



AGENDA

Greenville-Spartanburg Airport Commission Regular Meeting
Greenville-Spartanburg International Airport Conference Room C – Administrative
Offices

Thursday, September 8, 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 July 11, 2016
Regular Meeting Minutes ([document](#))

III. PRESENTATIONS: None

IV. OLD BUSINESS:

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

V. NEW BUSINESS:

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

B. Approval of Lease Terms/Agreement for Michelin Hangar Facility
([document](#))

C. Approval of Final Rankings for Professional Airport Planning Services –
Airport Master Plan ([document](#))

VI. PRESIDENT/CEO REPORT:

- A. Aviation Industry Update
- B. Tryon International Equestrian Center Partnership
- C. Upstate Alliance Air Service Task Force
- D. Commission on Accreditation for Law Enforcement Agencies, Inc.,
(CALEA®)

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. July 2016 – Traffic Report ([document](#))
- B. July 2016 – Financial Report ([document](#))
- C. August 2016 – Development/Project Status Report ([document](#))
- D. August 2016 – Communications Status Report ([document](#))
- E. August 2016 – Commercial Business and Properties Report ([document](#))
- F. August 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
- Parking Presentation
- PRT 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

July 11, 2016

The Greenville-Spartanburg Airport Commission met on July 11, 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: Peter Muller, PRT Consulting; Scot Sibert, Parsons Brinckerhoff; Paul Smith, WK Dickson; Andrew Lewis, Public Attendee; Alex Chambers, Summer Intern; Rudolph Bell, The Greenville News; Jim Fair, Greer Today; and Morgan Arndt, WCSR

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 May 9, 2016 Commission Meeting.

PRESENTATIONS:

A. Annual Strategic Business Plan Update

Mr. Dave Edwards introduced Mr. Steve Van Beek of ICF to recap the District's performance as it relates to the six-year Strategic Business Plan. Mr. Van Beek provided a presentation for the Commission with a focus on the performance measures and results over the past year, Fiscal Year 2015-2016, as well as some of the performance measures that GSP has set in moving forward towards the upcoming Fiscal Year 2016-2017. Mr. Van Beek stated that we are now entering the midpoint of the strategic business plan.

He opened the discussion with FAA reauthorization. He expects Congress to extend the reauthorization for the FAA through the next fiscal year, September 30, 2017. There is nothing new in this bill. The AIP will remain where it is and the passenger facility charge is not going to be increased.

Mr. Van Beek elaborated on what is going on in the industry in general, both here and at larger airports like Minneapolis/St. Paul Airport. They have similar issues that we have here such as the need for additional parking spaces, larger hold rooms, public space and concessions, no new runways, parking, and getting to the terminal.

As to the Strategic Business Plan, Mr. Van Beek reviewed the SWOT analysis and the six strategic goals which are: safety and security, economic development, air service, financial management, economic opportunity and customer service. Overall, Mr. Van Beek indicated that the District is performing well in all areas.

B. Strategic Marketing/ Brand Update

Mr. Edwards introduced Mr. Edward Shelswell-White of LexVolo who has also played a major role in the GSP Strategic Business Plan from the standpoint of marketing and customer service. Over the past couple of years, we've engaged Mr. Shelswell-White in our outreach program to the community to conduct surveys both online and face to face. We've come back after a year to see how those marketing efforts and plans have resonated in the community and among our travelers.

Mr. Shelswell-White reviewed the findings and made recommendations related to the follow-up research from the tracking survey that Brand IQ completed on the District's behalf. He shared that we now have hard metrics to show how our campaigns are performing. This information will be utilized to make adjustments to the various campaigns in Fiscal Year 2016-2017.

C. Personal Rapid Transit (PRT) System Project Update

Mr. Edwards first took a moment to reflect how the PRT project began and why GSP underwent a feasibility study. We completed the feasibility study in January 2015. Mr. Peter Muller of PRT Consulting presented the study. The purpose of the study was to evaluate connectivity on the airport to our economy lot locations in the future, and to evaluate the implementation of a traditional rubber tire shuttle bus versus a newer automated technology/PRT system. The impetus for the study was that the traveling public had expressed dissatisfaction with not having transportation from the current economy parking lot at GSP. We continue to receive those complaints today. In addition, there is a demand for affordable parking to meet future demand, as well as a long-term desire to connect GSP properties in the future.

Mr. Edwards introduced Mr. Paul Smith of WK Dickson indicating that WK Dickson is the program manager as one of the on call consultants. Mr. Smith introduced Mr. Scott Sibert,

Senior Project Manager with Parsons Brinckerhoff (PB) and Mr. Muller from PRT Consulting. PB is an international transportation, planning and engineering management firm specializing in mass transit and surface transportation. PRT Consulting is specifically in the PRT system space and recognized as the leading expert in this area.

Mr. Sibert began the presentation by defining ATN as driverless vehicles on a dedicated guide way. They are at grade level or an elevated system. They offer short waiting times and non-stop travel. There are existing systems, mainly outside of the United States.

Mr. Sibert further reviewed the various phases of the project to date. Mr. Muller specifically discussed the Request for Proposal process and the three (3) vendor responses. He then stated the two (2) vendors that were selected to move forward in the process; Modutram, a Mexican company, and 2getthere, a Dutch company. The team decided not to recommend Taxi2000. Their costs were high and they are not in a development situation.

Mr. Edwards conveyed that with the assistance of PRT Consulting, an application for a Federal Advanced Transportation Deployment Grant was submitted. This is a recent category of federal grant to look for and fund new systems that will facilitate capacity and congestion relief. The grant application was for up to \$12M and it requires a 50% match allowing for a \$24M project. The award date is scheduled for September 2016.

Mr. Edwards indicated that the team feels that a facility visit to the shortlisted vendors (Modutram in Guadalajara, Mexico and 2getthere in Abu Dhabi) is needed before a final decision is made as to which companies will make the final cut for the next stage; the next stage being procurement of design build teams.

Mr. Sibert discussed the next steps. In Phase II, we need to develop bridging documents for the procurement process. The team evaluated three different types of procurement models which were Design Bid Build, Design Build Operate Maintain (DBOM), and Design Build which SCDOT uses. The team would develop preliminary designs up to twenty percent. In the preliminary design phase, the team would request geotechnical borings and surveys to include utilities. The team would finalize specifications and contract documents. The funding/finance model includes the submission of the grant application to USDOT.

A preliminary schedule includes a site visit in August/September 2016, prequalification of vendors in October 2016, completion of bridge documents in June/July 2017, Design Build Procurement in July/September 2017, estimated construction in October 2017, and estimated opening of the system in October 2019.

Discussion ensued with several questions asked and answers provided.

There was a consensus to review the options again and bring back an update to the Commission in a few months. In addition, an answer on the grant should be available at that time.

Chairperson Minor Shaw would like to see the overall impact on the budget as well as budget projections. Mr. Murrin commented that he will update the necessary documents.

Chairperson Minor Shaw announced a short break at 12 noon. The meeting resumed at 12:09 pm.

OLD BUSINESS:

No Old Business

NEW BUSINESS:

A. Approval of TD Bank – GSP Line of Credit Corporate Resolution

Mr. Edwards stated that at the last Commission meeting, Staff discussed the potential for changing the District's banking relationship. Mr. Edwards turned the meeting over to Mr. Jack Murrin, VP of Administration & Finance/CFO, to review the resolution that has been requested by TD Bank and reviewed by legal counsel.

Mr. Murrin stated that Mrs. Betty Temple with WCSR has worked through the agreements that TD Bank presented to GSP. Mr. Murrin referenced the Certificate of Corporate Resolution giving the District the authority to make that change effective to TD Bank to include the merchant account agreement with all of the credit card processing, opening and maintaining our depository and operational accounts, as well as opening a \$25 million dollar line of credit.

Mr. Murrin recommended that the Airport Commission authorize the execution of the Certificate of Corporate Resolution.

Chairperson Minor Shaw recommended two signatures. Mr. Murrin stated that the current policy stipulates that all operational checks over \$10,000 need two signatures and anything with a line of credit will have to have two signatures as well. The only three people that can authorize such checks or in the future use the line of credit are Dave Edwards as CEO, Jack Murrin as CFO, and Kevin Howell as COO.

There was a short discussion as to the selection of TD Bank to provide such banking services.

There was a motion to approve and adopt the Certificate of Corporate Resolution authorizing management to effectuate the change of our banking relationship from NBSC to TD Bank. The motion was seconded and unanimous vote received.

B. Approval of Lease for PSA MRO Facility

Mr. Scott Carr, VP Commercial Business and Properties, presented a request to execute an agreement with PSA Airlines. PSA is a regional carrier for American Airlines. They have been looking for a location in the southeast US to add a maintenance repair and overhaul (MRO)

facility. We successfully negotiated a lease agreement for FBO Hangar #2 that will handle both CRJ700 and CRJ900 aircraft. That facility is approximately 45,000 sf; 30,000 sf of hangar floor space and 15,000 sf of office space.

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

There was a motion to approve the lease of FBO Hangar #2, associated apron space, and adjacent employee parking for PSA Airlines, and authorize the President/CEO to execute a lease agreement with PSA Airlines. The motion was seconded and unanimous vote received.

PRESIDENT/ CEO REPORT:

Aviation Industry Update: No update

Wingspan Ribbon Cutting Ceremony: The target date is December 8, 2016. Mrs. Rosylin Weston noted that the event will begin at 6:30 pm and they will coordinate closely with TSA.

Partnership with Tryon International Equestrian Center: Mr. Edwards, Mr. Carr, and Mrs. Holly Bridwell have been working closely to forge a partnership with the Tryon International Equestrian Center. The Equestrian Center is interested in using GSP for their travel needs. Staff will continue to have dialogue about the equine clearance facility as well. Mr. Carr noted that the Equestrian Center is chasing after the Pan America games next year.

Airport Master Plan Update: Mr. Howell issued a request for qualifications for professional airport planning services for the airport master plan on July 1, 2016. The master plan was last updated in 2003. There are some items that need to be revalidated as it relates to the airfield. Furthermore, there are some changes to airfield geometry by the FAA that also need to be addressed. Staff will be reaching out to Chairperson Shaw for a Commission taskforce to be assembled which should include three Commission members to be involved and engaged. Kevin Howell noted that the recommendations for the selection of a Master Plan consultant will be presented at the September Commission meeting. Following the selection process, it will take an estimated 30-45 days to get a contract in place. The kick-off meeting is slated for late October/early November. The project should take approximately 12-18 months.

FBO: Kevin Howell noted that Staff has recently completed interviewing current Stevens Aviation employees and preparing contingent job offers. One contingency most important is completing current employment with Stevens Aviation. The District has more positions than Stevens Aviation has employees, so jobs will be opened to the public. Mr. Steve Bowlin, Mr. Nathan Garner, and Mr. Kelly Wiggs have been working through that process. Mr. Bowlin will run the FBO business and Mr. Wiggs will handle the cargo and commercial services. In addition, Staff is working through the fuel farm design. WK Dickson has assisted with the

review of the associated documents and comments have been provided to World Fuel. The new fuel farm is expected to be operational by December 15, 2016. Staff has made a decision on fuel trucks and will put those orders in this week with World Fuel. Lastly, and most recently, Mr. Howell has been working through some Branding items with Mrs. Rosylin Weston's group.

Mr. Edwards commented that he and Mr. Howell met with Air BP in Chicago, IL on July 8, 2016 to discuss fueling as well as Air BP's intent in moving forward towards the end of the year. To help with a seamless transition, Staff provided Air BP with an agreement which was a supply and fuel farm removal agreement. Air BP will present the agreement to their senior staff in London either today or tomorrow. Depending on the outcome, Staff may have to stand up a temporary fuel farm.

Mr. Carr commented that Staff is currently working with a cargo operator that has a customer with a need for two daily 767-300's, 7 days a week 365 days a year. Staff is in the final negotiation stages for this lease agreement.

COMMISSIONER'S REPORT:

Madam Chair noted that the Airport Commissioners Conference is scheduled for April 2-4, 2017. Mr. Leland Burch will be chairing the Commissioners Conference in Greenville. Please add this event to your calendars.

The 2016 ACI-NA/World Annual Conference/World Annual General Assembly is scheduled for September 23-28, 2016 in Montreal, QC Canada.

EXECUTIVE SESSION:

There being no further business, a motion was made, seconded, and carried to go into Executive Session at 12:25 p.m. 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 personnel issues.

ADJOURNMENT:

At approximately 1:04 p.m., public session resumed with no action being taken in executive session. The meeting was adjourned at approximately 1:05 p.m. The next meeting is scheduled for September 8th at 9:00 a.m.

SIGNATURE OF PREPARER:

Stefanie Hyder



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: September 8, 2016

ITEM DESCRIPTION – Old Business Item A

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

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. At the Commission meeting held on July 11, 2016, the Commission approved resolutions authorizing the line of credit and related banking arrangements with TD Bank. Management has been working with TD Bank management and legal counsel in reviewing and revising the Form of Note and Loan Agreement (collectively, the “Loan Agreements”).

ISSUES

The attached “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,” as reviewed by District’s legal counsel, authorizing the District’s CEO, COO, and CFO to execute the Loan Agreements with TD Bank is presented for approval. This resolution represents the official Commission approval of the Loan Agreements and will be filed with the Clerk of Court in Spartanburg and Greenville counties.

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 prior Commission meetings when it was decided to move forward with the change.

RECOMMENDED ACTION

Management recommends that the attached “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 in the forms made available at the meeting be approved.



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

BE IT RESOLVED by the Greenville-Spartanburg Airport Commission (the “Commission”), as governing body of the Greenville-Spartanburg Airport District (the “District”):

Section 1. The Commission does hereby find and determine as follows:

(a) The District is a body politic and corporate and a political subdivision of the State of South Carolina established for the purpose, among others, of establishing, developing, constructing, improving, operating and maintaining an airport and air navigation facility (the “Airport”) to serve the people of the District and the public generally.

(b) The Commission has determined to enter into a not-to-exceed \$25,000,000 revolving credit facility provided by T.D. Bank, N.A. (the “Bank”) for the purpose of financing, from time to time, various capital improvements to the Airport (the “Project”) and related financing costs.

(c) The proposed financing will be evidenced by (i) a Loan Agreement, to be dated as of the September __, 2016 (the “Loan Agreement”), between the District and the Bank and (ii) a Revolving Credit Note, to be dated as of the date of delivery thereof (the “Note”), executed and delivered by District in favor of the Bank. The terms of the Loan Agreement and the Note have been presented at this meeting and the proposed forms thereof have been made available, and the terms and provisions of the Loan Agreement and the Note are hereby incorporated by reference into this Resolution.

(d) The Loan Agreement and the Note will be entered into by the District pursuant to the provisions of Title 55, Chapter 11, Article 3 and Title 6, Chapter 17 of the 1976 Code of Laws of South Carolina, as amended (collectively, the “Act”), and shall be deemed to constitute a “bond” within the meaning of the Act.

(e) The District has determined that the execution and delivery of the Loan Agreement and the Note in order to finance the Project is in the best interests of the District.

Section 2. Capitalized words and terms used in this Resolution and not otherwise defined herein shall have the same meanings given such words and terms in the Loan Agreement and the Note.

Section 3. Pursuant to the provisions of the Act, the District hereby authorizes the incurrence of indebtedness in the form of a revolving line of credit as provided in the Loan Agreement and the Note in a principal amount not to exceed \$25,000,000 for the purpose of financing the costs of the Project and related financing costs. The term of the Loan Agreement and the Note shall initially be one year from the date of initial delivery of the Note, subject to the extension of such term by the Bank in its sole discretion; provided, however, that such term as extended shall not exceed the earlier of the useful life of the Project or 40 years from the date of the Note. The principal of the Note shall be due and payable at the times and in the amounts set forth in the Loan Agreement and the Note, subject to the District’s right of prepayment as specified in the Loan Agreement. The Note shall bear interest at



a variable rate equal to one-month LIBOR plus 0.75%, adjusted monthly, all as provided in the Loan Agreement and the Note.

Section 4. The Loan Agreement and the Note shall be special obligations of the District payable solely from and secured by a lien on the Net Revenues of the District. Neither the faith and credit of the State of South Carolina nor or any county lying within the District nor the District itself is pledged to the payment of the principal, premium, if any, or interest payable under the Loan Agreement or the Note. The Bank shall have no right to compel the exercise of the taxing power of the State of South Carolina, any county lying within the District or the District itself to pay the principal, premium, if any, or interest payable under the Loan Agreement or the Note, nor to enforce payment against any property of the State of South Carolina, any county lying within the District or the District itself other than Net Revenues, nor shall the Loan Agreement or the Note constitute a charge, lien or encumbrance, legal or equitable, upon any property of the State of South Carolina, any county lying within the District or the District itself. The District has no taxing power. The pledge and lien on the Net Revenues to secure the payment of principal, premium, if any, and interest payable under the Loan Agreement and the Note shall be junior, subordinate and inferior to the pledge of, and lien on, the Net Revenues created by the Resolution securing payment of the Bonds, all as provided in the Loan Agreement.

Section 5. The terms and provisions of the Loan Agreement and the Note are hereby approved in the forms made available at this meeting, and the President and Chief Executive Officer, the Vice President and Chief Operating Officer and the Vice President – Administration and Chief Financial Officer of the District are each hereby authorized to execute and deliver the Loan Agreement and the Note in substantially the forms made available at this meeting, together with such modifications as such person executing such documents, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof. The Secretary of the District or any assistant or deputy Secretary of the District is hereby authorized to attach the official seal of the District and to attest the same to the extent required thereby.

Section 6. The President and Chief Executive Officer, the Vice President and Chief Operating Officer, the Vice President – Administration and Chief Financial Officer of the District, or any of them or their deputies, are each hereby authorized and directed (without limitation except as may be expressly set forth in this Resolution) to take such action and to execute and deliver such certificates, agreements, instruments, opinions or other documents as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this Resolution, the Loan Agreement or the Note.

The officers, agents and employees of the District are hereby authorized and directed to do all acts and things required of them by the provisions of the Act, this Resolution, the Loan Agreement or the Note for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same.



Section 7. This Resolution shall take effect immediately upon its adoption.

Upon motion of Commissioner _____ and seconded by Commissioner _____, the foregoing Resolution entitled “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” was adopted by the following vote:

Ayes: _____

Noes: _____



* * * * *

I, David N. Edwards, Jr., Secretary of the Greenville-Spartanburg Airport Commission, as governing body of the Greenville-Spartanburg Airport District, DO HEREBY CERTIFY that the foregoing resolution was duly adopted at a meeting duly called and held by said Commission on September 8, 2016 and that said resolution and proceedings relating to its adoption are recorded in the minute books of said Commission.

I DO HEREBY FURTHER CERTIFY that proper notice of such meeting was given as required by South Carolina law.

WITNESS my hand this 8th day of September, 2016.

Secretary



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: September 8, 2016

ITEM DESCRIPTION - New Business Item A

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

BACKGROUND

Minimum standards are implemented at airports to minimize potential grant assurance violations as well as to create a fair “playing field” for all operators. These standards improve the quality of service by setting minimum expectations and requirements for operation at the Airport.

The proposed standards are specific to operators currently engaging or wishing to engage in Commercial Air Carrier Line Maintenance Services at the Airport.

ISSUES

The Airport District presently has two operators engaged in Commercial Air Carrier Line Maintenance Services at the Airport. In addition, there have been other companies that have expressed an interest in providing services too.

The new proposed Minimum Standards are attached as Exhibit A for review.



ALTERNATIVES

The Airport District could continue to allow the Specialized Airport Service Operator for Commercial Air Carrier Line Maintenance to operate without minimum standards.

FISCAL IMPACT

No Fiscal Impact

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission approve the Minimum Standards for Specialized Airport Service Operator (SASO) for Commercial Air Carrier Line Maintenance Services.



Exhibit A

SECTION R - Commercial Air Carrier Line Maintenance Services

Statement of Concept

A Commercial Air Carrier Line Maintenance Services SASO engages in line maintenance on scheduled or unscheduled air carrier aircraft operating at the Airport.

Minimum Standards

- (1) The SASO shall operate the service from a minimum of one thousand (1,000) square feet of space on 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. - 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.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: September 8, 2016

ITEM DESCRIPTION – New Business Item B

Approval of Lease Terms/Agreement for Michelin Hangar Facility

BACKGROUND

In July 2016, the Commission approved the construction of a Corporate Hangar Facility. Michelin is interested in leasing this corporate hangar with associated apron and office space for the storage of Michelin owned aircraft at the Airport.

Michelin currently leases hangar space from Stevens Aviation in Hangar # 4. They are transitioning, however, to two new Falcon 2000LXS aircraft with a wider wingspan and tail height; therefore, they are in need of a new facility that can accommodate the larger planes.

ISSUES

Staff has negotiated lease terms with Michelin for the corporate hangar. A summary of the primary business terms of the agreement are as follows:

1. **Base Term** – Ten (10) years
2. **Option Term** – None
3. **Lease Premises** – Approximately an 18,000 square foot hangar, with an adjoining office space of about 3,000 square feet, and associated vehicle and aircraft parking areas.
4. **Rental Rate** – \$185,000.00 annually for the Lease Premises. Rents shall be adjusted annually by 3%.
5. **Other Fees** – FBO related service fees are negotiated separately.

First year Jet A fuel purchase is \$.75/gallon plus Airport District fuel costs with a minimum purchase of 200,000 gallons.

6. **Contract Security** – 25% of the annual rental fees
7. **District Improvements** – Construction of facilities as approved by the Commission in July 2016
8. **Lessee Improvements** – None
9. **Maintenance** – Lessee shall be responsible for all maintenance of the Premises.
10. **Utilities** – Lessee is responsible for the cost of all Lessee installed utilities and usage charges on the Premises.
11. **Insurance** – Lessee will be required to provide hazard insurance, liability insurance, workers' compensation insurance, and employer's liability insurance.
12. **Taxes and Assessments** – Lessee is responsible.
13. **Subleasing** – All aviation and non-aviation commercial subleases will require the approval of the District.
14. **Assignment** – Lessee must obtain approval of the District to assign the lease, which shall not unreasonably be withheld.

ALTERNATIVES

No alternatives are recommended at the time.

FISCAL IMPACT

Staff has negotiated a first year annual lease amount of \$185,000. This rate encompasses the apron, hangar, office space, and associated parking facilities.

Each subsequent year, throughout the term of the agreement, the annual lease rate escalates by three percent (3%).

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission (1) approve the lease agreement terms as outlined above and (2) authorize the President/CEO to execute a lease agreement with Michelin.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin E. Howell, Vice President/COO

DATE: September 8, 2016

ITEM DESCRIPTION - New Business Item C

Approval of Final Rankings for Professional Airport Planning Services - Airport Master Plan

BACKGROUND

The Greenville-Spartanburg Airport District completed an airport master plan study for GSP in 1991 titled the "Horizon Plan." That master plan was updated in 1997 and again in 2003 with Bechtel Infrastructure. The FAA recommends airports update their master plan about every 10 years or whenever significant changes may occur. The GSP Airport Master Plan is a FY2017 budgeted project.

Staff prepared a Request for Qualifications (RFQ) for Professional Airport Planning Services – Airport Master Plan and the RFQ was advertised regionally and nationally through local media and various industry trade organizations and publications. Seven (7) Submittals of Qualifications (SOQs) were received on the August 9, 2016 due date.

Firms/teams submitting SOQs were (prime firms listed below alphabetically):

- CHA
- Delta Airport Consultants
- McFarland Johnson
- Mead & Hunt
- Parrish & Partners
- Talbert, Bright & Ellington
- WSP/Parsons Brinckerhoff



The Selection Committee reviewed the SOQs and ranked them in accordance to the evaluation criteria as outlined in the RFQ. The evaluation criteria utilized is shown below.

SOQ Evaluation Factors:

1. Past and current experience and performance of respondent on similar projects (Team/Firm) (20 points)
2. Resumes of key personnel committed to project w/relevant experience on similar projects (20 points)
3. Project management approach (15 points)
4. Ability to complete the project on time and within budget (15 points)
5. Plan for DBE and/or small or local business participation (10 points)
6. Organization structure & capability (10 points)
7. Responsiveness to RFQ (10 points)

Following the review and ranking of the SOQ's, three (3) firms/teams were short-listed for the second phase of the selection process which included presentations and interviews with the Selection Committee.

Short-listed firms/teams (prime firms listed below alphabetically):

- McFarland Johnson
- Mead & Hunt
- WSP/Parsons Brinckerhoff

Presentations and interviews were held with the short-listed firms/teams on August 24, 2016. At the conclusion of each presentation, the Committee conducted a question and answer session with each team on several project management and general master plan project items to learn more about their firm/team, and assist the Committee in determining the final rankings.



ISSUES

In accordance with administrative policy, it is Staff's role to conduct the solicitation process and make a recommendation of a final ranking to the Commission. The Commission has final approval of the ranking.

Attached are Executive Summaries submitted by each of the short-listed firms/teams. The Committee's recommended final ranking is:

- 1 – McFarland Johnson
- 2 – WSP/Parsons Brinckerhoff
- 3 – Mead & Hunt.

Upon approval of the final rankings, Staff will attempt to negotiate an agreement with the highest ranked team. In the event that an agreement cannot be reached with the highest ranked team, Staff will formally terminate the negotiations and proceed to negotiate with the next highest ranked team.

ALTERNATIVES

No alternatives are recommended at this time.

FISCAL IMPACT

Approval of the final ranking itself does not have a direct fiscal impact. As part of the negotiations with the Master Plan consultant, Staff will be negotiating a fee and scope agreement. The current capital project budgeted \$1,000,000 for this project and assumes future AIP reimbursement under the FY17 AIP entitlement grant program.

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission resolve to (1) approve the final rankings for Professional Airport Planning Services - Airport Master Plan as presented above; (2) authorize Staff to negotiate and finalize agreements with the highest ranked firm/team (if an acceptable agreement cannot be reached with the highest ranked firm/team, negotiations will be formally terminated and will then proceed with the next ranked firm/team); and (3) authorize the President/CEO to execute all necessary documents.



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: September 8, 2016

ITEM DESCRIPTION – Information Section Item A

July 2016 - Traffic Report

SUMMARY

For July 2016, passenger traffic was down **3.3%** over the same month in 2015. Cargo numbers are now being reported again, although, the categorization of the cargo is still being addressed so you will see some significant variances in a few areas. Overall cargo is down slightly for July 2016 over July 2015 by 1.9%. Load factors continue to be strong with an overall average of **81.7%**.

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%
May	5.60%	4.40%	1.20%
June	0.90%	4.60%	-3.70%
Average	6.47%	4.87%	1.60%



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

Providing a look forward into the service levels for October 2016 is a schedule comparison for the month vs the same month last year including flights and seats by airline and non-stop markets served. As such, flights are down at 4.9% and seats are up at 2.4% due to larger aircraft being flown by the airlines.

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

<i>All flights, seats, and ASMs given are per week.</i>											
Travel Period				Oct 2016		Oct 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	51	3,434	0	0	51	3,434		
AA	GSP	DCA	396	18	995	0	0	18	995		
AA	GSP	DFW	862	19	1,262	20	1,382	(1)	(120)	(5.0%)	(8.7%)
AA	GSP	PHL	514	18	900	0	0	18	900		
DL	GSP	ATL	153	53	7,578	53	6,911	0	667	0.0%	9.7%
DL	GSP	DTW	508	25	1,406	25	1,250	0	156	0.0%	12.5%
DL	GSP	LGA	610	11	550	11	550	0	0	0.0%	0.0%
G4	GSP	FLL	620	3	531	2	354	1	177	50.0%	50.0%
G4	GSP	PGD	550	2	354	2	354	0	0	0.0%	0.0%
G4	GSP	PIE	482	3	531	4	697	(1)	(166)	(25.0%)	(23.8%)
G4	GSP	SFB	426	3	531	3	520	0	11	0.0%	2.1%
UA	GSP	EWR	594	20	1,020	19	950	1	70	5.3%	7.4%
UA	GSP	IAD	383	26	1,560	22	1,180	4	380	18.2%	32.2%
UA	GSP	IAH	838	13	670	19	950	(6)	(280)	(31.6%)	(29.5%)
UA	GSP	ORD	577	27	1,506	26	1,300	1	206	3.8%	15.8%
US	GSP	CLT	76	0	0	58	2,937	(58)	(2,937)	(100.0%)	(100.0%)
US	GSP	DCA	396	0	0	19	1,071	(19)	(1,071)	(100.0%)	(100.0%)
US	GSP	PHL	514	0	0	19	950	(19)	(950)	(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	12	1,716	(12)	(1,716)	(100.0%)	(100.0%)
TOTAL				312	25,688	328	25,074	(16)	614	(4.9%)	2.4%

Monthly Traffic Report

Greenville-Spartanburg International Airport

July 2016



Category	Jul 2016	Jul 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change	*MOV12-2016	*MOV12-2015	Percentage Change
Passenger Traffic									
Enplaned	87,590	88,785	-1.3%	571,871	546,012	4.7%	1,001,160	953,380	5.0%
Deplaned	<u>85,400</u>	<u>90,182</u>	-5.3%	<u>562,636</u>	<u>540,733</u>	4.1%	<u>987,204</u>	<u>944,055</u>	4.6%
Total	172,990	178,967	-3.3%	1,134,507	1,086,745	4.4%	1,988,364	1,897,435	4.8%
Cargo Traffic (Pounds)									
Express and Mail									
Enplaned	1,049,461	2,195	47711.4%	4,194,541	16,355	25546.8%	4,203,614	35,932	11598.8%
Deplaned	<u>794,207</u>	<u>498</u>	159379.3%	<u>3,260,826</u>	<u>15,528</u>	20899.7%	<u>3,264,427</u>	<u>39,895</u>	8082.5%
Subtotal	1,843,668	2,693	68361.5%	7,455,367	31,883	23283.5%	7,468,041	75,827	9748.8%
Freight									
Enplaned	1,729,774	2,995,179	-42.2%	14,633,611	18,623,635	-21.4%	28,238,718	33,235,751	-15.0%
Deplaned	<u>1,659,488</u>	<u>2,339,052</u>	-29.1%	<u>14,211,140</u>	<u>15,843,895</u>	-10.3%	<u>25,845,053</u>	<u>27,421,389</u>	-5.7%
Subtotal	3,389,262	5,334,231	-36.5%	28,844,751	34,467,530	-16.3%	54,083,771	60,657,140	-10.8%
Total	5,232,930	5,336,924	-1.9%	36,301,067	34,499,461	5.2%	61,552,761	60,733,015	1.3%

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

Monthly Traffic Report

Greenville-Spartanburg International Airport

July 2016



Category	Jul 2016	Jul 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change	*MOV12-2016	*MOV12-2015	Percentage Change
Aircraft Operations									
Airlines	1,539	1,299	18.5%	9,455	7,590	24.6%	15,115	12,774	18.3%
Commuter /Air Taxi	<u>1,346</u>	<u>1,632</u>	-17.5%	10,477	11,498	-8.9%	19,224	21,237	-9.5%
Subtotal	<u>2,885</u>	<u>2,931</u>	-1.6%	<u>19,932</u>	<u>19,088</u>	4.4%	<u>34,339</u>	<u>34,011</u>	1.0%
General Aviation	723	782	-7.5%	5,242	5,454	-3.9%	8,840	9,350	-5.5%
Military	<u>210</u>	<u>122</u>	72.1%	<u>1,065</u>	<u>683</u>	55.9%	<u>1,689</u>	<u>1,132</u>	49.2%
Subtotal	<u>933</u>	<u>904</u>	3.2%	<u>6,307</u>	<u>6,137</u>	2.8%	<u>10,529</u>	<u>10,482</u>	0.4%
Total	3,818	3,835	-0.4%	26,239	25,225	4.0%	44,868	44,493	0.8%
Fuel Gallons									
100LL	2,799	3,760	-25.6%	16,948	23,850	-28.9%	31,817	42,211	-24.6%
Jet A (GA)	37,123	47,384	-21.7%	358,974	397,118	-9.6%	650,618	711,246	-8.5%
Subtotal	<u>39,922</u>	<u>51,144</u>	-21.9%	<u>375,922</u>	<u>420,968</u>	-10.7%	<u>682,435</u>	<u>753,457</u>	-9.4%
Jet A (A/L)	<u>743,063</u>	<u>798,780</u>	-7.0%	<u>5,571,864</u>	<u>5,466,498</u>	1.9%	<u>9,890,901</u>	<u>9,858,640</u>	0.3%
Total	782,985	849,924	-7.9%	5,947,786	5,887,466	1.0%	10,573,336	10,612,097	-0.4%

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

Scheduled Airline Enplanements, Seats, and Load Factors

Greenville-Spartanburg International Airport



July 2016

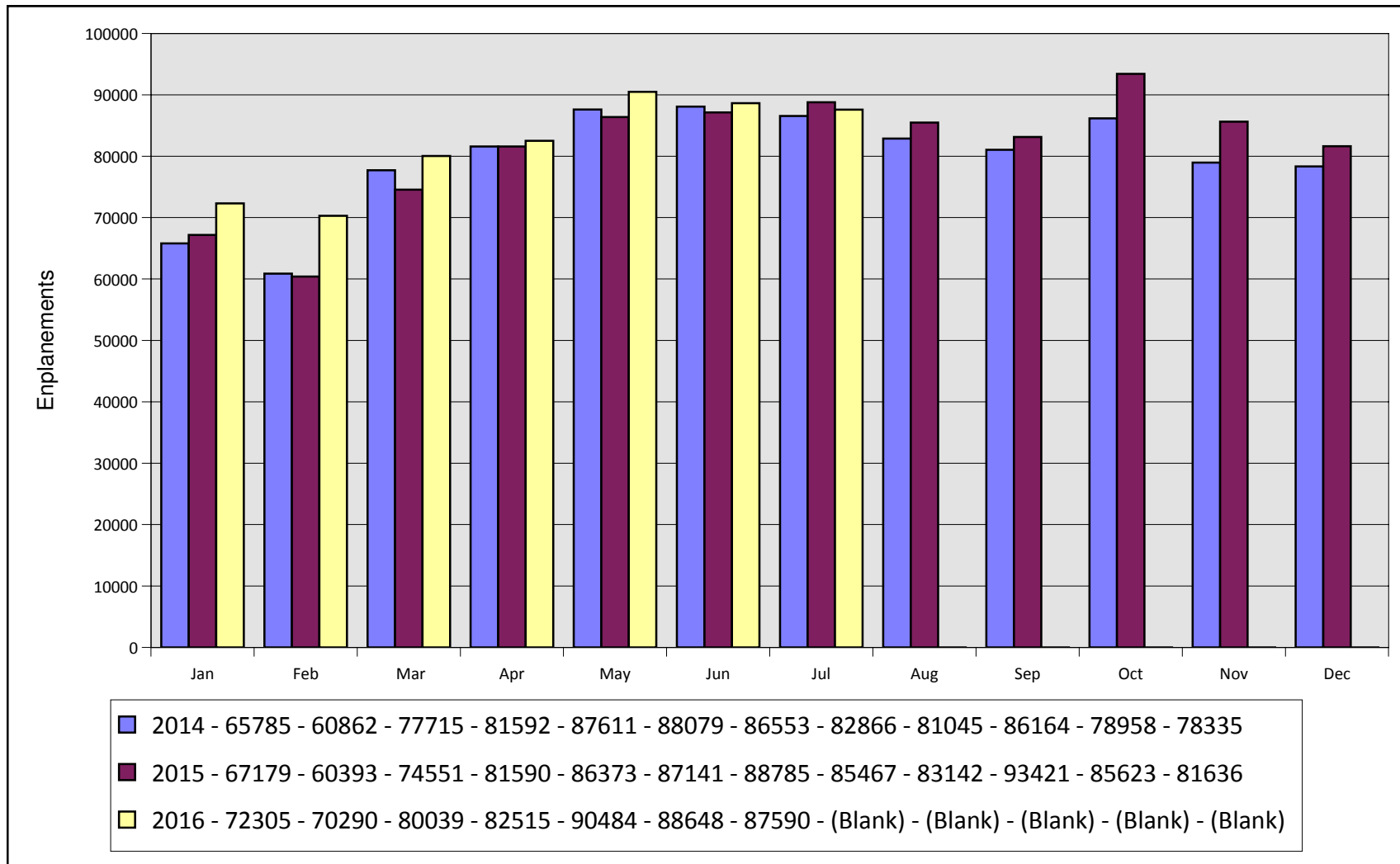
	Jul 2016	Jul 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change
Allegiant Air						
Enplanements	8,219	7,647	7.5%	40,741	39,129	4.1%
Seats	9,536	8,895	7.2%	48,505	45,265	7.2%
Load Factor	86.2%	86.0%	0.3%	84.0%	86.4%	-2.8%
American Airlines						
Enplanements	24,177	5,068	377.1%	156,643	30,457	414.3%
Seats	30,040	5,208	476.8%	191,923	35,295	443.8%
Load Factor	80.5%	97.3%	-17.3%	81.6%	86.3%	-5.4%
Delta Air Lines						
Enplanements	30,478	30,178	1.0%	208,155	195,051	6.7%
Seats	36,118	33,483	7.9%	237,311	222,188	6.8%
Load Factor	84.4%	90.1%	-6.4%	87.7%	87.8%	-0.1%
Southwest Airlines						
Enplanements	8,810	14,129	-37.6%	71,228	83,123	-14.3%
Seats	13,306	18,100	-26.5%	111,047	119,437	-7.0%
Load Factor	66.2%	78.1%	-15.2%	64.1%	69.6%	-7.8%

Monday, August 29, 2016

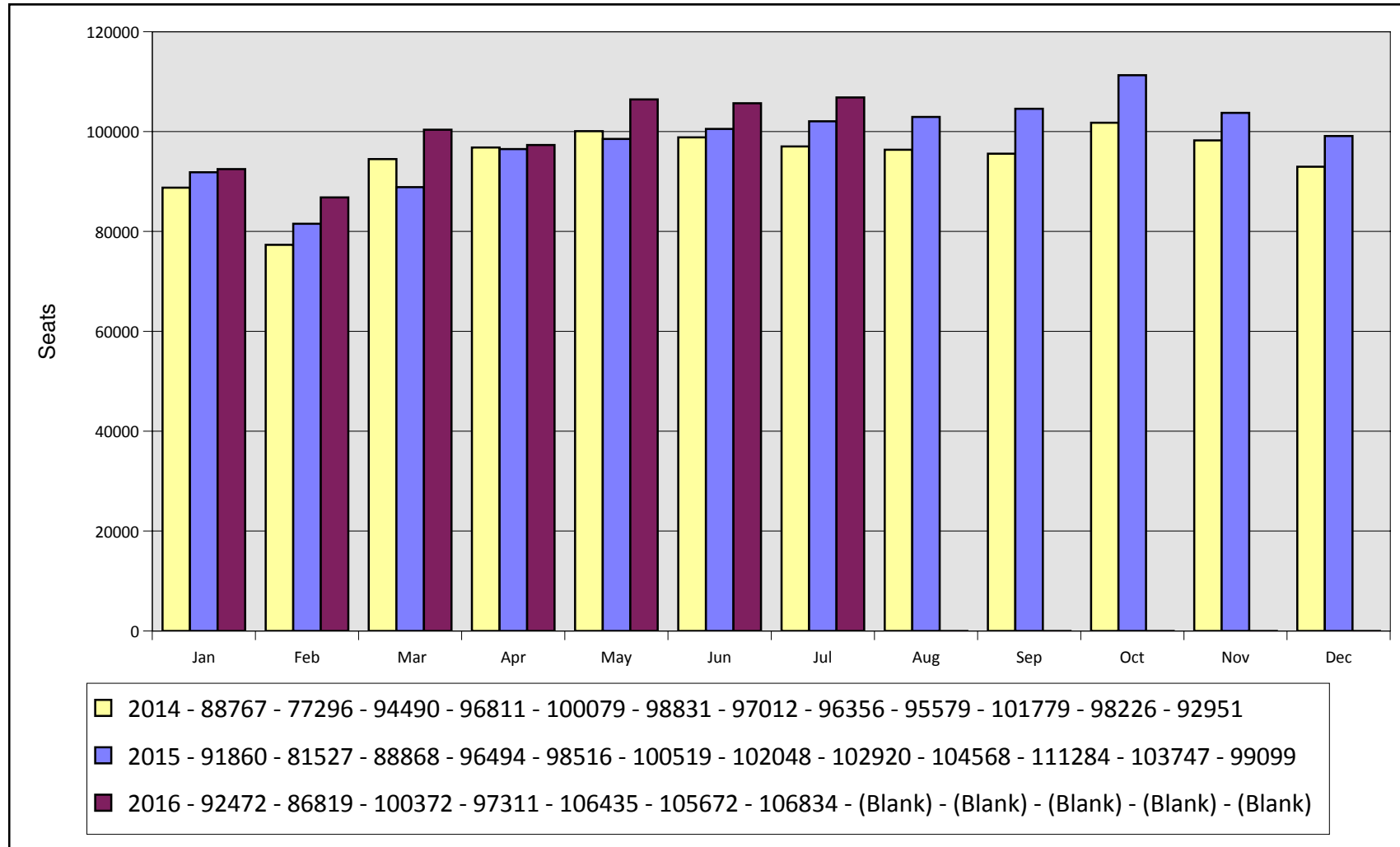
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

	Jul 2016	Jul 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change
United Airlines						
Enplanements	13,889	12,348	12.5%	89,477	78,679	13.7%
Seats	15,803	13,195	19.8%	102,116	93,911	8.7%
Load Factor	87.9%	93.6%	-6.1%	87.6%	83.8%	4.6%
US Airways						
Enplanements	0	17,477	-100.0%	0	115,480	-100.0%
Seats	0	20,546	-100.0%	0	137,875	-100.0%
Load Factor	#Num!	85.1%	#Type!	#Num!	83.8%	#Type!
Totals						
Enplanements	85,573	86,847	-1.5%	566,244	541,919	4.5%
Seats	104,803	99,427	5.4%	690,902	653,971	5.6%
Load Factor	81.7%	87.3%	-6.5%	82.0%	82.9%	-1.1%

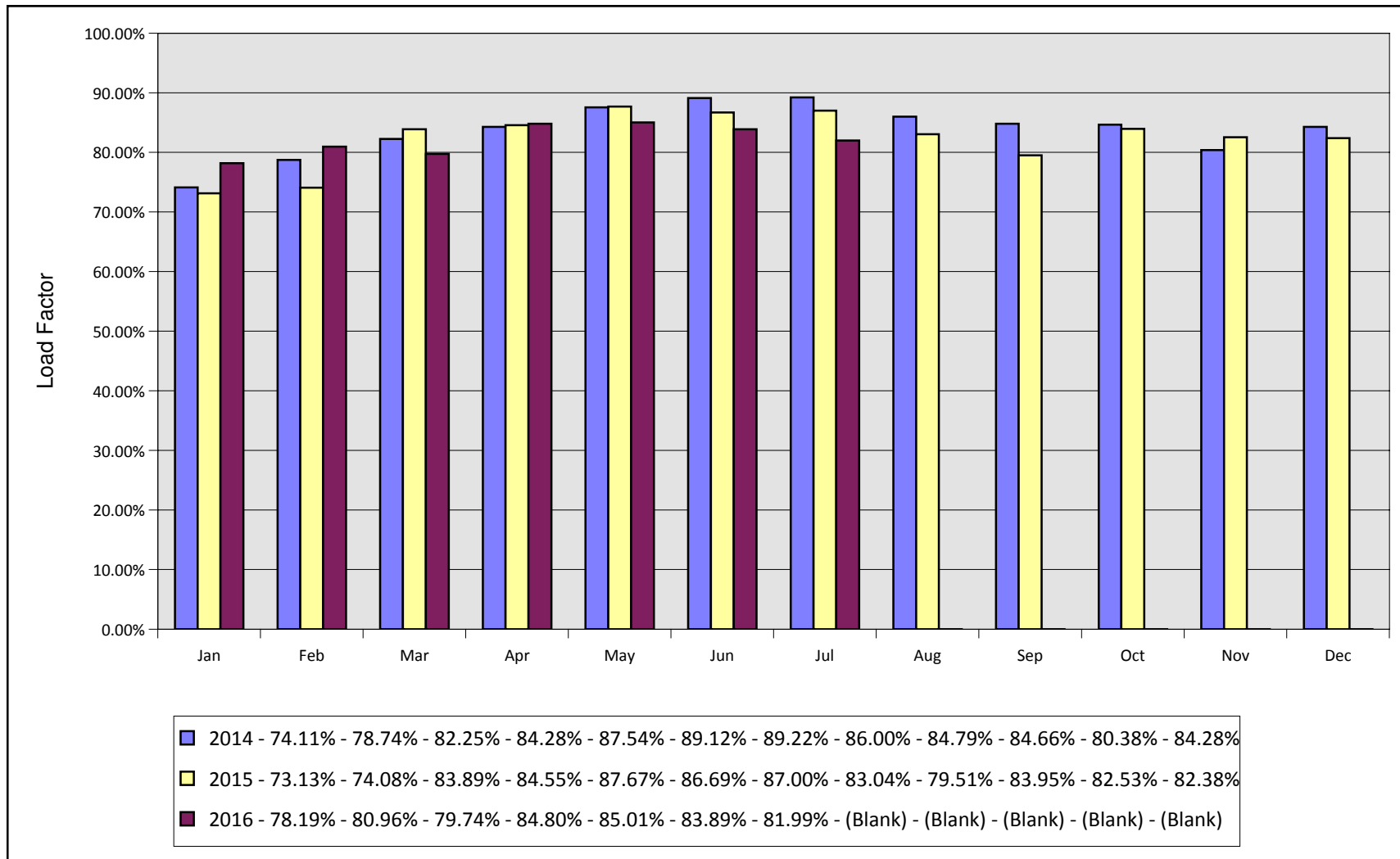
Monthly Enplanements By Year Greenville-Spartanburg International Airport



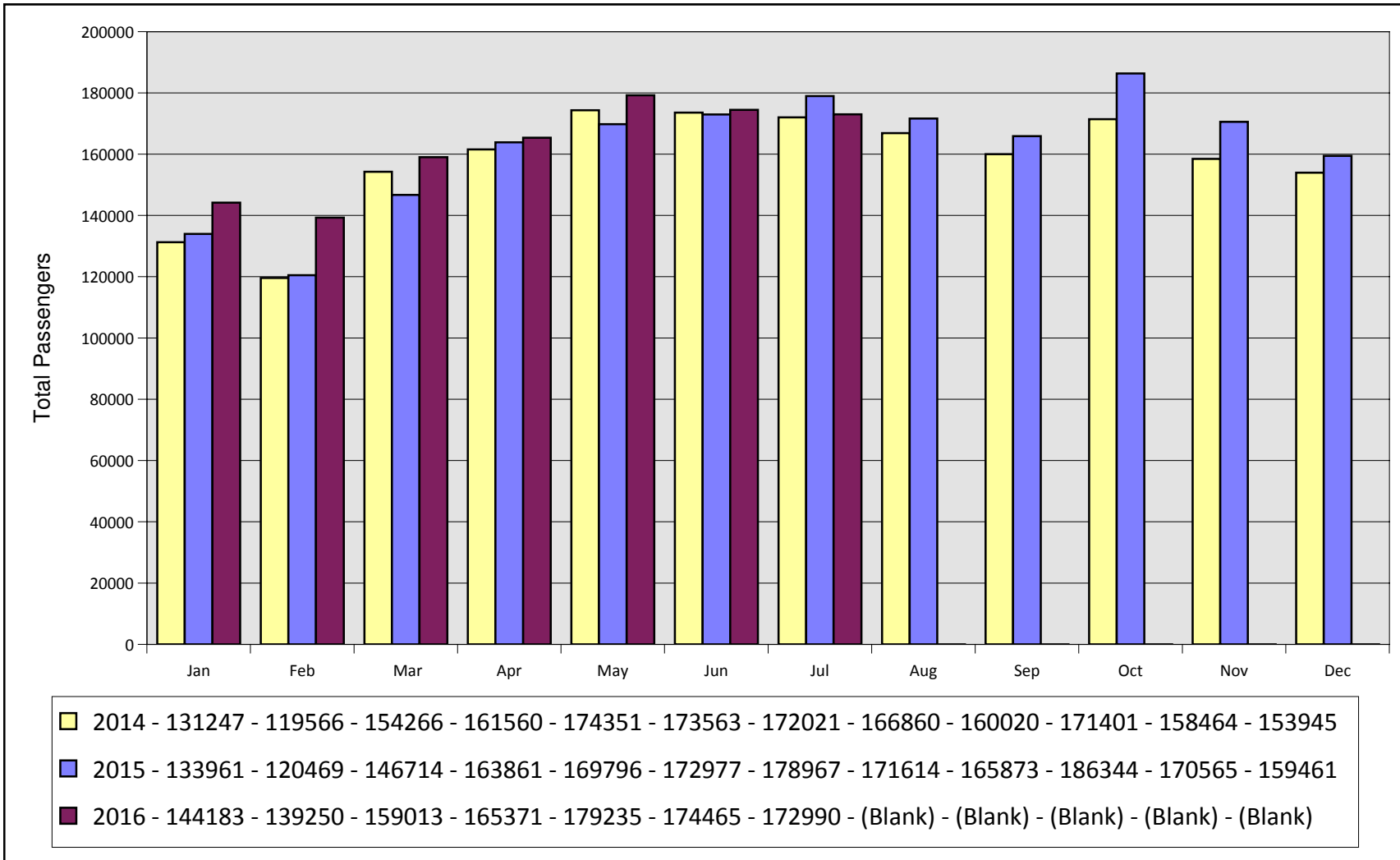
Monthly Seats By Year Greenville-Spartanburg International Airport



Monthly Load Factors By Year Greenville-Spartanburg International Airport

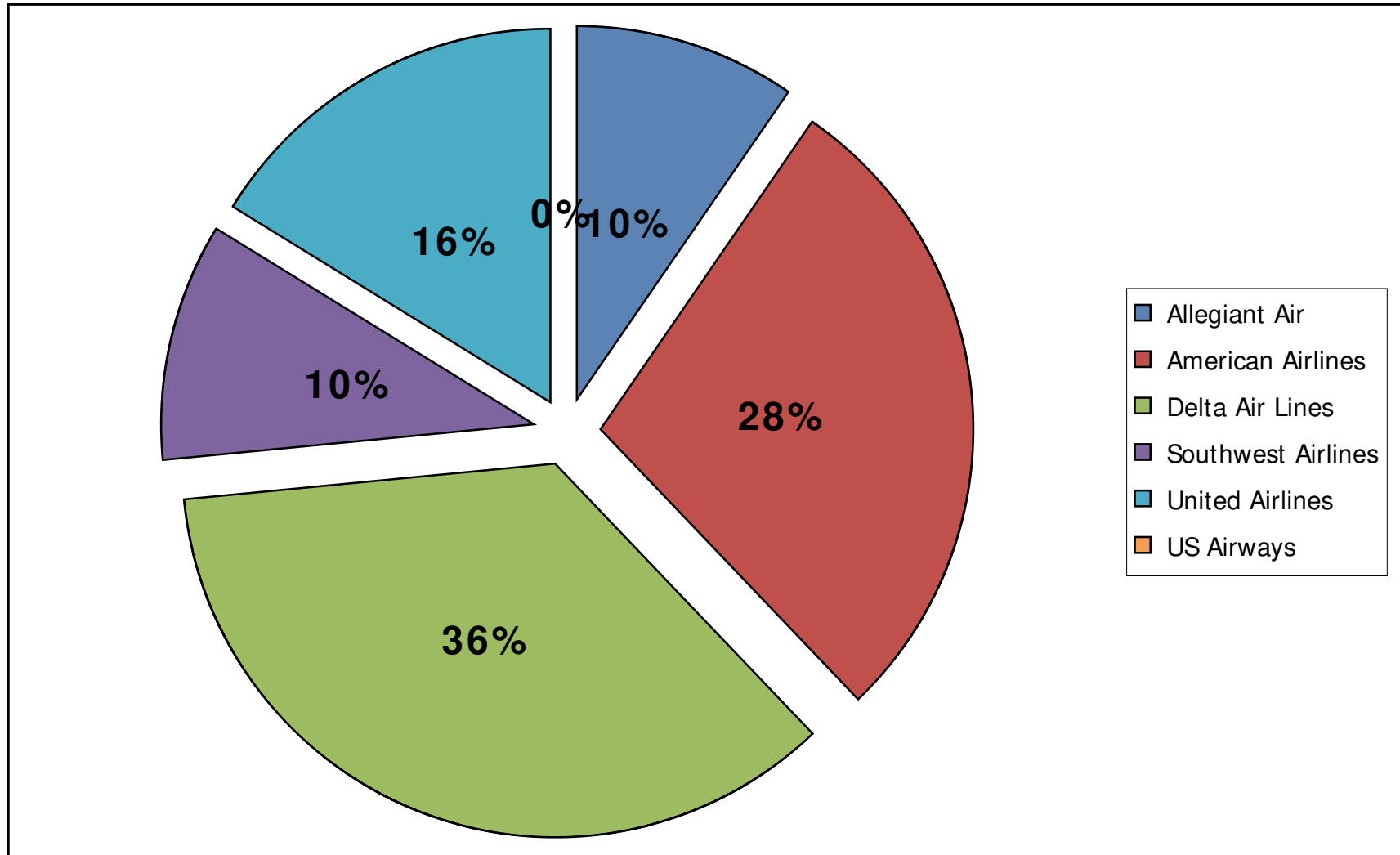


Total Monthly Passengers By Year Greenville-Spartanburg International Airport



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

Report Period From July 2016 Through July 2016



Airline Flight Completions Greenville-Spartanburg International Airport

July 2016



Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	53	0	0	0	0	0	100.0%
Alliance Air Charter	1	0	0	0	0	0	100.0%
American Airlines	324	0	9	17	1	27	155.2%
Amerijet Int'l	1	0	0	0	0	0	100.0%
Ameristar Jet Charter	2	0	0	0	0	0	100.0%
CommutAir	3	0	0	0	0	0	100.0%
Delta Air Lines	395	0	0	8	0	8	100.3%

Monday, August 29, 2016

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Federal Express	40	0	0	0	0	0	100.0%
Freight Runners Express	1	0	0	0	0	0	100.0%
IFL Group	8	0	0	0	0	0	100.0%
McNeely Charter Service	2	0	0	0	0	0	100.0%
Republic Airlines	20	0	0	2	0	2	115.0%
Royal Air Freight	3	0	0	0	0	0	100.0%
Southwest Airlines	94	0	0	0	0	0	100.0%
United Airlines	299	0	0	11	0	11	96.3%
UPS	32	0	0	0	0	0	100.0%

Monday, August 29, 2016

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
US Airways	0	0	0	0	0	0	#Num!
USA Jet	1	0	0	0	0	0	100.0%
Xtra Airways	2	0	0	0	0	0	100.0%
Total	1,281	0	9	38	1	48	96.3%

Monday, August 29, 2016



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: September 8, 2016

ITEM DESCRIPTION – Information Section Item B

July 2016 - Financial Report

SUMMARY

Operating Income was down by **5.96%** when compared to the budget for Year-to-Date July 2016. Operating Expenses were down by **20.83%** over the budgeted amount for the period. Net operating income was up **19.30%** versus the budget through July 2016. For the period ending July 2016, which represents one (1) month of the fiscal year, a total of about **\$1.17 million** has been returned to the bottom line in operating income.

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

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

July 31, 2016 FINANCIAL STATEMENT PACKAGE

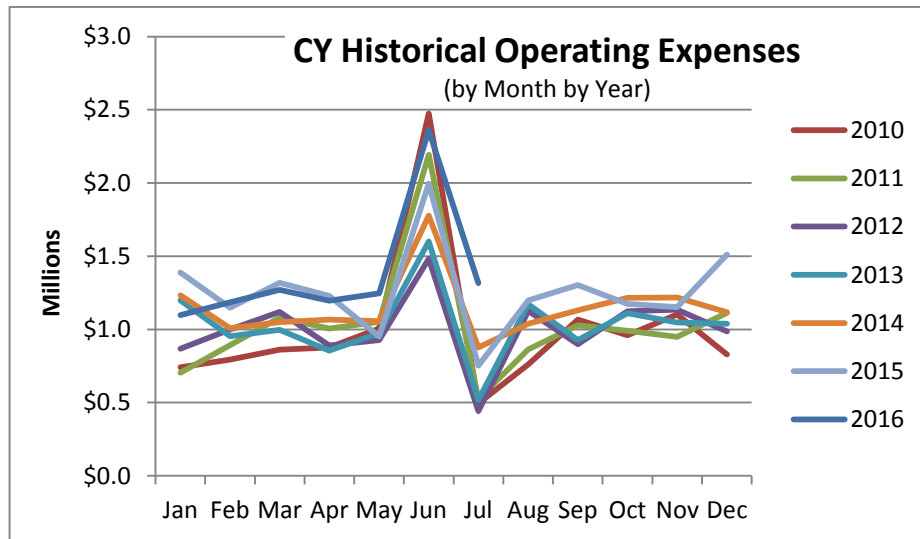
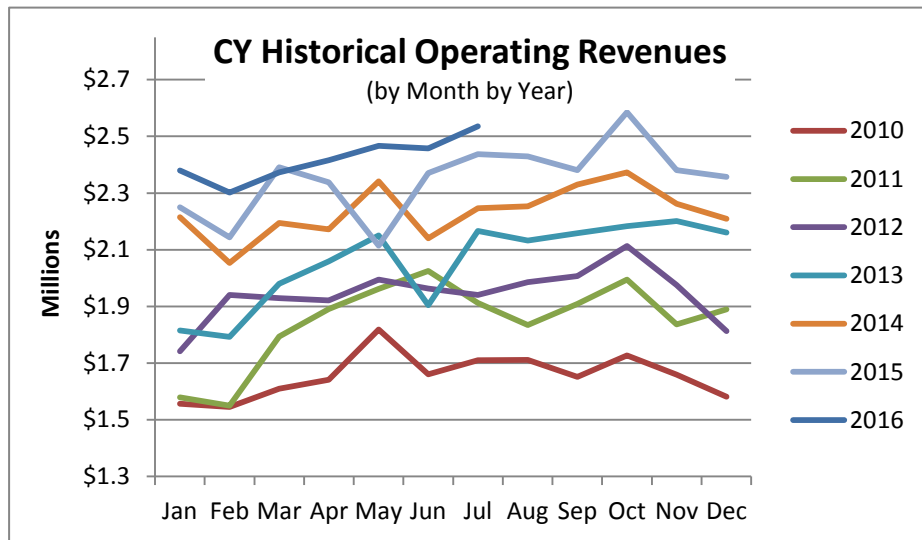
GREENVILLE SPARTANBURG AIRPORT DISTRICT
STATEMENT OF NET POSITION

	Current Month Current FY <u>7/31/2016</u>	Current Month Prior FY <u>7/31/2015</u>
Assets		
Cash Accounts	11,422,906.68	5,830,932.36
Investments-Airport	11,863,246.36	41,261,327.70
Bond Trustee Assets	39,472.99	39,625.17
Accounts Receivable	371,165.52	460,869.78
Less: Reserve for Doubtful Accts	-	
Net Accounts Receivable	<u>371,165.52</u>	<u>460,869.78</u>
Inventory	170,426.69	148,119.79
Prepaid Insurance	416,016.60	336,749.13
Notes Receivable-RAC District Funds	1,797,691.87	2,016,257.46
Property, Plant & Equipment (PP&E)	342,222,460.83	302,581,374.55
Less: Accumulated Depreciation	(126,858,022.20)	(117,031,968.20)
Net PP&E	<u>215,364,438.63</u>	<u>185,549,406.35</u>
TOTAL ASSETS	<u>241,445,365.34</u>	<u>235,643,287.74</u>
PLUS: Deferred Outflows of Resources		
Unamort Bond Underw, Insur, Legal Fees	887,006.00	887,006.00
LESS: Liabilities		
Accounts Payable	1,064,545.37	1,159,251.80
Revenue Bonds Payable	1,971,136.45	2,292,955.12
SCRS Pension Liability	9,311,330.00	9,311,330.00
Benefit Liability	827,112.61	803,234.13
TOTAL LIABILITIES	<u>13,174,124.43</u>	<u>13,566,771.05</u>
LESS: Deferred Inflows of Resources		
Deferred Revenues	2,651,573.87	2,870,139.46
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,651,573.87</u>	<u>2,870,139.46</u>
NET POSITION		
Invested in Capital Assets, net of Related Debt	213,404,438.63	183,269,406.35
Restricted:		
A/P - Capital Projects - Restricted	28,336.54	26,670.05
Contract Facility Charge	2,121,653.96	2,129,787.27
Total Restricted:	<u>2,149,990.50</u>	<u>2,156,457.32</u>
Unrestricted	10,952,243.91	34,667,519.56
TOTAL NET POSITION	<u>226,506,673.04</u>	<u>220,093,383.23</u>

GREENVILLE SPARTANBURG AIRPORT DISTRICT
PROFIT and LOSS STATEMENT

----- FISCAL YEAR TO DATE -----				
	July 31, 2016 Actual	July 31, 2016 Budget	Actual - Budget	% Change
INCOME				
Landing Area:				
Landing Fees	216,728.76	211,578.67	5,150.09	2.43%
Aircraft Parking Fees	31,143.45	31,371.45	(228.00)	-0.73%
FBO Into-Plane & Fuel Flowage	10,512.42	7,920.42	2,592.00	32.73%
Subtotal Landing Area	258,384.63	250,870.54	7,514.09	3.00%
Space & Ground Rentals	729,044.58	721,054.07	7,990.51	1.11%
Auto Parking	911,342.42	963,048.07	(51,705.65)	-5.37%
Commercial Ground Transportation	13,435.23	11,250.00	2,185.23	19.42%
Concessions:				
Advertising	20,567.50	33,333.33	(12,765.83)	-38.30%
Food & Beverage	27,724.75	30,887.50	(3,162.75)	-10.24%
Rental Car	298,691.81	262,907.34	35,784.47	13.61%
Retail	45,615.90	42,416.67	3,199.23	7.54%
Subtotal Concessions	392,599.96	369,544.84	23,055.12	6.24%
Expense Reimbursements	98,595.19	100,494.22	(1,899.03)	-1.89%
Other Income	82,463.96	227,043.47	(144,579.51)	-63.68%
Total Operating Income	2,485,865.97	2,643,305.21	(157,439.24)	-5.96%
EXPENSES				
Salary & Benefits	506,608.88	871,530.24	(364,921.36)	-41.87%
Professional Services	1,115.25	60,854.17	(59,738.92)	-98.17%
Promotional Activities	541,681.31	106,700.41	434,980.90	407.67%
Administrative	64,416.36	97,450.65	(33,034.29)	-33.90%
Insurance	35,342.08	35,342.08	-	0.00%
Contractual Services	30,171.31	220,577.92	(190,406.61)	-86.32%
Rentals & Leases	2,700.00	15,256.09	(12,556.09)	-82.30%
Repairs & Maintenance	6,927.27	48,243.58	(41,316.31)	-85.64%
Supplies & Equipment	12,767.95	71,850.44	(59,082.49)	-82.23%
Utilities	115,162.00	135,604.86	(20,442.86)	-15.08%
Total Operating Expenses	1,316,892.41	1,663,410.44	(346,518.03)	-20.83%
NET OPERATING INCOME	1,168,973.56	979,894.77	189,078.79	19.30%

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



July 31, 2016

YTD ACTUAL VS YTD BUDGET FOOTNOTES

(a)	Auto Parking	UNDER BUDGET	\$51,705.65	- Small percentage change, immaterial
(b)	Advertising	UNDER BUDGET	\$12,765.83	- Some advertising spots are unavailable currently due to construction
(c)	Rental Car	OVER BUDGET	\$35,784.47	- Conservative budgeting
(d)	Other Income	UNDER BUDGET	\$144,579.51	- Aviation Services/FBO operations not effective yet 140K - Centralized Distribution facility 25K under budget YTD as facility is not yet complete
(e)	Salary & Benefits	UNDER BUDGET	\$364,921.36	- Timing: much of July's salary & benefits expense was related to June and therefore booked back to June
(f)	Professional Services	UNDER BUDGET	\$59,738.92	- Timing: much of July's professional expense was related to June and therefore booked back to June
(g)	Promotional Activities	OVER BUDGET	\$434,980.90	- Advertising expense 34K under budget YTD - Special Events expenses 17K under budget YTD - General marketing expenses 443K over budget YTD-Business Development expenses budgeted in prior year - Sponsorships expenses 42K over budget YTD
(h)	Administrative	UNDER BUDGET	\$33,034.29	- Travel/Training 25K under budget TYD - a lot of July's expense was related to June and therefore booked back to June
(i)	Contractual Services	UNDER BUDGET	\$190,406.61	- Timing: much of July's r&m expense was related to June and therefore booked back to June - Janitorial Services 61K under budget YTD - Management agreement expenses 77K under budget
(j)	Repairs & Maintenance	UNDER BUDGET	\$41,316.31	- Timing: much of July's r&m expense was related to June and therefore booked back to June
(k)	Supplies & Equipment	UNDER BUDGET	\$59,082.49	- Timing: much of July's r&m expense was related to June and therefore booked back to June

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

Greenville-Spartanburg Airport District
July 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	7/14/2016	8/11/2016	0.294%	4,998,872.20	5,000,000.00	4,998,872.20	-
	7/14/2016	8/11/2016	0.294%	4,998,872.20	5,000,000.00	4,998,872.20	-
							-
Subtotal-UST				9,997,744.40	10,000,000.00	\$ 9,997,744.40	-

US Treasury Investment Types	T-Bill	T-Note	T-Bond	Fed Ag
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 = 0.2940%

GREENVILLE SPARTANBURG AIRPORT DISTRICT

Terminal Improvement Project

through: **7/31/2016**

cash basis cash basis cash basis

	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	YTD FYE 6/30/2017	Total
Skanska			\$ 9,570,188	\$ 35,931,932	\$ 22,815,954	\$ 31,914,360		\$ 100,232,433
Baker (aka LPA)			\$ 1,367,784	\$ 2,742,449	\$ 765,298	\$ 1,051,980	\$ 50,238	\$ 5,977,749
RS&H	\$ 2,916,235		\$ 2,650,023					\$ 5,566,258
Jacobs	\$ 961,516		\$ 885,315	\$ 942,348	\$ 394,840	\$ 83,121		\$ 3,267,139
Air-Transport IT Services					\$ 424,339			\$ 424,339
RJ Design			\$ 65,350	\$ 220,050				\$ 285,400
At&t				\$ 205,594				\$ 205,594
A3 Communications				\$ 170,341				\$ 170,341
Warco Construction						\$ 153,350		\$ 153,350
G2 Secure Staff			\$ 8,508	\$ 85,979	\$ 31,889			\$ 126,376
McGriff				\$ 32,890	\$ 51,436			\$ 84,326
Project Link				\$ 42,509	\$ 27,799			\$ 70,307
CDW Government			\$ 1,911	\$ 62,649	\$ 3,062			\$ 67,622
Phoenix Mechanical					\$ 62,000			\$ 62,000
Michael M. Simpson			\$ 49,696	\$ 9,957				\$ 59,653
Parsons Brincke			\$ 50,000					\$ 50,000
Tidewater Lumber			\$ 30,434	\$ 1,908	\$ 918			\$ 33,260
I-SYS					\$ 31,277			\$ 31,277
TPM			\$ 29,212					\$ 29,212
Duke Energy				\$ 22,088				\$ 22,088
Source Group			\$ 21,196					\$ 21,196
Other	\$ 400		\$ 57,128	\$ 64,692	\$ 87,935	\$ 5,486		\$ 215,641
Total	\$ 123,762,496	\$ 3,878,151	\$ 14,786,745	\$ 40,535,386	\$ 24,696,747	\$ 33,208,296	\$ 50,238	\$ 117,155,562
Cumulative \$ Spent		\$ 3,878,151	\$ 18,664,896	\$ 59,200,282	\$ 83,897,029	\$ 117,105,325	\$ 117,155,563	
% of Budget spent		3.13%	15.08%	47.83%	67.79%	94.62%	94.66%	94.66%
Construction			\$ 9,635,538	\$ 35,934,969	\$ 22,953,017	\$ 32,073,196		\$ 100,596,720
Professional	\$ 3,877,751		\$ 5,002,818	\$ 3,667,600	\$ 993,082	\$ 1,135,100	\$ 50,238	\$ 14,726,588
Owners Reserve	\$ 400		\$ 148,389	\$ 932,817	\$ 750,649			\$ 1,832,254
Total	\$ -	\$ 3,878,151	\$ 14,786,745	\$ 40,535,385	\$ 24,696,747	\$ 33,208,296	\$ 50,238	\$ 117,155,563
Cumulative \$ Spent		\$ 3,878,151	\$ 18,664,896	\$ 59,200,281	\$ 83,897,028	\$ 117,105,325	\$ 117,155,563	
		\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ -	\$ (1)

TIP Public Relations Expenses

through: **7/31/2016**

	Budgeted	FYE 6/30/2012	FYE 6/30/2013	FYE 6/30/2014	FYE 6/30/2015	FYE 6/30/2016	YTD FYE 6/30/2017	Total
Crawford Strategies	\$ 261,000	10,900	61,157	75,948	76,776	60,253	10,900	295,934
Launch Something	\$ 279,730	25,870	90,133	23,045	20,604	10,146	-	169,798
Total	\$ 540,730	36,770	151,290	98,993	97,379	70,399	10,900	465,732
Cumulative \$ Spent		\$ 36,770	\$ 188,060	\$ 287,053	\$ 384,433	\$ 454,832	\$ 465,732	
% of Budget spent		6.80%	34.78%	53.09%	71.10%	84.11%	86.13%	86.13%

GREENVILLE SPARTANBURG AIRPORT DISTRICT
Other Operating and Maintenance Reserve Funds

	FY \$ Amount Authorized	Date	\$ Amount Used YTD	
Emergency Repair/Replacement/Operations Fund	\$ 750,000			
		7/12/2016	\$ 3,000	Barton Utilities Inc.
			<u>\$ 3,000</u>	
			<u>\$ 747,000</u>	Remaining Reserve
 Business Development Obligations/Incentives	 \$ 600,000			
			<u>\$ -</u>	
			<u>\$ 600,000</u>	Remaining Reserve

July, 2016

Procurement / Capital Acquisitions

<u>Project/Item Description</u>	<u>Date</u>	<u>Monthly \$ Amount</u>
Capital Improvements:		
GLF / Apron Rehab Phase II	7/26/2016	434,433
Avcon, Inc. / Apron Rehab Phase 2	7/26/2016	29,570
Avcon, Inc. / Apron Rehab Phase 3	7/26/2016	35,235
Avcon, Inc. / N Cargo Building Project	7/21/2016	18,768
JA Piper Roofing / Runion Roof Repair	7/12/2016	13,300
Pump Systems Technology / Runion Sewer	7/12/2016	34,740
WK Dickson / Fuel Farm Site Prep	7/26/2016	44,413
 Equipment and Small Capital Outlays:		
Dimitar Lukanov/ Terminal Art	7/7/2016	32,860
Arthur Stern / Terminal Art	7/26/2016	41,250
 Renewals and Replacements:		
Vic Bailey Ford / ARFF Pickup Truck	7/28/2016	32,123
Integrity Auto Sales/ Paint Van	7/19/2016	10,300
WK Dickson / Airside Garden Rehab	7/26/2016	26,391
 Total Procurements/Capital Additions for the month		<u>\$ 753,382</u>



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin Howell, Vice President/COO

DATE: September 8, 2016

ITEM DESCRIPTION – Information Section Item C

August 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 – December 2016

Enabling:

SKM continues to work on several completion items from the Enabling Phase. The contractor also continues to work on Enabling punch list work and closeout simultaneously. On September 15, 2015, SKM requested the Owner complete the punch list inspections for specific remaining areas of work. The Owner and CA Services Team completed these inspections and provided the punch list 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 punch list items simultaneously. On September 15, 2015, SKM requested the Owner complete the punch list inspections for specific remaining areas of work. The Owner and CA Services Team completed these



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

Core and Concourse:

During the month of August in the Grand Hall area, ceiling panel installation continued with overhead work almost complete. The Decoustic wall panels along the east wall of the Grand Hall were also nearing completion. The monumental stairs, new up escalators and new elevators were inspected and turned over to the Owner. The contractor continues to work on the restrooms in the Grand Hall with tile work currently underway.

Work in the new Administration offices and new First Floor Conference Center continues, but progress is slow. Contractor's staffing shortages are suspected to be the primary cause of delay and lack of overall progress.

The new exit lane systems (Record) are under separate contract to the District. The South exit lane system is complete and operational. The North exit lane system is complete and has been covered in plastic, waiting on SKM to finish their work in this area prior to being put into service.

The upper end of the Daily Surface Lot has been milled and overlaid with new asphalt and is being prepared for return to service as a part of the public Daily Surface Parking Lot.

The B Concourse is further along than the A Concourse. The contractor is working on the final gate on the B Concourse for gate counter millwork. Carpet and floor finishes are also nearing completion on the B Concourse. The contractor continues to work on tile on the A Concourse and has several more gates remaining for millwork, etc.

The SKM garden area work continues to progress slowly and stonework at the garden terrace is underway.

Core and Concourse Project Photos



New South Exit Lane System



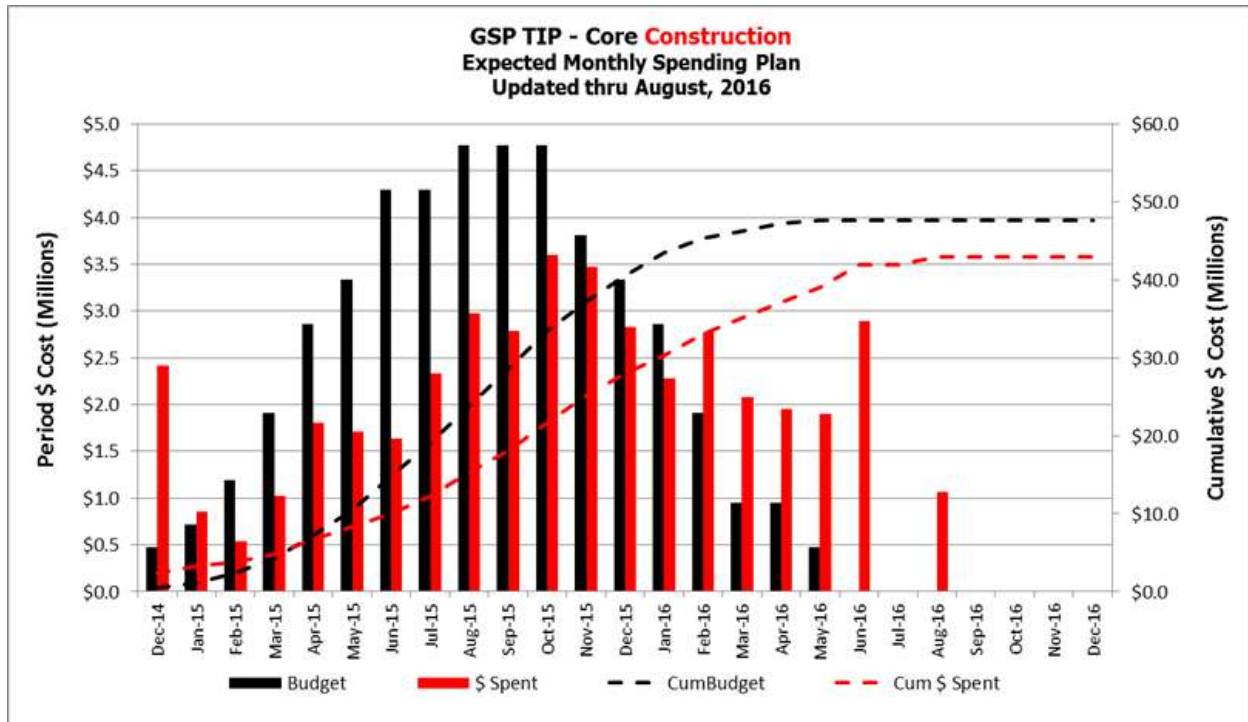
B Concourse - New Gate Counter and Carpet



Daily Surface Parking Lot

TIP Core financial activity occurring thru August 31, 2016

						Data Current as of:	31-Aug-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	\$ 42,938,204	90.34%
Professional Fees	\$ 1,475,000	\$ 309,959	\$ 1,784,959	\$ 1,794,959	\$ (10,000.00)	(C) \$ 1,800,550	100.31%
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	\$ 44,919,084	90.28%
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 – November 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. GLF Construction is the contractor for the project. The project had significant weather impacts during the first 6 months. The project is expected to be completed in November. The contractor is currently working at gate B4.

Widening Taxiway L2, which was originally planned to be part of Phase 3, was advanced to Phase 2 to avoid operational impacts later this fall with the new

international cargo service. The ADO increased the AIP grant for Phase 2 by \$469,350 to cover 90% of the costs for the L2 widening. The L2 work is underway and will be completed prior to November 5.

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. A decision is expected from the ADO by September 15.

Airside Garden Rehabilitation Project:

Status – Bidding Phase

Project Budget – \$1,650,000

Estimated Completion Date – December 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. The general contractor for this project is Mavin Construction. Mavin is supported by Shurburt Group, Inc. for the landscape



portion of the project. The project is underway and the contractor is currently working on demolition. The project is scheduled to be completed in 108 days.

Consolidated Hangars Project:

Status – Design Phase

Project Budget – \$8,903,000

Estimated Completion Date – September 2016 (design phase)

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.). The design is led by AVCON/McMillan Pazdan Smith. A 95% design submittal is due next week. A contractor pre-qualification process is underway and the project is planned to bid in September.

Runion Property Sewer Project:

Status – Construction Phase

Project Budget – \$250,000

Estimated Completion Date – October 2016

The Runion Property Sewer Project is a FY16 budgeted project and includes connecting the Runion commercial property to the airport sewer system. WK Dickson assisted the District with the engineering and the contractor is Pump Systems. Work is underway and is expected to be completed by the end of October.

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 and 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 the end of October.



Emergency Call Station Project:

Status – Construction Phase

Budget – \$200,000

Estimated Completion Date – December 2016

The Emergency Call Station Project involves the installation of emergency call stations in the Economy Lot, Daily Surface Lot, and at all levels of the two parking garages. A Request for Proposal (RFP) was produced with the assistance of Michael Baker International and the Faith Group. One proposal was received from SDI (current GSP security system contractor). Contract documents are being finalized and a Notice to Proceed will be issued to SDI shortly.

2102 GSP Drive Hangar Project (PSA MRO Hangar):

Status – Design Phase

Budget – \$1,600,000

Estimated Completion Date – October 2016 (construction documents)

The 2102 GSP Drive Hangar Project includes the renovations and improvements necessary for the PSA MRO Hangar. Design is being led Michael Baker International who is supported by several local area engineering firms. Bid documents are due the first week of October. A contractor pre-qualification process will take place in September. Bidding and contractor NTP is expected to occur in 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 was prepared and submittals were due on August 9th. 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: September 8, 2016

ITEM DESCRIPTION – Information Section Item D

August 2016 – Communications Status Report

News Stories Broadcast, Print and Online:

- The Greenville News – American Eagle Airline Company Opening GSP Maintenance Shop
- Dayton Daily News – Growing Local Airline Plans New Facility
- The Greenville News – Delta Computer Crash Leads to One Canceled Flight
- Intelligent Aerospace – PSA Airlines to Open New Maintenance Facility at GSP
- Areadevelopment.com – PSA Airlines Maintenance Facility at GSP
- Spartanburg Herald Journal – Delta Resumes Flights After Outage
- The Greenville News – GSP in Elite Company with New International Air Cargo Service
- GreerToday – GSP in Elite Company with New International Air Cargo Service
- The Greenville News – GSP New Cargo Service
- WSPA – First Responder Training at GSP
- Fox Carolina – GSP 1st Responder Undergo Autism Training
- WYFF – First Responder Training at GSP
- UBJ – GSP 1st Responders Getting Autism Training
- Spartanburg Herald Journal – GSP 1st Responders Receive Autism Awareness Training
- WSPA – How to check Your Guns – TSA Says Check Your Bags Before Boarding
- UBJ – Southwest's Future at GSP

News Releases and/ or Alerts:

- CALEA Police Certification in Progress
- GSP and the SC Autism Society Partner to Provide Training



Online Statistics 08/ 01/ 16 – 08/ 29/ 16:

Elevatingtheupstate.com

- 255 sessions, 206 users
- Average session duration 2:22
- Pages viewed per session 2.56

Elevatingtheupstate.com (Mobile Site)

- 111 Sessions, 102 New Visitors
- Most visitors were referred to the WINGSPAN site from other web pages

GSPAirport.com

- 100,853 sessions; 77,420 were new visitors
- Average page view per visit was 2.73 pages
- Total number of page views was 346,215

Top Twitter Posts

- New International Cargo Service Comes to GSP
- Northwood Flies to Junior League World Series

Facebook

- 2,377 page views
- 115 new page likes
- 7,959 total page likes

Top Facebook Posts

- Its Plane Simple Commercial – 1,350 video views and 102 likes
- The New Exit Lane – 1,420 video views and 68 likes

Customer Service Complaints – Summary

- Lack of available rental cars
- No shuttle service to economy parking
- No access to the Airside Garden
- Southwest to Atlanta to get to any is a pain and not worth doing anymore

Happy or Not 8/ 01/ 16-08/ 29/ 16

The Happy or Not meters were strategically placed near the new massage units on Concourses A&B and passengers were asked, “How did you enjoy your massage?” The



customer was provided with four response options, Very Happy, Happy, Not Happy, and Very Unhappy. There were a total of 125 responses and of those:

Very Happy	58
Happy	17
Unhappy	8
Very Unhappy	42



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: September 8, 2016

ITEM DESCRIPTION – Information Section Item E

August 2016 – Commercial Business and Properties Report

SUMMARY

Cargo Modernization Project – Phase # 1:

Status – Project bids are currently under review.

Project Budget – \$1,300,000

Estimated Completion Date – May 31, 2017

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 a new administrative office and support space.

Concessions Program Development – Grand Hall Phase:

Status – Currently working with OHM to finalize the plans. Hudson has begun construction.

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 and OHM Concessions Group.



Estimated Completion Date – November 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 has started at both concourse locations.

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

Estimated Completion Date – October 21, 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 – Project Completed

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

Completion Date – August 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 – Project Completed

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

Completion Date – August 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 (ANI RA) 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 and 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.

Air T – Gate Installation Project

Status – Five of thirteen gates completed

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 Airt 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.

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 and OHM.

Completion Date – October 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 permits them to preorder what they want for pickup at a predetermined time. This 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.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Marsha Madore, Human Resources Director

DATE: September 8, 2016

ITEM DESCRIPTION – Information Section Item F

August 2016 – OSHA Reportable Injury Report

SUMMARY

Monthly Activity as of August 31, 2016

- No OSHA Reportable Injuries

2016 Calendar Year-to-Date

- 5 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



AIRPORTS

AIRPORTS



Airport Technology:
Building the Customer
Experience,

SIGNAGE



Peerless-AV

AIRPORTS



Allegiant Air Offers
New Florida
Destination from

AIRPORTS

WV: Morgantown Lands New Air Service

AIRPORTS

FAA Threatens Legal Action Against Santa
Monica for Trying to Shut Down its
Airport by 2018

AIRPORTS

Chicago Rockford International Airport
Leases Warehouse to New Cargo Carrier



Digital signage applications can easily inform travelers about their flights and wait times, which can ease stress.

Photo credit: Peerless-AV

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With technology continually improving, one of the best ways to apply it is in ways that make our lives easier. Certainly, that's often the goal with most technologies, yet with travel often being one of the most stressful experiences for people, streamlining the process is ever so important.

One way to simplify this process is through digital signage. By utilizing digital signage, airports can reduce perceived wait times, utilize wait times to share information and ease travel stress with directional signage and trip updates, all of which contribute to increased customer satisfaction.

Moreover, beyond the traditional uses of digital signage for travel updates, signage technology in airports can be used not only to garner advertising revenue, but at a minimum, also enhance concession and retail shopping experiences.

Building the Customer Experience: Communication and Accessibility

The entryways to airports tend to be the heaviest areas of traffic. These locations are where guests check in and out, where they enter and exit the airport, and oftentimes, where they meet their friends, family and co-workers. Therefore, these ingresses are the perfect places to share pertinent information. However, with so much activity concentrated at these points it can also be difficult to get travelers' attention. However, through eye-catching displays and consistently changing content digital signage provides travelers with up-to-date travel information for a seamless experience. Displays can also be used to provide ticketing, navigation, emergency alerts, and entertainment.

Additionally, by implementing way-finding and self-service kiosks, travelers can check themselves in,

print tickets, locate facilities and much more. These kiosks also enhance the customer experience, reduce staffing costs and more efficiently utilize resources.

In addition to digital signage and AV technology, airports can offer greater convenience to travelers by focusing on mobility. By developing an app or incorporating mobile integration, the convenience factor is even more prevalent and valuable to the traveler, especially at airports. Through mobile integration, benefits like checking in and out, checking flight information, submitting a cancellation and requesting services are readily available - faster - giving the traveler better control of their own experience.

ADA Compliance

In 1990, the Americans with Disabilities Act (ADA) was signed into law to prohibit discrimination and ensure equal access and opportunity for those with mental and physical disabilities in the areas of employment, public entities, public accommodations, commercial facilities, telecommunications and more.

In 2010, additional provisional regulations were signed into effect to revise the area of Accessible Design, enhancing the lifestyles of the over 54 million disabled Americans. These regulations ensure that public spaces have, among other accessibility features, clear pathways and curbed ramps.

For airports, this law affects the planning of many digital signage applications including kiosks that sell tickets and video wall displays, among others. For example, video walls that are between 27" and 80" off the floor must be less than 4" off the walk to allow for the visually impaired to easily walk past.

CONTINUE READING

Loading



- Aircraft

Engines & Components

Tools & Equipment

Airports

AOA

FBOs/
Tenants

Airport Tech & Security

Airlines

Ground Handling

GSE

Buyer's Guide
- Register

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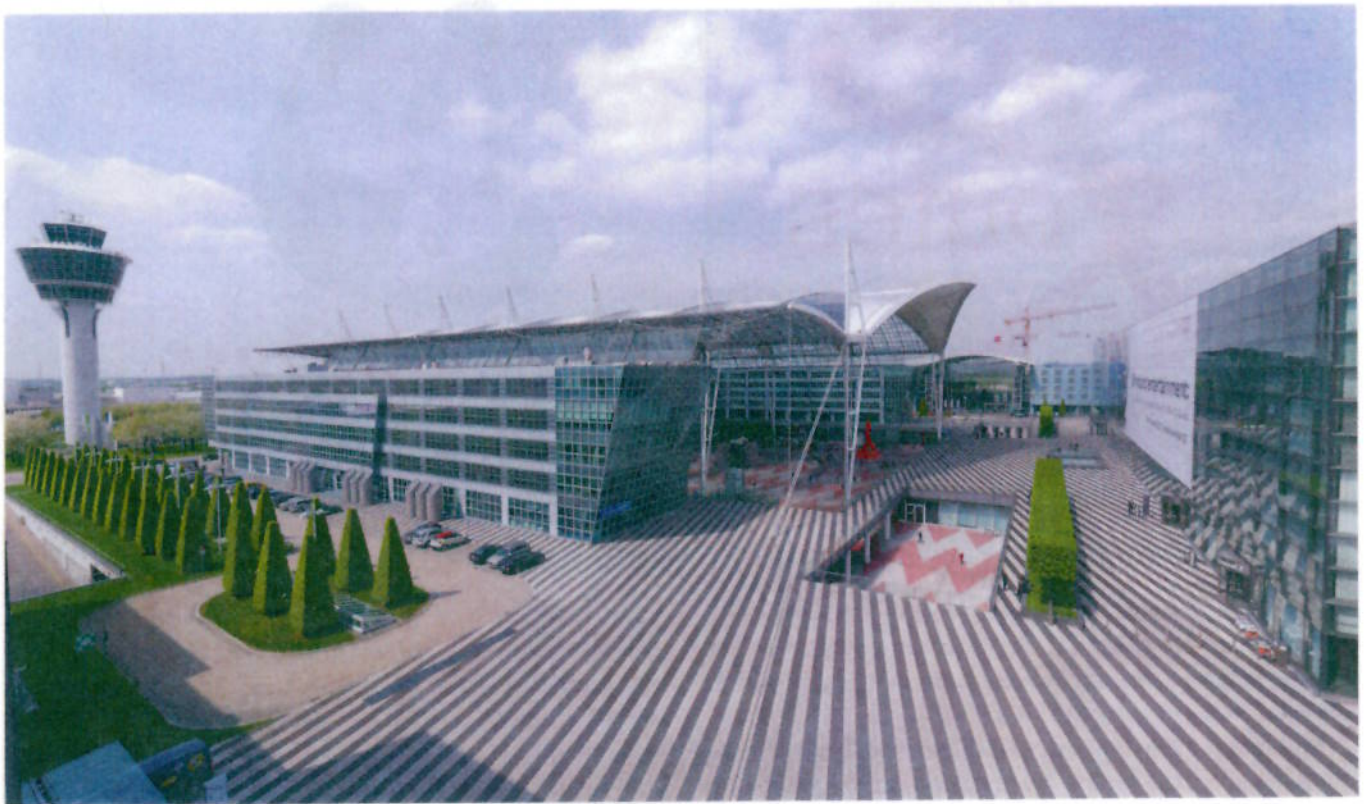
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Sitemap



Munich Airport: A five-star experience

Offering numerous conference facilities, a passenger experience that is second-to-none, indulgent retail and culinary options and even a state-of-the-art medical services clinic, Munich Airport really is the definition of a modern airport city. Senior Vice-President of Commercial Activities, **Rainer Beeck**, provides an overview of all the airport has to offer.

Munich Airport (Flughafen München Franz Josef Strauß) offers much more than just infrastructure to handle air traffic. It is a powerful engine for growth; generating economic development both on the airport campus and beyond, comprising an 'airport city' with an enormous

impact on the entire region. As a hive of economic activity in its own right, the Munich hub links the airport region to the world at large. The airport's non-aviation activities now account for 50% of the airport's total revenues. Under the Airport City concept, however, it is essential to balance the synergy effects between the airport and the surrounding region to avoid unhealthy competition. Apart from attracting headquarters/offices of global companies, showrooms, hotels, a conference centre, medical offices and supermarkets, the Munich Airport City also offers an exciting world of shopping, leisure and adventure.



Munich Airport welcomes 41 million passengers per year

Europe's only five-star airport

With a total of 41 million passengers per year, Munich Airport is Germany's second-largest airport behind Frankfurt. In Europe Munich ranks seventh in terms of passenger numbers, behind London Heathrow, Paris Charles-de-



Munich boasts culinary and retail delights

Gaulle, Istanbul, Frankfurt, Amsterdam Schiphol and Madrid. However, it's not only about size – Munich is also far ahead in terms of quality – it is among the elite airports of the world. In the annual global survey conducted by the respected Skytrax Institute, with responses this year from 13 million passengers, Munich again ranked third in the category of 'World's Best Airport'. Munich is also Europe's only five-star airport (as awarded by the Skytrax Institute, following an extensive period of assessment). Munich allows passengers to benefit from all that a premium airport has to offer – comfortable seating areas and public spaces, clear signage, a full range of services and an outstanding selection of shops and restaurants.

Shopping and dining

Anyone who has started or ended a journey at Munich Airport knows that the retail world in the two terminals leaves nothing to be desired. A particular highlight is 'Little Maximilianstrasse', Munich's legendary shopping street, on Level 05 in Terminal 2, where the central plaza is ringed with 14 international premium brands and many other iconic labels, offering an extensive selection of the latest designer lines, high-end accessories, classic scents and elegant leather goods. Complementing the high-quality retail offerings is Selman's Bar & Restaurant, where a cold glass of champagne is the perfect way to shorten your waiting time before your flight is called.

To enhance the shopping experience of international guests, assistants are available on request for passengers from Asian and

Arab countries. These multilingual staff members will overcome any language barriers and help with questions about tax refunds and other formalities.

Munich Airport is also noted for its dining choices. The many restaurants, cafés and bistros offer pleasant settings for passengers and visitors to relax. From Asian specialities to Mediterranean cuisine, healthy juices and salads; passengers can also enjoy hearty Bavarian dishes and beer brewed right on the premises in Airbräu, the world's only airport brewery – there really is something for every taste.

The recently opened Terminal 2 satellite facility (which you can read about in *International Airport Review*, Volume 20, issue 2) offers even greater dining and refreshment options. At the heart of the new building is a market square reminiscent of the Viktualienmarkt, Munich's famous outdoor market.



Airbräu is the world's only airport brewery

Here a variety of snacks and takeout options are available at several stands. Those with a little time to spare can treat themselves to a meal at Alfons Schuhbeck's Speisekammer restaurant, or enjoy a fresh sandwich from the bakery by the same name. At the first-ever airport location of the gourmet burger restaurant Hans im Glück, diners can

enjoy tasty hamburgers with a direct view of the activity on the airport ramp. For a modern coffee house atmosphere, Sissi & Franz deftly combines Bavarian and Austrian cooking traditions. At Amo, the house specialty is Mediterranean food, with pasta and pizza prepared in an open kitchen. Lenbach's Bar puts the focus on cocktails and finger food. Rounding off the rich variety of food options is Seafood Bubbles & Wine Bar, where guests can savour seafood and choice wines while taking in a spectacular view of the eastern apron.

Along with high-end brands from Germany and abroad, many top-quality regional retailers and clothing lines have opened locations in the new satellite terminal.



The MAC Forum is Europe's biggest covered outdoor space

In the retail areas travellers will find several well-established Munich clothing shops alongside premium global brands. Highlights of the new retail offerings are the three spacious travel value and duty free zones, with decor hinting at sights and motifs of the city of Munich.

Year-round events

Today airports are much more than just traffic hubs. Munich Airport continually surprises and delights passengers and airport visitors with new ideas for innovative events and activities on the airport campus. Events are held throughout the year and have included tennis matches between the terminals; the Surf & Style event which boasts Europe's biggest standing wave; and of course the winter wonderland during the Christmas season. The events at the Munich Airport Centre (MAC) Forum, Europe's largest covered outdoor space, are always worth a visit. For the UEFA Euro 2016 tournament held in France, the MAC Forum was turned into a football stadium with the airport presenting all matches on a big screen in an arena with seating for 2,000 fans.

A new highlight for summer 2016 is Food & Style. From 12-14 August 2016 this food festival will be hosted for the first time in the MAC Forum between Terminals 1 and 2. Along with numerous artisanal producers, market stands and various food trucks will have something for everyone who appreciates good food. On stage, chefs will cook their latest creations to introduce up-and-coming trends in the culinary world.

A family-friendly airport

Families with small children love Munich Airport, which offers plenty of opportunities for the little ones to get rid of their excess energy before boarding. There are many play areas in both terminals, including a 6m-long toy aircraft in one of the play areas in Terminal 2. To speed up the check-in process, special family desks are available along with



For the Christmas season the airport is transformed into a Winter Wonderland

baby changing rooms that provide plenty of space for parents and children. Munich also boasts Kinderland, a child's paradise at the heart of Munich Airport Centre. Trained childcare professionals will look after children while parents can relax in a separate parents' lounge that is ideal for getting a little work done or simply relaxing with a coffee.

A hotspot for company events and conferences

With 30 high-tech conference rooms, the Municon Conference Centre, situated between the two terminals, has facilities for conferences, meetings and congresses. In 2015 Municon hosted 2,300 events with a total of 21,000 participants, with 20% of the companies or organisers coming from outside Germany.

Another busy conference spot right at Munich Airport is the Hilton Airport Hotel, which last year hosted 2,381 conferences and events with 34,848 participants, 28% of whose bookings were from abroad.

AirportClinic M – a full-service clinic

Munich Airport is a world leader for medical services offered at airports. The full-service AirportClinic M offers comprehensive diagnostics and treatment, both on an inpatient and outpatient basis. The medical services on offer include orthopedic surgery, urology, anesthesiology, plastic surgery, specialised ear, nose and throat treatment, oral surgery and radiology. The two operating theaters and eight beds meet state-of-the-art medical and technical standards. The concept is to make fast and high-quality medical treatment available right at the location of an international transportation hub. AirportClinic M has signed co-operation agreements with numerous specialists for treatments and surgical interventions at the airport and in the greater Munich area. Munich airport also provides 24-hour emergency medical care for passengers, visitors and airport staff via its own airport health care centre. ✈



For the Euro 2016 tournament the MAC Forum was turned into an arena with seating for 2,000 fans



After completing his studies of business administration, **Rainer Beeck** began his professional career at Lufthansa German Airlines in Frankfurt in 1989. In 1992 he moved to TLG (Treuhänd Liegenschaftsgesellschaft) in Berlin. In the headquarters of the subsidiary of Treuhand Anstalt he was responsible for the Real Estate Marketing including Research and Customer Relation Management. In 1994 Rainer moved to Deutsche Bank Group. Based in Frankfurt, he directed the consulting business of the Deutsche Immobilien Anlagegesellschaft mbH. From 2005 he took over the Corporate Real Estate Management and since 2011 has held the post of Senior Vice-President of the Business Division and Commercial Activities at Munich Airport Group.

Pilot Plan

A US airline launches program to create its own supply of pilots from scratch.

BY JOHN CROFT



Given pilot shortage forecasts, a new ab initio hiring program launched by a US airline is going to be watched closely.

New York-based JetBlue Airways' Gateway Select program inducted its first class of cadets late this summer. One of seven dedicated pipelines leading to the JetBlue cockpit, Gateway Select is the first modern example of a zero-time, trainee-to-airline-pilot program by a US carrier, despite the practice being established in Europe and Asia for some time.

The issues that made ab initio popular in other parts of the world—a dearth of indigenous pilots from general aviation and the military—are expected to spread to North America as a bubble of retirements hitting mainline airlines over the next decade combines with fewer pilots entering the profession because of the costs and time required.

The supply-demand imbalance is further exacerbated by the record numbers of new aircraft deliveries by Airbus and Boeing. Airbus' most recent forecast shows a demand for 32,428 airliners to be delivered globally through 2035. Dominating the deliveries will be Asia-Pacific, with 41% of the total, followed by Europe with 21% and North America with 17%.

Boeing's 2016 pilot and technician outlook (see table, page 32), published in July, forecasts a need for 617,000

new airline pilots through 2035, a 10% increase over the 2015 outlook. Of that number, Boeing predicts 248,000 pilots will be needed in the Asia-Pacific region, 112,000 in North America and 104,000 in Europe.

"The Asia-Pacific region comprises 41% percent of the global need due to the growth in the single-aisle market which is driven by low-cost carriers, while North America is the result of new markets opening in Cuba and Mexico, and demand in Europe has increased as a response to a strong intra-European Union market," the Boeing report states.

On top of this growing requirement for pilots will come the impact in the US of a surge of mandatory age-65 retirements that are expected to peak in the late 2020s. For the US regional carriers, there is a double hit. They are struggling to fill seats from college programs, the military and general aviation, a task complicated by a 2013 congressionally mandated first officer flight time rule that requires first officers to have an Airline Transport Pilot certificate. This typically means a pilot must have logged 1,500 flight hours before being able to fly a commercial airliner; previously pilots could qualify with a minimum of 250 hours and a Commercial Pilot Certificate.

This combination of factors has put additional pressure on US airlines to invest more money and be more



ROB FINLAYSON

creative to keep cockpits staffed in the near term and to build pilot pipelines for the future. It's neither an inexpensive nor a short-term solution.

Five-year investment

"When you consider the path of ab initio, you're looking at investing about five years or more before that pilot is capable of being considered for a captain position," Michael Johnson, president and CEO of Paramount Aviation, a flight crew procurement agency based in Virginia, noted. "I think the number of programs is growing and will be a key factor in the long-term need for producing pilots."

While there is no guarantee that a cadet will make it through the program, when an airline takes control of its pilot pipeline from the beginning, it gets the chance to screen prospective employees from the start, then to customize flight training through both schooling and initial operations in the fleet. This can yield benefits.

"There are several advantages for the airline—they can train the pilot exactly how they want the pilot to perform and do not have to un-train the peculiarities or unfavorable habits of an experienced pilot," Johnson said. "They develop a life-long relationship with the cadet pilot, which has the long-term advantage of lower attrition for the airline."

Johnson acknowledged there can be downsides. "The airline assumes the risk that even after investing such capital into the pilot, they may not successfully complete the program," he said. For JetBlue, the benefits outweigh the potential downsides. JetBlue SVP-safety, security and training Warren Christie said the carrier had been thinking about an ab initio program for a couple of years.

"What was attractive about the ab initio was the ability to structure it so that every phase of training was designed to prepare the pilot to be a future airline pilot," Christie said. "You could ensure ... consistency through every phase of a pilot's training."

Christie said he first considered the idea of creating an ab initio program after hearing Dieter Harms speak at a conference. Harms is the former head of the Lufthansa Pilot School and was a key player in the design of the multi-crew pilot license (MPL) program.

JetBlue worked with Canada-based training provider CAE to pull out the "best attributes" of an MPL program and combine it with FAA flight training requirements for the Gateway Select program, Christie explained.

CAE operates formal ab initio programs for 10 airlines and MPL schools for five, including Asia low-cost carrier (LCC) group AirAsia, UK LCC easyJet and Luf-

STUDENTS
ON the
JetBlue
ab initio
course
qualify
to fly the
airline's
Embraer
aircraft.

"Every phase of training was designed to prepare the pilot to be a future airline pilot."

—Warren Christie, JetBlue

thansa. MPL programs train pilots to fly in a crewed environment from the start. CAE announced in June that it had signed a new ab initio contract with India LCC IndiGo to produce more than 200 pilots through 2018 at locations in India and Australia. The company trains approximately 1,200 new pilots per year, with a capacity limit of 2,000 per year.

Gateway pilot path

Once admitted to JetBlue's Gateway Select, cadets will spend four weeks in a "foundation" course, followed by basic flight training at CAE's Oxford Academy in Phoenix, Arizona. That training will be followed by simulator time at JetBlue's facilities in Orlando and then a job as a certified flight instructor at CAE to build hours.

The airline will induct the first six candidates in a class of 24 cadets selected from 1,400 applications received in a 2.5-week period in March. Another six cadets will start training with ab initio training provider CAE every three months, with all 24 expected to complete the program in approximately 3.5 years and transition into a six-week JetBlue training course to become Embraer E190 first officers.

According to the Future and Active Pilot Advisors web site, JetBlue hired 289 pilots through its six pipelines in 2015, down from 420 in 2014.

JetBlue has not said whether it will make a direct investment in the students in the program, which will cost \$125,000 per cadet over the course of roughly 15 months.

"We've been working with financial institutions to

help get loans," Christie said. "We're committed to working with each of [the cadets] to make sure finances do not become a problem." He added the airline will evaluate the results of the effort before deciding whether to expand Gateway.

While full control of the training program is one benefit of the ab initio program, so is a potential new source of pilots. "They're anticipating that the other gateways may start drying up, or become less pronounced in the future," Nick Leontidis, group president of civil aviation training solutions at CAE, said.

"For sure, the trend we're seeing in this area is that there are more airlines looking at ab initio programs for pilots than what we've seen in the past," he said. "It's a mixed bag at the moment; historically Asian carriers have been more akin to sponsor people, and in the West there were enough people to be hired on the market to fill vacancies. In the US, you had the regional to mainline flow."

He said CAE has seen "a lot more interest" from airlines that historically have not considered ab initio.

"It's because the pool of what's available for people to hire is shrinking," Leontidis said. "And people are retiring and airlines are growing."

He noted that professional ab initio programs "are still the exception," not the rule.

"I think the airline industry as a whole needs to figure out how this part of the industry can be better utilized to produce pilots because it will become a more important source," he said. "This pathway or channel will become more important for everyone." **ATW**

Airline Hiring Needs Through 2035

Region	New Pilots	New Technicians	New Cabin Crew
Asia-Pacific	248,000	268,000	298,000
Europe	104,000	118,000	169,000
North America	112,000	127,000	151,000
Latin America	51,000	50,000	51,000
Middle East	58,000	66,000	92,000
Africa	22,000	24,000	27,000
Russia / CIS	22,000	26,000	26,000

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Skanska Part of JV Terminal Upgrade at ATL

CONSULTANTS & CONTRACT SERVICE PROVIDERS

Skanska USA Building Inc.

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PIT Named TripAdvisor Travelers' Choice Favorite for Shopping

AIRPORTS



Tampa International Airport Opens Two New Restaurants

AIRPORTS



Delta's LAX Relocation Plans Take Key Step Forward

GROUND HANDLING



New Equipment at John Glenn International



Construction on the \$23.2 million project will start in August, and the work is expected to be complete in early 2019.

Photo credit: Skanska

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Skanska has signed a contract with the city of Atlanta to upgrade and modernize the airside of the Central Passenger Terminal Complex at Hartsfield-Jackson Atlanta International Airport.

Skanska, leading a joint venture with FS 360, will create a fresh new look for the airside of the complex consistent with the Maynard H. Jackson International Terminal, which opened in 2012. Skanska FS 360 will upgrade the domestic concourses, train stations and tunnels, installing new metal ceilings, LED lighting, flooring and wayfinding signage, among other renovations.

The complex will remain fully operational, with the majority of the work scheduled to take place between 10 p.m. and 5 a.m. daily. Hartsfield-Jackson is the world's most traveled airport, and last year became the first airport ever to serve more than 100 million passengers in a single year.

"Air travel in the United States is at an all-time high and as a result the market for aviation construction and renovation continues to expand to meet the growing needs of passengers," said Scott Cannon, EVP/General Manager of Skanska USA Building for Georgia and South Carolina. "When completed, this modernization project will unify the Central Passenger Terminal Complex and Maynard H. Jackson International Terminal to enhance the customer experience at Hartsfield-Jackson, ensuring it remains globally competitive."

Construction on the \$23.2 million project will start in August, and the work is expected to be complete in early 2019.



AIRLINES

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Southwest Airlines And Pilot Union Reach Tentative Agreement

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Professional Awards

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CommutAir
Welcomes David
Petris as Director of

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AIRCRAFT



LATAM Airlines Group
Receives the First
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DALLAS, Aug. 29, 2016 /PRNewswire/ -- [Southwest Airlines Co.](#) (NYSE: LUV) today announced that it has reached a tentative agreement (TA) on the terms of a new contract for its Pilots.

"We appreciate our Pilots and recognize their role in the Company's success," said Executive Vice President and Chief Operating Officer Mike Van de Ven. "With the support and assistance of the NMB, the negotiating teams were able to reach an agreement that balances the needs of our Pilots and the Company."

The Negotiating Committees will work this week to draft final language. Once complete, the agreement will go through the normal union ratification process. Dates and details on a ratification vote will be announced in the days ahead.

The current Pilot contract became amendable September 1, 2012. The Southwest Airlines Pilots' Association represents approximately 8,000 Pilots.

ABOUT SOUTHWEST AIRLINES CO.

In its 46th year of service, Dallas-based [Southwest Airlines](#) (NYSE: LUV) continues to differentiate itself from other air carriers with exemplary Customer Service delivered by more than 52,000 Employees to more than 100 million Customers annually. Southwest operates more than 3,900 departures a day during peak travel season across a network of 98 destinations in the United States and seven additional countries with service to three airports in Cuba expected to begin later this year, subject to governmental approvals.

Based on the U.S. Department of Transportation's most recent data, Southwest Airlines is the nation's largest carrier in terms of originating domestic passengers boarded. The Company operates the largest fleet of Boeing aircraft in the world, the majority of which are equipped with satellite-based WiFi providing gate-to-gate connectivity. That connectivity enables Customers to use their personal devices to view video on-demand movies and television shows, as well as more than 20 channels of free, live TV compliments of our valued Partners. Southwest created [Transfarency](#)SM, a philosophy which treats Customers honestly and fairly, and in which low fares actually stay low. Southwest is the only major U.S. airline to offer bags fly free® to everyone (first and second checked pieces of luggage, size and weight limits apply, some airlines may allow free checked bags on select routes or for qualified circumstances), and there are no change fees, though fare differences might apply. The airline proudly unveiled a bold new look: Heart. A new logo, aircraft livery, interior design featuring a new seat and Flight Attendant galley, Employee-designed uniforms, and an updated airport experience all showcase the dedication of Southwest Employees who connect Customers with what's important in their lives.

From its first flights on June 18, 1971, Southwest Airlines launched an era of unprecedented affordability in air travel described by the U.S. Department of Transportation as "The Southwest Effect," a lowering of fares and increase in passenger traffic whenever the carrier enters new markets. With 43 consecutive years of profitability, Southwest is one of the most honored airlines in the world, known for a triple bottom line approach that contributes to the carrier's performance and productivity, the importance of its People and the communities they serve, and an overall commitment to efficiency and the planet. The 2015 Southwest Airlines One Report™ can be found at [SouthwestOneReport.com](#).

Book Southwest Airlines' low fares online at [Southwest.com](#) or by phone at 800-I-FLY-SWA.

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/southwest-airlines-and-pilot-union-reach-tentative-agreement-300319603.html>

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System Failures

Technology crashes force Delta and Southwest to cancel 4,000 combined flights, raising troubling questions **BY AARON KARP**

LONG QUEUES await travelers at the Delta check-in counter at LaGuardia Airport Aug. 8.

Delta Air Lines and Southwest Airlines are very different airlines. One is a global full-service airline with a fleet of varied aircraft types and multiple product offerings for passengers, while the other is the world's original low-cost carrier with an all-Boeing 737 fleet, no business class and a mostly domestic operation. But the US carriers have two things in common: both make operational reliability a key selling point and both recently suffered severe technology meltdowns that damaged their reputations for reliable service. Each airline was forced to cancel around 2,000 flights over several days.

First came Dallas-based Southwest, which suffered what it called a "system-wide technology outage" on July 20. "There was a network equipment failure and the planned redundancy, or backup, failed as well," chairman, president and CEO Gary Kelly explained. COO Mike Van de Ven said Southwest's "redundant systems" didn't work, forcing the airline "to reboot about 400 servers," a process that took 12 hours.

In a video posted on Twitter the week of the system failure—part of Southwest's effort to inform and

apologize to passengers—Van de Ven noted all of the spillover effects that resulted. "We have an incredible backlog of customers and bags, and we have crews in places they're not supposed to be," he said, adding that Southwest also "had a fare sale going on in the middle of all of this" on its website that was disrupted by the technology failure.

Southwest gave a hint of the extent of the damage in an Aug. 10 report detailing its July traffic. The flight delays and cancellations from the July 20 incident will cause an 0.5 point unfavorable year-over-year impact to third quarter 2016 RASM, the airline stated. "As a result, the company now expects its third quarter 2016 RASM to decline, year-over-year, in the 3.5% to 4.5% range, versus its previous guidance of a year-over-year decline in the 3% to 4% range," it said.

That likely means a financial hit totaling tens of millions of dollars. But some of the impact is incalculable. "I realize how frustrating it can be" to have travel plans disrupted, Van de Ven said, adding, "Some of those travel plans were for really special moments that can't be replaced."

Delta, meanwhile, spent much of the first half

of 2016 touting is operating performance advantage over American Airlines, United Airlines and Southwest. "We're operating the best airline on the planet and it's not even close," CEO Ed Bastian said at the company's media day in the spring, pointing out that Delta had more "100% completion factor days"—by a wide margin—than its three US rivals combined.

As of Aug. 7, Delta had canceled just 300 total flights in all of 2016. But despite the fact that Delta has spent hundreds of millions of dollars on technology safeguards, an early morning Aug. 8 power outage at its Atlanta headquarters led to a disastrous operational failure. That's because critical systems inexplicably did not switch over to redundant backup power (sound familiar?) and the carrier had a technology crash that required a reboot, forcing its entire global operation to be grounded for several hours.

"This isn't who we are," Bastian said in a one of several apology videos Delta posted online in the aftermath of the system failure. Beyond the monetary hit Delta will incur in its third-quarter earnings, the episode is a significant negative mark on one of Delta's core brand claims—that it is operating the best, and most reliable, airline in the world. Bastian and other executives will have to cool it for a while on the operational reliability horn tooting.

The dual system failures at Southwest and Delta lead to a number of questions. First, why did their backup systems fail? What is the point of investing so heavily in redundant systems if they can't be relied upon at critical times? And if the backup systems are inadequate, how vulnerable are Southwest, Delta and other airlines to similar system crashes occurring in the future?

The competitive stakes are high. Just a week after its system crash, Delta announced that it will introduce an all-suite business-class cabin on its first Airbus A350-900 arriving next year, and will roll out the new business-class offering on additional aircraft over time. The A350 business-class cabin will feature 32 suites with full-height sliding doors. Delta has 25 A350-900s on order and will also install the suites on Boeing 777s. Among other amenities, each suite will also have a lie-flat seat with a memory foam cushion and an 18-inch high resolution inflight entertainment monitor.

The "Delta One suite" and the fact that Delta's entire A350 business-class offering will be comprised of these suites are truly innovative concepts among the US majors that show Delta is finally trying to compete with the passenger offerings of Asia-Pacific and Gulf global long-haul carriers.

But however luxurious the service, what passengers—especially business travelers—value most is reliability and an on-time arrival. No fancy suite is going to hold its appeal if the airline can't deliver the fundamentals. **ATW**

Quotables

"[The] decision appears to be inextricably linked to the multi-million dollar political campaign that our opponents in the United States have waged against Norwegian in order to prevent us from offering consumers lower fares, new routes and better service."

—Norwegian Group CEO Bjørn Kjos in a letter to European Commission Transport Commissioner Violeta Bulc on the US Department of Transportation's decision to dismiss Norwegian Air UK's application for a foreign air carrier permit

"At a time where closer bilateral ties are being put into question by many sectors of our societies, we should carefully consider the implications that this long and protracted dispute could have, for example, in the TTIP negotiations."

—EC Transport Commissioner Violeta Bulc in a letter to US Transport Secretary Anthony Foxx expressing concerns about the delay in finalizing approval of Norwegian Air International's permit and dismissal of Norwegian UK's application.

"We understand that we're the first of the European airlines to take this bold step and call upon industry partners in airports to also trade responsibly."

—UK low cost carrier Jet2.com managing director Phil Ward, on the carrier's decision to ban alcohol sales on early morning departures.

By Claire Cole

What Makes Travelers Spend At Retail Shops?

There are many factors that can influence travelers' spending during their journey. Getting to the airport late can have wallets snapping shut as soon as passengers leave the security checkpoint. Conversely, an inviting atmosphere and friendly staff can have people spending on items more substantial than a couple of snacks.

The 2015 Airport Consumer Survey looked at various factors that can affect travelers' spending. Almost 30,000 people were interviewed in 13 airports around the world. As the data shows, passengers who arrive early are more likely to spend. However, James Ingram, director of DKMA, points out, "Not only are passengers who spend more time at the airport more likely to buy duty paid retail, they also tend to spend more. On average, passengers who spend more than one hour at the airport tend to spend 16 percent more on duty paid retail than passengers who spend less than one hour at the airport."

To motivate passengers to get to the airport earlier, Ingram says it's important to provide the type of shopping experience they want and make sure travelers are aware of what the airport has to offer. DKMA data shows that those attributes of duty paid shopping that are most important to travelers are not the attributes that score highest in passenger satisfaction.

Percentage of Passengers Purchasing Based On Dwell Time

Less than 30 minutes	9.5%
30 - 45 minutes	8.6%
45 - 60 minutes	10.5%
1 hour - 1.25 hours	11.5%
1.25 hours - 1.5 hours	12.0%
1.5 hours - 2 hours	13.9%
More than 2 hours	16.5%

Source: DKMA

Most Important Factors To Passenger Satisfaction With Retail

01	Atmosphere of shops
02	Choice of products
03	Choice of shops
04	Design / layout of shops
05	Quality of products
06	Speed of service
07	Friendliness of staff
08	Ease of finding shops
09	Value for money

What Passengers Like About Airport Retail (% satisfied)

01	Friendliness of staff	51%
02	Ease of finding shops	51%
03	Design / layout of shops	45%
04	Atmosphere of shops	45%
05	Speed of service	44%
06	Quality of products	41%
07	Choice of products	36%
08	Choice of shops	36%
09	Value for money	27%

Source: DKMA

*All graphics look at data specifically on duty paid retail.