

**GREENVILLE-SPARTANBURG AIRPORT COMMISSION
MINUTES
January 17, 2012**

The Greenville-Spartanburg Airport Commission met on January 17, 2012 at 9:00 a.m. in the Greenville-Spartanburg Airport District Office Conference Room located at 2000 GSP Drive, Suite 1, Greer, SC 29651.

MEMBERS PRESENT: Minor Shaw, Leland Burch, Valerie Miller, and Doug Smith. Bill Barnet and Hank Ramella participated via phone.

STAFF AND LEGAL COUNSEL PRESENT: Dave Edwards-President/CEO, Kevin Howell-Vice President/COO, Jack Murrin-Vice President Administration and Finance/CFO, Rosylin Weston-Vice President Communications, Larry Estridge-WCSR Firm, Wanda Jones-Secretary, Mike Gula-Director of Operations, Nathan Garner-Aviation Services Manager and Whitney Code-Marketing Coordinator

GUEST PRESENT: Jenny Munro-Greenville News, John Buzzy-Skanska Moss, Jim Fair-Greer Today, Gary Lott-LPA, and Phil Parkins-CDM Smith.

CALL TO ORDER: Chair Minor Shaw called the meeting to order.

CONSENT AGENDA:

- A. Approval of the Greenville-Spartanburg Airport Commission November 14, 2011 "Special" Meeting Minutes: A motion was made, seconded, and unanimous vote received to approve the minutes from the November 14, 2011 "Special" Commission Meeting.
- B. Approval of the Greenville-Spartanburg Airport Commission November 21, 2011 Regular Meeting Minutes: A motion was made, seconded, and unanimous vote received to approve the minutes from the November 21, 2011 Commission Meeting.
- C. Approval of Airport Commission Meeting Dates/Times for Calendar Year 2012: A motion was made, seconded, and unanimous vote received to approve the Airport Commission Meeting Dates/Times for Calendar Year 2012. The meeting dates are: January 17, March 12, May 14, July 16, September 17, and November 19 at 9:00 am.

PRESENTATIONS:

- A. Terminal Advertising Program Summary: Rosylin Weston gave a brief presentation on the Terminal Advertising Program. The Advertising Program has generated a net income of \$2,147,780.00 from the time period October 2002 and November 2011. There are a total of 101 advertising spaces

available. Ms. Weston stated the airport will be facing some challenges with our advertising program as we move forward with the terminal renovations but Staff plans to keep advertisers informed. To date there is a 90% occupancy rate with the advertising opportunities that we have. Mr. Burch asked who handles the advertising? Ms. Weston stated an outside agency, AMG Advertising. Chair Shaw asked if we will be looking at advertising as we go through the Terminal Improvement Process? Mr. Edwards stated yes, and we will have a greater level of dynamic advertising as in signage that will give us similar advertising to the mega motion type displays with more LED screens. Mr. Barnett stated we have generated approximately 2.2 million in advertising but are we in the game or need improvement? Mr. Edwards stated that there is always room for improvement and we have the opportunity to increase overall revenue to the airport with the new terminal and with a revised program. As we move forward, Mr. Edwards expects the advertising program to be much higher producing revenue. Mr. Ramella asked about the status of the contract during construction. Mr. Edwards responded that it will be a good opportunity to re-evaluate the advertising program. Staff will be looking at various options as how to move forward and what will work best for the airport long term. Mr. Edwards stated that the most important thing during construction is customer service and communication.

- B. Cargo Program Update: Mr. Nathan Garner, Aviation Services Manager presented a Power Point presentation on the status of Cargo. The Airport Commission approved \$700k for cargo equipment and to date the following equipment has been purchased: Main Deck Loader, Cargo Dollies, Push Back Tractor, B-747 Tow bar, Cargo Tractors, and Forklifts. Mr. Edwards commented that the Aviation Services Group has done a great job of purchasing the equipment and making sure that we got the best value for the money that was allotted for purchase of this equipment. There is a favorable outlook for the GSP Air Cargo Market. The presence of multiple integrated carriers and the entrance of Southwest into the market was identified as strengths. International charters, integrated carriers, and logistics/distribution service centers are opportunities identified for the Aviation Services Group. Mr. Smith asked how we reach out to businesses such as Amazon. Mr. Edwards stated that Mr. Garner will be wearing two hats as Aviation Services Manager to develop the business as well. Mr. Garner is getting to know the freight forwarders and other logistic operators as well as meeting with industry such as BMW, and Michelin and discussing what Staff can do to help them. On a going forward basis; the same discussions will take place with Amazon. Mr. Burch asked what size staff is in the Aviation Services Group? Mr. Garner stated seven (7) and working to hire additional employees. Chair Shaw asked if Staff will be evaluating the cost analysis. Mr. Edwards responded that Mr. Garner has a lot of pro-formas which are being reviewed. The payback has been very positive to date and as this

side of the business continues to grow the investments that Staff makes will pay off.

OLD BUSINESS: None.

NEW BUSINESS:

- A. Approval of Amendment to Personnel Policy Section 207.00 – Conflict of Interest – Concerning the Hiring employees previously associated with Auditing/Financial Consulting firms doing business with the Airport District.

Mr. Edwards stated that at the November Commission Meeting an Audit Committee was formed and from discussion among the Committee the Airport District should prohibit hiring employees previously associated with Auditing/Financial Consulting firms doing business with the Airport District within two (2) years of doing any work for the Airport District. The text of recommended Amendment was attached to the meeting agenda. A motion was made, seconded, and unanimous vote received to approve the Amendment to the Personnel Policy Section 207.00 – Conflict of Interest – Concerning the hiring employees previously associated with the Auditing/Financial Consulting firms doing business with the Airport District within two (2) years.

PRESIDENT/CEO REPORT:

- A. Aviation Industry Report:

Mr. Edwards stated that there is some talk about Us Airways purchasing American Airlines which would make a mega carrier in the industry. Nationally and internationally impacts would be significant.

AIP is still in limbo; hopefully Congress will pass a two-year extension.

On a Nationwide basis, GSP was the number one (1) airport in the country for reduction in airfares for last period. Charleston was number two (2). This recognition was outstanding for the airport.

Mr. Edwards stated that in the future, Commissioners will see in the Information Update Package a Marketing/Advertising section in order to keep the Commissioners informed.

Property Acquisition – The Airport District has closed on two parcels: thirty-two (32) acres on J. Verne Smith Parkway and Highway 101 and a small U-shaped tract which is four (4) acres. Staff continues to move forward with additional land acquisitions that have previously been discussed.

INFORMATION SECTION:

Mr. Edwards asked if anyone had any questions concerning the information section.

Mr. Edwards stated that the MUFIDS should be installed and running by the next regular scheduled Commission Meeting.

Air-Traffic Control Tower – Staff has met with the FAA and this project is still in discussion but is a slow process.

Passenger Boarding Bridge Replacement – This project will begin in February and will be on a 2-3 week replacement cycle. Fixed Ground Power and PC Air will also be installed.

Terminal Improvement Program – Currently in the Design Development Phase. The TIP Task Force will meet on January 31st to discuss store front and several building envelope items will be discussed.

Economy Lot Expansion Project – Continues to move ahead. 95% design drawings have been completed. The Army Core of Engineers permitting process has slowed things down but the goal is to have this project completed by the July 4th Holiday.

Former Rent a Car Service Center – The cell phone lot will be moved to this location. Fencing and paving have been completed. There is still some clean-up to be done. Staff will be working on installing an Arrivals Display Board. This lot should be open within thirty (30) to forty five (45) days.

South Cargo Modernization Project – Mr. Edwards stated there was 1 million in the budget for this project; however, another 2 million will be in the budget for this year. After the study was completed on the cargo building, Staff believes there is approximately 3 million in improvements to be completed in order to get this building up to code compliance.

Land Use Planning Study – Moving on Schedule

Mr. Burch stated that Staff needs to consider revising the signage for the entire airport. Mr. Edwards stated that Staff has identified signage as a need and during the Terminal Improvement Program a complete signage package will be reviewed.

COMMISSION MEMBER REPORTS: None.

ADJOURNMENT: There being no further business, a motion was made, seconded and a unanimous vote received to go adjourn the meeting. The meeting was adjourned at 10:30 am.