

**GREENVILLE-SPARTANBURG AIRPORT COMMISSION
MINUTES
May 14, 2012**

The Greenville-Spartanburg Airport Commission met on May 14, 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, Hank Ramella, Bill Barnet, Leland Burch, Valerie Miller, and 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, Larry Estridge-WCSR Firm, Wanda Jones-Secretary, Dan Ingram-IT Manager, Whitney Code-Marketing Coordinator, and Jody Taylor-Grounds Supervisor.

GUEST PRESENT: Nat King-Jacobs/GSP, Gary Lott-LPA Group, Phil Parkins-CDM Smith, Ed Jones-MSE Branded Foods, Jack Hough-MSE Branded Foods, Jim Fair-Greer Today, Joe Davis-Hudson News, Lee Barrett-Hudson News.

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

CONSENT AGENDA:

A. Approval of the Greenville-Spartanburg Airport Commission March 12, 2012 Regular Meeting Minutes:

A motion was made, seconded, and unanimous vote received to approve the minutes from the March 12, 2012 Commission Meeting.

B. Approval of Audit Committee Charter:

The Audit Committee developed a Charter which outlined the role and responsibilities of the Audit Committee. The Charter was attached to the Commission Agenda Package.

Mr. Edwards respectfully requested that the Airport Commission approve the Audit Committee Charter as presented. A motion was made, seconded, and unanimous vote received to approve the Audit Committee Charter. Chair Shaw thanked Mr. Barnet for his leadership as Chair on the Audit Committee.

C. Acceptance of Audit Committee Minutes April 3, 2012:

A motion was made, seconded, and unanimous vote received to approve the minutes from the April 3, 2012 Audit Committee Meeting.

D. Approval of Human Resource Policy and Procedures Revisions:

Chair Shaw requested Mr. Edwards to make a comment on the HR Policy. Mr. Edwards stated this change was to make some clarifications. A copy of the recommended changes was attached to the Commission Agenda Package.

Mr. Edwards respectfully requested that the Airport Commission resolve to adopt the Human Resource policy changes that were attached to the Commission Agenda Package. A motion was made, seconded, and unanimous vote received to approve the Human Resource policy change.

PRESENTATIONS: None.

OLD BUSINESS: None.

NEW BUSINESS:

A. Approval of Ranking to Award a Contract for Grass Mowing and Landscape Maintenance:

Mr. Howell stated that the current contract expires on June 30, 2012 with Yu Ken Cut It. Mr. Taylor and the Grounds Department prepared a Request for Proposals and seven (7) bids were received on March 28, 2012. The contract is for three (3) years and the major areas for mowing include: entrance road, fountain area, and grass in front of the Airport District office, GSP Drive, outlying areas near FedEx, Gateway Drive, Hwy. 14, and Stevens Road. The low bidder, Goodwill Industries, had to be disqualified due to the fact they did not follow the bid requirements. The second low bidder was Sodfather located in Spartanburg. The bid amount was \$285,975 for three (3) years. This amount is included in the budget. If a contract cannot be finalized with the first ranked bidder, Staff will seek to finalize a contract with the second ranked bidder and so on. Mr. Burch asked how this contract compared to the present and Mr. Howell stated the present contract pre-dates him but looks like money was left on the table. Yu Ken Cut It did not rebid. Mr. Smith inquired if Goodwill Industries gave any idea to why they did not provide the requested documents. Mr. Howell stated we did not have much dialog with them.

Mr. Howell respectfully requested that the Commission resolve to (1) approve the bid ranking which was in the Commission Agenda Package and award a three (3) year contract for grass mowing and landscape maintenance to Sodfather, Inc. in the amount of \$285,975.00 and (2) authorize the President/CEO to execute the necessary documents. A motion was made, seconded, and unanimous vote received approve the Grass Mowing and Landscape Maintenance.

B. Approval of Phase 2 of Rental Car Counter/Office Relocation Project:

Mr. Edwards stated that Phase 2 of the Rental Car Counter/Office Relocation is critical to the overall TIP Project. The proposed budget was attached to the Commission Agenda Package. The estimated budget for Phase 2 of the Rental Car Relocation Project is \$1.995 million and the entire project will be funded through the on-going collection of Customer Facility Charges. Mr. Burch asked when negotiating a price at the end of project will any leftover savings be split between the owner and contractor? The way the contract reads the money would get split 75/25 with a 1% cap. Staff is looking at amending the contract to take out the shared savings and having an incentive based on schedule rather than price point. Contractor has agreed to waive rights to shared savings for Phase 1 and Phase 2 of the project. Shared savings will not come into play for the RAC project. Mr. Ramella asked how many phases the project would have and Mr. Howell stated two (2) phases. Chair Shaw asked when the targeted completion date was for the project. Mr. Howell stated the target completion date was mid-November before the Thanksgiving holiday.

Mr. Edwards respectfully requested that the Airport Commission (1) approve the Phase 2 Rental Car Relocation Budget in the amount of \$1.995 million; and (2) authorize the President/CEO to negotiate a Component Guaranteed Maximum Price with Skanska/Moss (Construction Manager at Risk) for this phase of the project not-to-exceed \$1.825 million and execute the necessary documents to complete the work. A motion was made, seconded and unanimous vote received to approve Phase 2 of Rental Car Counter/Office Relocation Project.

C. Approval of Terminal Improvement Program Enabling Projects:

Mr. Edwards showed a brief presentation of the TIP. Mr. Edwards discussed the curtain wall and the canopy structure. Originally the canopy was a hard opaque surface and was budgeted at \$85 dollars a square foot. To change that to a glass roof the design team reanalyzed the budget and feel the glass roof will be in the \$110-\$120 dollars a square foot range. If bids come back that do not fit the budget Staff will look at different options. At the July Commission Meeting, Staff will recap the budget and present detailed architectural imaginary of the entire project. Mr. Smith had a comment that he constantly hears how beautiful our airport is and he does not want our airport to begin to look like a Dallas airport. Mr. Edwards stated that one of Staff's concerns is when the airport approaches 2 million enplanements is curb capacity and being able to get vehicles in and out of the facility. Staff is looking twenty to twenty five years down the road and not having to take down the canopy to rebuild. The intent is to put back as much landscape as possible. Staff has talked with Innocenti & Webel LLC to have them evaluate all trees. Mr. Ramella stated that in all TIP Task Force Meetings the architects are aware of the Commission's desire to keep the beauty and natural design of the airport. Chair Shaw agreed that we want to make sure GSP represents who we are as the Upstate. Mr. Barnet stated that the canopy is very much needed but that he wants to be careful that we don't open our eyes like a kid in the candy store and we do not migrate into a creep mentality.

Staff has worked with the Design and Construction Team to develop all four (4) Enabling Projects. The four projects include: a new Electrical and Communications Duct bank, Bathroom and Concession Additions to the A&B Concourses, North Wing and Vertical Core Additions, and installation of Bag Claim #1. The estimated budget for the Enabling Projects is \$30.5 million. A proposed budget was attached to the Commission Agenda Package.

Mr. Edwards respectfully requested that the Airport Commission (1) approve the Enabling Projects Budget in the amount of \$30.5 million; and (2) authorize the President/CEO to negotiate a Component Guaranteed Maximum Price with Skanska/Moss (construction Manager at Risk) for this phase of the project not-to-exceed \$29.0 million and execute the necessary documents to complete the work. A motion was made, seconded, and unanimous vote to approve the TIP Enabling Projects.

D. Approval of Ranking to Award the Terminal Food and Beverage Concession Opportunity:

Staff requested proposals from interested companies on March 1, 2012 and a pre-proposal conference was held on March 13, 2012 which had a significant outpouring of interest. One (1) bid was received which was from the incumbent operator. The incumbent operator, MSE Branded Foods has done a great job and Staff has a good relationship with them. Mr. Edwards showed a presentation on the concepts of the Food and Beverage Concession. Mr. Ramella asked why Staff separated the food/beverage and coffee/snack. Mr. Edwards stated that Staff wanted to look at an additional opportunity at the airport in hopes that a local coffee operator would be interested. One local bid was received but the bid was non-responsive and had to be disqualified. Mr. Smith asked where MSE Branded Foods was headquartered and Mr. Edwards stated Gainesville, GA. Mr. Barnet asked if a new food concept came along in five (5) years that we wanted in our facility would MSE have to agree. Mr. Edwards stated that Staff would negotiate with MSE which has proved successful over the years. Ms. Miller would like to see if Staff can negotiate with West End Coffee. Mr. Edwards stated Staff would have a discussion with them. Mr. Edwards stated that the Commission is to vote on the Approval of Ranking and the ability to negotiate. Staff wants to discuss the concepts with MSE Branded Foods. The Evaluation Criteria and Rankings were attached in the Commission Agenda Package.

Mr. Edwards respectfully requested that the Airport Commission (1) approve the rankings of the Food and Beverage RFP responses; (2) authorize Staff to negotiate and finalize an agreement with the first ranked company (if an acceptable agreement cannot be reached with the first ranked company, negotiations will be formally terminated and the concession opportunity will be re-proposed); and (3) authorize the President/CEO to execute the necessary documents. A motion was made, seconded, and unanimous vote received to approve the ranking of the Food and Beverage RFP responses and enter into negotiations.

E. Approval of Ranking to Award the Terminal Retail Concession Opportunity:

Staff requested proposals from interested companies on March 1, 2012 and a pre-proposal conference was held on March 13, 2012 which had a significant outpouring of interest. One (1) bid was received which was from the incumbent operator. The incumbent operator, Hudson Group has done a great job and Staff has a good relationship with them. Mr. Edwards showed a presentation on the concepts of the Terminal Retail Concession. Mr. Ramella asked where Branded Works is located. Branded Works is headquartered in Lafayette, LA. Mr. Edwards stated that the Commission is to vote on the Approval of Ranking and the ability to negotiate. Staff wants to discuss the concepts with Hudson Group/Branded Works (JV). The Evaluation Criteria and Rankings were attached in the Commission Documents Package.

Mr. Edwards respectfully requested that the Airport Commission (1) approve the Ranking of the Retail RFP responses; (2) authorize Staff to negotiate and finalize an agreement with the first ranked company (if an acceptable agreement cannot be reached with the first ranked company, negotiations will be formally terminated and the concession opportunity will be re-proposed); and (3) authorize the President/CEO to execute the necessary documents. A motion was made, seconded, and unanimous vote received to approve the rankings of the Retail Concession and enter into negotiations.

F. Approval of Ranking to Award the Terminal Snack/Coffee Concession Opportunity:

Staff requested proposals from interested companies on March 1, 2012 and a pre-proposal conference was held on March 13, 2012 which had a significant outpouring of interest. There were five (5) responses received. A proposal from Carolina Coffee Roasters in Greer, SC was determined to be non-responsive and therefore not ranked. Proposals submitted included: Hudson Group/Branded Works (JV), MSE Branded Foods, Green Bean Coffee, and TGB-Dunkin Donuts. The Evaluation Criteria and Rankings were attached in the Commission Agenda Package. Mr. Edwards stated that the first ranked was Hudson Group/Branded Works (JV). Staff would like to discuss the branding, and a possible grill opportunity. Hudson Group/Branded Works (JV) included a Dunkin Donuts/Baskin Robbins concept.

It is respectfully requested that the Airport Commission (1) approve the ranking of the Coffee/Snack RFP responses; (2) authorize Staff to negotiate and finalize an agreement with the first ranked company (if an acceptable agreement cannot be reached with the first ranked company, negotiations will be formally terminated and will then proceed with the next highest ranked company and so on, or the concession opportunity will be re-proposed); and (3) authorize the President/CEO to execute the necessary documents. A motion was made, seconded, and unanimous vote received to approve the rankings of the Terminal Snack/Coffee Concession and enter into negotiations.

The Commission Meeting dismissed for a break and reconvened at 10:35 am.

G. Approval of the Greenville-Spartanburg Airport District FY 2012-2013 Budget:

Mr. Murrin showed a presentation and discussed the FY 2012-2013 Budget. The budget was attached to the Commission Agenda Package. Chair Shaw and Ms. Miller inquired about the Firing Range Lead Reclamation Study and Implementation. Mr. Howell stated that this is used for the Police Department and has never been cleaned. Staff needs to make sure this area is cleaned and maintained. Mr. Smith asked if Airport Police were the only ones who use the Shooting Range. Mr. Howell stated; no, there are mutual agreements with smaller agencies. Mr. Edwards committed to do a presentation with a recommendation whether the airport maintains our own shooting range or try's to partner with another agency.

Mr. Barnet asked if Staff has considered a lease versus buy option. Mr. Edwards stated that Staff has looked at the various options however; historically Staff gets longevity out of everything that is why Staff purchases instead of leases. Mr. Smith asked how the capital budget compares to previous years. Mr. Murrin stated there is nothing unusual except for the TIP Project. Mr. Edwards stated that the South Cargo is not normal but is an investment. Mr. Smith asked how the cargo building stands as usage. Mr. Edwards stated that Delta, Us Airways, Pinnacle Maintenance, UPS, Majestic Air, BP, and Aviation Services are using the building. It is also an overflow of storage for the Facilities Department. Mr. Smith asked if the recovery of cost is built into the renewals. Mr. Edwards stated yes. Chair Shaw asked if Staff would come back to the Commission for final approval. Mr. Edwards stated that through policies and procedures the President/CEO is authorized to operate within the budget once approved. Mr. Edwards did state that all TIP related items will be back in front of the Commission. Mr. Smith asked what a Business Development Fund is. Mr. Murrin stated Air Service Funds related in incentives. The Cost per Enplanement (CPE) is \$6.60 for FY 2012-2013. The Commissioners would like to see the Cost per Enplanement (CPE) come down.

Mr. Smith stated the airport does not get credit for not charging a Passenger Facility Charge (PFC). Chair Shaw stated that when Staff does presentations they let everyone know that the airport does not collect PFC's. Mr. Smith stated that receipts should say who is charging the PFC. Mr. Edwards is the upcoming President of ACI-NA and his goal to try to put in place something that is fair on the PFCs and not something that is driven by large hub airports that small communities end up subsidizing.

Mr. Murrin respectfully requested that the Airport Commission resolve to adopt the Fiscal year 2012/2013 Budget for the Greenville-Spartanburg Airport District. A motion was made, seconded, and unanimous vote received to approve the FY 2012-2013 Budget.

PRESIDENT/CEO REPORT:

A. Aviation Industry Report:

Mr. Edwards stated that US Airways is continuing the effort to purchase American Airlines. There is a fair amount of support from the American Airlines Labor Unions. Mr. Edwards stated no one can predict the overall affect or if the merger will happen. As the number of airlines continues to be squeezed down that has an effect on overall fares. Overall, all airlines are predicting a good summer.

B. Economy Lot Project Update:

The Economy Lot Project is underway. The bid was awarded to Ashmore Paving and came in under budget. The goal is to be completed early October.

C. Installation of AIT Units at the Security Checkpoint:

Installation of the AIT Imagining Technology Units will be installed on June, 11, 2012. Chair Shaw asked if we would have media coverage, Mr. Edwards stated yes, Staff will do a press release. Chair Shaw inquired if we will ever get the technology that allows for frequent passengers speedy check. Mr. Edwards stated yes but not until after the concourses are consolidated. Right now there is no room to create multiple lanes.

D. Rental Car – Request for Bids:

Mr. Edwards stated the current contracts do not expire until June 30, 2013; however, with the RAC relocation it does not make sense to relocate them to the new facilities to only have them relocated so Staff will bid the RAC earlier. The plan is to have this awarded at the September Commission meeting.

INFORMATION SECTION:

Mr. Edwards asked if anyone had any questions concerning the information section. No questions from the Commission.

Chair Shaw requested that Ms. Weston discuss the Customer Service Survey. Ms. Weston stated that Staff is looking to update some of the questions beginning in 2013. Mr. Edwards stated that it is a possibility in the future Staff will initiate an Airport Customer Service Training which would include airport tenants.

Mr. Edwards thanked Mr. Murrin for the hard work on the Budget Book that was sent to the Commission. He would like feedback from the Commission if this was helpful and what to include or exclude next year.

Mr. Smith would like an amendment to the Audit Committee Charter to include if there is an issue of criminal nature that all Commissioners are notified. This will be brought back up to the Audit Committee. Mr. Estridge commented that the Audit Committee needs to look at the charter every year to make sure do not think any amendments are in order.

Mr. Smith would like to receive a list of committees and who serves on those committees.

Potential Items for the next meeting: Security Presentation, Final Design on TIP, Budget Recap.

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 and personnel matters. It was announced that no actions would be taken during the Executive Session. At the end of the Executive Session, at approximately 12:21 p.m., the meeting was adjourned.