEY-HORN

By: ______________________ 2/17/2026
Date

OWNER:

TRI-CITIES AIRPORT AUTHORITY

By: ______________________________
Date

Tri-Cities Airport Authority
February 26, 2026

E. Terminal Concourse Connector Expansion – Amendment #1

Summary:

Kimley-Horn was awarded the Construction Administration agreement Terminal Concourse Connector Expansion project. Additional engineering was required to verify the viability of Change Order #1 that was proposed by Comsa Construction.

Terminal Concourse Connector Expansion Construction Administration – Funding Plan

Original Contract Price	$557,824
Amendment #1	$ 7,150
Total	$564,974

Recommendation:

Authorize Amendment #1 for $7,150.

Submitted By: Chris Stipo
Director of Operations

Professional Services Agreement Addendum No. 1

THIS ADDENDUM to the AGREEMENT made and entered into June 26th, 2025, by and between Kimley-Horn and Associates, Inc. ("Kimley-Horn" or "Consultant") and the Tri-Cities Airport Authority ("Client"), provides for the Additional Services described under Item 1 of this Agreement.

CLIENT: Tri-Cities Airport Authority

PROJECT NUMBER: 18890 (KH#118579028)

TITLE OF MAIN CONTRACT: Terminal Concourse Connector Expansion – Construction Phase Services

TITLE OF ADDENDUM: Alternate Foundation System

1. DESCRIPTION OF ADDITION PROFESSIONAL SERVICES PROVIDED BY KIMLEY-HORN: Kimley-Horn's structural engineer will review the value engineered cost saving proposal to utilize a micro pile foundation system on the project. Services to include evaluation of new foundation pile caps and grade beams necessary to accommodate the micro pile system

2. THE COMPENSATION TO BE PAID TO KIMLEY-HORN for providing the additional requested services is a lump sum price of $7,150.00

Addendum No. 1 Amount:	$ 7,150.00
Original Contract Amount:	$557,824.00
Combined Total	**$564,974.00**

IN WITNESS WHEREOF, this Addendum is accepted on the later date written below, subject to the terms and condition stated above, and in the aforementioned agreement.

CLIENT: TRI-CITIES AIRPORT AUTHORITY	KIMLEY-HORN AND ASSOCIATES, INC.
SIGNED: ____________________	SIGNED: ____________________
PRINTED NAME: ____________________	PRINTED NAME: ____________________
Date: ____________________	Date: ____________________

F. Taxiway A Bank Slide Rehabilitation – Consolidating Change Order

Summary:

Baker's Construction was awarded the contract for the Taxiway A Bank Slide Rehabilitation. Work has been completed and a final change order has been submitted to finalize quantities ahead of the project's close out. The change order has been reviewed by Kimley-Horn.

Taxiway A Bank Slide Rehabilitation – Funding Plan

Original Contract Price	$321,324.15
Change Order #1	$ -52,827.25
Total	$268,496.90

Recommendation:

Authorize Change Order #1 for a deduction of $52,827.25.

Submitted By: Chris Stipo
Director of Operations

CONTRACT CHANGE ORDER NO. 1

Tri-Cities Airport Authority
Blountville, TN

DATE: **2/18/2026** **PROJECT:** **Taxiway A Bankslide Rehabilitation**

TO: **Baker's Construction Services, Inc.**
4533 Highway 11-E
Bluff City, TN 37618

TCAA PROJECT NO. **XXXXX-000**
KIMLEY-HORN PROJECT NO. **118579018**

TERMS: The following described changes to the above project being completed for the Tri-Cities Airport Authority are hereby authorized. This Change Order constitutes a formal amendment to the Contract entered into between parties on the 9th day of September, 2025 upon execution by duly authorized representatives of each party in the spaces below.

CHANGE: This change order shall provide all labor, equipment, material, and incidentals for the completion of the items listed below.

Item No.	*Description*	*Unit*	*Bid Quant.*	*Revised Quant.*	*Change*	*Unit Price*	*Revised Amount*
1	Mobilization	LS	1	1	0	$50,000.00	$0.00
2	Install Access Route	LS	1	1	0	$45,000.00	$0.00
3	Installation and Removal of Compost Filter Sock	LF	290	206	-84	$17.45	($1,465.80)
4	Installation and Removal of Silt Fence	LF	785	0	-785	$12.74	($10,000.90)
5	Installation and Removal of Outlet Protection	EA	1	1	0	$1,141.88	$0.00
6	Installation and Removal of Construction Entrance	EA	1	1	0	$6,167.41	$0.00
7	Unsuitable Excavation - Disposed of Offsite	CY	600	521	-79	$127.42	($10,066.18)
8	Geotextile Fabric	SY	450	750	300	$6.71	$2,013.00
9	RipRap	TN	800	777.9	-22	$112.90	($2,495.09)
10	Seeding	AC	0.99	0.99	0	$1,400.69	($0.00)
11	Strip and Stockpile Topsoil (4")	CY	528	0	-528	$22.00	($11,616.00)
12	Spreading Stockpiled Topsoil (4")	CY	528	0	-528	$26.37	($13,923.36)
13	Slope Matting	SY	4,792	1300	-3,492	$1.51	($5,272.92)
						TOTAL:	***($52,827.25)***

JUSTIFICATION AND NEED:

This is a balancing change order reflecting total construction cost of the project.

TOTAL ADDITIONS OR REDUCTION TO CONTRACT PRICE
(Note: Numbers in parentheses are deductions).

ORIGINAL CONTRACT PRICE	$321,324.15
NET TOTAL OF PREVIOUS CHANGE ORDERS	$0.00
PREVIOUS REVISED PRICE	$321,324.15
THIS CHANGE ORDER NO. 1	-$52,827.25
REVISED CONTRACT PRICE THIS DATE	$268,496.90

EXTENSION OF TIME RESULTING FROM THIS CHANGE ORDER - 0 CALENDAR DAYS

This Contract Modification constitutes full and mutual accord and satisfaction for all time and all cost related to this

The Contractor and Owner(s) hereby agree to the terms of this Change Order as contained herein.

CONSENT OF SURETY:

By: ______________________
Date

CONTRACTOR:

Baker's Construction Services

By: ______________________
Date

ENGINEER

Kimley-Horn

By: ______________________ 2/18/2026
Date

OWNER:

TRI-CITIES AIRPORT AUTHORITY

By: ______________________
Date

G. Parking Access and Revenue Control System Upgrades – Change Order #1

Summary:

Amano McGann was awarded the contract for the Parking Access and Revenue Control System Upgrades. A change order was proposed to replace one of the credit card only terminals with one that accepts cash and credit cards. The change will allow for additional stations that accept cash, reducing the amount of staffing needed to manage the parking lots. The change order has been reviewed by Kimley-Horn.

Parking Access and Revenue Control System Upgrades – Funding Plan

Original Contract Price	$806,792.40
Previous Change Orders	$ 30,682.00
Previous Revised Price	$837,474.40
Change Order #1	$ 29,650.50
Total	$867,124.90

Recommendation:

Authorize Change Order # 1 for $29,650.50.

Submitted By: Chris Stipo
Director of Operations

CONTRACT CHANGE ORDER NO. 2

Tri-Cities Airport Authority
Blountville, TN

DATE: 2/9/2025

PROJECT: Comprehensive Upgrade of PARCS and Communication Infrastructure

TO: Amano McGann, Inc.
6825 Shiloh Road E, Suite B6
Alpharetta, GA 30005

TCAA PROJECT NO. 20899-000 (TAD#0768)
KIMLEY-HORN PROJECT NO. 118579021

TERMS: The following described changes to the above project being completed for the Tri-Cities Airport Authority are hereby authorized. This Change Order constitutes a formal amendment to the Contract entered into between parties on the 28th day of April, 2025 upon execution by duly authorized representatives of each party in the spaces below.

CHANGE: This change order shall provide all labor, equipment, material, and incidentals for the completion of the items listed below.

Item No.	*Description*	*Unit*	*Bid Quant.*	*Revised Quant.*	*Change*	*Unit Price*	*Sub-Total Cost*
	Enty Terminal (Credit Card Only)	EA	7	-1	1	($13,000.00)	($13,000.00)
CO1-1	Enty Terminal (Credit Card And Cash)	EA	1	2	1	$36,802.50	$36,802.50
CO1-2	BNR Cash Box, Spare, Amano ONE Cash, Aria	EA	1	2	1	$1,874.00	$1,874.00
CO1-3	BRA Loader Cassette, Spare, Amano ONE Cash, Aria	EA	1	2	1	$3,974.00	$3,974.00

TOTAL: ***$29,650.50***

JUSTIFICATION AND NEED:

The change order is required to facilitate cash transactions both in the Terminal on a Pay-on-Foot station and in one exit lane at the exit plaza. This approach allows for a seamless cash operations without the need of a cashier present at the exit plaza.

TOTAL ADDITIONS OR REDUCTION TO CONTRACT PRICE
(Note: Numbers in parentheses are deductions).

ORIGINAL CONTRACT PRICE $806,792.40

NET TOTAL OF PREVIOUS CHANGE ORDERS	$30,682.00
PREVIOUS REVISED PRICE	$837,474.40
THIS CHANGE ORDER NO. 1	$29,650.50
REVISED CONTRACT PRICE THIS DATE	$867,124.90

EXTENSION OF TIME RESULTING FROM THIS CHANGE ORDER - 0 CALENDAR DAYS

This Contract Modification constitutes full and mutual accord and satisfaction for all time and all cost related to this change. By acceptance of this Contract Modification, the Contractor hereby agrees that the modification represents an equitable adjustment to the Contract, and further, agrees to waive all right to file any further claims or changes arising out of or as a result of this change, or the accumulation of executed Contract Modifications on this Contract.

The Contractor and Owner(s) hereby agree to the terms of this Change Order as contained herein.

CONSENT OF SURETY:

____

By: _______________ Date

CONTRACTOR:

Amano McGann, Inc.

By: _______________ Date

ENGINEER

Kimley-Horn

By: _______________ 3/20/2025 Date

OWNER:

TRI-CITIES AIRPORT AUTHORITY

By: _______________ Date

Legal Counsel,
Stephen Darden

Verbal Report

Director of Finance,

Rachel Squibb

Tri-Cities Airport Authority
February 26, 2026

REPORT:

Financial Summary – Period Ending December 31, 2025

For the fiscal year to date as of December 31, 2025, the Authority achieved a Net Operating Income of $485,993, exceeding the approved budget by $537,503. The attached schedule provides unaudited actual results compared to the approved FY2026 operating budget.

Revenue Performance

Total operating revenue exceeded budget by 16%, 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 3.6% when comparing Dec 2024 to Dec 2025. Rental Car Revenues saw a significant increase, driven by a 9.5% year-over-year rise in car rentals from Dec 2024 to Dec 2025. 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 Public Safety cost center also reflects negative variances due to unplanned but necessary repairs to ARFF vehicles, including Engine 1 and Engine 3. These expenditures are essential to maintain regulatory compliance, operational readiness, and airfield safety standards. 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

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. 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
12/31/2025

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Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIRLINE LANDING FEES				
$33,888	$27,525	$6,363	51010-201	Landing Fees: Delta Connection	$217,029	$352,270	$184,160	$32,869
4,274	0	4,274	51016-201	Landing Fees: Breeze Airways	4,274	0	0	4,274
35,212	32,610	2,602	51025-201	Landing Fees: American Airlines	215,462	417,350	218,182	(2,720)
4,360	5,583	(1,223)	51040-201	Landing Fees: Allegiant Airlines	36,290	67,000	33,498	2,792
$77,734	**$65,718**	**$12,016**		**TOTAL AIRLINE LANDING FEES**	**$473,055**	**$836,620**	**$435,840**	**$37,215**
				AIRLINE RENTAL REVENUE				
$11,637	$11,058	$579	51507-202	Floor Space: American Airlines	$69,820	$132,700	$66,348	$3,472
13,987	13,283	704	51515-202	Floor Space: Delta Connection	83,920	159,400	79,698	4,222
966	667	299	51518-202	Joint Use Space	4,324	8,000	4,002	322
4,572	4,583	(11)	51519-202	Terminal Apron Charge	27,804	55,000	27,498	306
50,927	50,916	11	51525-202	Terminal Space Area Use	305,561	611,000	305,502	59
220	229	(9)	51526-202	Ground Equipment Storage	1,320	2,750	1,374	(54)
7,150	4,931	2,219	51530-202	Jetway Use Fee	38,740	60,300	29,889	8,851
64,146	64,171	(25)	51535-202	PSO Security Reimbursement	384,877	784,750	388,981	(4,104)
387	392	(5)	51546-202	Janitorial & Trash Reimbursement	2,323	4,700	2,352	(29)
$153,992	**$150,230**	**$3,762**		**TOTAL AIRLINE RENTS**	**$918,689**	**$1,818,600**	**$905,644**	**$13,045**
$231,726	**$215,948**	**$15,778**		**TOTAL AIRLINE REVENUE**	**$1,391,744**	**$2,655,220**	**$1,341,484**	**$50,260**

Tri-Cities Airport Authority

FY 2026 Operating Budget

12/31/2025

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	$4,041	$8,640	$4,369	($328)
0	895	(895)	52007-203	Charters - Terminal Facilities Fees	10,343	11,900	6,019	4,324
787	0	787	52010-203	FBO - Hangar Rents	4,946	0	0	4,946
29,694	26,791	2,903	52020-203	FBO - Minimum Annual Operating Fee	178,164	356,300	180,191	(2,027)
16,861	16,061	800	52030-203	FBO - 3% Gross Revenue Fee	112,287	213,600	108,023	4,264
7,980	7,471	509	52070-203	FBO - Fuel Flowage Fees	50,670	99,360	50,249	421
0	737	(737)	52072-203	FBO - Utility Reimbursement	4,379	9,800	4,956	(577)
453	410	43	52075-203	Flying Service - Rents	2,716	5,450	2,756	(40)
0	188	(188)	52076-203	Flying Service - Utility Reimb	936	2,500	1,265	(329)
12,414	12,550	(136)	52080-203	Speciality Service Operations	74,486	150,600	75,300	(814)
14,275	24,583	(10,308)	52110-203	Corporate Hangar, Land & Access	141,883	295,000	147,498	(5,615)
3,009	2,735	274	52160-203	Corporate Fuel Fees	12,943	35,000	18,297	(5,354)
94	273	(179)	52165-203	GA - Self-Fueling	2,259	3,500	1,829	430
1,650	0	1,650	52170-203	GA - Titan Fuel Sales	37,490	0	0	37,490
$87,217	**$93,344**	**($6,127)**		**TOTAL GEN. AVIATION REVENUE**	**$637,543**	**$1,191,650**	**$600,752**	**$36,791**

Tri-Cities Airport Authority

FY 2026 Operating Budget
12/31/2025

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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	$2,151	$4,000	$1,993	$158
				AIR CARGO CENTER				
7,124	7,500	(376)	52540-204	Cargo: Cargo Center - Terminal Space	44,750	90,000	45,000	(250)
0	0	0	52542-204	Cargo: Cargo Center - Ramp Fees	869	0	0	869
419	587	(168)	52543-204	Cargo: Services Reimbursements	2,512	7,500	3,827	(1,315)
274	469	(195)	52544-204	Cargo: Cargo Center - Utility Reimb	1,538	6,000	3,059	(1,521)
$8,184	**$8,890**	**($706)**		**TOTAL AIR CARGO REVENUE**	**$51,820**	**$107,500**	**$53,879**	**($2,059)**

Tri-Cities Airport Authority

FY 2026 Operating Budget
12/31/2025

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Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				PARKING REVENUE				
$289,069	$183,067	$106,002	53150-205	Parking: Long-Term	$2,040,320	$2,339,555	$1,193,536	$846,784
0	62,990	(62,990)	53151-205	Parking: Short-Term	0	805,000	410,674	(410,674)
2,664	2,141	523	53154-205	Parking: Other Revenue	11,766	25,690	12,846	(1,080)
$291,733	**$248,198**	**$43,535**		**TOTAL PARKING REVENUE**	**$2,052,086**	**$3,170,245**	**$1,617,056**	**$435,030**

Tri-Cities Airport Authority

FY 2026 Operating Budget
12/31/2025

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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	$32,463	$62,200	$31,098	$1,365
125,840	132,799	(6,959)	53610-206	RAC: Commissions	902,538	1,610,000	765,660	136,878
9,249	8,542	707	53620-206	RAC: Service Facility	55,495	102,500	51,252	4,243
0	3,333	(3,333)	53623-206	RAC: RAC - Utility Reimbursement	13,948	40,000	19,998	(6,050)
0	5,000	(5,000)	53627-206	RAC: Service Facility - Maint CFC Reim	33,936	60,000	30,000	3,936
$140,500	**$154,857**	**($14,357)**		**TOTAL RENTAL CAR REVENUE**	**$1,038,380**	**$1,874,700**	**$898,008**	**$140,372**

Tri-Cities Airport Authority

FY 2026 Operating Budget
12/31/2025

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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	$14,733	$68,000	$34,002	($19,269)
15,114	14,375	739	54106-207	Terminal: Restaurant & Gift Shop	103,370	172,500	86,250	17,120
0	833	(833)	54107-207	Terminal: Tailwinds - Util Reimburseme	4,482	10,000	4,998	(516)
0	83	(83)	54125-207	Terminal: Miscellaneous Revenue	0	1,000	498	(498)
$15,114	**$20,958**	**($5,844)**		**TOTAL TERMINAL CONCESSIONS**	**$122,585**	**$251,500**	**$125,748**	**($3,163)**
				TERMINAL SPACE RENTS				
$9,090	$8,358	$732	54290-208	Terminal Rents: Office Space	$54,541	$100,300	$50,148	$4,393
0	725	(725)	54360-208	Terminal Rents: Utility Reimbursement	4,066	8,700	4,350	(284)
0	208	(208)	54410-208	Terminal Rents: Janitorial & Trash Rein	875	2,500	1,248	(373)
60	58	2	54520-208	Terminal Rents: PA System	360	700	348	12
$9,150	**$9,349**	**($199)**		**TOTAL TERMINAL SPACE RENTS**	**$59,842**	**$112,200**	**$56,094**	**$3,748**

Tri-Cities Airport Authority

FY 2026 Operating Budget

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12/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				OTHER REVENUE				
$13,666	$8,457	$5,209	51550-202	Ground Handling Services	$66,731	$114,000	$48,632	$18,099
0	927	(927)	52008-203	Charters - Ground Handling	9,000	12,500	5,332	3,668
0	417	(417)	55210-209	Other Properties: Ground Leases-Farm	1,433	5,000	2,502	(1,069)
2,969	2,892	77	55300-209	Other Properties: Other Leases	17,811	34,700	17,352	459
0	500	(500)	55302-209	Other Properties: Utility Reimb	3,629	6,000	3,000	629
0	800	(800)	55421-209	Other: Salary Supplements	0	9,600	4,800	(4,800)
9,944	10,417	(473)	55432-000	Other: FTZ Contributions	64,664	125,000	62,502	2,162
847	406	441	55435-209	Other: Ice Revenue	6,018	9,000	4,950	1,068
2,210	1,583	627	55440-209	Other: ID's & Fingerprinting Revenue	16,025	19,000	9,498	6,527
4,646	1,189	3,457	55445-209	Other: Gasoline Sales	9,270	9,000	4,268	5,002
2,000	750	1,250	55450-209	Other: Miscellaneous Billings	35,476	9,000	4,500	30,976
1,086	1,083	3	55500-210	Aerospace Park - Ground Revenue	6,517	13,000	6,498	19
2,200	0	2,200	93106-000	Contributions from Tailwinds	13,200	0	0	13,200
$39,568	**$29,421**	**$10,147**		**TOTAL OTHER REVENUE**	**$249,774**	**$365,800**	**$173,834**	**$75,940**
$591,466	**$565,017**	**$26,449**		**TOTAL NON-AIRLINE REVENUE**	**$4,212,030**	**$7,073,595**	**$3,525,371**	**$686,659**
$823,192	**$780,965**	**$42,227**		**TOTAL OPERATING REVENUES**	**$5,603,774**	**$9,728,815**	**$4,866,855**	**$736,919**

Tri-Cities Airport Authority

FY 2026 Operating Budget

12/31/2025

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Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIRFIELD AREA EXPENSE				
$167	$988	($821)	60010-301	Aviation - Utilities	$7,957	$15,000	$7,229	$728
0	791	(791)	60070-301	Aviation - Power Vault Diesel	3,688	12,000	5,784	(2,096)
0	132	(132)	60080-301	Aviation - Power Vault Repairs	0	2,000	964	(964)
1,558	6,589	(5,031)	60110-301	Aviation - Runways/Taxiways/Field	76,204	100,000	48,203	28,001
0	1,977	(1,977)	60400-301	Aviation - Ramps and Aprons	145,748	30,000	14,461	131,287
0	527	(527)	60500-301	Aviation - Fence & Gate Repair	14,153	8,000	3,857	10,296
0	2,636	(2,636)	60520-301	Aviation - Electrical Maintenance	7,968	40,000	19,281	(11,313)
2,301	2,174	127	60560-301	Aviation - Snow & Ice Control	38,475	33,000	15,906	22,569
0	395	(395)	60570-301	Aviation - Wildlife Control	4,724	6,000	2,892	1,832
0	461	(461)	60630-301	Aviation - Equipment Rental	4,352	7,000	3,374	978
0	692	(692)	60650-301	Aviation - Fuel Farm Maintenance	15,223	10,500	5,061	10,162
0	132	(132)	60655-301	Aviation - Contract Mowing	0	2,000	964	(964)
537	395	142	60700-301	Aviation - Environmental Compliance	4,172	6,000	2,892	1,280
146	527	(381)	60705-301	Aviation-Part 139 Field Reporting	9,369	8,000	3,857	5,512
$4,709	**$18,416**	**($13,707)**		**TOTAL AIRFIELD AREA EXPENSE**	**$332,033**	**$279,500**	**$134,725**	**$197,308**
				AVIATION PROPERTIES EXPENSE				
$1,275	$954	$321	60030-301	Aviation - Domed Hangar/Offices	$23,063	$8,000	$5,266	$17,797
8,131	5,365	2,766	60040-301	Aviation - Tri-City Aviation, Inc.	36,316	45,000	29,613	6,703
1,547	1,192	355	60045-301	Aviation - Corporate Hangar Maint	2,633	10,000	6,581	(3,948)
889	1,192	(303)	60050-301	Aviation - Wysong	16,653	10,000	6,581	10,072
0	0	0	62210-303	Other: New S. Aviation Hangar - Utilities	2,191	0	0	2,191
$11,842	**$8,703**	**$3,139**		**TOTAL AVIATION PROPERTIES EXPE**	**$80,856**	**$73,000**	**$48,041**	**$32,815**

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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	$48,686	($48,686)	61010-302	Terminal - Electricity - BTES	$162,270	$290,000	$180,205	($17,935)
0	4,197	(4,197)	61020-302	Terminal - Heating Fuel	7,661	25,000	15,535	(7,874)
3,517	7,555	(4,038)	61030-302	Terminal - Water & Sewer	23,667	45,000	27,963	(4,296)
15	839	(824)	61035-302	Terminal - Landscape Water	613	5,000	3,106	(2,493)
838	3,022	(2,184)	61040-302	Terminal - Telephone & Internet	5,803	18,000	11,185	(5,382)
0	2,518	(2,518)	61050-302	Terminal - Electrical Maintenance	370	15,000	9,320	(8,950)
9,429	5,120	4,309	61055-302	Terminal - HVAC Maintenance	28,199	30,500	18,952	9,247
4,065	9,233	(5,168)	61057-302	Terminal - Building Repairs	20,495	55,000	34,176	(13,681)
2,295	3,777	(1,482)	61060-302	Terminal - Plumbing	28,866	22,500	13,981	14,885
0	9,233	(9,233)	61065-302	Terminal - Landscape Service	19,896	55,000	34,176	(14,281)
0	1,175	(1,175)	61070-302	Terminal - Equipment/Furnishing Mtn	1,714	7,000	4,349	(2,635)
1,412	4,113	(2,701)	61075-302	Terminal - Roadway, Parking Lot	22,121	24,500	15,224	6,897
0	6,715	(6,715)	61080-302	Terminal - Contract Mowing	11,898	40,000	24,856	(12,958)
0	0	0	61081-302	Terminal - Lawn Treatment	450	0	0	450
11,790	8,394	3,396	61570-302	Terminal - Contract (Elevator)	34,108	50,000	31,069	3,039
888	6,715	(5,827)	61580-302	Terminal - Contract (Trash Service)	26,757	40,000	24,856	1,901
3,512	7,555	(4,043)	61610-302	Terminal - Other Contracts	6,365	45,000	27,963	(21,598)
0	16,788	(16,788)	61960-302	Terminal - Jetway Maintenance	3,211	100,000	62,140	(58,929)
4,635	8,394	(3,759)	61970-302	Terminal - IT Equipment & Services	146,271	50,000	31,069	115,202
0	2,015	(2,015)	61980-302	Terminal - FIDS System	10,260	12,000	7,458	2,802
$42,396	**$156,044**	**($113,648)**		**TOTAL TERMINAL AREA EXPENSE**	**$560,995**	**$929,500**	**$577,583**	**($16,588)**

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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				
$122	$1,240	($1,118)	62560-303	Air Cargo Center: Utilities	$7,773	$12,000	$7,521	$252
0	103	(103)	62562-303	Air Cargo Center: Heating Fuel	0	1,000	627	(627)
0	310	(310)	62565-303	Air Cargo Center: HVAC Maintenance	0	3,000	1,881	(1,881)
1,381	1,550	(169)	62566-303	Air Cargo Center: Building Repairs	8,283	15,000	9,403	(1,120)
$1,503	**$3,203**	**($1,700)**		**TOTAL AIR CARGO EXPENSE**	**$16,056**	**$31,000**	**$19,432**	**($3,376)**

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				OTHER PROPERTIES EXPENSE				
$0	$228	($228)	62556-303	Other Prop: Non-Aviation Land	$0	$2,000	$1,051	($1,051)
0	799	(799)	62555-303	Other Prop: Other Buildings	4,649	7,000	3,680	969
1,209	4,563	(3,354)	62557-303	RAC Service Facility Utilities	17,348	40,000	21,028	(3,680)
4,265	5,704	(1,439)	62558-303	RAC Service Facility Maint	30,169	50,000	26,286	3,883
				OTHER BUILDING EXPENSE				
60	684	(624)	62010-303	Hamilton Road Garages - Utilities	4,369	6,000	3,154	1,215
				OTHER EXPENSE				
428	570	(143)	62580-303	Other Expense: Ice Expense	3,098	5,000	2,628	470
2,131	1,483	648	62581-303	Other Expense: Airline GSE Gasoline	3,857	13,000	6,834	(2,977)
$8,093	**$14,031**	**($5,938)**		**TOTAL OTHER PROPERTIES EXP.**	**$63,490**	**$123,000**	**$64,661**	**($1,171)**

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				FIXED BASE OPERATION EXPENSE				
$0	$0	$0	68000-319	FBO - Supplies	$4,665	$80,000	$0	$4,665
0	0	0	68002-319	FBO - Equipment Fuel	6,901	0	0	6,901
3,113	0	3,113	68003-319	FBO - Equipment Mainenance	7,130	0	0	7,130
1,012	0	1,012	68004-319	FBO - Miscellaneous	8,747	0	0	8,747
0	11,692	(11,692)	68007-319	FBO - Salaries	0	152,000	75,998	(75,998)
0	923	(923)	68008-319	FBO - FICA	0	12,000	6,000	(6,000)
0	846	(846)	68009-319	FBO - Retirement	0	11,000	5,499	(5,499)
0	1,667	(1,667)	68010-319	FBO - Group Insurance	0	20,000	10,000	(10,000)
0	167	(167)	68011-319	FBO - General Personnel	150	2,000	1,000	(850)
0	0	0	68018-319	FBO - Titan Fuel Purchases	107,885	0	0	107,885
0	0	0	68019-319	FBO - Titan Grant Expenses	2,986	0	0	2,986
$4,125	$15,295	($11,170)			$138,464	$277,000	$98,497	$39,967

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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				
$16	$831	($815)	63040-304	Safety - Fire Hall Expense	$15,302	$12,000	$6,522	$8,780
0	277	(277)	63041-304	Safety - Fire Hall Heating Fuel	851	4,000	2,174	(1,323)
0	277	(277)	63100-304	Safety - Equipment/Furniture/Fixtures	514	4,000	2,174	(1,660)
31,299	3,394	27,905	63210-304	Safety - Equipment Maintenance	78,671	49,000	26,628	52,043
2,326	1,732	594	63420-304	Safety - Vehicle Fuel	6,224	25,000	13,585	(7,361)
2,590	3,117	(527)	63550-304	Safety - Training	17,272	45,000	24,454	(7,182)
8,589	1,351	7,238	63600-304	Safety - Uniforms	17,438	19,500	10,597	6,841
0	866	(866)	63650-304	Safety - Dues & Subscriptions	8,284	12,500	6,793	1,491
0	346	(346)	63670-304	Safety - Office Supplies	218	5,000	2,718	(2,500)
439	173	266	63700-304	Safety - General Expense	1,654	2,500	1,358	296
999	242	757	63730-304	Safety - Telephone & Internet	2,683	3,500	1,901	782
0	346	(346)	63740-304	Safety - Radios/Communications	0	5,000	2,718	(2,718)
250	173	77	63760-304	Safety - Medical & Psy Testing	625	2,500	1,358	(733)
84	139	(55)	63800-304	Safety - Medical Supplies	15,849	2,000	1,086	14,763
0	693	(693)	63910-304	Safety - ID's & Fingerprinting	3,644	10,000	5,434	(1,790)
0	35	(35)	63915-304	Safety - Security Parking	0	500	272	(272)
12,611	2,078	10,533	63985-304	Safety - Access Control	95,055	30,000	16,302	78,753
0	1,039	(1,039)	63986-304	Safety-Worker's Comp Insurance	5,888	15,000	8,151	(2,264)
2,187	2,692	(505)	63988-304	Safety - Overtime	25,048	35,000	17,498	7,550
0	3,000	(3,000)	63989-304	Safety - Part-Time Salaries	10,053	39,000	19,500	(9,447)
61,888	62,692	(804)	63990-304	Safety - Full-Time Salaries	382,444	815,000	407,498	(25,054)
5,576	5,346	230	63991-304	Safety - FICA Expense	32,500	69,500	34,749	(2,249)
75	6,154	(6,079)	63992-304	Safety - Retirement Expense	31,490	80,000	40,001	(8,511)
0	1,662	(1,662)	63994-304	Safety - General Personnel	0	24,000	13,042	(13,042)
19,688	15,931	3,757	63995-304	Safety - Group Insurance	120,100	230,000	124,985	(4,885)
$148,617	**$114,586**	**$34,031**		**TOTAL PUBLIC SAFETY EXPENSE**	**$871,807**	**$1,539,500**	**$791,498**	**$80,309**

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Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				MAINTENANCE DEPARTMENT EXPENSE				
$29	$1,311	($1,282)	64020-305	Maintenance - Utilities	$5,126	$10,000	$5,189	($63)
645	197	448	64030-305	Maintenance - Telephone	1,830	1,500	778	1,052
0	393	(393)	64050-305	Maintenance - Heating Fuel	541	3,000	1,557	(1,016)
581	1,573	(992)	64120-305	Maintenance - Building Repair	931	12,000	6,227	(5,296)
3,934	7,864	(3,930)	64150-305	Maintenance - Equipment Mtn	35,902	60,000	31,130	4,772
5,889	3,277	2,612	64610-305	Maintenance - Vehicle Fuel & Oil	17,393	25,000	12,971	4,422
6,143	1,573	4,570	64650-305	Maintenance - Tools & Hardware	34,708	12,000	6,227	28,481
0	1,114	(1,114)	64700-305	Maintenance - Training	545	8,500	4,410	(3,865)
0	1,311	(1,311)	64750-305	Maintenance - Uniforms	5,668	10,000	5,189	479
521	1,311	(790)	64800-305	Maintenance - General Expense	6,626	10,000	5,189	1,437
37,152	37,692	(540)	64900-305	Maintenance - Salaries	241,096	490,000	244,998	(3,902)
2,945	3,154	(209)	64901-305	Maintenance - FICA Expense	19,539	41,000	20,501	(962)
504	3,846	(3,342)	64902-305	Maintenance - Retirement Expense	23,292	50,000	24,999	(1,707)
3,734	2,308	1,426	64903-305	Maintenance - Overtime	28,860	30,000	15,002	13,858
14,710	23,684	(8,974)	64904-305	Maintenance - Group Insurance	90,820	180,700	93,754	(2,934)
0	1,180	(1,180)	64907-305	Maintenance - General Personnel	45	9,000	4,670	(4,625)
$76,787	**$91,788**	**($15,001)**		**TOTAL MAINTENANCE EXPENSE**	**$512,922**	**$952,700**	**$482,791**	**$30,131**

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Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				BUILDING SERVICES EXPENSE				
$5,184	$4,527	$657	65100-306	Building Services - Supplies	$34,210	$60,000	$29,166	$5,044
133	528	(395)	65105-306	Building Services - Equipment Purchase	3,336	7,000	3,402	(66)
0	128	(128)	65110-306	Building Services - Furniture & Fixtures	125	1,700	825	(700)
608	302	306	65115-306	Building Services - Equipment Mtn	5,222	4,000	1,945	3,277
136	679	(543)	65120-306	Building Services - Uniforms	4,160	9,000	4,375	(215)
338	189	149	65125-306	Building Services - General Expense	1,919	2,500	1,216	703
0	38	(38)	65130-306	Building Services - Snow Removal	0	500	244	(244)
32,914	33,077	(163)	65200-306	Building Services - Salaries	199,389	430,000	215,000	(15,611)
986	1,154	(168)	65205-306	Building Services - Overtime	14,953	15,000	7,501	7,452
2,465	2,615	(150)	65210-306	Building Services - FICA Expense	15,677	34,000	16,998	(1,321)
529	3,400	(2,871)	65220-306	Building Services - Retirement Expense	16,715	44,200	22,100	(5,385)
10,721	10,933	(212)	65230-306	Building Services - Group Insurance	60,784	144,900	70,438	(9,654)
0	415	(415)	65237-306	Building Services - General Personnel	125	5,500	2,673	(2,548)
0	151	(151)	65238-306	Building Services - Training	210	2,000	973	(763)
$54,014	**$58,136**	**($4,122)**		**TOTAL BUILDING SERVICES EXPEN**	**$356,825**	**$760,300**	**$376,856**	**($20,031)**

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				CUSTOMER EXPERIENCE EXPENSE				
$16	$145	($129)	65510-316	Customer Experience - Supplies	$186	$2,000	$920	($734)
0	6,538	(6,538)	65515-316	Customer Experience - Programs & Mat	12,926	90,000	41,419	(28,493)
0	145	(145)	65520-316	Customer Experience - Uniforms	0	2,000	920	(920)
0	218	(218)	65530-316	Customer Experience - Training	0	3,000	1,380	(1,380)
3,926	3,769	157	65535-316	Customer Experience - Salaries	24,428	49,000	24,499	(71)
279	292	(13)	65540-316	Customer Experience - FICA Expense	1,739	3,800	1,898	(159)
113	377	(264)	65545-316	Customer Experience - Retirement	1,853	4,900	2,450	(597)
1,599	1,351	248	65550-316	Customer Experience - Group Insurance	9,592	18,600	8,559	1,033
0	36	(36)	65556-316	Customer Experience - General Personn	0	500	231	(231)
$5,933	**$12,871**	**($6,938)**		**TOTAL CUSTOMER EXPERIENCE EX**	**$50,724**	**$173,800**	**$82,276**	**($31,552)**

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				PUBLIC PARKING EXPENSE				
$32,576	$25,771	$6,805	69300-320	Parking: Salaries & Wages	$159,781	$289,000	$154,876	$4,905
2,486	1,962	524	69301-320	Parking: Payroll Taxes	11,841	22,000	11,790	51
0	134	(134)	69302-320	Parking: Uniforms	0	1,500	805	(805)
4,607	4,904	(297)	69303-320	Parking: Health Care & Retirement	30,938	55,000	29,473	1,465
63	446	(383)	69304-320	Parking: Garage Supplies	228	5,000	2,681	(2,453)
141	357	(216)	69306-320	Parking: Printing & Ticket Expense	447	4,000	2,145	(1,698)
38	312	(274)	69308-320	Parking: Office Supplies	260	3,500	1,875	(1,615)
143	45	98	69309-320	Parking: Office Equipment	651	500	268	383
45	892	(847)	69310-320	Parking: Repairs & Maint.	1,669	10,000	5,358	(3,689)
0	45	(45)	69314-320	Parking: License & Fees	30	500	268	(238)
40	0	40	69315-320	Parking: Other Insurance	120	0	0	120
0	45	(45)	69316-320	Parking: Liability & Other Insurance	120	500	268	(148)
917	767	150	69317-320	Parking: Worker's Comp	5,636	8,600	4,609	1,027
47	76	(29)	69318-320	Parking: Utilities-Water	511	850	455	56
0	535	(535)	69320-320	Parking: Utilities-Electricity	2,781	6,000	3,215	(434)
0	22	(22)	69322-320	Parking: Postage & Freight	3	250	134	(131)
1,097	446	651	69324-320	Parking: Telephone & Communications	2,201	5,000	2,681	(480)
4	45	(41)	69326-320	Parking: Recruiting Expense	28	500	268	(240)
72	0	72	69327-320	Parking: Advertising & Publicity	383	0	0	383
294	223	71	69328-320	Parking: Financial Services	1,919	2,500	1,340	579
9,871	7,000	2,871	69330-320	Parking: Credit Card Discount	55,605	78,500	42,068	13,537
381	357	24	69331-320	Parking: Truck Fuel	849	4,000	2,145	(1,296)
1,203	330	873	69332-320	Parking: Miscellaneous Expense	2,312	3,700	1,983	329
2,370	2,773	(403)	69334-320	Parking: Management Fee	14,220	31,100	16,666	(2,446)
$56,395	**$47,487**	**$8,908**		**TOTAL PUBLIC PARKING EXPENSE**	**$292,533**	**$532,500**	**$285,371**	**$7,162**

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				TRADE DEVELOPMENT EXPENSE				
				FOREIGN TRADE ZONE EXPENSE				
0	12	(12)	69050-309	FTZ: Programs & Materials	0	200	77	(77)
0	61	(61)	69051-309	FTZ: Contract Services	1,750	1,000	391	1,359
0	12	(12)	69052-309	FTZ: Marketing & Advertising	0	200	77	(77)
0	61	(61)	69053-309	FTZ: Professional Affiliations	0	1,000	391	(391)
0	31	(31)	69054-309	FTZ: Subscriptions	0	500	196	(196)
0	31	(31)	69055-309	FTZ: Meetings, Registration	0	500	196	(196)
0	6	(6)	69057-309	FTZ: Special Events	0	100	39	(39)
0	61	(61)	69059-309	FTZ: Legal	0	1,000	391	(391)
0	**275**	**(275)**		**TOTAL FOREIGN TRADE ZONE EXP**	**1,750**	**4,500**	**1,758**	**(8)**
				ADMINISTRATIVE EXPENSE				
0	123	(123)	69070-309	DEV: ADMIN - Travel & Auto	(35)	2,000	781	(816)
0	6	(6)	69071-309	DEV: ADMIN - Airport Promotion	0	100	39	(39)
0	49	(49)	69072-309	DEV: ADMIN - Office Supplies	352	800	314	38
0	12	(12)	69073-309	DEV: ADMIN - Furniture & Equipment	0	200	77	(77)
255	61	194	69074-309	DEV: ADMIN - Communications	510	1,000	391	119
0	6	(6)	69075-309	DEV: ADMIN - Postage & Courier	0	100	39	(39)
0	6	(6)	69076-309	DEV: ADMIN - Printing & Forms	0	100	39	(39)
0	9	(9)	69077-309	DEV: ADMIN - Staff Training	0	150	58	(58)
255	**272**	**(17)**		**TOTAL ADMINISTRATIVE EXPENSE**	**827**	**4,450**	**1,738**	**(911)**
				PERSONNEL COST				
9,282	9,015	267	69080-309	DEV: Salaries	58,815	117,200	58,598	217
680	700	(20)	69082-309	DEV: FICA	4,318	9,100	4,550	(232)
0	1,831	(1,831)	69083-309	DEV: Retirement	10,346	23,800	11,901	(1,555)
2,244	1,594	650	69084-309	DEV: Group Insurance	13,465	26,000	10,155	3,310
0	74	(74)	69086-309	DEV: General Personnel	0	1,200	469	(469)
12,206	**13,214**	**(1,008)**		**TOTAL PERSONNEL COST**	**86,944**	**177,300**	**85,673**	**1,271**
$12,461	**$13,761**	**($1,300)**		**TOTAL TRADE DEVELOPMENT EXP**	**$89,521**	**$186,250**	**$89,169**	**$352**

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				MARKETING & AIR SERVICE DEV EXPENSE				
				AIRPORT & COMMUNITY RELATIONS				
$454	$948	($494)	67215-308	Marketing - Advertising	$461	$15,000	$7,947	($7,486)
2,510	2,529	(19)	67225-308	Mkt - Website, Programs & Materials	14,745	40,000	21,194	(6,449)
4,462	1,897	2,565	67244-308	Marketing - Community Relations	15,112	30,000	15,896	(784)
				AIR SERVICE DEVELOPMENT				
792	1,897	(1,105)	67291-308	Marketing - Research & Development	7,028	30,000	15,896	(8,868)
8,195	8,219	(24)	67292-308	Marketing - Consulting Services	44,110	130,000	68,882	(24,772)
0	2,213	(2,213)	67293-308	Marketing - Airline Relations	12,918	35,000	18,545	(5,627)
12,421	26,554	(14,133)	67294-308	Marketing - Marketing Initiative	177,441	420,000	222,538	(45,097)
				MARKETING SUPPORT				
2,658	2,655	3	67262-308	Marketing - Travel	22,716	42,000	22,253	463
0	114	(114)	67264-308	Marketing - Auto & Fuel	0	1,800	955	(955)
0	177	(177)	67272-308	Marketing - Professional Affliliations	1,875	2,800	1,485	390
0	253	(253)	67285-308	Marketing - Supplies & Misc	668	4,000	2,119	(1,451)
578	164	414	67287-308	Mkt - Phones & Data Communications	5,547	2,600	1,377	4,170
12,277	11,615	662	67900-308	Marketing - Salaries	76,736	151,000	75,498	1,238
911	923	(12)	67901-308	Marketing - FICA Expense	5,700	12,000	6,000	(300)
236	1,154	(918)	67903-308	Marketing - Retirement Expense	5,224	15,000	7,501	(2,277)
2,440	1,777	663	67905-308	Marketing - Group Insurance	14,636	28,100	14,890	(254)
0	126	(126)	67911-308	Marketing - General Personnel	0	2,000	1,060	(1,060)
19,100	**18,958**	**142**		**SUB-TOTAL MARKETING SUPPORT**	**133,102**	**261,300**	**133,138**	**(36)**
$47,934	**$63,215**	**($15,281)**		**TOTAL MARKETING & AIR SERVICE**	**$404,917**	**$961,300**	**$504,036**	**($99,119)**

Tri-Cities Airport Authority

FY 2026 Operating Budget
12/31/2025

3:46:18 PM 2/18/2026

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				
$692	$47	$645	68921-310	GHS - Supplies	$25,828	$2,500	$779	$25,049
38,555	170	38,385	68923-310	GHS - Equipment Maintenance	45,665	9,000	2,807	42,858
313	38	275	68925-310	GHS - Equipment Fuel	1,205	2,000	625	580
336	23	313	68926-310	GHS - Telephone & Communication	993	1,200	376	617
3,318	19	3,299	68927-310	GHS - Miscellaneous	14,356	1,000	312	14,044
(400)	0	(400)	68928-310	GHS - 3rd Party Services	(1,400)	0	0	(1,400)
119	38	81	68929-310	GHS - Staff Training	5,274	2,000	625	4,649
943	151	792	68930-310	GHS - Uniforms	6,000	8,000	2,494	3,506
26,796	5,231	21,565	68931-310	GHS - Salaries	135,794	68,000	34,001	101,793
0	13,846	(13,846)	68932-310	GHS - Part-time	0	180,000	89,999	(89,999)
2,022	1,462	560	68933-310	GHS - FICA	10,241	19,000	9,502	739
162	119	43	68935-310	GHS - Retirement	2,366	6,300	1,964	402
0	530	(530)	68937-310	GHS - Group Insurance	0	28,000	8,732	(8,732)
95	57	38	68939-310	GHS - General Personnel	785	3,000	937	(152)
$72,951	**$21,731**	**$51,220**		**TOTAL GND HANDLING SVCS EXP**	**$247,107**	**$330,000**	**$153,153**	**$93,954**

Tri-Cities Airport Authority

FY 2026 Operating Budget

12/31/2025

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	$344	($344)	68950-318	Business Dev: Partnerships	$4,000	$6,000	$2,748	$1,252
0	573	(573)	68952-318	Business Dev: Programs & Materials	68	10,000	4,579	(4,511)
0	1,720	(1,720)	68954-318	Aerospace Industry Travel	2,879	30,000	13,737	(10,859)
4,000	4,301	(301)	68956-318	Aerospace Park Marketing	24,520	75,000	34,342	(9,822)
0	3,154	(3,154)	68958-318	Aerospace Park Contracted Services	4,000	55,000	25,184	(21,184)
0	287	(287)	68960-318	Aerospace Park Website	0	5,000	2,290	(2,290)
$4,000	**$10,379**	**($6,379)**		**TOTAL AIR BUSINESS DEV EXP.**	**$35,467**	**$181,000**	**$82,880**	**($47,413)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

3:46:19 PM 2/18/2026

12/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				ADMINISTRATIVE DEPARTMENT EXPENSE				
$58,585	$9,125	$49,460	66010-307	Admin - Auditing	$60,985	$62,000	$34,733	$26,252
4,132	4,415	(284)	66030-307	Admin - Legal	10,275	30,000	16,806	(6,531)
52	44,151	(44,099)	66060-307	Admin - Insurance & Bonding	132,750	300,000	168,055	(35,305)
0	4,415	(4,415)	66210-307	Admin - Dues & Subscriptions	27,376	30,000	16,806	10,570
7,330	5,298	2,032	66260-307	Admin - Consulting Services	57,887	36,000	20,165	37,722
0	3,679	(3,679)	66300-307	Admin - Engineering Services	250	25,000	14,005	(13,755)
0	736	(736)	66550-307	Admin - Furniture & Fixtures	3,726	5,000	2,801	925
0	736	(736)	66560-307	Admin - Office Equipment	8,933	5,000	2,801	6,132
133	1,472	(1,339)	66570-307	Admin - Office Supplies	4,757	10,000	5,602	(845)
3,570	3,900	(330)	66660-307	Admin - Telephone & Internet	15,196	26,500	14,845	351
198	5,445	(5,247)	66750-307	Admin - Office Equipment Maintenance	3,908	37,000	20,727	(16,819)
2,199	4,415	(2,216)	66850-307	Admin - General Administrative	26,372	30,000	16,806	9,566
164	589	(425)	66861-307	Admin - Education & Training	3,408	4,000	2,241	1,167
0	4,415	(4,415)	66940-307	Admin - Seminars & Conferences	22,707	30,000	16,806	5,901
100	221	(121)	66970-307	Admin - Postage & Shipping	1,005	1,500	840	165
83,519	88,462	(4,943)	66990-307	Admin - Salaries	514,597	1,150,000	575,002	(60,405)
4,084	7,231	(3,147)	66991-307	Admin - FICA Expense	30,696	94,000	47,001	(16,305)
1,000	8,462	(7,463)	66992-307	Admin - Retirement Expense	42,697	110,000	55,002	(12,305)
34	0	34	66993-307	Admin - Health Ins - Retirees	34	0	0	34
12,839	24,283	(11,444)	66994-307	Admin - Group Insurance	80,851	165,000	92,431	(11,580)
875	4,709	(3,834)	66996-307	Admin - General Personnel	20,051	32,000	17,926	2,125
0	(3,679)	3,679	67001-307	Admin - Capitalized Salaries (Projects)	(4,397)	(25,000)	(14,005)	9,608
$178,814	**$222,480**	**($43,666)**		**TOTAL ADMINISTRATIVE EXP.**	**$1,064,064**	**$2,158,000**	**$1,127,396**	**($63,332)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

12/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
$77,734	$65,718	$12,016		Airline Landing Fees	$473,055	$836,620	$435,840	$37,215
153,992	150,230	3,762		Airline Rents	918,689	1,818,600	905,644	13,045
231,726	**215,948**	**15,778**		**TOTAL AIRLINE REVENUE**	**1,391,744**	**2,655,220**	**1,341,484**	**50,260**
87,217	93,344	(6,127)		General Aviation	637,543	1,191,650	600,752	36,791
8,184	8,890	(706)		Air Cargo	51,820	107,500	53,879	(2,059)
291,733	248,198	43,535		Parking Revenue	2,052,086	3,170,245	1,617,056	435,030
140,500	154,857	(14,357)		Rental Car Revenue	1,038,380	1,874,700	898,008	140,372
15,114	20,958	(5,844)		Terminal Concessions	122,585	251,500	125,748	(3,163)
9,150	9,349	(199)		Terminal Space Rents	59,842	112,200	56,094	3,748
39,568	29,421	10,147		Other Revenues	249,774	365,800	173,834	75,940
591,466	**565,017**	**26,449**		**TOTAL NON-AIRLINE REVENUE**	**4,212,030**	**7,073,595**	**3,525,371**	**686,659**
823,192	**780,965**	**42,227**		**TOTAL REVENUE**	**5,603,774**	**9,728,815**	**4,866,855**	**736,919**
4,709	18,416	(13,707)		Airfield Area	332,033	279,500	134,725	197,308
11,842	8,703	3,139		Aviation Properties	80,856	73,000	48,041	32,815
42,396	156,044	(113,648)		Terminal Area	560,995	929,500	577,583	(16,588)
1,503	3,203	(1,700)		Air Cargo Center	16,056	31,000	19,432	(3,376)
8,093	14,031	(5,938)		Other Properties	63,490	123,000	64,661	(1,171)
4,125	15,295	(11,170)		Fixed Base Operation	138,464	277,000	98,497	39,967
148,617	114,586	34,031		Public Safety	871,807	1,539,500	791,498	80,309
76,787	91,788	(15,001)		Maintenance Dept.	512,922	952,700	482,791	30,131
54,014	58,136	(4,122)		Janitorial Dept.	356,825	760,300	376,856	(20,031)
5,933	12,871	(6,938)		Airport Services	50,724	173,800	82,276	(31,552)
56,395	47,487	8,908		Public Parking	292,533	532,500	285,371	7,162
12,461	13,761	(1,300)		Trade Development	89,521	186,250	89,169	352
47,934	63,215	(15,281)		Marketing Dept.	404,917	961,300	504,036	(99,119)
72,951	21,731	51,220		Ground Handling Services	247,107	330,000	153,153	93,954
4,000	10,379	(6,379)		Airport Business Dev	35,467	181,000	82,880	(47,413)
178,814	222,480	(43,666)		Administrative	1,064,064	2,158,000	1,127,396	(63,332)
730,574	**872,126**	**(141,552)**		**TOTAL EXPENSES**	**5,117,781**	**9,488,350**	**4,918,365**	**199,416**
$92,618	**($91,161)**	**$183,779**			**$485,993**	**$240,465**	**($51,510)**	**$537,503**

Director of Marketing and Air Service Development,

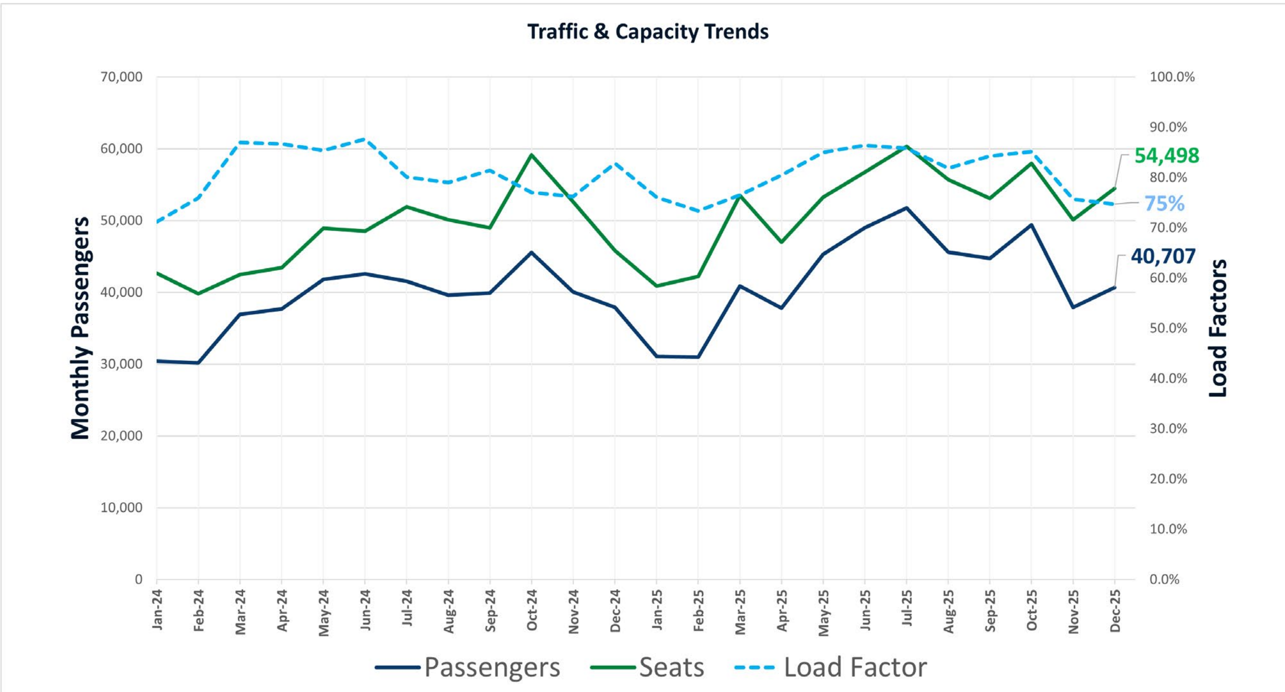
Trevor Rice

Tri-Cities Airport Authority
February 26, 2026

REPORT:

Air Service Development & Marketing Report

Air Service Development:



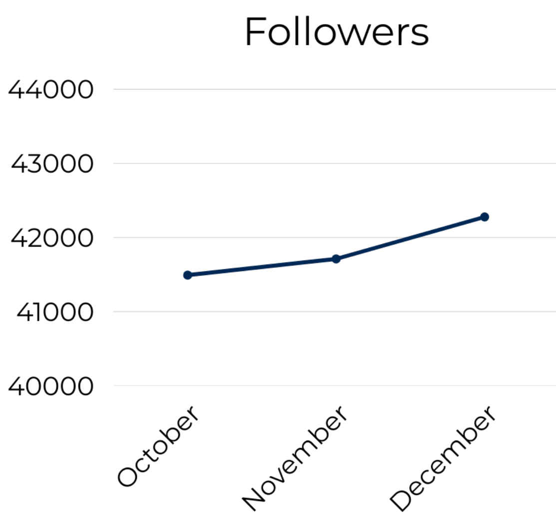
Traffic & Capacity Trends (Latest Available: December 2025)		
Metric	**Dec. 2025**	**YoY Change**
Passengers	40,707	+7.4%
Seats	54,498	+18.9%
Load Factor	75%	- 9.8%
2025 YE		
Passengers	505,289	+12.42%
Seats	625,306	+8.37%
Load Factor	80%	+3.96%

Projected Seat Capacity (Forward-Looking)		
Month	**Projected Seats**	**YoY Change**
March	58,326	+7%
April	57,978	+23%
May	65,208	+19%
June	76,382	+30%
July	83,614	+38%
August	78,602	+42%

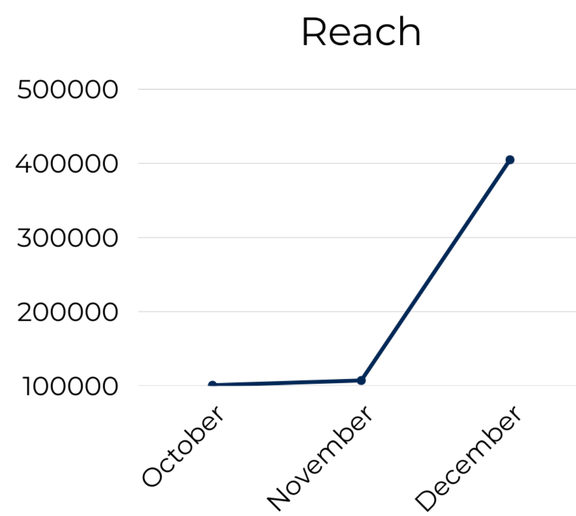
Airline Schedules (March - August)				
Airline	**Route**	**Frequency**	**Aircraft**	**Notable Changes**
Allegiant	PIE (St. Pete)	2x/week	A319/A320	Returned Feb. 13
	SFB (Orlando)	2x/week through Mid-May → 4x/week through Aug	A319/A320, B737	Increase in weekly frequency
American	CLT (Charlotte)	5x/day in March → 6x/day through Aug	ERJ-145	Stable
	DFW (Dallas)	2x/day	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, E-170	B-717 returns in May → 2x/day Jun - Aug
United	ORD (Chicago)	3x/day	CRJ-200/550	NEW Begins June 8

Advertising, Community Relations, Customer Experience:

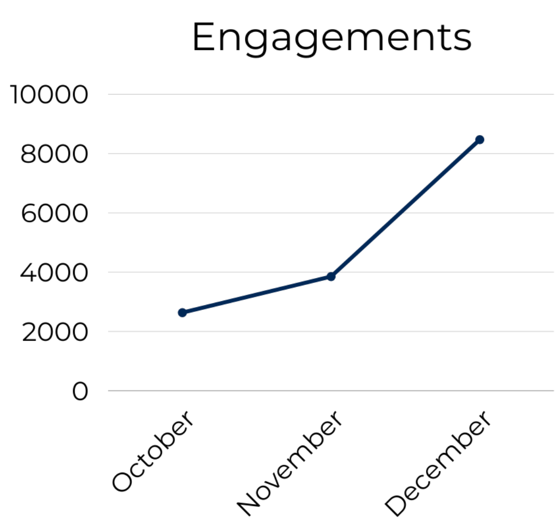
Q4 Social Media – Total Posts: 166



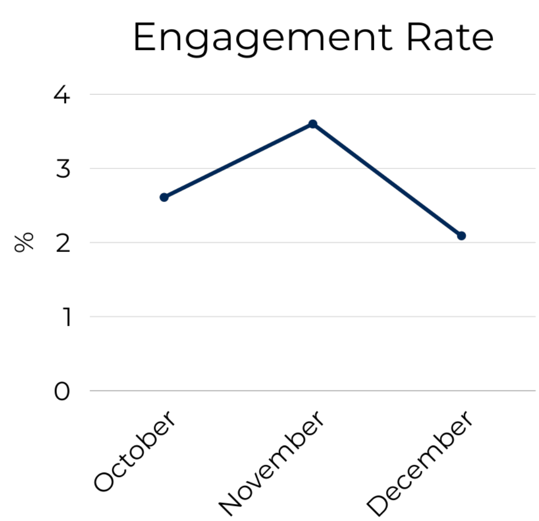
Total Followers: 42,277



Total Reach: 612,705



Total Engagements: 14,954



Average Engagement Rate: 2.77%

Social media performance strengthened throughout the quarter, with steady audience growth across all platforms and a significant increase in reach and engagement in December. 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.

December marked a standout month, driven by Breeze inaugural flight coverage, the Pol-Air Express holiday event, and year-end recap content. These moments generated strong reach and elevated interaction across platforms, reinforcing excitement around new service and holiday travel. Overall, Q3 social content successfully balanced informative updates with community-focused engagement while supporting broader Fly Local messaging.

Q4 Email - Total Campaigns: 6

Email Performance
October 1 - December 31

Total Sends	Open Rate	Click Rate	Unsubscribe Rate
13,272	39.4%	1.6%	0.36%

Email marketing remained a steady and effective communication channel throughout the quarter. Six campaigns were distributed, covering seasonal travel, the TSA/FAA Donation Drive, Halloween, Thanksgiving, the ORD route announcements, Christmas messaging, and a 2025 recap.

Open and unsubscribe rates remained healthy and stable, indicating continued subscriber interest and list quality. Email continues to serve as a reliable platform for delivering timely updates, supporting major announcements, and reinforcing seasonal travel messaging.

Q4 Earned Media:

Total Mentions Last quarter	Total AVE Last quarter
838 Mentions	21.6M USD

Total Potential Editorial Reach Last quarter	Total Potential Social Reach Last quarter
2.33B Reach	3.69M Reach

Earned media remained strong throughout the quarter, with coverage spanning operational updates, community initiatives, and air service growth. October and November focused largely on the Donation Drive, government shutdown impacts, and the opening of the Tri-Cities Airport Ice Rink at Bristol Motor Speedway. December coverage shifted toward positive air service momentum, highlighted by Breeze inaugural flights and Chicago O'Hare service announcements.

Paid Media
The Fly Local advertising campaign continues across a mix of tactics including programmatic display, paid search, paid social, cable, OTT, billboards, mixed digital and broadcast, and radio.

A new completely Breeze-focused campaign was launched to support the new service, with additional campaigns for the new ORD service launches currently in production.

Community/Passenger Engagement

Community engagement remained a priority throughout the quarter. The Tri-Cities Airport Ice Rink at Bristol Motor Speedway continued as a strong regional visibility opportunity during the holiday season. In-terminal activations, including Breeze inaugural flight celebrations and the Pol-Air Express holiday event in baggage claim, created memorable passenger experiences and direct engagement opportunities.

Pol-Air Express served as a standout activation, with hundreds of promotional items distributed and strong passenger participation. Feedback was overwhelmingly positive, particularly surrounding excitement for the new routes.

Overall, December closed the quarter on a high note, marked by service growth, positive media attention, and strong community engagement.

Since the December TCAA meeting:
- Participated in monthly ACI-NA Air Service Committee Steering Group meeting.
- Met with Marketing & Air Service Development Committee.
- Staff met with community partners regarding upcoming tours.
- Hosted Inaugural Flight Celebrations for new Breeze service
- Hosted New Air Service Announcement event for AA to ORD.
- Hosted Pol-Air Express passenger appreciation event.
- Hosted Bristol Chamber Executive Leadership Institute.
- Staff attended Kingsport Chamber Board Meeting.
- Announced United Airline's new service to ORD.
- Met with United Airlines Airport Operations team.
- Met with Breeze Marketing and Network Planning Departments.

- Staff met with Hard Rock Bristol to discuss future partnership opportunities.
- Staff provided air service data to community partners.
- Staff attended the Economic Development Committee.
- Staff attended Johnson City Chamber Annual Meeting.
- Staff attended Bristol Chamber Annual Meeting.
- Staff attended Regional Legislative Breakfast.
- 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.
- 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

Director Business Development,

Mark Canty

REPORT:

Business Development

Summary:

- 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.

- Preparing for participation in MRO Americas in Orlando. David Lotterer (JLL) is coordinating meetings with prospective tenants and developers. NETWORKS Sullivan Partnership is supporting funding and staffing for the conference display.

- 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.

- 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.

- Participating in cross-training initiatives to strengthen operational continuity and support collaboration across airport departments.

- Planning to attend the NAFTZ Spring Conference in Portland, Maine in April.

Submitted by: Mark Canty

Director of Business Development

Director of Operations,

Chris Stipo

Tri-Cities Airport Authority
February 26, 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