

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

September 8, 2016

The Greenville-Spartanburg Airport Commission met on September 8, 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, Bill Barnet, and Doug Smith

MEMBERS NOT PRESENT: Leland Burch, Valerie Miller

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Kevin Howell, Vice President Operations/COO; Jack Murrin, Vice President Administration and Finance/CFO; 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: John Mafera, McFarland Johnson; Mike Darcangleo, AVCON, Inc.; Herbert Judon, Augusta Regional Airport; Morgan Arndt, WCSR.

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:00 a.m.

Mr. Edwards began the meeting with the President/CEO Report first.

CONSENT AGENDA:

A motion was made, seconded, and unanimous vote received to approve the regular meeting minutes from the July 11, 2016 Commission Meeting.

PRESENTATIONS:

No presentations

OLD BUSINESS:

A. Approval of TD Bank – GSP Line of Credit Form Loan Agreements

At the last two Commission meetings, Staff discussed moving forward with changing the banking relationship from NBSC to TD Bank. At that time, the Commission authorized Management to move forward with working with legal counsel in preparing, negotiating, and finalizing all documents necessary to complete the banking relationship change and to enter into the Form of Note and Loan Agreement (collectively, the "Loan Agreements").

Mr. Jack Murrin, VP Administration & Finance/CFO, reported that Staff and legal counsel reached an agreement. There are no fiscal impacts.

Mr. Jack Murrin recommended that the "Final Resolution Authorizing and Approving a Not to Exceed \$25,000,000 Revolving Credit Facility Secured by the Revenues of the District and Authorizing the Execution and Delivery of Certain Documents in Connection Therewith," authorizing management to enter into the Loan Agreements, be approved. Mrs. Betty Temple stated that copies of the Loan Agreements were made available for the public to review at the meeting and provided copies of both documents.

There was a motion to approve the "Final Resolution Authorizing and Approving a Not to Exceed \$25,000,000 Revolving Credit Facility Secured by the Revenues of the District and Authorizing the Execution and Delivery of Certain Documents in Connection Therewith" and the Note. The motion was seconded and unanimous vote was received.

NEW BUSINESS:

A. Approval of Minimum Standards – Specialized Airport Service Operator (SASO) for Commercial Air Carrier Line Maintenance

Minimum standards are in place today, but the Airport District does not have a SASO specific to Commercial Air Carrier Line Maintenance.

While the Airport District has two operators engaged in commercial air carrier line maintenance services at the Airport, there have been other companies that have expressed an interest in providing services as well.

Mr. Scott Carr, VP of Commercial Business and Properties, introduced and referenced Exhibit A (Section R – Commercial Air Carrier Line Maintenance Services). Section R was developed and created as a SASO specific to Commercial Air Carrier Line Maintenance. The Minimum Standards are:

- (1) The SASO shall operate the service from a minimum of one thousand (1,000) square feet of space of the Airport.
- (2) The SASO shall provide not less than one (1) qualified and certified employee on duty either at the Airport or on call in accordance with the hours of operation.
- (3) The SASO shall have all of the necessary equipment and tools to work on commercial aircraft scheduled to the Airport.
- (4) The SASO shall have on-airport personnel from the hours 4:30 a.m. to midnight and be able to respond within 30 minutes of a call to the airport between the hours of midnight and 4:30 a.m. daily.

These standards will help provide better customer service and ensure prompt service.

Mr. Carr requested that the Airport Commission approve the Minimum Standards for SASO for Commercial Air Carrier Line Maintenance Services.

There was a motion to approve the Minimum Standards for Specialized Airport Service Operator (SASO) for Commercial Air Carrier Line Maintenance Services. The motion was seconded and unanimous vote was received.

B. Approval of Lease Terms/Agreement for Michelin Hangar Facility

At the July 2016 Board meeting, the Commission approved the construction of a Corporate Hangar Facility for Michelin. Michelin currently leases hangar space from Stevens Aviation. Michelin is transitioning, however, to new aircraft with a wider wingspan and tail height and thus is in need of a facility that can accommodate the larger planes.

Staff negotiated lease terms with Michelin for the corporate hangar. The lease terms include a base term of ten years with no option periods. The lease premises include an 18,000 sf hangar with an adjoining office space of approximately 3,000 sf. The initial rental rate is \$185,000 for year one and then adjusted annually by 3%. All FBO related service fees will be negotiated separately with the exception that in the first year Jet A fuel purchase is \$.75/gallon plus Airport District fuel costs with a minimum purchase of 200,000 gallons.

Mr. Carr requested that the Airport Commission (1) approve the lease agreement terms and (2) authorize the President/CEO to execute a lease agreement with Michelin.

With regards to the time frame on the hangar, Mr. Kevin Howell noted that documents are close to being finalized. The District is getting ready for prequalification of contractors and is expected to take bids in October. The target completion date is July 2017. Michelin's first new aircraft arrives in October 2016. The second aircraft is expected to arrive in the summer of 2017.

There was a motion to approve the lease agreement terms and authorize the President/CEO to execute a lease agreement with Michelin. The motion was seconded and unanimous vote was received.

C. Approval of Final Rankings for Professional Airport Planning Services

The GSP Airport Master Plan is a FY2017 budgeted project. The previous master plan dates back to 1991. That master plan was updated in 1997 and again in 2003. FAA guidelines recommend an update about every ten years.

Mr. Kevin Howell, VP of Operations/COO, stated Staff prepared a *Request for Qualifications (RFQ) for Professional Airport Planning Services – Airport Master Plan*. Following FAA protocol, this was a qualification based selection, not a priced selection. Submittals of Qualifications (SOQs) were received from seven prime firms on August 9, 2016.

In Phase 1, the Evaluation/Selection Committee reviewed the SOQs and ranked them in accordance to evaluation criteria as outlined in the RFQ.

In Phase 2, the firms were short-listed to three firms. Presentations and interviews among the three firms were held with the Evaluation/Selection Committee on August 24, 2016. The

Evaluation/Selection Committee's unanimous and final recommended ranking was: 1) McFarland Johnson, 2) Mead & Hunt, and 3) WSP/Parsons Brinckerhoff. McFarland Johnson will use AVCON, Inc. for the engineering components of the master plan and Wolpert for GIS. The master plan will fold together smaller plans such as Land Use Planning Study, Landscape Master Plan, Terminal Area Study, etc.

The recommended ranking is: 1. McFarland Johnson, 2. WSP Parsons Brinckerhoff, and 3. Mead & Hunt. The plan is to establish fee and scope with McFarland Johnson. Staff surveyed other airports of the same size as GSP. FAA requires an independent fee review. The master plan shows up in the Airport's Capital Improvement Plan for FAA Airport Improvement Program (AIP) entitlement reimbursement of next years' program. The federal fiscal year 2017 AIP grant would cover 90% of the master plan.

Mr. Kevin Howell respectfully requested that the Airport Commission resolve to (1) approve the final rankings for Professional Airport Planning Services - Airport Master Plan and (2) authorize Staff to negotiate and finalize agreements with the highest ranked firm/team and (3) authorize the President/CEO to execute all necessary documents.

There was a motion to approve the final ranking for Professional Airport Planning Services - Airport Master Plan and (2) authorize Staff to negotiate and finalize agreements with the highest ranked firm/team and (3) authorize the President/CEO to execute all necessary documents. The motion was seconded and unanimous vote was received.

PRESIDENT/CEO REPORT:

Aviation Industry Update: The industry did receive an AIP reauthorization through the end of September 2017. After the first of the year, Congress will likely re-engage in the discussion as to how the industry will move forward as it relates to continuing AIP and at what levels, along with whether or not there is going to be a passenger facility charge (PFC) increase.

Airlines continue to have record profits.

Tryon International Equestrian Partnership: Scott Carr and Holly Bridwell have negotiated and signed a partnership agreement between GSP and Tryon International Equestrian Center. Pursuant to the terms of the partnership agreement, GSP will have a table at the main ring. GSP will also have its logo displayed on water trucks. Scott Carr said that GSP has the opportunity to run a 30-second commercial and various other audio announcements. Furthermore, GSP has a branded jump that will circulate between the main and secondary rings. GSP also has some social media engagement opportunities with the Equestrian Center. While GSP is not the exclusive airport partner, GSP has first right of refusal. The Equestrian Center agreed to have GSP install kiosks for customers to print boarding passes.

The long-term vision is an Equine Importation Center. Scott Carr noted that the Tryon International Equestrian Center announced that in 2017 they will pursue the Pan American Equestrian Games to be held in Tryon. The 2018 FEI World Equestrian Games are open for competition among various equestrian centers and Tryon International Equestrian submitted their bid last week. GSP would have the opportunity to be the closest airport that could house the temporary quarantine facilities, if constructed. JFK, Miami, Chicago, and LAX are the only other locations that have quarantine facilities.

Upstate Alliance Air Service Task Force: As a member of the Upstate Alliance Executive Committee, Mr. Edwards indicated his involvement in recent discussions about making air service development more of a regional approach. As a result of these discussions, a new air service task force has been formally approved by the Board of Upstate Alliance.

Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA): The GSP Police Department recently underwent the recertification process by CALEA, Inc. This revalidation occurs every three years. Both Mr. Edwards and Chair Minor Shaw had the opportunity to spend some time with the CALEA auditors of which they both received positive feedback about the GSP Police Department. The GSP Police Department is one of two in the state who have this accreditation. CALEA, Inc. scrutinizes records, materials, standard operating procedures, etc. to ensure those documents comply with CALEA, Inc. standards. The formal ceremony for reaccreditation is scheduled for the first week in November in Charleston, SC.

Parking Rates: Charlotte Douglas International Airport just raised their parking rates. Long-term parking increased \$2.00, from \$5/day to \$7/day. Curb valet increased by \$7.00, from \$28/day to \$35/day.

WINGSPAN Ribbon Cutting: The ceremony is expected to be held in January 2017.

Art Installation Update: The water wall to the left of the security checkpoint was installed last week. The glass in the elevator fronts is complete at both elevators. By the middle of this month, Staff is taking delivery of the main piece for the North fountain. This piece will be stored until the fountain is complete. Other art is being installed on September 8, 2016 in the niche in Concourse A. The second water wall will be installed sometime this fall. The installation of the terrazzo medallions at the down escalator locations has been delayed as a result of construction; however, installation is expected between mid-October and early November. The District has received positive feedback with regards to the art installations thus far.

COMMISSIONER'S REPORT:

Mrs. Shaw noted the upcoming ACI-NA Annual Conference in Canada and Mr. Edwards commented that this is the ACI-NA Annual Conference combined with ACI-World. Airport industry executives from all over will be in attendance at this conference and Mr. Edwards

expects approximately 2,500 attendees. Mr. Burch, Chair of the ACI-NA Commissioners Committee, will be attending as well. Mr. Edwards will be speaking at a BIT Committee and hosting a session about construction development and building in a "Sense of Place."

The Commissioners Conference will be in Greenville, SC April 2-4, 2017. Mr. Burch will chair this event. ACI-NA runs this particular conference and selects the venue. GSP plans to coordinate a golf tournament and BMW driving experience event.

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 to receive legal advice on various matters, specifically the TD Bank contracts and Loan Agreements, the agreement with Crawford Strategies, specifically to discuss the scope and content of deliverables, and a confidential economic development project.

ADJOURNMENT:

At approximately 11:22 a.m., public session resumed with no action being taken. The meeting was adjourned at 11:23 p.m. The next meeting is scheduled for November 21st at 9:00 a.m.

SIGNATURE OF PREPARER:



Stefanie Hyder