



AGENDA

Greenville-Spartanburg Airport Commission Regular Meeting
Greenville-Spartanburg International Airport Board Room
Monday, July 10, 2017
9:00 a.m.

*** NOTE TO ALL PUBLIC ATTENDEES:**

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

I. CALL TO ORDER:

II. CONSENT AGENDA:

- A. Approval of the Greenville-Spartanburg Airport Commission May 8, 2017 Regular Meeting Minutes ([document](#))
- B. Approval of Amendment to Administrative Policy ([document](#))

III. PRESENTATIONS:

- A. Pension Reform Informational Update ([document](#))
- B. Airport Operations and 139 Certification Program Overview ([document](#))
- C. Annual Strategic Business Plan Update ([document](#))

IV. OLD BUSINESS: None

V. NEW BUSINESS:

- A. Approval of Solid Waste Collection and Disposal Services Contract ([document](#))
- B. Approval of CenterPoint - BMW Phase III Lease Terms/Agreement ([document](#))
- C. Approval of CenterPoint - Approximate 6.95 Acre Parcel Lease Terms/Agreement ([document](#))

VI. PRESIDENT/CEO REPORT:

- A. Aviation Industry Update
- B. Airline Meetings Update
- C. Terminal Improvement Program Update

VII. INFORMATION SECTION:

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

- A. May 2017 – Traffic Report ([document](#))
- B. May 2017 – Financial Report ([document](#))
- C. June 2017 – Development/Project Status Report ([document](#))
- D. June 2017 – Communications Status Report ([document](#))
- E. June 2017 – Commercial Business and Properties Report ([document](#))
- F. June 2017 – OSHA Reportable Injury Report ([document](#))
- G. Industry Presentation(s)/Article(s) of Interest ([document](#))
- H. Potential Items for the Next Regular Scheduled Commission Meeting:

- Communications Department Overview
- State Route 14/GSP Drive Property Acquisition
- Parking Management Agreement
- Custodial/Janitorial Agreement
- Ground Transportation Agreement
- 2018 Commission Meeting Dates

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 AIRPORT COMMISSION

MINUTES

May 8, 2017

The Greenville-Spartanburg Airport Commission met on May 8, 2017 at 9:00 a.m. in the Greenville-Spartanburg District Office Board Room located at 500 Aviation Parkway Greer, South Carolina 29651. The public and media were given proper notice of this meeting, under applicable law. This was a regular, non-emergency meeting.

MEMBERS PRESENT: Minor Shaw, Hank Ramella, Bill Barnet, Doug Smith, Leland Burch, and Valerie Miller

MEMBERS NOT PRESENT: None

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Kevin Howell, Vice President Operations/COO; Jack Murrin, Vice President/CFO; Scott Carr, Vice President Commercial Business and Properties (Environs Area Administrator); Alan Sistare, Fire Chief; Ronnie Bullard, Facilities Manager; Nathan Garner, Aviation Services Director; David Verdier, Police Officer; Betty O. Temple, WCSR; Stefanie Hyder, Executive Assistant/Recording Secretary

GUESTS PRESENT: Scott May, LS3P; Paul Smith, WK Dickson; Mike Darcangelo, AVCON; Kevin Short, TD Bank; Alex Chambers, Wofford College student

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

CONSENT AGENDA: A motion was made, seconded, and unanimous vote received to approve the regular meeting minutes from the March 20, 2017 Commission Meeting and to approve reappointing Mr. Hank Ramella to the Airport Environs Planning Commission.

PRESENTATIONS: No presentations

OLD BUSINESS: No old business

NEW BUSINESS:

A. Approval of Fiscal Year 2017/ 2018 Airport District Budget

Mr. Jack Murrin, VP Administration & Finance/CFO, prepared and presented the

proposed Fiscal Year 2017/2018 Budget for Airport Commission consideration. The Airport Commission needs to approve a Fiscal Year 2017/2018 Budget prior to July 1, 2017.

Mr. Murrin first presented history and general statistics. Between 1963 and 2016, GSP experienced an average annual growth rate of 4.89%. For FY 2017, Staff budgeted enplanements of approximately 990,000. This year, Staff is on track to exceed that number with assumptions for next fiscal year of 1,030,000 enplanements.

Mr. Murrin further discussed the proposed FY 2017/2018 O&M Budget. The operating income budget for 2018 is expected to increase to \$37,556,041, a \$5.8M or 18.4% increase over 2017. The operating expenses budget for 2018 is expected to increase to \$23,276,301, a \$3.3M or 16.6% increase over 2017. The major expense increases for 2018 are for 70 new FBO employees, benefits increases, and increased aviation services operating expenses, marketing and leased fuel trucks.

Staff has adopted a new “per turn” rates and charges methodology as a result of completing the TIP and moving towards a shared use of gates which will increase overall gate capacity and push out, for as long as possible, the need for Phase II of the terminal renovation. Using the current methodology in place today, the average cost of enplanement would have gone up to \$7.81. As a result of the new methodology, the cost per enplaned passenger only increased to \$6.63 from \$6.49. Commissioners inquired about practices at other airports as well as the effects on Common Use gates. Mr. Ramella noted that Common Use was a big topic at the Airports at Work Conference in March 2017.

Mr. Murrin reviewed operating expenses by department and category and then presented the proposed FY 2017/2018 Capital Budget. The proposed capital budget, including capital improvements, equipment and small capital outlays, renewal and replacement and professional service projects, is \$44,921,116.

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

Mr. Murrin reviewed the Land Development Profit and Loss (P&L) statement. Mr. Murrin concluded the budget presentation with historical and projected investment balances and the 30-year Pro Forma update.

Staff requested that the Airport Commission resolve to adopt the Fiscal Year 2017/2018 Budget.

The Commissioners inquired about land and equipment.

There was a motion to approve the Fiscal Year 2017/2018 Budget. The motion was seconded and unanimously approved.

B. Approval of Lease Terms/ Agreement for a Common Use Airport Lounge

The Airport District continues to see a rise in interest from business travelers for an airport lounge. A focus group was convened in March 2017 and Mr. Scott Carr, Vice President Commercial Business and Properties, received input from local businesses indicating that a common use lounge would be a welcomed amenity.

The Airport District reached out to two common use airport lounge providers; Airport Lounge Development (ALD) and Manchester Airport Group (MAG). They are both UK based. ALD currently has nine lounges in the U.S. and Manchester Airport Group (MAG) operates three lounges in the United States.

Staff examined both proposals from ALD and MAG and MAG provided the most competitive proposal.

A summary of the business terms of an agreement with MAG include a ten-year lease agreement with no options, a minimum investment of \$1.25 million to construct, and a commitment to a mid-term refurbishment of the lounge. Hours of operation, in accordance with the hours of operation requirements of GSP's existing food, beverage, and retail concessionaires, includes 90 minutes prior to first scheduled departure up until the last actual departure.

The lounge will be located on Concourse B at the former temporary Security Screening Checkpoint. Scott Carr referenced a conceptual floor plan of the lounge proposed by MAG that was included in the Board package.

Commissioners inquired about charges, financial background, exit strategies, and the impact on concessions programs.

An agreement is expected to be finalized in the next 30-45 days.

Staff respectfully requested that the Airport Commission (1) approve the recommendation for the construction of a common use airport lounge with MAG, (2) authorize staff to negotiate a final concessions agreement with MAG, and (3) authorize the President/CEO to execute all required documents.

There was a motion to approve Staff's recommendation. The motion was seconded and unanimously approved.

C. Approval of Final Rankings for Professional Planning, Design and Consulting Services on the Combined Public Parking Garage and CONRAC Project

At the January 2017 Board Meeting, the Commission approved moving forward with the design of a third parking garage project. In the month of March, Mr. Kevin Howell, VP of Operations/COO, and Staff prepared a Request for Qualifications (RFQ) to select a planning, design and consulting firm/team for the project.

SOQs were received from the following five firms/teams: Coover-Clark & Associates, Inc., Gresham, Smith and Partners, LS3P, Michael Baker International, and Walker Parking Consultants. The Selection Committee included David Edwards, Kevin Howell and Scott Carr who shortlisted Gresham, Smith and Partners and LS3P for presentations and interviews. Each proposal was ranked on experience of the team/firm, people at the firm, DBE and Small Local Business inclusion as well as their project management approach. The Committee ranked LS3P as first and Gresham, Smith and Partners as second. Kevin Howell shared a couple of slides from the LS3P proposal as well as a couple of design concepts.

Staff will attempt to negotiate an agreement with the highest ranked team, LS3P. In the event that an agreement cannot be reached with the highest ranked team, Staff will proceed to negotiate with Gresham, Smith and Partners.

Staff respectfully requested that the Airport Commission resolve to (1) approve the final rankings for the Professional Planning, Design and Consulting Services on the Combined Public Parking Garage and CONRAC Project; (2) authorize Staff to negotiate and finalize agreements with the highest ranked firm/team (if an acceptable agreement cannot be reached with the highest ranked firm/team, negotiations will be formally terminated and will then proceed with the next ranked firm/team); and (3) authorize the President/CEO to execute all necessary documents.

There was a motion to approve Staff's recommendation. The motion was seconded and unanimously approved.

D. Approval of Pest Control Services Contract

Historically GSP has carried multiple pest control contracts for various facilities. This year, the Facilities Team decided to group pest control services for multiple buildings

(terminal, fire station, parking garage, maintenance buildings, and outlying buildings) into a single contract.

Staff recently conducted a Request for Proposal (RFP) for a new three (3) year contract for pest control services. Kevin Howell referenced the bid tabulation form that was included in the Board package. Due to an initial tie for the lowest bid, Staff requested "Best and Final" offers from the two lowest bidders that tied. Revised proposals were received and Palmetto Exterminators Inc. was the low bidder.

The three (3) year total for the pest control contract is \$8,640 or \$2,880 per year. Staff cannot execute a multi-year agreement without Board approval.

It is respectfully requested that the Airport Commission resolve to (1) approve a three year service agreement with Palmetto Exterminators Inc. in the amount of \$8,640; and (2) authorize the President/CEO to execute all necessary documents.

There was a motion to approve Staff's recommendation. The motion was seconded and unanimously approved.

E. Approval of a Canopy Option for the South Cargo Building/ Scheduled Freight Operation

Staff has previously discussed the need for additional operational space and weather protection at the South Cargo Building to properly handle inbound and outbound freight for the Senator operation as well as other charter cargo operations.

Staff has been reviewing temporary options (DOT salt shed storage concept, fabric building, pole barn concept) with local contractors and vendors as well as architectural professionals and building safety and code officials from Spartanburg County.

Mr. Kevin Howell, VP of Operations/COO, stated that the most economical version is the pole barn concept. Staff received a proposal from a local contractor to construct a metal barn for approximately \$188,000 which will offer 11,700SF of roof (about \$17/SF). Staff did collect five to six quotes, in excess of \$200,000, from fabric building manufacturers. Staff will need to get permits, cut asphalt and install foundations. The pole barn is a pre-engineered metal structure that is lit but without side attachments. The structure can be repurposed; disassembled and re-erected.

It is respectfully requested that that Airport Commission resolve to (1) approve a project budget of \$200,000, (2) approve sole negotiation with Roebuck Buildings

Co., Inc. under a single source contract (3) authorize staff to move forward with the project.

There was a motion to approve Staff's recommendation. The motion was seconded and unanimously approved.

PRESIDENT/ CEO REPORT:

Aviation Industry Update: The press on the Airlines side for the past four to six weeks has not been positive from a customer service perspective. Both United and Delta have had some challenges. Several hearings have been held with Congress in Washington D.C. on this subject. Southwest has led the charge in saying that they would no longer overbook flights. It is expected that other carriers will follow suit.

The Omnibus Bill passed and will fund with FAA through September 30th. There is still a focus on completing the FAA reauthorization bill and those components haven't changed on the House side. There is a big push for ATC reform. There is a focus on trying to increase the PFC or lift the cap entirely as part of this next reauthorization.

Cargo Apron Funding Update: Mr. David Edwards and Mr. Howell met with FAA in Atlanta in April to discuss discretionary funding. Paul Smith, along with one of his team members, attended as well. GSP made the first cut for discretionary funding (\$16M-18M range) for the Apron. Staff should know by June whether or not GSP is in the pipeline for 2018 discretionary funds.

2017 Allegiant Conference Update: Dave Edwards attended the annual Allegiant conference in Las Vegas. The meeting was positive. GSP is the fifth lowest cost airport in the Allegiant system even with the increase based on the new rate structure. With regards to GSP, Allegiant remains focused on four cities in Florida with no particular growth plans at this time.

Commissioners asked about other potential cities.

Regulatory Reform Meetings: Dave Edwards' push has been on federal regulatory reform. Staff has been able to push an agenda forward from a national standpoint. The team, ACI, and AAAE had their second meeting with the Administration trying to push through regulatory reform and to get the FAA to detach themselves from the business aspects of what happens at airports. The goal, from a regulatory standpoint, is to get FAA's focus back on safety and out of the commercial business side of running airports.

Traffic: Mr. Edwards commented on the traffic report for February and March 2017. February was flat in comparison to last year due to 2016 being a leap year. March

2017 traffic was up at 4.5%.

Parking: Staff noticed that in the month of April and going into the month of May that the Economy Parking lot has been running full. About a week ago, parking showed fewer than 300 available spaces in all of the parking facilities.

Scott Carr commented on the increased beverage revenue related to the new spaces created in the concourses for dining.

COMMISSIONER'S REPORT:

The Commissioners commented on the invitation for the Wingspan Grand Opening event on May 23, 2017. In Rosylin Weston's absence, Mr. Edwards shared event details. Invitations were sent out to over 800 guests and invitees have been asked to RSVP. GSP has made arrangements to use remote parking and then bus guests to the Terminal. Guests will get their "boarding pass" at the ticket counters next to Delta and then proceed through Security Checkpoint. The event is scheduled from 6pm-8pm in the Grand Hall. Table 301 and Liquid Catering are the caterers for the event. Wolfgang Puck will not be open.

Staff invited Senator Graham, Congressman Gowdy, and Secretary Hitt. Minor Shaw and Staff have received speaking commitments from all three Chamber Presidents, Allen Smith, Mark Owens and Carlos Phillips. John Lummus from Upstate Alliance will also speak. This event also includes a quick ribbon cutting with Hudson Group. Hudson Group President/CEO Joe DiDomo will be in attendance.

Commissioners commented on the Waterfall of Light. Mr. Edwards noted that artwork plaques will be in place by May 23rd.

Mrs. Shaw congratulated Mr. Leland Burch on the 2017 ACI-NA/AAAE Airport Board and Commissioners Conference. Dave Edwards commented on Joe Waller's (President/CEO of Pacific Gateway Concessions) retail experience presentation at the conference.

Mr. Ramella attended the 2017 Airports at Work Conference in March. He briefly reported on what the Business Information Technology (BIT) group is working on. Emphasis is on Common Use of Airport facilities. The Airlines would like to combine and take advantage of Common Use, however, they are far behind in the technology required to do so.

Dave Edwards noted that Staff will discuss the SC Pension System at the next Commission meeting on July 10th. Findings indicate that the cost associated with the

retirement program (10% of salary) is becoming an impediment to bringing on new hires. Staff may discuss organizing a Commission Task Force to help work through this issue at this next meeting.

EXECUTIVE SESSION:

There being no further business, a motion was made, seconded, and carried to go into Executive Session. The Airport Commission held an Executive Session for the purpose of discussing personnel matters.

ADJOURNMENT:

At approximately 11:46 a.m., public session resumed with no action being taken in Executive Session.

The meeting was adjourned at 11:47 a.m. The next meeting is scheduled for July 10th at 9:00 a.m.

SIGNATURE OF PREPARER:

Stefanie Hyder



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: July 10, 2017

ITEM DESCRIPTION - Consent Agenda Item B

Approval of Amendment to Administrative Policy

BACKGROUND

The South Carolina General Assembly passed House Bill 3352 on May 11, 2017 amending Freedom of Information Act provisions in Section 30-4-30, Code of Laws of South Carolina, 1976. The SC Governor signed this bill into law on May 19th, just a few weeks ago.

ISSUES

The amendments focused on requests for electronic transmission of FOIA requests, allowable costs, deposits, and related items. Staff has updated the internal administrative policy Section 106.02 to comply with the amendments.

ALTERNATIVES

None recommended

FISCAL IMPACT

None

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission resolve to adopt the attached Administrative Policy update for Section 106.02 addressing FOIA requests.

SECTION 106.02 – INSPECTION & COPYING OF PUBLIC RECORDS

OBJECTIVE

To establish a procedure for inspection of all Greenville-Spartanburg Airport District public records in compliance with Title 30-Public Records, Chapter 4-Freedom of Information Act, South Carolina General Statutes as amended by SC General Assembly Bill and signed into law on May 19, 2017.

METHOD OF OPERATION

Chapter 4 South Carolina General Statutes, administered by the State of South Carolina.:

- establish general state policy on public records; i.e., “The General Assembly finds that it is vital in a democratic society that public business be performed in an open and public manner so that citizens shall be advised of the performance of public officials and of the decisions that are reached in public activity and in the formulation of public policy. Toward this end, provisions of this chapter must be construed so as to make it possible for citizens, or their representatives, to learn and report fully the activities of their public officials at a minimum cost or delay to the persons seeking access to public documents or meetings”;
- define “public records” and “public body”
- establish the legal basis for custody and disposal of records and public access to such records; and
- promulgate rules for the inspection, examination, and duplication of records; exemptions.

Definitions

Public Body - The Greenville-Spartanburg Airport District.

District Offices - The offices of the Greenville-Spartanburg Airport District.

Custodian - President/CEO or designee.

Public Records - “includes all books, papers, maps, photographs, cards, tapes, recordings, or other documentary materials regardless of physical form or

characteristics prepared, owned, used, in the possession of, or retained by a public body. Records such as income tax returns, medical records, hospital medical staff reports, scholastic records, adoption records, records related to registration, and circulation of library materials which contain names or other personally identifying details regarding the users of public, private, school, college, technical college, university, and state institutional libraries and library systems, supported in whole or in part by public funds or expending public funds, or records which reveal the identity of the library patron checking out or requesting an item from the library or using other library services, except non-identifying administrative and statistical reports of registration and circulation, and other records which by law are required to be closed to the public are not considered to be made open to the public under the provisions of this act."

Records Officer - The chief administrative officer of an agency or subdivision is the "legal custodian" of public records. He/she may appoint a records officer to act on his/her behalf. (Section 30-1-20).

Responsibilities

All District employees receiving public records requests are to immediately refer the requesting party to the department's Records Officer or their designee, and notify the Chief Administrative Officer that a request to inspect and/or produce records has been received. The Chief Administrative Officer will instruct the Records Officer as to the disposition of a public records request.

Requests to Inspect District Records

SECTION 30-4-30. Right to inspect or copy public records; fees; notification as to public availability of records; presumption upon failure to give notice; records to be available when requestor appears in person.

~~(a)~~ (a) Any person has a right to inspect or copy any public record and the right to inspect, copy or receive an electronic transmission of any public record of a public body, except as otherwise provided by Section 30-4-40, in accordance with reasonable rules concerning time and place of access.

(b) A public body is not required to create an electronic version of a public record when one does not exist to fulfill a records request.

Unless exempt by law or court order, the public records of the District are open to inspection, examination and copying, **at the District offices**, by any person during normal business hours, 8:30 a.m. to 5:00 p.m., Monday through Friday. Requests may be made in person, by telephone, or in writing. **Requests do not have to be in writing.** If a request is overly broad and/or vague, the person may be asked to be more specific about the records they are seeking.

Authorized Charges for Copies & Scans

Any person, requesting copies of District documents, is to be advised that at least 25% of the authorized charges must be paid to the District prior to making copies. The ~~Commission—District~~ has authorized the following charges, as posted on-line at www.gspairport.com:

- ~~\$.15 per one-sided copy not more than 14" x 8 1/2",~~
- ~~\$.75 per one-sided color copy not more than 14" x 8 1/2",~~
- ~~\$.20 per two-sided copy not more than 14" x 8 1/2",~~
- ~~\$1.25 per two-sided color copy not more than 12" x 8 1/2",~~
- ~~\$1.00 per copy for a certified copy of record,~~

Copies:

Black & White		Color	
# of copies	\$ Cost Ea	# of copies	\$ Cost Ea
1-100	\$ 0.11	1-249	\$ 0.59
101-500	\$ 0.10	250-2500	\$ 0.49
501-800	\$ 0.09	2501+	\$ 0.39
801-1000	\$ 0.08		
1001+	\$ 0.07		

Scans:

\$0.095 per page.

For all other copies, including multiple volume documents, actual cost of duplication.

Requests for Electronic Files

Requests for Electronic files, including Adobe .pdf files, excel files, Word files, and others will be evaluated on a case by case basis by the District. Although not required by SC

Code to create electronic versions of public records, the District may elect, if convenient at District's discretion, to do so. If not, paper copies will remain available at the posted charges.

**Electronic Records/
Information
Systems**

Paper output copies generated from a computer system same as above.

Charges for output to any other medium (i.e., diskettes, tape cartridge, tape reel, etc.) will be the cost to the District for such medium.

Charges will be imposed for the "extensive use" of information technology. When the central processing unit (C.P.U.) time exceeds five minutes/three hundred seconds, the charge will be ~~fifteen~~ twenty cents (~~\$.15~~ \$.20) per C.P.U. second for the entire run of the request.

Labor Charges

~~For extraordinary or voluminous requests requiring more than 30 minutes of than de-minimis staff time, a will be assessed reasonable a labor charge at the rate of \$37.00 per hour will be imposed in addition to the cost of duplication. The charge will be computed using the employee's hourly rate of pay, including benefits, multiplied by the actual time worked to accommodate the request (including the first 30 minutes) and measured in tenths of an hour.~~

Mailing Copies

The District is not required to mail requested copies. If a request to mail copies is honored, the appropriate amount of postage is to be included and collected with the copy charges.

Receipts

Any person paying for copies of documents and/or postage is to be issued a receipt. A copy of the receipt and the collected funds are to be immediately submitted to the Finance and Administration Department.

**Request to Fax
Documents**

Records requested pursuant to the public records law **are not normally faxed** unless authorized in advance by the Custodian.

Litigation

If the subject matter of the public records request is in litigation, or may soon be in litigation, contact the VP Administration and Finance/CFO for instructions, and/or actual production.

APPROVAL AND UPDATE HISTORY	
Approval	<u>Amended: 7/10/2017</u> Scrivener Comments: 3/9/2011
Supersedes	Original: 7/12/2010



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: July 10, 2017

ITEM DESCRIPTION – Presentation Item A

Pension Reform Informational Update

BACKGROUND

On Tuesday, April 25, 2017 Gov. Henry McMaster signed a bill to supposedly fix the SC State Pension System that impacted one in nine South Carolinians.

The legislation, which was approved by large bipartisan majorities in the House and Senate earlier this year, covers city, school, university and hospital employees across the state that draw from retirement. While McMaster voiced concern about the legislative fix, the governor supported the bill by saying the state's commitment to retirees "must not only be honored, but protected into the future." "Unfortunately, the only means available today to immediately begin reducing the state's unfunded liability is to increase employee and employer contributions," McMaster added in a letter to state lawmakers.

Currently, the pension plan is underfunded by an estimated \$24 billion because of lower-than-expected returns in past years and bad investment decisions by members of the S.C. Retirement System Investment Commission. Upon advice from our auditors, GSP has set aside a future long-term liability of \$10.5 million to fund our portion of the short-fall. This estimate is likely to change each year as we move forward.

The SC pension system woes are now creating problems with hiring, employee retention, and turnover within GSP.

This presentation on the SC Pension System is meant to be an informational update to the Commission, to ask some exploratory questions, and to explore the possible options for future courses of action.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin E. Howell, Vice President/COO

DATE: July 10, 2017

ITEM DESCRIPTION - Presentation Item B

Airport Operations and 139 Certification Program Overview

BACKGROUND

A brief presentation will be provided reviewing the GSP Operations Department. An overview of the current department and its responsibilities as it relates to FAA part 139 will be presented to the Board.



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: July 10, 2017

ITEM DESCRIPTION – Presentation Item C

Annual Strategic Business Plan Update

BACKGROUND

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

Steve Van Beek from SDG and Edward Shelswell-White from Lexvolo will provide a presentation to the Commission recapping the performance results for Fiscal Year 2016-2017 and re-confirming the performance measures for Fiscal Year 2017-2018. Steve will also provide a general update on the current status of the aviation industry.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin E. Howell, Vice President/COO

DATE: July 10, 2017

ITEM DESCRIPTION - New Business Item A

Approval of Solid Waste Collection and Disposal Services Contract

BACKGROUND

Staff recently conducted a Request for Proposals (RFP) for a new three (3) year contract for solid waste collection and disposal services. This contract puts all campus solid waste containers and disposal on a new contract for better efficiency.

ISSUES

The new solid waste contract is a three (3) year agreement. Vendor contracts in excess of one year require approval from the Commission for budgeting purposes. A bid tabulation form is attached for reference. Waste Connections of the Carolinas was the lowest bidder overall.

ALTERNATIVES

Staff does not recommend any alternatives at this time.

FISCAL IMPACT

The exact costs for waste disposal are based on actual weights for haul off. Based on historical averages for haul off amounts, this contract may average \$30,000 +/- per year. The FY18 budget currently includes \$40,000 for trash disposal.



RECOMMENDED ACTION

It is respectfully requested that the Airport Commission resolve to (1) approve a three year service agreement with Waste Connections of the Carolinas; and (2) authorize the President/CEO to execute all necessary documents.

April 26, 2017 10:00 A.M.

[illegible]



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: July 10, 2017

ITEM DESCRIPTION – New Business Item B

Approval of CenterPoint - BMW Phase III Lease Terms/Agreement

BACKGROUND

CenterPoint Properties has negotiated an agreement with BMW to construct a 271,890 square foot office and warehouse facility on ± 25.18 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.

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 ± 25.18 acres
4. **Ground Rental Rate** – \$80,576.00 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
7. **Lessee Improvements** – 271,890 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.
10. **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.

In addition, as part of this agreement, the employee parking lot facility that was constructed as part of BMW Phase II needs to be realigned to BMW Phase III. It is presently incorporated as part of the previous agreement for BMW Phase II. However, it will primarily serve employees working at this new facility.

Therefore, staff proposes a lease amendment to the BMW Phase II agreement to remove ±2.01 and include it as part of the agreement for BMW Phase III.

ALTERNATIVES

No alternatives are recommended at the time.

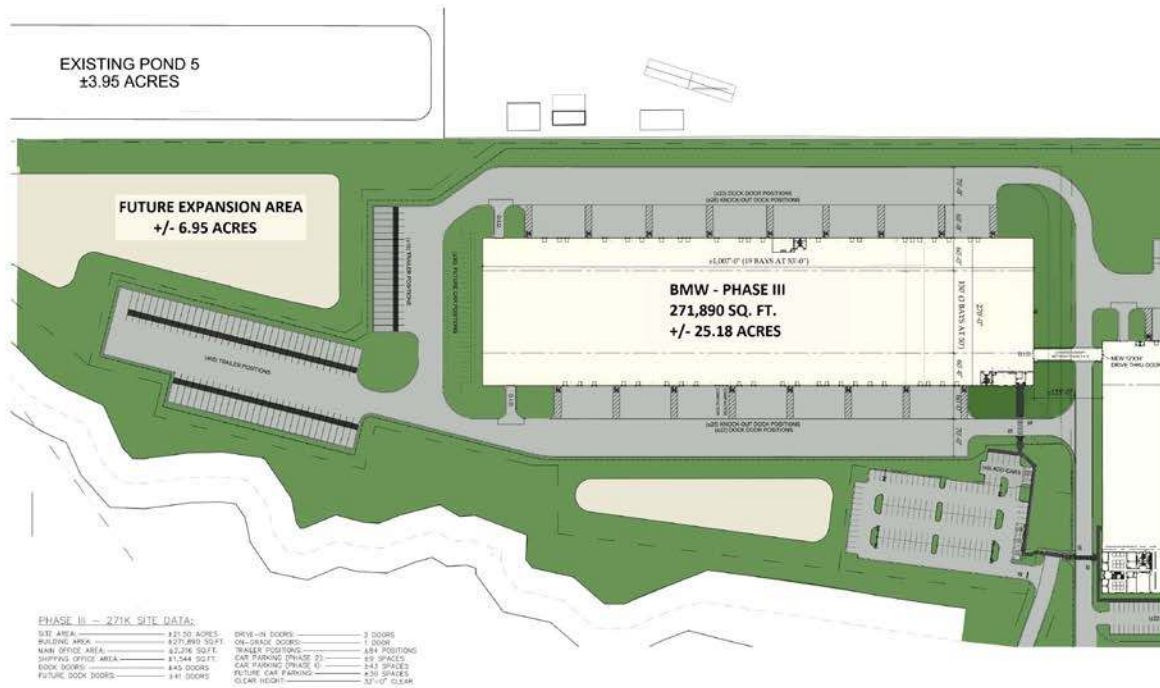
FISCAL IMPACT

Staff has negotiated a first year annual ground lease amount of \$80,576.00. 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 through reappraisal.

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission (1) approve the lease agreement terms as outlined above, (2) approve the lease amendment to the BMW Phase II agreement as outlined above, and (3) authorize the President/CEO to execute a lease agreement for BMW Phase III and a lease amendment for BMW Phase II with CenterPoint Properties.



BMW PHASE III - SITE PLAN

Greer, South Carolina
May 3, 2017





MEMORANDUM

TO: Members of the Airport Commission

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

DATE: July 10, 2017

ITEM DESCRIPTION – New Business Item C

Approval of CenterPoint - Approximate 6.95 Acre Parcel Lease Terms/Agreement

BACKGROUND

CenterPoint Properties has negotiated an agreement with BMW to lease ± 6.95 acres of land at the GSP International Logistics Park (Tract B). This property is effectively “orphaned” due to the BMW Phase III development. Therefore, due to the small size of the parcel as well as restricted roadway access, this parcel is being leased as a future expansion opportunity for BMW or another tenant to support their operation.

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.

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 ± 6.95 acres
4. **Ground Rental Rate** – \$22,240.00 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
7. **Lessee Improvements** – None at this time

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.
10. **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.

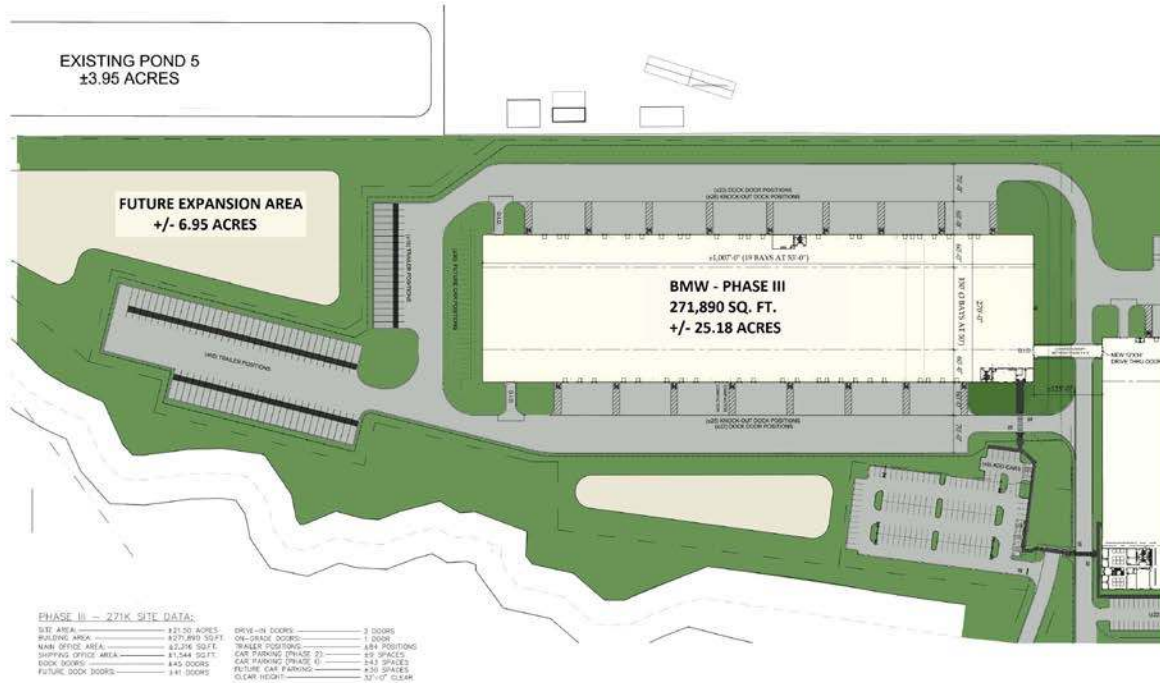
FISCAL IMPACT

Staff has negotiated a first year annual ground lease amount of \$22,240.00. 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 through reappraisal.

RECOMMENDED ACTION

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



BMW PHASE III - SITE PLAN

Greer, South Carolina
Mar 3, 2017





MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: July 10, 2017

ITEM DESCRIPTION – Information Section Item A

May 2017 - Traffic Report

SUMMARY

For May 2017, passenger traffic was strong at **6.0%** over the same month in 2016. Cargo numbers for May 2017 were up at **48%**. Passenger load factors continue to be strong at an average of **85.9%**.

A comparison of the North America National Passenger Traffic Growth Averages for 2017 to GSP's Passenger Traffic Growth is depicted below:

Month	2017		
	GSP	National Average	Difference
Jan	0.30%	3.10%	-2.80%
Feb	-3.40%	0.30%	-3.70%
Mar	4.70%	3.40%	1.30%
April	2.20%	3.70%	-1.50%
May			
June			
July			
August			
September			
October			
November			
December			
Average	0.95%	2.63%	-1.68%

Attached are copies of the detailed traffic report for May 2017.

Providing a look forward into the service levels for August 2017 is a schedule comparison for the month vs the same month last year, including flights and seats by airline and non-stop markets served. GSP flights are up at 1.6%, and seats are up at 0.8%.

Schedule Weekly Summary Report for nonstop Passenger (Air - All) flights from GSP to for travel August 2017 vs. August 2016

<i>All flights, seats, and ASMs given are per week.</i>											
Travel Period				Aug 2017		Aug 2016		Diff		Percent Diff	
Mkt AI	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	GSP	CLT	76	55	3,231	55	3,592	0	(361)	0.0%	(10.1%)
AA	GSP	DCA	396	13	871	19	1,045	(6)	(174)	(31.6%)	(16.7%)
AA	GSP	DFW	862	21	1,596	21	1,414	0	182	0.0%	12.9%
AA	GSP	ORD	577	21	1,050	0	0	21	1,050		
AA	GSP	PHL	514	26	1,300	25	1,250	1	50	4.0%	4.0%
DL	GSP	ATL	153	54	6,776	54	6,447	0	329	0.0%	5.1%
DL	GSP	DTW	508	25	1,520	26	1,300	(1)	220	(3.8%)	16.9%
DL	GSP	LGA	610	9	649	11	550	(2)	99	(18.2%)	18.0%
G4	GSP	FLL	620	2	354	3	531	(1)	(177)	(33.3%)	(33.3%)
G4	GSP	PGD	550	0	0	2	354	(2)	(354)	(100.0%)	(100.0%)
G4	GSP	PIE	482	2	354	3	531	(1)	(177)	(33.3%)	(33.3%)
G4	GSP	SFB	426	2	332	2	354	0	(22)	0.0%	(6.2%)
UA	GSP	EWR	594	20	1,000	20	1,026	0	(26)	0.0%	(2.5%)
UA	GSP	IAD	383	19	970	21	1,450	(2)	(480)	(9.5%)	(33.1%)
UA	GSP	IAH	838	7	350	7	350	0	0	0.0%	0.0%
UA	GSP	ORD	577	26	1,690	27	1,500	(1)	190	(3.7%)	12.7%
WN	GSP	ATL	153	19	2,717	20	2,860	(1)	(143)	(5.0%)	(5.0%)
TOTAL				321	24,760	316	24,554	5	206	1.6%	0.8%

Monthly Traffic Report Greenville-Spartanburg International Airport

May 2017



Category	May 2017	May 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change	*MOV12-2017	*MOV12-2016	Percentage Change
Passenger Traffic									
Enplaned	95,901	90,484	6.0%	404,056	395,633	2.1%	1,022,908	1,000,848	2.2%
Deplaned	<u>94,090</u>	<u>88,751</u>	6.0%	<u>400,494</u>	<u>391,419</u>	2.3%	<u>1,012,784</u>	<u>992,005</u>	2.1%
Total	189,991	179,235	6.0%	804,550	787,052	2.2%	2,035,692	1,992,853	2.1%
Cargo Traffic (Pounds)									
Express and Mail									
Enplaned	1,093,918	979,575	11.7%	3,969,214	1,992,264	99.2%	11,306,116	2,004,691	464.0%
Deplaned	<u>851,212</u>	<u>744,584</u>	14.3%	<u>3,227,178</u>	<u>1,536,626</u>	110.0%	<u>9,370,120</u>	<u>1,541,681</u>	507.8%
Subtotal	1,945,130	1,724,159	12.8%	7,196,392	3,528,890	103.9%	20,676,236	3,546,372	483.0%
Freight									
Enplaned	2,231,239	1,498,120	48.9%	10,796,032	10,717,958	0.7%	24,585,682	30,093,629	-18.3%
Deplaned	<u>3,508,285</u>	<u>1,969,792</u>	78.1%	<u>16,432,152</u>	<u>10,856,336</u>	51.4%	<u>32,006,782</u>	<u>27,009,733</u>	18.5%
Subtotal	5,739,524	3,467,912	65.5%	27,228,184	21,574,294	26.2%	56,592,464	57,103,362	-0.9%
Total	7,684,654	5,192,071	48.0%	34,424,803	25,103,758	37.1%	77,269,302	60,650,310	27.4%

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

Monthly Traffic Report Greenville-Spartanburg International Airport

May 2017



Category	May 2017	May 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change	*MOV12-2017	*MOV12-2016	Percentage Change
Aircraft Operations									
Airlines	1,803	1,444	24.9%	8,232	6,342	29.8%	19,228	14,595	31.7%
Commuter /Air Taxi	<u>1,196</u>	<u>1,638</u>	-27.0%	5,143	7,617	-32.5%	14,596	19,532	-25.3%
Subtotal	<u>2,999</u>	<u>3,082</u>	-2.7%	<u>13,375</u>	<u>13,959</u>	-4.2%	<u>33,824</u>	<u>34,127</u>	-0.9%
General Aviation	729	784	-7.0%	3,346	3,811	-12.2%	8,304	8,965	-7.4%
Military	<u>142</u>	<u>186</u>	-23.7%	<u>855</u>	<u>718</u>	19.1%	<u>2,009</u>	<u>1,564</u>	28.5%
Subtotal	<u>871</u>	<u>970</u>	-10.2%	<u>4,201</u>	<u>4,529</u>	-7.2%	<u>10,313</u>	<u>10,529</u>	-2.1%
Total	3,870	4,052	-4.5%	17,576	18,488	-4.9%	44,137	44,656	-1.2%
Fuel Gallons									
100LL	3,320	2,138	55.3%	13,399	11,769	13.8%	31,880	33,460	-4.7%
Jet A (GA)	89,704	52,250	71.7%	422,731	277,216	52.5%	844,762	669,423	26.2%
Subtotal	<u>93,024</u>	<u>54,388</u>	71.0%	<u>436,130</u>	<u>288,985</u>	50.9%	<u>876,642</u>	<u>702,883</u>	24.7%
Jet A (A/L)	<u>1,103,122</u>	<u>881,158</u>	25.2%	<u>4,465,622</u>	<u>4,059,344</u>	10.0%	<u>10,253,499</u>	<u>9,981,668</u>	2.7%
Total	1,196,146	935,546	27.9%	4,901,752	4,348,329	12.7%	11,130,141	10,684,551	4.2%

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

Scheduled Airline Enplanements, Seats, and Load Factors

Greenville-Spartanburg International Airport



May 2017

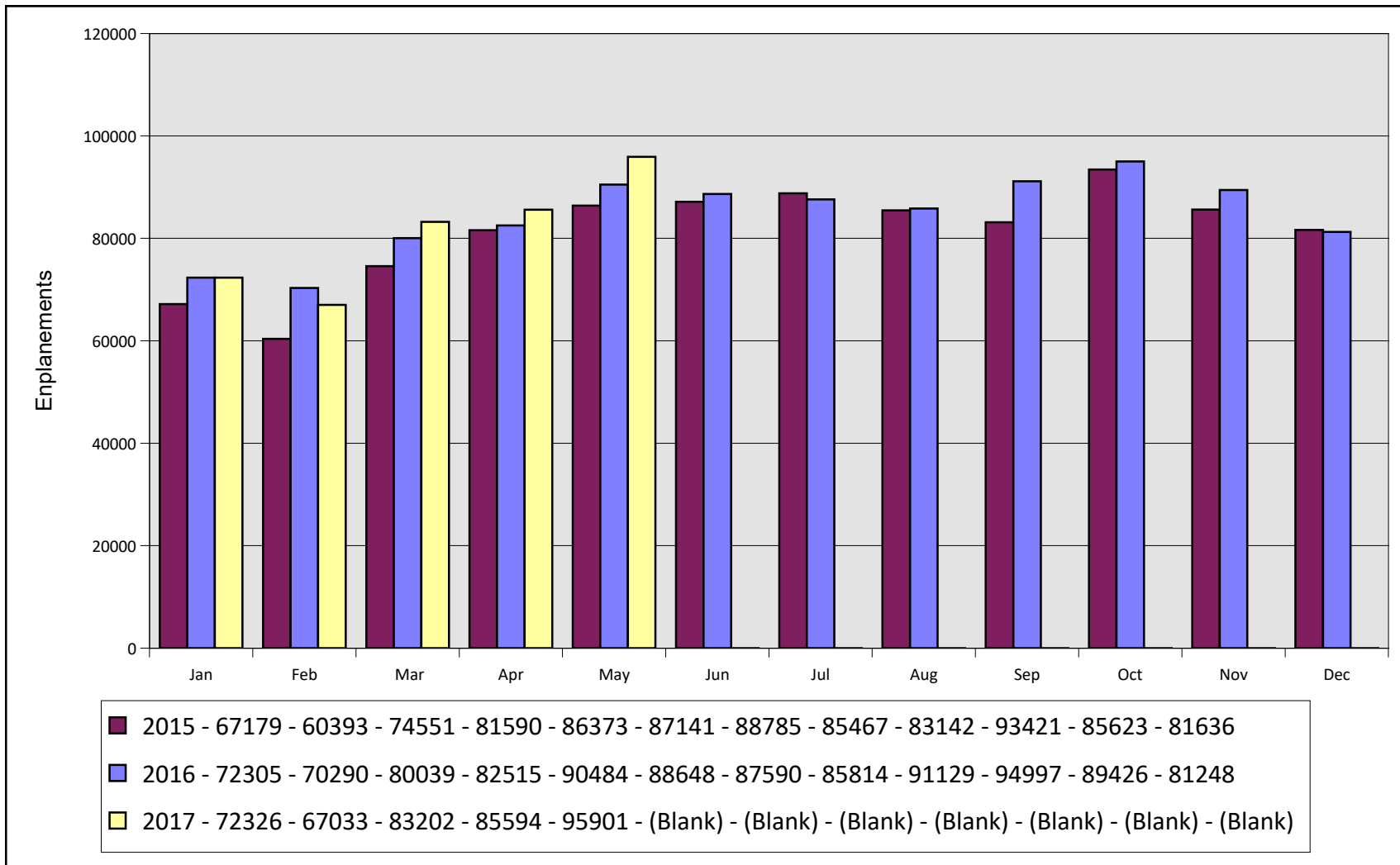
	May 2017	May 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change
Allegiant Air						
Enplanements	6,204	5,819	6.6%	25,385	25,383	0.0%
Seats	7,513	7,103	5.8%	31,999	30,494	4.9%
Load Factor	82.6%	81.9%	0.8%	79.3%	83.2%	-4.7%
American Airlines						
Enplanements	27,684	23,978	15.5%	121,906	108,134	12.7%
Seats	33,741	30,167	11.8%	151,904	130,591	16.3%
Load Factor	82.0%	79.5%	3.2%	80.3%	82.8%	-3.1%
Delta Air Lines						
Enplanements	35,418	33,706	5.1%	155,008	146,116	6.1%
Seats	38,793	37,000	4.8%	179,293	165,476	8.3%
Load Factor	91.3%	91.1%	0.2%	86.5%	88.3%	-2.1%
Southwest Airlines						
Enplanements	10,336	9,315	11.0%	42,848	52,838	-18.9%
Seats	12,633	12,738	-0.8%	61,618	85,009	-27.5%
Load Factor	81.8%	73.1%	11.9%	69.5%	62.2%	11.9%

Thursday, June 22, 2017

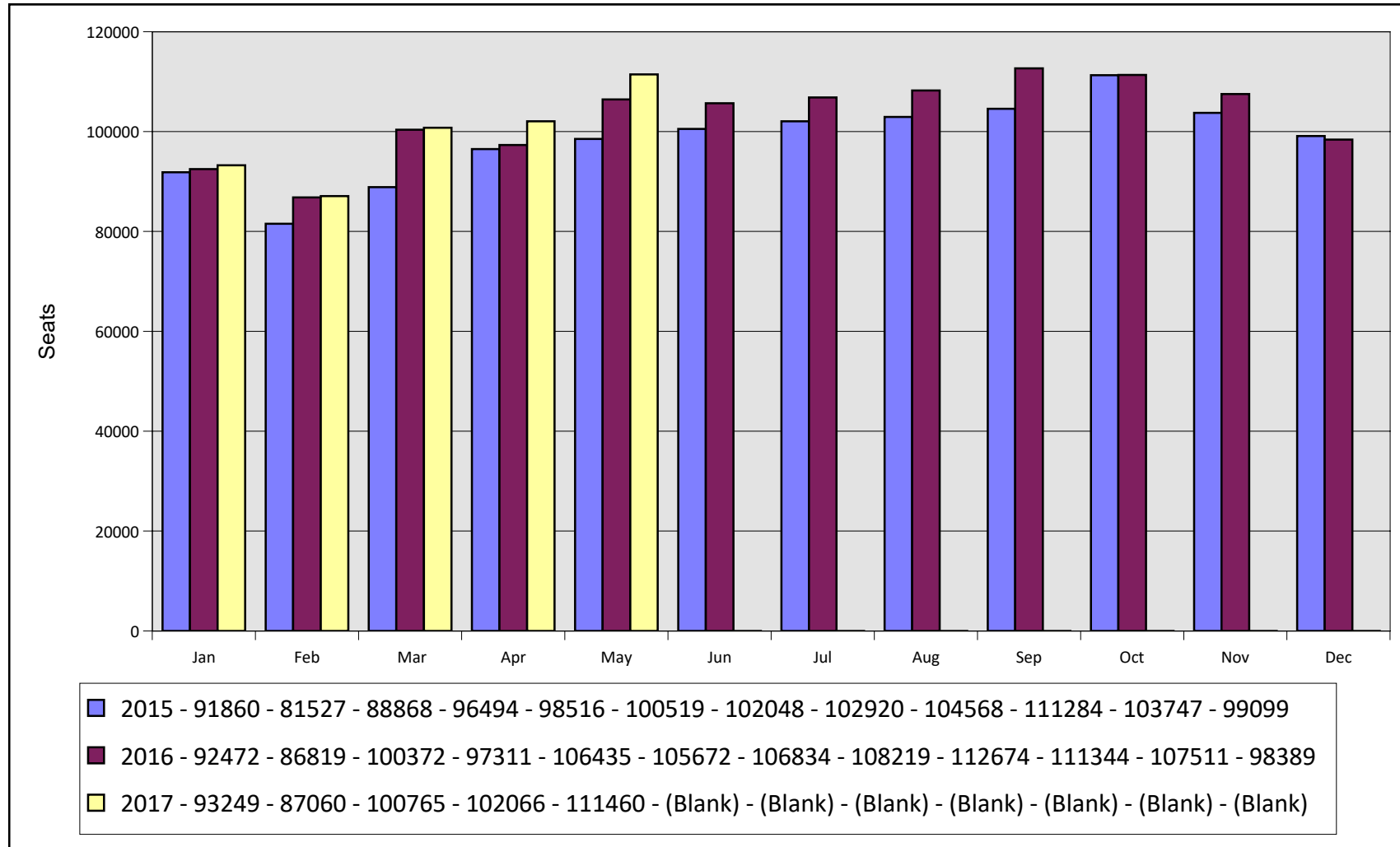
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

	May 2017	May 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change
United Airlines						
Enplanements	16,097	16,475	-2.3%	57,708	60,490	-4.6%
Seats	18,780	17,984	4.4%	69,786	69,875	-0.1%
Load Factor	85.7%	91.6%	-6.4%	82.7%	86.6%	-4.5%
Totals						
Enplanements	95,739	89,293	7.2%	402,855	392,961	2.5%
Seats	111,460	104,992	6.2%	494,600	481,445	2.7%
Load Factor	85.9%	85.0%	1.0%	81.5%	81.6%	-0.2%

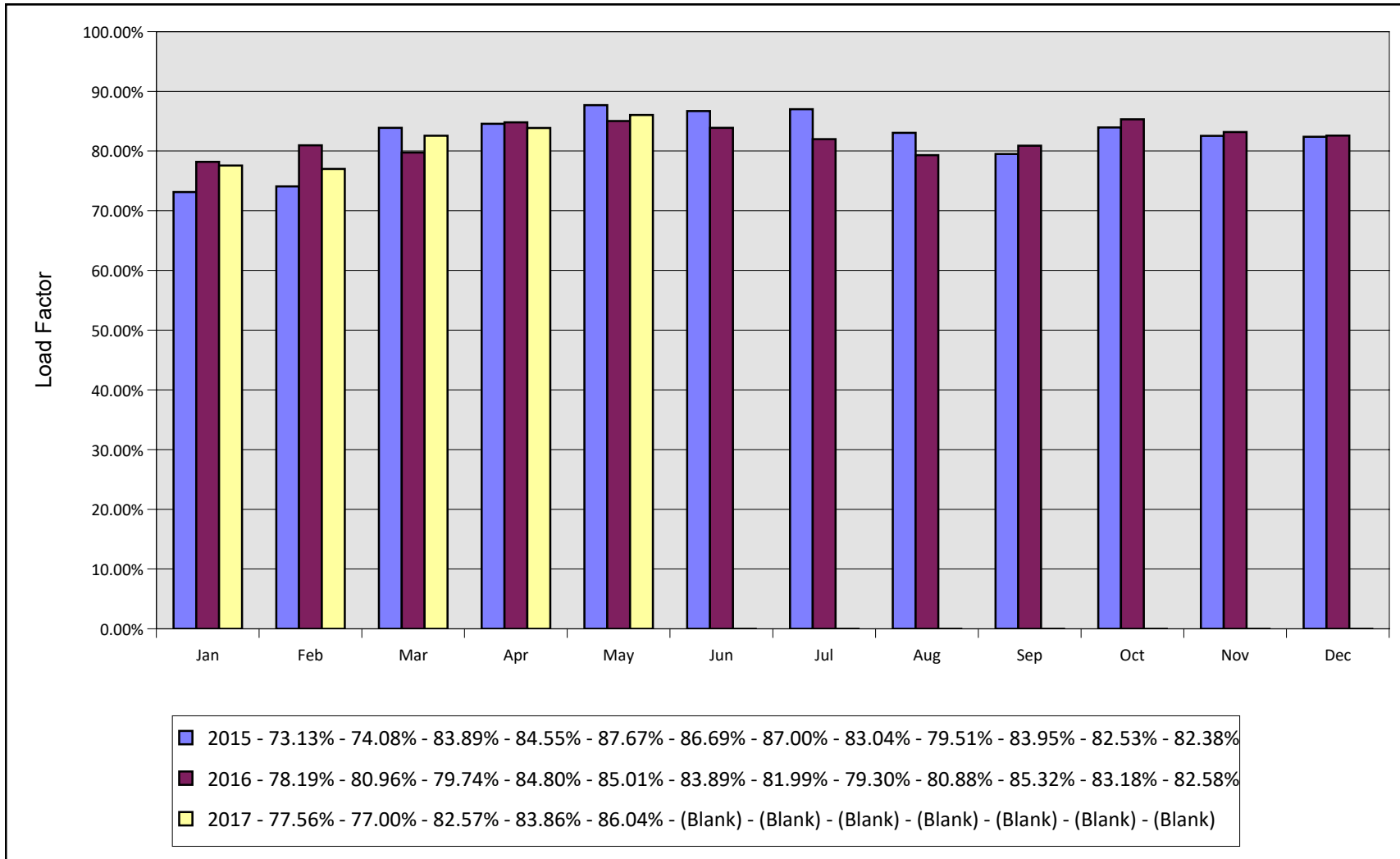
Monthly Enplanements By Year Greenville-Spartanburg International Airport



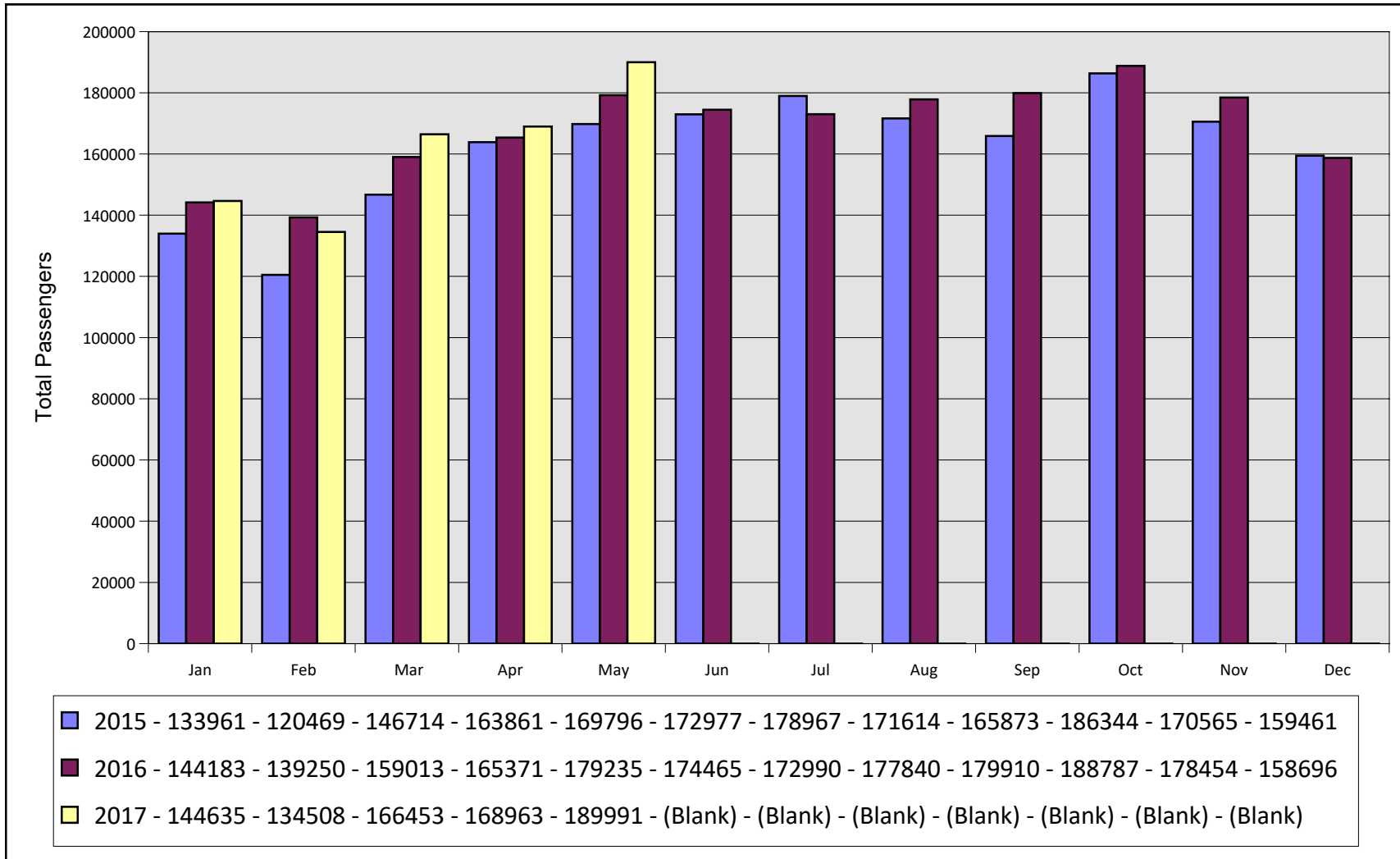
Monthly Seats By Year Greenville-Spartanburg International Airport



Monthly Load Factors By Year Greenville-Spartanburg International Airport

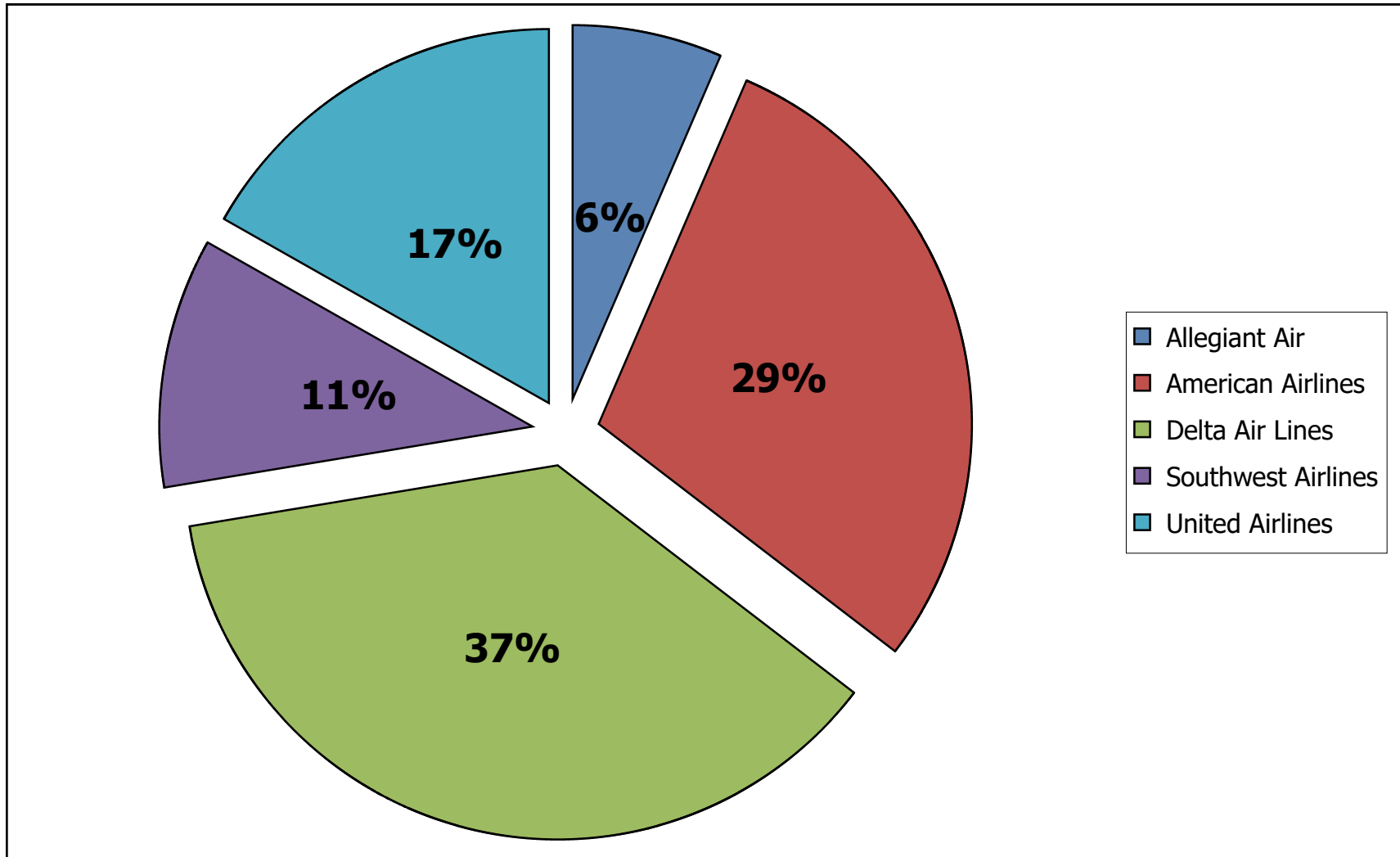


Total Monthly Passengers By Year Greenville-Spartanburg International Airport



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

Report Period From May 2017 Through May 2017



Airline Flight Completions Greenville-Spartanburg International Airport

May 2017



Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Aeronaves	4	0	0	0	0	0	100.0%
AeroWest GMBH	1	0	0	0	0	0	100.0%
Air Atlanta Icelandic	9	0	0	0	0	0	100.0%
Allegiant Air	43	0	0	0	0	0	100.0%
Alliance Air Charter	1	0	0	0	0	0	100.0%
American Airlines	475	0	4	5	0	9	98.1%
Amerijet Int'l	2	0	0	0	0	0	100.0%

Monday, June 26, 2017

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Ameristar International	1	0	0	0	0	0	100.0%
Berry Aviation	2	0	0	0	0	0	100.0%
Delta Air Lines	399	0	0	7	0	7	99.5%
Dixie Aviation Enterprise	1	0	0	0	0	0	100.0%
Everts Air Fuel	5	0	0	0	0	0	100.0%
Federal Express	39	0	0	0	0	0	100.0%
GTA Air	1	0	0	0	0	0	100.0%
IFL Group	4	0	0	0	0	0	100.0%
Kalitta Charters II	1	0	0	0	0	0	100.0%

Monday, June 26, 2017

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
McNeely Charter Service	2	0	0	0	0	0	100.0%
N9132S (Private Pilot)	1	0	0	0	0	0	100.0%
Omni Air International	3	0	0	0	0	0	100.0%
Priority Air Charter	3	0	0	0	0	0	100.0%
Royal Air Freight	4	0	0	0	0	0	100.0%
Southwest Airlines	89	0	0	0	0	0	100.0%
TSM	4	0	0	0	0	0	100.0%
United Airlines	345	0	1	2	7	10	97.1%
UPS	35	0	0	0	0	0	100.0%

Monday, June 26, 2017

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
USA Jet	1	0	0	0	0	0	100.0%
Total	1,475	0	5	14	7	26	98.2%

Monday, June 26, 2017



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: July 10, 2017

ITEM DESCRIPTION – Information Section Item B

May 2017 - Monthly Financial Report

SUMMARY

Operating Income was up by **4.57%** when compared to the budget for Year-to-Date May 2017. Operating Expenses were down by **8.55%** over the budgeted amount for the period. Net operating income was up **27.15%** versus the budget through May 2017. For the period ending May 2017, which represents eleven (11) months of the fiscal year, a total of about **\$13.53 million** has been returned to the bottom line in operating income.

Attached is a copy of the detailed financial report for May 2017.

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

May 31, 2017 FINANCIAL STATEMENT PACKAGE

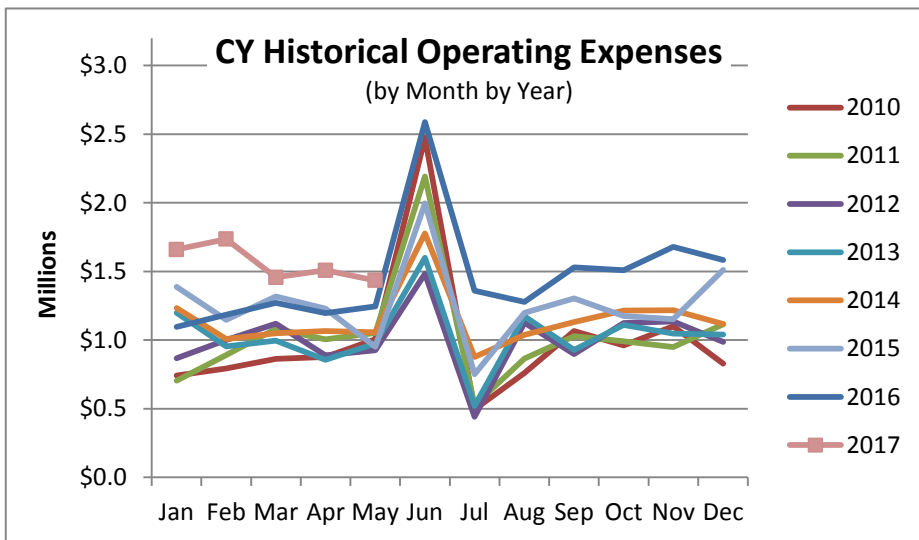
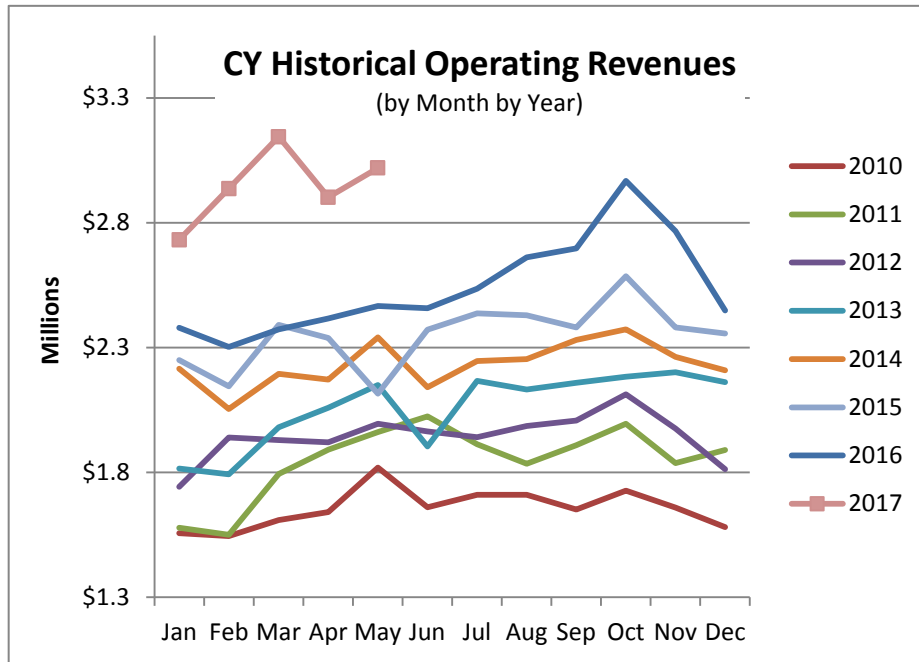
GREENVILLE SPARTANBURG AIRPORT DISTRICT
STATEMENT OF NET POSITION

	Current Month Current FY 5/31/2017	Current Month Prior FY 5/31/2016
Assets		
Cash Accounts	8,216,174.56	7,307,186.93
Investments-Airport	12,975,227.03	16,446,934.32
Bond Trustee Assets	367,363.69	358,123.87
Accounts Receivable	720,078.52	165,188.27
Less: Reserve for Doubtful Accts	-	
Net Accounts Receivable	<u>720,078.52</u>	<u>165,188.27</u>
Inventory	(97,316.82)	226,330.24
Prepaid Insurance	316,036.06	133,551.36
Notes Receivable-RAC District Funds	1,606,412.97	1,834,950.46
Property, Plant & Equipment (PP&E)	366,570,907.41	337,357,331.90
Less: Accumulated Depreciation	(135,132,858.74)	(126,380,111.60)
Net PP&E	<u>231,438,048.67</u>	<u>210,977,220.30</u>
TOTAL ASSETS	<u>255,542,024.68</u>	<u>237,449,485.75</u>
PLUS: Deferred Outflows of Resources		
Deferred Pension	972,466.85	887,006.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>972,466.85</u>	<u>887,006.00</u>
LESS: Liabilities		
Accounts Payable	1,187,285.59	951,264.20
TD Bank LOC	2,164,358.00	-
Revenue Bonds Payable	2,015,693.75	2,344,787.12
SCRS Pension Liability	10,446,431.00	9,311,330.00
Benefit Liability	1,007,238.61	803,234.13
TOTAL LIABILITIES	<u>16,821,006.95</u>	<u>13,410,615.45</u>
LESS: Deferred Inflows of Resources		
Deferred Revenues	1,638,679.97	2,688,832.46
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,638,679.97</u>	<u>2,688,832.46</u>
NET POSITION		
Invested in Capital Assets, net of Related Debt	229,478,048.67	208,697,220.30
Restricted:		
A/P - Capital Projects - Restricted	311,669.94	293,336.75
Contract Facility Charge	3,251,880.59	2,118,046.77
Total Restricted:	<u>3,563,550.53</u>	<u>2,411,383.52</u>
Unrestricted	5,013,205.41	11,128,440.02
TOTAL NET POSITION	<u>238,054,804.61</u>	<u>222,237,043.84</u>

GREENVILLE SPARTANBURG AIRPORT DISTRICT
PROFIT and LOSS STATEMENT

----- FISCAL YEAR TO DATE -----				
	<u>May 31, 2017</u> <u>Actual</u>	<u>May 31, 2017</u> <u>Budget</u>	<u>Actual - Budget</u>	<u>% Change</u>
INCOME				
Landing Area:				
Landing Fees	2,375,159.84	2,327,365.37	47,794.47	2.05% (a)
Aircraft Parking Fees	431,760.86	345,085.95	86,674.91	25.12% (b)
FBO Into-Plane & Fuel Flowage	82,532.43	87,124.62	(4,592.19)	-5.27%
Subtotal Landing Area	<u>2,889,453.13</u>	<u>2,759,575.94</u>	<u>129,877.19</u>	<u>4.71%</u>
Space & Ground Rentals	8,029,594.22	7,931,594.77	97,999.45	1.24% (c)
Auto Parking	11,134,350.39	10,593,528.77	540,821.62	5.11% (d)
Commercial Ground Transportation	136,393.20	123,750.00	12,643.20	10.22%
Concessions:				
Advertising	227,115.00	366,666.63	(139,551.63)	-38.06% (e)
Food & Beverage	321,231.32	339,762.50	(18,531.18)	-5.45%
Rental Car	3,025,295.82	2,891,980.74	133,315.08	4.61% (f)
Retail	529,397.19	466,583.37	62,813.82	13.46% (g)
Subtotal Concessions	<u>4,103,039.33</u>	<u>4,064,993.24</u>	<u>38,046.09</u>	<u>0.94%</u>
Expense Reimbursements	1,157,245.51	1,105,436.42	51,809.09	4.69% (h)
Other Income	1,383,290.39	977,695.00	405,595.39	41.48% (i)
Gross Profit on Fuel Sales	1,425,385.18	1,378,750.00	46,635.18	3.38% (j)
Total Operating Income	30,258,751.35	28,935,324.14	1,323,427.21	4.57%
EXPENSES				
Salary & Benefits	8,701,489.93	9,586,832.64	(885,342.71)	-9.23% (k)
Professional Services	596,327.80	669,395.87	(73,068.07)	-10.92% (l)
Promotional Activities	1,483,573.39	1,173,704.51	309,868.88	26.40% (m)
Administrative	961,913.71	1,071,957.15	(110,043.44)	-10.27% (n)
Insurance	388,762.88	388,762.88	-	0.00%
Contractual Services	1,758,923.81	2,426,357.12	(667,433.31)	-27.51% (o)
Rentals & Leases	98,942.69	167,816.99	(68,874.30)	-41.04% (p)
Repairs & Maintenance	519,044.50	530,679.38	(11,634.88)	-2.19%
Supplies & Equipment	807,060.24	790,354.84	16,705.40	2.11%
Utilities	1,416,596.23	1,491,653.46	(75,057.23)	-5.03% (q)
Total Operating Expenses	16,732,635.18	18,297,514.84	(1,564,879.66)	-8.55%
NET OPERATING INCOME	13,526,116.17	10,637,809.30	2,888,306.87	27.15%

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



May 31, 2017

YTD ACTUAL VS YTD BUDGET FOOTNOTES

(a)	Landing Fees	OVER BUDGET	\$47,794.47	- Charter cargo is over budget
(b)	Aircraft Parking Fees	OVER BUDGET	\$86,674.91	- FBO AC Parking not budgeted 40K
(c)	Space & Ground Rentals	OVER BUDGET	\$97,999.45	- American/Piedmont incurred leasehold clean up/renovations to their old space when moved 45K - UPS is not in its new facility 50.6K - Loss of cell tower rental 37.4K - Per Turn more than budgeted 60K - Loss of FBO Rentals (Stevens and Duggar Aviation) 39K - Senator International not budgeted 31K - PSA Airlines not budgeted 18.6K - Unbudgeted FBO rentals 61K
(d)	Auto Parking	OVER BUDGET	\$540,821.62	- Increase in traffic and parking rates
(e)	Advertising	UNDER BUDGET	\$139,551.63	- Some advertising spots were unavailable due to construction (started back 1/2017)
(f)	Rental Car	OVER BUDGET	\$133,315.08	- Increase in traffic
(g)	Retail	OVER BUDGET	\$62,813.82	- Conservative budgeting & increase in traffic
(h)	Expense Reimbursements	OVER BUDGET	\$51,809.09	- Conservative budgeting & increase in traffic
(i)	Other Income	OVER BUDGET	\$405,595.39	- A/C Ground Handling-Pax (Comm) 33K over budget YTD - A/C Deicing (Chapman Freeborn) 57K over budget YTD - A/C Ground handling-Cargo (Comm) 85K over budget YTD - Ground handling (non-tenant) 63K over budget YTD - Warehousing Fees over budget 187K - Lease Income not budgeted 22K YTD - Non-Tenant Uber over budget 100K YTD - Lease Income (Runion) 27K over budget YTD - Parking Tickets/Seized Funds 10.5K over budget YTD - Centralized Distribution facility 275K under budget YTD as facility is not yet complete - Cargo Ops 53K over budget YTD
(j)	Gross Profit on Fuel Sales	OVER BUDGET	\$46,635.18	From the YTD Budget due to: - sales profit for five months of operation
(k)	Salary & Benefits	UNDER BUDGET	\$885,342.71	- 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 wasn't on payroll until Dec 2016 - Post employment benefit was increased 180K due to actuarial analysis

May 31, 2017

YTD ACTUAL VS YTD BUDGET FOOTNOTES

(l)	Professional Services	UNDER BUDGET	\$73,068.07	<ul style="list-style-type: none">- Audit 5K under budget YTD- Consulting 55K under budget YTD- Engineering/Design 55.8K over budget- Legal 68.8K under budget YTD
(m)	Promotional Activities	OVER BUDGET	\$309,868.88	<ul style="list-style-type: none">- Advertising expense 249K under budget YTD- Special Events expenses 130K under budget YTD- General marketing expenses 534K over budget YTD-Business Development expenses budgeted in prior year- Sponsorships expenses 148K over budget YTD
(n)	Administrative	UNDER BUDGET	\$110,043.44	<ul style="list-style-type: none">- Dues & Subscriptions 32.5K under budget YTD- Travel/Training 42.5K under budget YTD- Pagers & Cell Phones 12K under budget YTD- Corporate Function 20.5K under budget YTD
(o)	Contractual Services	UNDER BUDGET	\$667,433.31	<ul style="list-style-type: none">- Management agreement expenses 376K under budget YTD - (300K Centralized Distribution facility expenses not yet incurred)- Janitorial Services 85K under budget YTD- Computer-annual contracts 97K under budget YTD- Nursery & Landscaping 29.5K under budget YTD- Telephone Equipment 40K under budget YTD- Plants 27K under budget YTD
(p)	Rentals & Leases	UNDER BUDGET	\$68,874.30	<ul style="list-style-type: none">- Timing: expenses should increase over the year
(q)	Utilities	UNDER BUDGET	\$75,057.23	<ul style="list-style-type: none">- Gas budgeted 233K YTD spread evenly across the year; milder Winter than budgeted- Water & Sewer due to conservative budgeting

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

Greenville-Spartanburg Airport District
May 31, 2017

	Issue Date	Maturity Date	Interest Rate	Cost Basis or BOY FMV	Par	EOM FMV	FMV Adj
US Treasury							
UST T-Bill 4-wk	5/4/2017	6/1/2017	0.725%	4,997,180.55	5,000,000.00	4,997,180.55	-
UST T-Bill 4-wk	5/18/2017	6/15/2017	0.695%	4,997,297.20	5,000,000.00	4,997,297.20	-
							-
Subtotal-UST				9,994,477.75	10,000,000.00	\$ 9,994,477.75	-

US Treasury Investment Types		T-Bill	T-Note	T-Bond	Fed Ag
Negotiable Debt Obligation		Yes	Yes	Yes	Yes
Backed by Gov Full Faith/Credit		Yes	Yes	Yes	No
Maturity		< 1 yr	1-7 yrs	7+ yrs	1-5 yrs
Coupon-Bearing		No	Yes	Yes	Yes
Interest is paid		at Maturity	Semi-Ann	Semi-Ann	Semi-Ann
State & Local Tax Exemption		Yes	Yes	Yes	Only FHLB (*)
(*) Note: Since GSP is a political subdivision of SC, we are tax-exempt from all taxes, including state and local.					

Weighted blended
yield = 0.7100%

GREENVILLE SPARTANBURG AIRPORT DISTRICT

Terminal Improvement Project

through:	5/31/2017	<i>cash basis</i>	<i>cash basis</i>	<i>cash basis</i>				
		FYE	YTD FYE	YTD FYE	YTD FYE	YTD FYE	YTD FYE	Total
	Budgeted	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	
Skanska			\$ 9,570,188	\$ 35,931,932	\$ 22,815,954	\$ 31,914,360	\$ 9,576,373	\$ 109,808,807
Baker (aka LPA)			\$ 1,367,784	\$ 2,742,449	\$ 765,298	\$ 1,051,980	\$ 350,307	\$ 6,277,818
RS&H	\$ 2,916,235	\$ 2,650,023						\$ 5,566,258
Jacobs	\$ 961,516	\$ 885,315	\$ 942,348	\$ 394,840	\$ 83,121	\$ 39,141		\$ 3,306,280
Air-Transport IT Services				\$ 424,339				\$ 424,339
RJ Design		\$ 65,350	\$ 220,050					\$ 285,400
At&t			\$ 205,594					\$ 205,594
A3 Communications			\$ 170,341					\$ 170,341
Warco Construction					\$ 153,350			\$ 153,350
G2 Secure Staff		\$ 8,508	\$ 85,979	\$ 31,889				\$ 126,376
McGriff			\$ 32,890	\$ 51,436				\$ 84,326
Project Link			\$ 42,509	\$ 27,799				\$ 70,307
CDW Government		\$ 1,911	\$ 62,649	\$ 3,062				\$ 67,622
Phoenix Mechanical				\$ 62,000				\$ 62,000
Michael M. Simpson		\$ 49,696	\$ 9,957					\$ 59,653
Parsons Brincke		\$ 50,000						\$ 50,000
ounq Office Environment						\$ 42,554		\$ 42,554
Tidewater Lumber		\$ 30,434	\$ 1,908	\$ 918				\$ 33,260
I-SYS				\$ 31,277				\$ 31,277
TPM		\$ 29,212						\$ 29,212
Duke Energy			\$ 22,088					\$ 22,088
Source Group		\$ 21,196						\$ 21,196
Jeff Lynch Appliances						\$ 17,376		\$ 17,376
Other	\$ 400	\$ 57,128	\$ 64,692	\$ 87,935	\$ 5,486	\$ 61,721		\$ 277,362
Total	\$ 123,762,496	\$ 3,878,151	\$ 14,786,745	\$ 40,535,386	\$ 24,696,747	\$ 33,208,296	\$ 10,087,473	\$ 127,192,797
Cumulative \$ Spent		\$ 3,878,151	\$ 18,664,896	\$ 59,200,282	\$ 83,897,029	\$ 117,105,325	\$ 127,192,798	
% of Budget spent		3.13%	15.08%	47.83%	67.79%	94.62%	102.77%	102.77%
Construction		\$ 9,635,538	\$ 35,934,969	\$ 22,953,017	\$ 32,073,196	\$ 9,576,373	\$ 110,173,093	
Professional	\$ 3,877,751	\$ 5,002,818	\$ 3,667,600	\$ 993,082	\$ 1,135,100	\$ 389,448	\$ 15,065,799	
Owners Reserve	\$ 400	\$ 148,389	\$ 932,817	\$ 750,649		\$ 121,651	\$ 1,953,906	
Total	\$ -	\$ 3,878,151	\$ 14,786,745	\$ 40,535,385	\$ 24,696,747	\$ 33,208,296	\$ 10,087,473	\$ 127,192,798
Cumulative \$ Spent		\$ 3,878,151	\$ 18,664,896	\$ 59,200,281	\$ 83,897,028	\$ 117,105,325	\$ 127,192,798	
		\$ 0	\$ 0	\$ 0	(0)	\$ 0	\$ -	(1)

TIP Public Relations Expenses

through:	5/31/2017	FYE	FYE	FYE	FYE	FYE	YTD FYE	Total
	Budgeted	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	
Crawford Strategies	\$ 261,000	10,900	61,157	75,948	76,776	60,253	53,875	338,908
Launch Something	\$ 279,730	25,870	90,133	23,045	20,604	10,146	2,646	172,444
Total	\$ 540,730	36,770	151,290	98,993	97,379	70,399	56,521	511,352
Cumulative \$ Spent		\$ 36,770	\$ 188,060	\$ 287,053	\$ 384,433	\$ 454,832	\$ 511,352	
% of Budget spent		6.80%	34.78%	53.09%	71.10%	84.11%	94.57%	94.57%

GREENVILLE SPARTANBURG AIRPORT DISTRICT
Other Operating and Maintenance Reserve Funds

	FY \$ Amount Authorized	Date	\$ Amount Used YTD	
Emergency Repair/Replacement/Operations Fund	\$ 750,000			
		7/12/2016	\$ 3,000	Barton Utilities Inc.
		11/30/2016	\$ 30,753	GLF Construction Corp-Remove apron and replace drain box aprons w/12' reinforced concrete
		1/1/2017	\$ 4,027	M&A Supply Co-Coil unit for Hangar 1 HVAC unit
		1/25/2017	\$ 9,087	Blanchard Machinery Co-Replacement transfer switch for Garage B
		2/23/2017	\$ 1,736	United Refrigeration-Replace bad compressor in unit 6 at Hangar 1
		2/23/2017	\$ 1,275	Walker & Whiteside-Electrical connections to Cerulean trailer
		5/25/2017	\$ 14,721	Barton Utilities Inc.-Hail Damage to Grounds
			<u>\$ 64,599</u>	
			\$ 685,401	Remaining Reserve
 Business Development Obligations/Incentives	 \$ 600,000			
		2/23/2017	\$ 1,375	Network Controls-Cargo Building-Relocate existing 4 cables to new outlets
		5/9/2017	\$ 6,970	US Testing Equipment LTD-50% Deposit for Human Occupancy Detectors
			<u>\$ 8,345</u>	
			\$ 591,655	Remaining Reserve

May, 2017

Procurement / Capital Acquisitions

Project/Item Description	Date	Monthly \$ Amount
Capital Improvements:		
GLF / Apron Rehab Phase II	5/12/2017	273,297
SDI / Emergency Phone Project	5/22/2017	46,577
Mecklenburg Roofing / RAC Roof Renovations	5/4/2017	16,376
Roebuck Builders Co / Corporate & Bulk Hangar	5/12/2017	193,515
Cely Construction / PSA MRO Hangar	5/12/2017	294,372
Jonscot General Contractors / N Cargo UPS	5/12/2017	47,464
Bio-Nomic Services / Sewer Line Cleaning	5/4/2017	14,697
Equipment and Small Capital Outlays:		
Renewals and Replacements:		
Vic Bailey Ford / Facilities 2017 F250	5/4/2017	23,321
Vic Bailey Ford / Facilities 2017 F250	5/4/2017	23,321
Mavin Construction / Airside Garden Rehab	5/12/2017	26,436
Mavin Construction / Airside Garden Rehab	5/25/2017	51,138
Bonitz Flooring / New Carpeting for Boarding Bridge	5/22/2017	35,410
Professional Service Projects:		

Total Procurements/Capital Additions for the month \$ 1,045,924



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin Howell, Vice President/COO

DATE: July 10, 2017

ITEM DESCRIPTION – Information Section Item C

June 2017 – Development/Project Status Report

SUMMARY

Terminal Improvement Program (TIP):

Status – Project Completion, Close Out and Punch List on all Phases

Project Budget – \$125,000,000

Estimated Completion Date – July 2017

During the month of May, SKM continued to work towards full completion on the TIP. Work on all three phases included completion items, punch list work and project close out items.

Apron Rehabilitation Project Phase 3:

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. GLF is the contractor for the project. Sub-phase 3 work is currently ongoing adjacent to the airside garden area. Phase 3 should be complete in the fall of this year.

Consolidated Hangars Project:

Status – Construction Phase

Project Budget – \$8,903,000

Estimated Completion Date – Corporate Hangar December 2017; Bulk Hangar March 2018

The Consolidated Hangars Project was approved in May 2016 and includes construction of a new Corporate Hangar and a new Bulk Storage Hangar. The design is led by AVCON along with McMillan Pazdan Smith. Roebuck Buildings Co. is the general contractor for the project.

Current work includes underground work at the Corporate Hangar site. Rock removal continues at the Bulk Hangar site. The Corporate Hangar is scheduled to be complete in December 2017 and the Bulk Hangar should be completed in March 2018.

Emergency Call Station Project:

Status – Construction Phase

Budget – \$200,000

Estimated Completion Date – July 2017

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. The contractor for this project is SDI. SDI is currently working on project completion.

Airport Master Plan:

Status – Planning Project Underway

Project Budget – \$1,000,000

Estimated Completion Date – 12 to 18 months



McFarland Johnson is leading the GSP Airport Master Plan. Initial aerial survey work is complete and the data inventory phase is underway. Stakeholder committee group kick off meetings were held in May. The planning team continues to work on data gathering.

Parking Lots Project:

Status – Design Phase

Project Budget – \$2,850,000

Estimated Completion Date – TBD

This project includes the new Overflow Parking Lot, an expansion to the Employee Parking Lot, and an expansion to the National/Alamo rental car service center lot. Michael Baker International is leading the design effort for this project. This project will be bid in later spring/early summer in order to have the Overflow lot ready for Thanksgiving.

ARFF Station Project:

Status – Design Phase

Project Budget – TBD

Estimated Completion Date – TBD

This project includes the design and construction of a new ARFF station. Design is being led by WK Dickson and is supported by Leo Daly, DP3, and several other local design firms. The project team is currently working on programming and site selection.

Parking Garage C:

Status – Planning and Design Phase

Project Budget – \$40,000,000

Estimated Completion Date – TBD

This project includes the design and construction of a new combined public parking and rental car ready/return garage. Staff is currently working on a scope and fee agreement with LS3P. Design will start once that is complete.

New Cargo Apron:

Status – Design Phase

Project Budget – \$750,000 (planning & design phase)



Estimated Completion Date – February 2018

This project includes the design and construction of a new dedicated cargo apron with taxiway connector just south of the existing FedEx facility. The design phase is underway.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Rosylin Weston, Vice President - Communications

DATE: July 10, 2017

ITEM DESCRIPTION – Information Section Item D

June 2017 – Communications Status Report

SUMMARY

During the month of June, the Communications team also took advantage of a number of opportunities to engage in good PR and thereby GSP received much earned influence. We stimulated excellent coverage in the local media with several different stories. Between Channels 4, 7 and 21, GSP was **in the news seven times and reached 365,524 viewers**. GSP also appeared in print publications and/or on-line a total of **six** times during the month of June. Using Social Media, to include Facebook, Twitter and Instagram, we posted 31 videos, 41 photographs and made 85 posts.

News Stories Broadcast, Print and Online:

Print and Online

- Upstate Business Journal – Airport Aesthetics
- Greer Today – Don't Leave Home Without It
- Greenville Business Magazine – GSP Renovates Hangar for New Tenant
- GSA Business – GSP WINGSPAN Has an Estimated \$167 Million Economic Impact
- WSPA 7 News Online – GSP International Airport Safer with New Emergency Call Boxes
- Go Upstate – GSP To Offer Faster Security Checkpoint Service

Aired on TV

- Fox Carolina – GSP Installs Emergency Call Boxes 10 pm
- WSPA TV – Emergency Call Boxes Arrive at GSP 5:00 PM



- WYFF TV – Emergency Call Boxes Land at GSP International Airport 5:00 PM
- WYFF TV – TSA Pre-Check Enrollment at GSP International Airport Noon and 5:00 PM
- WSPA TV – Enroll in TSA Pre-Check This Week at GSP International Airport 5:00 PM and 10:00 PM

Online Statistics 06/ 01/ 17 – 06/ 28/ 17:

Elevatingtheupstate.com

- 116 sessions
- Average session duration – 1:22
- Total Page Views – 290

Elevatingtheupstate.com (Mobile Site)

- 34 Sessions
- 43 Page Views
- Average Time on Page 1:36

Social Media 06/ 01/ 17 – 06/ 28/ 17:

GSPAairport.com

- 60,976 sessions
- 155,068 page views
- Average session duration - 1:56

Twitter

- 5,610 followers
- 28,100 Twitter impressions

Instagram

- 399 followers

Top Twitter Posts

- TSA Pre-Check Sign-Up

Facebook

- 1,737 Page Views
- 118 New Page Likes
- 9,287 Total Page Likes



Top Facebook Posts

- King of Pops Sold at GSP (6,975 people reached, 157 people reacted)
- Ronnie Bullard Retires (4,443 people reached, 164 reacted)
- We have a Cake Design Winner (3,307 people reached, 214 reacted)

Community Relations:

- Conducted seven terminal tours including four schools and three Senior groups
- Summer planting of the GSP Community Garden
- Summer Camp season began on June 1, 2017.

Customer Service Complaints Summary:

- Retail, Food and Beverage locations should remain open later
- Need shuttle service to Economy Parking
- Unable to reach airline baggage claim offices
- Need more *Reserved* parking spaces
- No access to airside garden a real disappointment



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: July 10, 2017

ITEM DESCRIPTION – Information Section Item E

June 2017 – Commercial Business and Properties Report

SUMMARY

Concessions Program Development – Grand Hall Phase:

Status – Dunkin Donuts, Baskin Robbins, and Hudson and Tech-On-The-Go retail stores opened for business on October 29, 2016. Chick-Fil-A and DC3 Dawgs opened for business on May 22, 2017. The Kitchen by Wolfgang Puck is scheduled to open in July 2017.

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 – July 31, 2017

Centralized Receiving and Distribution Facility (CRDF) Project:

Status – Facility is fully operational

Project Budget – All operational costs are being recovered through existing concessionaire and tenant lease agreements.

Completion Date – July 6, 2017

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

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

AirIT – Flight Information Display System (FIDS), Gate Information Display System (GIDS), and Baggage Information Display System (BIDS) Installation Project:

Status – Project completed

Project Budget – \$303,362

Completion Date – June 30, 2017

The Airport District transitioned to AirIT for all FIDS, GIDS, and BIDS. This provided seamless integration with AirIT's EASE software at each of the 13 gates for the GIDS, as well as placed the BIDS and FIDS on the same software platform.

AirIT – Paging Installation Project:

Status – Terminal building contractor cabling issues have delayed this project. Those have all been sorted out now and AirIT/IED is scheduled to be onsite to finish their installation work on July 31, 2017.

Project Budget – \$471,683

Estimated Completion Date – August 7, 2017

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.

Turner Broadcasting Network – CNN Airport Network Project:

Status – All head end IT equipment has been installed. TV monitors and CAT 6 cabling currently being installed.

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

Estimated Completion Date – July 31, 2017

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.

Turner Broadcasting Network – Cartoon Network Project:

Status – Internal legal issues at TBN are delaying the roll out of this programming.

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.

Lyft – Transportation Network Company (TNC) Service:

Status – TNC operating agreement awaiting execution by Lyft.

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

Estimated Completion Date – To be determined

Lyft is beginning to open up service in various communities throughout South Carolina. They recently started service in the Upstate and have plans to add the airport at some point in the future once they grow the local market base.

AT&T Wireless – Cell Phone Antenna Equipment Upgrade and Capacity Enhancement Project:

Status – Construction work is underway.

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

Estimated Completion Date – June 30, 2017



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.

FedEx – AT&T Network Based I P/ VPN Remote Access (ANI RA) Installation 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.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Marsha Madore, Human Resources Director

DATE: July 10, 2017

ITEM DESCRIPTION – Information Section Item F

June 2017 – OSHA Reportable Injury Report

SUMMARY

Monthly Activity as of June 30, 2017

- 1 OSHA Reportable Injury – FBO employee rolled a club car. Required stitches in his arm. No lost time.

2017 Calendar Year-to-Date

- 0 OSHA Reportable Injuries

2 Year Historical Annual OSHA Report Submissions:

Calendar Year	Annual Average # Employees	Total Hours Worked by all Employees	# OSHA Reportable Work Related Injuries	# OSHA Reportable Work Related Illnesses	# Days away from Work
2016	133	243,191	6	0	2
2015	127	192,332	3	0	16

TECH & SECURITY

DHS Announces Aviation Security Enhancements

JUN 29, 2017



Secretary of Homeland Security John Kelly [announced enhanced security screening measures](#) for all international commercial flights to the United States. These new security measures will take the place of a laptop ban in the cabins of aircraft, which was previously imposed on flights from select countries.

"Today, I am announcing a first step toward this goal by requiring new security measures to be applied to all commercial flights coming into the United States. These measures will be both seen and unseen, and they will be phased in over time," Kelly said. "They will include enhanced screening of electronic devices, more thorough passenger vetting, and new measures designed to mitigate the potential threat of insider attacks."

"We will also lay out a clear path to encourage airlines and airports to adopt more sophisticated screening approaches, including better use of explosive detection canines and advanced checkpoint screening technology," he continued. "Additionally, we will encourage more airports to become Preclearance locations. This not only enhances security, it also increases convenience by allowing international travelers to go through customs and border security screening before boarding their flights to the United States."

AIRPORTS

Airports Call for Modernization of Passenger Facility Charge and Airport Infrastructure in FAA Reauthorization Proposal

SOURCE: ACI-NA JUN 22, 2017

Airports Council International - North America (ACI-NA) President and CEO Kevin M. Burke and American Association of Airport Executives (AAAE) President and CEO Todd Hauptli issued the following joint statement June 22, after the release of 21st Century Aviation Innovation, Reform, and Reauthorization Act (21st Century AIRR Act), House Transportation and Infrastructure Committee Chairman Bill Shuster's Federal Aviation Administration reauthorization proposal:

"As airports face \$20 billion annually in essential infrastructure needs, the future of our aviation system requires modernization in the air and on the ground. We are pleased the Chairman's FAA proposal recognizes the importance of airport representation on a proposed air traffic control corporation and takes steps to streamline the FAA approval process for needed infrastructure project funding, but it is clear there is a long way to go before this legislation is ready for final adoption by the Congress.

"Today's proposal misses a significant opportunity to tackle the real challenge of aging airport infrastructure and advance airports' ability to serve their passengers and communities. The easiest way to build airport infrastructure and let airports address their own local needs is through providing local communities the ability to make investment decisions by eliminating the outdated cap on the Passenger Facility Charge (PFC).

"As the FAA reauthorization process moves forward, AAAE and ACI-NA will continue to urge Congress and the Trump Administration to remove the federal cap on local PFCs so that airports can undertake their critical infrastructure needs for the benefit of air travelers and communities throughout the nation. This is vital to ensuring a vibrant U.S. economy in the 21st century."

AIRPORTS

Hyatt Place Austin Airport Grand Opening Features Sabre Salute

SOURCE: AUSTIN-BERGSTROM INTERNATIONAL AIRPORT JUN 22, 2017



The Hyatt Place Austin Airport, located at 9532 Spirit of Austin Lane, is on the Austin-Bergstrom International Airport campus and conveniently close to the airport's Barbara Jordan Terminal.

Photo credit: Austin-Bergstrom International Airport

On June 21, the Hyatt Place Austin Airport celebrated its grand opening with live music, a ribbon cutting and a historically re-enacted sabre salute to the hotel's giant Texas flag.

The Hyatt Place Austin Airport, located at 9532 Spirit of Austin Lane, is on the Austin-Bergstrom International Airport campus and conveniently close to the airport's Barbara Jordan Terminal. With easy access to the main roadway to the terminal (Presidential Blvd.) the four-story, 77,000 square foot hotel has 139 suites and features a café and dining area, meeting rooms, state of the art fitness center and resort style pool.

Its Texas-sized state flag (15'x25') atop a 60' flagpole is an airport landmark. The hotel's grand opening featured a flag dedication ceremony complete with a sabre salute from soldiers in Republic of Texas era dress.

This commemorative flag is a joint project between Journeyman Construction (general contractor), JCI Hospitality LLC (developer and operator) and Celebrate Texas (non-profit organization). At its base, a granite monument in dedication of Jay Johnson and Charlie Yates, founding members of Celebrate Texas, can be found.

In addition to its comfortable amenities and convenient location, Hyatt Place Austin Airport is doing its part to further a green initiative with its LEED Silver Certification, Austin Energy Green Building Two Star Rating, and four electric vehicle charging stations.

Indianapolis International Airport offers \$400,000 incentive for international airline

Associated Press Published 7:18 a.m. ET June 26, 2017 | Updated 7:18 a.m. ET June 26, 2017



(Photo: Frank Augstein, AP)

The Indianapolis International Airport has expanded its incentives package with the aim of attracting new international air service.

The airport has increased the amount of marketing support available for new international flights, The Indianapolis Business Journal reported. The incentives include banners, digital advertising and vinyl floor decals at the airport. Other incentives include fee waivers and rent reductions during the first two years.

The airport currently only has direct international flights to Cancun, Mexico and Toronto, Canada. The airport is trying to attract its first transatlantic flight, with London as a top priority.

The airline had previously offered up to \$50,000 in marketing support for the first year of a new international service. Under the expanded program, airlines can receive up to \$400,000 in marketing support during the first two years of service, depending on the frequency of flights.

Strengthening these incentives will bring the airport in line with industry standards, Senior Director of Commercial Enterprise Marsha Stone wrote in a memo to airport authority board members.

"As staff continues to aggressively pursue international service, this incentive will be critical to competitively position Indianapolis amongst peers also pursuing similar service opportunities," she said.

The airport authority board hired the Indy Chamber in May to help it with both air service development and land development.

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TECH & SECURITY



2017 Passenger IT Trends Survey Shows Tech is Making a Difference

SOURCE: SITA JUN 27, 2017



Passenger satisfaction is higher during the airline journey when self-service technologies are used, particularly at bag tag and collection, and passport checkpoints. This is according to the [2017 SITA Passenger IT Trends Survey](#), a global survey released today by IT provider SITA and co-sponsored by Air Transport World. The survey shows that passengers rate their journey very highly with an overall satisfaction rate of 8.2 out of 10 but this is boosted even further when technologies such as mobile services and biometrics are used.

Ilya Gutlin, President, Air Travel Solutions, SITA, said: "Passengers are increasingly comfortable with the use of technology in their everyday lives, and they are demanding more services as they appreciate the benefits technology can bring to their journey. Airports and airlines can take note that technology solutions can boost passenger satisfaction every step of the way."

In the global air transport industry, identity checks are a vital element of the passenger journey. SITA's survey shows that technology, such as biometrics, can support security while offering a better passenger experience. Automated identity checks at passport control and boarding increases passenger satisfaction.

A total of 37 percent of travelers surveyed by SITA used automated ID control on their last flight. Of these, 55 percent said they had used biometrics at departure security, 33 percent for boarding and 12 percent for international arrivals. Looking forward, 57 percent of passengers said they would use biometrics for their next trip.

Passengers who use biometrics are highly satisfied. In fact, they rated the experience 8.4, well above the ratings for face-to-face transactions at passport check (8) and boarding (8.2), demonstrating passenger acceptance of this secure technology to deliver a seamless journey.

Baggage collection is another area where technology is improving the passenger experience. Airlines and airports are helping to relieve the anxiety of waiting for bags to arrive by providing real-time information to passengers. On their last flight, more than half (58 percent) of passengers who checked in bags received real-time bag-collection information upon arrival.

These passengers were happier than those who did not receive any information, rating their experience 8.4 out of 10. Passengers are even more satisfied when they receive the information to their mobile devices. SITA's survey shows that this bumped up satisfaction levels by an extra 10 percent.

Technology is also driving passenger satisfaction for baggage management earlier in the journey as more airlines and airports offer self-bag tagging. The use of this technology increased satisfaction to a rating of 8.4 out of 10. Nearly half (47 percent) of all passengers took advantage of a self-service tagging option on their most recent trip, which is a healthy increase from 31 percent in 2016. As more self-bag tag options are made available we can expect passenger satisfaction at this point of the journey to increase.

This year's survey also highlights that as passengers become more familiar using technology during travel, the more likely they are to switch to newer, more efficient platforms. They are increasingly using smarter, mobile-enabled websites to book and check-in. Airline and airport apps, meanwhile, meet passengers' desire for new services to help them better manage their journey. They want personalized information about their flight, their baggage and how to find their

gate directly on their mobile device.

The appetite for new services using technology is high: three quarters (74 percent) of passengers say they would definitely use flight and gate alerts pushed to their mobile devices; 57 percent would use airport wayfinding; and 57 percent would use biometrics to smooth identification each step of the way.

Gutlin said: "Passengers aren't deciding anymore whether they should use technology but which technology to use. They want to make each step of the journey as easy as possible. Tech adoption will be driven by both context and usability. For this reason, a clear focus on the end-users' demands should shape the services airlines and airports offer."

This is the 12th edition of the SITA/ATW Passenger IT Trends Survey. It was conducted with more than 7,000 passengers from 17 countries across the Americas, Asia, Europe, the Middle East and Africa representing almost three-quarters of global passenger traffic.