



AGENDA

Greenville-Spartanburg Airport Commission Regular Meeting Greenville-Spartanburg
International Airport Conference Room C – Administrative Offices
Monday, July 11, 2016
9:00 a.m.

***NOTE TO ALL PUBLIC ATTENDEES:**

The public may speak on any item on the agenda. There are request cards located outside the public seating area. These cards must be completed and presented to the Recording Secretary prior to the item being heard. Your comments will be addressed prior to the Airport Commission's discussion and you will have 5 minutes to address the Airport Commission. Thank you for your attention.

I. CALL TO ORDER:

II. CONSENT AGENDA:

- A. Approval of the Greenville-Spartanburg Airport Commission May 9, 2016 Regular Meeting Minutes ([document](#))

III. PRESENTATIONS:

- A. Annual Strategic Business Plan Update ([document](#))
- B. Strategic Marketing/Brand Update ([document](#))
- C. Personal Rapid Transit (PRT) System Project Update ([document](#))

IV. OLD BUSINESS: None

V. NEW BUSINESS:

- A. Approval of TD Bank - GSP Line of Credit Corporate Resolution ([document](#))
- B. Approval of Lease for PSA MRO Facility ([document](#))

VI. PRESIDENT/CEO REPORT:

- A. Aviation Industry Update
- B. Wingspan Ribbon Cutting Event

- C. Partnership with the Tryon International Equestrian Center
- D. Airport Master Plan Update

VII. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address any questions the Commission may have.)

- A. May 2016 – Traffic Report ([document](#))
- B. May 2016 – Financial Report ([document](#))
- C. June 2016 – Development/Project Status Report ([document](#))
- D. June 2016 – Communications Status Report ([document](#))
- E. June 2016 – Commercial Business and Properties Report ([document](#))
- F. June 2016 – OSHA Reportable Injury Report ([document](#))
- G. Industry Presentation(s)/Article(s) of Interest ([document](#))
- H. Potential Items for the Next Regular Scheduled Commission Meeting:

- Concessions Program Update
- FBO Transition Update

VIII. COMMISSION MEMBER REPORTS:

IX. EXECUTIVE SESSION:

The Airport Commission may hold an Executive Session for the purpose of receiving legal advice on various matters and to discuss personnel items.

X. ADJOURNMENT

This agenda of the Greenville-Spartanburg Airport Commission is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information to this agenda, The Airport Commission does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before or at the Airport Commission meeting.

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

May 9, 2016

The Greenville-Spartanburg Airport Commission met on May 9, 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 Operations/COO; Jack Murrin, Vice President Administration and Finance/CFO; Rosylin Weston, Vice President Communications; Scott Carr, Vice President Commercial Business and Properties (Environs Area Administrator); Nathan Garner, Director, Aviation Services; Kelly Wiggs, Aviation Services Supervisor; Betty O. Temple, WCSR; Stefanie Hyder, Executive Assistant/Recording Secretary.

GUESTS PRESENT: Kevin Short, TD Bank; Alan Robinson, Cherry Bekaert Holland; Paul Smith, WK Dickson; and 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 March 28, 2016 Commission Meeting.

PRESENTATIONS:

A. GSP Aviation Services Department

Mr. Kevin Howell, VP of Operations/COO introduced Mr. Nathan Garner, Director of Aviation Services, who gave a brief presentation highlighting the GSP Aviation Services Department, its areas of responsibility, recent activity and statistics.

Mr. Garner further provided an update on the planning and preparation currently underway for the Fixed Based Operator (FBO) and Commercial Fuel Into-Plane transition slated to occur on December 31, 2016.

GSP is striving to drive growth through air service development. The goal is to be the premium FBO for the Upstate and provide an alternate revenue stream.

OLD BUSINESS:

No Old Business

NEW BUSINESS:

A. Approval of Fiscal Year 2016/2017 Airport Commission Budget

Mr. Jack Murrin, VP Administration & Finance/CFO, prepared and presented the proposed Fiscal Year (FY) 2016/2017 Budget for Airport Commission consideration.

Mr. Murrin first presented history and general statistics. Between 1963 and 2015, GSP has experienced an average annual growth rate of 4.93%.

Mr. Murrin further discussed the proposed FY 2016/2017 O&M Budget. The operating income budget for 2017 is expected to increase to \$32,946,120 (a \$4.45M or 16.3% increase over 2016). The increase is a result of \$1.65M in retail GA and commercial into-plane profits, \$2.7M in parking fees due to rate increases, and other normal CPI and other increases, excluding special programs.

The operating expenses budget for 2017 is expected to increase to \$19,980,202 (a \$3.6M (or 22% increase over 2016). The increase is a result of new FBO employees and benefits, increased aviation service operating expenses along with marketing and leased fuel trucks, increased utilities, as well as other normal increases. The expected net operating income budget for 2017 is \$13M with enplanements at 990,000.

O&M budget assumptions include passenger enplanements at 990,000, parking rate changes effective July 1, 2016, provision for \$42M in capital improvements, no change in the investment policy, and rates and charges concerning landing fees, space rental rates, A/C parking positions and Jetway.

Mr. Murrin then presented the proposed FY 2016/2017 Capital Budget. The proposed capital budget, including capital improvements, equipment and small capital outlay, renewal and replacement and professional service projects, is \$41,458,250.

Other O&M Reserve Funds include \$750,000 for emergency repair/replacement/operations funds and \$600,000 for business development/agreement obligations and incentives.

Mr. Murrin requested that the Airport Commission resolve to adopt Fiscal Year 2016/2017 Budget.

There was a motion to approve and adopt the Fiscal Year 2016/2017 Budget. The motion was seconded and unanimous vote was received.

B. Approval of Banking/Investment/Line of Credit Proposal

Mr. Jack Murrin, VP Administration & Finance/CFO, prepared and presented the proposed line of credit (LOC) for Airport Commission consideration.

The District's cash and investment balances have been declining as projected and as presented to the Commission on numerous occasions, and presented in the latest 10-year projected investment portfolio pro-forma. Cash balances are projected to continue to decline below \$10 Million as of June 30, 2017 before they resume their upward accumulation phase.

The District is very fortunate to have a number of "Special Projects" which have been discussed in prior Board meetings. All of these Special Projects will have a capital component, some larger than others.

The District has proposed creating a Line of Credit against which only those Special Projects specifically approved by the Commission will be funded. Each will have its own ROI (return on investment) calculation and its own amortization schedule with principal and interest payments made by the tenant to the District. These additional revenue streams will be specifically earmarked to make all debt servicing payments on the LOC.

The District has been approached by many bankers (local, regional, national, and investment) for the lending of money. The Airport District maintains a strong financial position. The District has very little debt and many new facilities.

The District contacted three banks that have a substantial local presence in both Greenville and Spartanburg counties and requested letters of guidance/terms sheets outlining what their banks could offer us in the way of a LOC. The banks were NBSC, a division of Synovus (our current banker, since July 2011), Capital Bank, and TD Bank.

All three bankers presented acceptable LOC terms and alternatives. In the Staff's opinion, TD Bank rose to the top and presented a very compelling case and a suite of services/capabilities that would be very difficult to match. TD Bank is the Staff's recommended solution.

Mr. Murrin requested that the Airport Commission accept the recommendation to change the banking relationship from NBSC to TD Bank to include all banking services.

There was a motion to approve the recommendation to change the banking relationship from NBSC to TD Bank as well as continue with a five-year review, based on the recommendation of Commissioner Leland Burch, of the banking relationship. The motion was seconded and unanimous vote was received.

Management is hereby authorized to proceed with the transfer of banking relations from NBSC to TD Bank and with the establishment of a 1 year Line of Credit (LOC) for \$25 Million with TD Bank under the terms outlined above for Special Projects to be determined and approved by the Board. The said LOC can also be used for projects previously approved by the Board for financing. After the Commissioners approve "Special Projects" to be funded by the LOC, management is authorized to manage the LOC going forward, to authorize annual

renewals of the line, to make sure certain loan covenants, if any, are met, and to “term out” projects (remove projects from the LOC and replace with fixed term funding at market rates and amortization periods) as deemed appropriate.

C. Approval of Bulk Hangar Improvements Projects

Mr. Kevin Howell, VP of Operations/COO, requested approval of the Bulk Hangar Improvements Project Budget and discussed the Fixed Base Operator transition slated for January 1, 2017. In preparation, Staff solicited Michael Baker International (Baker) to conduct building assessments on all of the hangars leased by Stevens. A final report was provided in March 2016 with a detailed assessment of each building and estimates for repairs. Certain repairs are required to extend the useful life of these facilities and other general facility repairs are necessary to improve the overall service level being provided to based aircraft tenants.

Staff has been in negotiations with a confidential tenant to lease the bulk hangar located at 2100 GSP Drive for a Maintenance, Repair & Overhaul (MRO) operation. Specific improvements are necessary for this tenant to begin operations. Based on the Baker buildings assessment, certain repairs are necessary for the two bulk hangars located at 2100 and 2102 GSP Drive. The proposed tenant for the hangar at 2100 GSP Drive requires specific tenant up fit improvements for their MRO operation.

Staff has developed a project budget to deliver the Bulk Hangar Improvements Project as a single Design-Build (DB) project. The project budget for 2100 GSP Drive is \$1,600,000 and includes general building renovations, tenant specific requirements, contractor costs, design, engineering, inspections and testing, as well as a project contingency. Without the hangar repairs at 2100 GSP Drive, the proposed MRO tenant will not lease the facility and will not locate their operation at GSP.

The project budget for 2102 GSP Drive is \$1,400,000 and includes general building renovations, contractor costs, design, engineering, inspections and testing, as well as a project contingency. The current condition of the hangar at 2102 GSP Drive does not reflect the standards of the District and some basic improvements are necessary to improve the level of service being offered to our based aircraft tenants. Based on current negotiations with the confidential MRO tenant, the hangar lease will generate \$360,000 annually in lease revenue. Utilizing the proposed line of credit the interest rate would be 1.19% annually and the MRO hangar project will have a payback of 4.59 years.

Mr. Howell respectfully requested that the Airport Commission resolve to (1) approve a project budget of \$3,000,000 for the Bulk Hangar Improvements Project; (2) authorize Staff to proceed with the project utilizing the proposed line of credit financing; and (3) authorize the President/CEO to execute all necessary documents.

There was a motion to approve the project budget for the Bulk Hangar Improvements, authorize Staff to proceed with the project utilizing the proposed line of credit, and

authorized the President/CEO to execute all necessary documents. The motion was seconded and unanimous vote was received.

D. Approval of Corporate and General Aviation Hangar Project Budget

Mr. Kevin Howell, VP of Operations/COO, requested approval of the Corporate and General Aviation Hangar Project Budget.

Staff has been in negotiations with a confidential tenant to construct and lease a corporate aircraft hangar. The proposed corporate hangar would be approximately 16,000 sq. ft. with 2,500 sq. ft. of office space. As discussed earlier, Staff has negotiated with another confidential tenant to lease the existing bulk hangar located at 2100 GSP Drive for a MRO operation. The proposed MRO operation will displace several existing bulk hangar tenants and further limits the District's amount of available aircraft storage space. Staff proposes to construct an additional general aviation (GA) hangar (up to 30,000 sq. ft.) that would serve to meet the needs mentioned above.

Staff has received a Letter of Intent for the proposed corporate hangar. Staff recommends building a second GA hangar at the same time as the proposed tenant corporate hangar. This hangar would give the District the ability to have development-ready space for other potential aviation related projects and/or additional aircraft storage space for interested tenants. The additional hangar could be easily modified to increase the total hangar square footage and also serve as supplemental hangar space during the renovation of the existing aircraft storage hangar at 2102 GSP Drive.

Due to water supply/pressure limitations in the FBO/GA area, a water supply tank and pump system is required for any new construction in the area.

The project budget for Corporate Hangar is \$2,853,000 and includes general building construction costs, apron and site costs, design, engineering, inspections, testing, and contingency. Based on current negotiations with the confidential tenant, the hangar lease will generate \$185,000 annually in lease revenue (escalates by CPI annually). Utilizing the proposed line of credit the interest rate would be 1.19% annually and the corporate hangar project will have a payback of 17.14 years. The project budget for the additional GA Hanger is \$5,250,000 (up to 30,000 sq. ft. @ \$175/ft.). The project budget for the Hangar Area Fire Protection/Water Supply Improvements is \$800,000. The combined project total is \$8,903,000.

Mr. Howell respectfully requested that the Airport Commission resolve to (1) approve a project budget up to \$8,903,000 for the combined Corporate and General Aviation Hangar Project; (2) authorize Staff to proceed with the project utilizing the proposed line of credit financing; and (3) authorize the President/CEO to execute all necessary documents.

There was a motion to approve the project budget for the Corporate and General Aviation Hangar project, authorize Staff to proceed with the project utilizing the proposed line of

credit, and authorize the President/CEO to execute all necessary documents. The motion was seconded and unanimous vote was received.

PRESIDENT/CEO REPORT:

Aviation Industry Update: Mr. Edwards stated there was nothing new to share since his last report in April. The AIP Bill remains the same status.

TSA Checkpoint Staffing Update: The Commission discussed recent concerns related to staffing at TSA checkpoints and the steps being taken by TSA and the Airport.

SEC-AAAE Annual Conference Update: The Commissioners acknowledged and congratulated Rosylin Weston, Vice President of Communications, for planning, preparing and hosting a successful SEC-AAAE event April 29 – May 3. Rosylin Weston reported 398 attendees as well as 239 participants in the BMW driving experience event.

Mr. Edwards noted that on June 20, 2016, GSP will help facilitate a business update luncheon presented by Dave Doty, Southwest Airlines' Senior Manager of Business Development, at The Poinsett Club from 12 pm – 1:30 pm.

Mr. Edwards further noted that Scott Carr and Holly Bridwell are working closely with Mr. and Mrs. Mark Bellissimo of the Tryon International Equestrian Center in developing a potential future relationship between GSP and the Equestrian Center.

Mrs. Shaw stated that the GSP ribbon cutting ceremony is scheduled for November 9, 2016 at 7 pm. Wolfgang Puck is scheduled to attend the ribbon cutting ceremony.

COMMISSIONER'S REPORT:

Mr. Burch attended the ACI-NA/AAAE Airport Board and Commissioners Conference in Conrad, Indianapolis April 10-12, 2016. He noted keynote speaker Bryan Bedford of Republic Airways. Mr. Burch further noted that the group is trying to establish a steering committee. Mr. Burch also encouraged Commissioners to contribute to the ACI-NA scholarship fund.

Mr. Burch shared that GSP Airport District will host the ACI-NA/AAAE event April 2-4, 2017.

Mr. Ramella added that he recently attended the ACI-NA Airports@Work Conference in Austin, Texas April 18-21, 2016 and was extremely impressed with the attendance. Cybersecurity is one of the big topics of discussion these days.

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 of the executive session was to discuss contracts relating to fuel supply and MRO operations and other legal issues.

ADJOURNMENT:

At approximately 1:00 p.m., public session resumed with no action being taken in executive session. The meeting was adjourned at approximately 1:01 p.m. The next meeting is scheduled for July 11th at 9:00 a.m.

SIGNATURE OF PREPARER:

Stefanie Hyder



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: July 11, 2016

ITEM DESCRIPTION – Presentation Item A

Annual Strategic Business Plan Update

BACKGROUND

In November 2014, the Greenville-Spartanburg Airport Commission (Commission) adopted a 6-year Strategic Business Plan for the Greenville-Spartanburg Airport District (District). As a part of the 6-year Strategic Business Plan, annual performance metrics were adopted to ensure that the Commission and Staff were able to measure the performance of the District on an ongoing basis.

Steve Van Beek from ICF will provide a presentation to the Commission recapping the performance results for Fiscal Year 2015-2016 and re-confirming the performance measures for Fiscal Year 2016-2017. Steve will also provide a general update on the current status of the aviation industry.



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: July 11, 2016

ITEM DESCRIPTION – Presentation Item B

Strategic Marketing/Brand Update

BACKGROUND

As a part of the overall Strategic Business Plan for the Greenville-Spartanburg Airport District (District), there has been a specific focus related to the ongoing marketing and brand awareness campaigns for the Greenville-Spartanburg International Airport (GSP). During the last several months, Staff has been working with Lexvolo to conduct a follow-on survey to validate the success of the current District marketing efforts.

Edward Shelswell-White from Lexvolo will provide a presentation to the Commission recapping the survey results regarding the District's current marketing/branding efforts and provide recommendations on how the District may adjust its marketing/branding efforts to achieve better results in FY 2016-17.



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: July 11, 2016

ITEM DESCRIPTION – Presentation Item C

Personal Rapid Transit (PRT) System Project Update

BACKGROUND

In January 2015, the District completed a study for a Personal Rapid Transit (PRT) System at the Greenville-Spartanburg International Airport (GSP). The study contrasted the use of a PRT system versus a traditional shuttle bus operation to connect the existing economy lot and future expansion areas on the GSP campus. The Commission approved Staff to move forward with the next step in the process which was to solicit vendor proposals to determine if the cost estimates and available technology would meet the financial constraints and requirements of the District.

W.K. Dickson and their team members will present an update and recommendations on the next steps regarding the implementation of a PRT system at GSP.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Jack G. Murrin, VP of Administration & Finance/CFO

DATE: July 11, 2016

ITEM DESCRIPTION- New Business Item A

Approval of TD Bank – GSP Line of Credit Corporate Resolution

BACKGROUND

At the Commission meeting held on May 9, 2016, the Commission authorized management to move forward in efforts to change all banking relationships from NBSC to TD Bank. Management has been working with TD Bank management, and legal counsel in reviewing the system logistics and agreements necessary to effectuate changes in merchant banking (credit card processing), a line of credit borrowing facility, and all operational accounts and systems. As requested by the Commission, Staff checked references for TD Bank and received all positive responses.

ISSUES

The attached Certificate of Corporate Resolution, as reviewed by District's legal counsel, authorizing the Districts CEO, COO, and CFO to execute the new agreements with TD Bank is presented for approval.

ALTERNATIVES

None recommended

FISCAL IMPACT

Finalizing the move of banking relationships to TD Bank will result in slightly more



favorable banking operational costs and merchant banking fees, and noticeably more favorable line of credit borrowing terms than our current bank (NBSC) as presented and discussed in our May 9th Commission meeting when it was decided to move forward with the change.

RECOMMENDED ACTION

It remains Staff's recommendation to change our banking relationship from NBSC to TD Bank to include all banking services. Management recommends that the attached Certificate of Corporate Resolution authorizing management to effectuate such change be approved.



America's Most Convenient Bank®

CERTIFICATE OF CORPORATE RESOLUTIONS

Authority for Merchant Agreements and Accounts

To: TD Bank N.A. ("Bank")

From: Greenville-Spartanburg Airport District, 2000 GSP Drive, Suite 1, Greer, SC 29651-9202 ("Corporation")

I hereby certify that I am the duly elected and qualified Secretary/Clerk and keeper of the records of the Corporation named above, that the following is a true and complete copy of Resolutions duly adopted at a meeting of the Corporation's governing body, the Greenville-Spartanburg Airport Commission, said Corporation held on, or dated on the date shown below in accordance with law and the by-laws of, or by consent of, Corporation, and that my delivery of this Certificate of Corporate Resolutions certifies to Bank that such Resolutions are binding upon Corporation and still in full force and effect.

RESOLVED, that the officers, employees or agents of Corporation whose names and signatures appear below are hereby authorized, acting singly or jointly, for and on behalf of Corporation, to enter into, sign, maintain, amend and renew an agreement or agreements with Bank for the processing of credit and debit card transactions ("Merchant Agreement(s)"), and open and maintain a deposit account or accounts ("Account(s)") of Corporation with Bank, whether or not such Accounts are related or entered into pursuant to any Merchant Agreement(s) or otherwise, subject to the terms and conditions specified in any applicable Merchant Agreement(s) and/or Account Agreement(s), and to endorse and deposit with said Bank negotiable instruments or other orders for the payment of money, which endorsements may be made in writing or by stamp and without the designation of the person endorsing.

RESOLVED, that the officers, employees or agents of Corporation whose names and signatures appear below are hereby authorized, acting singly or jointly, for and on behalf of Corporation, to enter into, sign, maintain, amend and renew a note, instruments, agreement or agreements with Bank with respect to a revolving line of credit with the Bank in an amount not to exceed \$25,000,000 (the "Line of Credit") on the terms and conditions set forth in a Loan Agreement between Bank and Corporation.

BE IT FURTHER RESOLVED, that the undersigned officers, employees or agents of Corporation may sign contracts, agreements, instruments, checks or other orders for the payment of money withdrawing funds from or depositing funds into Corporation Account(s) with Bank and processing draws and disbursements from the Line of Credit. Such signature(s) may be in writing or by facsimile. In the event Corporation uses facsimile signature(s) for these persons it shall promptly notify the Bank and execute any form(s) that may be requested by Bank in connection therewith. Corporation assumes all responsibility for the use of actual or purported facsimile signature(s) and shall indemnify and hold harmless the Bank from any and all liability, costs, expenses, suits, claims, or actions arising out of any action or inaction taken by the Bank in good

faith under the terms of these Resolutions. The signature of any one the officers, employees, or agents indicated below is necessary to act under these Resolutions.

RESOLVED, that the Bank be promptly notified in writing by the Secretary/Clerk or any officer of this Corporation of any change in these Resolutions, such notice to be given to the Bank in which Merchant Agreement(s) or Account(s) or the Line of Credit of Corporation may be in force or maintained, and that until it has actually so received such notice in writing it is authorized to act in reliance on these Resolutions, and that until it has actually received such notice it shall be indemnified and held harmless from any loss suffered or liability incurred by it in continuing to act in reliance upon any of these Resolutions even though one or more of these Resolutions may have been changed.

RESOLVED, that the Bank may, in its discretion, accept in lieu of an original signature, a legible facsimile or photocopy of a signature of any of the officers designated in the foregoing Resolutions.

RESOLVED, that Corporation shall be bound by the terms and conditions of the Merchant Agreement(s) and Account Agreement(s) as they may be revised and or amended from time to time.

TITLE	NAME	SIGNATURE
President/CEO	David N. Edwards, Jr.	
Vice President/COO	Kevin Howell	
Vice President - Administration and Finance/CFO	Jack G. Murrin	

I further certify that the foregoing are the true titles, names and signatures of the present officers, employees and agents of Corporation authorized by the above Resolutions.

IN WITNESS WHEREOF, I have hereunto subscribed by name as Secretary and affixed the seal of Corporation (if any) on the date shown below.

_____ [CORPORATE SEAL]

David N. Edwards, Jr., Secretary

Date of Resolutions: _____, 2016

Date of Certificate: _____, 2016



MEMORANDUM

TO: Members of the Airport Commission

FROM: Scott C. Carr, A.A.E., Vice President – Commercial Business & Properties

DATE: July 11, 2016

ITEM DESCRIPTION - New Business Item B

Approval of Lease for PSA MRO Facility

BACKGROUND

PSA Airlines is interested in opening a Maintenance Repair and Overhaul (MRO) facility for its aircraft at the Airport. PSA is a regional airline for American Airlines.

PSA is currently increasing the number of aircraft in its fleet. Therefore, they are looking for a strategically located airport to add another maintenance base for their growing operation.

ISSUES

The Airport District has negotiated a lease agreement for FBO Hangar #2 with PSA.

This hangar is comprised of 30,000 square feet of hangar floor space and 15,000 square feet of office and parts room space on two floors for a total building size of 45,000 square feet. This agreement includes associated apron space and employee parking. See the attached Exhibit A map.

The initial term for the lease is a period of three (3) years beginning on November 1, 2016. Following the initial term, are the following option periods:

- Option Period #1 – Two (2) Years (PSA Option)
- Option Period #2 – Five (5) Years (PSA Option)
- Option Period #3 – Five (5) Years (Mutual Airport District & PSA Option)
- Option Period #4 – Five (5) Years (Mutual Airport District & PSA Option)



If all option periods are exercised, the total term length is twenty (20) years.

In addition, PSA is requesting several building improvements that include design and construction of office and shop space, relocation of hangar heating elements, installation of an air compressor, and installation of 480 volt electrical service.

ALTERNATIVES

The Airport District could forego this opportunity with PSA.

FISCAL IMPACT

The Airport District has negotiated an initial blended lease rate of \$8.50 per square foot for the first year of the lease agreement. This rate encompasses the apron, hangar, and employee parking facilities.

In addition, this per square foot lease rate fully amortizes the requested building improvements over the initial lease term of three (3) years. These improvements will not exceed \$845,000. If however, additional leasehold improvements are agreed to, the effective per square foot rate for the initial term will be modified accordingly.

The first year fiscal impact of the lease agreement is \$382,500 in gross revenue. However, applying a straight line amortization schedule over the three year initial lease term for the building improvements will result in net revenue in the amount of \$100,834 for Year #1.

Following Year #1, the lease rate will be adjusted annually based on the Consumer Price Index (CPI). However, in Year #5, Year #10, and Year #15 of the lease agreement, a reappraisal of the leasehold will be completed and the per square foot rate will be adjusted accordingly.

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission (1) approve the lease of FBO Hangar #2, associated apron space, and adjacent employee parking for PSA Airlines and (2) authorize the President/CEO to execute a lease agreement with PSA Airlines.

EXHIBIT A



- Existing Hangar (125' x 300', Hangar Floor 100' x 300')
- Existing Apron
- Existing Employee Parking (58 Parking Spots)



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: July 11, 2016

ITEM DESCRIPTION – Information Section Item A

May 2016 - Traffic Report

SUMMARY

For May 2016, passenger traffic was up **5.6%** over the same month in 2015. Cargo numbers are again not being reported this month as FedEx has not reported their numbers yet for April and May. Load factors continue to be strong with an overall average of **85.0%**.

A comparison of the North America National Passenger Traffic Growth Averages for 2016 to GSP's Passenger Traffic Growth is depicted below:

Month	2016		
	GSP	National Average	Difference
Jan	7.60%	6.00%	1.60%
Feb	15.40%	8.40%	7.00%
Mar	8.40%	3.50%	4.90%
April	0.90%	2.30%	-1.40%
Average	8.08%	5.05%	3.03%

Attached are copies of the detailed traffic report for May 2016.

Providing a look forward into the service levels for August 2016 is a schedule comparison for the month vs the same month last year including flights and seats by airline and non-stop market served. As such flights are up 2.3% and seats are up at 5.6%.

Schedule Weekly Summary Report for nonstop Passenger (Air - All) flights from GSP for travel August 2016 vs. August 2015

<i>All flights, seats, and ASMs given are per week.</i>											
Travel Period				Aug 2016		Aug 2015		Diff		Percent Diff	
Mkt AI	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	GSP	CLT	76	55	3,592	0	0	55	3,592		
AA	GSP	DCA	396	19	1,045	1	50	18	995	1800.0%	1990.0%
AA	GSP	DFW	862	21	1,414	21	1,435	0	(21)	0.0%	(1.5%)
AA	GSP	PHL	514	25	1,250	0	0	25	1,250		
DL	GSP	ATL	153	54	6,447	54	5,859	0	588	0.0%	10.0%
DL	GSP	DTW	508	26	1,300	25	1,250	1	50	4.0%	4.0%
DL	GSP	LGA	610	11	550	11	550	0	0	0.0%	0.0%
G4	GSP	FLL	620	3	531	3	531	0	0	0.0%	0.0%
G4	GSP	PGD	550	2	354	2	332	0	22	0.0%	6.6%
G4	GSP	PIE	482	3	531	4	708	(1)	(177)	(25.0%)	(25.0%)
G4	GSP	SFB	426	2	354	2	332	0	22	0.0%	6.6%
UA	GSP	EWR	594	20	1,026	15	750	5	276	33.3%	36.8%
UA	GSP	IAD	383	21	1,450	20	1,234	1	216	5.0%	17.5%
UA	GSP	IAH	838	7	350	8	400	(1)	(50)	(12.5%)	(12.5%)
UA	GSP	ORD	577	27	1,500	20	1,000	7	500	35.0%	50.0%
US	GSP	CLT	76	0	0	54	2,765	(54)	(2,765)	(100.0%)	(100.0%)
US	GSP	DCA	396	0	0	17	954	(17)	(954)	(100.0%)	(100.0%)
US	GSP	PHL	514	0	0	25	1,250	(25)	(1,250)	(100.0%)	(100.0%)
WN	GSP	ATL	153	20	2,860	0	0	20	2,860		
WN	GSP	BWI	425	0	0	7	1,001	(7)	(1,001)	(100.0%)	(100.0%)
WN	GSP	HOU	845	0	0	7	1,001	(7)	(1,001)	(100.0%)	(100.0%)
WN	GSP	MDW	562	0	0	13	1,859	(13)	(1,859)	(100.0%)	(100.0%)
			TOTAL	316	24,554	309	23,261	7	1,293	2.3%	5.6%

Scheduled Airline Enplanements, Seats, and Load Factors

Greenville-Spartanburg International Airport



May 2016

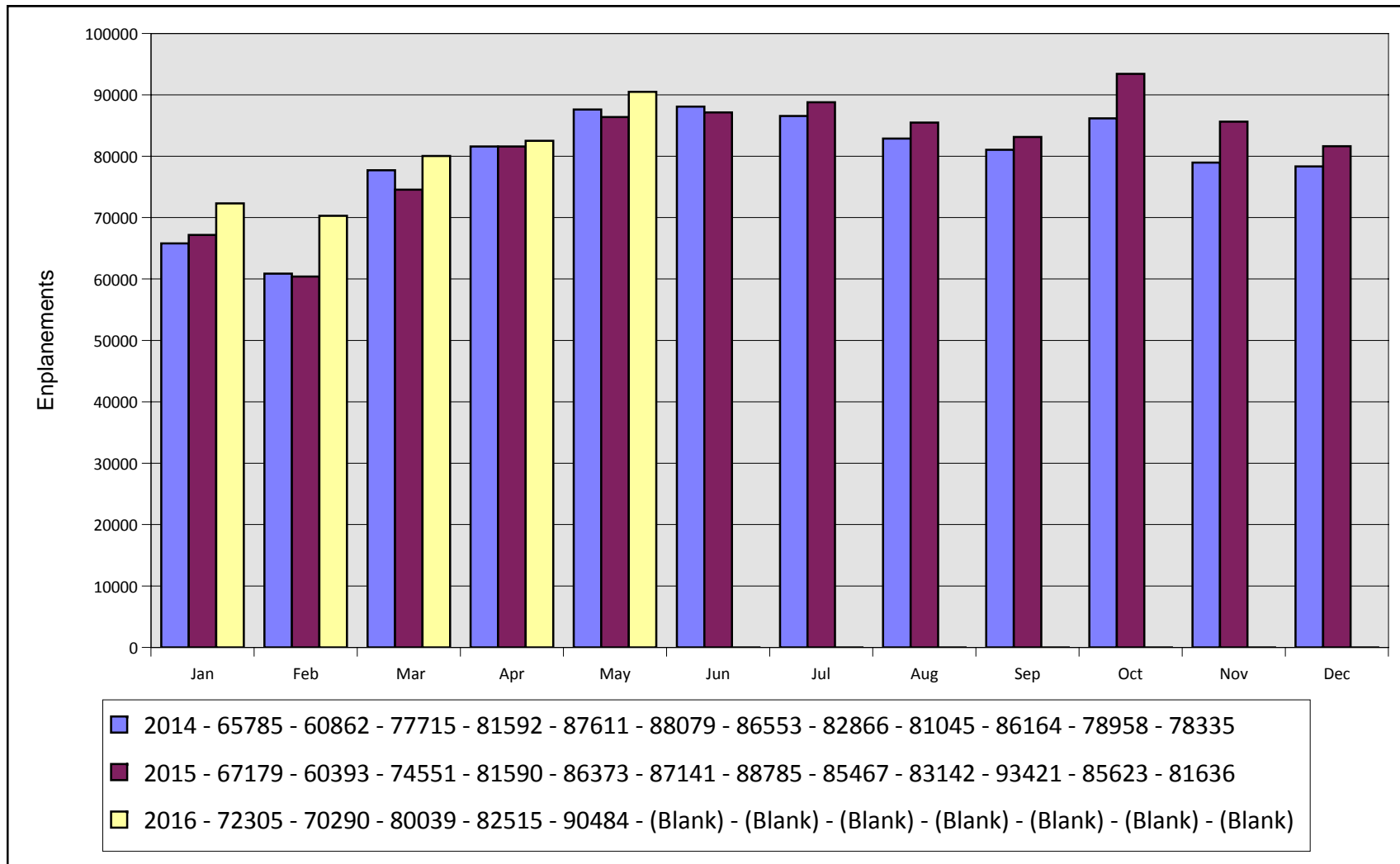
	May 2016	May 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change
Allegiant Air						
Enplanements	5,819	5,286	10.1%	25,383	24,578	3.3%
Seats	7,103	5,831	21.8%	30,494	28,537	6.9%
Load Factor	81.9%	90.7%	-9.6%	83.2%	86.1%	-3.4%
American Airlines						
Enplanements	23,978	4,295	458.3%	108,134	20,937	416.5%
Seats	30,167	4,928	512.2%	130,591	25,155	419.1%
Load Factor	79.5%	87.2%	-8.8%	82.8%	83.2%	-0.5%
Delta Air Lines						
Enplanements	33,706	30,533	10.4%	146,116	134,913	8.3%
Seats	37,000	33,008	12.1%	165,476	154,965	6.8%
Load Factor	91.1%	92.5%	-1.5%	88.3%	87.1%	1.4%
Southwest Airlines						
Enplanements	9,315	13,675	-31.9%	52,838	55,322	-4.5%
Seats	12,738	17,385	-26.7%	85,009	84,069	1.1%
Load Factor	73.1%	78.7%	-7.0%	62.2%	65.8%	-5.5%

Friday, July 01, 2016

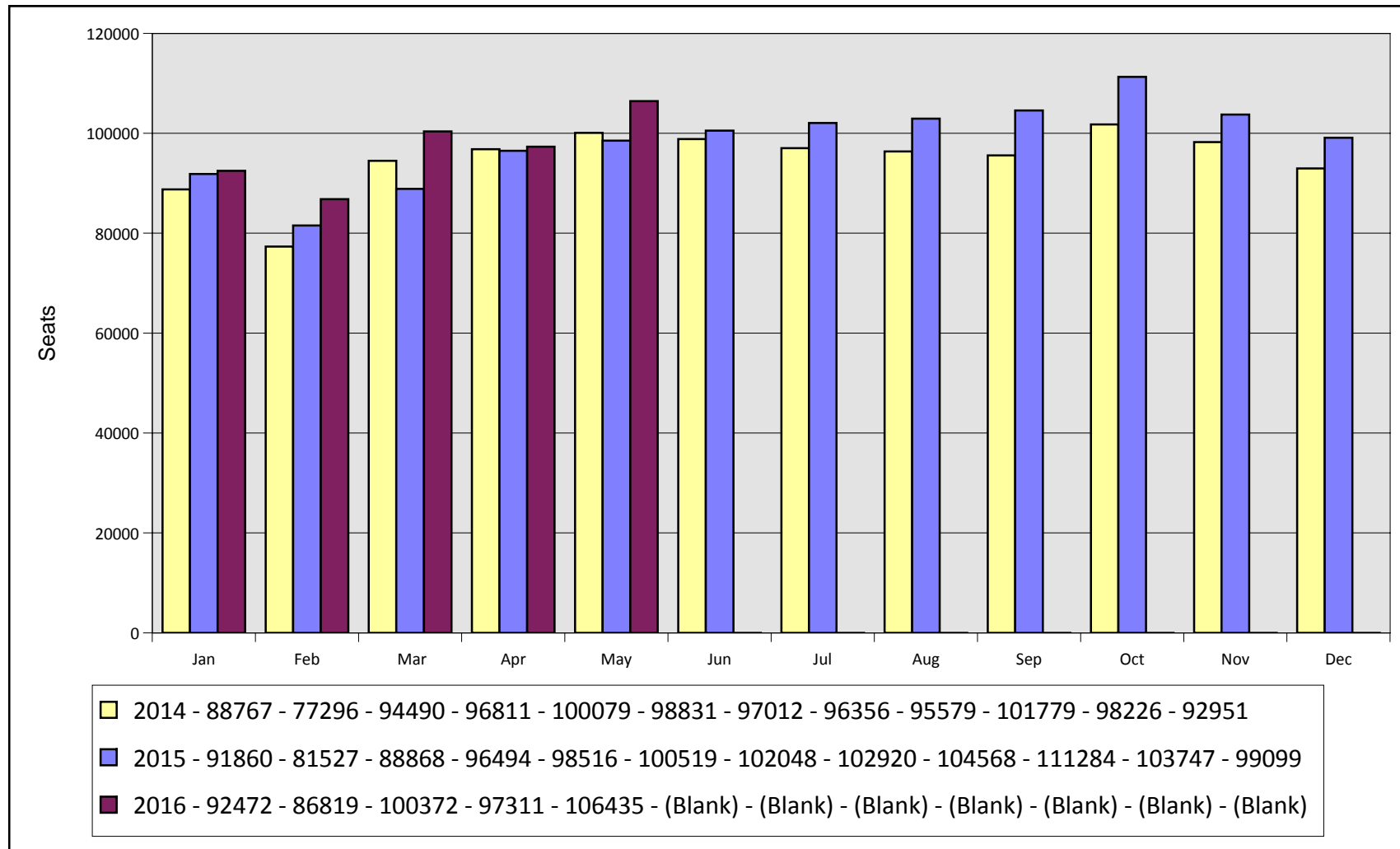
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

	May 2016	May 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change
United Airlines						
Enplanements	16,475	13,782	19.5%	60,490	52,729	14.7%
Seats	17,984	14,976	20.1%	69,875	65,950	6.0%
Load Factor	91.6%	92.0%	-0.5%	86.6%	80.0%	8.3%
US Airways						
Enplanements	0	18,547	-100.0%	0	80,842	-100.0%
Seats	0	22,013	-100.0%	0	97,273	-100.0%
Load Factor	#Num!	84.3%	#Type!	#Num!	83.1%	#Type!
Totals						
Enplanements	89,293	86,118	3.7%	392,961	369,321	6.4%
Seats	104,992	98,141	7.0%	481,445	455,949	5.6%
Load Factor	85.0%	87.7%	-3.1%	81.6%	81.0%	0.8%

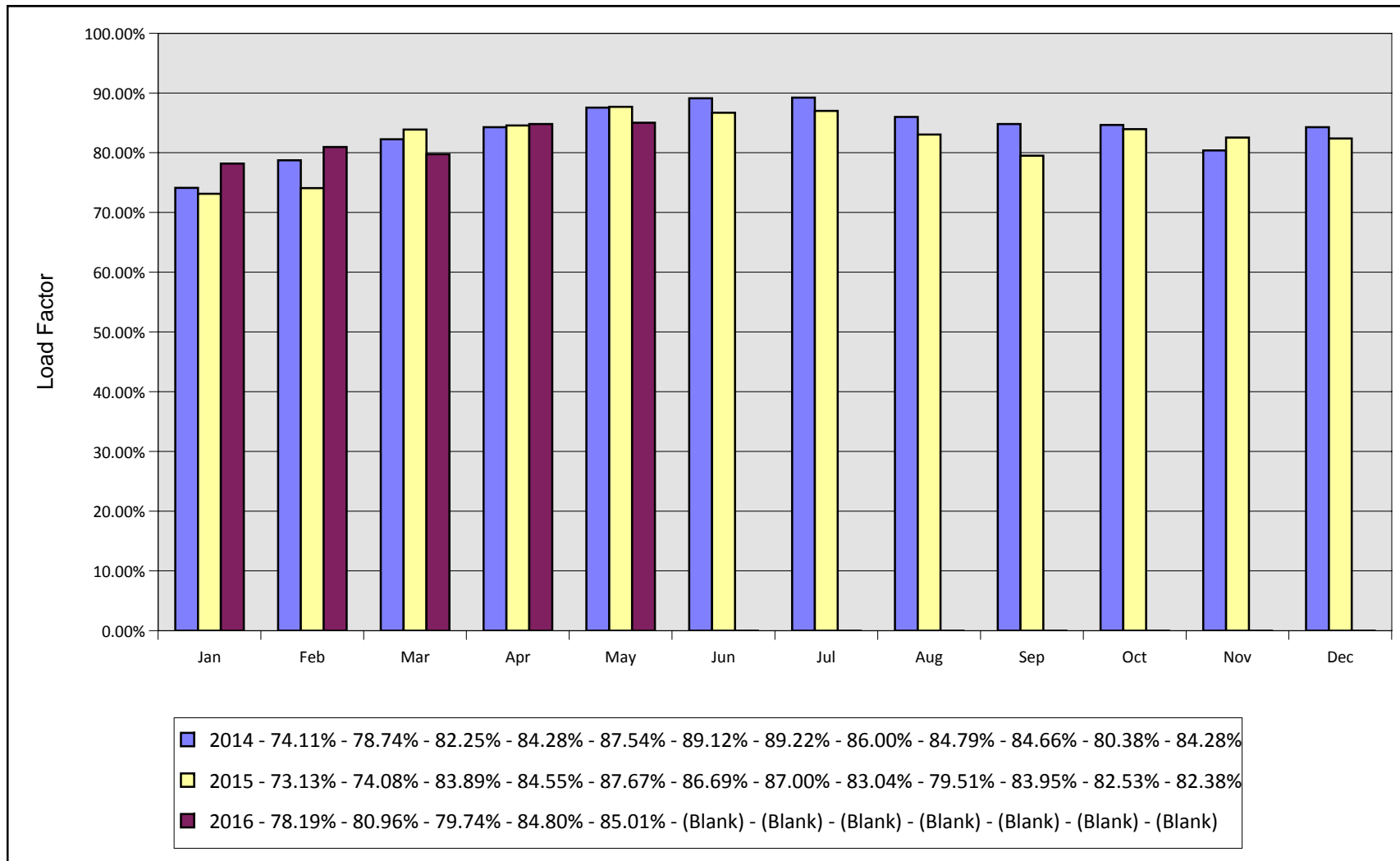
Monthly Enplanements By Year Greenville-Spartanburg International Airport



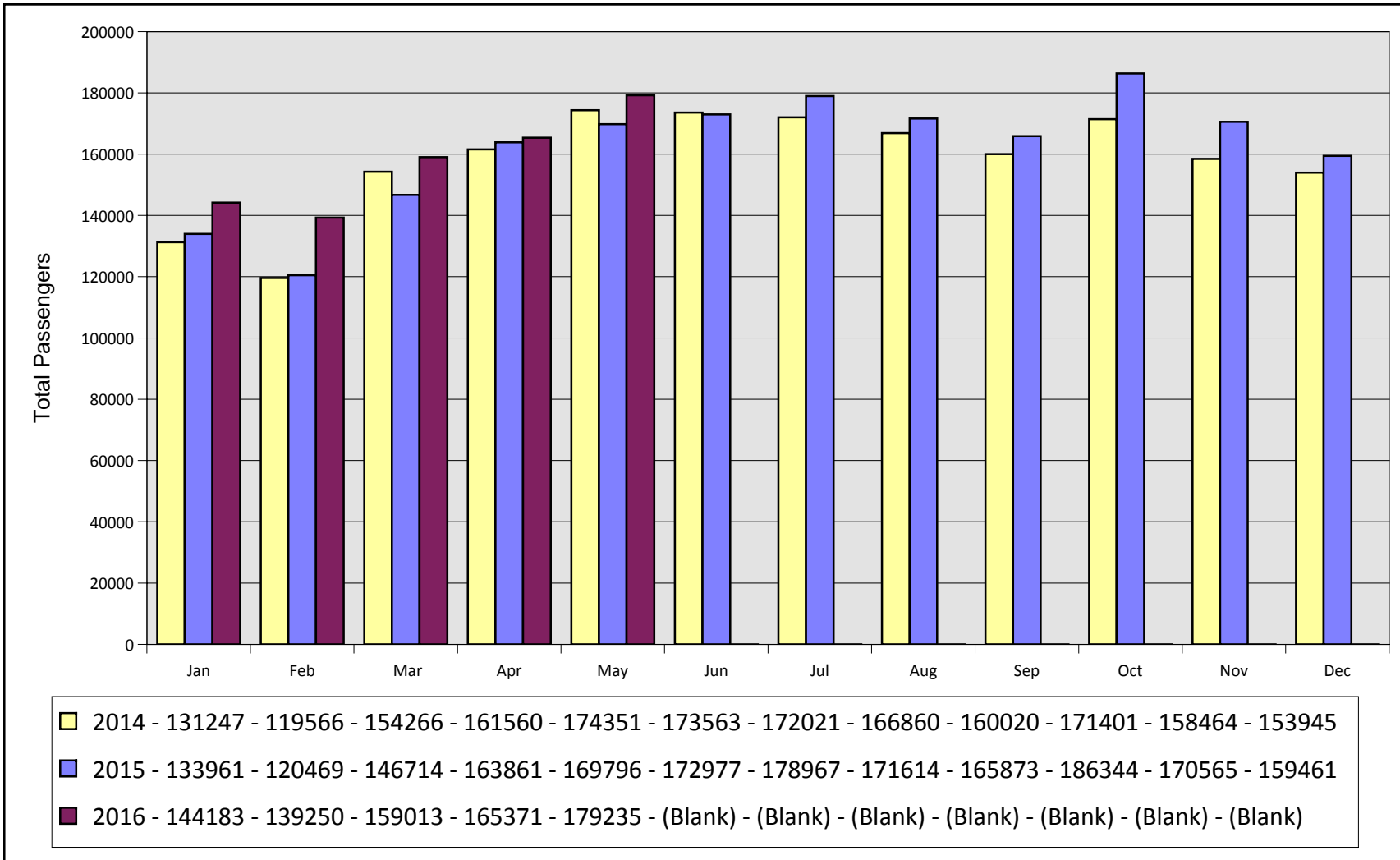
Monthly Seats By Year Greenville-Spartanburg International Airport



Monthly Load Factors By Year Greenville-Spartanburg International Airport

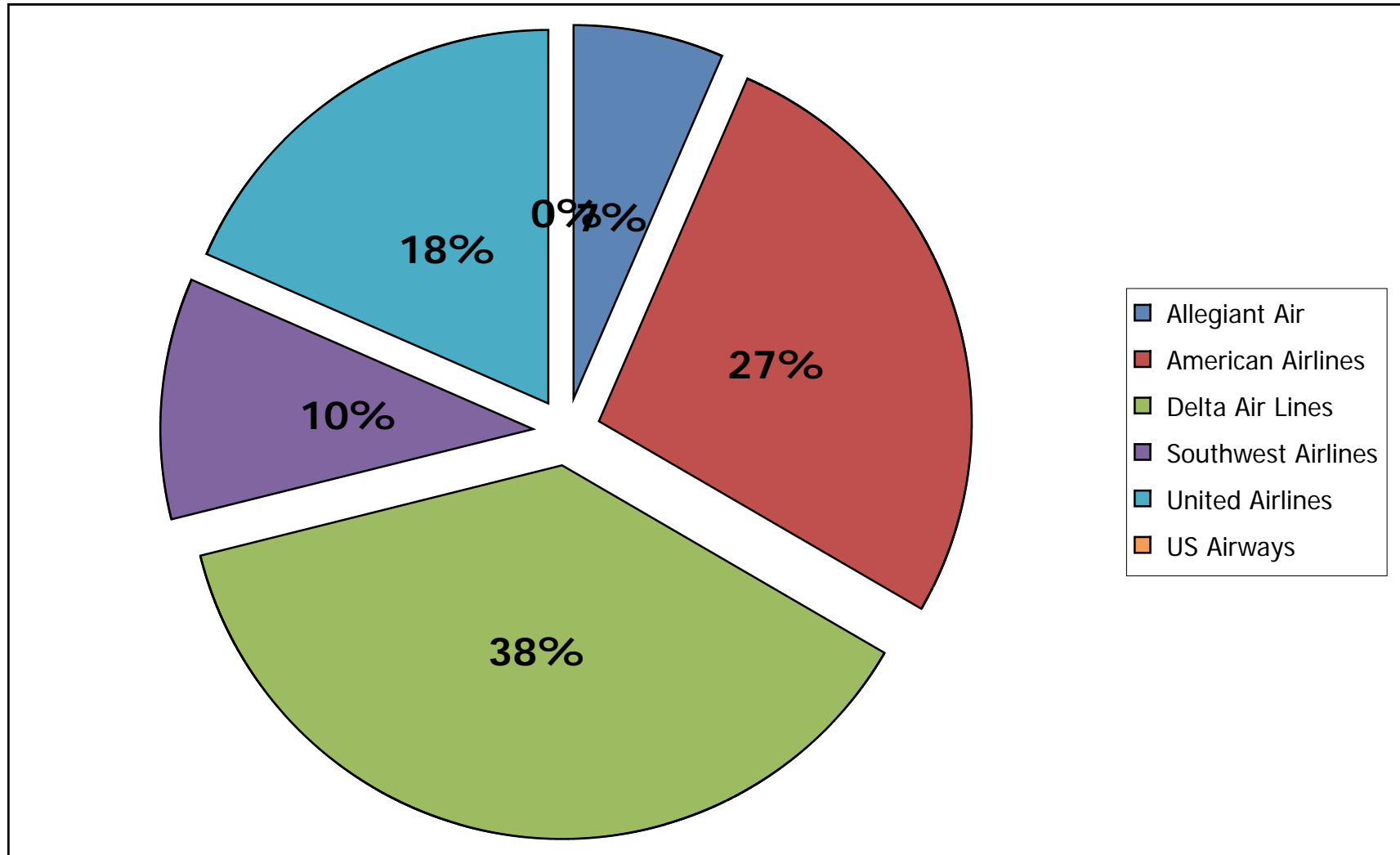


Total Monthly Passengers By Year Greenville-Spartanburg International Airport



Scheduled Airline Market Shares (Enplanements) Greenville-Spartanburg International Airport

Report Period From May 2016 Through May 2016



Airline Flight Completions Greenville-Spartanburg International Airport

May 2016



Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Aeronaves	1	0	0	0	0	0	100.0%
Allegiant Air	41	0	0	0	0	0	100.0%
Alliance Air Charter	1	0	0	0	0	0	100.0%
American Airlines	530	0	0	4	0	4	103.0%
CommutAir	5	0	0	0	0	0	100.0%
Delta Air Lines	401	0	0	1	0	1	99.8%
Events Air	1	0	0	0	0	0	100.0%

Friday, July 01, 2016

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Federal Express	36	0	0	0	0	0	100.0%
IFL Group	6	0	0	0	0	0	100.0%
Kalitta Charters II	9	0	0	0	0	0	100.0%
Priority Air Charter	2	0	0	0	0	0	100.0%
Republic Airlines	16	0	0	0	0	0	100.0%
Southwest Airlines	90	0	0	0	0	0	100.0%
Sun Country Airlines	2	0	0	0	0	0	100.0%
TSM	1	0	0	0	0	0	100.0%
United Airlines	325	0	1	4	0	5	99.1%

Friday, July 01, 2016

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
UPS	32	0	0	0	0	0	100.0%
US Airways	0	0	0	0	0	0	#Num!
USA Jet	1	0	0	0	0	0	100.0%
Total	1,500	0	1	9	0	10	99.3%

Friday, July 01, 2016



MEMORANDUM

TO: Members of the Airport Commission

FROM: Jack G. Murrin, VP of Administration & Finance/CFO

DATE: July 11, 2016

ITEM DESCRIPTION – Information Section Item B

May 2016 - Financial Report

SUMMARY

Operating Income was up by **3.87%** when compared to the budget for Year-to-Date May 2016. Operating Expenses were down by **12.54%** over the budgeted amount for the period. Net operating income was up **28.35%** versus the budget through May 2016. For the period ending May 2016, which represents eleven months of the fiscal year, a total of about **\$12.87 million** has been returned to the bottom line in operating income.

Attached is a copy of the detailed financial report for May 2016.

Please recognize that this is a preliminary report, unaudited, and represents eleven months of activity resulting in variances from budget which can be quite volatile.

May 31, 2016 FINANCIAL STATEMENT PACKAGE

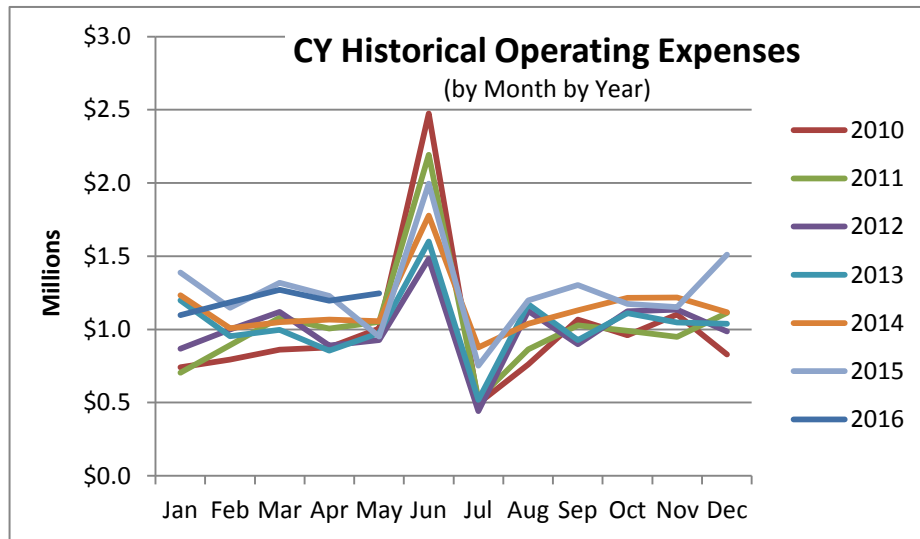
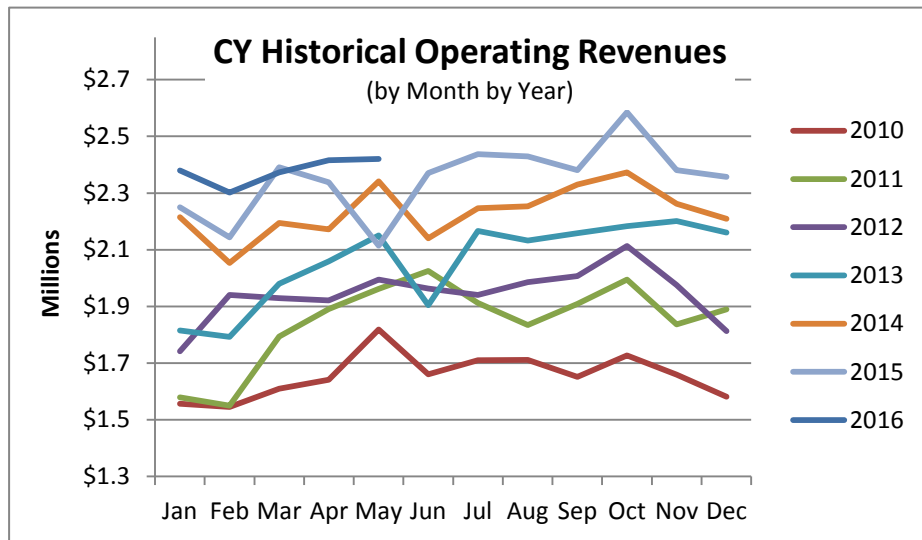
GREENVILLE SPARTANBURG AIRPORT DISTRICT
STATEMENT OF NET POSITION

	Current Month Current FY <u>5/31/2016</u>	Current Month Prior FY <u>5/31/2015</u>
Assets		
Cash Accounts	7,307,186.93	6,493,156.79
Investments-Airport	16,446,934.32	41,291,901.98
Bond Trustee Assets	358,123.87	343,589.44
Accounts Receivable	165,188.27	478,070.81
Less: Reserve for Doubtful Accts	-	
Net Accounts Receivable	<u>165,188.27</u>	<u>478,070.81</u>
Inventory	226,330.24	179,080.15
Prepaid Insurance	133,551.36	117,090.77
Notes Receivable-RAC District Funds	1,834,950.46	2,051,573.66
Property, Plant & Equipment (PP&E)	337,357,331.90	299,816,865.65
Less: Accumulated Depreciation	(126,380,111.60)	(115,881,914.17)
Net PP&E	<u>210,977,220.30</u>	<u>183,934,951.48</u>
TOTAL ASSETS	<u>237,449,485.75</u>	<u>234,889,415.08</u>
LESS: Liabilities		
Accounts Payable	951,264.20	1,085,251.95
Revenue Bonds Payable	2,344,787.12	2,648,170.12
SCRS Pension Liability	9,311,330.00	9,311,330.00
Benefit Liability	803,234.13	802,241.18
TOTAL LIABILITIES	<u>13,410,615.45</u>	<u>13,846,993.25</u>
LESS: Deferred Inflows of Resources		
Deferred Revenues	1,834,950.46	2,051,573.66
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,834,950.46</u>	<u>2,051,573.66</u>
NET POSITION		
Invested in Capital Assets, net of Related Debt	208,697,220.30	172,048,621.48
Restricted:		
A/P - Capital Projects - Restricted	293,336.75	270,419.32
Contract Facility Charge	2,118,046.77	1,559,133.29
Total Restricted:	<u>2,411,383.52</u>	<u>1,829,552.61</u>
Unrestricted	11,128,440.02	45,112,674.08
TOTAL NET POSITION	<u>222,237,043.84</u>	<u>218,990,848.17</u>

GREENVILLE SPARTANBURG AIRPORT DISTRICT
PROFIT and LOSS STATEMENT

----- FISCAL YEAR TO DATE -----				
	<u>May 31, 2016</u> <u>Actual</u>	<u>May 31, 2016</u> <u>Budget</u>	<u>Actual - Budget</u>	<u>% Change</u>
INCOME				
Landing Area:				
Landing Fees	2,230,786.31	2,194,974.76	35,811.55	1.63% (a)
Aircraft Parking Fees	339,003.44	308,664.18	30,339.26	9.83%
FBO Into-Plane & Fuel Flowage	121,155.23	103,467.54	17,687.69	17.09%
Subtotal Landing Area	<u>2,690,944.98</u>	<u>2,607,106.48</u>	<u>83,838.50</u>	<u>3.22%</u>
Space & Ground Rentals	7,970,407.96	7,903,754.54	66,653.42	0.84% (b)
Auto Parking	8,950,814.62	8,166,397.47	784,417.15	9.61% (c)
Commercial Ground Transportation	139,000.39	136,583.37	2,417.02	1.77%
Concessions:				
Advertising	352,029.08	229,166.63	122,862.45	53.61% (d)
Food & Beverage	295,377.67	330,000.00	(34,622.33)	-10.49% (e)
Rental Car	2,940,805.18	2,800,289.69	140,515.49	5.02% (f)
Retail	467,900.62	342,833.37	125,067.25	36.48% (g)
Subtotal Concessions	<u>4,056,112.55</u>	<u>3,702,289.69</u>	<u>353,822.86</u>	<u>9.56%</u>
Expense Reimbursements	1,167,202.04	1,119,538.75	47,663.29	4.26% (h)
Other Income	982,614.39	1,355,084.06	(372,469.67)	-27.49% (i)
Total Operating Income	<u>25,957,096.93</u>	<u>24,990,754.36</u>	<u>966,342.57</u>	<u>3.87%</u>
EXPENSES				
Salary & Benefits	6,580,997.36	7,348,351.89	(767,354.53)	-10.44% (j)
Professional Services	567,867.58	690,528.63	(122,661.05)	-17.76% (k)
Promotional Activities	821,962.84	846,651.85	(24,689.01)	-2.92% (l)
Administrative	761,855.52	911,192.59	(149,337.07)	-16.39% (m)
Insurance	380,169.26	379,958.26	211.00	0.06%
Contractual Services	1,561,560.57	2,255,453.31	(693,892.74)	-30.77% (n)
Rentals & Leases	51,794.10	55,823.24	(4,029.14)	-7.22%
Repairs & Maintenance	658,902.50	461,251.12	197,651.38	42.85% (o)
Supplies & Equipment	535,452.65	701,919.79	(166,467.14)	-23.72% (p)
Utilities	1,166,124.77	1,312,090.45	(145,965.68)	-11.12% (q)
Total Operating Expenses	<u>13,086,687.15</u>	<u>14,963,221.13</u>	<u>(1,876,533.98)</u>	<u>-12.54%</u>
NET OPERATING INCOME	<u>12,870,409.78</u>	<u>10,027,533.23</u>	<u>2,842,876.55</u>	<u>28.35%</u>

**GREENVILLE SPARTANBURG AIRPORT DISTRICT
REVENUES AND EXPENSES TREND GRAPHS**



May 31, 2016

YTD ACTUAL VS YTD BUDGET FOOTNOTES

(a)	Landing Fees	OVER BUDGET	\$35,811.55	- Actual passenger airline landed weights are higher than budgeted landed weights
(b)	Space & Ground Rentals	OVER BUDGET	\$66,653.42	- MSE/OHM space rent more than budgeted 51K YTD - Hudson space rent over budget 21K - ATM space rent 13.2K (1.2K/mo) budgeted but contact states no charge 1st yr - American space (not billing ticket office) under budget 26K - Southwest space over budget 21K - United space BSO not budgeted 12.3K - Piedmont space under budget 52K - UPS 51K (or 4.5K/mo) budgeted for North Cargo for FY2016 which has not taken place - Per Turn more than budgeted 63K YTD - Stevens return of hangars 26K - Direct bill of new hangar tenants 57.3K
(c)	Auto Parking	OVER BUDGET	\$784,417.15	- Conservative budgeting & increase in traffic
(d)	Advertising	OVER BUDGET	\$122,862.45	- Conservative budgeting & aggressive marketing of spots
(e)	Food & Beverage	UNDER BUDGET	\$34,622.33	- Actual numbers are included in the Retail account
(f)	Rental Car	OVER BUDGET	\$140,515.49	- Conservative budgeting & increase in traffic
(g)	Retail	OVER BUDGET	\$125,067.25	- Conservative budgeting & increase in traffic - Food & Beverage included here but budgeted above
(h)	Expense Reimbursements	OVER BUDGET	\$47,663.29	- FedEx year end recalc 37.7K
(i)	Other Income	UNDER BUDGET	\$372,469.67	- Ground handling (charter) 166K under budget YTD - Ground handling (non-tenant) 36K over budget YTD - ID Cards/Fingerprinting 22.6K over budget YTD - Parking Tickets/Seized Funds 17K over budget YTD - Lease Income (Runion) 41.5K over budget YTD - FBO % of Gross 70K under budget (return of 2 hangars) - Centralized Distribution facility 275K under budget YTD as facility is not yet complete - "Gov deals" sales not budgeted 20K YTD - Less activity in Cargo Ops than budgeted 31K - A/C De-icing admin fee not budgeted 15K
(i)	Salary & Benefits	UNDER BUDGET	\$767,354.53	- Turnover, military leaves and new positions not currently filled resulted in lower salaries and the corresponding benefits

May 31, 2016

YTD ACTUAL VS YTD BUDGET FOOTNOTES

(k)	Professional Services	UNDER BUDGET	\$122,661.05	<ul style="list-style-type: none"> - Personal rapid transit consulting 137.5K under budget YTD - Intervistas Consulting Regional Air Service Alliance 46K under budget YTD - Trillion Aviation FBO consulting 18K over budget YTD - Campbell-Hill Aviation Leakage analysis 11.5K over budget YTD - Campbell-Hill Aviation Air Service Development 22K over budget YTD - ICF Strategic planning 36K under budget TYD - WK Dickson 159K over budget TYD - Art Consulting 23K under buget as these amts are being capitalized with the project - IT Consulting 11K under buget - Communications 29K under buget - Development Consulting 16K under budget YTD - Audit 22.5K under budget YTD
(l)	Promotional Activities	UNDER BUDGET	\$24,689.01	<ul style="list-style-type: none"> - Advertising expense 52K under budget YTD - Special Events expenses 10K under budget YTD - General marketing expenses 12.5K under budget YTD - Sponsorships expenses 50K over budget YTD
(m)	Administrative	UNDER BUDGET	\$149,337.07	<ul style="list-style-type: none"> - Travel/Training 88.6K under budget TYD - Dues & Subscriptions 59K under budget YTD
(n)	Contractual Services	UNDER BUDGET	\$693,892.74	<ul style="list-style-type: none"> - 275K Centralized Distribution facility expenses not yet incurred as facility is not yet complete - Mgmt Parking 92K under budget YTD - Janitorial Services 106K under budget YTD - Computer-annual contracts 123K under budget YTD - Nursery & Landscaping 28K under budget YTD - Telephone Equipment 26K under budget YTD
(o)	Repairs & Maintenance	OVER BUDGET	\$197,651.38	<ul style="list-style-type: none"> - Projects-Unanticipated 139K over budget YTD - Boarding bridges 13K over budget - Building 23 over budget YTD - Heating & Air 20K over budget YTD

May 31, 2016

YTD ACTUAL VS YTD BUDGET FOOTNOTES

(p)	Supplies & Equipment	UNDER BUDGET	\$166,467.14	<ul style="list-style-type: none">- Computer-Software & Supplies 33K under budget YTD- Office Supplies 17K under budget YTD- Nursery & Landscaping 22K under budget YTD- Fuel for vehicles 29K under budget- Painting 8K under budget YTD- Snow Removal 18K under budget YTD- Tires 20K under budget YTD
(q)	Utilities	UNDER BUDGET	\$145,965.68	<ul style="list-style-type: none">- Gas 21K under budget YTD, milder Winter than budgeted for- Electric 71.4K under budget YTD, used more in Summer- Water & Sewer 57K under budget YTD

Note: Please recognize that this is a preliminary report, unaudited, and only represents Eleven months of activity, resulting in variances which can be quite volatile.

Interim Report: Prepared on a "Non-GAAP" Basis for Internal Use only

UNAUDITED

Greenville-Spartanburg Airport District
May 31, 2016

	Issue Date	Maturity Date	Interest Rate	Cost Basis or BOY FMV	Par	EOM FMV	FMV Adj
US Treasury							
UST T-Bill 4-wk	5/19/2016	6/16/2016	0.243%	4,999,066.65	5,000,000.00	4,999,066.65	-
	5/19/2016	6/16/2016	0.243%	4,999,066.65	5,000,000.00	4,999,066.65	-
	5/26/2016	6/23/2016	0.269%	4,998,969.45	5,000,000.00	4,998,969.45	-
							-
							-
						-	-
Subtotal-UST				14,997,102.75	15,000,000.00	\$ 14,997,102.75	-

US Treasury Investment Types		<u>T-Bill</u>	<u>T-Note</u>	<u>T-Bond</u>	<u>Fed Ag</u>
Negotiable Debt Obligation		Yes	Yes	Yes	Yes
Backed by Gov. Full Faith/Credit		Yes	Yes	Yes	No
Maturity		< 1 yr	1-7 yrs	7+ yrs	1-5 yrs
Coupon-Bearing		No	Yes	Yes	Yes
Interest is paid		at Maturity	Semi-Ann	Semi-Ann	Semi-Ann
State & Local Tax Exemption		Yes	Yes	Yes	Only FHLB (*)

(*) Note: Since GSP is a political subdivision of SC, we are tax-exempt from all taxes, including state and local.

Weighted blended
yield = 0.2517%

GREENVILLE SPARTANBURG AIRPORT DISTRICT

Terminal Improvement Project

through: **5/31/2016**

		<i>cash basis</i>	<i>cash basis</i>	<i>cash basis</i>		
	Budgeted	FYE 6/30/2012	YTD FYE 6/30/2013	YTD FYE 6/30/2014	YTD FYE 6/30/2015	YTD FYE 6/30/2016
Skanska			\$ 9,570,188	\$ 35,931,932	\$ 22,815,954	\$ 29,027,315
Baker (aka LPA)			\$ 1,367,784	\$ 2,742,449	\$ 765,298	\$ 969,673
RS&H	\$ 2,916,235		\$ 2,650,023			
Jacobs	\$ 961,516		\$ 885,315	\$ 942,348	\$ 394,840	\$ 83,121
Air-Transport IT Services					\$ 424,339	
RJ Design			\$ 65,350	\$ 220,050		
At&t				\$ 205,594		
A3 Communications				\$ 170,341		
Warco Construction						\$ 153,350
G2 Secure Staff			\$ 8,508	\$ 85,979	\$ 31,889	
McGriff				\$ 32,890	\$ 51,436	
Project Link				\$ 42,509	\$ 27,799	
CDW Government			\$ 1,911	\$ 62,649	\$ 3,062	
Phoenix Mechanical					\$ 62,000	
Michael M. Simpson			\$ 49,696	\$ 9,957		
Parsons Brincke			\$ 50,000			
Tidewater Lumber			\$ 30,434	\$ 1,908	\$ 918	
I-SYS					\$ 31,277	
TPM			\$ 29,212			
Duke Energy				\$ 22,088		
Source Group			\$ 21,196			
Other	\$ 400		\$ 57,128	\$ 64,692	\$ 87,935	\$ 5,486
Total	\$ 123,762,496	\$ 3,878,151	\$ 14,786,745	\$ 40,535,386	\$ 24,696,747	\$ 30,238,945
Cumulative \$ Spent		\$ 3,878,151	\$ 18,664,896	\$ 59,200,282	\$ 83,897,029	\$ 114,135,974
% of Budget spent		3.13%	15.08%	47.83%	67.79%	92.22%
Construction			\$ 9,635,538	\$ 35,934,969	\$ 22,953,017	\$ 29,186,152
Professional	\$ 3,877,751		\$ 5,002,818	\$ 3,667,600	\$ 993,082	\$ 1,052,794
Owners Reserve	\$ 400		\$ 148,389	\$ 932,817	\$ 750,649	
Total	\$ -	\$ 3,878,151	\$ 14,786,745	\$ 40,535,385	\$ 24,696,747	\$ 30,238,945
Cumulative \$ Spent		\$ 3,878,151	\$ 18,664,896	\$ 59,200,281	\$ 83,897,028	\$ 114,135,974
		\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0

TIP Public Relations Expenses

through: **5/31/2016**

	Budgeted	FYE 6/30/2012	FYE 6/30/2013	FYE 6/30/2014	FYE 6/30/2015	FYE 6/30/2016	Total
Crawford Strategies	\$ 261,000	10,900	61,157	75,948	76,776	49,050	273,831
Launch Something	\$ 279,730	25,870	90,133	23,045	20,604	5,698	165,350
Total	\$ 540,730	36,770	151,290	98,993	97,379	54,748	439,181
Cumulative \$ Spent		\$ 36,770	\$ 188,060	\$ 287,053	\$ 384,433	\$ 439,181	
% of Budget spent		6.80%	34.78%	53.09%	71.10%	81.22%	81.22%

GREENVILLE SPARTANBURG AIRPORT DISTRICT
Other Operating and Maintenance Reserve Funds

	FY \$ Amount Authorized	Date	\$ Amount Used YTD	
Emergency Repair/Replacement/Operations Fund	\$ 750,000			
		8/4/2015	\$ 1,371	Crossroads Environmental LLC - Perform Asbestos inspection of US Air Ops Area
		8/4/2015	\$ 11,192	Harris Integrated Solutions - Chiller
		10/5/2015	\$ 5,400	Schneider Treecare - Debris removal/trees
		1/19/2016	\$ 1,445	AET Services
		2/8/2016	\$ 32,927	Cryotech Deicing Technology
		2/16/2016	\$ 8,386	Strange Brothers Grading-Snow Removal
		3/25/2016	\$ 3,756	AET Services-Video Inspections 955.6ft
			<u>\$ 64,477</u>	
			<u>\$ 685,523</u>	Remaining Reserve
Business Development Obligations/Incentives	\$ 600,000			
		4/7/2016	\$ 22,520	The Source Group-Grphic Kiosks
		5/9/2016	\$ 3,617	Southwest Airlines-Digital Mktg
		5/24/2016	\$ 22,125	Southwest Airlines-Air Service Dev
			<u>\$ 48,263</u>	
			<u>\$ 551,737</u>	Remaining Reserve

May, 2016

Procurement / Capital Acquisitions

<u>Project/Item Description</u>	<u>Date</u>	<u>Monthly \$ Amount</u>
Capital Improvements:		
GLF / Apron Rehab	5/9/2016	582,316
Michael Baker Jr., Inc./ FBO Building Assessment	5/24/2016	11,378
Equipment and Small Capital Outlays:		
Industrial Fire Systems / Hangar Fire Alarm Syster	5/9/2016	77,774
Renewals and Replacements:		
Trane U.S. Inc. / S Cargo Project	5/9/2016	32,766
Total Procurements/Capital Additions for the month		<u>\$ 704,233</u>



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin Howell, Vice President/COO

DATE: July 11, 2016

ITEM DESCRIPTION – Information Section Item C

June 2016 – Development/Project Status Report

SUMMARY

Terminal Improvement Program (TIP):

Status – Project wrap-up continues on the Enabling Package and Bag Claim/South Bridge Packages. The Core Phase construction is currently underway.

Project Budget – \$125,000,000

Estimated Completion Date – October 2016

Enabling:

SKM continues to work on several completion items from the Enabling Phase. The contractor also continues to work on Enabling punchlist work and closeout simultaneously. On September 15, 2015, SKM requested the Owner complete the punchlist inspections for specific remaining areas of work. The Owner and CA Services Team completed these inspections and provided the punchlist reports to SKM. Some areas were not complete and not ready for inspection. SKM continues to work on the identified items.

Bag Claim/South Bridge:

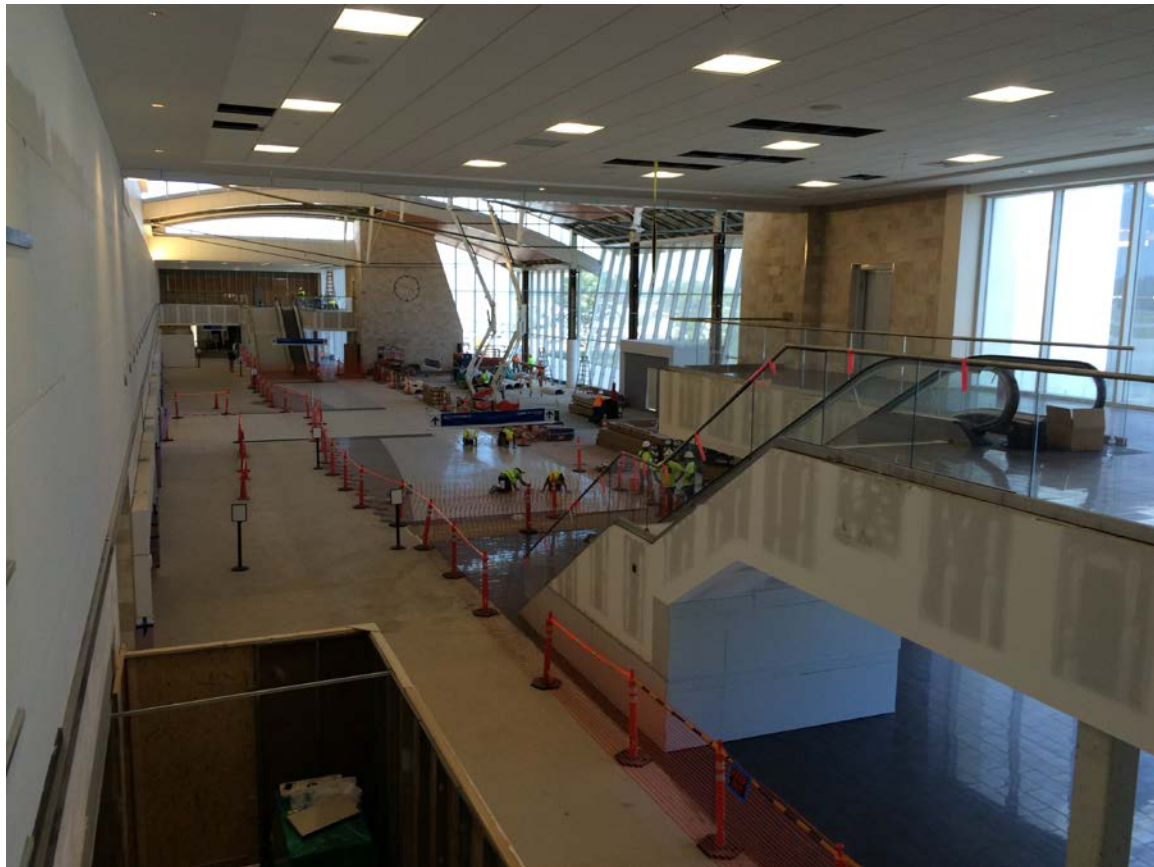
The Bag Claim/South Bridge Phase continues to progress towards completion as SKM attempts to wrap up several completion and punchlist items simultaneously. On September 15, 2015, SKM requested the Owner complete the punchlist inspections for specific remaining areas of work. The Owner and CA Services Team completed these

inspections and provided the punchlist reports to SKM. Some areas were not complete and not ready for inspection. SKM continues to work on the identified items.

Core & Concourse:

During the month of June, work progressed on both concourses with floor finishes, overhead work, and wall detailing. Work is also underway on level 2 on the south side of the new passenger security checkpoint with the south exit lane area, employee access corridor, restrooms, etc. In the Grand Hall area, work continues with floor tile and overhead ceiling treatment. Framing and build out for the new District administrative offices and Boardroom continues as well.

Core & Concourse Project Photos



Grand Hall tile work



Grand Hall overhead work



Concourse B tile and overhead work



Concourse B tile at new escalator looking back towards Grand Hall area



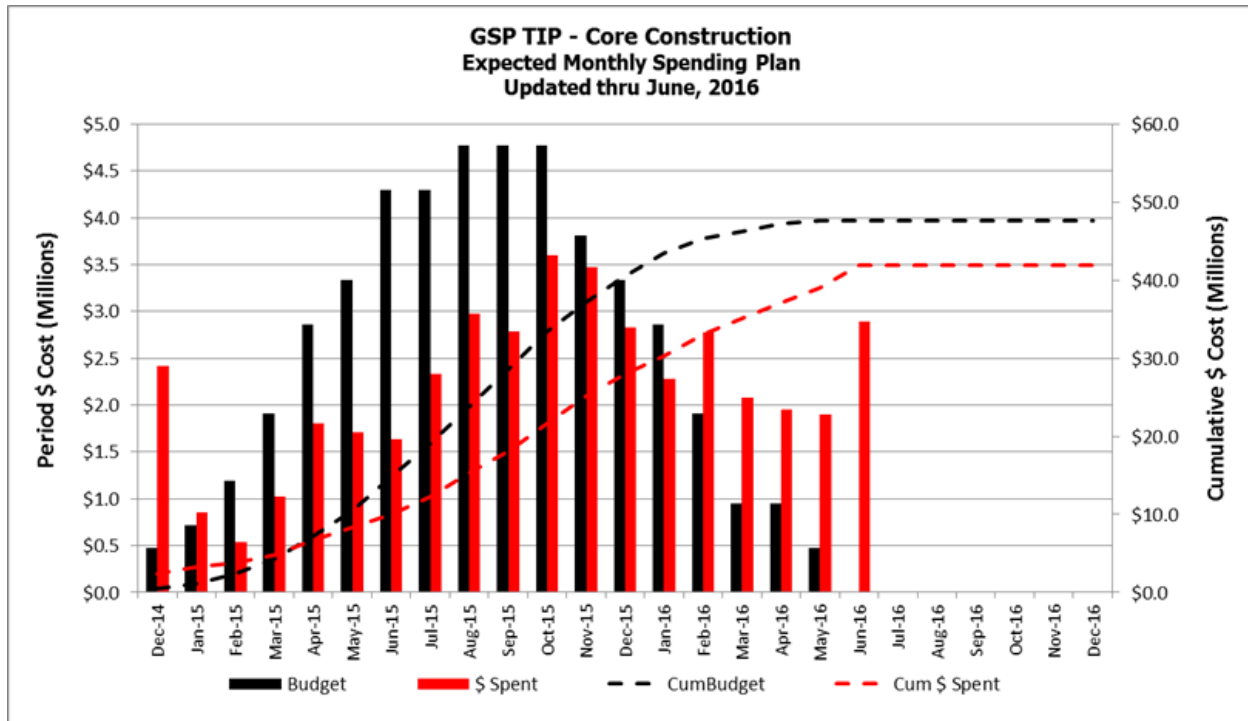
Concourse B tile at new escalator looking back towards Grand Hall area



Framing work underway at new District administrative offices

TIP Core financial activity occurring thru June 30, 2016

							Data Current as of :	30-Jun-16
	Original Budget	Changes/ Transfers to- Date	Current Approved Budget	\$ Committed to- Date	Remaining Budget Balance	\$Costs Paid to-Date		% Paid
	(A)	(B)	(C = A + B)	(D)	(E = C - D)	(F)		(G = F / D)
CORE PACKAGE:								
Construction Costs	\$ 45,950,000	\$ 1,723,555	\$ 47,673,555	\$ 47,527,024	\$ 146,531.77	\$ 41,876,524		88.11%
Professional Fees	\$ 1,475,000	\$ 309,959	\$ 1,784,959	\$ 1,794,959	\$ (10,000.00) (C)	\$ 1,693,937		94.37%
Owner Costs & Owner Reserve	\$ 2,500,000	\$ (1,782,863)	\$ 717,137	\$ 430,982	\$ 286,155	\$ 180,331		41.84%
TOTAL	\$ 49,925,000	\$ 250,652	\$ 50,175,652	\$ 49,752,965	\$ 422,687	\$ 43,750,792		87.94%
Notes:								
* Information may be subject to corrections/adjustments								
(B) Change Order #2: \$250,652 transfer from enabling to core								
(C) Baker WA #19 was opened for Core Legal Assistance with a cap NTE \$10,000 for arbitration assistance								



Apron Rehabilitation Project Phase 2:

Status – Construction Phase

Project Budget – \$5,800,000

Estimated Completion Date – October 2016

The Apron Rehabilitation Project Phase 2 includes the Year 2 recommended items outlined in the 2012 LPA Apron Pavement Study. Year 2 priority items included rehabilitation of the B concourse concrete apron surfaces from the building to the new trench drain (Apron Rehab Phase 1), and from the new trench drain to the apron taxi lane.

Project engineering is led by AVCON, Inc., one of the District's on-call consultants. GLF Construction is the contractor for the project. Contract time for this project is 275 calendar days. The project had significant weather impacts during the first 6 months. The project is expected to be completed in October. The contractor is currently working at gate B3. Weather pending, this area will be completed around August 1 and work will move to gate B4.

Widening Taxiway L2 which was originally planned to be part of Phase 3 is being advanced to Phase 2 to avoid operational impacts later this fall. The ADO has increased the AIP grant for Phase 2 by \$469,350 to cover 90% of the costs for the L2 widening. Work at L2 is expected to run parallel to the work at gate B4.

Apron Rehabilitation Project Phase 3:

Status – Contract Award Phase

Project Budget – \$5,000,000

Estimated Completion Date – TBD

The Apron Rehabilitation Project Phase 3 includes the Year 3 recommended items outlined in the 2012 LPA Apron Pavement Study. Year 3 priority items included rehabilitation of the A concourse concrete apron surfaces from the building to the new trench drain (Apron Rehab Phase 1), and from the new trench drain to the apron taxi lane.

Project engineering is led by AVCON, Inc., one of the District's on-call consultants. Three bids were received on June 28. All bids received exceeded the proposed AIP grant amount. GLF is the apparent lowest responsive bidder. Staff is working with the ADO to determine if there is an option to increase the grant award. If not, Staff is also working with AVCON and GLF to find other costs savings or reduce the project area.

Airside Garden Rehabilitation Project:

Status – Bidding Phase

Project Budget – \$350,000

Estimated Completion Date – October 2016

The Airside Garden Rehabilitation Project is a budgeted FY16 capital project and includes the replacement of much of the landscape and hardscape surfaces in the airside garden. Other work includes repair/rehab of the airside fountains, irrigation system and exterior lighting in the garden area. Work will follow the recently adopted Landscape Master Plan concepts. This project will be timed to coordinate with the completion of the Terminal Improvement Program Core Phase.

The design phase will be led by WK Dickson, who is supported by Seamon Whiteside and several other specialty sub-consultants. A pre-qualification process was conducted in June. Three applications for pre-qualification were received and two teams were pre-qualified. Bids are due July 19.

Consolidated Hangars Project:

Status – Design Phase

Project Budget – \$8,903,000

Estimated Completion Date – TBD

The Consolidated Hangars Project was approved in May 2016 and includes construction of a new Corporate Hangar for lease (approximately 16,000 sq. ft.) and a new Bulk Storage Hangar (up to 30,000 sq. ft.). Staff solicited cost and schedule proposals from all three on-call engineering teams. The AVCON/McMillan Pazdan Smith team proposal was determined to be the most advantageous to District in both time and cost.

Runion Property Sewer Project:

Status – Construction Phase

Project Budget – \$250,000

Estimated Completion Date – August 2016

The Runion Property Sewer Project is a FY16 budgeted project and included connecting the Runion commercial property to the airport sewer system. The property currently utilizes a septic system and has experienced many issues since the purchase of the property. WK Dickson assisted the District with engineering and the contractor is Pump Systems. Work is underway and is expected to be completed in August.

Runion Property Sewer Project:

Status – Construction Phase

Project Budget – \$300,000

Estimated Completion Date – August 2016

The Runion Property Sewer Project is a FY16 budgeted project and included connecting the Runion commercial property to the airport sewer system. The property currently utilizes a septic system and has experienced many issues since the purchase of the property. WK Dickson assisted the District with engineering and the contractor is Pump Systems. Work is underway and is expected to be completed in August.



Rental Car Service Center Roof Replacement Project:

Status – Construction Phase

Project Budget – \$400,000

Estimated Completion Date – October 2016

The Rental Car Service Roof Replacement Project is an Emergency Repair & Replacement Project and includes reroofing all five rental car service centers. The contractor is Mecklenburg Roofing. Work is expected to take about 2 weeks per building and the entire project is expected to be completed by October.

Airport Master Plan:

Status – Procurement Phase

Project Budget – \$1,000,000

Estimated Completion Date – 12 to 18 months

The Airport Master Plan is a budgeted FY17 capital project. The last GSP Master Plan was conducted in 2003. An RFQ has been prepared and submittals are due in August. A Staff recommended ranking will be presented at the September Commission meeting.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Rosylin Weston, Vice President - Communications

DATE: July 11, 2016

ITEM DESCRIPTION – Information Section Item D

June 2016 – Communications Status Report

News Stories Broadcast, Print and Online:

- Greer Today – GSP Airport increasing daily, weekly, parking rates
- The Greenville News – Chemical spill contained near GSP Airport
- WYFF 4 – Man recants story about buying gun from Sheriff
- WYFF 4 – Loaded gun found in carry-on bag at GSP

Online Statistics 06/01/16 – 06/29/16:

Elevatingtheupstate.com

- 283 Sessions, 81% or 229 New Visitors
- Average time on page 1:28
- Total pages viewed 471
- 21.2% male vs 78.8% female

Elevatingtheupstate.com (Mobile Site)

- 148 Sessions
- 143 Visitors
- 196 Page views
- 1:32 Pages viewed per session

GSPAirport.com

- 111,122 Sessions
- 387,714 Page views / Average # of pages viewed per session 1.24
- Total Visits 113,689 / 87,785 New Visitors

Customer Service Complaints – Summary

- No sign for men's bathroom in Baggage Claim
- Ground Transportation signage does not clearly direct to car rentals
- GSP needs a business center for business travelers
- Not many food choices on 1st floor
- Need shuttle service to Economy Parking

Happy Or Not 06/01/16 – 06/29/16

The Happy Or Not meters were strategically placed near the new massage units on Concourses A&B. Passengers were asked, "How did you enjoy your massage?" The customer was provided with 4 response options: Very Happy, Happy, Not Happy, and Very Unhappy. There were a total of 162 responses and of those:

Very Happy	76
Happy	21
Unhappy	12
Very Unhappy	53
Total Responses	162

The majority of the massages occurred on the B Concourse and the most popular times for a massage were 8:00– 9:00 AM and 4:00-5:00 PM.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Scott C. Carr, A.A.E., Vice President – Commercial Business & Properties

DATE: July 11, 2016

ITEM DESCRIPTION – Information Section Item E

June 2016 – Commercial Business and Properties Report

SUMMARY

Cargo Modernization Project – Phase #1:

Status – Construction documents are 100% complete and currently under review.

Project Budget – \$1,300,000

Estimated Completion Date – December 31, 2016

The Airport District is designing a shared use cargo facility. The facility is being designed to allow for long term flexible use and expandability in the future as demand warrants for UPS and other cargo tenants.

In addition, the project consists of relocating UPS from the south cargo building and ramp to the north cargo ramp and constructing new facilities. The new leasehold area will be sized to handle up to two Boeing 767-300 aircraft simultaneously, loading and unloading of up to eight 53 foot tractor trailer trucks, and new administrative office and support space.

Concessions Program Development – Grand Hall Phase:

Status – Currently working with both Hudson and OHM to finalize the plans for their respective food, beverage, and retail programs.



Project Budget – All facility costs are included in the overall \$125,000,000 TIP and all tenant fit out costs are being covered by Hudson News Group & OHM Concessions Group.

Estimated Completion Date – September 30, 2016

As part of the Grand Hall, there will be several new food, beverage, and retail offerings available to the traveling public. These include, at a minimum, Baskin Robbins, Dunkin Donuts, Chick-fil-A, Tech on the Go, as well as a sit down restaurant and retail store that have yet to be named.

Concessions Program Development – New Concourse Satellite Seating Areas:

Status – Construction documents are approved & awaiting OHM contractor's schedule.

Project Budget – All costs are being covered by OHM Concessions Group.

Estimated Completion Date – August 30, 2016

OHM Concessions Group recognized the need for additional seating at R.J. Rockers Flight Room and Thomas Creek Grill. To accomplish this, a satellite seating area is being added directly across from each restaurant on both concourses.

Sprint Wireless – Cell Phone Antenna Equipment Upgrade & Capacity Enhancement Project:

Status – Utility permit has been executed by Sprint Wireless. Sprint is in the process of scheduling their contractor to complete the remaining telecommunications infrastructure work required to finish the project.

Project Budget – All costs are being covered by Sprint Wireless.

Estimated Completion Date – July 31, 2016

Sprint Wireless is in the process of upgrading the existing antenna equipment located on top of Parking Garage A. The project also includes an increase in network capacity to handle increased call volume in the area and reduce the number of dropped and failed calls.

The project requires that a new fiber optics line be installed by Spirit Telecom. This new line will begin at the intersection of State Route 14 and GSP Drive and run along GSP Drive up to Parking Garage A.



National Weather Service / AT&T Fiber Installation Project:

Status – Under Construction and 75% Complete

Project Budget – All costs are being covered by AT&T.

Estimated Completion Date – July 15, 2016

The National Weather Service is in the process of upgrading its equipment and needs additional high speed data capacity. AT&T is proposing to provide this additional data capacity via the installation of a new fiber optics line.

This new line is proposed to begin at the intersection of State Route 14 and GSP Drive and run along GSP Drive up to an existing communications manhole located at the Airport Facility Department. Along GSP Drive, the fiber optics line would branch off at proposed manhole that would be installed adjacent to the National Weather Service to provide the required connectivity to their leasehold.

FedEx – AT&T Network Based IP/VPN Remote Access (ANIRA) Installation Project:

Status – Awaiting plans and specifications for review

Project Budget – All costs are being covered by FedEx.

Completion Date – To Be Determined

FedEx is requesting to install a backup cellular system for their local data network to provide redundancy in the event that their wired data connection is interrupted. This project will be engineered and installed on behalf of FedEx by AT&T.

FedEx – Customer Service Lobby Renovation & Exterior Signage Replacement Project:

Status – Construction document comments submitted to FedEx consultant for incorporation into the drawings.

Project Budget – All costs are being covered by FedEx.

Estimated Completion Date – May 31, 2017



FedEx is proposing to completely renovate its customer service lobby with new millwork, carpeting, wall coverings, branding, etc. In addition, it is planning to replace the exterior building signage with its updated branding.

AirIT – Gate Installation Project

Status – Computer hardware procurement completed. Awaiting new millwork installation at each gate.

Project Budget – \$173,860

Estimated Completion Date – October 31, 2016

As each gate is taken out of service for TIP renovations, airline's proprietary computer hardware will be replaced by AirIT equipment. This will allow airlines to work off of any of the 13 concourse gates. This will ultimately increase overall gate efficiency and permit the Airport District to more adequately address irregular operations, airline schedule changes in the number of flights at peak hours, etc.

Southwest Airlines – Digital Marketing Project:

Status – Completed

Project Budget – \$75,000

Completion Date – June 15, 2016

The Airport District teamed up with Southwest Airlines to market the new service pattern with three flights a day to Atlanta with connections to 40+ cities nationwide beginning on April 12, 2016. Digital ads will run on various top-tier websites with a total of 15,000,000 impressions over the three month campaign being shown to previous Southwest website visitors that had shown an interest in flying to/from GSP.

AirGrub – Concessions Mobile Ordering Project:

Status – OHM Concessions Group is currently reviewing the AirGrub agreement.

Project Budget – All installation costs are being covered by AirGrub & OHM

Completion Date – August 30, 2016

AirGrub is an app that allows travelers and airport employees to order food from restaurants inside of the Airport via their mobile device. This allows them to preorder



what they want for pickup at a predetermined time and reduces the need to wait in line to order their meal and wait for it to be prepared.

AirGrub is currently in operation at the airports in Boston, New York – JFK, and San Francisco.

Thanks Again – Beacon Technology Project:

Status – Ten test beacons have been installed and messaging is being developed for roll out in July 2016.

Project Budget – All costs are being covered by Thanks Again

Completion Date – July 31, 2016

As part of the Thanks Again loyalty program, the Airport District is piloting the roll out of beacon technology to engage subscribed Thanks Again app users in the Airport. As a subscribed user walks by a beacon, they will be sent different special offers or discounts by concessionaires on their mobile device based on their interests set in the app.

Ultimately, the goal is to increase incremental concessions revenue as well as provide Thanks Again members with the opportunity to earn more airline miles or hotel points through purchases at the Airport.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Marsha Madore, Human Resources Director

DATE: July 11, 2016

ITEM DESCRIPTION – Information Section Item F

June 2016 – OSHA Reportable Injury Report

- 6/13/2016 – Larry Chastain, Airfield Grounds Technician, injured his back while weed eating on a slope. No lost time.
- 6/8/16 – Scott Langley, Maintenance Technician, injured his knee on 5/25/16 while kneeling to drill holes. He did not report it until 6/8 when the pain continued to get worse. Lost two weeks of work.

SUMMARY

Monthly Activity as of June 28, 2016

- 2 OSHA Reportable Injuries

2016 Calendar Year-to-Date

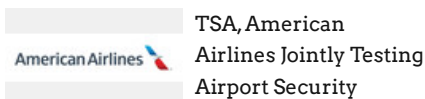
- 3 OSHA Reportable Injury

2 Year Historical Annual OSHA Report Submissions:

Calendar Year	Annual Average # Employees	Total Hours Worked by all Employees	# OSHA Reportable Work Related Injuries	# OSHA Reportable Work Related Illnesses	# Days away from Work
2015	127	192,332	3	0	16
2014	124	202,496	6	0	81

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BWI & TSA Create Additional Screening Lane at Concourse D Checkpoint

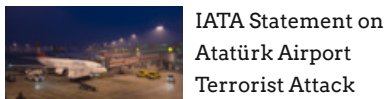
AIRPORT TECH & SECURITY

How the Istanbul Airport Attacks Could Affect Your Weekend Travel Plans

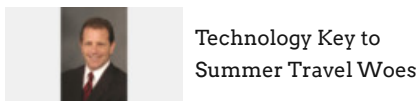
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Police: Airplane Mechanic Arrested After Threatening Officers at McCarran

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The Transportation Security Administration (TSA) and American Airlines, through a joint initiative, will install new screening technology, including automated security screening lanes and computed tomography (CT) scanners, at select American Airlines hubs nationwide this fall.

The automated screening lanes incorporate technology and screening station modifications that enhance security effectiveness while decreasing the time travelers spend in security screening by approximately 30 percent. TSA and American Airlines anticipate deployment of these lanes to Chicago (O'Hare), Dallas/Fort Worth, Los Angeles and Miami.

American Airlines and TSA also plan to deploy CT technology at a Phoenix TSA screening checkpoint — as a pilot program set to begin by the end of 2016.

"Our foremost priority is the security of the traveling public," said TSA Administrator Peter V. Neffenger. "To ensure that we remain up-to-date in an evolving threat environment, TSA continues to test and deploy state-of-the-art technologies. This collaboration with American Airlines is an important step in enhancing the traveler experience while maintaining effective security."

"We are proud to be working collaboratively with the TSA to support next generation screening technology at five of our hubs this fall," said American Airlines Chief Operating Officer Robert Isom. "These state-of-the-art lanes, along with new detection technology that will be tested in Phoenix, will enhance security effectiveness and efficiency, while improving the customer experience. On behalf of our team members who are working to take care of customers every day, we appreciate the TSA's partnership in implementing these new innovative technologies."

The advanced equipment in the automated lanes offers a number of unique features designed to improve the screening of travelers by automating many of the functions currently conducted manually, allowing passengers to move more swiftly through the checkpoint. These innovations include:

- Automated belts that draw bags into the X-ray machines, returning the bins back to queue after

completion of the screening.

- Bags with a potential threat can be directed to a separate area to allow bins behind it to continue through the system uninterrupted.
- Property bins that are 25 percent larger than the bins in regular screening lanes.
- Unique Radio Frequency Identification (RFID) tags that are attached to each bin to allow for additional accountability of items as they transit throughout the system.
- Cameras that capture photos of the outside of the bag, which is linked to the X-ray image of the bag's contents.

CT technology, currently only used at U.S. airports to screen checked bags, is expected to significantly improve the throughput when added to the screening process in Phoenix. 3D CT technology could make it possible to allow passengers to leave liquids, gels and aerosols, as well as laptops, in their carry-on bags at all times. This results in a quicker throughput and less bin use. If the pilot testing is successful, TSA may deploy CT technology to other checkpoints nationwide.

In collaboration with vendors, airlines, airports, and across the counter-terrorism community, TSA will roll out additional automated checkpoint lanes to improve the screening process as well as help minimize wait times. TSA's long-term goals are to incorporate automated security checkpoint lanes at all U.S. airports.

"Our responsibility is to keep passengers safe but also moving through security," said Neffenger.

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Updated FAA Policy Leaves City in Control of Charlotte Airport

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Bolen: Educate the Public on the ATC Takeover Attempt

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Caltrans Releases Long-Range Transportation Plan Update

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YYT Host Entertainment Series for Travellers

June 20--The Federal Aviation Administration this month updated its policy on disputed management changes at public airports, a move that affirms the city's control of Charlotte Douglas International Airport.

In a document published June 6, the FAA says it will accept an application for a management change at an airport "only upon a legally definitive resolution of a dispute." That rules out a change in Charlotte, where city and state officials have been locked in a long-running fight over who should control one of the nation's busiest airports.

The battle for the airport emerged in 2013 when the Republican-controlled N.C. General Assembly passed a bill creating a new commission to oversee Charlotte Douglas. Republican-led state legislators said the move was needed to protect the airport from meddling by the city, while city officials, including Democrat mayors, called the move a power grab.

The dispute moved to the courts when the city filed a lawsuit to stop the commission from taking over. In October 2014, Judge Robert Ervin issued a permanent injunction blocking the commission from operating Charlotte Douglas, as the city had requested, putting the commission in limbo and leaving the city in charge.

"Seeking to change an airport's ownership, sponsorship, governance, or operations is a local decision," the FAA said, when asked about the policy guidance. "The state or local government must file an application for FAA approval of such a change. The clarification provides guidance as to FAA's expectation that all local parties should be in agreement before filing the application."

The FAA is overseen by U.S. Transportation Secretary and former Charlotte Mayor Anthony Foxx, a Democrat. As mayor, he vigorously opposed efforts to take the airport.

The FAA said it published the notice in an effort "to clarify FAA's legal authority and policy regarding changes of sponsorship at federally-obligated, publicly-owned airports."

Oversight of the airport can't change without FAA approval, and the agency has told the parties involved that it won't evaluate requests for a change while the issue remains subject to a legal dispute.

The FAA has encouraged the parties to work together, the agency said, and has corresponded with the N.C. Attorney General's Office, which is representing the commission. In the meantime, the airport remains under control of the city of Charlotte.

In its last action in the case, the city of Charlotte sent a letter to the FAA in November 2014 asking the agency to make a ruling that would further cement the city's control of the airport.

On Monday, city attorney Bob Hagemann said he has not received a formal response to that November 2014 letter and is studying the FAA's new policy. The city has spent about \$732,000 for legal bills and other expenses related to the airport fight, Hagemann said.

Rick Rothacker: 704-358-5170, @rickrothacker

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A new study commissioned by global loyalty experts [ICLP](#) reveals how airports can encourage passengers to engage and share information in a way that benefits both the airport and the passengers it serves. With nearly two in three passengers (64 percent) already actively trying to connect with the airport and only 5 percent of travellers stating that they do not want a relationship with the airport, there is a great opportunity for airports to develop their understanding of travellers and build personal relationships with them as individuals in order to boost airport revenue.

When connecting with airports, travellers tend to turn to the airport website to find practical information. This is most commonly: departure and arrival times (79 percent), traffic news (52 percent), how to get to/from airport (46 percent) and airport parking (35 percent), with a smaller minority looking for less essential information around shopping (21 percent) and food and drink options (25 percent). This demand for information provides an opportunity for airports to engage with passengers, developing a relationship with them and targeting them as individual customers.

When it comes to opening a dialogue with customers, it's important for airports to understand the triggers that will encourage passengers to share their information. Over half of respondents would be willing to share their personal details in return for free wifi (58 percent) or flight notifications (51 percent). Just under half would be happy to share their personal information in exchange for financial incentives such as pre-flight vouchers (43 percent) and shopping vouchers (42 percent). A third of respondents would register their personal data in return for road traffic information (35 percent) or a loyalty card (31 percent).

Overall, only 12 percent of passengers say that nothing would encourage them to share information. Millennials are the most open to sharing their personal details, and baby boomers are the most hesitant (22 percent). Airports therefore need to get the offer right so that passengers can balance their desire to protect their privacy with receiving benefits that are relevant to their individual needs.

Commenting on the findings, Mignon Buckingham, managing director of ICLP said, "This survey highlights the need for airports to take a sophisticated approach to understanding their passengers, giving customers compelling reasons to share their personal information. This is key to providing traveller memberships, services and loyalty programmes that are purpose-built to fit their needs and therefore are more successful."

Buckingham continued, "Our study revealed that a quarter of passengers feel they have a better relationship with the airline than the airport. There is undoubtedly an untapped opportunity for airports to drive sales by motivating customers to share information about themselves, collecting and using the right data and insight to better understand their customers. With over 25 years' experience delivering loyalty strategies for the travel and retail sectors, we are the ideal partner to help airports adapt their approach to using customer data in order to drive revenue."

The survey was conducted by independent research agency SSI. A sample of just under 3,000 travellers were questioned.

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Research Looks at How Airports Can Boost Revenue

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Santa Fe Airport Lands \$500K Grant to Establish Flights to Phoenix

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OH: Middletown Cleared for State Airport Funding

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CA: Four Injured in Cessna Plane Crash in Llano



Photo credit: By Richard Unten [<https://www.flickr.com/photos/unten44/>]

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June 24--Boston Logan International Airport is looking to get ahead of the recreational drone craze, telling UAV enthusiasts the airport is a strictly "No Drone Zone."

Massport CEO Thomas Glynn says the airport has blanketed its grounds and surrounding parks with new signs and is taking out ads in area newspapers in the hopes of getting the word out to the college-aged techies and graduate students he expects will be using drones in droves.

"In this community there's so many graduate schools and undergrads. There's a lot of interest from that generation," Glynn said. "We might have a little more of a problem than other airports."

Boston is ranked 4th in the nation for drone "close calls" at airports, according to a December study that reported six near-misses and 20 drone sightings by pilots in the Boston area.

"I think people want to do the right thing," Glynn said. "As more get sold there's more opportunity for people who either don't know the rules or they decide to do something that's a little on the edge."

Glynn said airport officials are concerned that an aircraft striking a drone or sucking it through an engine could force an emergency landing -- recalling the 2009 US Airways flight that struck numerous Canada geese after take-off at New York's LaGuardia Airport and was forced to land in the Hudson River.

He said the airport has had a "handful" of drones reported in the area since the Federal Aviation Administration issued rules on recreational drones last December

"A drone high in the sky that goes into a jet engine is going to create a big problem," Glynn warned. "We are trying to get ahead of it."

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Logan Airport a No-Drone Zone

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ID: Stanley Airport Use Not Hampered by House Fire Near Landing Strip

AOA

BRL: Airport to Reopen Bids for Hangar Construction

AOA

New Data Comm System Speeds Up LAX Departures

AOA



Pilot in Collegedale Crash May Have Maneuvered to Avoid

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FAA Reauthorization Bill Coming Down to the Wire

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New Airline Hopes to Launch, Give 51 Percent of Profits to

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TSA, American Airlines Jointly Testing Airport Security

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TYR Rolls Out Incentives for New Airline Business

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ADI Starts New O'Hare Air Service

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'Green' Flight Demonstrates Sustainability Progress



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With the FAA's funding deadline less than two weeks away, House Majority Leader Kevin McCarthy (R-California) added the bill to this week's [House schedule](#) for possible consideration. A GOP aide told [Politico](#) on Monday that "the finish line is close."

It would appear that the air traffic control reconfiguration, proposed by the airlines and vehemently fought by those in business and general aviation, will not be included in the final House bill. Eleven senators, however, signed onto a letter "late last week," according to another [Politico report](#), urging House leaders on both sides of the aisle to consider boosting security at airport "soft targets" including check-in and baggage claim areas.

"We're not about as a country to take our highway system and turn it over to the trucking industry and allow them to make all the decisions related to that," said Ed Bolen, president and CEO of the National Business Aviation Association (NBAA) at a [Wisconsin Business Aviation Association event](#) in Racine, Wisconsin on June 23. "Our public airspace is supposed to serve the public good. It belongs to the public. The public's elected representatives need to make sure it's not taken away and run by a private board for their special interest.

"We need to make sure people know that."

It's a war Bolen and the NBAA have been waging for nearly 20 years and one they'll likely be revisiting again if former DOT Secretary Jim Burnley is to be believed.

Burnley compared the current ATC fight with the effort to hand control of Washington National and Dulles airports to an independent authority in the 1980s, which took several years to push through, and the same ATC debate will likely take place in 18 months with a new congress (and a new president).

The final vote is yet to come, but it would seem that the ATC arrangement [proposed by Rep. Bill Shuster \(R-Pennsylvania\)](#) will not be included in any extension or reauthorization.

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FAA to Replace Voice Communication with Text Between Air

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DFW International Airport: Dallas Fort Worth International

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How the Istanbul Airport Attacks Could Affect Your Weekend Travel Plans

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Abu Dhabi Passenger Traffic Up in May

FBOS/TENANTS

Lakeland Clear to Evict Airport Tenant

AIRPORTS

Air traffic control towers across the country are undergoing improvements, with new technology slowly replacing the traditional. Like the push from paper tracking to electronic or, now, the voice communication to digital information exchange.

The Federal Aviation Administration's (FAA) program Next Generation Air Transportation System ([NextGen](#)) is establishing a technology called [Data Comm](#), which will begin being installed in all air traffic control facilities that manage high altitude traffic in 2019.

In the most basic sense, Data Comm enables air traffic controllers to communicate with the flight crew using digital messages, rather than the traditional voice communications. Or, how the FAA puts it in a news release, it's "like texting versus talking over the phone."

Los Angeles International Airport is using the new technology, which started deploying in air traffic control towers in 2015. By the end of 2016, more than 50 towers will be using Data Comm, according to a FAA news release.

In the standard voice communication there can be "talk back, read back" errors which lead to miscommunication, according to the FAA. The Data Comm solution would allow for more clear instructions, advisories, requests, reports and clearances.

Perhaps the most notable miscommunication between pilot and air traffic control towers (although there were several other factors involved) was the [Tenerife Airport Disaster](#), the deadliest collision in aviation history, in which a KLM flight took off without clearance and crashed into another Boeing 747 taxiing down the runway.

With the new technology seeming to take over, there has been some push back. For example, two

Terminal 1 Renovation Breaks Ground at SFO

newly built airport towers in San Francisco and Las Vegas that were designed exclusively for electronic tracking [have to be remodeled](#) to also accommodate the traditional paper tracking. According to what the President of the National Air Traffic Controllers Association Paul Rinaldi told pgys.org, the electronic strip system for tracking is too unstable. Rinaldi believes controllers need to be able to transition quickly back to the traditional paper tracking method, something the new towers didn't have room for.

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Fresno OKs Higher Incentives to Boost Airline Service

June 30--Fresno Yosemite International Airport is getting some more financial firepower in its efforts to encourage airlines to expand nonstop service to more high-demand destinations.

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Ideagen A Special Guest at Cobalt Air Launch

The Fresno City Council on Thursday approved an upgraded set of incentives that the airport can offer to carriers, offering to waive landing fees and providing as much as \$300,000 in marketing assistance if an airline launches new flights to a destination not already served, or for a new airline -- such as the oft-wished-for, low-cost Southwest Airlines -- entering the Fresno market.

AIRLINES



Air Serbia and Air Seychelles Team Up on Codshare Flights

"We're sending a message that we're willing to share the risk when (airlines) desire to start new service or enhance existing service," aviation director Kevin Meikle told the City Council.

AIRLINES



Air Astana Launches Almaty-Tehran Service

If an airline can make a business case to enter the Fresno market, Meikle said, it has to pull the necessary aircraft and flight crews out of somewhere else. "They're really saying, 'We think we can do better in your market than some other market,' " he said. "There is considerable risk for them in making that switch."

AIRLINES



JetBlue Offers to Cover PreCheck for Frequent Fliers

The old incentive level capped out at a maximum of \$95,000 in combined marketing support and landing fee waivers. In a report to the council, Meikle said the new program "enhances (Fresno's) ability to compete for limited airline resources." Because it is more consistent with other airports' incentives, he added, the incentive package makes Fresno more competitive.

AIRPORTS

CLT Breaks Another Local Passenger Record

In recent years, consolidation among the nation's airlines has winnowed the field to four major players: American Airlines, Delta Air Lines, United Airlines and Southwest. Together, Meikle said they control 80 percent of the U.S. domestic airline market. Southwest is the only one of the four that isn't serving Fresno, and Meikle said that aside from Cincinnati, Fresno is the largest U.S. airport not served by Southwest.

AIRLINES

PenAir to Add Portland-Klamath Falls Flights

"We would love to have Southwest here; we talk to them on a regular basis," Meikle said. In his discussions with the airline, the company has said it is focusing this year on modernizing its fleet, and in 2017 and 2018 it anticipates evaluating its route network with greater emphasis on markets in California. "That bodes well for us," Meikle said.

The highest level of incentives, up to \$300,000 and waiving landing fees for up to two years, is aimed at promoting new nonstop flights to priority markets that are not currently served from Fresno: Atlanta, Chicago, Houston, Minneapolis, Long Beach and John Wayne Airport in Orange County. A May 2015 study identified those as high-demand destinations for travelers from Fresno.

Incentives are available for airlines starting new service to airports not currently served with scheduled service; new airlines entering the market with flights to markets already being served; and airlines that replace small regional jets with larger jet aircraft with at least 107 seats.

Southwest has been on the wish list of airport and city officials for years. In 2002, then-Mayor Alan Autry led a delegation to the airline's Dallas headquarters to meet with the company's planners. But that was less than a year after the Sept. 11, 2001, terrorist attacks that sent a chill through air transportation and slowed airlines' growth plans, and the meeting failed to yield the desired fruit.

Meikle said he is hopeful that as Southwest moves through its fleet upgrade and turns its attention to its route network, Fresno could find its way into the company's Dallas boardroom once again next year for another pitch.

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Growth, Driving Down Costs on New Spirit CEO's Agenda

June 23--Tom Gentile is Spirit AeroSystems' newest executive and the man chosen by its board of directors to succeed retiring CEO Larry Lawson at the end of July.

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Allegiant to Fly Nonstop from El Paso, Texas to OAK

In a wide-ranging discussion Thursday afternoon with reporters at the company's Wichita headquarters, Gentile discussed his agenda for leading the city's largest employer, plans for future growth and the strength of the company's seven-year backlog of work on new commercial airplanes for Airbus and Boeing.

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Denver International Airport Welcomes Allegiant Air

Gentile joined Spirit in April, hired by Lawson to serve as his second-in-command as executive vice president and chief operating officer. Gentile came to Spirit from General Electric, where since 1998 he worked in a variety of leadership roles for the conglomerate, including as president and CEO of GE Aviation Services and GE Healthcare Systems.

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JetBlue Adds Detroit as the Next Destination for Its 'Soar with

Earlier this month, Spirit announced Lawson, 58, would retire from the company after a little more than three years in the job. Lawson has been widely credit by financial analysts for improving the company's financial performance.

AIRLINES



Qatar Airways to Buy a Stake in Italian Carrier Meridiana

Gentile said that first and foremost, he has been asked by Spirit's board of directors to "hit" the financial targets they've set for him and continue to grow the aircraft supplier's business as well as develop new business for the company.

Gentile said his other priorities are to deliver on the commitments Spirit has made to its customers, including meeting higher production rates Boeing has set for the 737.

AIRPORT TECH & SECURITY



Fourth of July Travel Will Break Records, AAA Predicts

Moreover, "the board was very clear they would like us to progress on long term (pricing agreements) with Boeing and Airbus," he said. "The good news is there's been a lot of active dialogue, constructive discussions."

A third priority for Gentile is lowering Spirit's costs of manufacturing.

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Tour Operator Adds 3rd Charter Destination Out of Pittsburgh

"A significant part (of those costs) is in our supply chain," he said: direct material costs and indirect costs. Gentile said that ultimately, if its suppliers can't lower their costs, there are others who can.

"Local suppliers are figuring out ways to be more productive," he said. "... And that's what we're looking for."

Gentile said the company also will look for ways to grow through its current business, which includes not only building parts for commercial airplanes manufactured by Airbus, Boeing, Bombardier, Gulfstream and Mitsubishi, but also defense work.

The new B-21 Bomber program, he said, could represent a "material portion" of defense work for the company in the future. But he said he couldn't provide more detail because the program is in its early stages.

He also said the company could grow through the acquisition of other companies.

"That's something we would explore," Gentile said.

Lastly, he wants to ensure that Spirit's management team "really come(s) together as a high-performance team." To that end, he and the team recently got together off of Spirit property in what he called a "team assimilation" exercise to better get to know one another.

"I give huge credit to Larry" for assembling a "great team with a diverse background," Gentile said.

Spirit's backlog of work stands at about seven years' worth of commercial airplane production. Gentile thinks the backlog will hold up in the coming years, even though demand for additional widebody jetliners is probably "a little softer" than for narrowbody jets, such as the 737.

"I'm pretty optimistic the current backlogs are realistic," Gentile said. "So I'm fairly bullish on the environment."

Jerry Siebenmark: 316-268-6576, @jsiebenmark

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**Fourth of July Travel
Will Break Records,
AAA Predicts**

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June 24--Nearly 200 members of Delta Air Lines' pilot union picketed outside Minneapolis-St. Paul International Airport's front doors Friday morning in an attempt to heighten the sense of urgency in securing a new contract with the company's management.

The off-duty pilots carried signs emblazoned with one of their key arguments, "Investment grade airline, investment grade pilots." The MSP event was one of eight peaceful pickets held Friday at Delta's largest U.S. hubs.

Delta's pilots, represented by Air Line Pilots Association, International (ALPA), are asking for 40 percent compounded raises over the next three years. With the Atlanta-based carrier enjoying record profits in recent years, the pilots also don't want to give up their current level of profit-sharing, something management has suggested trimming in the past.

The pilots' existing contract became amendable at the end of December. A tentative agreement was reached last year between company and the union's previous leadership, but the pilots voted to reject that proposal over perceived concessions to several of their benefits. The two sides have been meeting with the U.S. National Mediation Board since March.

In advance of the informational picketing events, Delta released a statement assuring customers its operations would not be disturbed by the demonstrations, and that the two parties "are making progress at the negotiations table."

Delta said it has been meeting regularly with the representatives from the pilot union, and that "there is an aggressive schedule planned with the mediators through June and July." Management has previously said it hopes to reach an agreement this summer.

"But while we're making steady progress, there are still tough issues to resolve in order to reach an agreement," said Capt. Steve Dickson, senior vice president of flight operations in his weekly update to Delta pilots. "Our sleeves are rolled up, and I'm encouraged that we will be able to bring this process to a successful conclusion."

About 1,200 of Delta's 12,000 pilots are based at the airline's Minneapolis-St. Paul hub. Delta employs about 9,700 people in the Twin Cities.

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Charlotte Douglas International Airport set a new local passenger record on June 13 when 30,668 passengers originated their flight at CLT. The previous record was 29,977 on March 24, the start of spring break. Before that, the day after the Democratic National Convention ended in Charlotte - Sept. 7, 2012 – held the originating passenger record of 29,539 travelers for 3.5 years. Originating passengers are travelers who began their trip at CLT, utilize parking and security checkpoints.

That's in addition to the more than 100,000 fliers who connect through Charlotte Douglas daily.

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NEWS

Winner Expects to Serve More Planes at YNG During RNC

June 30, 2016

Most convention-goers will get to the Republican National Convention in Cleveland by plane. United and American airlines have added flights and increased seating capacity into Cleveland for the convention.

PRESS RELEASE

TYR Rolls Out Incentives for New Airline Business

July 5, 2016

From TYLER POUNDS REGIONAL AIRPORT (TYR)

Recently, the Tyler City Council approved a change of ordinance to allow for Tyler Pounds Regional Airport (TYR) to offer incentives to initiate additional or enhanced air service. The ordinance was updated to draw additional and new services to the Tyler...

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For most airports, parking is one of their most valuable assets. In addition to being an important source of revenue, airport parking facilities are also essential to the airport's smooth operation because travelers count on being able to quickly find a parking space near their terminal so they can get to their flights. By providing efficient, user-friendly parking, airports can help assure a smooth transition for travelers from their vehicles to their planes.

The importance of parking as a source of revenue can't be overstated. In fact, it is generally the largest source of non-airline income for U.S. airports. Parking revenue is so crucial to the ongoing financial well-being of airports that many rely on it to pay for the lion's share of enhancements and upgrades to services and equipment not associated with parking. Parking revenues are commonly used to help fund terminal improvements, roadway and other infrastructure enhancements, staffing, and even marketing efforts.

As important as parking is to airport operations, it's surprising how often airport administrators treat it as an afterthought. Many airports take a "build it and forget it" approach to their parking assets. After building new structures, airports administrators often operate them with minimal maintenance, repairing things that wear out or break down, but otherwise paying little attention to maintaining their parking facilities. The problem with this approach is that inadequate (or, often, non-existent) maintenance typically causes parking facilities to require major repairs well before the expected life of the garage, with critical systems, technology, and infrastructure breaking down prematurely. These unnecessary break-downs often require unplanned repairs that can significantly impact operations and revenue. All too often, airports are forced to renovate or replace unmaintained structures much earlier than planned—and much sooner than capital planning will allow.

Today, however, some airports are pursuing a more proactive approach, entering into five-year on-call relationships with parking maintenance and restoration experts to minimize wear and tear within the structure, minimize repair costs, and put off its eventual replacement. In addition to typical maintenance functions such as concrete restoration and equipment repair, these five-year engagements also typically include upgrades designed to minimize deterioration of the facility and equipment breakdowns. The idea isn't just to fix things when they go wrong, but to prevent things from going wrong in the first place. It also provides an opportunity to develop and maintain a "wish list" for parking improvements, including lighting upgrades through which existing lights are replaced with energy efficient LED lighting systems; painting ceilings to improve visibility, and improve the overall atmosphere within the structure; operational changes, including adapting driving aisles and pedestrian areas; and introducing new technologies and parking products to improve customer service and enhance operations.

In addition to extending the useful life of parking structures, this proactive approach also improves the day-to-day parking experience for travelers. And when maintenance or repairs are necessary, this more strategic approach typically allows the structure to remain operational when the work is being done.

Getting Started

So, how does a five year maintenance and restoration program work? When the program commences, the first step is to evaluate the current performance of parking areas. There are two areas of primary concern to be evaluated:

customer service and operations. In evaluating customer service, airport managers and their operators need to determine whether parking facilities are pleasant, intuitive, and convenient for drivers. This largely revolves around determining how easy it is for parkers to find a space close to their gate or other destination, and whether drivers can enter and exit the facility

quickly and conveniently. The process begins with an internal inventory. Are stairways and floors clean and well-illuminated? Is access and revenue control equipment in good working order? Are exits and entrances congested? Do parkers have to circle parking areas to find an open space? What is the condition of the existing structure?

On the operational side, the 5 year program should begin with an equipment and systems audit to assure that facilities are operating at optimum efficiency and that equipment is up-to-date and operating well. This also requires an inventory. Is access and payment equipment working properly? Is facility management equipment and its software up-to-date? Are you charging the right rates? Is technology being used to cost effectively control costs? If your facility accepts credit cards for parking payments, is it compliant with Payment Card Industry Data Security Standards (PCI-DSS)?

Improving Parking

The answers to the questions posed through the inventories will determine what remedies are required, and permit parking consultants and airport administrators to create long-term schedules for maintaining and improving facilities and equipment. If stairwells and floors aren't sufficiently clean and illuminated, the fix may be as simple as washing parking areas and installing high-efficiency LED lighting. Likewise, if congestion is found at entrances and exits, the solution may be to fully automate payment and access control through pay-on-foot and card in/card out technologies. In addition to enhancing customer service, these technologies also significantly reduce the risk of theft.

If parkers find it difficult and time-consuming to find parking, the answer could be found in a parking guidance system. There are several different guidance systems, from LED signs outside entrances indicating how many spaces are available and on what floors, to complex systems featuring illuminated single space sensors that show parkers where open spaces can be found through a series of green and red lights. Parking guidance has become increasingly important at airports because of the many benefits they offer both airports and travelers. The advantages for travelers are obvious: by guiding parkers directly to available parking that's close to their gates, sensor-based systems eliminate the frustration of searching for parking and make it easier for travelers to make their flights on time. At the same time, when cars aren't fruitlessly circling driving aisles looking for a space, they aren't causing as much wear and tear on the garage itself. This can provide significant maintenance and repair savings, and delay having to replacement the facility. It also reduces emissions with less search and idling time. Finally, parking guidance systems can enhance revenues by helping the garage achieve full occupancy because drivers are less likely to give up a search for a spot and leave the facility.

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A Five Year Approach To Airport Parking

Modern mobile and net-based technologies are also available through which parkers can use apps on their smartphones to find open parking. Systems can also be launched allowing travelers to use smart phones and computers to reserve a space or arrange for valet parking. Some airports even offer frequent flyer or similar award programs that provide special discounts or parking privileges, and which can be accessed by travelers with their smart phones. These are amenities that can give airport parking facilities an important competitive edge over satellite lots, and they are often instituted as part of a 5 year parking plan to address shortcomings or competitive challenges discovered through the

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Transportation Plan Update

initial inventory process.

Simple fixes are also available for administrative shortcomings. The 5 year plan should include regular evaluation of all management software that's being used in parking facilities. When software becomes obsolete or stops meeting all of garage's unique needs, the easy solution is to purchase a management software package that meets all of those needs. And if equipment isn't operating to full capacity, it should be repaired or replaced.

One final, and extremely common way, that parking facilities struggle is through pricing. It is essential for airports to charge enough to meet operational requirements and generate revenue, but at the same time it's important not to charge too much and drive travelers to competing lots. It can be challenging to figure out whether parking rates are too high, too low, or just right. That's why an operations analysis is an essential part of any 5 year plan. Throughout the 5 year program utilization (how close to capacity the facility is from day-to-day) can be studied and the consultant can make recommendations if pricing adjustments are called for. Airport administrators

may feel great about the fact that their parking facilities are full every day, but this may actually be a warning sign that they aren't charging enough! When this is the case, owners are leaving money on the table. Likewise, if a facility tends to operate well under capacity every day, it may be an indication that rates are too high. Though it may also be because the facilities aren't convenient, clean, or efficient enough. These are all questions that the consultant can answer throughout the life of the 5 year program.

Preparing for the Future

The third element of the five year plan is to prepare for the future. One essential item that's often ignored by owners is preventive maintenance. Few types of buildings experience as much wear and tear and are as susceptible to the elements as parking. Just as new parking structures come with maintenance manuals providing guidance for protecting the facility through regularly-scheduled cleaning and other preventive maintenance, the five-year plan should also include a maintenance schedule.

And airport parking facilities need to remain operational when maintenance and repairs are being conducted. Except under the most extreme conditions, airports don't close; their parking facilities need to be open whenever terminals are. When maintenance and repairs are scheduled throughout a 5 year program it is much easier to assure that parking facilities can stay open while the work is being completed.

Parking is vital, both for the revenues it provides airports and for the role it plays in meeting the needs of travelers. By implementing a five-year strategic parking plan, airport administrators can be sure that they are getting the most out of parking. And when the five-year plan is completed, it's time to start again!

Todd Lohman is managing principal of Walker Parking Consultants' Indianapolis office. He can be reached at Todd.Lohman@walkerparking.com.

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A New Reality for the Airline Business

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Qatar Airways to Buy a Stake in Italian Carrier Meridiana

The message from Bob Montgomery — Southwest Airlines' vice president of airport affairs — in a keynote address at April's AirIT conference was clear: airports are not going to get between him and his customers.

Montgomery started at Southwest 39 years ago as a part-time worker. "When I walked in the door at Southwest in late 1977, airlines and technology rarely collided in the same sentence. We were a low-cost airline," he said. "Just to give you a picture of what things were back then, if you were using a phone, it was about 20 times bigger than it is today and it was attached to the wall. You couldn't leave a message because there weren't answering machines."

Southwest needed to build a reservation system, said Montgomery. "We were cheap we didn't want to buy the huge computers that were required at the time, so we bought Bunker Ramo machine, a stock quotation machine that Wall Street was getting rid of," he said. "The screen was about a third of the size of my iPhone, just a little bitty screen that had nothing but the flight number and a passenger's name."

The airline didn't have actual tickets; it had an NCR cash register that created a receipt, said Montgomery. "Instead of a boarding pass, the receipt would repeat the same information on the top and the bottom. And to give somebody a boarding pass we just tore their ticket and gave them the other half," he said.

"We have thousands of employees that are dedicated to nothing but technology solutions across our enterprise. We also have thousands of contractors who help us accomplish the technology agenda of Southwest Airlines," Montgomery said. "We have a technology annual spend that exceeds our aircraft purchases in our early years."

There is a new reality in the airline business these days, said Montgomery. "There is almost nothing that we do that isn't touched by technology," he said.

Southwest is working on the replacement of its reservation system to Amadeus, said Montgomery.

"We're already using the Amadeus product for our international routes. Replacing a reservation system is like this gordian knot of problems, because that system touches literally thousands of other systems that have to be overhauled and made consistent with the main product," he said. "I've been working on it for five years." The new Amadeus system will come fully online next year, he added.

"When technology is involved in every single thing that we do, literally everything, how do we priorities? How do we impose spending discipline? How do we get good? What are we going to do before we move onto the next shiny object," Montgomery asked.

"Who's paying for all this stuff? Who is benefiting from it? What's the business case for implementing any technology solutions," asked Montgomery. "You're just like me. You're in love with technology for technology's sake. And you would start spending a lot of money trying to do it. So it's very pertinent to start asking these questions."

Airlines fly a million passengers a day and they are the real customer, said Montgomery. "And that customer belongs to me. He or she doesn't belong to the airport and they don't belong to IATA, ACI or A4A," he said. "Sometimes I might ask for some help in dealing with them on some

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