

**GREENVILLE-SPARTANBURG AIRPORT COMMISSION
MINUTES
May 10, 2011**

The Greenville-Spartanburg Airport Commission met on May 10, 2011 at 9:00 a.m. in the Greenville-Spartanburg Airport Commission 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.

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Dave Edwards-President/CEO, Larry Holcombe-Executive Vice President, Kevin Howell-Vice President/COO, Jack Murrin-Vice President Administration and Finance/CFO, Rosylin Weston-Vice President Communications, Larry Estridge-WCSR Firm, and Wanda Jones-Secretary.

GUEST PRESENT: Jenny Munroe-Greenville News, Gary Lott-LPA, Michael Floyd-Jacobs, Phil Parkins-CDM, Dan Clayton-RS&H, Olga Vera-RS&H, Steve Harrill-RS&H, and Frank Gratton-RS&H.

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

CONSENT AGENDA:

- A. Approval of the Greenville-Spartanburg Airport Commission March 9, 2011 Regular Meeting Minutes: A motion was made, seconded, and unanimous vote received to approve the minutes from the March 9, 2011 Commission Meeting subject to the minutes being modified to reflect the Commissioners question concerning consultants/vendors contacting Commissioners.
- B. Approval of the Greenville-Spartanburg Airport Commission April 11, 2011 Special Meeting Minutes: A motion was made, seconded, and unanimous vote received to approve the minutes from the April 11, 2011 Commission Meeting subject to the minutes being modified to reflect the visitors in attendance.

PRESENTATIONS: None.

OLD BUSINESS: None.

NEW BUSINESS:

A. Approval of Consultant Rankings for the Greenville-Spartanburg International Airport Land Use Planning Study:

Kevin Howell briefed the Commission on the background of the Land Use Planning and Development Study which was included in the FY2011 budget. This Study will be used as a guide for land use and development of certain parcels at the Greenville-Spartanburg International Airport. Staff prepared an RFQ that outlined the selection process and evaluation criteria, and identified the possible consulting services that could be expected from the firm/team during the Study, including: real estate market analysis, master land use plan, site development concepts, financial feasibility analysis, implementation plan and marketing materials.

The RFQ was advertised regionally and nationally. Twelve (12) Submittals of Qualifications (SOQs) were received on April 22nd.

Mr. Howell explained the Selection Committee reviewed the SOQs and ranked them in accordance to the evaluation criteria as outlined in the RFQ. Three (3) firms/teams were short-listed for the second phase of the selection process which included presentations and interviews with the Committee. The shortlist firms/teams (in alphabetical order):

CDM
Hanson/Synergy
Kimley-Horn

Presentations and interviews were held on May 9th. The Committee members individually evaluated and ranked the short list firms/teams. In accordance with administrative policy, Staff recommends the following final ranking to the Commission. Commission has final approval of the ranking.

1-CDM
2-Kimley-Horn
3-Hanson/Synergy

Upon approval of the final rankings, Staff will attempt to negotiate a contract and task order with the first ranked firm in terms of the consulting agreement and a scope of services and associated fee for the study. In the event an agreement cannot be reached with the first ranked firm, GSP will formally terminate the negotiations and proceed to negotiate with the next highest ranked firm and so

forth. The final negotiated fee will not exceed the FY2011 budgeted amount of \$500,000 for this study.

Mr. Howell commented on some reasons the Selection Committee choose CDM 1) local office 2) recently acquired Wilbur-Smith (which will be fully integrated by July 1, 2011) 3) local appraisers 4) local PR Firm 5) Project Manager has 12-13 years experience 6) CDM has done several land use studies for other airports. Overall the Selection Committee thought CDM was the strongest and well rounded team. The community outreach will be a big part of the land use study and with the PR team being local the Selection Committee felt they could achieve the community outreach with the local PR Firm. The Selection Committee also felt CDM has a cohesive team where everyone had a role.

The Commission asked if the Selection Committee felt the twelve firms who responded if they were the best firms or if anybody was missing. Mr. Howell said he felt they were the best twelve firms. The Commission also requested some more information on the local team members of CDM.

The timeline for the Land Use Planning & Development Study is approximately one (1) year.

It is respectfully requested that the Airport Commission resolve to (1) approve the final rankings for Professional Consulting Services – Land Use Planning & Development Study; (2) authorize Staff to negotiate and finalize a professional services contract and a Task Order for the Land Use Planning & Development Study in an amount not to exceed \$500,000.00 with the first ranked firm/team (if an acceptable agreement cannot be reached with the first ranked firm/team, negotiations will be formally terminated and will then proceed with the next highest ranked firm/team and so forth until an acceptable agreement can be reached); and (3) authorize the President/CEO to execute all necessary documents.

A motion was made, seconded, and unanimous vote received to approve the Staff's recommendation.

The Commission requested regular updates on the Land Use Planning & Development Study. Mr. Edwards stated this is an important economic development opportunity and at a later date the Commission may want to form a Task Force of three (3) members to be involved with the project.

B. Approval of the Greenville-Spartanburg Airport Commission Fiscal Year 2011/2012 Budget:

Mr. Jack Murrin presented the 2011/2012 Budget to the Commission. Mr. Murrin pointed out that the Cost per Enplanement (CPE) will be \$5.54 and currently it is \$7.34. This is very competitive with other airports and GSP will be very well positioned to grow. Airlines start to back away from going into an airport when CPE's are \$9.00 - \$10.00. Mr. Murrin also pointed out that the Fund Balance is important going forward. The Fund Balance will allow the Commission to deliver the terminal project with no long term debt. The Fund Balance also allows the Commission to keep the Cost per Enplanement down. Mr. Murrin reminded the Commission that the Commission does not collect Passenger Facility Charges (PFC's). GSP Airport Commission is one of the few airports that do not collect PFC's.

A few questions included: 1) Why the increase in IT Budget – Mr. Murrin explained that IT will continue to grow especially from the terminal project. IT systems need to be brought into the 21st century; 2) Why the increase in Cargo Budget - Mr. Murrin explained that the Commission needs to bring the Cargo Building into code compliance. Cargo is an important part of business that is growing. Our current cargo building is more for belly cargo and if we continue to grow our cargo business we may have to construct a new cargo facility. A presentation and briefing from a cargo study is coming in a few months. Staff has a meeting scheduled this week with freight forwarders to discuss some potential business opportunities; 3) Commission Office Expansion – Mr. Edwards explained to the Commission that staff has out-grown the existing space and when the new space is constructed it will be developed in such a way that it will be leasable space for other future uses; 4) Training (\$125,000) – Mr. Murrin explained that we will be going to an automated system for badging. This system will allow Staff to add modules in the future; 5) FIDS/Paging System – Will be on the agenda for the July Commission Meeting; 6) O&M Reserve Funds – typically does not go to the Commission for approval. This is used for emergencies; 7) Investment Portfolio – Staff is very limited on where money can be invested due to the state. Currently all investments are in T-Bills; 8) Increase in FBO –Staff is in discussions with Stevens concerning improvements which the Commission would be responsible for some of those improvements; 9) Customer Service Staff – Commission wants to be sure that there is enough staff with the growth of traffic in the airport and we are not inattentive to customer service. Customer Service is very important and we want to be sure we have top-notch Customer Service at GSP; 10) Environs – Independent Service Contractor administration services; 11) Commission requested copy of Profit and Loss worksheet which depicted some detailed notes of line item changes.

It is respectfully requested that the Airport Commission resolve to adopt the Fiscal Year 2011/2012 Budget. A motion was made, seconded, and a unanimous vote to approve the Fiscal Year 2011/2012 Budget.

C. Appointment of a Greenville-Spartanburg Airport Commission Member to the Greenville-Spartanburg Environs Commission:

Mr. Holcombe briefed the Commission on the responsibility of appointing two members to the Airport Environs Commission for a term of two years each, with alternation expiration dates. One member has to be from Spartanburg County and one from Greenville County. The two members appointed by the Airport Commission were Mr. Jim Whitten (Greenville County) and Mr. Wallace Storey (Spartanburg County). Due to the resignation of Mr. Storey, the Airport Commission now has a vacancy on the Airport Environs Commission. Mr. Storey's term was to expire to June 30, 2012. Due to his resignation, the Airport Commission has the responsibility to fill the unexpired portion of Mr. Storey's term. It is respectfully requested that a member of the Greenville-Spartanburg Airport Commission be appointed to the Greenville-Spartanburg Airport Environs Commission to fill the unexpired term of Mr. Wallace Storey. Due to the importance of this position, it is the desires of Airport Staff and the Airport Environs Administrator to have a member of the Airport Commission also serve on the Greenville-Spartanburg Airport Environs Commission. A motion was made, seconded, and unanimous vote received to appoint Mr. Hank Ramella who represents Spartanburg County on the Airport Commission to the Airport Environs Commission to fill the unexpired term of Wallace Storey.

D. Approval of the Renovation Improvement Project for the Old Rental Car Maintenance Facility Area:

Mr. Holcombe stated at the last Commission Meeting the unsightly appearance of the old rental car maintenance facility was mentioned. This area is partially visible from the roadway when exiting the airport and does not blend well with the overall appearance of the Airport. This area has been vacant for several years and is overgrown with vegetation. The asphalt portion of the old parking area has deteriorated thus allowing grass and weeds to grow up through the cracks. Staff is recommending this area be converted into a new Cell Phone Parking Area. The cell phone parking will be at the entrance with the remaining area cleared, graded, and seeded. If current parking is filled before an expansion is completed, we could possibly allow overflow parking in this area (on the grass with no shuttle service) for a set dollar amount of a limited time. Staff will also look at electronic signing with arrival information. A preliminary cost estimate to mill and repave a portion of the old rental car parking area for cell phone parking, patch and sealcoat the roadway, grade and plant grass on the remainder of the lot and add lighting is approximately \$68,000.00. The timeline for this project is three (3) months.

It is respectfully requested that the Airport Commission resolve to (1) authorize staff to move forward to bid and award the project with a not to exceed amount of \$75,000.00 which includes a 10% contingency; and (2) authorize the President/CEO to execute all necessary documents.

A motion was made, seconded, and unanimous vote received to approve Staff's recommendation.

PRESIDENT/CEO REPORT:

A. Aviation Industry Report:

Mr. Edwards gave some exciting news that traffic has increased at GSP for the month of April. Preliminary numbers for the month of April are up 48%. Fuel continues to be the biggest focus in the Aviation industry. Southwest Airlines was profitable for the 1st Quarter of 2011. Several of the other airlines were not due to fuel costs.

The time-frame for the final FAA Reauthorization Bill is May. Mr. Edwards informed the Commission that Senator Jim DeMint is on the Senate Aviation Subcommittee and Mr. Edwards has discussed the Reauthorization Bill with the Senator.

B. Potential Rental Car Ready/Return Space Project – Garage A:

Mr. Edwards briefed the Commission that Enterprise Car Rental has had a significant increase in business and would like additional ready-return spaces in Garage A. Level Two in Garage A can be converted into ready-return spaces inexpensively. The garage will lose approximately 200 public spaces. As it stands there is excess capacity in the garages. Garage A is 50% full at times and Garage B is 30-40% full at times. Mr. Edwards will discuss with Rental Car Property Managers.

C. Economy Lot Expansion Project Update:

Mr. Edwards indicated that a few options have been reviewed by Staff as alternatives to the expansion of the existing economy lot but such options proved to be more expensive. He indicated that right now it is still the intent of Staff to relocate employees to the roof of the B Garage temporarily. The Commission asked Staff about signage and the automatic gate being out of service. Staff will look into signage for parking to help customers identify where they parked and Staff will also look into the automatic arm gate being out of service frequently.

D. Air Service Update

Mr. Edwards reported that growth is up across the board with American Eagle being up 22.8%, Continental up 12.1%, Delta up 24.9%, United up 5%, and US Airways being up 11.6%. Allegiant had reduced seats in April, but still performed well on a load factor basis. Mr. Edwards stated that Mr. Holcombe and Ms. Weston were in Vegas to meet with Allegiant the first of May. Allegiant does not have any significant expansion plans at this time but stated they were happy and satisfied with the activity at GSP.

INFORMATION SECTION:

Mr. Edwards informed the Commission that there will be a meeting in a couple of weeks with the FAA to discuss funding for the Air Traffic Control Tower.

Some potential items for the July meeting are: Award of MUFIDS Project, Ranking Construction Manager @ Risk, and Loading Bridge PC Air.

Dates for a meeting with the Terminal Task Force will be coming.

Mr. Edwards indicated that he encourages all Commissioners to call on him or meet with him concerning any items that they may want to discuss further or feel they need additional information on.

The Commissioners who attended the ACI-NA Commissioners Conference in Tucson were impressed with the quality of speakers. The meeting was good and they were able to get an insight into what Staff deals with on a day-to-day basis. Good contacts were also made.

COMMISSION MEMBER REPORTS: None.

ADJOURNMENT: There being no further business, a motion was made, seconded and a unanimous vote received to go adjourn the meeting. The meeting was adjourned at 11:00 am to go into Executive Session to discuss potential contracts. No action will be taken.

The next Commission Meeting will be on Monday, July 11, 2011 at 9:00 a.m.

