

GREENVILLE-SPARTANBURG AIRPORT

COMMISSION MINUTES

MARCH 18, 2015

The Greenville-Spartanburg Airport Commission met on March 18, 2015 at 9:00 a.m. in the Greenville-Spartanburg Airport District Office Conference Room C located at 2000 GSP Drive, Suite 1, Greer, SC 29651.

MEMBERS PRESENT: Minor Shaw, Hank Ramella, Leland Burch, Valerie Miller, and Bill Barnet.

MEMBERS ABSENT: Doug Smith

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, Scott Carr-Director of Properties and Development, Betty O. Temple-WCSR, Mike Kossover-Director Operations, Nathan Garner-Aviation Services Manager, and Wanda Jones-Executive Assistant.

GUESTS PRESENT: Gary Siegfried-Mead & Hunt, Mike Darcangelo-AVCON, Mark Waller-Infrastructure Consulting & Engineering.

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:00 a.m.

CONSENT AGENDA:

A motion was made, seconded, and unanimous vote received to approve the regular meeting minutes from the January 15, 2015 Commission Meeting.

PRESENTATIONS:

A. Fixed Base Operator (FBO).

Mr. Kevin Howell presented the following: The initial FBO analysis was provided to the Commission on November 24, 2014. After the initial analysis was provided, the Commission directed Staff to explore two (2) options while awaiting a response from Stevens. The two (2) options investigated were: FBO Management Company (MC) and Airport Self-Run FBO Operations.

Mr. Howell stated the Stevens Aviation Lease Agreement expires on December 31, 2016 with no rights to leased premises, no options to renew the term, and no rights of first refusal upon expiration of the term. Mr. Howell discussed the historical financial performance.

Mr. Howell discussed the FBO Management Company option. The FBO Management Company (MC) option would be selected through an RFP process. A management fee is paid to the MC to manage the operation and all future capital investments and O&M expenses are made by the Airport District. A component of the agreement would include incentives to the MC for growing FBO and GA revenue to GSP and a risk/reward revenue scenario for the District. The District would have control of the level of service and pricing. An MC option would leave the door open for additional FBO operators in the future.

Mr. Howell discussed the Exclusive Proprietary Right to self-perform all FBO and General Aviation Services. This option gives the District control of the level of customer service and price points. The District can use the "Into-Plane" services as an additional tool for air service recruitment and retention. The exclusive proprietary right would close the door on an additional FBO operator.

Staff met with the following airports that utilize an FBO management agreement: Charlotte Douglas International Airport (CLT), and Chattanooga Metropolitan Airport (CHA). Meetings with airports that utilize Self-Run FBOs included: Augusta Regional Airport (AGS), and Rickenbacker International Airport (LCK).

PRESIDENT/CEO REPORT:

Mr. Edwards stated he attended an US Chamber of Commerce Summit in Washington, DC on March 17th and the lines are being drawn between airlines and airports regarding PFC charges. Traffic growth continues to be positive. Mr. Edwards distributed the FAA 2015-2035 Forecast, which projects a 2% passenger growth annually over the next twenty years.

Mr. Edwards also attended a Washington Legislative Conference. Mr. Edwards stated the debate going on is transformational legislation. Chairman Bill Shuster, Chair of the Transportation and Infrastructure Committee, supports privatizing air traffic control and going to more of a Canadian model. Mr. Edwards and Mr. Burch were able to have some good meetings with Representative Jeff Duncan and several staff members of our congressional leaders.

Mr. Burch stated the Legislative Conference was a great opportunity to meet with Congressional leaders and get our foot in the door. Mr. Burch stated there is a big push from ACI-NA to change PFC from \$4.50 to \$8.50. An FAA Reauthorization is only slightly possible this year. Mr. Burch stated the Commissioner's Committee selected two (2) candidates to be nominated for an ACI scholarship which will be presented in New Orleans at the Commissioners Conference in April. Mr. Burch encouraged everyone to attend the Commissioners Conference and asked if any of the Commissioners had any topics they would like discussed at the Conference to please let him know. Mr. Edwards handed out a White-Paper that outlined GSP's position on several

aviation issues during meetings on the Hill. Mr. Edwards will distribute the White-Paper to the Commissioner members.

Mr. Edwards attended a meeting in Columbia with SCDOT to discuss Eyes on 85, which is a beautification project of the interchanges. After the meeting, it turned into a discussion concerning I-85 traffic and how DOT plans to deal with the increasing congestion on I-85. SCDOT assured that the airport, BMW and Greer would all be involved and have a voice in the planning meetings. SCDOT did not discuss any addition of lanes in the near future, but we need to understand the plans for the next 7-10 years.

Mr. Edwards continues to have CEO meetings which continue to go well. Mr. Edwards met with Manfred Urlacher, President of BMW, Max Metcalf, and Sky Foster. The meeting was very positive. The cargo project that Staff has been working very hard on is back on the table and Staff is very excited about the opportunity. GSP's relationship with BMW is very positive and Staff is excited about the continued relationship.

Mr. Edwards stated the Commission Meeting on May 18th will be a big meeting with presentations on the following budget, social media, policies and procedures, rules and regulations, and minimum standards. Please plan on three (3) hours for the meeting.

Mr. Burch discussed the Landscape Task Force meeting. The Task Force is very pleased with the design team and their knowledge of wanting to preserve the heritage and beauty of the airport. The design team is not reinventing the wheel. A site survey and analysis of trees and road signage has been completed with a landscape buffer underway. The Task Force shared ideas with the consultants. The Task Force will try to finalize the recommendations and present them to the Commission at the July meeting with anticipation of adopting at the September meeting.

ADJOURNMENT:

There being no further business, a motion was made, seconded, and adopted to go into Executive Session to receive legal advice at 10:30 a.m. At approximately 11:58 a.m. public session resumed with no action being taken. The meeting was adjourned at 12:00 p.m.