

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

November 23, 2020

The Greenville-Spartanburg Airport Commission met on November 23 at 9:00 a.m. in the Greenville-Spartanburg District Conference Center located at 500 Aviation Parkway 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, Doug Smith (via teleconference), Jay Beeson, Valerie Miller

MEMBERS NOT PRESENT: None

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Kevin Howell, Senior Vice President/COO; Basil Dosunmu, Senior Vice President-Administration and Finance/CFO; Scott Carr, Vice President Commercial Business and Communications (Environs Area Administrator); Tom Tyra, Director, Communications and Air Service Development; Carlos Ruiz, Director of Commercial Business; Betty O. Temple, WBD; Casey Cooperman, Executive Assistant/Recording Secretary

GUESTS PRESENT: Paul Smith, WK Dickson; John Prickett, Local Resident

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:10 a.m.

CONSENT AGENDA: A motion was made, seconded, and unanimous vote received to approve the Consent Agenda as follows:

- A. The Greenville-Spartanburg Airport Commission September 28, 2020 Regular Meeting Minutes.
- B. The Greenville-Spartanburg Audit Committee November 12, 2020 Regular Meeting Minutes.

PRESENTATIONS: None

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of a Revision to the Rules & Regulations

Mr. Scott Carr, Vice President Commercial Business & Communications, presented the request to revise the Rules & Regulations in order to accommodate for Peer-to-Peer Vehicle Sharing at the District.

Peer-to-Peer Vehicle Sharing is a mobility platform for people that do not need to own or want a car but need one from time to time. It is important to note that Peer-to-Peer Vehicle Sharing is distinct from ridesharing in that members are renting a vehicle and driving themselves rather than being picked up and driven by Transportation Network Companies (TNCs) through entities such as Uber and Lyft. Peer-to-Peer Vehicle Sharing platforms are becoming more popular in the airport environment as it provides a flexible option to the traveling public rather than renting a car from a traditional rental car company or using taxi and TNCs services.

Staff has reviewed the existing Rules and Regulations and made recommended revisions to accommodate Peer-to-Peer Vehicle Sharing companies at the Airport, such as Car2Go, Zipcar, and Turo.

Also, when the complete rewrite version of the Rules and Regulations were adopted by the Airport Commission on June 24, 2019, the previously approved TNC portion of the regulations were inadvertently omitted. Therefore, the TNC language has been reinserted into the Rules and Regulations.

Mr. Carr respectfully requested that the Greenville-Spartanburg Airport Commission resolve to adopt the revised Greenville-Spartanburg Airport District Rules and Regulations as amended.

Mrs. Miller requested more information about the specific operations of the peer-to-peer vehicle services to which discussion ensued.

The Commission also asked how the peer-to-peer vehicle companies will report their business numbers to the District each month, to which Mr. Carr answered that, as with Uber and Lyft, it is part of their agreement to report their monthly business in order for the District to access fees.

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

B. Approval of a Budget Amendment to the General Aviation Expansion Area Site Prep Project

Mr. Kevin Howell, Senior Vice President/COO, introduced the request to approve a budget amendment to the General Aviation Expansion Area Site Prep Project.

The original expansion site was planned to accommodate a taxi lane capable of serving up to Group II aircraft (< 79' wingspan). As planning and design for the future GA area as well as the future expansion of the Center Cargo Ramp area has been further developed, it has been determined that the airport can increase the

future GA taxi lane dimensions to accommodate aircraft up to a 100' wingspan. Along with the wider taxi lane, the GA hangar development sites along the north end of the expansion area will be able to accommodate up to 125' deep hangars and 100' of apron, adjacent roadway, utilities and landscape areas.

Staff believes that it is important to maximize the airport's future flexibility and provide a future GA development area that can accommodate the largest aircraft and hangar sites possible. The original project work area should be increased to the north to accommodate these changes. A budget increase of \$990,000 is requested to cover the additional engineering and construction costs for the expanded project area.

The 2102 GSP Drive Hangar Renovation Project, with a remaining project budget of \$3,553,082, was also included in the FY2021 capital budget. This project was put on hold due to COVID-19. The original project included a comprehensive renovation plan and significant changes to the office area floorplan. After meeting with current tenants and evaluating the current facility, Staff is proposing to reduce the project scope and minimize floorplan changes. The proposed new scope would include general repairs and refreshing the building finishes, including paint, new carpet, lighting, ceiling tile and grid in the offices and common areas; replacement of all restroom fixtures; and replacement of the building security and CCTV system. Staff is proposing a revised project budget of \$1,553,082 for the lighter renovation project. This would free up \$2,000,000 from the original hangar renovation project for other capital projects including the GA Expansion Area Site Prep Project. Under this scenario no new budget money would be required for to expand the GA site prep project work area.

Mr. Howell requested that the Airport Commission resolve to (1) reallocate \$990,000 from the 2102 GSP Drive Hangar Renovation Project to the General Aviation Expansion Area Site Prep Project; (2) approve a revised total project budget amount of \$4,290,000 for the General Aviation Expansion Area Site Prep Project; and (2) authorize the President/CEO to execute all necessary documents.

There was a motion to approve the budget amendment to the General Aviation Expansion Area Site Prep Project. The motion was seconded, and unanimous vote was received.

C. Approval of Lease Terms for Milliken Hangar

Mr. Scott Carr, Vice President Commercial Business & Communications, presented the approval of lease terms for the Milliken Hangar.

Milliken Aviation currently leases a hangar from the Airport District (District) located at 2108 GSP Drive and has been in that facility since relocating from the Greenville Downtown Airport in February 2018. However, they are in the process of transitioning to two new aircraft with a wider wingspan and tail height. Therefore, they need a facility that can accommodate the larger planes.

The District is currently in the process of negotiating two separate options with Milliken. The first is a lease agreement for a turnkey project to construct a new hangar and office facility for Milliken's corporate aviation department. The second option being negotiated is a ground lease with all the necessary infrastructure improvements completed by the District (e.g. apron within thirty feet of the future hangar site, retaining wall, roadway, utilities, etc.). This would leave a pad ready site for Milliken to construct the hangar, office, parking lot, and the apron tie-in.

Mr. Carr provided more detail and comparisons for both Option #1 and Option #2, including base and option terms, lease premises, lease rate, contract security, district improvements, lessee improvements, maintenance, utilities, insurance, taxes and assessments, sub-leasing and lease assignments. Mr. Carr also shared the fiscal impact that each option would have in year one of the lease.

Following his presentation Mr. Carr respectfully requested that the Airport Commission resolve to (1) approve the lease agreement terms for both Option #1 and Option #2 as outlined above and (2) authorize the President/CEO to execute a lease agreement with Milliken based on one of the two outlined options.

The Commission asked how long it will be until Milliken makes their decision, to which Mr. Carr answered that they it will be rather quickly. Mr. Howell added that Milliken is looking to have their first larger aircraft in use by the first quarter of 2022 and their second in the first quarter of 2023. It will take a total of 15-16 months for build completion.

Mrs. Miller asked which option Staff prefers, to which Mr. Carr stated that Option #1 would be the financially better investment.

Mr. Ramella suggested that once completed, the District needs to watch the maintenance provisions very closely, to which Mr. Edwards agreed.

Mr. Beeson asked how tight the budget is, to which Mr. Carr answered that the Staff did build contingency into the budget.

There was a motion to approve the lease terms of the Milliken hangar. The motion was seconded, and unanimous vote was received.

D. Approval of General Aviation Hangar Site 1 Infrastructure Project

Mr. Kevin Howell, Senior Vice President/COO, presented the request for approval of General Aviation Hangar Site 1 Infrastructure Project.

The background of this project is that Staff is currently negotiating a hangar project with Milliken Aviation for Site 1 at the General Aviation (GA) Expansion Area. Certain infrastructure items are necessary for development of the site, including taxi lane, apron, access road, utilities and other related site work. These infrastructure items will be required regardless of the tenant.

Site preparation work including grading and underground storm drainage is underway at the site under a separate contract. Staff proposes to proceed with engineering immediately, followed by procurement, then begin construction as soon as the current contractor completes their work in this area. This will expedite the overall project and ready the site as soon as possible for the construction of the hangar. If the hangar project does not proceed, the District will have a marketable "pad ready" site to work with other potential hangar tenants.

The estimated project costs for the infrastructure package and related site work is \$2,900,000. Approval of this project requires authorization of a project budget.

As discussed in New Business Item B, the project budget for the renovation of the hangar at 2102 GSP Drive is being reduced by \$2,000,000, with \$990,000 of that reduction being reallocated to the GA Expansion Area Site Prep Project. Staff proposes allocating the remaining \$1,010,000 to the GA Hangar Site 1 Infrastructure Project. This would leave a balance of \$1,890,000 in new funding to fully fund the project.

Mr. Howell requested that the Airport Commission resolve to (1) authorize the General Aviation Hangar Site 1 Infrastructure Project with a total project budget of \$2,900,000; (2) reallocate \$1,010,000 from the 2102 GSP Drive Hangar Renovation Project to the General Aviation Hangar Site 1 Infrastructure Project; (3) approve new funding in the amount of \$1,890,000 from current fund balance reserves and/or financing from the District's revolving credit line; and (4) authorize the President/CEO to execute all necessary documents

Conversation ensued between the Commission and Staff regarding the funding of this project.

Mr. Edwards clarified that by completing this project, we will also be opening the second site in order to move forward with development of it in the future. Additionally, Mr. Edwards noted that if the new air traffic control tower is not placed where originally planned, that will also free up space in the general aviation area.

Following brief conversation there was a motion to approve General Aviation Hangar Site 1 Infrastructure Project. The motion was seconded, and unanimous vote was received.

E. Approval of Milliken Aviation Hangar Project Budget

Mr. Kevin Howell, Senior Vice President/COO, presented the request for approval of the Milliken Aviation Project Budget.

Milliken Aviation currently leases a hangar with office space from the District at 2108 GSP Drive. Milliken is in the process of replacing their existing aircraft with 2 new aircraft that will require the construction of a new hangar facility. The first new aircraft is expected in the first quarter of 2022 and the second aircraft in the first quarter of 2023. District staff has been working with Milliken staff to establish a project scope and budget for the new hangar facility. The current proposed project includes the construction of a 25,000 sq. ft hangar with 5,000 sq. ft of attached office, parking lot and related site work. The project is expected to take 15-16 months.

As the Commercial Business Department works to finalize a lease agreement with Milliken, it is critical to start the design and procurement process as soon as possible in order to have the new facility complete by April 2022. To expedite the project, Staff proposes to engage one of the current design teams already under a Master Services Agreement with the District for architectural design services. For construction of the hangar, Staff proposes to solicit a Construction Manager at Risk (CMR) to work alongside the design team while the design is completed and ultimately prepare a guaranteed maximum price (GMP) for construction.

Estimated project costs for the hangar, office, parking lot and related site work are \$5,800,000. Approval of this project requires authorization of a project budget. These project costs are not eligible for grant funding. Staff proposes utilizing the District's revolving credit line to fund the project.

Mr. Howell respectfully requested that the Airport Commission resolve to (1) authorize the Milliken Aviation Hangar Project pending a lease agreement with Milliken & Company; (2) approve a project budget of \$5,800,000; (2) approve funding the project from the District's revolving credit line; and (3) authorize the President/CEO to execute all necessary documents.

Following conversation there was a motion to approve the Milliken Aviation Hangar Project Budget. The motion was seconded, and unanimous vote was received.

President/CEO Report:

Aviation Industry Update:

Mr. Edwards stated that GSP has experienced a flattening of passenger traffic in September and October. It is unknown how the holidays will be affected. Thanksgiving passenger numbers are about 50% of prior year's numbers. It was forecasted that GSP would be at 50% of calendar traffic by the end of 2020, but current numbers show that it is slightly below that for October (40%). Mr. Edwards states that GSP may end the year at 45% but GSP is unlikely to hit its forecasted target.

Additionally, business travel has not re-engaged at a pace originally expected, and it will not likely see a rebound until the summer of 2021. Mr. Edwards estimates that there may be a slight uptick in the second quarter of 2021, but it will more likely be in the third quarter.

Federal and State Legislative Update:

Mr. Edwards' has participated in meetings with the South Carolina Airports Taskforce (SCAT). SCAT is working to evaluate some of the options of which the District can avail itself and move forward through aviation legislation akin to what South Carolina's neighboring states are doing. At the Federal level, it is his hope that there will be a larger bill provided that will include additional funding for airports and airlines. He indicated that if smaller legislative bills like the Paycheck Protection Program are moved forward as stand-alone bills, then airports and airlines will more than likely not receive additional funding.

Coronavirus (COVID-19) Update:

The District has experienced more positive COVID cases in team members. The District recently enacted the Critical Workers Infrastructure (CWI) provision, which includes IT, Cerulean, Police, Fire and Executive departments.

The Commission discussed the options for vaccinations, storage and requests for charter flights to deliver vaccines.

Mrs. Shaw requested information about the COVID procedures at GSP to which Mr. Edwards provided a detail list of requirements for passengers and staff.

ADJOURNMENT:

There being no further business, a motion was made, seconded and unanimous vote received to adjourn meeting. The meeting was adjourned at approximately 10:44 a.m. The next meeting is scheduled for Monday, January 11 at 9:00 a.m.

SIGNATURE OF PREPARER:

Casey Cooperman