

**GREENVILLE-SPARTANBURG AIRPORT COMMISSION
MINUTES**

January 23, 2013

The Greenville-Spartanburg Airport Commission met on January 23, 2013 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, Bill Barnet, Leland Burch, Doug Smith, and Hank Ramella via telephone.

MEMBERS ABSENT: Valerie Miller

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, Wanda Jones-Secretary, Larry Estridge-WCSR Firm, Dan Ingram-IT Manager, and Jody Taylor-Grounds Supervisor

GUEST PRESENT: Nick Zatorsky-Jacobs/GSP, Krista Gibson-The Greer Citizen, Justin Hilton-Milliken Forestry Company, Trip Chavis-Milliken Forestry Company, and Jim Fair-GreerToday.com

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

CONSENT AGENDA:

A. Approval of the Greenville-Spartanburg Airport Commission November 19, 2012 Regular Meeting Minutes:

A motion was made, seconded, and unanimous vote received to approve the minutes from the November 19, 2012 Commission Meeting.

PRESENTATIONS:

A. GSP Forestry Update:

Mr. Edwards stated there is significant work to be done over the next several years and Staff thought it was important to give the Commission a quick summary of the Forestry plans. Mr. Hilton was introduced and gave the forestry update presentation. Mr. Hilton stated that the Airport District has been involved in a managed forestry and tree farm since the airport originally opened in 1962. The airport has more than 2,500 acres that are an actively managed forest and tree farm. Chair Shaw asked if the trees were planted or already there when the airport was built. Mr. Hilton stated that most of the trees were planted.

The average age of the loblolly pine trees are fifty (50) years but there is a lot of mortality which has been exasperated by drought over the past ten (10) years. Also, some of trees are infected with disease and some are becoming too large to process at the local mills. The trees on average are worth \$50-\$70 dollars each.

The recommendation is to thin the trees. Currently, there are 50 trees per acre, removal of the dying, diseased, and oversized trees would take the forest to approximately 25 trees per acre and would have a very open park-like appearance with no brush or underbrush. A field chipper would cut the underbrush and remove for fuel wood. This would decrease the risk of wild fires. Mr. Hilton stated it would improve the aesthetics of the forest. Approximately one year after the fuel chipping is complete the vegetation would need to be controlled with herbicide. Mr. Burch asked when the pines would be harvested. Mr. Hilton stated the pine and fuel wood happen simultaneously. Mr. Barnett wanted to know if there is a map of all trees. Mr. Hilton stated we do have a very good timber type map by stand.

Because these areas are highly visible, Staff wants to reduce the negative impact to the public. The recommendation is to create a natural buffer zone of native species with a life span of 120 years instead of 80 years. Mr. Barnett asked if the cost of this exercise would be equal to the revenue received for the chip. Mr. Hilton stated revenue would exceed the cost. Chair Shaw asked if the revenue would help with the replanting of the trees. Mr. Hilton stated yes, it would more than cover the replanting cost. Mr. Edwards stated the capital cost would be covered by the revenue that is generated from the harvesting. The ongoing maintenance of the buffer zones would become an ongoing maintenance cost. Mr. Howell pointed out that there are two different issues, forestry which is the larger tracts and landscaping. Mr. Smith stated that landscaping is very important and we really need to spend a lot of time making sure that it is done right. Chair Shaw agreed that the landscaping plan needs to be a priority.

Mr. Edwards stated that landscaping and forestry is one of the signature elements of GSP and once the harvesting of the acreage begins, GSP Drive will have a different look. Staff wanted to make sure the Commission was aware and that a plan was being put into place to replant.

B. IT Security Update:

Mr. Murrin gave a presentation on IT Security. Mr. Murrin gave credit to Mr. Ingram, IT Manager. Mr. Murrin stated that the Airport District is light years ahead of where we were three (3) years ago. Mr. Murrin stated one area that the IT Department is working on is Payment Card Industry Standards (PCI). Staff will do vulnerability scans to show areas that are vulnerable. Mr. Murrin stated we have a main network and access control. These two networks will converge into one during the 1st quarter of 2013. This will minimize switches, routers, and maintenance work. The origin of threats is world-wide not just local. Staff would like to monitor the number of threats in order to establish trend lines.

Mr. Murrin stated a perfectly secure computer would be turned off and not connected to the internet; however that is not a logical solution. Extensive back up and disaster recovery solutions on a multi-layer is in place. A database back-up encryption takes

place every night. There is a multi-faceted layer of security in place but there is no a guarantee that the system will never be hacked, but Staff is making it difficult to do so.

OLD BUSINESS: None.

NEW BUSINESS:

A. Approval of the North Cargo Apron Building Project:

Mr. Howell gave a presentation on the North Cargo Apron Building Project. Mr. Howell stated \$3,000,000.00 million dollars was allocated to a project entitled South Cargo Building Modernization Project for FY 2013 budget. The south cargo building was originally constructed to handle belly freight for the airlines flying out of GSP and the US Postal Service Air Mail Facility was located in the building until they pulled out several years ago. The building is 50% occupied with a mix of tenants. Less than half is belly cargo. The \$3,000,000.00 million dollar budget included several items: roof over the older section of the building, basic code compliance, ADA, fire protection, and electrical service.

When GSP charter cargo operations and UPS are operating at the same time the ramp gets very congested. Staff started looking at relocating UPS from the south cargo building to the north cargo apron near FedEx and still be able to achieve the budget. Staff is proposing to take a portion of the approved \$3,000,000.00 million and build a new 5,000 square foot building on the north cargo apron and move UPS to the north cargo apron. The move would consolidate the package expeditors (UPS and FedEx) to the north end. This would keep the south cargo building working for belly freight and, for the time being, GSP cargo operations would continue operations out of the south cargo building. At this time, we do not have the space to do outbound freight in the current layout of the south cargo building. If we want to grow the freighter business, we will have to find a way to create new warehouses. By relocating UPS, this gives us some opportunities in the south cargo building and to potentially build outbound cargo.

Chair Shaw asked if congestion would still be a problem on the ramp. Mr. Edwards stated that European flights conflict with UPS's activity by having both operations going on at the same time. Overnighting passenger aircraft also creates a lot of congestion and by moving UPS to the north end this will help with congestion on the ramp. Mr. Barnet asked if the building would adversely affect the land use planning potential in that area. Mr. Howell stated no. Mr. Edwards stated if we decide to extend the taxiway for aviation use in the future, it would be outside of this location. Development of the building would have no impact on the land use planning. Chair Shaw stated the overall plan gives a lot more flexibility now and in the future.

The reallocation of funds will not require any additional funding. \$1,500,000.00 of the existing \$3,000,000.00 project budget would be redirected to the North Cargo Apron Building Project. The remaining \$1,500,000.00 balance and any funding remaining after completion of the North Cargo Apron building project would be used to renovate the original South Cargo Building.

Mr. Howell respectfully requested the Airport Commission resolve to (1) approve the reallocation of \$1,500,000.00 from the South Cargo building Modernization Project to the North Cargo Apron building Project and (2) authorize Staff to proceed with the projects as outlined. A motion was made, seconded and unanimous vote received to approve the North Cargo Apron Building Project as presented.

PRESIDENT/CEO REPORT:

A. Aviation Industry Report:

Mr. Edwards stated he still believes the American/US Airways merger will happen. GSP should not have any negative impacts because there are no overlapping flights. Mr. Edwards stated the merger could possibly put GSP back on the radar for nonstop service to Miami.

Mr. Edwards stated from a funding standpoint in Washington everything is taken care of until 2015. There are discussions for more financial independence and more reliance on passenger facility charge and less relying on AIP Program. An example would be a large hub airport might opt out of the AIP Program for an increased passenger facility charge.

B. Part 139 Certification Inspection (15 years)

Mr. Edwards explained that a Part 139 Certification of airports every year consists of an FAA inspection of airfields, lighting, and a deep level of how the infrastructure is being maintained (fire rescue response, training records, etc.). Mr. Edwards congratulated Mr. Howell and his staff for receiving 100% compliance for fifteen (15) years in a row. As part of the certification there were no discrepancies found.

C. Inland Port Project Update

The Inland Port Project is still very high on the radar screen with conversations taking place daily.

D. TIP Design Services Update

Staff is continuing to finalize discussions with RS&H on the final invoice and payout. Negotiations are being finalized with the new design team, Baker/Gensler. A meeting has been scheduled with the Task Force Team for February 12th with Baker/Gensler.

INFORMATION SECTION:

Chair Shaw asked if anyone had any questions concerning the information section. No questions from the Commission.

Potential Items for the next meeting: Approval of ranking for On-Call Professional Services and Economy Lot close-out report

COMMISSION MEMBER REPORTS: None.

ADJOURNMENT:

There being no further business, a motion was made, and adopted to go into Executive Session to discuss legal matters at 10:30 am. It was announced that the Commission anticipated a formal action would take place when the public session reconvened.

Public session reconvened at 12:05 p.m.

Mr. Edwards respectfully requested that the Airport Commission resolve to authorize Airport Staff to negotiate an agreement with the South Carolina State Ports Authority for a real estate transaction involving a combination of selling and leasing certain Airport District property in connection with the Inland Ports Project. The sale/lease would be structured at a value of not less than \$28,500 per acre. The resolution would authorize the President/CEO to execute the necessary documents subject to review by legal counsel. A motion was made, seconded and unanimous vote received to approve the resolution.

Mr. Edwards respectfully requested that the Airport Commission authorize Airport Staff to negotiate an agreement with CenterPointe Property for the development of up to 725,000 square feet of building space and lease of up to 45 acres of district property based upon an amount not less than \$28,500 per acre as the initial basic fair market value of property. The resolution would authorize the President/CEO to execute the necessary documents subject to review by legal counsel. A motion was made, seconded and unanimous vote received to approve the resolution.

There being no further business, a motion was made, seconded and unanimous vote received to adjourn the meeting at 12:15 pm.