

GREENVILLE-SPARTANBUG AIRPORT

COMMISSION MINUTES

JULY 13, 2015

The Greenville-Spartanburg Airport Commission met on July 13, 2015 at 9:00 a.m. in the Greenville-Spartanburg District Office Conference Room C located at 2000 GSP Drive, Suite 1, Greer, South Carolina 29651.

MEMBERS PRESENT: Minor Shaw, Hank Ramella, Leland Burch, Valerie Miller, and Bill Barnet. Doug Smith present via conference call.

STAFF AND LEGAL COUNSEL PRESENT: David 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; Michael Kossover, Director of Operations; Nathan Garner, Manager Aviation Services; Betty O. Temple, WCSR; and Tina Honeycutt, Executive Assistant/Recording Secretary.

GUESTS PRESENT: Stephen Van Beek, ICF International; Paul Witt, Stevens Aviation.

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:05 a.m.

CONSENT AGENDA:

A motion was made, seconded, and unanimous vote received to approve the regular meeting minutes from the May 18, 2015 Commission Meeting.

PRESENTATIONS:

A. Annual Strategic Business Plan

Mr. Van Beek, ICF International, presented the Annual Strategic Business Plan update on the first year performance. The presentation outlined results at the end of FY 2014 and what it means for FY 2015. The performance culture of GSP has been successful in integrating elements and alignment of the Air Service initiative.

Mr. Van Beek discussed industry trends, impacts that are driving growth, competitive dynamics, and items that should be on the radar to watch within the next few months. He noted that GSP has outperformed most of the small hubs within our benchmark and concluded that an overall profile, GSP is doing well.

Questions and answers were taken during the presentation to clarify information presented to the Commission.

Mr. Van Beek identified airport leakage as another potential threat that is part of the air service initiative to get swing passengers to come to Greenville-Spartanburg Airport. GSP sits between the number one and number eight ranked airports in the United States and a 60% retainage rate is pretty good.

Mr. Van Beek concluded the presentation and asked Mr. Edwards and the Commission if there was anything in addition that should be actively looked at for FY 2016.

The Commission expressed that their primary concerns are parking, baggage, and cancelled flights.

- Mr. Edwards asked if GSP should measure parking against the cost point among other airports.
- Mr. Van Beek stated the PRT project in part is designed to address some of the movement that includes rates, parking, and transportation to and from the terminal in a seamless way.
- Mr. Burch stated he would like Staff to look into a way finding system to parking garages to direct customers to available parking spaces. Mr. Edwards stated he has a meeting with a company called Parking Assist to discuss their system.
- Mr. Edwards stated that GSP will be implementing technology that will measure baggage; first bag in, last bag in. This will enable GSP to capture and measure that information better.
- Chair Shaw stated concerns of cancelled and delayed flights. Cancelled flights are an overall issue for this airport and why many people fly out of Charlotte to avoid connecting flights. Mr. Van Beek stated GSP is fortunate with its geography and is experiencing fewer cancelled flights than many airports across the country.

Chair Shaw thanked Mr. Van Beek for his presentation.

NEW BUSINESS:

A. Approval of Future Fixed Base Operator (FBO) Services Delivery Method

Mr. Kevin Howell, VP/COO, presented the recommendations based on the Executive Summary provided to the Commission. The Staff provided in depth presentations to the Commission on two different occasions and included a review of the current Stevens agreement, historical financial performance, and four options for the future delivery of FBO services at GSP. These four options include:

1. Direct Negotiations with Stevens for a New Traditional FBO Agreement
2. New Traditional FBO Agreement, Operator Selected through a Public RFP Process
3. FBO Management Company (MC), Selected through a Public RFP Process
4. Greenville-Spartanburg Airport District (District) Exercises its Exclusive Proprietary Right to Self-Perform the FBO Operation fiscal year 2016 budget.

The preferred two options are the Management Company and Self-Run FBO operation models. Mr. Howell introduced Mr. Witt from Stevens Aviation. He also recognized Mr. Carr, Mr. Kossover, and Mr. Garner and Staff for all of their help and support.

Mr. Howell respectfully asked the Commission to reach a decision.

The Commission and Staff discussed the pros and cons of the two proposed options, financial projections, initial start-up cost, and capital requirements.

Mr. Ramella made a motion to go into Executive Session for the purpose of discussing the current FBO agreement with Stevens and a personnel matter, Ms. Miller seconded, and unanimously approved at 11:23 a.m. The public session resumed at 11:50 a.m. No action was taken in Executive Session.

Chair Shaw noted the recommendation from the GSP Airport Staff is to self-run the FBO. Mr. Ramella stated he thought GSP should run the operation ourselves through a management contract to relieve some of the tension and the possibilities of time diversion. Mr. Edwards stated his understanding is the Commission is asking for a two phase approach being we first seek RFPs for a management agreement to run the FBO services at the expiration of the Stevens agreement on December 31, 2016. If that does not produce something acceptable at that point GSP would run the FBO itself. A RFP needs to be put together quickly to determine if there is an acceptable management contract or if it should be self-run.

Mr. Barnet made a motion that at the expiration of the Stevens agreement on December 31, 2016, the District shall assume responsibility of the FBO either with management contract or on its own, subject to a future presentation by Staff. The motion was seconded by Mr. Burch and unanimous vote was received.

B. Approval of Revisions to Greenville-Spartanburg Airport Rules

Mr. Carr presented the revisions to the Rules and Regulations document for the Greenville-Spartanburg Airport District (District).

The proposed changes to rules and regulations were necessary to comply with a new state law that was recently passed that will accommodate Transportation Network Company's (TNC's) such as Uber and Lyft that wish to operate at the airport. A TNC definition was added. In addition, specific rules and regulations were identified for Non-TNC's and TNC's.

The Commission discussed policy and determined necessary changes required. Chair Shaw stated the recommendation is to adopt the revised Greenville-Spartanburg Rules and Regulations as it relates to the exception. Mr. Ramella made a motion to approve; Ms. Miller seconded and unanimous vote was received to approve the revised Rules and Regulations.

C. Appointment of a Member to the Airport Environs Planning Commission

Mr. Carr respectfully requests the reappointment of Mr. James Whitten to the Airport Environs Commission. The Commission is responsible for appointing two Board Members to the Airport Environs Planning Commission. Of these two appointments, one member is required to be from Greenville County and the other member from Spartanburg County. This would be a two year appointment for Mr. Whitten who is currently the chair of the Airport Environs Commission. He currently resides in Greenville County so that satisfies that requirement.

Mr. Ramella made a motion to approve the reappointment of James Whitten to the Airport Environs Commission. Ms. Miller seconded the motion and unanimous vote was received.

Chair Shaw stated a thank you letter should be sent to Mr. Whitten. She also thanked Mr. Ramella for his reappointment.

D. Discussion of Executive Session Requirements

Ms. Temple stated that there was recent ruling by the Supreme Court and the city of North Augusta concerning the proper use/notice for Executive Sessions.

The South Carolina FOIA requires you to announce the specific purpose of why you are going into executive session. There are different categories of appropriate reasons to go into executive session. Executive session topics include discussion of employment/compensation arrangements, negotiation of contract, development of security personnel or security devices, investigative proceedings, and matters related to the proposed location expansion a provision of services encouraging location or expansion of industries or other business in the area served by the public body. The statute is very clear.

Several specific purposes to go into executive session can be stated as long it is explicitly identified the reason(s) for going into executive session and it stays within that scope.

Chair Shaw stated this information was very helpful.

PRESIDENT/CEO REPORT:

- A. Mr. Van Beek covered the industry update with his presentation to the Commission.
- B. A Ribbon Cutting Ceremony at the Facilities Administration Building is scheduled for 11:30 a.m. and will take place after this meeting.
- C. There is a Landscape Master Plan meeting this afternoon and the team is excited to provide additional information.
- D. Art procurement update. Since our last task force meeting letters have been sent to artists that were not selected. We have sent letters to the selected artists and are currently in the process of finalizing contract negotiations with each artist. They have been provided a schedule for their particular item of when the terminal will be ready.

We are moving forward and will be meeting with the task force and the Commission once we receive the artist final proposed form. We are well on track.

Chair Shaw commented that each piece of art relates back to the airport and region of the upstate. She thanked the Commission and everyone else for the time they have put in for this project.

- E. Mr. Edwards shared photographs of the Charleston airport renovation project that shows the comparison to how well the GSP Airport renovation project appears to the public. He commended Mr. Howell, the design team, the CA team, and Mr. Carr for ensuring that we stay conscious about Customer Service and in keeping the project as invisible as possible to the traveling public.

ADJOURNMENT:

Being no further business the meeting was adjourned at 12:05 p.m.