

**GREENVILLE-SPARTANBURG AIRPORT COMMISSION
MINUTES**

November 19, 2012

The Greenville-Spartanburg Airport Commission met on November 19, 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 via telephone.

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 Dan Ingram-IT Manager

GUEST PRESENT: Nick Zatorsky-Jacobs/GSP, Alan Robinson-Cherry Bekaert, Gary Lott-Baker/LPA, Ernie Kovach-ABM Parking Services, Jim Clemens-Skanska USA Building, John Mafera-CDM Smith, Bryan Cully-CDM Smith, Clint Rigsby-Seamon Whiteside and Associates, Brian Reed-CBRE/The Furman Company, Corbin Haskell-Robinson Co, Scott Miller-GSA Business, and Jay King-The Greer Citizen.

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

CONSENT AGENDA:

**A. Approval of the Greenville-Spartanburg Airport Commission
September 18, 2012 Regular Meeting Minutes:**

A motion was made, seconded, and unanimous vote received to approve the minutes from the September 18, 2012 Commission Meeting.

**B. Approval of Airport Commission Meeting Dates/Times for Calendar
Year 2013:**

The following dates were approved for the Airport Commission Meetings:

January 23, 2013, March 11, 2013, May 13, 2013, July 8, 2013, September 9, 2013, and November 25, 2013. All meetings will begin at 9:00 am.

PRESENTATIONS:

A. GSP Police Department Firing Range:

Mr. Howell introduced Chief of Police, Bobby Welborn. Chief Welborn gave the presentation on the GSP Police Department Firing Range. The range has been opened for use since 2006. The benefits of having a firing range at the airport include: practice/remedial time, night training is available, scenario, airport specific training, reduced overtime cost, range would be available to other agencies, range is out of public eye, and sound is muffled by surrounding vegetation. Mr. Welborn stated that the EPA published Best Management Practices which allows for 20 pounds per square foot of backstop or a minimum of 100,000 rounds per shooting lane before lead reclamation occurs. At the current rate of 800 rounds per lane, per year, it will take 125 years to reach 100,000 rounds per lane. Also, with the relatively flat area, ground water 30' deep and annual use of lime, lead runoff should not be an issue. It is recommended Lime be spread annually around the berm to achieve/maintain the proper pH levels. In conclusion, Mr. Welborn stated the cost of maintaining a firing range at the airport is minimal while the benefit of having a range on site allows for more frequent, practical and higher quality, airport specific training.

OLD BUSINESS: None.

NEW BUSINESS:

A. Adoption of the GSP Land Use Planning and Development Study:

Mr. Howell stated the Land Use Planning Study has been ongoing for approximately twelve (12) months. Mr. Howell introduced the consultants; CDM Smith to give the presentation. Mr. John Mafera stated one of the most important pieces of the study was to receive stakeholder input; therefore, several workshops were held over three days from Chambers of Commerce, State Department Commerce & Economic Development Groups, City and County Representatives, and Real Estate, Site Selection and Developers/Local Partners. Some of the comments that were received from Stakeholders included: future development should be high in quality, maintain environmentally friendly "campus" feel, maintain/enhance "ease of access" to airport and amenities, "maintain flexibility" and "development should be diverse and accommodate several types/opportunities", Upstate is "center of excellence" for manufacturing. Development types included: Class A industrial park/sites, Intermodal/multi-modal facilities/sites, Aviation and aerospace, hotel, and a recreational element. After the stakeholder meetings, CDM Smith enlisted the Robinson Group and Furman Co. The first step began with the Real Estate Inventory, GSP Market View Analysis, and Current Conditions of Internal and External Real Estate Markets. Data was collected and analyzed from thirty (30) comparable airports. The purpose of the Highest and Best Use (HBU) Analysis was to determine highest and best use of 9 tracts of land at GSP.

The property must meet the following four criteria: physically possible, legally permissible, financially feasible, and maximally productive. Mr. Mafera displayed a map of the HBU Summary of Recommendations for each tract of property and discussed with the financial summary. Mr. Mafera stated the marketing campaign, materials, and branding is underway with the development of the GSP 360 Beyond the Runway website, logo, print material, and tradeshow booth design.

Mr. Edwards stated the core part of business at the airport is aviation and the focus will stay there. This plan does position the airport, in the future, to create some very significant revenue streams from airport property that will help ensure the delivery of those core aviation services for the Upstate well into the future at a competitive cost.

At this time questions or comments were addressed. Mr. Burch commented that this project has been very thorough, and a good solid foundation put in place. Mr. Barnett commented this is a base that gives us a great path forward. Mr. Smith stated this is a well thought out plan and some of the things we should be thinking about are how do we deal with expressions of interest in entities desiring to locate on airport property. Ms. Miller asked if there is a way to pull back the return and Mr. Mafera stated yes, we were very conservative on the funding and most cases we did not assume a tenant. Ms. Miller asked if the utilities would be a part of paying for the infrastructure? Mr. Mafera stated water, sewer and the roadways have to be put in place. Mr. Mafera suggested holding off on building the roadways until the user is in place. Ms. Miller asked how significant is natural gas? Mr. Mafera stated major users want it. Some tracts will have to have it and others will not.

Mr. Howell respectfully requested that the Airport Commission resolve to adopt the Land Use Planning Study as presented. A motion was made, seconded and unanimous vote received to adopt the Land Use Planning Study as presented.

Upon completion of the 360 Marketing Plan the Commission will be presented a presentation. The Task Force will continue to meet.

B. Approval of Terminal Improvement Program Baggage Claim/South Bridge Package:

Mr. Edwards stated the next phase of work for the Terminal Improvement Program (TIP) is the Baggage Claim/South Bridge Package. Mr. Edwards handed out the budget breakdown. Mr. Edwards focused on the direct construction cost and discussed. He stated the budget is tracking well but that does not mean an unforeseen circumstance will not arise. The 4% construction contingency gives a little more flexibility to make sure the unforeseen cost that may come up are covered. Mr. Burch asked what the time frame is for the phase and when will bids be advertised. Mr. Edwards stated this phase is expected to be advertised between now and the end of the year and completed by December 2013.

Mr. Edwards respectfully requested that the Airport Commission resolve to approve the Terminal Improvement Program Baggage Claim/South Bridge Package. A motion was made, seconded and unanimous vote received to approve the Terminal Improvement Program Baggage Claim/South Bridge as presented.

Chair Shaw stated Skanska has made great efforts in blocking off the construction.

C. Award of the Rental Car Concessions at the GSP International Airport:

Mr. Edwards stated in July 2012, Staff issued a Request for Bids for new Rental Car Concession opportunities at the Greenville-Spartanburg International Airport. There are five (5) concession opportunities available for award. Bids were due on October 12, 2012, and five (5) bids were received. The term of the agreements will be for five (5) years with one (1) Five (5) year option at the discretion of the Greenville-Spartanburg Airport District.

Mr. Edwards stated, Staff made it clear that balanced bids was expected and that bids had to be reflective of the business correctly at the airport or the projected business. Staff did have an issue with Budget and met with them to negotiate and revise. All parties were in agreement. All Rental Car Companies will move into the new space in mid-January. Mr. Ramella asked if the ranking reflects where their counter space is located. Mr. Edwards stated the ranking determines who picks location first. Hertz had the highest bid and they chose the first location on the second floor. Mr. Burch asked how the rents compare. Mr. Edwards stated the rent is higher but all five (5) companies have agreed. Mr. Edwards stated that CFC's will be used for capital improvements not for operation and maintenance related expenses.

Mr. Edwards respectfully requested that the Airport Commission resolve to approve Award of the Rental Car Concessions at the Greenville-Spartanburg International Airport. A motion was made, seconded and unanimous vote received to approve the Award of the Rental Car Concessions at the GSP International Airport as presented.

D. Acceptance of the Greenville-Spartanburg International Airport Financial Audit and Schedules of Expenditures for the Fiscal Years Ended June 30, 2012 and 2011:

Mr. Murrin introduced Alan Robinson from Cherry Beakeart. Mr. Robinson stated that the Audit Committee met on October 9, 2012 for a detailed presentation and overview of the audit document. The Audit was finalized on September 6, 2012 on time and on schedule with no adjustments or revisions to the books or records. The Audit reflected no exceptions, findings, or surprises. Mr. Barnett stated the report was good. Chair Shaw thanked Mr. Murrin and his team.

Mr. Murrin respectfully requested that the Airport Commission resolve to accept the Greenville-Spartanburg International Airport Financial Audit and Schedules of Expenditures for the Fiscal Years Ended June 30, 2012 and 2011. A motion was made and unanimous vote received to accept the Audit and Schedules of Expenditures for the Fiscal Years ended June 30, 2012 and 2011 as presented.

PRESIDENT/CEO REPORT:

A. Aviation Industry Report:

Mr. Edwards stated he believes the American/US Airways merger will occur and an announcement may come before the end of the year. GSP should not have any significant impacts.

Mr. Edwards stated the Federal Aviation Administration still has to deal with sequestration, which will have an impact on many avenues of the FAA, with the exception of the AIP Program, which is a protected trust fund.

B. Close-Out Report for the Loading Bridge/PC Air/Fixed Ground Power Project:

Mr. Howell recapped that eight (8) bridges were replaced in the terminal and PC Air was installed on all thirteen (13) gates. All airlines now have the same amenities and are being charged the same rate. The project was contracted with Thyssen Krupp and INET Systems and the project came in \$160,000 under budget. Mr. Howell showed pictures of the new bridges and stated the old bridges will be auctioned within the next 60 days.

C. Other:

Mr. Edwards stated Mr. Barnet asked for a detailed explanation on the FAA Control Tower Project. Mr. Edwards stated this started with the FAA deciding that they needed to do some major renovations to the existing tower to the tune of approximately five (5) million dollars. Staff engaged the FAA to think about a longer-term plan and partner with the District. The Commission approved Staff to engage in an AFTIL Study, which included a trip to Atlantic City to go through the process with the FAA. The AFTIL Project was approximately \$300,000, as of today, the District has spent \$100,000. The District stopped the AFTIL process before completing the study and spending the other \$200,000 pending an agreement with the FAA on the funding to build the tower. Cost of building a new tower was \$22 - \$24 million dollars; \$16 million in hard construction and roughly \$8 million in cost for electronics, radar screen, communication equipment, etc. The District was willing to partner with the FAA and cover 50% of the hard construction up to \$8 million in order to relocate the tower now versus waiting until the future. The tower will have to be relocated for the future parallel runway. The District believed it would be beneficial for the FAA to partner with us now and not put the burden on the District 10-15 years from now. The FAA has come back to the District and said they cannot find the money in order to partner with the District to move this project forward but will continue to evaluate a new air traffic control tower in the future.

At this point, Staff has stopped any further work on the study and asked for a reimbursement of the \$200,000 that has not been spent for the AFTIL Study. Staff will also take the \$8 million that was in the capital program for a new tower and place it back in the general fund balance to be used for other projects.

Staff worked extremely hard in order to try to get movement on this project; however, with everything going on in Washington and the limited dollars, construction funding is not possible at this time. From a development standpoint, if we need additional gates on the B Concourse we can work around the tower. This does not impact us moving forward with the development of the terminal. Mr. Barnett stated this is important history for a Commission 10-20 years from now.

INFORMATION SECTION:

Chair Shaw asked if anyone had any questions concerning the information section. No questions from the Commission.

Potential Items for the next meeting: IT Security Presentation.

COMMISSION MEMBER REPORTS: None.

ADJOURNMENT:

There being no further business, a motion was made, and adopted to go into Executive Session to discuss legal and personnel matters. It was announced that no actions would be taken following the Executive Session. At the end of the Executive Session, at approximately 12:00 p.m., the meeting was adjourned.