

**GREENVILLE-SPARTANBURG AIRPORT  
COMMISSION MINUTES  
JULY 8, 2013**

The Greenville-Spartanburg Airport Commission met on July 8, 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, Hank Ramella, Leland Burch, Valerie Miller, and Doug Smith via telephone.

**MEMBERS ABSENT:** Bill Barnet

**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 and Bobby Welborn - Police Chief

**GUEST PRESENT:** Nat King – Jacobs/GSP, Jim Fair – Greertoday.com, Bill Poovey – GSA Business, Don Warren – Skanska/Moss, Skip Johnson – Baker, and Kevin Morris – Baker

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

**CONSENT AGENDA:**

- A. Approval of the Greenville-Spartanburg Airport Commission May 13, 2013 Regular Meeting Minutes:

A motion was made, seconded, and unanimous vote received to approve the minutes from the May 13, 2013 Commission Meeting.

- B. Approval of the Greenville-Spartanburg Airport Commission May 29, 2013 Workshop Meeting Minutes:

A motion was made, seconded, and unanimous vote received to approve the May 29, 2013 Workshop Meeting Minutes.

- C. Acceptance of Audit Committee Minutes:

A motion was made, seconded, and unanimous vote received to accept the minutes from the Audit Committee.

- D. Approval to Negotiate and Execute Mutual Aid Agreements with the City of Greer, Greenville County and Spartanburg County for Law Enforcement Assistance:

Mr. Edwards commented that historically, the District has had mutual aid agreements with the various police and fire jurisdictions. These agreements provide for the mutual support of police and fire services when needed between the District and the respective jurisdictions. In addition, the execution of such mutual aid agreements opens up grant opportunities. GSP Airport District has received approximately \$200,000 over the past two (2) years.

Mr. Edwards respectfully requested that the Airport Commission resolve to approve (1) Staff to finalize mutual aid agreements with the City of Greer Police Department, Greenville County and Spartanburg County Sheriff's Departments and (2) authorize the President/CEO to execute said agreements subject to review by legal counsel. A motion was made, seconded, and unanimous vote received to approve the negotiation and execution of Mutual Aid Agreements with the City of Greer, Greenville County and Spartanburg County for Law Enforcement Assistance.

**PRESENTATIONS:**

**A. Review Impacts of Southwest Airlines for the Community and GSP.**

Mr. Edwards stated the presentation was the request of Vice-Chair, Hank Ramella. Mr. Murrin will show the Commission how the District's investment in Southwest beginning service at GSP resulted in a positive return for the airport and the community.

Mr. Murrin stated a \$4.9 million dollar investment was made which composed of landing fees and space rental fees being waived along with a \$1.1 million expense for the build-out of operational space and approximately \$800 thousand in marketing support.

An economic impact study was completed by the same company before Southwest began service and then again after Southwest had been in the market for over 12 months. The Economic Impact Study showed:

	2009	2012	% Diff
Total Local Jobs	3,691	\$9,528	158.14%
Total Local Income	\$112,014,138	\$170,491,490	52.21%
Total Local Output	\$377,525,330	\$817,119,411	116.44%
Total Tax Revenues	\$46,892,898	\$112,549,691	140.01%

Mr. Murrin stated airfares have decreased and when comparing the average domestic airfare the gap between GSP and the average has decreased dramatically. Between 2007 and 2012, GSP has had a 12% increase in seats, and a 24% increase in Enplanements. Revenue Passenger Miles has increased 21% and the number of Available Seat Miles has increased about 10%.

Historically, GSP has grown 5% per year which is a great historical record. Between 2010 and 2012, GSP had a 47% increase in passenger traffic, which is the Southwest impact. This increase resulted in passenger enplanements being higher than the previous historical high with Independence Air. GSP had an increase of \$5.4 million in bottom-line net income (88%) between 2010 and 2012.

The answer to the question, was the \$5 million dollar investment worth it – Yes, the financial payback occurred in less than one year. The Commissioners stated the presentation was a great summary and it was important to see the impact of having brought Southwest Airlines to GSP and making sure Southwest stays successful in the community. Mr. Edwards stated GSP created an incentive for Southwest to help them get started and the investment of \$5 million was well worth it for the airport and the community.

#### **B. Twenty-Year GSP Pro-Forma Update.**

Mr. Murrin stated this is the fourth (4) projection on the 20-year Pro-Forma. Original assumptions were based on seven (7) Southwest Airlines flights and the economy has changed therefore the forecast has changed. Staff is being conservative. From an investment standpoint as yields increase, GSP's historical average yield has been in excess of 3%. Staff has also assumed going forward twenty (20) years expenses would continue to increase 4% per year. All bonds have been paid off except for three (3) million which is the Rental Car Maintenance Facility; it is a non-callable bond. GSP reached a high point in our portfolio of \$88 million on June 30, 2012, as of a few weeks ago the portfolio was at \$77 million.

Mr. Edwards stated that GSP is in really good shape financially and being able to deliver the new facilities for the future in a way that is financially sound is great. Staff feels good about the conservative estimates both on the investment side and the enplanement side. The Commission thanked Mr. Murrin for an excellent presentation.

**OLD BUSINESS:** None.

#### **NEW BUSINESS:**

##### **A. Approval of Resolution Supporting South Carolina Aviation Week.**

Mr. Edwards stated Governor Haley has identified August 19<sup>th</sup> – August 23<sup>rd</sup> as Aviation Week in the State of South Carolina. Mr. Bill New of the Charleston International Airport is the current President of the South Carolina Aviation Association and has asked that GSP and others around the state to adopt a resolution supporting Aviation Week. Through our Communications Department,

GSP would market this through social media (twitter, Facebook, and GSP website). Mr. Edwards stated air travel is critically important for the State of South Carolina and he is pleased that the Governor has recognized that aviation is an important element in transportation.

Mr. Edwards respectfully requested that the Airport Commission resolve to approve the proposed resolution supporting Aviation Week in South Carolina. A motion was made, seconded and unanimous vote received to approve the resolution supporting Aviation Week in South Carolina.

## **PRESIDENT/CEO REPORT:**

### **A. Aviation Industry Report:**

Mr. Edwards stated the US Airways/American merger is still ongoing. Some states have come forward in opposition of the merger which revolves around the slots at the Reagan National Airport. Staff is keeping a close eye on the merger since it is critical for GSP to keep the service into Reagan in place.

Mr. Edwards stated former Mayor Foxx of Charlotte was confirmed as the New Secretary of Transportation. Mr. Edwards will have a meeting with him in August as part of his role at ACI.

Mr. Edwards briefly discussed the recent Asiana plane crash at San Francisco Airport. Mr. Edwards stated air travel is the safest in transportation and the industry does a good job in maintaining safety. The incident is very unfortunate but Mr. Edwards does not think it will have a lasting impact on the industry.

### **B. GSP Marketing/Public Relations Awards Received from ACI-NA:**

Mr. Edwards stated at the June Marketing and JumpStart Conference this year that GSP received first place for Wingspan Elevating the Upstate and third place for Special Events for the GSP 50<sup>th</sup> Anniversary Celebration. Mr. Edwards and the Commission thanked Ms. Weston and her team for a terrific job.

### **C. Update on June 20, 2013 Southwest Airlines Meeting:**

Mr. Edwards discussed the meeting he had with Route Planning at Southwest Airlines. Mr. Edwards recapped that the Orlando MCO service will end in August and the Baltimore/Washington BWI service will go to one (1) flight in October. This is part of Southwest's right sizing of their entire network and trying to maximize aircraft utilization and profitability. Staff will be having another meeting soon to discuss marketing. The Southwest brand awareness continues to be important. Mr. Edwards pointed out, GSP would not be

successful without the other carriers at GSP and being respectful to them is important. From a financial cost perspective, Southwest may give back one gate to help reduce cost. Chair Shaw asked what is the time of the remaining BWI flight. Mr. Edwards stated it is an afternoon flight. Mr. Edwards stated Staff will be looking at airfare related items also. Everyone at the meeting was very positive and Southwest stated they want to be successful at GSP and are here for the long haul.

**D. Terminal Improvement Program Core/Concourse Project Cost Estimate Update:**

Mr. Edwards stated the initial cost estimate on 30% design looked good and in June, Mr. King led an value engineering effort where a potential \$2 million in savings can be explored. In the monthly construction update, you may see some discussion of rain delay requests.

Chair Shaw asked from a time standpoint, when the new baggage claim will be ready. Mr. Edwards stated approximately November 15<sup>th</sup>. Around August 8<sup>th</sup> more work will begin on the front curb area to prepare for the installation of the glass curtainwall. Skanska Moss has done a tremendous job of being non-impactful with the project to the traveling public; however, it will get impactful soon. Staff is trying to educate tenants and the public of what to expect especially when portions of the front curb shuts down. Chair Shaw commented let's do whatever it takes during construction to maintain a proper level of customer service, even if it means adding extra people. Mr. Edwards stated Staff will keep that in mind. Extra people were added for passenger assistance at the elevator. Mr. Edwards stated Police Staff will be managing the curbside and getting people educated about the cell phone lot. Mr. Ramella asked if the curtain wall will be visible as it is being installed. Mr. Edwards stated yes.

Mr. Edwards informed the Commission of a new pilot program at the airport – Fly and Shine. Fly and Shine is a company located in Greer called Precision Detailing. Management of Fly and Shine approached Staff about setting up an additional service at the airport to provide traveling passengers with the opportunity to have their car detailed while traveling. They offer a hand wash to a full detail with varying prices. Ms. Miller asked how it would work. Mr. Edwards explained people would be directed to the basement of Garage B by signage, leave their keys in a drop box, and fill out paperwork of the vehicle service they would like and upon return of the passenger they would be given a code in order to pick up their keys and car. Mr. Edwards stated research showed that other airports have been successful with this type of service and hopefully it will be long term at GSP.

Mr. Ramella stated he liked the open/closed signs in the garage. Mr. Edwards stated one of the challenges was being able to notify people when the Sky lot filled up and with the new signage it allows people to know what is full before entering the garage.

Chair Shaw stated that as a customer service to the traveling public, as we are going into the next phase of the project, this may be a good time to look into valet parking, even if temporary. Mr. Edwards agreed to look into valet parking. Chair Shaw asked if customers were using the parking reservation system. Ms. Weston stated yes, it has its peaks and valleys, and Staff continues to hear positive comments concerning the reservation system. Chair Shaw asked if additional coverage has been added to the elevators in the garage. Mr. Edwards stated Staff wanted to wait until the Rental Car Centers were finished in the garage but will be looking into.

Mr. Howell gave a brief update on the Daniel Fountain. The fountain was installed in 1970 and recently, Facilities has had numerous calls about the fountain not working. There was a budget item to rehabilitate the fountain which included relining the basin and replacing the pump. Mr. Howell showed pictures of the work being done. Mr. Edwards stated when complete there should be a significant reduction in water consumption.

### **INFORMATION SECTION:**

Potential items for the next meeting on September 8, 2013: Approval of an Ethics policy for the Commission members.

**COMMISSION MEMBER REPORTS:** None

### **ADJOURNMENT:**

There being no further business, a motion was made, seconded and adopted to go into Executive Session to discuss legal and personnel matters at 11:15 am. It was announced no actions would be taken during the Executive Session. At the end of Executive Session, at approximately 1:00 p.m., the meeting was adjourned.