

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

MARCH 28, 2016

The Greenville-Spartanburg Airport Commission met on March 28, 2016 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. The public and media were given proper notice of this meeting, under applicable law. This was a regular, non-emergency meeting.

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

MEMBERS NOT PRESENT: None.

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 Communication; Scott Carr, Director of Properties and Development; Nathan Garner, Director, Aviation Services; Betty O. Temple, WCSR; and Marsha Madore, Human Resources Director/Recording Secretary.

GUESTS PRESENT: Jim Fair, Greer Today.

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 11, 2016 Commission Meeting.

PRESENTATIONS:

A. Community Engagement

Ms. Rosylin Weston, District Vice President of Communications, presented the highlights of our Annual AAAE SEC Conference and a look at Community Engagement. This conference moves from airport to airport. The topic this year is "Leadership - The Bridge to the Future". The first keynote speaker is Ryan Estis, renowned international speaker providing an innovative perspective on leadership and the difference that can be made through meaningful connections. Our other keynote speaker is Cam Marston. Marston is a leading expert on generational change. The conference is May 1st through 3rd. The target audience is airport executives, commissioners and elected officials, aviation business professionals, aviation faculty and students. Our objective is to have 325 people attend. We have space for 45 booths and hope to have them all filled. After all bills are paid, the profits go back to

the association. Mr. Edwards stated it is returned back to the organization to fund scholarship funds. The goal established is to return \$125,001. Our host event is the BMW Driving Experience.

Ms. Weston provided a brief look at Community Engagement that included the following items:

- A proposed video wall will give us an opportunity to connect to the community by allowing passengers to submit pictures from trips they took from GSP.
- A program we are discussing with Greenville Hospital System that will put signage out that tracks the exercise value of the walk from the parking lot to the ticket counter.
- Tammy and Tucker will be the first members of the "Canine Crew" program, a program involving service therapy dogs and their handlers. They will come to the airport a couple of times a week to provide comfort for travelers. Airports around the country are currently doing this.
- We are trying several new concepts with the Greenville Swamp Rabbits and the Greenville Drive to really engage with our community.
- We are now creating a higher level of engagement by partnering with our Chambers of Commerce to provide services. An example is the DBE Fly-In where the airports around the state have created an opportunity at each of the four major airports for small businesses to learn how to do business with our airports.
- Opportunities with Rotary Clubs clubs such as the Young Achievers Program for students excelling in a variety of areas. The Teacher Mini-Grant Program recognizes teachers who are teaching and employing aviation and community services as a part of their curriculum to offer them a mini-grant to cover classroom expenses.
- We are working with Greenville CAN to provide a dress rehearsal to children traveling who are on the autism spectrum.

Who's Who is sponsored by the "Greenville Journal," the "Community Journal," specifically the "Upstate Business Journal." It recognizes 7 people in our business community who are committed to advancing their fields and moving the Greenville Community forward. GSP is the April 28th opening and closing reception sponsor. We found that, after we agreed to be a sponsor, Minor Shaw is "The Legend" this year.

OLD BUSINESS:

No Old Business

NEW BUSINESS:

A. Centralized Receiving and Distribution Facility

Mr. Scott Carr, VP of Commercial Business and Properties, presented the plan for a Centralized Receiving and Distribution Facility. The lack of such a facility is labor intensive,

requiring deliveries to be escorted airside. Part of the terminal area study completed in 2010 envisioned a centralized facility. We eliminated the loading docks at the terminal facility in the original TIP plan. The facility will be located in the South Cargo building and will minimize the liability of vehicles moving around aircraft and the security concerns of having large box trucks parked on the front curb of the terminal.

An RFP was issued in December 2015. We received 2 proposals and ranked them. Ranked first was Bradford Airport Logistics and ranked second was ALM Services. Fiscal impact for the first year to move forward with Bradford Logistics is \$774,500. We are currently working to reduce that. ALM Services came in at \$660,000, but that number only included food, beverage, and retail concessions. Other types of deliveries would be charged on a per parcel basis, so when added in would exceed the bid amount of Bradford Airport Logistics.

All the costs associated with this facility would be covered by tenants so there is no direct cost impact. Expenses are directly offset by revenue that will be collected from the concessionaires and other tenants. It was respectfully requested that the Commission, first approve the rankings for the Centralized Receiving and Distribution Facility RFP, and then authorize the President/CEO to execute an agreement based on the negotiations for these proposals.

There was a motion to approve the rankings and authorize the President/CEO to execute the necessary documents. The motion was seconded and unanimous vote was received.

B. Fuel Supplier Proposal

Mr. Kevin Howell, VP of Operations/COO, requested approval of the final ranking for fuel providers. This is part of the transition plan for taking over the FBO from Stevens at the end of this year. An RFP documented was published. We received four proposals. In alphabetical order they were:

- AirBP and Avfuel a combined submission
- Eastern Aviation Fuels, a division of Shell
- Epic Aviation LLC
- World Fuel Services

We looked at the wholesale price of fuel to the District and asked at what price each of the four companies listed above would sell all fuel types to the District. We also asked the four companies to provide equipment proposals. We asked for fuel farm proposals and options with financial support. We talked about marketing support, branding, technical and credit card fees, etc. We short listed three companies. The final ranking from the committee recommending is World Fuel Services first, Eastern Aviation Fuels second, and AirBP/Av Fuel third. World offered 2 years at no cost and 5 new fuel trucks in the proposal. In the latter years, World remains competitive on the monthly lease rates. World is also proposing free FBO Management software. The above was recommended as the final ranking.

The Commission was asked to 1. Approve the rankings for the fuel supplier, 2. Authorize staff to negotiate and finalize the agreement with the first ranked company. If an acceptable agreement cannot be reached with the first ranked company, we will move to the next ranked company until an acceptable agreement can be reached, and 3. Authorize the President/CEO to execute any necessary documents.

There was a motion to approve the rankings, authorize staff to negotiate the final contract, and authorize the President/CEO to execute the necessary documents. The motion was seconded and unanimous vote was received.

C. Amendment to Current Year Budget

Mr. Jack Murrin, VP Administration & Finance/CFO, described amendments to the current year budget. There are 3 amendments to the Capital Improvement Plan (CIP) for this fiscal year, which ends June 30, 2016.

1. Automated exit lane. TSA is mandating that airports come up with Automated Exit Lanes to minimize staffing cost. The total cost is estimated to be about \$411,000. The cost will be recovered by factoring this cost into our rates and charges to the airlines. This will cause our Cost Per Enplanement (CPE) to go up about 8 cents if we amortize these costs over five years. Our total CPE is right around \$6.50 so the financial impact is limited.
2. Rental car centers need new roofs. They were built in 2001 and were funded with a bond issuance. Each of the rental car center roofs need major repairs. We are currently charging a Contract Facility Charge (CFC) of \$4 per day. We are allowed to use the excess from those funds for projects that benefit the rental car centers. We currently have \$1.4 million in surplus CFC funds. The cost of repairs is about \$400,000.
3. AirIT at 9 concourse gates. We currently have AirIT equipment at 4 gates. This equipment gives a whole new level of flexibility to the airport to move airlines around to different gates, which gives us greater capacity. The expected cost is \$200,000, and Mr. Murrin believes the best time to add this equipment is now, while the concourses are being renovated. The costs will be covered through rates and charges to the airlines.

There was a motion to approve all three of the above improvements and amend the FY16 budget to reflect the cost of these improvements. The motion was seconded and unanimous vote was received.

D. Change to Rules and Regulations

Mr. Carr presented changes to the Airport Rules and Regulations, Section 3.15 Ground Transportation. The proposed changes address Transportation Network Companies (TNC), such as Uber. TNC drivers are currently leaving their cars while waiting; they have six

designated spots. If those spots are filled, they must wait off campus. While in the designated spots, the drivers must remain in their cars.

There was a motion to approve the change to the Rules and Regulations. The motion was seconded and unanimous vote was received.

PRESIDENT/CEO RPORT:

Aviation Industry update: The biggest focus is still on FAA reauthorization. The House has a bill that has not made it out of the committee. The Senate has its own bill that is headed to the full Senate floor. The Senate passed a reauthorization extension on March 15th, sent it to the House, and it was then sent to the President. The President signed the reauthorization extension, so we have reauthorization through July 15th for AIP related funding.

Terminal Improvement schedule highlights: April 4th & 5th we will move American and United to the permanent ticket counter and go live with the new outbound baggage system. The new CBIS rooms will go into operation at that point as well. May 15th is the next big milestone to go live in the centralized security checkpoint. The target date for substantial completion is October 7th. Most public areas should be complete by the end of August or the first of September. We will do a ribbon cutting in November.

Mr. Edwards and Mr. Burch focused on two things in DC. One was the Air Traffic Control Tower and the second was funding for exit lanes. The FAA desires to do a seismic project on the existing tower which was originally slated for \$4.5 – 5 million project and has now turned into a \$9 -10 million project. The hard cost when we were looking at a new Air Traffic Control Tower was about \$16 million excluding equipment costs. We have engaged our members in DC to help to transfer the funds from the seismic pot to a new construction pot. Senator Graham's office is taking the lead from an appropriations language standpoint.

Mr. Edwards also touched on the PRT project. We are soliciting vendors as a first step to respond to the RFP with costs and vehicle design. Based on the cost, if it is within the estimates from the feasibility study, we will come back to the Commission to recommend going to the next step of getting construction bids.

Information: Traffic was up in January. Preliminary numbers for February 2016 indicate a 15% increase over February 2015.

COMMISSIONER'S REPORT:

Mr. Burch attended the ACI-NA U.S. Policy Board meeting in DC. He mentioned several topics of discussion:

- There is a lot of unrest about air traffic noise.
- Airports don't have a seat at the table in the planning of NextGen.
- In DC, the Commissioners Committee presented the Commissioner's Congressional Leadership Award to Representative David Jolley of Florida. He has been a leader in

advocating a bipartisan reauthorization of the FAA and supports airport infrastructure financing.

Mr. Burch touched on an upcoming event—the Commissioners Conference in Indianapolis. The Canadian Commissioners are joining the U.S. Commissioners at the conference. Canada has privatized air traffic controllers. We hope to receive firsthand accounts of Canada’s experience with privatizing air traffic controllers. The keynote speaker is Bob Bedford who is Chairman of Republic Airways. This event may provide opportunities to gain information on additional air service. Also the ACI-NA 2016 World Conference and Exhibition will be September 25th through 28th in Montreal. The ACI-NA Commissioner’s Scholarship provides a scholarship to a student who is engaged in a course of study related to airport management. Mr. Burch encouraged the Commissioners to make a contribution to that fund.

EXECUTIVE SESSION:

There being no further business, a motion was made, seconded, and carried to go into Executive Session. The specific purpose of the executive session was announced prior to going into Executive Session. The specific purpose was to discuss contracts relating to the centralized receiving and distribution facility and fuel suppliers.

ADJOURNMENT:

At approximately 11:45 a.m. public session resumed with no action being taken. The next meeting is May 9th at 9:00 a.m. The meeting was adjourned at 12:00 p.m.

SIGANTURE OF PREPARER:

Marsha Madore