

AGENDA

Greenville-Spartanburg Airport Commission Regular Meeting
Greenville-Spartanburg International Airport Conference Room C – Administrative
Offices
Monday, November 21, 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 September 8, 2016 Regular Meeting Minutes (document)
- III. PRESENTATIONS:
 - A. Retail Concessions and Parking Program Updates
- IV. OLD BUSINESS: None
- V. NEW BUSINESS:
 - A. Acceptance of Greenville-Spartanburg International Airport Financial Audit and Schedules of Expenditures for the Fiscal Years Ended June 30, 2016 and 2015, and Report of Independent Auditor (document)
 - Approval of Lease Terms for Alamo/National Rental Car Concessions
 Agreement Amendment #1 and Associated Construction Project Funding (document)
 - C. Approval of Lease Terms/Agreement for CenterPoint Properties Ground Lease (document)

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VI. PRESIDENT/CEO REPORT:

- A. Aviation Industry Update
- B. PRT Update
- C. Senator International Cargo Update
- D. Future Cargo Facility Requirements

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. September 2016 Traffic Report (document)
- B. September 2016 Financial Report (document)
- C. October 2016 Development/Project Status Report (document)
- D. October 2016 Communications Status Report (document)
- E. October 2016 Commercial Business and Properties Report (document)
- F. October 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:
 - Approval of Public Parking Recommendations

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.

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 AI RPORT COMMISSION

MINUTES

September 8, 2016

The Greenville-Spartanburg Airport Commission met on September 8, 2016 at 9:00 a.m. in the Greenville-Spartanburg District Office Conference Room C located at 2000 GSP Drive, Suite 1, Greer, South Carolina 29651. The public and media were given proper notice of this meeting, under applicable law. This was a regular, non-emergency meeting.

MEMBERS PRESENT: Minor Shaw, Hank Ramella, Bill Barnet, and Doug Smith

MEMBERS NOT PRESENT: Leland Burch, Valerie Miller

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Kevin Howell, Vice President Operations/COO; Jack Murrin, Vice President Administration and Finance/CFO; Scott Carr, Vice President Commercial Business and Properties (Environs Area Administrator); Nathan Garner, Director, Aviation Services; Kelly Wiggs, Aviation Services Supervisor; Betty O. Temple, WCSR; Stefanie Hyder, Executive Assistant/Recording Secretary.

<u>GUESTS PRESENT</u>: John Mafera, McFarland Johnson; Mike Darcangleo, AVCON, Inc.; Herbert Judon, Augusta Regional Airport; Morgan Arndt, WCSR.

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

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

CONSENT AGENDA:

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

PRESENTATIONS:

No presentations

OLD BUSINESS:

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

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

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

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

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

NEW BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. Approval of Final Rankings for Professional Airport Planning Services

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

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

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

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

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

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

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

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

PRESIDENT/ CEO REPORT:

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

Airlines continue to have record profits.

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

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

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

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

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

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

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

COMMISSIONER'S REPORT:

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

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

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

EXECUTI VE SESSI ON:

There being no further business, a motion was made, seconded, and carried to go into Executive Session. The specific purpose of the executive session was to receive legal advice on various matters, specifically the TD Bank contracts and Loan Agreements, the agreement with Crawford Strategies, specifically to discuss the scope and content of deliverables, and a confidential economic development project.

ADJOURNMENT:

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

SIGNATURE OF PREPARER:

Stefanie Hyder		



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: November 21, 2016

ITEM DESCRIPTION - Presentation Item A

Retail Concessions and Parking Program Updates

BACKGROUND

An informational overview of the airport's food, beverage, and retail concessions program will be presented. As part of the overall Wingspan project, the airport has opened new restaurants and stores in the Grand Hall with a few others still under construction.

In addition, an update will be provided on the airport's parking program. As enplanements continue to grow year-over-year, the demand for parking services has continued to increase. Thus, additional facilities are needed to meet both current and future parking demand of the traveling public at some point in the near future.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: November 21, 2016

ITEM DESCRIPTION - New Business Item A

Acceptance of Greenville-Spartanburg International Airport Financial Audit and Schedules of Expenditures for the Fiscal Years Ended June 30, 2016 and 2015, and Report of Independent Auditor

BACKGROUND

Article 7 "Certain Covenants of the District," Section 716, of the 1988 GSP Master Bond Resolution mandates that the District shall annually, within 120 days after the close of each Fiscal Year, cause an audit to be made of its books and accounts by an independent and recognized certified public accounting firm.

Also, as a recipient of FAA grant funds, the requirement for an audit is further established by incorporation of grant assurance #13 and by reference to Federal Regulation 49 CFR Part 18. Sponsors that expend \$500,000 or more in an year in Federal funds must have a single or program-specific audit conducted for that year in accordance with the Single Audit Act of 1984 (as amended) and OMB Circular A-133 "Audits of States, Local Governments and Nonprofit Organization." The \$500,000 threshold represents all Federal funding sources.

ISSUES

The Audit Committee met on October 21, 2016 and was presented with the audit findings. The audit was clean and unqualified.

Representatives of the Cherry, Bekaert & Holland audit firm will present the Audit findings and answer questions the Airport Commission may have.



Greenville-Spartanburg Airport Commission New Business Item A

Acceptance of Greenville-Spartanburg International Airport Financial Audit and Schedules of Expenditures for the Fiscal Years Ended June 30, 2016 and 2015, and Report of Independent Auditor
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ALTERNATI VES

None recommended

FISCAL IMPACT

None

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission accept the audit report as presented.

FINANCIAL STATEMENTS AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

As of and for the Years Ended June 30, 2016 and 2015

And Report of Independent Auditor



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Report of Independent Auditor

To the Commissioners of Greenville-Spartanburg Airport District Greer, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the Greenville-Spartanburg Airport District (the "Airport"), a political subdivision of the State of South Carolina, as of June 30, 2016 and 2015, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Airport, as of June 30, 2016 and 2015, and the results of its operations and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the required supplementary information schedules on pages 33 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport's basic financial statements. The Schedule of Expenditures of Federal and State Awards ("SEFA"), as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (the "Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The SEFA is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the SEFA is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2016 on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Greenville, South Carolina October 12, 2016

Thorry Bebaut LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

The following Management Discussion and Analysis ("MD&A") of Greenville-Spartanburg Airport District ("GSP," "District" or the "Airport") activities and financial performance for the fiscal years ended June 30, 2016 and 2015, is presented in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements — Management's Discussion and Analysis — For State and Local Governments*. The intent of the MD&A is to provide the reader with an introduction and overview to the financial statement package.

Following this MD&A are the basic financial statements of the Airport together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements. In addition to the basic financial statements and accompanying notes, this section also presents certain required supplementary information regarding debt service requirements to maturity.

Overview of Annual Financial Report

Management's Discussion and Analysis serves as an introduction to the basic financial statements. The MD&A represents management's examination and analysis of the Airport's financial condition and performance. Summary financial statement data, key financial, and operational indicators used in the Airport's budgeting and other management tools were used for this analysis.

The Airport's financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to financial statements. The statement of net position presents the financial position of the Airport on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at the end of a year.

The statement of revenues, expenses, and changes in net position present the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Airport's recovery of its costs. The Airport's rates and charges are based on a cost recovery methodology provided in its airline use agreements. The primary objective of the rates and charges model is to determine the costs not covered by non-airline sources and to annually compute landing fees and terminal rents which will provide sufficient funding to reimburse the Airport.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when obligations arise, or depreciation of capital assets.

The notes to financial statements provide disclosures and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the Airport's accounting policies, significant account balances, activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

The financial statements were prepared by the Airport's staff from the detailed books and records of the Airport.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

FINANCIAL HIGHLIGHTS

STATEMENTS OF NET POSITION, JUNE 30, 2016 AND 2015

	June	30		
	2016	2015	Change	%
Assets:				
Cash and investments	\$ 19,669,642	\$ 46,480,755	\$ (26,811,113)	(57.68)
Bond funds	397,748	382,807	14,941	3.90
Receivables	5,914,095	2,897,964	3,016,131	104.08
Capital assets – net	216,597,316	188,744,416	27,852,900	14.76
Other	1,056,375	438,329	618,046	141.00
Total assets	\$ 243,635,176	\$238,944,271	\$ 4,690,905	1.96
Deferred Outflow of Pension				
Resources	\$ 972,467	\$ 887,006	\$ 85,461	9.63
Liabilities:				
Current liabilities	\$ 3,818,709	\$ 5,451,919	\$ (1,633,210)	(29.96)
Long-term liabilities	14,820,829	14,211,384	609,445	4.29
Total liabilities	\$ 18,639,538	\$ 19,663,303	\$ (1,023,765)	(5.21)
Deferred Inflow of Pension	\$ 32,267	\$ 853,882	\$ (821,615)	(96.22)
Net position:				
Net investment in capital assets	\$214,087,781	\$185,951,847	\$ 28,135,934	15.13
Restricted	2,431,483	2,395,378	36,105	1.51
Unrestricted	9,416,574	30,966,867	(21,550,293)	(69.59)
Total net position	\$ 225,935,838	\$219,314,092	\$ 6,621,746	3.02

As can be seen from the above, the Airport has a very strong Statement of Net Position. Liquidity continues to be very strong. Total net position is \$225,935,838 of which \$9,416,574 is unrestricted.

• Total assets at June 30, 2016 were \$243,635,176, which included \$6,656,421 in cash and receivables, \$16,864,384 million in investments, \$397,748 in investments held by US Bank (GSP's Revenue Bond Trustee), and \$216,597,316 in capital assets. Total liabilities were \$18,639,538, \$10,446,431 of which related to the unfunded portion of the South Carolina Retirement pension and \$2,280,000 of which related to GSP's 2001 rental car facility bond issue outstanding at year end. The difference between the \$243,635,176 in assets plus the \$972,467 in deferred outflows of resources and the \$18,639,538 in liabilities plus the \$32,267 in deferred inflows of resources is categorized as Net Position (\$225,935,838). Net Position is composed of \$214,087,781 of net investment in capital assets, \$2,431,483 in restricted assets for capital projects, and \$9,416,574 in unrestricted assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

FINANCIAL HIGHLIGHTS

STATEMENTS OF NET POSITION, JUNE 30, 2015 AND 2014

	June	e 30		
	2015	2014	Change	%
Assets:				
Cash and investments	\$ 46,480,755	\$ 61,034,325	\$ (14,553,570)	(23.84)
Bond funds	382,807	377,355	5,452	1.44
Receivables	2,897,964	3,050,010	(152,046)	(4.99)
Capital assets – net	188,744,416	165,081,479	23,662,937	14.33
Other	438,329	511,914	(73,585)	(14.37)
Total assets	\$ 238,944,271	\$230,055,083	\$ 8,889,188	3.86
Deferred Outflow of Pension				
Resources	\$ 887,006	\$ -	\$ 887,006	100.00
Liabilities:				
Current liabilities	\$ 5,451,919	\$ 5,192,067	\$ 259,852	5.00
Long-term liabilities	14,211,384	5,411,629	8,799,755	162.61
Total liabilities	\$ 19,663,303	\$ 10,603,696	\$ 9,059,607	85.44
Deferred Inflow of Pension	\$ 853,882	\$ -	\$ 853,882	100.00
Net position:				
Net investment in capital assets	\$185,951,847	\$162,020,253	\$ 23,931,594	14.77
Restricted	2,395,378	1,930,726	464,652	24.07
Unrestricted	30,966,867	55,500,408	(24,553,541)	(44.20)
Total net position	\$219,314,092	\$219,451,387	\$ (137,295)	(0.06)

As can be seen from the above, the Airport has a very strong Statement of Net Position. Liquidity continues to be very strong. Total net position is \$219,314,092 of which \$30,966,867 is unrestricted.

• Total assets at June 30, 2015 were \$238,944,271, which included \$10,245,062 in cash and receivables, \$36,261,894 million in investments, \$382,807 in investments held by US Bank (GSP's Revenue Bond Trustee), and \$188,744,416 in capital assets. Total liabilities were \$19,663,303, \$9,311,330 of which related to the unfunded portion of the South Carolina Retirement pension and \$2,575,000 of which related to GSP's 2001 rental car facility bond issue outstanding at year end. The difference between the \$238,944,271 in assets plus the \$887,006 in deferred outflows of resources and the \$19,663,303 in liabilities plus the \$853,882 in deferred inflows of resources is categorized as Net Position (\$219,314,092). Net Position is composed of \$185,951,847 of net investment in capital assets, \$2,395,378 in restricted assets for capital projects, and \$30,996,867 in unrestricted assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

FINANCIAL HIGHLIGHTS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, JUNE 30, 2015 AND 2014

	June 30			
	2016	2015	Change	%
Operating revenues:				
Landing and other airside fees	\$ 2,956,934	\$ 2,918,915	\$ 38,019	1.30
Space and ground rental fees	8,709,634	8,053,184	656,450	8.15
Concessions revenue	14,178,162	13,342,259	835,903	6.27
Expense reimbursements	1,272,775	1,112,448	160,327	14.41
Other revenue	1,247,052	1,257,319	(10,267)	(0.82)
Total operating revenues	28,364,557	26,684,125	1,680,432	6.30
Operating expenses:				
Direct operating expenses	15,675,674	14,625,743	1,049,931	7.18
Loss on disposal of assets	195,388	490,095	(294,707)	(60.13)
Depreciation	10,129,258	9,725,558	403,700	` 4.15 [′]
Total operating expenses	26,000,320	24,841,396	1,158,924	4.67
Operating income	2,364,237	1,842,729	521,508	28.30
Non-operating income	916,288	711,738	204,550	28.74
Income before capital				
contributions	3,280,525	2,554,467	726,058	28.42
Capital contributions	3,341,221	6,523,985	(3,182,764)	(48.79)
Change in net position before				
cumulative change	6,621,746	9,078,452	(2,456,706)	(27.06)
Cumulative effect of the change in accounting principle		(9,215,747)	9,215,747	(100.00)
Change in net position	\$ 6,621,746	\$ (137,295)	\$6,759,041	4,923.01

- Total operating revenues were \$28,364,557 for the fiscal year ended June 30, 2016, up 6.3% from \$26,684,125 as compared to the prior year. This increase was the result of higher auto parking revenues due to an increase in traffic and higher airline space rental revenues due to a higher rate charged to recoup budgeted terminal expenses.
- Total direct operating expenses were \$15,675,674 for the fiscal year ended June 30, 2016, up 7.18% from \$14,625,743 as compared to the prior year. This increase was largely due to an increase in employee benefits, professional services and promotional activities.
- The loss on disposal of assets was \$195,388 for the fiscal year ended June 30, 2016, down 60.13% from \$490,095 as compared to the prior year. The current fiscal year consisted of the fuel farm disposal while the prior fiscal year included disposal of larger apron assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

- Total non-operating income was \$916,288 for the fiscal year ended June 30, 2016, up 28.74% from \$711,738 as compared to the prior year. This is due to an increase in excess Contract Facility Charge ("CFC") revenues from the rental car companies.
- Depreciation expense was \$10,129,258 for the fiscal year ended June 30, 2016, as compared to \$9,725,558 in the fiscal year ended June 30, 2015.
- The debt service coverage ratio was 3,201%, which exceeded the 125% required by the debt covenants of GSP's various bond issues.
- The blended result of increased operating revenues and non-operating income, only partially offset by an increase in direct operating expense and depreciation expense, as discussed above, resulted in GSP's net income before capital contribution of \$3,280,525 and \$2,554,467 for fiscal year ended June 30, 2016 and fiscal year ended June 30, 2015, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

FINANCIAL HIGHLIGHTS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, JUNE 30, 2015 AND 2014

	June 30			
	2015	2014	Change	%
Operating revenues:				
Landing and other airside fees	\$ 2,918,915	\$ 2,994,349	\$ (75,434)	(2.52)
Space and ground rental fees	8,053,184	8,011,832	41,352	0.52
Concessions revenue	13,342,259	12,597,222	745,037	5.91
Expense reimbursements	1,112,448	1,024,100	88,348	8.63
Other revenue	1,257,319	1,057,549	199,770	18.89
Total operating revenues	26,684,125	25,685,052	999,073	3.89
Operating expenses:				
Direct operating expenses	14,625,743	13,079,341	1,546,402	11.82
Loss on disposal of assets	490,095	2,027,434	(1,537,339)	(75.83)
Depreciation	9,725,558	10,050,973	(325,415)	(3.24)
Total operating expenses	24,841,396	25,157,748	(316,352)	(1.26)
Operating income	1,842,729	527,304	1,315,425	249.46
Non-operating income	711,738	178,663	533,075	298.37
Income before capital				
contributions	2,554,467	705,967	1,848,500	261.84
Capital contributions	6,523,985	8,190,973	(1,666,988)	(20.35)
Change in net position before				
cumulative change Cumulative effect of the change in	9,078,452	8,896,940	181,512	2.04
accounting principle	(9,215,747)		(9,215,747)	100.00
Change in net position	\$ (137,295)	\$ 8,896,940	\$ (9,034,235)	(101.54)

- Total operating revenues were \$26,684,125 for the fiscal year ended June 30, 2015, up 3.89% from \$25,685,052 as compared to the prior year. This increase was the result of higher auto parking revenues, higher rental car concessions and lease income from tenants acquired with the purchase of Runion properties.
- Total direct operating expenses were \$14,625,743 for the fiscal year ended June 30, 2015, up 11.82% from \$13,079,341 as compared to the prior year. This increase was largely due to employee benefits, consulting services, promotional expenses and unanticipated projects (terminal-related and economy lot drainage primarily).
- The loss on disposal of assets was \$490,095 for the fiscal year ended June 30, 2015, down 75.83% from \$2,027,434 as compared to the prior year. The current fiscal year mostly consisted of apron disposal while the prior fiscal year included disposal of large terminal assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

- Total non-operating income was \$711,738 for the fiscal year ended June 30, 2015, up 298.37% from \$178,663 as compared to the prior year. This is due to an increase in excess Contract Facility Charge ("CFC") revenues from the rental car companies.
- Depreciation expense was \$9,725,558 for the fiscal year ended June 30, 2015, as compared to \$10,050,973 in the fiscal year ended June 30, 2014.
- The debt service coverage ratio was 3,158%, which exceeded the 125% required by the debt covenants of GSP's various bond issues.
- The blended result of increased operating revenues and non-operating income, along with a decrease in operating expense, loss on the disposal of assets and depreciation expense, as discussed above, resulted in GSP's net income before capital contribution of \$2,554,467 and \$705,967 for fiscal year ended June 30, 2015 and fiscal year ended June 30, 2014, respectively.
- Effective August 1, 2014, Greenville-Spartanburg Airport District adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions an Amendment of GASB Statement No. 27 ("Statement No. 68"), and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date an Amendment of GASB Statement No. 68 ("Statement No. 71"). These provisions require government employers to recognize as a liability, their long-term obligation for these pension benefits. As a result of this implementation, Net Position of \$219,451,387 at July 1, 2014 was restated to reflect the net pension liability of \$9,790,540 and Deferred Outflows of Resources of \$540,793 to become \$210,235,640.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

Description of Significant Capital and Long-term Debt Expenditures

The Airport District is currently in the midst of a major terminal renovation with a project budget of approximately \$123 million. The expected completion date is scheduled for 3rd quarter, calendar year 2016. The first two of three project phases constituting approximately \$72.5 million was completed and capitalized in the fiscal year ended June 30, 2015. The final project phase will continue to be reflected in Construction In Progress, valued at \$49 million for the fiscal year ended June 30, 2016 versus \$21 million for the fiscal year ended June 30, 2015, until final completion and capitalization in the fiscal year ended June 30, 2017.

The Airport District has incurred no additional long-term debt expenditures in either the fiscal year ended June 30, 2016 or June 30, 2015. The only expenditures related to long-term debt are those of normal debt service. On May 9, 2016 the District's Commission approved the opening of a \$25 million Line of Credit ("LOC") with TD Bank for special project use, but as of June 30, 2016 there were no drawdowns on said LOC.

Changes in Credit Ratings and Debt Limitations

The Airport District has an A2 credit rating with a stable outlook from Moody's. There were no changes in our credit ratings or associated debt limitations in either the fiscal years ended June 30, 2016 or June 30, 2015.

All foreseeable normal operational capital projects within a ten-year horizon are projected to be funded internally with Airport District reserve funds and/or with FAA grant funds. For new "special projects" outside the normal operational scope, management has the option to utilize the aforementioned LOC for funding purposes. As special projects are completed, they can be "termed out" (removed from the LOC and replaced with a fixed permanent loan), at management's discretion.

Looking Ahead ...

Aviation Industry Overview

The airline industry is particularly susceptible and sensitive to many variables we find in our world today:

- Oil Prices
- Terrorist events, like 9/11
- Domestic and global economic conditions
- Pandemics and other health concerns
- Aircraft accidents
- Fleet & maintenance issues / aircraft orders and delays
- Customer service issues / failures & resultant negative press
- Volatility of fuel prices
- Debt restructuring
- Volcanic activity
- Merger, acquisitions, bankruptcies of airlines
- And, others

Any one of these can impact airline traffic dramatically, as experience has abundantly proven. And yet, when you combine these factors in an ever-changing world, you can expect very volatile results. Airlines have attempted to minimize financial losses through these periods of extreme volatility by lowering operating costs, merging, canceling unprofitable routes, charging for baggage/food/etc., and grounding older, less fuel-efficient aircraft.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

Overall, it appears that many aviation industry prognosticators believe that:

- Airfares are likely to stay high most of this decade.
- Passenger travel will continue to grow at reduced rates, but airline capacity will continue to shrink, albeit slowly. This combination will cause planes to get more crowded, and is likely to remain that way.
- Over the next two decades, U.S. airline travel is expected to nearly double.
- Airlines are recording historically high profitability levels. These levels of higher profitability are expected
 to continue for the foreseeable future.

The most recent Federal Aviation Administration ("FAA's") Aerospace Forecast currently published (2016-2036) contains the following "Forecast Highlights":

"Since its deregulation in 1978, the U.S. commercial air carrier industry has been characterized by boom-to-bust cycles. The volatility that was associated with these cycles was thought by many to be a structural feature of an industry that was capital intensive but cash poor. However the great recession of 2007-09 marked a fundamental change in the operations and finances of U.S. Airlines. Air carriers fine-tuned their business models to minimize losses by lowering operating costs, elimination unprofitable routes, and grounding older, less fuel-efficient aircraft. To increase operating revenues, carriers initiated new services that customers were willing to purchase and started charging separately for services that were historically bundled in the price of a ticket. The industry experienced an unprecedented period of consolidation with four major mergers in five years. These changes along with capacity discipline exhibited by carriers have resulted in a fifth consecutive year of profitability for the industry in 2015. Looking ahead there is optimism that the industry had been transformed from that of a boom-to-bust cycle to one of sustainable profits.

As the economy recovers from the most serious economic downturn since World War II and the slowest expansion in recent history, aviation will continue to grow over the long fun. Fundamentally, over the medium and long term, demand for aviation is driven by economic activity. The 2016 FAA forecast calls for U.S. carrier passenger growth over the next 20 years to average 2.1 percent per year, slightly faster than last year's forecast. The sharp decline in the price of oil in 2015 is a catalyst for a short-lived uptick in passenger growth in 2016. Although oil prices are projected to fall to around \$43 per barrel in 2016, our forecast assumes that they will rise thereafter to exceed \$100 by 2023 and \$150 by the end of the forecast, keeping a lid on U.S. economic growth during the same period. There are a number of headwinds that are buffeting the global economy – the fall in oil prices, recession in Russia and Brazil and inconsistent performance in other emerging economies, a "hard landing" in China, and lack of further stimulus in the advanced economies. The uncertainty over the future course of oil prices is just one more item on the list. Although the U.S. economy has managed to avoid a recession, a prolonged period of faster economic growth (e.g. >3%) may not be forthcoming.

System traffic in revenue passenger miles (RPMs) is projected to increase by 2.6 percent a year between 2016 and 2036. Domestic RPMs are forecast to grow 2.1 percent a year while International RPMs are forecast to grow almost twice as fast at 3.5 percent a year. U.S. carrier system capacity measure in available seat miles (ASMs) is forecast to grow in line with the increases in demand. The number of seats per aircraft is getting bigger, especially in the regional jet market, where we expect the number of 50 seat regional jets to fall to just a handful by 2023, replaced by 70-90 seat aircraft.

Although the U.S. and global economy continued to sputter in 2015, stable demand and lower energy prices resulted in record profits for U.S. airlines. U.S. carrier profitability should remain steady or increase as the recovery leads to strengthening demand and increase revenues, while lower energy prices keep operating costs in check. Over the long term, we see a competitive and profitable aviation industry characterized by increasing demand for air travel and airfares growing more slowly than inflation, reflecting over the long term a growing U.S. economy.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

The long-term outlook for general aviation is favorable, led by gains in turbine aircraft activity. The active general aviation fleet is forecast to increase 0.2 percent a year between 2015 and 2036, equating to an absolute increase in the fleet of about 7,000 units. While steady growth in both GDP and corporate profits results in continued growth of the turbine and rotorcraft fleets, the largest segment of the fleet – fixed wing piston aircraft continues to shrink over the forecast. Although fleet growth is minimal, the number of general aviation hours flown is projected to increase an average of 1.2 percent per year through 2036, as growth in turbine, rotorcraft, and experimental hours more than offset a decline in fixed wing piston hours.

With increasing numbers of regional and business jets in the nation's skies, fleet mix changes, and carriers consolidating operations in their large hubs, we expect increased activity growth, which has the potential to increase controller workload. Operations at FAA and contract towers are forecast to increase 0.9 percent a year over the forecast period with commercial activity growing at five times the rate of noncommercial activity. The growth in U.S. airline and business aviation activity is the primary driver. Large and medium hubs will see much faster increases than small and non-hub airports, largely due to the commercial nature of their operations."

Source: FAA Forecast Highlights 2016-2036

Moody's Investor Service Airport Industry Outlook

Moody's has assigned a **positive** outlook for the short-term (12-18 months) U.S. Airport industry sector as economic growth brings more travelers. This outlook is summarized in the following press release on December 16, 2015:

Global Credit Research - 16 Dec 2015

More seat capacity on US airlines, combined with continued US economic expansion, will push enplanement growth to between 2.5% and 4% in 2016, approximately equal to our previous expectation of up to 4% growth in 2015. Enplanement growth, or the increase in number of passengers using an airport to depart on a flight, is a key indicator of our outlook because in most instances it translates into higher parking and airport-terminal concession revenues, which account for about half of total airport revenue. Our outlook has been positive since December 2014.

- Airlines will add more seats in 2016, supporting enplanement growth. Seat growth, which we
 expect to rise between 3% and 4.5%, is strongly correlated with airline seat capacity and economic
 growth. Based on guidance provide by US airlines in third quarter earnings updates, seat capacity
 growth will be moderate at the large US carriers, but smaller airlines will again add significant capacity in
 2016.
- US economic growth will support demand for US travel. The US economy will grow about 2.5%, according to Moody's Macroeconomic Board's forecast, supporting increased air travel. We also expect US travelers' strong demand to make up for weakness in inbound travel.
- Higher-than-expected enplanement growth and stronger-than-expected financial performance
 this year will provide a cushion against downside risks in 2016. For 2015, most airports will report
 enplanement growth above 2%, which will result in increased debt-service coverage ratios and stronger
 liquidity. For 2016, we expect enplanement growth will be near 4%, which will also result in strongerthan expected financial metrics.
- Small airports will continue to lag as airlines constrain capacity growth. In 2015, small airports as a group have seen meager growth of about 1%. Small airports are more likely to only be served by the large legacy airlines, which are projected to see the smallest seat capacity growth.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015 (UNAUDITED)

• What could change our outlook. We would likely shift back to a stable outlook if enplanement growth slips below 2.5%, which could happen if the US economy weakens.

Source: Moody's Investor Service outlook on US Airport Industry "2016 Outlook – Enplanement Growth Drives Positive Outlook"... December 10, 2015

Greenville-Spartanburg International Airport ("GSP") Outlook

Although profitability levels have been and continue to be very strong, management is focused on and remains committed to providing increased levels of air service for the surrounding population base. We continue to work diligently towards attracting greater levels of air service for the Upstate region and are ever mindful about posturing ourselves from a competitive standpoint in the face of increased competition from Charlotte and Atlanta.

A major project initiative currently underway and nearing completion is a redesign of our aging terminal facilities. The project started in 2012 and has a completion date tentatively scheduled for the 3rd quarter, 2016.

Management agrees with the FAA forecasts and continues to plan for long-term growth in accordance with local initiatives/demands, planning forecasts, and the approved 2003 Airport Master Plan (Note: an update to the 2003 Master Plan is budgeted this year in the Capital Improvement Plan ("CIP")). Management is committed to providing our customers with the highest level of service possible in these challenging and exciting times and look forward to the future.

Management's assessment of our long-term forecast continues to be favorable largely due to our lack of significant debt, competitive airline rates & charges, aggressive air service development efforts, regional economic trends, healthy catchment area/size, and many other factors.

STATEMENTS OF NET POSITION

JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Current assets:		
Cash	\$ 2,805,258	\$ 9,620,747
Receivables	3,851,163	624,315
Inventories and prepaid insurance	1,056,375	438,329
Investments	16,864,384	36,261,894
Notes receivable - current portion	229,535	217,568
Total current assets	24,806,715	47,162,853
Restricted assets:		
Cash	-	598,114
Receivables	246,112	239,261
Investments - held by Trustee	397,748	382,807
Total restricted assets	643,860	1,220,182
Notes receivable - net of current portion	1,587,285	1,816,820
Capital assets - at cost:		
Land	41,074,047	41,074,047
Buildings and equipment	187,341,404	182,061,017
Runways	65,205,550	60,789,646
Construction-in-progress	48,909,735	20,890,224
Total capital assets	342,530,736	304,814,934
Less accumulated depreciation	(125,933,420)	(116,070,518)
Capital assets - net	216,597,316	188,744,416
Total Assets	\$ 243,635,176	\$ 238,944,271
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflow Related to State Pension	\$ 972,467	\$ 887,006

STATEMENTS OF NET POSITION (CONTINUED)

JUNE 30, 2016 AND 2015

	2016	2015
LIABILITIES		
Current liabilities:		
Payable from unrestricted assets:	Φ 0.101.400	Φ 4.0E1.E4C
Accounts payable and accrued liabilities Unearned credits - current portion	\$ 3,191,429 229,535	\$ 4,851,546 217,568
·		
Total payable from unrestricted assets	3,420,964	5,069,114
Payable from restricted assets:		
Accrued interest payable	77,745	87,805
Revenue bonds - current portion	320,000	295,000
Total payable from restricted assets	397,745	382,805
Total current liabilities	3,818,709	5,451,919
Unearned credits - net of current portion	1,587,285	1,816,820
Long-term employee benefits	827,113	803,234
SCRS Pension liability	10,446,431	9,311,330
Revenue bonds payable - net of current portion	1,960,000	2,280,000
Total Liabilities	\$ 18,639,538	\$ 19,663,303
DEFENDED INITIONIC OF DECOLIDERS		
DEFERRED INFLOWS OF RESOURCES Deferred Inflow Related to State Pension	\$ 32,267	\$ 853,882
Deferred filliow Fielated to State Feribles	Ψ 02,207	Ψ 000,002
NET POSITION		
Net investment in capital assets	214,087,781	185,951,847
Restricted:		
Held by Trustee	320,003	295,003
Contract facility charges	2,111,480	2,100,375
Total restricted	2,431,483	2,395,378
Unrestricted	9,416,574	30,966,867
Total Net Position	\$ 225,935,838	\$ 219,314,092

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Operating revenues:		
Airside	\$ 2,956,934	\$ 2,918,915
Space and ground rental	8,709,634	8,053,184
Concessions	14,178,162	13,342,259
Other	2,519,827	2,369,767
Total operating revenues	28,364,557	26,684,125
Operating expenses before loss on disposal of assets and depreciation:		
Airfield	293,485	223,299
Terminal building	2,305,357	2,218,801
Administrative	5,421,645	4,787,066
Maintenance and operations	3,302,396	3,177,589
Fire and crash department	1,141,020	1,106,173
Security	1,236,226	1,242,102
Other direct expenses	1,975,545	1,870,713
Total operating expenses before loss on disposal		
of assets and depreciation	15,675,674	14,625,743
Operating income before loss on disposal		
of assets and depreciation	12,688,883	12,058,382
Net loss on disposal of assets	195,388	490,095
Depreciation	10,129,258	9,725,558
Operating income	2,364,237	1,842,729
Nonoperating revenues (expenses):		
Contract facility charges	1,026,795	856,591
Interest on accounts	43,134	22,685
Change in fair value of investments	1,855	8,076
Interest and other financing costs - net	(155,496)	(175,614)
Nonoperating revenues - net	916,288	711,738
Income before capital contributions	3,280,525	2,554,467
Capital contributions	3,341,221	6,523,985
Increase in net position before cumulative change	6,621,746	9,078,452
Cumulative effect of the change in accounting principle	<u> </u>	(9,215,747)
Change in net position	6,621,746	(137,295)
Net position:		
Beginning of year	219,314,092	219,451,387
End of year	\$ 225,935,838	\$ 219,314,092

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash flows from operating activities: Cash received from providing services Cash payments to suppliers for goods and services Cash payments to employees for services	\$ 25,137,709 (10,093,965) (7,607,968)	\$ 26,643,266 (7,018,728) (7,226,920)
Net cash provided by operating activities	7,435,776	12,397,618
Cash flows from capital and related financing activities: Acquisition and construction of capital assets Net proceeds from sale of	(38,177,546)	(33,878,590)
investments - held by Trustee Principal payments on bonds Interest payment on bonds Capital contributions Contract facility charges	(14,941) (295,000) (165,556) 3,341,221 1,019,944	(5,452) (280,000) (185,162) 6,523,985 843,270
Net cash used in capital and related financing activities	(34,291,878)	(26,981,949)
Cash flows from investing activities: Net purchase and maturity of investment securities Investment income Net cash provided by investing activities	19,399,365 43,134 19,442,499	10,262,979 22,685 10,285,664
Net increase (decrease) in cash	(7,413,603)	(4,298,667)
	,	, ,
Cash, beginning of year	10,218,861	14,517,528
Cash, end of year	\$ 2,805,258	\$ 10,218,861
Reconciliation of operating income to net cash provided by operating activities: Operating income Adjustments to reconcile operating income to net cash provided by operating activities:	\$ 2,364,237	\$ 1,842,729
Depreciation Net loss on disposal of capital assets Change in assets and liabilities:	10,129,258 195,388	9,725,558 490,095
Trade and other receivables Inventories and prepaid insurance Deferred outflows related to state pension Trade accounts payable and accrued liabilities Other long-term liabilities Deferred pension investment earnings	(3,226,848) (618,046) (85,461) (1,660,117) 1,158,980 (821,615)	(40,859) 73,585 (312,214) 243,059 (478,217) 853,882
Total adjustments	5,071,539	10,554,889
Net cash provided by operating activities	\$ 7,435,776	\$ 12,397,618

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 1—Organization

The Greenville-Spartanburg Airport District (the "Airport") is a political subdivision of the State of South Carolina (the "State"). Commissioners of the Airport are recommended for appointment by a majority of the Greenville and Spartanburg County Delegations and appointed by the governor of the State.

Note 2—Summary of significant accounting and reporting policies

Basis of Presentation – Due to its organizational structure, the Airport is subject to the application of accounting pronouncements issued by the Governmental Accounting Standards Board ("GASB").

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash – For purposes of the statements of cash flows, certain highly liquid investments (including restricted assets) not otherwise defined as an investment by State of South Carolina statute (see "Investments" below) with an original maturity of three months or less, are considered to be cash equivalents and are recorded at fair market value. The cash equivalents as of June 30, 2016 and 2015 were \$14,997,161 and \$29,999,961, respectively, and are included in the balance of investments in the statements of net position.

Inventories - Inventories are stated at the lower of cost (first-in, first-out method) or market.

Investments – The Airport's investments, consisting of U.S. Treasury bills and notes at June 30, 2016 and 2015, are carried at fair value. All investments are carried in the Airport's name and held by the dealer/safekeeping agent. Investment maturities are currently set for four weeks, in order to have funds available when needed for the terminal improvement project. At maturity, the Treasury bills are either reinvested or included in current assets until used for construction in progress.

Investments – Held by Trustee – Investments – Held by Trustee represent funds held by a trustee under bond indenture agreements as required by provisions of the Series 2001 Bonds. Such trusteed funds include debt service reserve, construction, and principal and interest accounts. These investments consist primarily of U.S. Treasury securities.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 2—Summary of significant accounting and reporting policies (continued)

Capital Assets – Capital assets are stated at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging from 3 to 25 years. The Airport's threshold for capitalization is \$10,000. Repair and maintenance costs are expensed when incurred. Changes in accumulated depreciation during 2016 and 2015 are as follows:

	A	ixed Assets cquired by FAA Grants	 Other Fixed Assets	Total Fixed Assets
Accumulated depreciation - June 30, 2014	\$	67,369,155	\$ 46,696,475	\$ 114,065,630
Fiscal year 2015 depreciation Less - 2015 capital asset write-offs		5,260,913 (6,720,054)	4,464,645 (1,000,616)	9,725,558 (7,720,670)
Accumulated depreciation - June 30, 2015		65,910,014	50,160,504	116,070,518
Fiscal year 2016 depreciation Less - 2016 capital asset write-offs		4,820,799 (253,038)	5,308,459 (13,318)	10,129,258 (266,356)
Accumulated depreciation - June 30, 2016	\$	70,477,775	\$ 55,455,645	\$ 125,933,420

Contract Facility Charge – Contract Facility Charges ("CFCs") are levied by the Airport pursuant to a Memorandum of Understanding signed with the rental car companies serving the Airport. This rate is adjusted from time to time as deemed necessary by airport management in order to cover the related annual expenses. The CFC rate was \$4.00 per contract rental day as of June 30, 2016 and 2015. Up to the date of beneficial occupancy, April 1, 2003, the amounts received were recorded as non-operating revenues when earned and were to be used for construction of the rental car facility, in addition to funding the debt service requirements of the associated Series 2001 Bonds. Subsequent to April 1, 2003, CFCs received are recorded as space and ground rental operating revenue, in addition to non-operating revenue related to the continued funding of the related Series 2001 Bonds. The Airport is to receive the CFCs for the term of the related bonds (through fiscal 2020).

The Memorandum of Understanding between the Airport and rental car companies serving the Airport also provides for the reimbursement of the construction costs which the Airport funded out of operations. The Airport is to be reimbursed over a 20-year period, payable monthly, including a 5.5% per annum finance charge. Upon receipt, the Airport records such reimbursement as operating revenue in the accompanying statements of revenues, expenses, and changes in net position. The Airport has recorded the total amount of reimbursement outstanding from the rental car companies at June 30, 2016 and 2015, as notes receivable and unearned credits totaling \$1,816,820 and \$2,034,388, respectively, in the accompanying statements of net position.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 2—Summary of significant accounting and reporting policies (continued)

For the years ended June 30, 2016 and 2015, the Airport has recorded CFCs related to space and ground rental as operating revenue of \$1,367,162 and \$1,345,198, respectively, in addition to non-operating revenue consisting of the following:

	 2016	 2015
Funding of Series 2001 Bonds	\$ 460,556	\$ 465,163
Reimbursement of Airport-funded construction	329,460	329,460
CFC surplus receipts/(deficit)	 236,779	 61,968
	\$ 1,026,795	\$ 856,591

Additionally, as of June 30, 2016 and 2015, the Airport had received but not yet spent CFCs totaling \$1,865,368 and \$1,263,000, respectively, which are reported as restricted in the accompanying statements of net position until expended.

Net Position – Net position is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law.

Capital Contributions – Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program ("AIP") of the Federal Aviation Administration ("FAA") or from various State allocations or grant programs. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisition and facility development and rehabilitation are reported in the accompanying statements of revenues, expenses, and changes in net position, after non-operating revenues (expenses), as capital contributions.

Operating Revenues and Expenses – All of the Airport's activities relate to the operation of the airport except for the investment of residual cash and investments and financing-related activities. Accordingly, all of the Airport's revenues and expenses, except for investment income and financing-related costs and charges, are classified as operating in the accompanying statements of revenues, expenses, and changes in net position.

Revenue Recognition – Airside and space and ground rental revenues consist of amounts received under Airline Operating Agreements with the major airlines serving the Airport, certain fixed fees for nonscheduled airlines and private users of the Airport, and certain fixed fees for other ancillary services provided. The Airline Operating Agreements stipulate that landing fees and space rental revenues will be based on maintenance and operations costs, as defined in the agreements. Additionally, the Series 2000 and 2001 Bonds contain a restrictive covenant which provides that the aggregate of airline fees and charges together with other revenues, including nonairline revenues, for each fiscal year should be sufficient to pay the operating expenses and to make all deposits and payments under bond ordinances. Airside and space and ground rental fees are recognized as revenue when the related services are provided and facilities utilized.

Concessions and other revenue consist primarily of rental car, parking, and other ancillary services revenue. Such revenue is generally based on a fixed percentage of tenant revenues subject to certain minimum monthly fees or a fixed fee schedule. Concessions and other revenue are recognized when earned.

Other Direct Expenses – Other direct expenses consist primarily of the upkeep of the cargo, rental car, and parking lot facilities. Other direct expenses are recognized when incurred.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 2—Summary of significant accounting and reporting policies (continued)

Post-Employment Benefits – During the 2010 fiscal year, the Airport implemented a new personnel policy in which it will pay for a portion of an eligible retiree's health insurance premiums between ages 60 to 65 who also have at least 10 years of service with the Airport. The liability related to this new benefit was not material; however, a liability related to this benefit is included in the long-term employee benefits in the statements of net position.

Compensated Absences – Employees earn vacation leave at a rate of 80 to 160 hours per year dependent upon length of service. Unused vacation hours can be carried over from year to year up to a maximum of 480 hours and are payable upon termination, resignation, retirement, or death in accordance with the Airport's personnel policy. The noncurrent portion of the accrued liability related to vacation hours is included in long-term employee benefits and the current portion in accrued liabilities in the statements of net position.

Regular full-time employees accumulate sick leave at the rate of 96 hours per year and can accrue up to 720 hours. All employees who properly resign, are laid off, or otherwise separated from the Airport in good standing are entitled to be paid 33% of any unused sick balance not to exceed 240 hours. An accrual for sick leave has been made as of June 30, 2016 and has been categorized into a short-term and long-term portion. Sick leave can be taken for medical appointments, personal illness or illness of a member of the immediate family. Sick leave may be used in the determination of length of service for retirement benefit purposes. The noncurrent portion of the accrued liability related to sick leave is included in long-term employee benefits and the current portion in accrued liabilities in the statements of net position.

New Pronouncements – The GASB has issued the following statement, which has been implemented by the Airport for the year ended June 30, 2016:

GASB Statement No. 72, *Fair Value Measurement and Application*, effective for periods beginning after June 15, 2015, addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. The statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement does not have a material impact on the Airport's financial statements.

The GASB has issued several statements which have not yet been implemented by the Airport. The statement which may have a future impact on the Airport is as follows:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for periods beginning after June 15, 2017, replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Among other things, GASB Statement No. 75 requires governments to report a liability on the face of the financial statements for the other postemployment benefits ("OPEB") that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 3—Cash and other financial instruments

All the cash deposits of the Airport are in a single financial institution and are carried at cost plus interest which approximates fair value. The carrying amount of cash deposits is separately reported as cash in the accompanying statements of net position. These deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits are collateralized with securities held by the Airport. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

Airport cash accounts are part of a nightly multi-account sweep with a major financial institution's automated investment system repurchase agreement. The balance of the overnight agreement was \$5,083,241 and \$9,679,960 as of June 30, 2016 and 2015, respectively. The overnight repurchase agreements are collateralized by the underlying U.S. government securities utilizing the Dedicated Method. Under the dedicated method, the bank custodian is required to pledge specific securities for collateralized balances in excess of the amounts covered by the Federal Depository Insurance Corporation.

At June 30, 2016 and 2015, the carrying amount for Airport's cash totaled \$6,417,367 and \$11,599,322, respectively. Of the Airport's bank balance, \$250,000 was covered by federal depository insurance, while the remainder of the Airport's deposits were covered by collateral held under the Dedicated Method.

Note 4—Receivables

Receivables are recorded at their gross value when earned and are reduced, if applicable, by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts, when applicable, is based on collection history, aviation industry trends, and current information regarding the creditworthiness of the tenants and others doing business with the Airport. As of June 30, 2016 and 2015, no allowance for uncollectible amounts was recorded.

Receivables (including restricted assets) consisted of the following as of June 30, 2016 and 2015:

	 2016		2015	
Trade and contract facility charge	\$ 745,826	\$	668,808	
FAA and other grants	3,348,318		7,097	
Interest and other	 3,131		187,671	
	\$ 4,097,275	\$	863,576	

Note 5—Investments

At June 30, 2016 and 2015, the Airport's investment balances, recorded at fair value, were \$16,864,384 and \$36,261,894, respectively. At June 30, 2016 and 2015, the entire amount was invested in U.S. Treasury bills.

All investments held at June 30, 2016 and 2015 have maturities of less than one year and have an AAA rating. In addition, investments with fair values of \$397,748 and \$382,807 as of June 30, 2016 and 2015, respectively, were held by a trustee.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 5—Investments (continued)

Types of Allowable Investments – in accordance with the South Carolina State Statutes and the Airport District's approved investment policy, the following investments are permitted:

- Checking accounts in U.S. federally insured banks and savings and loans not to exceed federally insured amounts:
- 2. Money market funds that invest in U.S. Government backed securities;
- 3. U.S. Treasury Obligations to include U.S. Treasury bills and notes, or any other obligation or security issued by or backed by the full faith and credit of the U.S. Treasury;
- 4. Federal Agency Obligations including bonds, notes, debentures, or other obligations or securities issued by, or backed by, full faith and credit of any U.S. Government agency or sponsored enterprise.
- 5. South Carolina Local Government Investment Pool ("SCLGIP") limited to 25% of investment portfolio.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Airport generally limits a portion of its investment portfolio to maturities of less than 12 months. Also, the Airport's purchases of securities are laddered with staggered maturity dates.

Credit Risk – The Airport has no written policy regarding credit risk. However, a conservative investment strategy is maintained. Currently, most investments are in T-bills, securities backed by U.S. Treasuries, or deposits which fall within the Federal Deposit Insurance Corporation limits.

Custodial Credit Risk – For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the Airport will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Since a large majority of the Airport's investments are with the U.S. Treasury Department in the form of T-bills, or other securities backed by the U.S. Treasury, management views custodial credit risk as minimal, and consequently, has no written policy on this particular form of risk.

Concentration of Credit Risk – The Airport places no limit on the amount that the Airport may invest in any one issuer, with the exception of the 25% limitation on the SCLGIP. All of the Airport's investments are in, or backed by, U.S. Treasury bills and the SCLGIP.

Fair Value – Investments are reported at fair value and categorized within the fair value hierarchy established under accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Gains or losses that result from market fluctuation are reported in the current period. As of June 30, 2016 and 2015, the Airport's Treasury bills are valued using significant other observable inputs (Level 2 inputs).

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 6—Capital assets

A summary of changes in capital assets during fiscal 2016 and 2015 is as follows:

			Transfers/		
	June 30, 2015	Additions	Disposals	June 30, 2016	
Capital assets not being depreciated:					
Land	\$ 41,074,047	\$ -	\$ -	\$ 41,074,047	
Construction-in-process	20,890,224	37,946,244	(9,926,733)	48,909,735	
Total capital assets not being					
depreciated	61,964,271	37,946,244	(9,926,733)	89,983,782	
Capital assets being depreciated:					
Buildings and equipment	182,061,017	231,303	5,049,084	187,341,404	
Runways	60,789,646		4,415,904	65,205,550	
Total capital assets being					
depreciated	242,850,663	231,303	9,464,988	252,546,954	
Total accumulated depreciation	(116,070,518)	(10,129,258)	266,356	(125,933,420)	
Net capital assets	\$ 188,744,416	\$ 28,048,289	\$ (195,389)	\$ 216,597,316	

A summary of changes in capital assets during fiscal 2015 and 2014 is as follows:

	June 30, 2014	Additions	Transfers/ Disposals	June 30, 2015
Capital assets not being depreciated: Land Construction-in-process	\$ 38,909,689 62,776,368	\$ 2,164,358 31,588,710	\$ - (73,474,854)	\$ 41,074,047 20,890,224
Total capital assets not being depreciated	101,686,057	33,753,068	(73,474,854)	61,964,271
Capital assets being depreciated: Buildings and equipment Runways	109,448,991 68,012,061	208,640	72,403,386 (7,222,415)	182,061,017 60,789,646
Total capital assets being depreciated	177,461,052	208,640	65,180,971	242,850,663
Total accumulated depreciation	(114,065,630)	(9,725,558)	7,720,670	(116,070,518)
Net capital assets	\$ 165,081,479	\$ 24,236,150	\$ (573,213)	\$ 188,744,416

Interest costs charged to expense for the years ended June 30, 2016 and 2015 totaled \$155,496 and \$175,614, respectively.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 7—Revenue bonds

A summary of the revenue bond changes during fiscal 2016 and 2015 is as follows:

	Outstanding June 30, 2015	Net Cash Disbursement	Outstanding June 30, 2016	Current Portion		
Revenue bonds: Series 2001B	\$ 2,575,000	\$ (295,000)	\$ 2,280,000	\$ 320,000		
Total	\$ 2,575,000	\$ (295,000)	\$ 2,280,000	\$ 320,000		
	Outstanding June 30, 2014	Net Cash Disbursement	Outstanding June 30, 2015	Current Portion		
Revenue bonds: Series 2001B	\$ 2,855,000	\$ (280,000)	\$ 2,575,000	\$ 295,000		
Total				\$ 295,000		

Series 2001 Bonds – In August 2001, the Airport issued \$4,990,000 of taxable revenue bonds ("Series 2001B Bonds"). Proceeds of the issuances were used to construct a new rental car facility and related improvements. Interest is payable semiannually on July 1 and January 1. Annual principal installments are due on July 1 and commenced on July 1, 2003. The Series 2001B Bonds are composed of serial bonds which bear interest at rates between 4.4% and 6.2% annually.

Under the terms of the Series 2001 Bonds, the Airport is subject to certain covenants including, but not limited to, limitations on the transfer or sale of assets, limitations on the incurrence of additional indebtedness, maintenance of adequate insurance coverage on property, and maintenance of a minimum level of net revenues, as defined, to aggregate annual debt service. As of June 30, 2016 and 2015, Airport management believes the Airport is in compliance with these restrictive covenants.

The future debt service requirements of the Series 2001 Bonds are as follows as of June 30, 2016:

	Principal Interest		 Total	
2017	\$ 320,000	\$	155,496	\$ 475,496
2018	340,000		133,672	473,672
2019	365,000		110,484	475,484
2020	390,000		85,591	475,591
2021	420,000		58,993	478,993
2022	445,000		30,349	 475,349
Total	\$ 2,280,000	\$	574,585	\$ 2,854,585

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 8—Unearned credits

In accordance with the Rental Car bond resolution, the Airport lent the service center project \$3,500,000 plus \$400,000 in capitalized interest. \$3,900,000 was recorded as a note receivable and unearned revenue as of June 30, 2003. This amount is being amortized over 20 years at 5.5% and repaid out of CFC funds. The portion that reduced the note receivable and unearned revenue for the fiscal years ended June 30, 2016 and 2015, was \$217,568 and \$206,226, respectively, with a remaining balance of \$1,816,820 and \$2,034,388, respectively.

Note 9—Capital contributions

For the years ended June 30, 2016 and 2015, the Airport recognized capital contributions primarily from the FAA totaling \$3,341,221 and \$6,523,985, respectively, in its statements of revenues, expenses, and changes in net position.

Note 10—Operating leases (lessor)

The Airport leases space to tenants via non-cancelable operating leases with terms of 5 to 30 years. The following is a schedule by year of future minimum rentals under these lease agreements as of June 30, 2016:

2017	\$ 337,479
2018	328,321
2019	236,912
2020	164,919
2021	133,889
Thereafter	 2,271,803
	\$ 3,473,323
The value of the leased property is as follows:	
Buildings	\$ 1,467,700
Less: accumulated depreciation	 (110,078)
	\$ 1,357,622

Note 11—Commitments and contingencies

The Airport is party to various legal actions in the ordinary course of business from time to time. Management believes that such matters will not have a material adverse effect on the Airport's financial condition, results of operations or cash flows.

The Airport's ability to derive net revenues from operations depends upon various factors, many of which are not within the control of the Airport. The primary sources of net revenues are parking revenues and the Airline Operating Agreements between the Airport and the airlines. The Airline Operating Agreements provide for the landing fees, terminal rentals, and ramp fees to be charged to the airlines. Should an airline default under the terms of the Airline Operating Agreement, management believes it can take certain actions to mitigate any potential adverse impact.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 11—Commitments and contingencies (continued)

At any point in time, the U.S. economy, excess airline capacity, and industry-wide competition through airfare discounting may create significant constraints on the operations of the airlines. Due to these factors, the financial results of the Airport are largely dependent upon conditions in the national economy and the U.S. airline industry.

The scheduled debt service requirements on the 2001 Bonds are guaranteed by third-party insurers. Debt service on the Series 2001 Bonds is insured by Financial Security Assurance, Inc. The ultimate ability of such insurers to meet their obligations with respect to the debt service requirements will be predicated on their future financial condition.

Additionally, the Airport receives significant financial assistance from federal governmental agencies in the form of grants and other awards. The disbursement of resources received under such programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by grantor agencies. Management believes the Airport is in compliance with all such terms and conditions.

The Airport had entered into commitments for construction contracts for \$49,752,965, of which \$6,002,173 is outstanding at June 30, 2016.

Note 12—Pension plan and post-retirement benefits

Pension Plan – All Airport permanent employees are members of either the South Carolina Retirement System ("SCRS") or the Police Officers Retirement System ("PORS"), collectively the "Plans", cost-sharing multiple-employer defined benefit pension plans administered by the Retirement Division of the State Budget and Control Board. The Plans offer retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits, and survivor benefits. The Plans' provisions are established under Title 9 of the South Carolina Code of Laws.

Plan members were required to contribute 8.16% and 8.74% of their annual covered salary to the Plan for SCRS and PORS, respectively, and the Airport contributes 11.06% and 13.54% for SCRS and PORS, respectively, which is an actuarially determined rate. The Airport's Plan-matching contribution in fiscal years 2016, 2015 and 2014 was approximately \$833,525, \$689,240 and \$585,900, respectively, and equaled the required contributions for those years.

Greenville-Spartanburg Airport District reported a liability of \$10,446,431 and \$9,311,330 for its proportionate share of the net pension liability of SCRS and PORS as of June 30, 2016 and June 30, 2015, respectively. The net pension liability was measured as of June 30, 2015 and June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The Airport's proportion of the net pension liability was based on Greenville-Spartanburg Airport District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Airport's proportion was 0.042039% and 0.11349% of the total SCRS and PORS pension liability, respectively. At June 30, 2014, the Airport's proportion was 0.041344% and 0.114560% of the total SCRS and PORS pension liability, respectively.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 12—Pension plan and post-retirement benefits (continued)

The Airport reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS retirement plans from the following sources as of June 30:

	2016				2015			
	Deferred Outflows of Resources		In	Inflows of Outflows of Ir		Deferred of the second		
Net difference between projected and actual earnings on SCRS and PORS investments	\$		\$	32,267	\$		\$	853,882
Contributions subsequent to the measurement date		605,499		-		626,782		-
Difference in expected and actual experience in measurement of pension liability		366,968		-		260,224		-
	\$	972,467	\$	32,267	\$	887,006	\$	853,882

The Airport's contributions of \$605,499 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Total pension expense for the period years ended June 30, 2016 and June 30, 2015 was \$833,525 and \$689,240, respectively.

The following schedule reflects the Airport's proportion of the amortization of the net balance of remaining deferred outflows / (inflows) of resources of the SCRS at the measurement date of June 30, 2016:

Measurement Period Ending June 30,		SCRS	PORS	
2017	\$	(49,495)	\$	(1,017)
2018		(49,495)		(1,017)
2019		(840)		1,148
2020		(176,789)		(57,196)
Thereafter		-		
Net Balance of Deferred (Outflows)/Inflows of Resources	\$	(276,619)	\$	(58,082)

Actuarial Assumptions – Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, morality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 12—Pension plan and post-retirement benefits (continued)

Actuarial Assumptions (continued) – The most recent annual actuarial valuation reports adopted by the Public Employee Benefit Authority Board and the SC Budget and Control Board are as of July 1, 2013. The total pension liability in that report was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.5%	7.5%
Projected salary increases (varies by service)	3.5% to 12.5%	4% to 10%
Inflation	2.75%	2.75%
Benefit adjustment	Lesser of 1% or \$500	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in morality using published Scale AA projected from the year 2000.

Former Job Class	<u>Males</u>	<u>Females</u>
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	PR-2000 Females multiplied by 90%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market outlook at the end of the third quarter of 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission ("RSIC") using a building-block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 12—Pension plan and post-retirement benefits (continued)

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation. For actuarial purposes for the years ended June 30, 2016 and 2015, the 7.50% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component. The target asset allocations and the long-term expected real rates of return are as follows:

Measurement Period Ending June 30,		SCRS	PORS	
2017	\$	(49,495)	\$	(1,017)
2018		(49,495)		(1,017)
2019		(840)		1,148
2020		(176,789)		(57,196)
Thereafter		-		
Net Balance of Deferred (Outflows)/Inflows of Resources	\$	(276,619)	\$	(58,082)

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for the years ended June 30, 2016 and 2015. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the fiduciary net position of SCRS was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 12—Pension plan and post-retirement benefits (continued)

Sensitivity of the Airport's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the net pension liability the Airport calculated using the discount rate of 7.50%, as well as what the Airport's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate as of:

			Ju	ne 30, 2016			
	1.00	0% Decrease	Curren	t Discount Rate	1.00%	Increase Rate	
		(6.50%)		(7.50%)		(8.50%)	
SCRS	\$	10,051,547	\$	7,972,910	\$	6,230,727	
PORS	\$	3,369,499	\$	2,473,521	\$	1,672,545	
			Ju	ne 30, 2015			
	1.00	1.00% Decrease (6.50%)		t Discount Rate	1.00% Increase Rate		
				(6.50%) (7.50%)		(7.50%)	(8.50%)
SCRS	\$	9,211,218	\$	7,118,114	\$	5,371,777	
PORS	\$	3,064,895	\$	2,193,216	\$	1,471,886	

Plan Fiduciary Net Position and Required Supplementary Information – The SCRS issues a publicly available Comprehensive Annual Financial Report that includes the fiduciary net position and required supplementary information for the SCRS. The pension plan's fiduciary net position has been determined on the same basis used by the pension plan. The report is publicly available on the South Carolina Public Employee Benefit Authority's ("PEBA") Retirement Benefits' website at http://www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, South Carolina 29211-1960.

Other Post-retirement Benefits – The Airport matches 100% of employee contributions to the South Carolina Deferred Compensation Program ("SCDCP") 401(k) and/or 457 plans up to 5% of the employee's gross income.

The Airport's SCDCP matching contribution in the fiscal years ended June 30, 2016 and 2015 was \$108,295 and \$98,137, respectively.

Note 13—Restricted assets

Certain proceeds from the Airport's debt service accounts and reserve funds held by their bond trustee, as well as its CFC receipts and receivables not yet spent at year-end, are classified as restricted assets on the statements of net position because their use is limited by applicable bond covenants and concession agreements. The Investments – Held by Trustee account is used to represent resources set aside to subsidize potential deficiencies from the Airport's operations that could adversely affect debt service payments. The Cash and Receivables accounts represent contract facility charges that have either been received or earned by the Airport but not yet spent as of June 30, 2016 and 2015. These funds are to be used by the Airport to either prepay their 2001 revenue bonds or to fund additional improvements to the rental car facilities at the Airport.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 14—Risk management

The Airport, like other business enterprises, is exposed to various risks including, but not limited to, fire, accident, natural disasters, fraud, torts, error and omissions, environmental incidents, cybercrime, damage/destruction of assets, as well as other causal factors. The following polices are carried by the Airport to protect against such risks and are competitively bid out each year with an insurance brokerage firm:

- General liability, war risk, non-owned aircraft liability, and hangarkeepers,
- Commercial Crime (Dishonesty, Forgery, Computer and Funds Transfer Fraud),
- Public officials liability (Directors & Officers ("D&O") liability, Professional Liability Insurance),
- · Workers Compensation,
- Auto comprehensive/collision/liability,
- Building and personal property,
- Environmental mitigation,
- Terminal Improvement Program Builder's Risk, and
- Inland marine

The Airport has not significantly reduced any of its insurance coverage from the prior year, and settled claims have not exceeded the Airport's insurance coverage in the past five years.

Note 15—Subsequent Events

On September 8, 2016, the Airport entered into a \$25 million revolving credit facility provided by T.D. Bank, N.A., secured by a lien on the Net Revenues of the Airport. All notes from this line of credit will bear interest at a variable rate equal to one-month LIBOR plus 0.75%, adjusted monthly. On September 23, 2016, the Airport received an advance in the amount of \$2,164,358.

* * * * *

SCHEDULE OF THE AIRPORT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

JUNE 30, 2016 (UNAUDITED)

Fiscal Year	Airport's Proportion of Net Pension Liability	Pro Sł	Airport's Proportionate Share of the Net Pension Liability		Airport's Total Payroll	Airport's Proportionate Share of the Net Pension Liability as a Percentage of Total Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
South Carol	ina Retirement Syst	em					
2015	0.042039%	\$	7,972,899	\$	5,972,314	133.5%	57.0%
2014	0.041344%		7,118,066		5,594,937	127.2%	59.9%
2013	0.041344%		7,415,639		5,251,528	141.2%	56.4%
Police Office	ers Retirement Syst	em					
2015	0.113490%	\$	2,940,141	\$	5,972,314	49.2%	64.6%
2014	0.114560%		2,193,168		5,594,937	39.2%	67.5%
2013	0.114560%		2,374,797		5,251,528	45.2%	63.0%

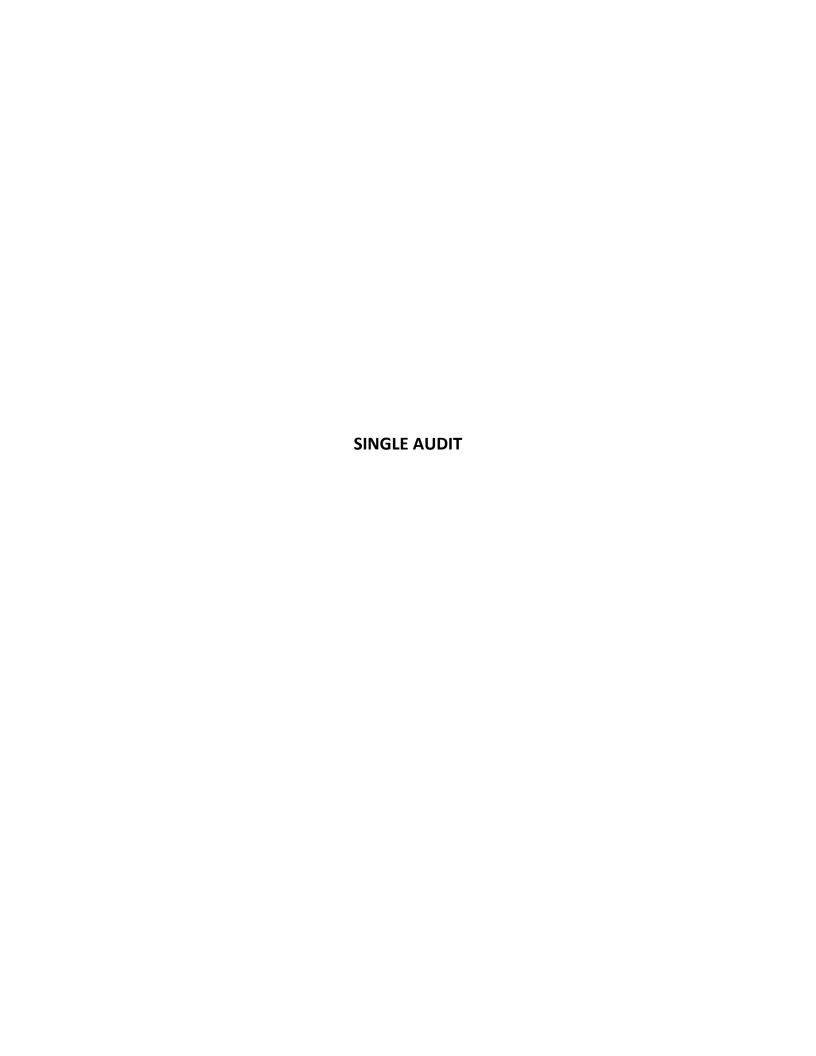
This data is presented for those years which information is available

SCHEDULE OF THE AIRPORT'S PENSION CONTRIBUTION

JUNE 30, 2016 (UNAUDITED)

Fiscal Year	R	ctuarial equired ntribution		Actual ntributions	Defic	bution ciency cess)	Airport's Total Payroll	Contributions as a Percentage of Total Payroll
South Caro	lina Re	tirement Syst	tem					
2016	\$	513,824	\$	513,824	\$	-	\$ 5,972,314	8.6%
2015		429,644		429,644		-	5,594,937	7.7%
2014		400,220		400,220		-	5,251,528	7.6%
Police Offic	cers Ret	irement Syst	em					
2016	\$	213,415	\$	213,415	\$	-	\$ 5,972,314	3.6%
2015		188,544		188,544		-	5,594,937	3.4%
2014		172,838		172,838		-	5,251,528	3.3%

This data is presented for those years which information is available





Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Commissioners of Greenville-Spartanburg Airport District Greer, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Greenville Spartanburg Airport District (the "Airport"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements, and have issued our report thereon dated October 12, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Airport's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Charry Behavet LLP
Greenville, South Carolina

October 12, 2016



Report of Independent Auditor on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Commissioners of Greenville-Spartanburg Airport District Greer, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Greenville-Spartanburg Airport District's (the "Airport") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Airport's major federal programs for the year ended June 30, 2016. The Airport's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Airport's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Airport's compliance.

Opinion on Each Major Federal Program

In our opinion, the Airport complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Airport's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Greenville, South Carolina

Bebaert Lht

October 12, 2016

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

		Total Project	Costs Incurred	Total Federal Expenditures		nt Status - Grant F Received from FA		
Project Number and Description (Notes 1 and 2)	CFDA Number	July 1, 2015 to June 30, 2016	Cumulative to June 30, 2016	July 1, 2015 to June 30, 2016	July 1, 2015 to June 30, 2016	Cumulative to June 30, 2016	Maximum Federal Participation	
Department of Transportation - Airport								
Grant No. 3-45-0028-49 Apron Rehabilitation - (Constr) Phase I	20.106	\$ 4,024	\$ 2,938,968	\$ 3,475	\$ -	\$ 2,645,071	\$ 2,828,410	
Grant No. 3-45-0028-50 Apron Rehabilitation - (Constr) Phase II	20.106	2,802,757	2,802,757	2,522,481	-	-	5,689,899	
Grant No. 3-45-0028-51 Taxiway G Rehabilitation & Apron Rehabilitation (Design) Phase III	20.106	913,735	913,735	822,362	-	-	915,000	
Total Department of Transportation		3,720,516	6,655,460	3,348,318	-	2,645,071	9,433,309	
Transportation Security Administration Total Federal Awards	97.090	119,790 \$ 3,840,306	2,357,771 \$ 9,013,231	90,090	90,090 \$ 90,090	2,178,337 \$ 4,823,408	2,313,455 \$ 11,746,764	

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

Note 1—Summary of significant accounting policies

Basis of Presentation – The accompanying schedule of expenditures of federal awards for the year ended June 30, 2016, for projects in effect from August 15, 2011 through June 30, 2016, was prepared using the accrual basis of accounting, taking into consideration costs incurred and payable at year end.

Grant Descriptions – The Greenville-Spartanburg Airport District (the "Airport") and the Federal Aviation Administration ("FAA") entered into the following agreements:

- a. Grant agreement dated June 3, 2014 (Project #3-45-0028-49), provides funds to rehabilitate the Terminal Apron. Under the provisions of the grant agreement, the FAA is to reimburse the airport for 90% of the allowable costs (60%) not to exceed \$2,828,410.
- b. Grant agreement dated June 30, 2015 (Project #3-45-0028-50), provides funds to rehabilitate the Terminal Apron Phase II. Under the provisions of the grant agreement, the FAA is to reimburse the airport for 90% of the allowable costs (60%) not to exceed \$5,689,899.
- c. Grant agreement dated August 18, 2015 (Project #3-45-0028-51), provides funds to rehabilitate the Terminal Apron Phase III and Taxiway G. Under the provisions of the grant agreement, the FAA is to reimburse the airport for 90% of the allowable costs (60%) not to exceed \$915,000.

The Airport and the Transportation Security Administration ("TSA") are parties to a Law Enforcement Officer Agreement dated September 2, 2003, which provides reimbursement for the cost of law enforcement officers at the Airport's passenger screening locations. This agreement was extended multiple times, with the most recent being April 1, 2016 to December 31, 2018. Under the provisions of the agreement, the TSA is to reimburse the Airport for 100% of the cost of law enforcement, not to exceed \$331,650.

Indirect Cost Rate – Under provision of the Uniform Guidance, the Airport is permitted to use a 10% de minimis indirect cost rate. The Airport elected not to use this rate.

Note 2—Status of Projects

As of June 30, 2016, the following projects were open:

- Project #3-45-0028-49
- Project #3-45-0028-50
- Project #3-45-0028-51
- Transportation Security Administration

Note 3—Audits Performed by Other Organizations

There were no audits performed by other organizations of the Airport's federal award program for the year ended June 30, 2016.

* * * * * *

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

No findings reported.

Section I. Summary of Auditor's Res	ults					
Financial Statements Type of auditor's report issued:		Unmodified				
Internal control over financial reporting:						
Material weakness(es) ideSignificant deficiency(ies)		yes yes		no none reported		
Noncompliance material to financial stater noted?	nents	yes	_X_	no		
Federal Awards						
Internal control over major programs:						
Material weakness(es) ideSignificant deficiency(ies)		yes yes	X X	no no		
Noncompliance material to federal awards	:	yes	X_	no		
Type of auditor's report issued on complia	nce for major programs:	Unmodified				
Any audit findings disclosed that are required be reported in accordance with the		yes	X	no		
Identification of major programs:						
<u>CFDA#</u> 20.106	-	gram Name n- Airport Improvement Program				
Dollar threshold used to distinguish between type A and type B programs:	en	<u>\$ 750,000</u>				
Auditee qualified as low-risk auditee?		X yes no				
Section II. Financial Statement Findin	gs					
No findings reported.						
Section III. Federal Award Findings an	nd Questioned Costs					

SCHEDULE STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

Section IV. Summary of Prior Year Findings

There were no prior year findings.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: November 21, 2016

ITEM DESCRIPTION - New Business Item B

Approval of Lease Terms for Alamo/National Rental Car Concessions Agreement Amendment #1 and Associated Construction Project Funding

BACKGROUND

The Airport District has negotiated the terms of a lease amendment to the existing Alamo/National Rental Car concessions agreement dated December 18, 2012. This amendment will be for the construction and subsequent lease of an additional 30,000 square feet of pavement at their service facility. This area will be used to store rental cars.

ISSUES

As deplanements have continued to grow at the Airport, the number of vehicles in the Alamo/National rental car fleet has increased approximately 40% since 2012. Therefore, in order to meet growing rental car demand, the existing service facility parking area needs to be expanded.

Staff has obtained a preliminary project cost estimate for this work of \$343,500. See attached estimate and associated aerial photo with highlighted proposed project limits.

ALTERNATI VES

No alternatives are recommended at the time.



Greenville-Spartanburg Airport Commission
New Business Item B
Approval of Lease Terms for Alamo/National Rental Car Concessions Agreement
Amendment # 1 and Associated Construction Project Funding
Page 2

FISCAL IMPACT

The total estimated project cost of \$343,500 will be covered by the Customer Facility Charge (CFC) fund. This fund presently has a balance of over \$1,400,000 and its use is restricted to rental car facility improvement projects and other operational related needs such as this proposed project.

Alamo/National will subsequently lease the additional 30,000 square feet of parking space once the project is completed. The per-square foot lease rate will be consistent with the rate being charged for the adjacent vehicle parking space at that time.

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission (1) approve the lease agreement amendment terms as outlined above, (2) authorize Staff to proceed with the project utilizing the CFC fund based on actual construction bids received, and (3) authorize the President/CEO to execute all necessary documents.

CONCEPTUAL COST ESTIMATE NATIONAL RENTAL CAR MX FACILITY EXPANSION (30,000 SF) GREENVILLE-SPARTANBURG INTERNATIONAL AIRPORT

	Spec. No.	Item Description	Quantity	Unit	Unit Price	Amount
1	01000	Mobilization	1	L.S.	\$30,000.00	\$30,000.00
2	P-152	Unclassified Excavation - Waste	1,000	C.Y.	\$25.00	\$25,000.00
3	P-403	SCDOT Type C Bituminous Surface Course	400	TON	\$200.00	\$80,000.00
4	P-603	Bituminous Tack Coat	400	GAL.	\$5.00	\$2,000.00
5	P-620	Permanent Pavement Markings	900	S.F.	\$2.00	\$1,800.00
6	E-891	Inlet Protection	2	EACH	\$500.00	\$1,000.00
7	E-893	Temporary Silt Fence	600	L.F.	\$5.00	\$3,000.00
8	SC-305	SCDOT Macadam Base Course	600	C.Y.	\$65.00	\$39,000.00
9	T-901	Grassing and Mulching	2	ACRE	\$3,000.00	\$6,000.00
10	F-162	Relocate Chain-Link Fence	300	L.F.	\$20.00	\$6,000.00
11	F-162	New Chain-Link Fence	200	L.F.	\$25.00	\$5,000.00
12	F-162	Relocate 24' Single Leaf Cantilever Slide Gate	1	EACH	\$5,000.00	\$5,000.00
13	L-108	Cable or Conduit Trench, in Earth	400	L.F.	\$6.00	\$2,400.00
14	L-108	Cable, 1/C #10, 600V, Installed in Duct or Trench	400	L.F.	\$2.00	\$800.00
15	L-110	Conduit, 2" PVC-40, Direct Burial, Complete, in Place	400	L.F.	\$5.00	\$2,000.00
16	L-128	Liminaire, 400 Watt, Metal Halide, Complete, in Place	3	EACH	\$850.00	\$2,550.00
17	L-128	Double Light Pole, 30 Ft, Fiberglass, Complete, in Place	3	EACH	\$3,000.00	\$9,000.00
			Subtotal Co	nceptual Co	onstruction Cost	\$220,550.00
				Cor	ntingency (20%)	\$44,110.00
			Total Co	nceptual Co	onstruction Cost	\$264,660.00
		Total Concepts	ual Constr	uction C	ost Rounded	\$265,000
				Design	(SCDOT specs)	\$25,000.00
				J	Survey	\$1,500.00
			La	and Disturb	ance Permitting	\$15,000.00
					Bidding	\$12,000.00
		Const	ruction Admir	nistration (a	assume 30 days)	\$10,000.00
				,	days, part-time)	\$15,000.00
					onal Services	\$78,500
					Project Cost	\$343,500



Page 1 of 1 9/6/2016



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: November 21, 2016

ITEM DESCRIPTION - New Business Item C

Approval of Lease Terms/Agreement for CenterPoint Properties Ground Lease

BACKGROUND

CenterPoint Properties has negotiated an agreement with ProTrans to construct a 230,256 square foot office and warehouse facility on 20.04 acres of land at the GSP International Logistics Park (Tract B). This property is located directly adjacent to the South Carolina Inland Port off of Verne Smith Parkway. See attached reference map and proposed facility layout drawing.

In addition, attached is some background information on ProTrans for review. They currently have several facilities located around the United States including Greer, SC.

ISSUES

Staff has negotiated ground lease terms with CenterPoint Properties for this project. A summary of the primary business terms of the agreement are as follows:

- 1. **Base Term** Thirty (30) years
- 2. **Option Terms** Two ten (10) year options
- 3. **Lease Premises** Approximately 20.04 acres
- 4. **Ground Rental Rate** \$64,128.00 annually for the Lease Premises. Rents shall be adjusted annually by CPI. At the end of the base term and each option term, the rents will be readjusted to fair market value through reappraisal.
- 5. **Contract Security** 50% of the annual rental fees
- 6. **District Improvements** None



Greenville-Spartanburg Airport Commission
New Business Item C
Approval of Lease Terms/Agreement for CenterPoint Properties Ground Lease
Page 2

- 7. **Lessee I mprovements** 230,256 square foot office and warehouse facility
- 8. **Maintenance** Lessee shall be responsible for all maintenance of the Premises.
- 9. **Utilities** Lessee is responsible for the cost of all utilities and usage charges on the Premises.
- Insurance Lessee will be required to provide hazard insurance, liability insurance, workers' compensation insurance, and employer's liability insurance.
- 11. **Taxes and Assessments** Lessee is responsible.
- 12. **Subleasing** Lessee must obtain written approval of the District to sublet the lease, which shall not unreasonably be withheld.
- 13. **Assignment** Lessee must obtain written approval of the District to assign the lease, which shall not unreasonably be withheld.

ALTERNATIVES

No alternatives are recommended at the time.

FISCAL I MPACT

Staff has negotiated a first year annual ground lease amount of \$64,128.00. This amount represents fair market value of \$40,000 per acre with an 8% CAP rate.

Each subsequent year, throughout the term of the agreement, the annual lease rate escalates by CPI. At the end of the base term and each option term, the rents will be readjusted to fair market value though reappraisal.

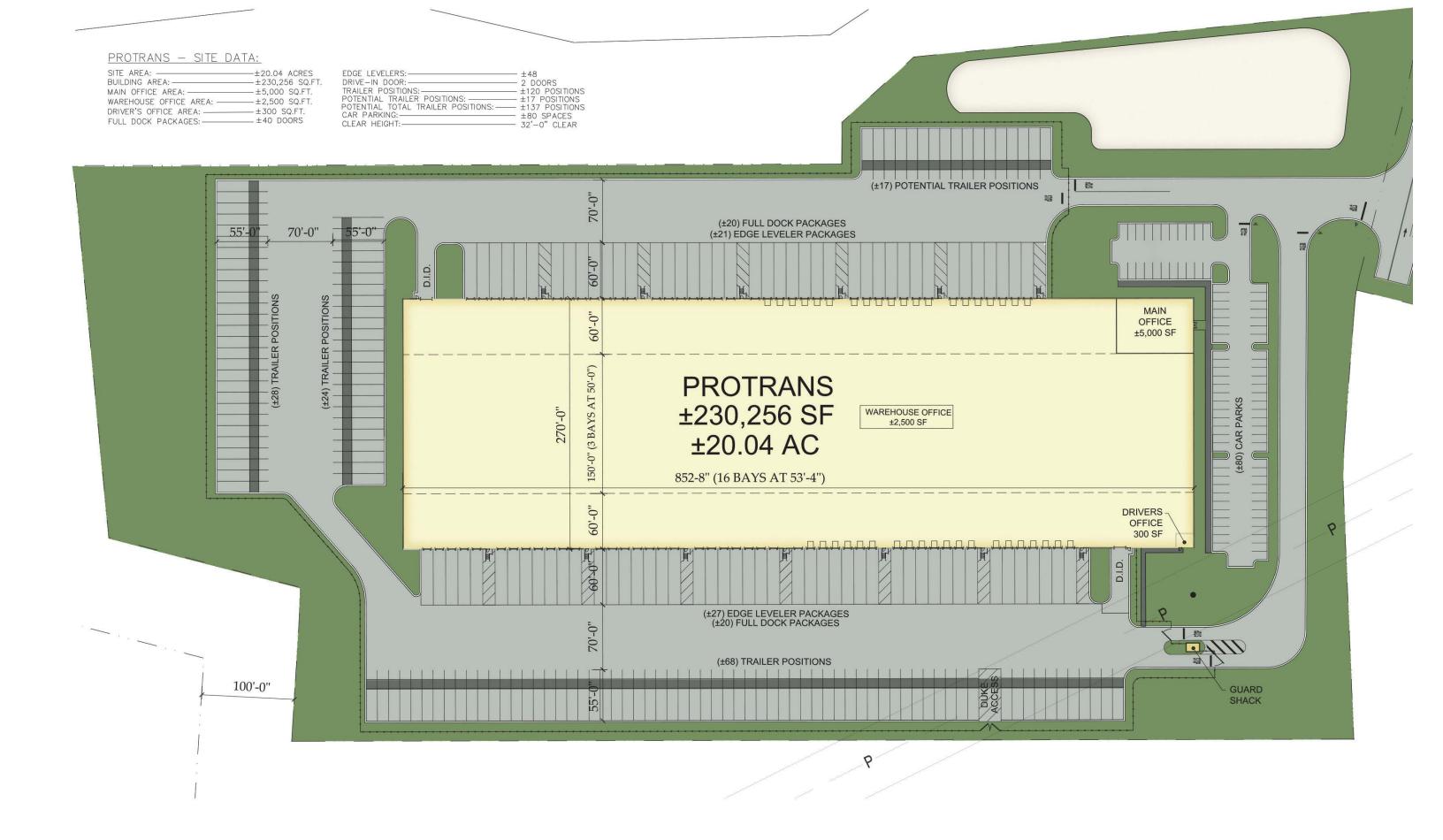
RECOMMENDED ACTION

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















WHAT WE DO HOW WE DO IT WHO WE ARE RESOURCES CARRIER PROGRAM





Over the past two decades, we've equipped an extensive roster of clients with impactful logistics solutions — enabled just as much by our tools and services as they are by our people. Driven by a culture of innovation and initiative, our dedicated, collaborative teams fuel our triumphs and, more importantly, your success.

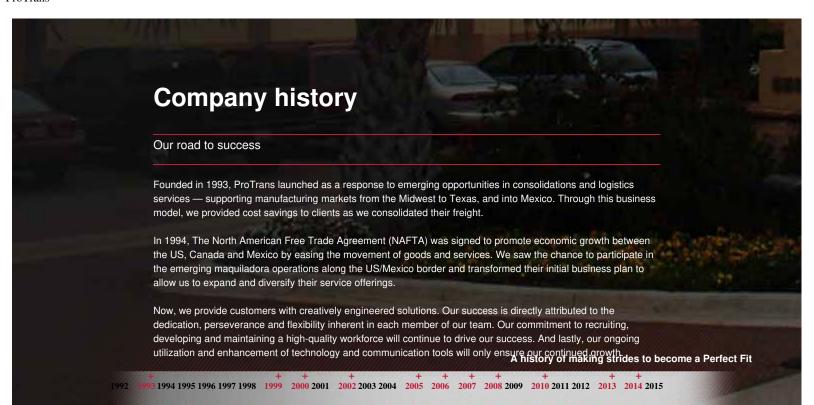
About ProTrans

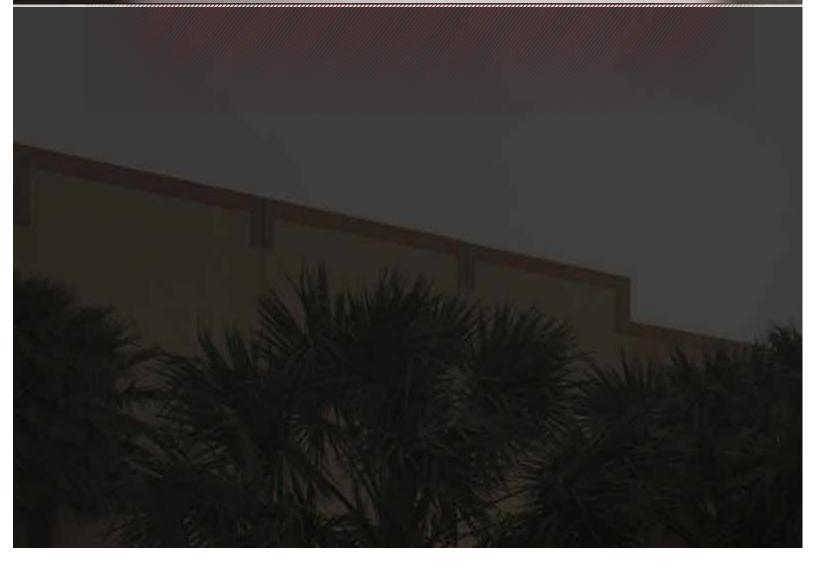
A perfect blend of experience and forward-thinking

ProTrans is committed to providing innovative logistics solutions that meet or exceed our customers' needs and expectations. We encourage our business partners to support ProTrans' Corporate Social Responsibility (CSR) and Sustainability initiatives consisting of social, environmental, business conduct and compliance programs integrated in ProTrans' operational systems and corporate strategy.

ProTrans will accomplish this by:

- Providing a visionary approach to value added service enhancements, effective internal and external communications, and commitment to maintaining leading edge technology;
- Developing highly skilled, effective, and professional personnel/organization;
- Working with suppliers to optimize supply chain efficiencies;
- Creating value for customers, suppliers, employees, and shareholders;
- Focusing on continual improvement opportunities throughout our key quality processes for our external and internal customers that increase efficiencies and profitability.
- Promotion of practices that contribute to the following:
 - Corporate Social Responsibility: practices that contribute to the quality of life of both employees and communities that could be impacted by the company's operations (such as non-discrimination, health and safety at work, respect for human rights, etc.)
 - Resource Management & Environmental Protection: sustainability practices that
 contribute to the quality of environment on a long-term basis (such as recycling, energy
 efficiency, water conservation, carbon emission controls via Smartway certification
 governed by EPA Environmental Protection Agency, USA, etc.)
 - Business Conduct and Compliance: principles that guide business conduct in its relations towards its business partners and customers (such as: ethical policy against corruption, bribery, extortion, etc.)





Management Team

Expertise unlike any other















Shawn Masters Lisa Doerner

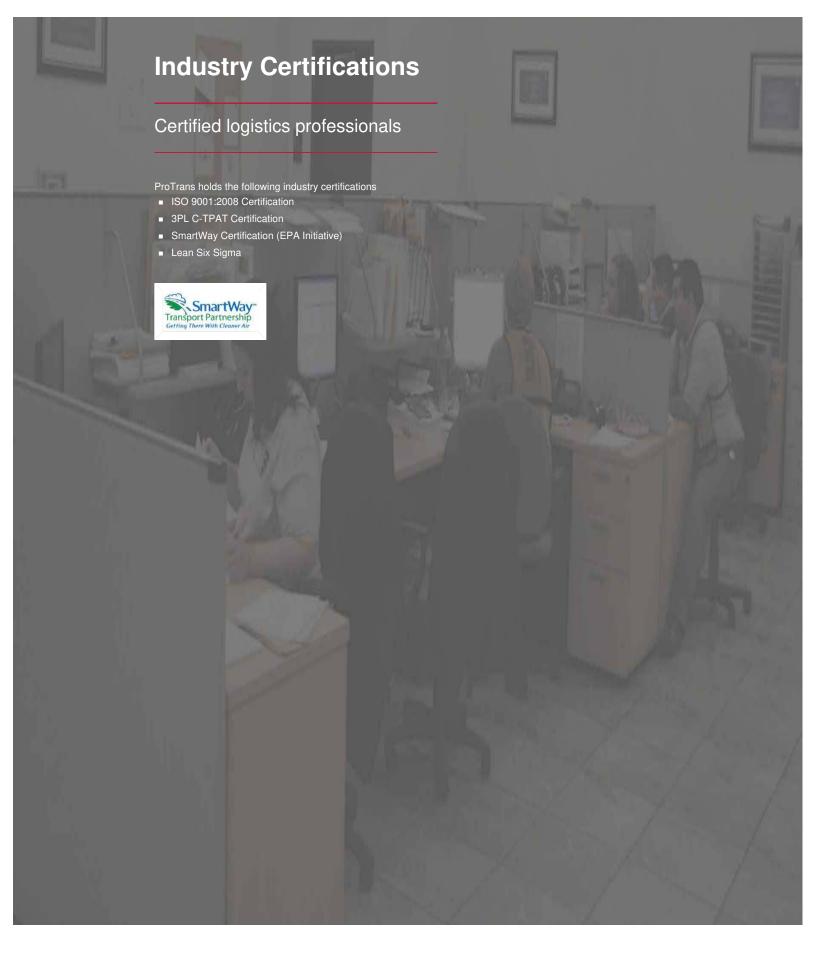
Allen Phelps

Chris Blunk

Craig Roeder, Chief Executive Officer

Craig shepherds the company in our quest to continuously develop innovative solutions and products for our clients. He started ProTrans in 1993 with just a few employees and a vision of providing something different. Today, he leads over 850 employees in the United States, Mexico and Canada.

Prior to ProTrans, Craig worked many years in logistics both as an entrepreneur and at RCA. He holds an accounting degree from Indiana University and resides in Indianapolis, devoting much of his time to family and the community.



Corporate Social Responsibility

Making a difference

ProTrans success is founded on its commitment to provide a healthy, efficient and safe environment to protect its employees, business partners and the society's qualify of life and resources.

ProTrans encourages its employees and business partners to understand and embrace these sustainability initiatives to achieve a 'greener', dynamic and fair supply chain system. Some of ProTrans' sustainability program includes:

> Social Responsibility

Resource Management & Environment Protection

Business Conduct and Ethics

Social Responsibility

Social Initiatives

ProTrans' Social Responsibility is aimed to enhance our communities and protect the quality of life of its employees. Some examples of ProTrans initiatives are:

- Health/safety program is implemented at all ProTrans centers (e.g. Safety Process Walks)
- Charity support/fund raising activities including blood donation program are part of ProTrans culture.
- ProTrans provides community support to local universities by offering opportunities to students to gain experience and professional development via our Talent Development Program



FAQ PRIVACY POLICY SITE MAP



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: November 21, 2016

ITEM DESCRIPTION - Information Section Item A

September 2016 - Traffic Report

SUMMARY

For September 2016, passenger traffic was strong at **8.5%** over the same month in 2015. Cargo numbers for September 2016 were significantly up at **20.4%**. Load factors continue to be good with an overall average of **80.8%**.

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

	•	2016	
Month	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%
July	3.30%	1.40%	1.90%
August	3.70%	1.90%	1.80%
Average	5.73%	4.06%	1.66%



Greenville-Spartanburg Airport Commission Information Section Item A September 2016 - Traffic Report Page 2

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

Providing a look forward into the service levels for December 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 slightly at 2.9% and seats are off a bit at minus 0.6%.

ar mganta	, seats, a	and ASM	As given a	re per week.	-						
	Travel			Dec 20		Dec 20	15	Diff	£	Percent	Diff
Mkt Al	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week:	Seats	Ops/Week:	Seats	Ops/Week :	Seats
AA	GSP	CLT	76	52	3,510	57	2,883	(5)	627	(8.8%)	21.7%
AA	GSP	DCA	396	18	939	17	934	1	5	5.9%	0.5%
AA	GSP	DFW	862	20	1,442	19	1,314	1	128	5.3%	9.7%
AA	GSP	PHL	514	17	850	20	1,000	(3)	(150)	(15.0%)	(15.0%)
DL	GSP	ATL	153	52	6,615	52	6,892	0	(277)	0.0%	(4.0%)
DL	GSP	DTW	508	25	1,380	25	1,250	0	130	0.0%	10.4%
DL	GSP	LGA	610	11	654	11	550	0	104	0.0%	18.9%
G4	GSP	FLL	620	2	354	2	354	0	0	0.0%	0.0%
G4	GSP	PGD	550	2	354	0	0	2	354		
G4	GSP	PIE	482	2	354	2	332	0	22	0.0%	6.6%
G4	GSP	SFB	426	2	332	2	354	0	(22)	0.0%	(6.2%)
UA	GSP	EWR	594	18	900	19	950	(1)	(50)	(5.3%)	(5.3%)
UA	GSP	IAD	383	19	950	14	740	5	210	35.7%	28.4%
UA	GSP	IAH	838	14	700	13	650	1	50	7.7%	7.7%
UA	GSP	ORD	577	23	1,404	22	1,100	1	304	4.5%	27.6%
WN	GSP	ATL	153	21	3,003	.0	0	21	3,003		
WN	GSP	BWI	425	0	0	12	1,716	(12)	(1,716)	(100.0%)	(100.0%)
WN	GSP	HOU	845	0	0	6	858	(6)	(858)	(100.0%)	(100.0%)
WN	GSP	MDW	562	0	0	14	2,002	(14)	(2,002)	(100.0%)	(100.0%)
			TOTAL	298	23.741	307	23,879	(9)	(138)	(2.9%)	(0.6%)

Monthly Traffic Report Greenville-Spartanburg International Airport



September 2016

Category	Sep 2016	Sep 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change	*MOV12-2016	*MOV12-2015	Percentage Change
Passenger Traff	fic								
Enplaned	91,129	83,142	9.6%	748,939	714,621	4.8%	1,009,619	958,078	5.4%
Deplaned	<u>88,781</u>	<u>82,731</u>	7.3%	<u>743,443</u>	709,611	4.8%	<u>999,133</u>	949,964	5.2%
Total	179,910	165,873	8.5%	1,492,382	1,424,232	4.8%	2,008,752	1,908,042	5.3%
Cargo Traffic (P	·								
Express and M		2 200	20700 50/	0.000.007	01 407	00747.00/	C 202 412	21 000	00100 00/
Enplaned	1,049,932	3,398	30798.5%	6,389,397	21,407	29747.2% 29138.3%	6,393,418	31,609	20126.6% 13471.9%
Deplaned Subtotal	813,909 1,863,841	678 4,076	119945.6% 45627.2%	4,928,414 11,317,811	<u>16,856</u> 38,263	29479.0%	4,930,687 11,324,105	36,330 67,939	16568.0%
Freight									
Enplaned	1,846,235	2,851,017	-35.2%	18,027,684	24,029,507	-25.0%	26,226,919	33,105,452	-20.8%
Deplaned	<u>2,510,710</u>	<u>2,313,693</u>	8.5%	18,550,099	20,306,511	-8.6%	<u>25,721,396</u>	27,471,173	-6.4%
Subtotal	4,356,945	<u>5,164,710</u>	-15.6%	36,577,783	44,336,018	-17.5%	<u>51,948,315</u>	60,576,625	-14.2%
Total	6,220,786	5,168,786	20.4%	47,896,543	44,374,329	7.9%	63,273,369	60,644,612	4.3%

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

Monthly Traffic Report Greenville-Spartanburg International Airport



September 2016

Category	Sep 2016	Sep 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change	*MOV12-2016	*MOV12-2015	Percentage Change
Aircraft Operatio	ns								
Airlines	1,699	1,107	53.5%	12,716	9,811	29.6%	16,155	13,019	24.1%
Commuter /Air Taxi	<u>1,188</u>	<u>1,732</u>	-31.4%	13,063	14,826	-11.9%	18,482	20,643	-10.5%
Subtotal	<u>2,887</u>	<u>2,839</u>	1.7%	<u>25,779</u>	24,637	4.6%	<u>34,637</u>	<u>33,662</u>	2.9%
General Aviation	706	685	3.1%	6,566	6,836	-3.9%	8,782	9,168	-4.2%
Military	<u>119</u>	<u>80</u>	48.8%	<u>1,348</u>	<u>924</u>	45.9%	<u>1,731</u>	<u>1,166</u>	48.5%
Subtotal	<u>825</u>	<u>765</u>	7.8%	<u>7,914</u>	<u>7,760</u>	2.0%	<u>10,513</u>	<u>10,334</u>	1.7%
Total	3,712	3,604	3.0%	33,693	32,397	4.0%	45,150	43,996	2.6%
Fuel Gallons									
100LL	1,988	3,099	-35.9%	20,834	30,327	-31.3%	29,226	41,007	-28.7%
Jet A (GA)	88,874	67,088	32.5%	496,490	521,396	-4.8%	663,856	724,484	-8.4%
Subtotal	90,862	<u>70,187</u>	29.5%	517,324	<u>551,723</u>	-6.2%	693,082	<u>765,491</u>	-9.5%
Jet A (A/L)	731,890	878,427	-16.7%	7,105,534	7,144,165	-0.5%	9,746,904	9,936,823	-1.9%
Total	822,752	948,614	-13.3%	7,622,858	7,695,888	-0.9%	10,439,986	10,702,314	-2.5%

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

Scheduled Airline Enplanements, Seats, and Load Factors Greenville-Spartanburg International Airport



September 2016

	Sep 2016	Sep 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change
Allegiant Air		30 p =010	- Citaling C			-
-	E 100	4.050	4.6%	E1 404	E0 404	2.0%
Enplanements	5,182	4,952		51,424	50,424	
Seats	6,992	6,716	4.1%	62,644	59,969	4.5%
Load Factor	74.1%	73.7%	0.5%	82.1%	84.1%	-2.4%
merican Airlines						
Enplanements	26,547	4,829	449.7%	208,089	40,407	415.0%
Seats	31,183	5,784	439.1%	255,264	47,221	440.6%
Load Factor	85.1%	83.5%	2.0%	81.5%	85.6%	-4.7%
elta Air Lines						
Enplanements	34,221	31,343	9.2%	273,348	255,918	6.8%
Seats	41,312	37,020	11.6%	315,610	293,423	7.6%
Load Factor	82.8%	84.7%	-2.2%	86.6%	87.2%	-0.7%
Southwest Airlines						
Enplanements	8,199	11,154	-26.5%	88,045	106,558	-17.4%
Seats	12,703	16,289	-22.0%	136,846	152,271	-10.1%
Load Factor	64.5%	68.5%	-5.7%	64.3%	70.0%	-8.1%

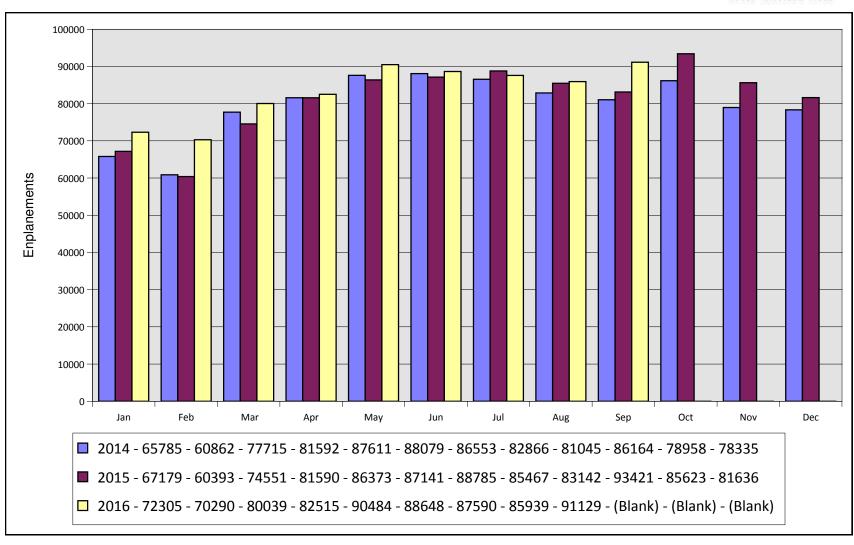
Friday, November 04, 2016

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

	Sep 2016	Sep 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change
Jnited Airlines						
Enplanements	16,520	13,300	24.2%	120,036	106,263	13.0%
Seats	20,484	16,069	27.5%	139,221	126,340	10.2%
Load Factor	80.6%	82.8%	-2.6%	86.2%	84.1%	2.5%
JS Airways						
Enplanements	0	17,010	-100.0%	0	149,849	-100.0%
Seats	0	21,757	-100.0%	0	180,618	-100.0%
Load Factor	#Num!	78.2%	#Type!	#Num!	83.0%	#Type!
Enplanements	90,669	82,588	9.8%	740,942	709,419	4.4%
Seats	112,674	103,635	8.7%	909,585	859,842	5.8%
Load Factor	80.5%	79.7%	1.0%	81.5%	82.5%	-1.3%

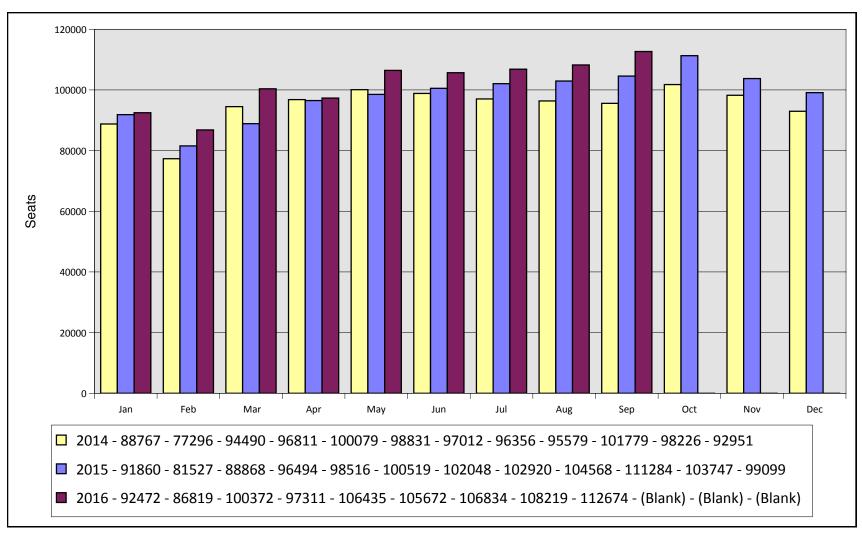
Monthly Enplanements By Year Greenville-Spartanburg International Airport





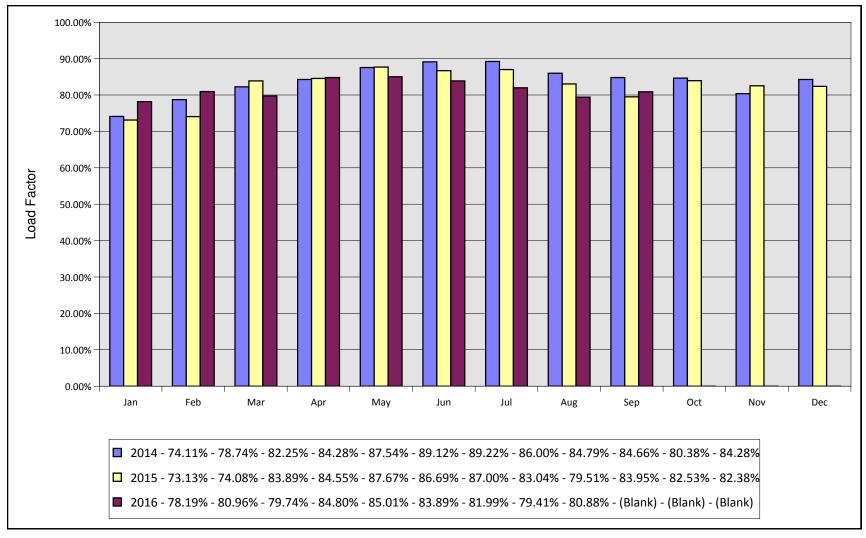
Monthly Seats By Year Greenville-Spartanburg International Airport





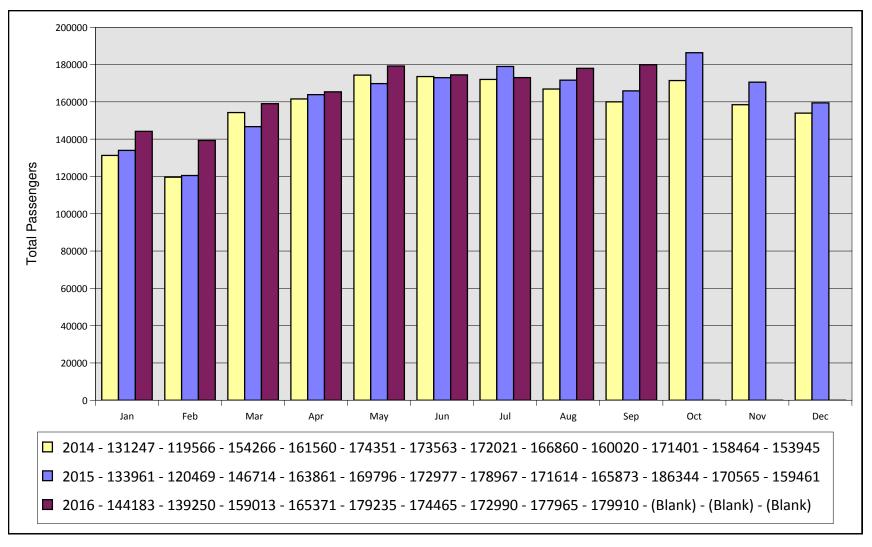
Monthly Load Factors By Year Greenville-Spartanburg International Airport





Total Monthly Passengers By Year Greenville-Spartanburg International Airport

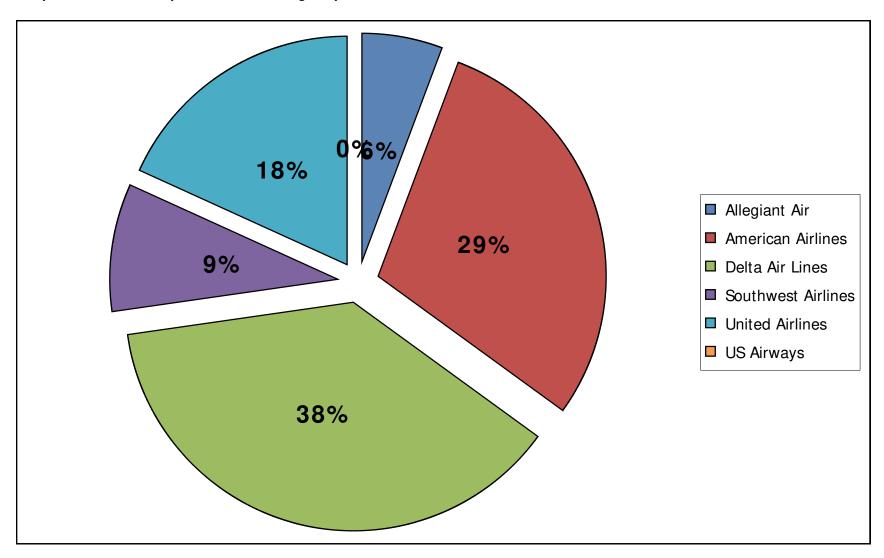




Scheduled Airline Market Shares (Enplanements) Greenville-Spartanburg International Airport



Report Period From September 2016 Through September 2016



Airline Flight Completions Greenville-Spartanburg International Airport



September 2016

	Scheduled		Cancellation	ons Due To		Total	Percentage of ons Completed Flights	
Airline	Flights	Field	Mechanical	Weather	Other	Cancellations		
Aero Dynamics	2	0	0	0	0	0	100.0%	
Aeronaves	1	0	0	0	0	0	100.0%	
Allegiant Air	41	0	0	0	0	0	100.0%	
Alliance Air Charter	1	0	0	0	0	0	100.0%	
American Airlines	510	0	9	1	0	10	98.2%	
Ameristar Jet Charter	1	0	0	0	0	0	100.0%	
Berry Aviation	1	0	0	0	0	0	100.0%	

	Scheduled		Cancellation		Total	Percentage of	
Airline	Flights	Field	Mechanical	Weather	Other	Cancellations	Completed Flights
Delta Air Lines	368	0	0	1	0	1	99.7%
Events Air	2	0	0	0	0	0	100.0%
Federal Express	39	0	0	0	0	0	100.0%
Freight Runners Express	1	0	0	0	0	0	100.0%
Kalitta Charters II	5	0	0	0	0	0	100.0%
Miami Air	1	0	0	0	0	0	100.0%
Northern Air Cargo	1	0	0	0	0	0	100.0%
Royal Air Freight	1	0	0	0	0	0	100.0%
Southwest Airlines	89	0	0	0	0	0	100.0%

	Scheduled		Cancellation	ons Due To		Total	Percentage of
Airline	Flights	Field	Mechanical	Weather	Other	Cancellations	Completed Flights
Sun Country Airlines	2	0	0	0	0	0	100.0%
TSM	1	0	0	0	0	0	100.0%
United Airlines	345	0	0	2	0	2	99.4%
UPS	34	0	0	0	0	0	100.0%
US Airways	0	0	0	0	0	0	#Num!
USA Jet	2	0	0	0	0	0	100.0%
Volga-Dnepr	4	0	0	0	0	0	100.0%
Xtra Airways	3	0	0	0	0	0	100.0%
Total	1,455	0	9	4	0	13	99.1%



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: November 21, 2016

ITEM DESCRIPTION – Information Section Item B

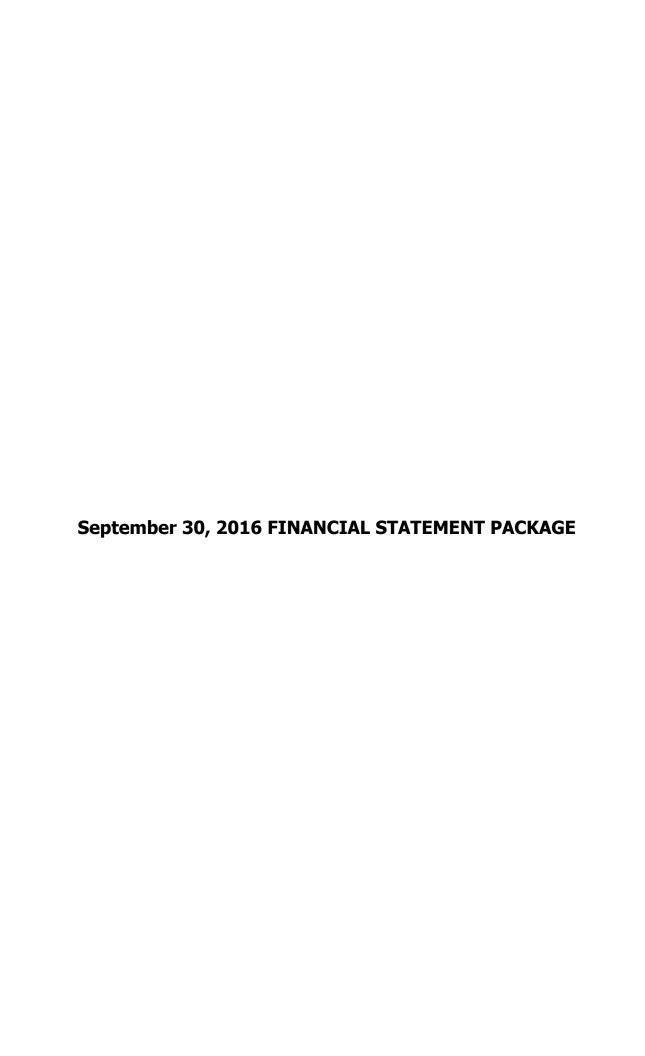
September 2016 – Financial Report

SUMMARY

Operating Income was up by **3.16%** when compared to the budget for Year-to-Date September 2016. Operating Expenses were down by **16.47%** over the budgeted amount for the period. Net operating income was up **42.07%** versus the budget through September 2016. For the period ending September 2016, which represents three (3) months of the fiscal year, a total of about **\$3.57 million** has been returned to the bottom line in operating income.

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

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



GREENVILLE SPARTANBURG AIRPORT DISTRICT

STATEMENT OF NET POSITION

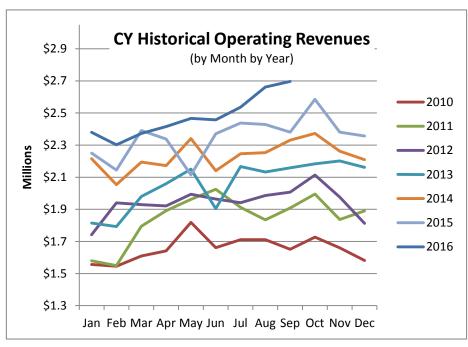
	Current Month Current FY 9/30/2016	Current Month Prior FY 9/30/2015
Assets		
Cash Accounts	10,747,699.33	9,572,849.91
Investments-Airport	11,863,532.56	31,261,911.10
Bond Trustee Assets	118,418.33	118,874.51
Accounts Receivable Less: Reserve for Doubtful Accts	428,649.94 -	71,480.66
Net Accounts Receivable	428,649.94	71,480.66
Inventory	173,235.84	149,737.16
Prepaid İnsurance	351,863.60	267,665.81
Notes Receivable-RAC District Funds	1,759,436.09	1,979,996.06
Property, Plant & Equipment (PP&E)	347,636,331.36	311,601,581.91
Less: Accumulated Depreciation	(128,707,226.44)	(118,954,868.14)
Net PP&E	218,929,104.92	192,646,713.77
TOTAL ASSETS _	244,371,940.61	236,069,228.98
PLUS: Deferred Outflows of Resources Unamort Bond Underw, Insur, Legal Fees TOTAL DEFERRED OUTFLOWS OF RESOURCES	972,466.85 972,466.85	887,006.00 887,006.00
LESS: Liabilities		
Accounts Payable	1,081,831.54	1,140,519.23
TD Bank LOC	2,164,358.00	-
Revenue Bonds Payable	1,993,415.11	2,318,871.12
SCRS Pension Liability	10,446,431.00	9,311,330.00
Benefit Liability	827,112.61	803,234.13
TOTAL LIABILITIES	16,513,148.26	13,573,954.48
LESS: Deferred Inflows of Resources		
Deferred Revenues	1,791,703.09	2,833,878.06
TOTAL DEFERRED INFLOWS OF RESOURCES	1,791,703.09	2,833,878.06
NET POSITION		
Invested in Capital Assets, net of Related Debt	216,969,104.92	190,366,713.77
Restricted:		
A/P - Capital Projects - Restricted	85,003.22	80,003.39
Contract Facility Charge	2,118,248.96	2,092,026.77
Total Restricted:	2,203,252.18	2,172,030.16
Unrestricted	7,867,199.01	28,009,658.51
TOTAL NET POSITION	227,039,556.11	220,548,402.44

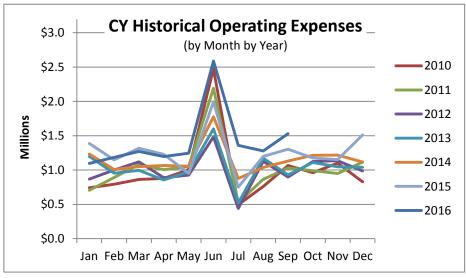
GREENVILLE SPARTANBURG AIRPORT DISTRICT

PROFIT and LOSS STATEMENT

		FISCAL YEAR TO DA	TE		
	September 30, 2016 Actual	September 30, 2016 Budget	Actual - Budget	% Change	
INCOME	Actual	Buuget	Actual - Budget	70 Change	
Landing Area:	CE0 220 07	624 726 01	22 502 06	2 720/	
Landing Fees	658,328.07	634,736.01	23,592.06	3.72%	
Aircraft Parking Fees	97,524.60	94,114.35	3,410.25	3.62%	
FBO Into-Plane & Fuel Flowage	38,153.54 794,006.21	23,761.26	14,392.28 41,394.59	60.57%	
Subtotal Landing Area	794,006.21	752,611.62	41,394.39	5.50%	
Space & Ground Rentals	2,219,877.62	2,163,162.21	56,715.41	2.62%	(a)
Auto Parking	2,996,136.05	2,889,144.21	106,991.84	3.70%	(b)
Commercial Ground Transportation	39,378.90	33,750.00	5,628.90	16.68%	(-)
·	·	·	•		
Concessions:					
Advertising	60,982.50	99,999.99	(39,017.49)		(c)
Food & Beverage	83,790.70	92,662.50	(8,871.80)	-9.57%	
Rental Car	865,192.64	788,722.02	76,470.62	9.70%	(d)
Retail	133,281.03	127,250.01	6,031.02	4.74%	
Subtotal Concessions	1,143,246.87	1,108,634.52	34,612.35	3.12%	
Expense Reimbursements	294,724.27	301,482.66	(6,758.39)	-2.24%	
Other Income	256,354.90	258,030.45	(1,675.55)	-0.65%	
Total Operating Income		7,506,815.67	236,909.15	3.16%	
FYDENCEC					
EXPENSES	1 005 400 00	2 614 500 72	(740 102 72)	20.650/	(-)
Salary & Benefits	1,865,486.99	2,614,590.72	(749,103.73)		(e)
Professional Services	104,785.14	182,562.51	(77,777.37)		(f)
Promotional Activities	870,536.45	320,101.23	550,435.22	171.96%	(g)
Administrative	217,899.45	292,351.95	(74,452.50)	-25.47%	(h)
Insurance	106,026.24	106,026.24	(204.246.42)	0.00%	(1)
Contractual Services	357,387.34	661,733.76	(304,346.42)		(i)
Rentals & Leases	10,349.98	45,768.27	(35,418.29)		(j)
Repairs & Maintenance	91,544.00	144,730.74	(53,186.74)	-36.75%	(k)
Supplies & Equipment	141,693.18	215,551.32	(73,858.14)	-34.26%	(I)
Utilities	402,644.53	406,814.58	(4,170.05)	-1.03%	
Total Operating Expenses	4,168,353.30	4,990,231.32	(821,878.02)	-16.47%	
				40.076	
NET OPERATING INCOME	3,575,371.52	2,516,584.35	1,058,787.17	42.07%	

GREENVILLE SPARTANBURG AIRPORT DISTRICT REVENUES AND EXPENSES TREND GRAPHS





September 30, 2016

YTD ACTUAL VS YTD BUDGET FOOTNOTES

(a)	Space & Ground Rentals	OVER BUDGET	\$56,715.41	- American leasehold clean-up renovations 7.5K- American-Piedmont -Ops leasehold renovations 37.8K
(b)	Auto Parking	OVER BUDGET	\$106,991.84	- Increase in traffic
(c)	Advertising	UNDER BUDGET	\$39,017.49	- Some advertising spots are unavailable currently due to construction
(d)	Rental Car	OVER BUDGET	\$76,470.62	- Increase in traffic
(e)	Salary & Benefits	UNDER BUDGET	\$749,103.73	 Timing: much of July's salary & benefits expense was related to June and therefore booked back to June Budgeted full year for FBO employees that won't be on payroll until Dec 2016
(f)	Professional Services	UNDER BUDGET	\$77,777.37	- Timing
(g)	Promotional Activities	OVER BUDGET	\$550,435.22	 Advertising expense 96K under budget YTD Special Events expenses 46K under budget YTD General marketing expenses 630K over budget YTD-Business Development expenses budgeted in prior year Sponsorships expenses 63K over budget YTD
(h)	Administrative	UNDER BUDGET	\$74,452.50	Travel/Training 13K under budget YTDDues & Subscriptions 22K under budget YTDCorporate Function 17K under budget YTD
(i)	Contractual Services	UNDER BUDGET	\$304,346.42	 Management agreement expenses 102K under budget - (300K Centralized Distribution facility expenses not yet incurred) Janitorial Services 84K under budget YTD Computer-annual contracts 29K under budget YTD Nursery & Landscaping 12K under budget YTD Elevator & Escalator 21K under budget YTD
(j)	Rentals & Leases	UNDER BUDGET	\$35,418.29	- Timing: expenses should increase over the year
(k)	Repairs & Maintenance	UNDER BUDGET	\$53,186.74	- Timing: expenses should increase over the year

September 30, 2016

YTD ACTUAL VS YTD BUDGET FOOTNOTES

(l) Supplies & Equipment UNDER BUDGET **\$73,858.14** - Timing:

- Computer-Software & Supplies 21K under budget YTD
- Nursery & Landscaping 12K under budget YTDSnow Removal 15K under budget YTD

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

Greenville-Spartanburg Airport District September 30, 2016

	Issue	Maturity	Interest	Cost Basis or		EOM	FMV
	Date	Date	Rate	BOY FMV	Par	FMV	Adj
US Treasury							
UST T-Bill 4-wk	9/8/2016	10/6/2016	0.254%	4,999,027.80	5,000,000.00	4,999,027.80	-
	9/8/2016	10/6/2016	0.254%	4,999,027.80	5,000,000.00	4,999,027.80	-
							-
Subtotal-UST				9,998,055.60	10,000,000.00	5 9,998,055.60	

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 subdivisi	on of SC, we are tax-	exempt from all t	axes, including	state and local.

Weighted blended vield = 0.2540%

GREENVILLE SPARTANBURG AIRPORT DISTRICT

Terminal Improvement Project

through:	9/30/2016	(cash basis		cash basis		cash basis								
tillough.	9/30/2010		FYE		YTD FYE		YTD FYE		YTD FYE		YTD FYE		YTD FYE		
	Budgeted	6	/30/2012	6	/30/2013	6	6/30/2014	6	/30/2015	•	5/30/2016		/30/2017		Total
Skanska			, ,	\$	9,570,188	\$	35,931,932	\$	22,815,954	\$	31,914,360	\$	2,067,321	\$ 1	02,299,755
Baker (aka LPA)				\$	1,367,784	\$	2,742,449	\$	765,298	\$	1,051,980	\$	164,411	\$	6,091,922
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				_	10.505	_	0.057	\$	62,000					\$	62,000
Michael M. Simpson				\$	49,696	\$	9,957							\$	59,653
Parsons Brincke				\$	50,000	_	1 000	_	010					\$	50,000
Tidewater Lumber				\$	30,434	\$	1,908	\$	918					\$	33,260
I-SYS TPM					20.212			\$	31,277					\$	31,277
Duke Energy				\$	29,212	+	22,088							\$	29,212
Source Group				t.	21,196	\$	22,000							*	22,088 21,196
Other		\$	400	\$	57,128	\$	64,692	\$	87,935	\$	5,486	\$	895	¢.	21,196
Total	\$ 123,762,496	\$	3,878,151	\$ \$	14,786,745	\$	40,535,386	\$	24,696,747	\$	33,208,296	\$	2.232.627	ф ф 1	19,337,951
Cumulative \$ Spent	\$ 123,702,490	\$	3,878,151	\$	18,664,896	\$	59,200,282	\$	83,897,029	Ψ_	117,105,325		119,337,952	ÞΙ	19,337,931
		Þ	3,878,131	Þ	15.08%	Þ	47.83%	Þ	67.79%	Þ	94.62%	э.	96,42%		96.42%
% of Budget spent			3.13%		15.06%		47.83%		67.79%		94.02%		90.42%		90.42%
Construction		ı		\$	9,635,538	\$	35,934,969	\$	22,953,017	\$	32,073,196	\$	2,067,321	¢ 1	02,664,041
Professional		\$	3,877,751	¢	5,002,818	\$	3,667,600	\$	993,082	\$	1,135,100	\$	164,411		14,840,761
Owners Reserve		\$	400	¢	148,389	\$	932,817	¢	750,649	Ψ	1,155,100	¢	895	\$	1,833,149
Total	\$ -	\$	3,878,151	\$	14,786,745	\$	40,535,385	\$	24,696,747	\$	33,208,296	\$	2,232,627		19,337,952
Cumulative \$ Spent	<u> </u>	¢	3,878,151	\$	18,664,896	\$	59,200,281	\$	83,897,028	Ψ.	117,105,325	Ψ_	119,337,952	ΨΙ	17,557,552
Cumulative & Spent		Ψ	3,070,131	Ψ	10,007,090	Ψ	33,200,201	Ψ	03,037,020	Ψ	117,103,323	ψ.	117,007,002		
		\$	0	\$	0	\$	0	\$	(0)	\$	0	\$	_	\$	(1)
		Ψ		Ψ		Ψ		Ψ	(0)	Ψ		Ψ		Ψ	(1)

TIP Public Relations Expenses

through:	9/	30/2016							
			FYE	FYE	FYE	FYE	FYE	YTD FYE	
	В	udgeted	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	Total
Crawford Strategies	\$	261,000	10,900	61,157	75,948	76,776	60,253	21,800	306,834
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	21,800	476,632
Cumulative \$ Spent			\$ 36,770	\$ 188,060	\$ 287,053	\$ 384,433	\$ 454,832	\$ 476,632	
% of Budget spent			6.80%	34.78%	53.09%	71.10%	84.11%	88.15%	88.15%

GREENVILLE SPARTANBURG AIRPORT DISTRICT

Other Operating and Maintenance Reserve Funds

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

September, 2016

Procurement / Capital Acquisitions

		Monthly \$
Project/Item Description	Date	Amount
Capital Improvements:		
GLF / Apron Rehab Phase II	9/12/2016	1,030,390
Avcon, Inc. / Apron Rehab Phase 2	9/30/2016	34,954
Mecklenburg Roofing / RAC Roof Renovations	9/28/2016	142,316
Pump Systems Technology / Runion Sewer	9/29/2016	124,898
Avcon / Combined Hangar Project	9/30/2016	109,643
Michael Baker / Hangar 2 Modification	9/30/2016	21,491
Graham County Land Co. / Fuel Farm Site Prep	9/12/2016	257,305
Equipment and Small Capital Outlays: Arthur Stern / Terminal Art Benson-Chrysler / Pickup Truck	9/8/2016 9/8/2016	13,750 16,434
Renewals and Replacements: Mavin Construction / Airside Garden Rehab	9/12/2016	187,650

Professional Service Projects:

Total Procurements/Capital Additions for the month \$_\$ 1,938,830



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin Howell, Vice President/COO

DATE: November 21, 2016

ITEM DESCRIPTION - Information Section Item C

October 2016 - Development/Project Status Report

SUMMARY

<u>Terminal Improvement Program (TIP):</u>

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

Bag Claim/South Bridge:

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



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

Core & Concourse:

During the month of October in the Grand Hall area, the new water features were being prepared for equipment and finish stone. The overhead ceiling work was being completed with a few aesthetic touches at the corners, and the monumental columns have been wrapped and are nearing completion. The Grand Hall restrooms are coming together slower than earlier anticipated. Both the north and south exit lanes are open to the general public, but door hardware issues preclude the areas from being considered 100% complete.

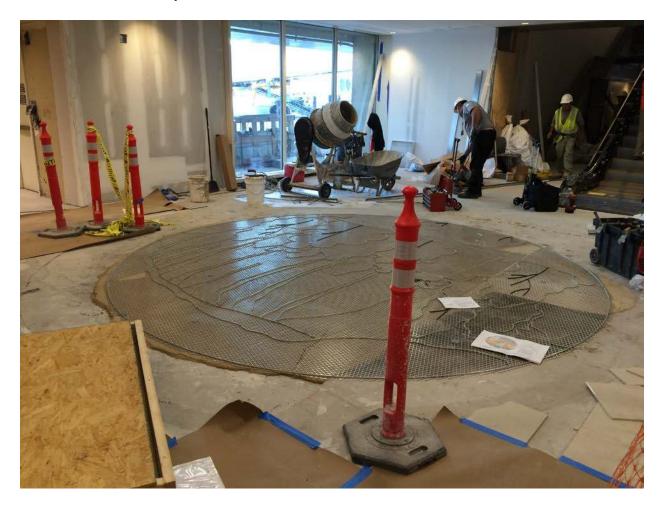
Work in the new Administration offices and new first floor Conference Center continues, but progress is slow. Work in the new administration area includes the office doors and hardware as well as the new hardwood and carpeted floor finishes. The lumber for the floors includes the wood recycled from the trees that were removed from the parking lot at the beginning of the project. Much of the administration parking lot will be wrapping up this month as well. New light site lighting and paving are expected to be completed also. The new conference rooms on the first level is receiving final finish treatments including doors, windows, wall treatment and overhead finishes.

During the month of October, the Core Construction phase continues with work progressing on both concourses. Work in the gate areas is finalizing including gate counters, podiums, and carpeting. Paging systems are coming online and wall treatments are being completed. The new down-escalators are expected to be operational before Thanksgiving, but work will be remaining for the adjacent stairs and railings. The retrofit to the existing elevators is nearly complete and tile floors are being completed.

SKM still has work to complete including the terrace handrails and emergency exit gates in the garden.

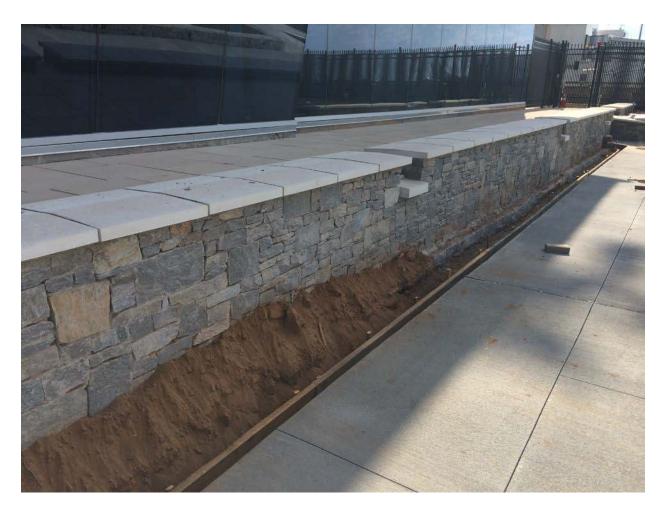


Core & Concourse Project Photos



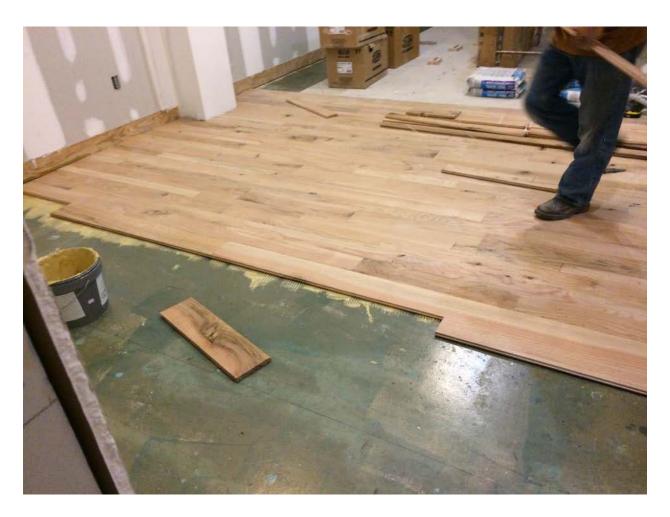
Terrazzo Art Install at Base of Escalator





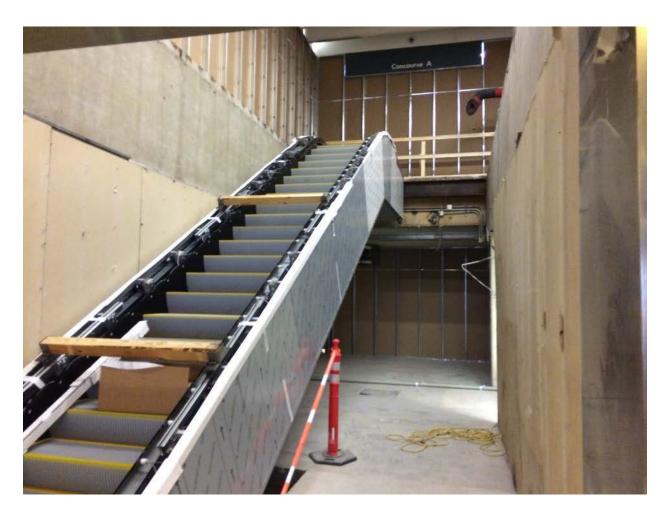
Garden Terrace Wall





Administrative Offices Wood Floor Installation

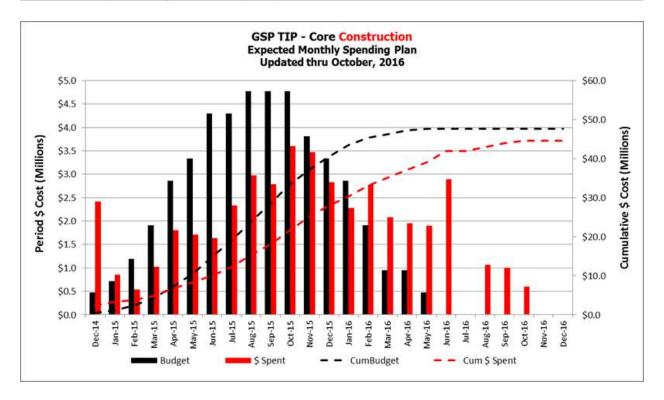




New Down Escalator Installation

TIP Core financial activity occurring thru October 2016

						Data Current as of :	31-0ct-16
	Original Budget	Changes/ Transfers to- Date	Current Approved Budget	\$ Committed to- Date	Remaining Budget Balance	\$Costs Paid to-Date	% Pa id
	(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	\$ 44,540,124	93.72%
Professional Fees	\$ 1,475,000	\$ 309,959	\$ 1,784,959	\$ 1,794,959	\$ (10,000.00)	(C) \$ 1,905,078	106.13%
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	\$ 46,625,533	93.71%
votes:							
* Information may be subject to correct	ions/adjustments						
(B) Change Order #2: \$250,652 transfer	from enabling to core						
(C) Baker WA #19 was opened for Core	e Legal Assistance wi	th a cap NTE \$10.00	O for arbitration assist	ance			





Apron Rehabilitation Project Phase 2:

Status – Close out 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 six months. The project is substantially complete. The contractor and engineer are working on punchlist items and close out documents.

<u>Apron Rehabilitation Project Phase 3:</u>

Status – Construction Phase Project Budget – \$5,000,000 Estimated Completion Date – Fall 2017

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. Three bids were received on June 28, 2016. All bids received exceeded the proposed AIP grant amount. GLF is the contractor for the project. GLF is currently working on phase 1 of the project, which includes widening the apron taxilane towards taxiway L. A winter weather shutdown is anticipated after the first phase is complete.

Airside Garden Rehabilitation Project:

Status – Construction 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 adopted Landscape Master Plan concepts.

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 Shurburtt Group, Inc. for the landscape portion of the project. The contractor is currently working on the concrete hardscape surfaces, plant installation and fountains simultaneously. The project is on schedule to be completed in December.

Consolidated Hangars Project:

Status – Bidding Phase Project Budget – \$8,903,000 Estimated Completion Date – September 2017 (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. The project is currently out for bid with pre-qualified general contractors.

Runion Property Sewer Project:

Status – Construction Phase Project Budget – \$250,000 Estimated Completion Date – November 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 work. The contractor is Pump Systems. Final construction items are in process and the project is scheduled to be completed in November.

Rental Car Service Center Roof Replacement Project:

Status – Construction Phase **Project Budget** – \$400,000



Estimated Completion Date – November 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. Final construction items are underway and the project is scheduled to be completed in November.

Emergency Call Station Project:

Status – Construction Phase Budget – \$200,000 Estimated Completion Date – TBD

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 Proposals (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 – Bidding Phase Budget – \$1,600,000 Estimated Completion Date – TBD

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. Bidding is underway with prequalified general contractors.

Airport Master Plan:

Status – Contract Negotiation

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 process was completed. McFarland Johnson was



determined to be the first ranked firm/team. Currently the scope and fee agreement is being finalized. Project kick off is tentatively scheduled for December 2016.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Rosylin Weston, Vice President - Communications

DATE: November 21, 2016

ITEM DESCRIPTION - Information Section Item D

October 2016 - Communications Status Report

News Stories Broadcast, Print and Online 10/01/16-10/31/16:

- Spartanburg Herald Journal GSP Creates Its Own Fixed-Based Operations
- Spartanburg Herald Journal GSP Partners with Tryon Equestrian Center
- Spartanburg Herald Journal GSP Loses Amazon Prime Bid
- Spartanburg Herald Journal Outgoing FBO Operator Disappointed
- Upstate Business Journal GSP Loses out to Charlotte for Amazon Prime Air
- Upstate Business Journal GSP Unveils Self-Run Fixed Based Operator
- GreerToday Gibbs Cancer Research Institute in Greer was Calculated on Access to GSP International Airport
- WSPA TV 7 How to Avoid a False Uber Driver
- The Greenville News GSP Creates A New Division to Service Aircraft

Public Relations Summary 10/01/16-10/31/16:

The Communications Team working in conjunction with Aviation Services and Crawford Strategy to complete the creative work a new brand for GSP's Aviation Services Department. This work included the creation of 3 logos – Cerulean Aviation, Cerulean Commercial Aviation and Cerulean General Aviation, a Brand Standards Manuel and the first draft of a Communications Strategy. The team also wrote and produced a mini video introducing the Cerulean Aviation brand. The brand was officially launched on October 5, 2016 with two events.

Employee Luncheon –This event took place inside the FIS facility and was
designed to introduce Cerulean Aviation to our employees before the public
announcement. Approximately 120 employees attended and each received a
Cerulean Aviation long-sleeved tee shirt and a Cerulean Crayola crayon.

Greenville-Spartanburg Airport Commission Information Section Item D October 2016 – Communications Status Report Page 2

Community Event – This event took place at the current GA terminal.
 Approximately 75 community leaders attended and each received a Cerulean Aviation long sleeved tee shirt. Members of the local media were also in attendance for the introduction of Cerulean Aviation

Community Relations 10/01/16 - 10/31/16:

- Planning for the first GSP Community Garden is progressing. We currently have three partners who have pledged involvement in the garden – two tenants; Delta Airlines and American Airlines and one outside organization, Pelham Medical Center. A meeting is planned with Pelham Medical Center to discuss the extent of their desired involvement. The first planting is scheduled for February. We applied for and received a batch of seeds through the Seed Fairy Program at Clemson University.
- Introducing the new Teacher Mini-Grant Program This program joins GSP Airport District, Greenville County School District, Spartanburg County School District 7 and both Downtown Rotary Clubs of Greenville and Spartanburg and FedEx. Geared toward grades 6-8, the intent of this program is to encourage the teaching of aviation and community service. Teachers apply to the program and those selected receive a mini grant to assist in the delivery of programmatic elements of a curriculum focused on aviation and community service. The two schools selected for this school year are Fisher Middle School (Greenville) and McCracken Middle School (Spartanburg) The program includes a field trip to GSP International Airport.
- Members of the communications team and GSP human resources team attended a two-day seventh grade career day at the TD Convention Center.
- GSP Airport District was the VIP Tent Sponsor for Fall for Greenville October 14-16. Guests inside the VIP tent received a GSP Umbrella and were exposed to the latest GSP commercial which ran in a loop formation for the entire weekend event.

Online Statistics 10/01/16-10/31/16:

Elevatingtheupstate.com

- 216 Sessions, 140 users
- Average session duration 2:07
- Pages viewed per session 2.19

Elevatingtheupstate.com (Mobile Site)

- 112 Sessions, 106 New Visitors
- Most visitors were women 65.9%

Greenville-Spartanburg Airport Commission Information Section Item D October 2016 – Communications Status Report Page 3

GSPAirport.com

- 89,969 Sessions, 69,586 were new visitors
- Average time on page:32
- Total number of Page Views 287,329

Top Twitter Posts/ Followers

- GSP International turns 54
- No to the Samsung Galaxy Note 7
- 5,192 Followers

Facebook

- 661 Page Views
- 137 New Page Likes
- 8,156 Total Page Likes

Top Facebook Posts

- GSP Police Officers support Jacob Hall (Reached 4,578 people, generated 249 post clicks and 222 likes, comments and shares
- The Galaxy Note 7 Ban (Reached 2,566 people, generated 64 post clicks and 30 likes, comments and shares

Art In The Airport Installation Update:

Upcountry by Melissa Anderson (July)

Ode to the Great Carolina Wren and Exotic Birds by Arthur Stern (July)

Thread by Amy Baur (August)

Waterfall of Light by Dimitar Lukanov (September –Received but not installed)

The Quilt by Evelyn Rosenberg (September)

River Bank and Autumn at Table Rock by Joan Weissman (November)

Souvenir of a Mountain Garden by Michael Krondl (November)



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: November 21, 2016

ITEM DESCRIPTION – Information Section Item E

October 2016 - Commercial Business and Properties Report

SUMMARY

<u>Concessions Program Development – Grand Hall Phase:</u>

Status – Dunkin Donuts, Baskin Robbins, Hudson, and Tech-On-The-Go retail stores opened for business on October 30, 2016. Chick-Fil-A and DC3 Dawgs preconstruction meeting has been completed and construction work is beginning. Plans for The Kitchen by Wolfgang Puck are currently under review by Spartanburg County for a building permit.

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 – January 31, 2017

As part of the Grand Hall, there will be several new food, beverage, and retail offerings available to the traveling public. These include Baskin Robbins, Dunkin Donuts, Chickfil-A, and The Kitchen by Wolfgang Puck. For retail, there will be a Hudson, Tech-on the-Go, as well as a retail store that has yet to be named.

<u>Concessions Program Development – New Concourse Satellite Seating Areas:</u>

Status – Construction at both concourse locations is approximately 90% complete. **Project Budget** – All costs are being covered by OHM Concessions Group. **Estimated Completion Date** – December 31, 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.

Centralized Receiving and Distribution Facility (CRDF) Project

Status – UPS relocated to North Cargo Apron and BAL is preparing to begin construction in the former UPS leasehold space.

Project Budget – All operational costs will be recovered through existing concessionaire and tenant lease agreements.

Estimated Completion Date – January 31, 2017

Bradford Airport Logistics (BAL) will provide receiving and distribution services to all terminal building tenants. This primarily includes food, beverage, and retail deliveries and pick up of returnable items such as empty beer kegs and outdated magazines. In addition, they will handle collection of used grease for the concessionaires.

All terminal building FedEx and UPS packages, office supply deliveries, etc. for terminal building tenants will also be handled through the CRDF located at the South Cargo Building. This will remove delivery trucks from the limited space along the terminal building front curb, as well as eliminate the need for some of these vehicles to come airside to make their deliveries.

<u>Airl T - Flight Information Display System (FI DS), Gate Information Display System (GI DS), and Baggage Information Display System (BI DS) Installation Project</u>

Status – New FIDS, GIDS, and BIDS screens are currently being installed throughout the terminal building. Some are brand new while others are replacements. New flight information templates are being built by AirIT. FlightView is building their new template for the Live Air Traffic map as well as reconfiguring the automated airline data feeds.

Project Budget – \$303,362

Estimated Completion Date – December 15, 2016

The Airport District is transitioning to AirlT for all FIDS, GIDS, and BIDS. This will provide seamless integration with AirlT's EASE software at each of the 13 gates for the GIDS, as well as place the BIDS and FIDS on the same software platform.



<u>Airl T – Gate Installation Project</u>

Status – Twelve of thirteen gates completed

Project Budget – \$173,860

Estimated Completion Date – December 16, 2016

As each gate is taken out of service for TIP renovations, airline's proprietary computer hardware will be replaced by AirIT equipment and their Extended Airline Software Environment (EASE) software. 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.

<u>Airl T - Paging Installation Project</u>

Status – All new speakers have been installed by the terminal building contractor. Staff is awaiting IED, a paging subcontractor to AirIT, to schedule their onsite visit to begin installing the new headend paging equipment.

Project Budget - \$471,683
Estimated Completion Date - December 31, 2016

The Airport District is transitioning to AirIT and IED's paging system. This will provide seamless integration with AirIT's other software programs in use at the airport (i.e. EASE, BIDS, FIDS, GIDS, etc.) and place them on the same software platform. This will allow the airport to provide automated flight information announcements and other customer service enhancements for the benefit of the traveling public.

<u>Cell Phone Lot – WiFi Installation Project:</u>

Status – All equipment has been procured and installation work is scheduled. Project Budget – \$7,500 Estimated Completion Date – November 30, 2016

This project will provide WiFi access to individuals who are waiting in the cell phone lot to pick up passengers at the terminal building. It is a customer service enhancement that is being provided for a relatively low cost since network connectivity is already in place for the flight information display board located in this temporary parking area.



<u>Fixed Base Operator (FBO) – Fiber Enhancement and Replacement Project:</u>

Status – New fiber pulled and awaiting terminations on both ends to be completed.

Project Budget – \$38,000

Estimated Completion Date – December 1, 2016

The existing fiber optics cable running between the Airport District Office and the FBO complex is failing. This project will pull a new 48 strand single mode and a new 24 strand multimode fiber optic cable in the existing underground conduit next to the existing cable.

This will provide plentiful network connectivity for the Airport District's IT infrastructure associated with operating the FBO. In addition, it will provide the ability to expand the airport's shared tenant services to FBO tenants. This includes internet and telephone services. Presently, there is no high speed network capability in this area of the Airport District campus.

This project will also assist with providing more reliable security related network infrastructure for building and gate access control, CCTV cameras, etc.

<u>South Cargo Building – Senator International IT Project</u>

Status - All work completed

Project Budget – Wireless access point installation costs are being covered by Senator International in the amount of \$5,000. The cost associated with the extension of the Airport District's Premise Distribution System covered by the Airport District is \$7,500. **Completion Date** – October 31, 2016

The Airport District will extend its Premise Distribution System (PDS) and install wireless access points in Suites #1 and #2 at the South Cargo Building. This will support scanning of items for Senator International by the Airport District's Aviation Services Group (ASG).

In addition, the extension of the PDS will provide ASG with the required computer and telephone network infrastructure needed to support Senator International as well as other cargo operations in Suites #2 and #4.

<u>Turner Broadcasting Network – CNN Airport Network Project:</u>

Status – Site walk-through completed on October 20, 2016. Contract negotiations are underway.

Project Budget – All installation costs are being covered by Turner Broadcasting Network/CNN Airport Network.

Estimated Completion Date – To Be Determined

Turner Broadcasting Network is offering to install their CNN Airport Network product in the concourse hold rooms to help provide an additional level of customer service to the traveling public. Based on current negotiations, the Airport District would receive six minutes of advertising space each hour to either sell or use for marketing of the Airport. As an example, the current 30 second TV commercial that is running on WYFF, WSPA, and WLOS could air up to 12 times each hour in between CNN's programming.

<u>Turner Broadcasting Network - Cartoon Network Project:</u>

Status – Discussions/negotiations are ongoing. Airport District network requirements are still under review.

Project Budget – All installation costs would be covered by Turner Broadcasting Network/Cartoon Network. The Airport District would have to provide network bandwidth to support the live streaming capability required for multiple users which may result in an ongoing operational cost.

Estimated Completion Date – To Be Determined

Turner Broadcasting Network is exploring the idea of providing children with the Cartoon Network and other children's programming via the Airport District's WiFi network to any WiFi capable device (i.e. computers, smart phones, tablets). This would be free of charge and would help keep children occupied while waiting for their flight on the concourses.

Hollycrest Bed & Biscuit - Pet Hotel Program:

Status – Currently working on dual branded marketing materials but services are presently available to travelers. Hollycrest Bed & Biscuit is offering a discount if passengers show their GSP boarding passes. They are keeping track to measure success or usage of the program.

Project Budget – All operational costs will be covered by the service provider.

Estimated Completion Date – December 15, 2016



To help provide a full line of services to the traveling public, the Airport District has reached out to several local pet kennels regarding pet boarding services to passengers.

<u>Lyft – Transportation Network Company (TNC) Service:</u>

Status – TNC operating agreement awaiting execution by Lyft. **Project Budget** – All operational costs will be covered by the service provider. **Estimated Completion Date** – March 31, 2017

Lyft is beginning to open up service in various communities throughout South Carolina. They recently started service in Charleston and have plans to expand into the Upstate, including at the airport, in first quarter of 2017.

TD Bank - ATM Installation Project:

Status - All work completed

Project Budget – All installation and operational costs will be covered by the service provider.

Completion Date – October 26, 2016

As part of the Airport District's recent change for financial services, TD Bank is installing three ATM's in the terminal building. This includes one on each concourse and one located in baggage claim.

These will replace the two ATM's currently located in baggage claim and the rental car facility.

Valet Parking Program:

Status – Currently reviewing proposals from various operators **Project Budget** – All operational costs will be covered by the selected operator. **Estimated Completion Date** – January 15, 2017

In order to better compete with surrounding airports, as well as meet the needs of the traveling public, the Airport District has met with a few valet parking operators. This will be a one year trial program to see how well the valet service is utilized and if they will be a customer.



National Business Aviation Association – Annual Convention & Exhibition

Status – Had a successful conference and beginning planning for next year Project Budget – \$25,000 Completion Date – November 3, 2016

The National Business Aviation Association Convention & Exhibition Ranked has been ranked as the sixth largest trade show in the United States and invites industry professionals, including current and prospective aircraft owners, manufacturers, and related aviation customers, from all over. The event took place November 1–3, 2016 in Orlando, Florida.

At this event, the Airport District had an exhibit to market the recently unveiled Cerulean Aviation FBO brand and GSP360 land development program.

<u>AT&T Wireless – Cell Phone Antenna Equipment Upgrade & Capacity Enhancement Project:</u>

Status – Plans and specifications are currently under review for comment and/or approval.

Project Budget – All costs are being covered by AT&T. **Estimated Completion Date** – December 31, 2016

AT&T 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.

National Weather Service/ Interior Renovation & Parking Lot Expansion Project:

Status – Awaiting plans and specifications for review **Project Budget** – All costs are being covered by the National Weather Service. **Estimated Completion Date** – To Be Determined

The National Weather Service is in the process of developing plans and specifications for the renovation of the interior leasehold space in their building as well as the creation of some additional parking lot space for their maintenance vehicles.



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

Status – Awaiting plans and specifications for review Project Budget – All costs are being covered by FedEx. Estimated 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.

<u>FedEx – Customer Service Lobby Renovation & Exterior Signage Replacement Project:</u>

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

Project Budget – All costs are being covered by FedEx. **Estimated Completion Date** – To Be Determined

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.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Marsha Madore, Human Resources Director

DATE: November 21, 2016

ITEM DESCRIPTION - Information Section Item F

October 2016 - OSHA Reportable Injury Report

SUMMARY

Monthly Activity as of October 31, 2016

• No OSHA Reportable Injuries

2016 Calendar Year-to-Date

• 5 OSHA Reportable Injuries

2 Year Historical Annual OSHA Report Submissions:

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



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Oct. 12--American Airlines will "rebank" its several hundred flights a day at Philadelphia International Airport in January, going from eight banks -- waves of flight arrivals and departures -- to six.

In collapsing eight banks to six, American will operate 30 to 40 fewer flights a day in January than a year ago. Philadelphia's largest airline said the move is designed to improve efficiency and performance and boost revenue and profits.

Since the 2013 merger with US Airways, American has rebanked its hubs in Dallas Fort Worth, Chicago, and Miami.

"Travelers are going to have a much more compelling schedule. We can still offer them all the connections we did before," said Vasu Raja, American's vice president of network and schedule planning.

The earliest flights will leave PHL about 8 a.m., instead of 7:30. The last flights of the day will depart between 8 and 9 p.m., instead of 10 or later.

The airline will fly larger planes on some of the affected routes, so the loss of seats or capacity will be mitigated. "We are not doing away with a lot of frequencies; there are going to be more seats," Raja said.

Philadelphia is, and will remain, American's fourth-largest hub, the airline said.

During the summer months, American has 425 daily departures at PHL, or 850 round-trips a day. In the winter, the number drops to about 380 departures because some transatlantic flights are seasonal.

This January, Philadelphia International will have about 350 departures a day, or 700 total American flights including arrivals.

With the changes, the 5 a.m. flights from "spoke" cities such as Providence, R.I., Toronto, and Boston into the Philadelphia hub will leave at 6:30 or 6:45, getting into Philadelphia about an hour later.

Passengers will "maintain the same connections" to San Juan or Los Angeles "but won't have to catch a

5 a.m. flight to do it," Raja said.

"The real action for the Philadelphia airport is not just getting people to and from Philadelphia, but getting people from Providence to L.A., and from Toronto to San Juan," he said. "The reason why we are able to offer so many flights in Philadelphia is because we have it banked like that, and connect all those people through these gigantic connecting complexes."

Customers did not like 5 a.m. flights, he said, and increasingly they had other options -- to fly later, take a different airline, or connect through another airport. "We think this is going to be a much better customer experience," he said.

Several flight reductions have already been announced. Halifax, Nova Scotia, flights will end in January. Brussels and Zurich flights have ended. Frankfurt will become a seasonal flight, instead of year-round.

Daily flights to Boston will drop from 14 to eight, although American will fly larger planes on the route. The number of daily flights to Washington Reagan National and Newark Liberty International will go from eight to three.

American will discontinue flights to Elmira and Binghamton, N.Y. from PHL in February, but plans to fly larger planes to Ithaca, N.Y.

"I know that we're going to lose 30 to 40 flights in the January time frame, but was told the number of seats won't be nearly as dramatic as the number of flights," said Philadelphia airport CEO Chellie Cameron. "Exactly what that means remains to be seen.

"We've got to focus on the good news, though," Cameron said. "We're still a hub -- the No. 4 hub and will remain so. And we're still the European gateway from the East Coast. That's great for the city."

Airline analyst Hunter Keay of Wolfe Research said in a client note that the bulk of American's cuts "post Labor Day" were in Boston, "specifically Boston-Washington Reagan, Boston-Philadelphia, and Boston-LaGuardia." Other American cuts came mainly at New York LaGuardia to "its major hubs" and from American hubs including Charlotte, Dallas Fort Worth, Chicago O'Hare, and Reagan National to "various domestic destinations," he wrote.

American said it was "more tuning the merger" than making drastic changes.

"Philadelphia is one of our most profitable hubs. We love Philadelphia. We have no plans of exiting Philadelphia at all," Raja said. "But Philadelphia is a connecting hub." Only 10 percent to 15 percent of passengers on transatlantic flights originate in this region.

"People see changes in Philadelphia and think, 'What does this mean for Philadelphia?' But actually the game in Philadelphia, and what we try to do there, is make it a great connecting hub. We love it as a connecting hub, and these changes will make it better."

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American Will Trim Some Flights as Part of 'Rebanking' its PHL

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Creative Synthetic Turf Use for Airports

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Airports of the Future: Design with Age in Mind

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Get to Know Rosemary A. Vassiliadis, Director of Aviation, Clark



Photo credit: Mesa Air

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In the aftermath of the crash of Colgan Air Flight 3407 on Feb. 12, 2009, Congress pushed through more stringent training requirements for pilots. That, combined with a slew of retirements by major airline pilots and carriers cutting back on capacity, has led to spotty and canceled air service to smaller cities across the United States.

Michael Isaacs, manager of South Dakota's Pierre
Regional Airport, said the pilot shortage is a big
story in his city. "Ten years ago, we were served by
Mesaba Airlines as Northwest [Airlink] with two
flights to Minneapolis, and Great Lakes Airlines, which flew three flights to Denver," he said.

After the Delta Air Lines-Northwest merger, Delta decided it didn't want turboprops in its fleet, said Isaacs. "We were one of 24 cities that Delta pulled out of. That was not part of the pilot shortage. It was just them restructuring their business model," he said. "However, we were successful in forcing Delta to stay on the route until Great Lakes took over."

In 2013, Pierre had eight flights a day: four to Minneapolis and four to Denver. "But then the training rule change came out. The effects of it started during our hunting season in October, where our enplanements are doubled," he said. "So this pilot shortage hit us right at our peak season and it was very difficult."

There were a lot of missed bags and people missed several days of hunting, Isaacs recalled. "We also went from eight flights a day down to six flights a day. Then we went down to four and then three," he said. "But with high flight cancellations in the last couple of years, we averaged around 25 percent in cancellations, while our on-time performance rates were hovering in the 50- to 60-percent range, which led to us losing 75 percent of our traffic."

It was devastating, said Isaacs. "But with the help of Senators John Thune (R) and Mike Rounds (R) and our governor, we were successful in bringing back money for [the] Essential Air Service [program]," he

said. We were always an EAS community. However we hadn't collected EAS funds since 2006."

So the airport chose an upstart carrier, Kennesaw, Ga.-based Aerodynamics Inc. (ADI) in 2014 to take over its EAS flights after troubles with Great Lakes, said Isaacs. "ADI did have some initial startup problems, so they reorganized the company and rebid to provide scheduled air service in Pierre again," he said. The city again chose ADI as its EAS provider and it started service as Great Lakes Express JetExpress with a 50-seat Embraer ERJ-145 regional jet on Aug. 15. Issacs said to-date, it has a 100 percent completion factor, with 88 percent on-time performance and 59 percent load factor, which is well above initial expectations.

The airport hired an air service consulting firm, Mead & Hunt, to help, said Isaacs. "They were successful in getting us face time with some other regionals."

But it's been a challenge for Isaacs to encourage his community to use the new ADI service. "We've heard so many stories of people who missed weddings and funerals. There were just so many heartbreaking stories with the poor performance of the existing flights that we really had to take a gut check," he said.

Instead of doing last-minute cancellations, Great Lakes pulled back its forecast of when pilots were able to fly, said Isaacs. "It actually produced less frequencies with higher performance, which improved its last-minute cancellation ratio," he said. "They would cancel flights three weeks or more out so folks would not have to come to the terminal building to find out they were cancelled."

Greg Kelly is chairman of Airports Council International-North America's (ACI-NA) Small Airports Committee and executive director of Georgia's Savannah Airport Commission. His committee is in the middle of an effort to help

address challenges to small community air service.

"Right now, we're establishing a priority list of goals and objectives to address issues including the pilot shortage, restrictions on new entrant airlines, air service access in the event of further airline consolidations and the future of interlining," said Kelly. "We're looking to develop strategies legislatively, administratively and internally."

The plan is to roll out the committee's recommendations at the annual Airports Council International meeting Sept. 25-28 in Montreal, said Kelly. "We want to not only have it for our members, but we also will try and ACI to adopt our plan as well," he added.

Jonathan Ornstein is the chairman and CEO of Phoenix-based Mesa Air Group, which flies as American Eagle and United Express. At one time, Mesa had one of the largest 19-seat Beech 1900D fleets in the world, using its Air Midwest subsidiary to provide EAS service and flights to small communities.

Doubling in size in the past three years and growing its fleet to 133 large regional jets by September, Mesa is one of the regional carriers continuing to attract pilots. However, the airline has been outspoken about the damaging effects to the industry since the FAA training rule change in 2013.

"Basically, the new rules took many of the most qualified candidates out of the market. These were kids coming out of terrific colleges with four-year degrees and 300 to 400 hours, who are probably among

the best qualified to fly new-generation equipment," said Ornstein. "So now you have this gap where those who would normally be coming into commercial aviation have to forget all their good training and fly around banners or flight instruct to build time."

This is politically motivated, said Ornstein. "And it's a shame, because at the time when we're desperately trying to find high-quality jobs for people exiting college, we have cut that option off in aviation. It's just horrible," he stated. "There are literally hundreds of foreign flights flying into the most congested airspace on the East Coast and the West Coast. A guy who trains in Arizona for Lufthansa can fly a wide body jet into JFK [Airport] with only 500 hours. It makes no sense."

The current flight training rule is a continuation of the misguided policies that eliminated Part 135 operations for up to 30 seats, said Ornstein. That rule, passed in 1995, said that Part 135 operators were only allowed to operate aircraft with fewer than 10 seats. It was an attempt to boost safety on regional airlines in the wake of the American Eagle Roselawn, Ind., crash in October 1994.

"Back then, Mesa quit the Regional Airline Association because we believed the rule would wipe out the Part 135 business. It dealt a devastating blow and thousands of jobs were lost as a result," he said.

There were more than 1,500 airplanes in passenger service under Part 135, said Ornstein. "Think about all those aircraft and all those smaller cities that were served. Look at New Mexico. Mesa had 13 flights a day from Albuquerque to Farmington. We had nine flights a day between Albuquerque and Roswell. I don't think there's service anymore," he said.

Pierre Airport's Isaacs agreed. "Now there are even less student pilots, down substantially from 10 or 20 years ago. There's less people wanting to become pilots," he said. "The cost to become a pilot now, with the increased training requirement, is almost at the level that you need to become a doctor or an attorney."

Jim Sullivan is the chief of operations for Santa Monica, Calif.-based Surf Air, a private air travel club that offers members unlimited monthly flights using a fleet of eight-seat Pilatus PC-12 single-engine turboprops. It flies to a mix of commercial and business aviation airports from the Bay Area and the Los Angeles metro area, along with Santa Barbara, Truckee/Lake Tahoe, Nevada, Napa, Monterey, Sacramento, Palm Springs and Las Vegas.

Surf Air was formed by three young visionaries nearly four years ago, said Sullivan. "The founding CEO was previously the lead man for the vice president of the United States and he traveled quite a bit on short notice using one-way tickets," he said. "He was always selected to go through the secondary screening process and his travel was such a hassle because of it."

He could literally walk up to the vice president and give him a hug, yet when he travelled to the airport, he was treated like a criminal, said Sullivan. "So he put together a think tank to look at how to make travel more convenient," he said.

"They stumbled across this idea of creating a private airline using the private aviation facilities of an airport and make it as affordable as they could."

Three years later, Surf Air is approaching 3,000 members and 12 aircraft, with nearly 100 flights a day, said Sullivan.

So many of Surf Air's routes are the old legacy airlines trunk routes, said Sullivan. "The basin to the Bay is one of the biggest markets in the country. There are quite a few of our markets where we compete directly with the legacy carriers," he said. "However, we also fill a void that may have been left by the regional airlines, like Carlsbad to LAX. We're taking what was a commercial route and serving it, at least on one side, by private aviation at a private airport."

But Surf Air has also created new routes that no longer exist, like San Carlos to Truckee, said Sullivan. "There probably was a service from San Francisco to Truckee at some time in the past, with PSA or Wings West," he said. "We look for these unique markets where we can take our private aviation terminal and connect it with an airport where there may not be existing commercial traffic."

While Surf Air doesn't fall under the FAA's 1,500-hour training requirement, it still faces hiring challenges, said Sullivan. "We have no problem on the supply side, because we have a vast pool of interested pilots. But we do have a challenge retaining them," he noted.

The company is looking at different options. "We're going to look at clearly defining for pilots their Surf Air benefits and career advancement. We may hire a pilot right out of college who starts with us and then through relationships with other airlines, we could provide an exit point for that pilot once they meet the training or experience requirements for those interested in that path," he said. "We also have a lot of second career-type folks that work for us who are not leaving. They are attracted by the fact that they are home at night. So that's an advantage for folks who have other responsibilities and family commitments."

Surf Air hopes to announce partnerships with different aviation companies on pilot career advancement, said Sullivan. "We acknowledge where we fit in this world. We may be a transitional airline for a lot of folks, but if we can get predictability, that will help us."

Middleton, Wis.-based aviation consultancy Mead & Hunt works with around 50 small and non-hub airports on air service issues. Jeffrey Hartz, a senior air service consultant for the firm, says these markets have been impacted the most by the FAA's revised pilots training rules and that some predictability would be welcomed.

Looking at the past two years, the pilot shortage has been a game changer for lots of smaller markets, said Hartz. "But if you go back up to 20 years, the loss of turboprop aircraft has had a broader impact. We saw a lot of communities drop to flights to a single hub or even no service altogether," he said. "Look at Carlsbad, [California's] service to LAX on United Express. They lost that because there is no longer enough [30-seat] Brasilia [turboprop] service."

The pilot shortage has been incredibly difficult for Mead and Hunt's clients, but it's a paradox, said Hartz. "If you look at the airline industry, it's as good as or even a better business climate for them. Aircraft are cheap to acquire and fuel is stable, at low prices," he said. "So it's frustrating to see this pilot shortage, making it almost impossible for regionals, which continue to shrink in small and non-hub cities."

Some regionals are able to fill new-hire classes, said Hartz. "But the mainline carriers are also hiring, so there's a strong pull from the top to hire pilots from regionals like Mesa and SkyWest," he said.

Mesa is fortunate because it has a growth plan, so it is attracting pilots, said Ornstein. "The fact is that we can offer people a real career and continue to show them a career path."

Unlike a lot of regional airlines that pay signing bonuses to people for coming to the company, we took a different path," he said. "We give bonuses to employees who recruit people to come to Mesa. Our people are our best recruiters, and we have paid out almost a million and a half dollars in bonuses to them. As a result, we have the biggest recruitment staff of any

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Airline Cutbacks Hit Smaller Airports Hard

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Santa Monica Temporarily Stops Airport Evictions Amid Federal Investigation

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FAA Dedicates New Las Vegas Air Traffic Control Facility regional airline."

Mesa is also looking to create a cadet program with a number of flight schools like the one it recently launched with Sierra Academy, said Ornstein. "We're trying to help [new pilots] bridge that gap to get from the 250 to 400 hours they have, up to whatever they need," he said. "We're thinking about buying a [Part] 135 operation, like a farm team. It's important to give people a career path all the way through."

Surf Air has a great opportunity before it, said Sullivan. "We've proven that our model works in California, and we're looking to roll it out across the country in different geographic areas. It works anywhere between two population bases with an appropriate stage length and an airport on either side," he said. "We've been very public in saying we'd love to be in Texas and Florida. There also looks to be a great market in the Northeast and the upper Midwest."

The company currently operates 12 Pilatus PC-12s. "If we were to exercise all our options over the next few years, we've got 53 more airplanes coming," said Sullivan.

The airline industry is moving toward larger planes that are flying less frequency, said Isaacs. "That's the overwhelming message that I hear from the airlines when we go to industry conferences. So if that's the case then we really need to hone in on this," he said. "The magic wand solution would be to find a way to attract more pilots and more students to the industry, either through higher pay or a combination of better working conditions and higher pay."

Hartz is recommending that his clients continue to interact with airlines. "Make them aware of opportunities because airlines are doing addition by subtraction. They are always looking at new routes and adding frequencies, either by replacing existing routes or squeezing more utilization out of their aircraft," he said. "The ones that are doing well are engaging with their airlines and working with their communities to push for routes, when they make sense."

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Posted by Will

Nov 09 2016 00:32

There is no shortage of pilots. What there is, is a shortage of pilots willing to work for wages well below the poverty line. In the world's largest supposedly free market, you would think people would grasp this. The article goes on and on moaning about how the regulators are to blame by increasing the minimum experience requirements (which actually only just brings them into line with international standards, reluctantly and after lives were lost i.e. Colgan). It only in the last couple of paragraphs gets to the real point, which is: why would anyone assume tens of thousands of dollars of debt for flight training and licensing to be paid less than 20,000 dollars/year to operate millions of dollars of machinery with life and death responsibilities? To paraphrase the movie: "If you pay them, they will come".

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Nov. 03--While walking to his gate in an airport, a frequent Delta Air Lines flyer snaps three pictures of passengers with emotional support animals.

All three are women and all three service animals are small dogs.

One woman, who appears to be in her late 20s, sits at an airport cafe table. She wraps her right arm around her brown dachshund wearing a pink vest.

A second woman, perhaps in her 40s, walks toward

the gate in a pink collared shirt and even brighter pink sneakers. Her Pomeranian doesn't have any sort of service dog vest.

The third woman sits in a seat at the gate, hands folded across her belly and a black and white dog lying across her lap.

Eric Goldmann of Atlanta tries to find out if they are faking a disability to travel without paying a pet fee.

"When I see a dog in the airport, I befriend them," Goldmann said recently. "I like dogs. I'm allergic, but I like them."

He said he's been traveling several times a week for business for about 15 years, but only in the last handful of years has he seen so many pets in airports. Goldmann had taken 142 flights this year by the end of October and said he saw so-called emotional support animals on about 40 percent of the planes.

"It's the cool, new trend to travel with a pet," he said.

Delta Air Lines spokeswoman Ashton Morrow said she couldn't disclose the number of service animals on flights by year.

"Delta complies with the Air Carrier Access Act by allowing customers traveling with emotional support animals or psychiatric service animals to travel without charge in the cabin," Morrow said. "We reserve the right to review each case and make every effort to accommodate our customers' travel needs while also taking into consideration the health and safety of other passengers."

But people traveling with fake emotional support animals is a growing problem for flight attendants, frequent flyers and people with disabilities who have service animals for medical reasons.

Goldmann said he's gotten people to admit they pay about \$49 for an official certificate from a licensed therapist and another \$149 or so for the service animal vest.

Those who bring a pet on an airplane because they are nervous or afraid to fly are not covered under the Americans with Disabilities Act, Jennifer Schwenker said.

Schwenker is the mother of twin boys with autism and her family has a service dog, Barkley.

"We worked hard to provide Barkley for our boys," she said. "We work hard yearly to keep him properly trained, make sure he has veterinarian care and is certified yearly through 4 Paws for Ability."

She said people who pretend to need an animal for support just to travel without paying fees are being disrespectful of those with disabilities.

"When someone says to me, 'I wish I could bring my dog with me everywhere,' I ask, 'What disability would you like to have in order to do this?' That response always ends that conversation!"

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Fake Service Animals: Why Airline Passengers are Upset

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Southwest Adding Flight to New Orleans

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KTLA News Anchor Arrested at LAX on Suspicion of Petty Theft

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O.C. Residents Learn About, Raise Questions on the FAA's New Flight Paths

AOA

New Forest Management Plan to be Discussed at Keene-Owned Airport Jen Williams, who has been an Atlanta-based flight attendant since 1996, said she's seen an incredible increase in support animals in the past year.

While pets are allowed on flights, they have to follow more rules than service animals.

Delta charges \$125 to bring a dog, cat or household bird on board a domestic flight, excluding Hawaii, and Fido counts as a carry-on item. Passengers must call Delta ahead of time as the number of pets per flight is limited and arrangements are accepted on a first-come, first-serve basis, according to its website.

Williams said one family, which was planning to travel for a month, followed those rules. They alerted the airline, paid the fee for their 14-pound dog and brought along a kennel because pets are not permitted out of their cages during flights. The dog couldn't stand up inside the kennel, thus

violating the rule. So it was kicked off the flight.

If the family had lied and said their pet was an emotional support animal, they wouldn't have had to take off without the dog, Williams said.

"It's definitely gotten carried away to the point where people are taking advantage of the system," Williams said. "It's hard when someone is following protocol and they're not allowed to take the animal out of the cage, but others use the loophole to have an animal sit on their lap."

The ticket counter agents are responsible for ensuring that a dog has its proper paperwork as a service animal, Williams said. By the time the animal gets to the plane, there is little a flight attendant can do or legally ask.

"It's getting to be ridiculous," Williams said. "A co-worker saw a ferret wearing a diaper that was supposedly an emotional support animal."

She's seen dogs get loose and use the aisle as a lavatory. A co-worker told Williams a so-called service dog once bit a passenger and medics had to meet the flight when it landed.

"A lady on a flight was allergic, so we moved her away, but she broke out in hives," Williams said. "A nurse on the flight gave her Benadryl that we wouldn't have had if she didn't happen to be on the plane."

Though Williams said she hopes something will change, she doesn't expect new regulations. In fact, Hartsfield-Jackson International Airport recently added pet relief areas for service animals to be in compliance with a new federal requirement.

MORE: Turkey takes airplane ride as passenger's 'emotional support animal'

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Nov. 02--Expect bigger crowds and longer lines when you fly to visit friends and family during the Thanksgiving holiday.

A trade group for the nation's biggest airlines predicted Wednesday that 27.3 million people will fly on U.S. carriers during the Thanksgiving holiday period, a 2.5% increase over last year's record 26.6 million fliers. It is expected to be the highest number of fliers ever to travel for the holiday.

Airlines for America attributes the increase partly to air fares that have dropped 5.6% during the first nine months of the year compared to the same period last year.

Fares have declined, according to industry experts, because of lower fuel costs, competition from ultra low-cost carriers such as Spirit Airlines and efforts by major carriers to squeeze more economy seats into each cabin.

Los Angeles International Airport is expected to be the nation's second busiest airport, behind Hartsfield-Jackson Atlanta International Airport.

Although more than two dozen major construction projects are underway at LAX, airport officials plan to impose a construction moratorium from Nov. 21 to Nov. 28.

The busiest travel day is expected to be the Sunday after Thanksgiving, Nov. 27, followed by the Monday after the holiday, according to Airlines for America.

hugo.martin@latimes.com

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Nov. 10--The Akron-Canton Airport and accompanying regional travel market are strong with room for growth, the head of Spirit Airlines said on Thursday.

Bob Fornaro would know. The CEO of Spirit Airlines was also with the former AirTran Airways during its years of massive growth at Akron-Canton Airport, including serving as its CEO.

Spirit Airlines launched its new service from Akron-Canton with its first flight arriving from Fort Lauderdale Thursday morning.

The big yellow plane -- about one-third of the airline's planes are yellow -- arrived to a welcome of officials holding signs on the tarmac and a water cannon salute.

"This was the best small airport [for AirTran]," said Fornaro during an interview before the flight arrived.

He expects the airport to similarly be successful for Spirit, where he has been leader for 10 months.

"I've worked with a hand full of communities that stood out. I'd put this airport at the top of the list," said Fornaro. That includes airport administration willing to work with airlines and travelers.

Fornaro said Northeast Ohio is large enough to have Spirit Airlines serve both Cleveland Hopkins (where it flies to nine destinations) and Akron-Canton (where it will have four daily departures as of Friday and two more in April.)

"We think we'll have good [market] share in Cleveland and a higher pull here," he said of Akron-Canton. "Quite frankly, we think this market is big enough for us."

On Thursday, Spirit began daily service to three destinations: Orlando International Airport, Tampa and Fort Lauderdale. Daily service to Fort Myers starts on Friday.

On April 27, the airline will begin daily service to Myrtle Beach (seasonally) and year-round service to Las Vegas. At that time, Tampa and Fort Myers will end for the season.

Fornaro said the airline actually moved up its announcement and decision to bring Las Vegas to the Akron-Canton market once it heard that Allegiant Air, the airport's newest airline, was pulling its six destinations and moving them up to Cleveland next April.

Additionally, the reduction of Southwest flights earlier this year -- pulling all of its flights except three daily to Atlanta -- also creates an opportunity for Spirit, Fornaro said.

When Fornaro was asked what he sees for the Akron-Canton market in the next five years, he said he continues to see key destinations in Florida and possibly flying to the West Coast.

Airport CEO Rick McQueen said the airport's runways and plane engine technology have made it possible for Akron-Canton to host planes that could go to the West Coast and even internationally to Europe and South America. The airport's focus is not travel internationally to Europe, though McQueen said he could see airplanes going to the Caribbean and Mexico, in addition to the West Coast.

Advanced bookings for the new Spirit flights are doing well and the airline is encouraged, said Matt Klein, Spirit senior vice president and chief commercial officer.

"It's great service and fares. We're very encouraged," he said.

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Nov. 12--The Transportation Security Administration has set a goal of registering 25 million Americans for a security program that lets fliers who submit to a government background check use an expedited screening line at U.S. airports.

But the TSA has enrolled only 4 million travelers into the program -- dubbed TSA PreCheck -- and now it has halted plans to employ new private vendors to help register passengers for the program.

In a note to potential vendors, TSA said it was halting the expansion "in light of the increased and evolving cybersecurity risks over the past year."

The note suggested that TSA is worried about cyber criminals getting at the passenger information that would be used to test new vendors wanting to work with TSA to collect background information on travelers.

The agency said it plans to issue a new request for private vendors soon that will "align with [Department of Homeland Security] cybersecurity best practices."

TSA critics have blamed the shortcomings of the PreCheck program, in part, for the long security lines that bogged down airport checkpoints earlier this spring.

TSA Administrator Peter Neffenger said he expects screening lines to run smoothly because of the 13,068 new positions approved by Congress and added funding to convert about 2,000 part-time screeners to full-time employees.

He also said the agency has created a "deployment force" of 1,000 screeners that can be dispatched to any airport likely to be inundated with big crowds, especially during peak holiday seasons.

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2018 World Equestrian Games likely to have wide impact

Thursday

Posted Nov 10, 2016 at 5:24 PM Updated Nov 10, 2016 at 9:54 PM

By Alyssa Mulliger Staff Writer @AMulligerSHJ

SPINDALE, N.C. — The multimillion-dollar economic impact of the 2018 FEI World Equestrian Games at the Tryon International Equestrian Center will undoubtedly extend beyond the Mill Spring, N.C., venue to other areas of both Carolinas, the managing partner of the investment group behind the equestrian center said Thursday.

"This is an event that has a tremendous scale and grandeur," said Mark Bellissimo of Tryon Equestrian Partners. "This is something we've dreamed about in terms of an opportunity to hold the World Equestrian Games."

Last week, the equestrian center announced it had been selected by the Fédération Equestre Internationale to host the two-week international sporting event that will run Sept. 10-23. The equestrian center submitted a bid to host the event in August, after Bromont, a city in Quebec, Canada, withdrew from holding the 2018 games.

The games take place in different parts of the world every four years and feature eight equestrian disciplines.

Bellissimo and his partners believe the games could draw 550,000 spectators and have a \$400 million impact on North and South Carolina, much like the 2010 games in Lexington, Ky. That event had an economic impact of \$201.5 million over the event's 14 days, based on a financial study

commissioned by the state.

Gov. Pat McCrory said last week the equestrian games could be the largest sports event in the state's history.

The games will benefit everyone in the "Tryon Triangle," Bellissimo said: Greenville-Spartanburg, Asheville and Charlotte. And major airports, including Greenville-Spartanburg International Airport, Asheville Regional Airport and Charlotte Douglas International Airport, will see increased traffic.

Around 400 people attended a community meeting at Isothermal Community College in Spindale on Thursday to learn more about the World Games and hear from Bellissimo and other partners.

Walter Dalton, president of Isothermal Community College, told attendees the equestrian center and the 2018 games are a big deal.

"Two years ago, Mark Bellissimo took this stage to tell us the vision for Tryon International Equestrian Center. It has changed the region, and now, with the World Equestrian Games, that's going to be a game changer for our region," Dalton said.

During the meeting, Bellissimo encouraged comments from the community during a Q&A session and spoke on topics that included lodging, traffic, security and ticket affordability.

Tryon Equestrian Partners has invested more than \$125 million dollars over the past two years to develop a premier equestrian destination and resort across 1,500 acres in Mill Spring.

By the fall of 2018, Bellissimo said the hope is to have completed the resort's Tryon Village project, which includes a 45-acre, 180-room hotel to complement the existing on-site lodging, restaurant and family activities.

But at least 50,000 hotel beds will be needed for the World Games, which will bring people to Charlotte, Asheville, Spartanburg, Greenville, Hendersonville and everywhere in between, he said.

Bellissimo said an online "central registry of properties" will be set up soon to allow people an opportunity to post their homes for rent during the games. The listings will be vetted and monitored for price gouging, he said.

Horses participating in the games, however, will be quarantined at on-site facilities, and won't be boarded on people's farms, he said.

Ensuring smooth traffic flow and providing satellite parking are on the list of priorities, too, Bellissimo said.

The equestrian center also will be using satellite transportation to bring people from hotels in western North Carolina and the Upstate of South Carolina to the games, he said.

And as far as tickets, Bellissimo anticipates different cost levels, some as low as \$25 or \$30.

"One of the philosophies behind what we've tried to do is to make these events accessible," he said.

"It is not our intention to make this event where the community never gets to experience it."

Bellissimo said he hopes every single person in Polk County, Rutherford County and beyond gets to experience the games on at least one of the days.

Tickets will likely become available this coming January or possibly earlier, he said.

"At the end of the 2018 event, people will know where Mill Spring is and what a great community it is," Bellissimo said. "It will be transformational ... people will remember it as one of the greatest moments in western North Carolina."

New BMW link with South Carolina 11/14/16, 11:26 AM

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New BMW link with South Carolina

HAMBURG: November 10, 2016. Senator International has begun a B747 freighter service linking Munich with BMW's car plant at Greenville-Spartanburg (GSP) airport in ... South Carolina.

The company is chartering an Air Atlanta Icelandic aircraft twice a week with flights from Frankfurt-Hahn to GSP on a Wednesday with a return to Munich the following day; and a departure from Munich on a Saturday with a return to Hahn every Sunday.

Senator said general sales agent Globe Air Cargo will be responsible for marketing the aircraft's cargo space while Chapman Freeborn will broker the freighter for additional charters

BMW opened its manufacturing plant in 1994 adjacent to the airport and Interstate 85. The plant is the sole global producer of BMWs X3, X4, X5 and X6 Sports Activity vehicles that are exported to more than 140 countries.

A BMW spokesman said the manufacturing facility expects to use the new Senator service for both imports and exports between Germany, South Carolina and the surrounding region that includes North Carolina, Kentucky, Tennessee and Georgia.

"Products like this, which allow the overall supply chain process to run smoothly, are the keys to success for our customers. We are looking forward to many customers benefiting from this special new product, which will also service any air cargo to and from Germany, Austria, Switzerland, Czech Republic, Hungary and Poland," said Senator CEO Tim Kirschbaum.

According to Frankfurt-Hahn airport senior vice president Roger Scheifele, the aim of the new operation "is to keep the aircraft in the air for most of the time".

He said the only "reasonable solution" to achieve this is his airport and added: "Due to our 24-hour permit, our flexibility, the short turnaround times and our central location in Germany, [we] offer the best conditions for both charter and scheduled flights."



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http://www.aircargonews.net/news/airlines/freighter/single-view/news/b747-400f-service-betweengermany-and-south-carolina.html



B747-400F service between Germany and South Carolina

10 / 11 / 2016



<u>Senator International</u> has launched a Boeing 747-400 freighter that will serve the US South Carolina hub of <u>Greenville Spartanburg (GSP)</u> with flights out of Munich and Frankfurt-Hahn airports in Germany.

The Germany-based logistics operator said that its "Atlantic Bridge" will use an Air Atlanta Icelandic freighter, with Globe Air Cargo responsible for the marketing of available cargo space.

Senator said that a "neutral processing of shipments is guaranteed".

The logistics operator added in a statement on its website: "We are pleased that this product is being well accepted in the market which has been reflected by the amount of bookings we have received thus far.

"Between flight days the aircraft will also be available for charter flights, which is a service that the company Chapman Freeborn, specialized in aircraft chartering, will be marketing.

"We would like to thank everyone who supports this new connection. Special thanks go to the representatives of Munich Airport, LUG in Munich, Hahn Airport, VG Cargo at Hahn Airport, Chapman Freeborn, Globe Air Cargo and Greenville Spartanburg Airport."

Welcoming the freighter call, Frankfurt-Hahn Airport management said: "The aircraft will be furthermore marketed for Ad-hoc charter flights – which offers potential for further freight orders from the Rhein-Main area."

The airport's senior vice president cargo, Roger Scheifele, said: "Many companies of the automobile industry are located in the area around South and North Carolina, they will be using this service. Another weekly direct connection is set up between Munich Airport and the US.

"For the remaining time – exactly three days a week – the Boeing 747-400F will remain stationed at Hahn and be marketed exclusively by the charter broker Chapman Freeborn."