



AGENDA

Greenville-Spartanburg Airport Commission Regular Meeting
Greenville-Spartanburg International Airport Board Room
Monday, September 10, 2018
9:00 a.m.

***NOTE TO ALL PUBLIC ATTENDEES:**

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

I. CALL TO ORDER:

II. CONSENT AGENDA:

- A. Approval of the Greenville-Spartanburg Airport Commission July 9, 2018 Regular Meeting Minutes ([document](#))
- B. Approval of Greenville-Spartanburg Airport Commission Meeting Dates/Times for Calendar Year 2019 ([document](#))

III. PRESENTATIONS:

- A. Proposed Art and History Alcoves in the Grand Hall ([document](#))

IV. OLD BUSINESS: None

V. NEW BUSINESS:

- A. Approval of TD Bank – GSP Term Loan Agreements ([document](#))
- B. Approval of Air Cargo Building Project and Financing ([document](#))
- C. Approval of a Budget Amendment for the Cargo Apron Project ([document](#))
- D. Approval of Final Rankings for On-Call Professional Consulting Services ([document](#))

VI. PRESIDENT/CEO REPORT:

- A. Aviation Industry Update
- B. Shuttle Bus Operation Service
- C. 2018 Boyd International Conference Update
- D. Road Closure

VII. INFORMATION SECTION:

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

- A. July 2018 – Traffic Report ([document](#))
- B. July 2018 – Financial Report ([document](#))
- C. August 2018 – Development/Project Status Report ([document](#))
- D. August 2018 – Communications Status Report ([document](#))
- E. August 2018 – Commercial Business and Communications Report ([document](#))
- F. August 2018 – OSHA Reportable Injury Report ([document](#))
- G. Industry Presentation(s)/Article(s) of Interest ([document](#))
- H. Potential Items for the Next Regular Scheduled Commission Meeting:

- Syneva Economic Impact Study Results

VIII. COMMISSION MEMBER REPORTS:

IX. EXECUTIVE SESSION:

The Airport Commission may hold an Executive Session for the purpose of receiving legal advice on various matters and the discussion of economic development projects.

X. ADJOURNMENT

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

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

July 9, 2018

The Greenville-Spartanburg Airport Commission met on July 9, 2018 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, Valerie Miller, and Leland Burch

MEMBERS NOT PRESENT: None

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Kevin Howell, Senior Vice President/COO; Basil Dosunmu, Senior Vice President-Administration and Finance/CFO; Scott Carr, Vice President Commercial Business and Communications (Environs Area Administrator); Tom Tyra, Director of Marketing and Air Service Development, Bobby Welborn, Chief of Police; Jason Cordell, Police Officer; Alfred, K-9 Officer; David Verdier, Police Officer; Michael Kossover, Director of Operations; Cody Bauman, Operations Manager; Dudley Brown, Public Relations Manager; Venesia Smith, Marketing Intern; Betty O. Temple, WBD; Stefanie Hyder, Executive Assistant/Recording Secretary

GUESTS PRESENT: Steve Van Beek, Steer Davies Gleave (SDG); Jim Fair, Greer Today; Mike Darcangelo, AVCON, Inc.; John Mafera, McFarland Johnson; Alex Chambers, Wofford College Student

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:05 a.m.

CONSENT AGENDA: A motion was made, seconded, and unanimous vote received to approve the Consent Agenda as follows:

A. The Greenville-Spartanburg Airport Commission May 14, 2018 Regular Meeting Minutes.

Before Dr. Van Beek's presentation, Mr. Edwards first introduced and recognized GSP's newest staff members.

Officer Jason Cordell introduced K9 Alfred. Alfred is an Explosives Detection K9 originally from Czechoslovakia. Both Officer Cordell and Alfred are certified under the North American Police Work Dogs Association. Alfred underwent 200 hours of training for certification and is certified in the detection of ten odors. Officer Cordell answered questions of the Commission.

Mr. Edwards introduced Mr. Dudley Brown as the new Public Relations Manager, Ms. Ashley Bruton as the new Human Resources Director, and Mr. Tom Tyra as the new

Director of Marketing and Air Service Development. Mr. Scott Carr introduced Ms. Venesia Smith as our Marketing Intern from USC.

PRESENTATIONS:

A. Annual Strategic Business Plan Update

Dr. Steve Van Beek from Steer Davis Gleave (SDG) presented to the Commission an annual update on the industry as well as the Strategic Business Plan for the Greenville-Spartanburg Airport District.

The operating environment for airports right now is characterized by a strong economy, airline profitability, competition that is driving traffic, and trade, fuel price and interest rate headwinds.

Dr. Van Beek continued the discussion with an airport industry SWOT analysis. Strengths include the economy, traffic, and diversification of traffic. New aircraft and liberalization have brought more markets into the mix. Airfreight is in recovery. Weaknesses revolve around policy or threats to policy and lack of economic flexibility, as well as nationalism, trade policies, and hub congestion. Opportunities include secondary metropolitan airports, technology and customer innovations, and new business models. Threats include trade, liberalization, increases in fuel prices, and airline consolidation.

Dr. Van Beek noted that over the last decade the aviation industry has seen an 8% growth in seats and GSP has experienced a 25% growth in seats. Airline seat share, October 2018 vs October 2017, increased 11.6% because of routes and larger aircraft. Mr. Edwards and Dr. Van Beek responded to specific questions about Southwest Airlines and the new hub strategy via Atlanta.

Dr. Van Beek further compared domestic seat shares of non-aligned carriers showing that while Southwest is still the leading carrier, Alaska and JetBlue are growing. While international capacity from Legacy Airlines has been stable the last 10 years, low cost carriers (LCC) and full-service carriers (FSC) are providing growth. Dr. Van Beek introduced David Neeleman's new low-cost carrier, "Moxy." The focus is on secondary airports, point to point. Moxy is expected to come into the domestic mix with operations expected to begin in 2020. Dr. Van Beek and Mr. Edwards responded to inquiries about "Moxy." Discussion continued regarding the relationship between Boeing and Embraer.

Dr. Van Beek concluded the industry portion of the presentation discussing airport terminal and landside demands noting that the GSP 360 strategy aids in the optimization of real estate. Industry wide, there is a focus on commercial revenues. Finding the right labor for concessionaires continues to be a challenge. The MAG Escape Lounge at GSP is expected to open in the fall of 2018 and will offer premium passengers a good experience. Lastly, Airports are beginning to design and plan for connected automated vehicles. The

Commission inquired about the types of automated vehicles being incorporated. The Commission commented on membership at the Escape Lounge.

Next, Dr. Van Beek provided his presentation on GSP's Performance Plan with a focus on the strategic goals, performance measures and results over the past year, as well as the strategic goals and performance measures that GSP has set in place moving forward towards the upcoming Fiscal Year 2018-2019. The 2018 SWOT analysis indicates growing air service, opportunities for FAA funding, concerns with aircraft availability and market share.

Safety remains the number one strategic goal with close attention to insurance claims. GSP has had zero fatalities 2011-2018.

GSP continues to be a leading source of economic development. GSP has contracted with Syneva to conduct the economic impact study with results expected to be complete in September and presented to the Commission at the November meeting. Mr. Edwards noted that the SC Aviation Commission conducted an economic impact analysis statewide for all airports and their projection is that our economic impact has grown to \$1.2B in numbers. Dr. Van Beek also highlighted the major projects that are on all on budget. Discussion ensued about additional parking at airports and automated vehicles.

The airport continues to attract and maintain competitive air service with strong air service initiatives and strategic plans. In comparison to the region, GSP has experienced a 7% growth from 2010-2018 and 7.9% growth in 2018. On a national level, GSP has also experienced 7.0% growth. The Commission inquired about expected growth at Charlotte Douglas International Airport.

Dr. Van Beek reviewed the new targets for the annual margin, cash balance, airline revenues and cost per enplanement (CPE). Mr. Edwards briefly discussed the possibility of introducing a passenger facility charge (PFC) in the future. The Commission inquired about fund balance.

GSP continues to encourage business with local firms, including DBE's, and GSP is working with Weeden and Associates to establish the 2018-2020 plan. The Commission asked about the requirement for background checks and the impact on availability of qualified employees to which Dr. Van Beek responded.

Dr. Van Beek wrapped up the presentation with 4th quarter customer service tracking scores and customer service comments. The provider for customer service tracking will change for 2019. Mr. Edwards noted the significant growth in cargo traffic under at Cerulean Aviation over the past 11 months. The Commission asked questions about the cost of fuel, to which Dr. Van Beek responded, as well as questions related to tariffs, to which Mr. Edwards responded. Dr. Van Beek commented on a question about the PFC's.

The Commission recommended taking a five-minute break. Chair Minor Shaw called the meeting back to order at 11:01am.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Parking Lot Rate Adjustments

Mr. Kevin Howell, Senior VP/COO, presented to the Commission the recommendation to adjust the parking lot rates. Mr. Howell introduced Mr. Michael Kossover, Director of Operations, and Mr. Cody Bauman, Operations Manager who manage the parking operator, LAZ Parking, at GSP.

The District in the process of wrapping up construction on what was originally called/intended to be an Overflow Lot. Based on recent air service announcements and trends, the Overflow Lot will likely become the second Economy Lot.

Staff originally intended to provide shuttle service from the Overflow Lot to the Terminal when that lot was active. After further review and evaluation, Staff determined that it was also necessary to provide this same shuttle service from the existing Economy Lot.

Staff worked with LAZ Parking to develop an operating expense budget. Mr. Howell reviewed the capital costs and operating expenses associated with the shuttle bus service, which included the construction and building of bus shelters in the existing Economy Lot. The estimated cost in the first year is approximately \$600,000.

Staff conducted a survey on parking rates at airports in our region. Based on those survey results, and to offset the shuttle service costs, Staff recommended the following adjustments, considering factors such as compression and distance.

Location	Current Daily Rate	Proposed Daily Rate
Economy Lot	\$5	\$7
Daily Lot	\$9	\$9 (no change)
Sky Lots	\$7	\$9
Garages	\$14	\$15
Valet Parking	\$16	\$17

Mr. Howell further discussed the revenue generation for each lot based on the proposed adjustments.

The Commission asked the cost of the Park Assist system and the approximate start date of shuttle service to which Mr. Howell responded, \$400,000 for each garage and a target

date of September. Mr. Howell noted the challenge with shuttle bus shelters for the existing Economy Lot in that there is a 10-12-week lead-time.

The Commission indicated that they wanted the rate increase to coincide with the shuttle bus service. Discussion ensued amongst the Commission about the individual rate increases and the comparison data provided by Mr. Howell. The Commission asked questions about logistics and timing and voiced the consideration to increase the Economy Lot rate by only \$1.00 rather than \$2.00. Another consideration of the Commission was to put a hold on the rate increase and include in the budget process. The Commission further commented that they would like a better understanding of the compression issue as well as the revenue generation of each lot. Mr. Edwards and Mr. Howell responded to those questions and concerns.

There was a motion to (1) approve the following parking lot daily rate adjustments effective October 1, 2018 providing that the shuttle bus service is in place: a one-dollar (\$1.00) increase per day for the Economy Lots, a two-dollar (\$2.00) increase per day for the Sky Lots, a one-dollar (\$1.00) increase per day for garage parking, and a one-dollar (\$1.00) increase per day for Valet Parking; (2) authorize the CEO and/or CFO to make the necessary budget amendment(s); and (3) authorize the President/CEO to execute all necessary documents. The motion was seconded and unanimously approved.

B. Approval of Amendment to the Property Management Policy (Section 104.00) in the Administrative Policies and Procedures Manual

Mr. Scott Carr, VP of Commercial Business and Communications, presented to the Commission the recommendation to amend the property management policy. In 2013, the Airport District completed a land use master plan that identified nine tracts of land surrounding the airfield and consisting of approximately 2,500 acres. The highest and best use (HBU) for each of the nine tracts of land were also identified.

The robust economy has increased interest among developers and as part of the ongoing dialogue with the Airport Commission about various projects, Staff was asked to update the Property Management Policy in the Administrative Policies and Procedures Manual.

In response, Staff drafted proposed modifications to the Administrative Policy Section 104.00 – Property Management, updated the HBU reference chart, and created a land use map of the nine parcels for consideration. Mr. Carr presented these modifications to the Commission and reviewed the uses for the tracts of land.

The Commission inquired about the highest and best use for a tract of land to which Mr. Carr and Mr. Edwards responded. The Commission then noted that the proposed changes to the policy, with specific regards to aviation related uses, were in line with the requests

of the Commission. Lastly, the Commission requested Staff to continue to keep the Commission apprised of business development inquiries.

There was a motion to (1) approve the amendment to the Property Management Policy (Section 104.00) in the Administrative Policies and Procedures Manual and (2) approve the revised HBU reference chart and associated map. The motion was seconded and unanimously approved.

PRESIDENT/CEO REPORT:

Aviation Industry Update:

Dr. Van Beek provided an aviation industry update during his presentation.

Land Development Project:

Staff has finalized the contract with Panattoni Development at the GSP Logistics Park.

New Air Service:

Both Mr. Edwards and Mr. Carr received positive feedback at the JumpStart Conference that they attended in June. They received good news from American Airlines and there was indication that American Airlines will begin mainline service in either late 2018 or early 2019. They also had good discussion with Air Canada who invited them both back to Montreal to discuss potential service sometime in 2019. Mr. Carr further noted a positive meeting with United Airlines. They have added flights to Houston and have been up gauging. While United Airlines has been experiencing some resource challenges, they have also added daily flights to Dulles.

COMMISSIONER'S REPORT:

Mr. Ramella complimented the Staff on the pristine look of the airport. Mr. Howell briefly updated the Commission on the BUDD GROUP janitorial contract that went into effect June 1, 2018. It will take 120 days for full implementation.

EXECUTIVE SESSION:

There being no further business, a motion was made, seconded, and carried to go into Executive Session for the purpose of discussing personnel matters and contractual items.

ADJOURNMENT:

At approximately 12:51 p.m., public session resumed with no action being taken in Executive Session.

The meeting was adjourned at 12:52 p.m. The next meeting is scheduled for September 10, 2018 at 9:00 a.m.

SIGNATURE OF PREPARER:

Stefanie Hyder



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: September 10, 2018

ITEM DESCRIPTION – Consent Agenda Item B

Approval of Greenville-Spartanburg Airport Commission Meeting Dates/Times for Calendar Year 2019

BACKGROUND

During Calendar Year 2018, the Airport Commission scheduled regular Commission meetings every other month. The meetings have been held on the 2nd Monday of the month at 9:00 a.m., except for March and November held on the 3rd Monday of the month at 9:00 a.m.

ISSUES

Staff attempted to schedule the regular Airport Commission meetings every other month at 9:00 a.m. for Calendar Year 2019. Due to schedule conflicts, Staff was unable to schedule all the meetings on the 2nd Monday of the month and every other month.

Staff recommends scheduling the January 2019 Commission Meeting on the 1st Thursday of the month, the March 2019 Commission Meeting on the last Monday of the month, the May 2019 Commission Meeting on the last Tuesday of the month, the July 2019 Commission Meeting on the last Monday in June 2019, and the November 2019 Commission Meeting on the 2nd Tuesday of the month at 9:00 a.m. The September 2019 Commission meeting, however, will be held on the 2nd Monday of the month. The proposed meeting dates are as follows:



- Thursday, January 3
- Monday, March 25
- Tuesday, May 28
- Monday, June 24
- Monday, September 9
- Tuesday, November 12

ALTERNATIVES

None

FISCAL IMPACT

None

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission approve the Greenville-Spartanburg Airport Commission Meeting Dates/Times for Calendar Year 2019 as presented.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: September 10, 2018

ITEM DESCRIPTION – PRESENTATION ITEM A

Proposed Art and History Alcoves in the Grand Hall

BACKGROUND

Through the recent completion of the Wingspan terminal building project, the Grand Hall has two alcoves, approximately 400 SF each, located at the north and south ends of this public space. As part of the design process for Wingspan, the Airport Commission had identified these two areas as the display of public art as well as an exhibit outlining the rich history of the Airport.

Airport Staff is seeking direction on whether this original plan is still the desire of the Airport Commission. Alternatively, if it is not, there may be some other potential uses that the space could be transformed into including a children's play area as well as other potential uses.

This intent of this presentation is to gain feedback and ultimately direction from the Airport Commission so that Staff can begin planning for the buildout of these two areas within the terminal building.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Basil Dosunmu, Senior VP of Administration & Finance/CFO

DATE: September 10, 2018

ITEM DESCRIPTION – New Business Item A

Approval of TD Bank – GSP Term Loan Agreements

BACKGROUND

At the Commission meeting held on July 11, 2016, the Commission approved resolutions authorizing the line of credit and related banking arrangements with TD Bank. Management worked with TD Bank management and legal counsel in reviewing and revising the Form of Note and Loan Agreement (collectively, the “Loan Agreements”). At the Commission meeting held on September 8, 2016, the Commission approved resolutions authorizing and approving a Not to Exceed \$25,000,000 Revolving Credit Facility with TD Bank.

ISSUES

As previously discussed with the Commission, the Revolving Credit Facility would be used for the interim financing of certain revenue producing projects and that upon the completion of such projects permanent fixed financing would be sought. The attached “Final Resolution Authorizing and Approving a Not to Exceed \$16,000,000 Term Loan (Taxable or Tax-Exempt) Secured by the Revenues of the District and Authorizing the Execution and Delivery of Certain Documents in Connection Therewith,” as reviewed by District’s legal counsel, authorizing the District’s CEO, COO, and CFO to execute the Loan Agreements with TD Bank is presented for approval. This resolution represents the official Commission approval of the Loan Agreements and will be filed with the Clerk of Court in Spartanburg and Greenville counties.

ALTERNATIVES

None recommended



FISCAL IMPACT

The purpose of the Term Loan is to refinance the outstanding Line of Credit utilized to finance the costs associated with the construction of a new corporate hangar and bulk hangar, the purchase of the Runion property, and related financing costs. Finalizing the term loan with TD Bank will provide GSP a fixed financing structure over an extended period of time of ten years without the impact of rising interest rates.

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission approve the attached "Final Resolution Authorizing and Approving a Not to Exceed \$16,000,000 Term Loan (Taxable or Tax-Exempt) Secured by the Revenues of the District and Authorizing the Execution and Delivery of Certain Documents in Connection Therewith," authorizing Management to enter into the Loan Agreements in the forms made available at the meeting.

Attachments

FINAL RESOLUTION AUTHORIZING AND APPROVING A NOT TO EXCEED \$16,000,000 TERM LOAN (TAXABLE OR TAX-EXEMPT) SECURED BY THE REVENUES OF THE DISTRICT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

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

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

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

(b) The Commission has determined to enter into a not-to-exceed \$16,000,000 term loan (taxable or tax-exempt) provided by T.D. Bank, N.A. (the “Bank”) for the purpose of refinancing the outstanding Line of Credit utilized to finance the costs of certain revenue producing capital improvement project for the Airport (the “Project”) and related financing costs.

(c) The proposed financing will be evidenced by (i) a Loan Agreement, to be dated as of the September __, 2018 (the “Loan Agreement”), between the District and the Bank and (ii) a Term Promissory Note, to be dated as of the date of delivery thereof (the “Note”), executed and delivered by District in favor of the Bank. The terms of the Loan Agreement and the Note have been presented at this meeting and the proposed forms thereof have been made available, and the terms and provisions of the Loan Agreement and the Note are hereby incorporated by reference into this Resolution.

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

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

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

Section 3. Pursuant to the provisions of the Act, the District hereby authorizes the incurrence of indebtedness in the form of a term loan as provided in the Loan Agreement and the Note in a principal amount not to exceed \$16,000,000 for the purpose of refinancing outstanding Line of Credit utilized to finance the costs of certain projects and related financing costs. The term of the Loan Agreement and the Note shall initially be twenty years from the date of initial delivery of the Note, subject to the extension of such term by the Bank in its sole discretion; provided, however, that such term as extended shall not exceed the earlier of the useful life of the Project or 40 years from the date of the Note. The principal of the Note shall be due and payable at the times and in the amounts set forth in the Loan Agreement and the Note, subject to the District’s right of prepayment as specified in the Loan Agreement. The Note shall bear interest at a ten year fixed rate, adjusted every ten years, all as provided in the Loan Agreement and the Note.

Section 4. The Loan Agreement and the Note shall be special obligations of the District payable solely from and secured by a lien on the Net Revenues of the District. Neither the faith and credit of the State of South Carolina nor or any county lying within the District nor the District itself is pledged to the payment of the principal, premium, if any, or interest payable under the Loan Agreement or the Note. The Bank shall have no right to compel the exercise of the taxing power of the State of South Carolina,

any county lying within the District or the District itself to pay the principal, premium, if any, or interest payable under the Loan Agreement or the Note, nor to enforce payment against any property of the State of South Carolina, any county lying within the District or the District itself other than Net Revenues, nor shall the Loan Agreement or the Note constitute a charge, lien or encumbrance, legal or equitable, upon any property of the State of South Carolina, any county lying within the District or the District itself. The District has no taxing power. The pledge and lien on the Net Revenues to secure the payment of principal, premium, if any, and interest payable under the Loan Agreement and the Note shall be junior, subordinate and inferior to the pledge of, and lien on, the Net Revenues created by the Resolution securing payment of the Bonds, all as provided in the Loan Agreement.

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

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

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

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

Upon motion of Commissioner _____ and seconded by Commissioner _____, the foregoing Resolution entitled “RESOLUTION AUTHORIZING AND APPROVING A NOT TO EXCEED \$16,000,000 TERM LOAN (TAXABLE OR TAX-EXEMPT) SECURED BY THE REVENUES OF THE DISTRICT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH” was adopted by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, David N. Edwards, Jr., Secretary of the Greenville-Spartanburg Airport Commission, as governing body of the Greenville-Spartanburg Airport District, DO HEREBY CERTIFY that the foregoing resolution was duly adopted at a meeting duly called and held by said Commission on September 10, 2018 and that said resolution and proceedings relating to its adoption are recorded in the minute books of said Commission.

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

WITNESS my hand this 10th day of September, 2018.

Secretary

EXPRESSION OF INTEREST

Greenville-Spartanburg Airport District

Term Loan (Taxable)

August 30, 2018

Thank you for considering TD Bank N.A. for your financing needs. The description of potential key terms and conditions summarized herein are provided for discussion purposes only and for convenience of reference and do not constitute an offer, agreement or commitment to lend or to reach agreement of definitive terms and conditions. The Bank has not sought or received credit approval for the facilities outlined below. The actual terms and conditions upon which the Bank might extend credit to your business may change.

This summary is to be held confidential and may not be shared with any other party, including any other financial institution, without the prior written consent of the Bank.

<u>Borrower</u>	Greenville-Spartanburg Airport District (the "Borrower" or "Airport")
<u>Lender</u>	TD Bank, N.A. (the "Bank")
<u>Facility</u>	Term Loan (Taxable)
<u>Amount</u>	Up to \$16,000,000
<u>Purpose</u>	To refinance ("term-out") outstanding Line of Credit balance tied to capital assets.
<u>Pricing</u>	Fixed Rates <u>indicative</u> as of 8/30/2018: <ul style="list-style-type: none"> Option A = 4.33% (subject to prepayment penalty) Option B = 4.76% (no prepayment penalty)
<u>Term</u>	10 years
<u>Repayment</u>	20 years
<u>Fees</u>	No Commitment Fee. All reasonable fees and expenses required to close the Facility to be paid by the Borrower.
<u>Security</u>	Pledge of Net Revenues
<u>Covenants/Terms & Conditions</u>	<p>Satisfactory receipt, review, and approval of due diligence items and the execution and delivery of definitive loan documents with representations, covenants, and conditions customarily used by the Bank in transactions of this type to reflect final terms, which may include, without limitation covenants for:</p> <ol style="list-style-type: none"> 1. Borrower shall maintain its primary depository and cash management accounts with the Bank. 2. Annual financial statements for the Borrower. 3. Annual budget, projections, and capital improvement plans for the Borrower. 4. Most favored nation provision. <p>Please note that the actual list of covenants, test thresholds and formula definitions will be determined upon the completion of our due diligence and credit approval.</p>



MEMORANDUM

TO: Members of the Airport Commission

FROM: David N. Edwards, Jr., A.A.E., President/CEO

DATE: September 10, 2018

ITEM DESCRIPTION - New Business Item B

Approval of Air Cargo Building Project and Financing

BACKGROUND

In March 2018, the Airport Commission approved Staff to move ahead with the 3rd party development of a new air cargo building to support the continued explosive air cargo growth at the Greenville-Spartanburg International Airport ("GSP"). Staff immediately engaged with the 1st ranked development company, Aviation Facilities Company, Inc. ("AFCO") to negotiate an agreement and begin design of the new air cargo building. As presented to the Airport Commission previously, time is still of the essence as the lack of air cargo space is creating an extreme hardship on the GSP team and is potentially going to stymie further air cargo growth at GSP.

ISSUES

Staff has been trying to finalize the business terms with AFCO for the project. While negotiations were moving along well early in the process, such negotiations have become bogged down recently mostly due to some requirements being placed on AFCO and the Airport District by AFCO's lender.

The Contractor (Haskell) has already completed the building design and AFCO has executed a construction contract with Haskell. Haskell has mobilized for the project. The construction contract has a provision whereby the Haskell contract is assignable directly to the Airport District.

Two options were identified to enable the project to move forward: (1) cease negotiations with AFCO and move to the 2nd ranked developer or (2) cease negotiations with AFCO and accept an assignment of the Haskell contract from AFCO.

As time is still of the essence, through discussions with Chair Minor Shaw, Staff has proceeded with the Airport District accepting an assignment of the Haskell contract from AFCO, and interim financing of the project with our line of credit. Upon completion of the project, such interim financing will be converted to a fixed financing package.

ALTERNATIVES

None recommended due to the fact that the contractor has mobilized and has begun construction of the Air Cargo Building.

FISCAL IMPACT

AFCO last estimated the installment payments under the Install Purchase Agreement between the Airport District and AFCO at \$890,000 annually. These installment payments were to be escalated at 2% annually over the 20-year term of the agreement. Under the agreement with AFCO, the Airport District would have paid a total of approximately \$21,625,000.

Based on the Airport District assuming direct responsibility for the cost of the project, and therefore the associated financing costs, Staff's annual debt service estimate based on a current taxable rate of 4.75% on \$12.5 million is \$969,335. As such, the Airport District will pay \$19,386,700 over a 20-year term.

Based on the above calculations, it is estimated that the Airport District will actually save around \$2.2 million in financing/developer fee costs for the project. In addition, the Airport Commission previously approved Staff to cash fund improvements for Senator in an amount up to \$1 million. Based on the change in the delivery method of the project, the Airport District will not need to fund the Senator improvements with cash as such improvements are included in the \$12.5 million budget. This effectively creates a total savings to the Airport District of \$3.2 million of the 20-year period.



RECOMMENDED ACTION

It is respectfully requested that the Airport Commission resolve to (1) ratify the decision by the Chair and President/CEO to accept the assignment of the Haskell Construction Contract from AFCO; (2) approve the establishment of a budget in the amount of \$12.5 million for this project; (3) approve the use of the Airport District Line of Credit to fund the project; and (4) authorize the President/CEO to execute all necessary documents.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin E. Howell, Senior Vice President/COO

DATE: September 10, 2018

ITEM DESCRIPTION - New Business Item C

Approval of a Budget Amendment for the Cargo Apron Project

BACKGROUND

The Cargo Apron Project includes the construction of a new cargo apron to be located south of the existing FedEx facility. The Phase 1 Apron will allow simultaneous cargo operations with up to two (2) 747-800 aircraft and includes a taxiway connector to TW L, high-mast LED apron lighting and site preparation for the new air cargo facility being built under separate contract. On March 19, 2018, the Commission approved a budget of \$16,636,704.48 for the construction phase of a cargo apron.

The approved construction phase budget for the Cargo Apron Project included:

Phase 1 Apron Construction Contract:	\$14,424,276.80
Construction Phase Engineering/RPR Services:	\$ 700,000.00
Project Contingency (10%):	\$ 1,512,427.68
Total:	\$16,636,704.48

ISSUES

During the initial phases of site preparation for the cargo apron and air cargo facility, the contractor excavated more rock than was estimated in the initial bid day quantities. As this project is a unit cost contract, the District is responsible for paying the contractor based on actual quantities, not estimated quantities. The contractor's bid day unit price for rock excavation is \$15.00/CY and the unit cost for trench rock excavation is \$140.00/CY. Based on current conditions, it is estimated the contractor may excavate 26,000 total cubic yards of rock. The additional rock excavation could total \$1,750,000 more than originally estimated.

During the project scoping and design phase for the new air cargo facility with AFCO/Haskell, it was determined to be advantageous for the District to make some project scope adjustments and/or reassign specific tasks from the cargo facility project to the cargo apron project, including: extending underground utilities from the edge of site to within 5' of the building, revising the building electrical service, and extending the existing GSP network/fiber optic cabling to the building. These costs are as follows:

Underground utilities to within 5' of the building	\$447,130.00
Electrical scope revisions	\$ 87,531.00
Extending GSP network/fiber optic cabling to the building	\$116,697.00

The unforeseen rock and the scope adjustments outlined above exceed the original approved project contingency and require a budget adjustment from the Commission.

ALTERNATIVES

None recommended at this time

FISCAL IMPACT

The original approved project budget of \$16,636,704.48 included a 10% contingency of \$1,512,427.68. Staff recommendation is to adjust the project budget as outlined below.

Phase 1 Apron Construction Contract:	\$14,424,276.80
Construction Phase Engineering/RPR Services:	\$ 700,000.00
Unforeseen Rock Excavation	\$ 1,750,000.00
Electrical Scope Revisions	\$ 87,531.00
GSP Network/Fiber Optic Extension	\$ 116,697.00
Underground Utilities	\$ 447,130.00
Project Contingency (5%):	\$ 721,214.00
Total:	\$18,246,849.80

The revised project budget is a \$1,610,145.32 increase over the originally approved project budget. Staff has submitted an additional grant request under the recent AIP supplemental grant program to fund 90% of these additional costs as well as the original funding shortage on the eligible costs for Phase 1 and 90% of the construction costs for Phase 1a. Once grant funding is finalized, the District's 10% share of the increased costs will equal \$240,136 (the 5% project contingency is not included in this calculation).



RECOMMENDED ACTION

It is respectfully requested that the Airport Commission resolve to (1) approve a project budget increase of \$1,610,145.32 for the Cargo Apron Project; and (2) authorize the President/CEO to execute all necessary documents.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin E. Howell, Senior Vice President/COO

DATE: September 10, 2018

ITEM DESCRIPTION - New Business Item D

Approval of Final Rankings for On-Call Professional Consulting Services

BACKGROUND

The Greenville-Spartanburg Airport District last selected professional services consultants in 2013. The Federal Aviation Administration (FAA) strongly recommends that airports conduct regular solicitations for general consulting services every five years.

Staff prepared a Request for Qualifications (RFQ) for On-Call Professional Consulting Services including architectural/engineering services, geotechnical and materials testing services and surveying services. The RFQ was advertised regionally and nationally through local media and various industry trade organizations and publications. Nine (9) Submittals of Qualifications (SOQs) were received for architectural/engineering services, seven (7) SOQs were received for geotechnical and materials testing services, and one (1) SOQ was received for surveying services on the July 30, 2018 due date.

Architectural/engineering firms/teams submitting SOQs were (Prime firms listed below alphabetically):

ADC Engineering
AVCON, Inc.
Goodwyn, Mills and Cawood, Inc.
Holt Consulting Company
Kimley-Horn
McMillan Pazdan Smith



Mead & Hunt
Pond & Company
WK Dickson & Co., Inc.

Geotechnical and materials testing firms/teams submitting SOQs were (Prime firms listed below alphabetically):

Bunnell-Lammons Engineering, Inc. (BLE)
ECS Southeast, LLP
Froehling & Robertson (F&R)
Goodwyn, Mills and Cawood, Inc.
S&ME, Inc.
SUMMIT Engineering, Laboratory and Testing, P.C.
Terracon Consultants, Inc.

Surveying firm submitting a SOQ:

Site Design, Inc.

The Selection Committee reviewed the SOQs and evaluated them in accordance with the evaluation criteria as outlined in the RFQ. Four (4) architectural/engineering firms/teams and two (2) geotechnical and materials testing firms were short-listed for the second phase of the selection process, which included presentations and interviews with the Selection Committee.

Short-listed architectural/engineering firms/teams (Prime firms listed below alphabetically):

Holt Consulting Company
Kimley-Horn
McMillan Pazdan Smith
WK Dickson & Co., Inc.

Short-listed geotechnical and materials testing firms/teams (Prime firms listed below alphabetically):

Bunnell-Lammons Engineering, Inc. (BLE)
S&ME, Inc.

Presentations and interviews were held with the short-listed firms/teams on August 28 and August 29, 2018. The evaluation of presentations/interviews for the short-listed firms/teams was based on the following categories: team/firm and key personnel experience, project management approach, team organizational structure and overall staffing plan. Also, as part of the presentation, each team was asked to select a potential GSP project and describe their project approach and address any issues or challenges anticipated with their "project" and discuss how their team would ensure a successful project for the Airport District. At the conclusion of each presentation, the Committee conducted a question and answer session with each team on several project management and general consultancy issues to learn more about their firm/team and assist the Committee in determining the final rankings.

ISSUES

In accordance with administrative policy, Staff conducted the RFQ solicitation process and is making a recommendation of final rankings to the Commission. The Commission has final approval of the rankings.

The Selection Committee's recommended final ranking for architectural/engineering services is:

1. WK Dickson & Co., Inc.
2. McMillan Pazdan Smith
3. Kimley-Horn
4. Holt Consulting Company

The Selection Committee's recommended final ranking for geotechnical and materials testing services is:

1. S&ME, Inc.
2. Bunnell-Lammons Engineering, Inc. (BLE)

The Selection Committee's recommended final ranking for surveying services is:

1. Site Design, Inc.

Upon approval of the final rankings, Staff will attempt to negotiate an agreement with the three (3) highest ranked architectural/engineering firms/teams, the highest ranked geotechnical and material testing firm/team, and the highest ranked survey services firm. In the event an agreement cannot be reached with the highest ranked



firms/teams, Staff will formally terminate the negotiations and proceed to negotiate with the next highest ranked firms/teams.

ALTERNATIVES

No alternatives are recommended at this time.

FISCAL IMPACT

Approval of the final ranking itself does not have a direct fiscal impact. Once the On-Call Professional Consulting Firms are under contract, the selected On-Calls will be providing professional services for future capital projects and consulting services as needed. All project expenses will be budgeted and funded from the appropriate capital project/program or applicable budget line item.

RECOMMENDED ACTION

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



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: September 10, 2018

ITEM DESCRIPTION – Information Section Item A

July 2018 - Traffic Report

SUMMARY

For July 2018, passenger traffic was strong with an **8.7%** increase over the same month in 2017. Cargo numbers for July 2018 were up **22.6%** for the same period. Passenger load factors were up at an average of **87.5%**.

A comparison of the North America National Passenger Traffic Growth Averages for 2018 to GSP's Passenger Traffic Growth is depicted below:

Month	2018		
	GSP	National Average	Difference
Jan	6.80%	3.10%	3.70%
Feb	8.00%	5.10%	2.90%
Mar	8.10%	4.40%	3.70%
April	8.30%	5.50%	2.80%
May	3.60%	5.40%	-1.80%
June	7.60%	Data Not Available to Date	
July			
August			
September			
October			
November			
December			
Average	7.07%	4.70%	2.26%

Attached are copies of the detailed traffic report for July 2018.

Providing a look forward into the service levels for October 2018 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 5.8%, and seats are up at 12.0%.

Schedule Weekly Summary Report for nonstop Passenger (Air - All) flights from GSP to for travel October 2018 vs. October 2017

<i>All flights, seats, and ASMs given are per week.</i>											
Travel Period				Oct 2018		Oct 2017		Diff		Percent Diff	
Mkt AI	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	GSP	CLT	76	60	4,131	59	3,782	1	349	1.7%	9.2%
AA	GSP	DCA	396	19	1,028	19	1,197	0	(169)	0.0%	(14.1%)
AA	GSP	DFW	862	14	2,240	14	1,960	0	280	0.0%	14.3%
AA	GSP	ORD	577	12	600	20	1,260	(8)	(660)	(40.0%)	(52.4%)
AA	GSP	PHL	514	20	1,260	20	1,000	0	260	0.0%	26.0%
DL	GSP	ATL	153	59	9,043	53	7,910	6	1,133	11.3%	14.3%
DL	GSP	DTW	508	20	1,709	25	1,586	(5)	123	(20.0%)	7.8%
DL	GSP	LGA	610	16	1,216	9	656	7	560	77.8%	85.4%
F9	GSP	DEN	1,278	2	360	0	0	2	360		
F9	GSP	LAS	1,851	2	360	0	0	2	360		
F9	GSP	MCO	449	2	360	0	0	2	360		
G4	GSP	FLL	620	3	531	3	531	0	0	0.0%	0.0%
G4	GSP	PGD	550	0	0	2	343	(2)	(343)	(100.0%)	(100.0%)
G4	GSP	PIE	482	3	531	2	354	1	177	50.0%	50.0%
G4	GSP	SFB	426	4	708	4	675	0	33	0.0%	4.9%
UA	GSP	EWR	594	21	1,070	20	1,156	1	(86)	5.0%	(7.4%)
UA	GSP	IAD	383	27	1,650	18	1,120	9	530	50.0%	47.3%
UA	GSP	IAH	838	14	1,064	13	650	1	414	7.7%	63.7%
UA	GSP	ORD	577	28	1,400	26	1,628	2	(228)	7.7%	(14.0%)
WN	GSP	ATL	153	20	2,860	20	2,860	0	0	0.0%	0.0%
			TOTAL	346	32,121	327	28,668	19	3,453	5.8%	12.0%

Monthly Traffic Report

Greenville-Spartanburg International Airport

July 2018



Category	Jul 2018	Jul 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change	*MOV12-2018	*MOV12-2017	Percentage Change
Passenger Traffic									
Enplaned	102,982	94,588	8.9%	637,655	595,340	7.1%	1,116,823	1,037,954	7.6%
Deplaned	<u>101,031</u>	<u>93,073</u>	8.6%	<u>630,282</u>	<u>586,820</u>	7.4%	<u>1,099,839</u>	<u>1,020,746</u>	7.7%
Total	204,013	187,661	8.7%	1,267,937	1,182,160	7.3%	2,216,662	2,058,700	7.7%
Cargo Traffic (Pounds)									
Express and Mail									
Enplaned	883,141	905,244	-2.4%	6,461,928	6,908,522	-6.5%	11,875,257	12,043,147	-1.4%
Deplaned	<u>953,212</u>	<u>926,811</u>	2.8%	<u>6,675,562</u>	<u>5,916,187</u>	12.8%	<u>12,288,049</u>	<u>10,334,929</u>	18.9%
Subtotal	1,836,353	1,832,055	0.2%	13,137,490	12,824,709	2.4%	24,163,306	22,378,076	8.0%
Freight									
Enplaned	3,033,493	2,633,104	15.2%	20,377,483	16,649,183	22.4%	34,958,279	26,523,180	31.8%
Deplaned	<u>4,269,876</u>	<u>2,989,449</u>	42.8%	<u>34,268,798</u>	<u>22,966,895</u>	49.2%	<u>55,012,493</u>	<u>35,186,721</u>	56.3%
Subtotal	7,303,369	5,622,553	29.9%	54,646,281	39,616,078	37.9%	89,970,772	61,709,901	45.8%
Total	9,139,722	7,454,608	22.6%	67,783,771	52,441,014	29.3%	114,134,078	84,088,204	35.7%

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

Monthly Traffic Report

Greenville-Spartanburg International Airport

July 2018



Category	Jul 2018	Jul 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change	*MOV12-2018	*MOV12-2017	Percentage Change
Aircraft Operations									
Airlines	1,969	1,692	16.4%	12,612	11,640	8.4%	22,078	19,523	13.1%
Commuter /Air Taxi	<u>1,165</u>	<u>1,392</u>	-16.3%	7,930	7,796	1.7%	14,198	14,389	-1.3%
Subtotal	<u>3,134</u>	<u>3,084</u>	1.6%	<u>20,542</u>	<u>19,436</u>	5.7%	<u>36,276</u>	<u>33,912</u>	7.0%
General Aviation	1,012	692	46.2%	5,706	4,776	19.5%	9,328	8,303	12.3%
Military	<u>165</u>	<u>145</u>	13.8%	<u>1,556</u>	<u>1,140</u>	36.5%	<u>2,397</u>	<u>1,947</u>	23.1%
Subtotal	<u>1,177</u>	<u>837</u>	40.6%	<u>7,262</u>	<u>5,916</u>	22.8%	<u>11,725</u>	<u>10,250</u>	14.4%
Total	4,311	3,921	9.9%	27,804	25,352	9.7%	48,001	44,162	8.7%
Fuel Gallons									
100LL	3,502	2,998	16.8%	21,731	18,573	17.0%	40,123	31,875	25.9%
Jet A (GA)	121,481	81,081	49.8%	793,075	585,581	35.4%	1,243,713	925,854	34.3%
Subtotal	<u>124,983</u>	<u>84,079</u>	48.6%	<u>814,806</u>	<u>604,154</u>	34.9%	<u>1,283,836</u>	<u>957,729</u>	34.1%
Jet A (A/L)	<u>1,380,418</u>	<u>1,106,327</u>	24.8%	<u>9,328,739</u>	<u>6,738,498</u>	38.4%	<u>15,239,921</u>	<u>11,013,855</u>	38.4%
Total	1,505,401	1,190,406	26.5%	10,143,545	7,342,652	38.1%	16,523,757	11,971,584	38.0%

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

Scheduled Airline Enplanements, Seats, and Load Factors

Greenville-Spartanburg International Airport



July 2018

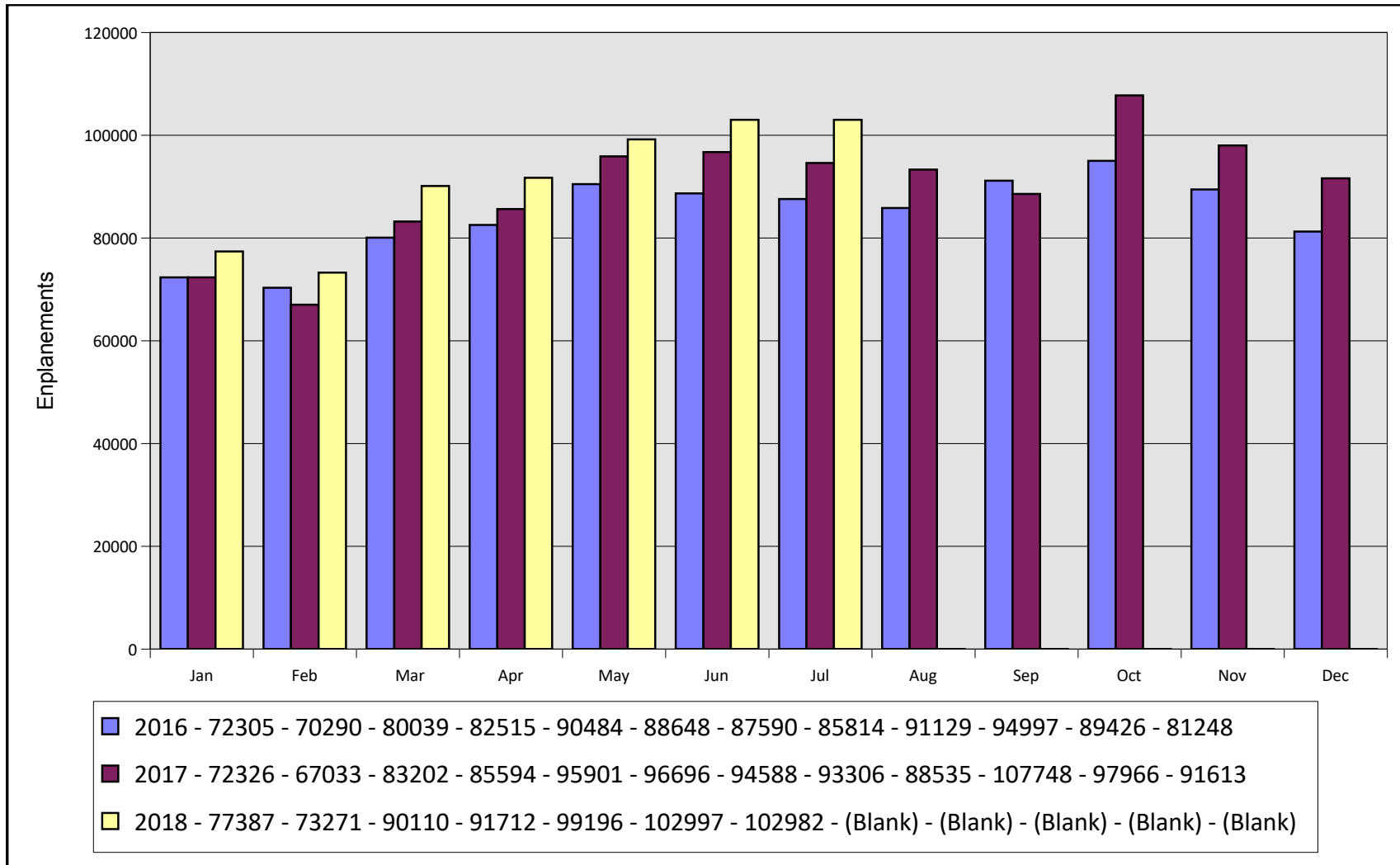
	Jul 2018	Jul 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change
Allegiant Air						
Enplanements	6,361	7,849	-19.0%	33,043	41,383	-20.2%
Seats	7,561	8,906	-15.1%	40,553	50,620	-19.9%
Load Factor	84.1%	88.1%	-4.5%	81.5%	81.8%	-0.3%
American Airlines						
Enplanements	33,226	27,210	22.1%	213,185	175,114	21.7%
Seats	39,567	34,700	14.0%	263,209	216,021	21.8%
Load Factor	84.0%	78.4%	7.1%	81.0%	81.1%	-0.1%
Delta Air Lines						
Enplanements	37,132	33,413	11.1%	230,018	224,632	2.4%
Seats	40,188	36,542	10.0%	262,559	254,194	3.3%
Load Factor	92.4%	91.4%	1.0%	87.6%	88.4%	-0.9%
Southwest Airlines						
Enplanements	10,138	10,623	-4.6%	65,033	63,766	2.0%
Seats	12,584	13,069	-3.7%	86,071	86,967	-1.0%
Load Factor	80.6%	81.3%	-0.9%	75.6%	73.3%	3.0%

Tuesday, August 21, 2018

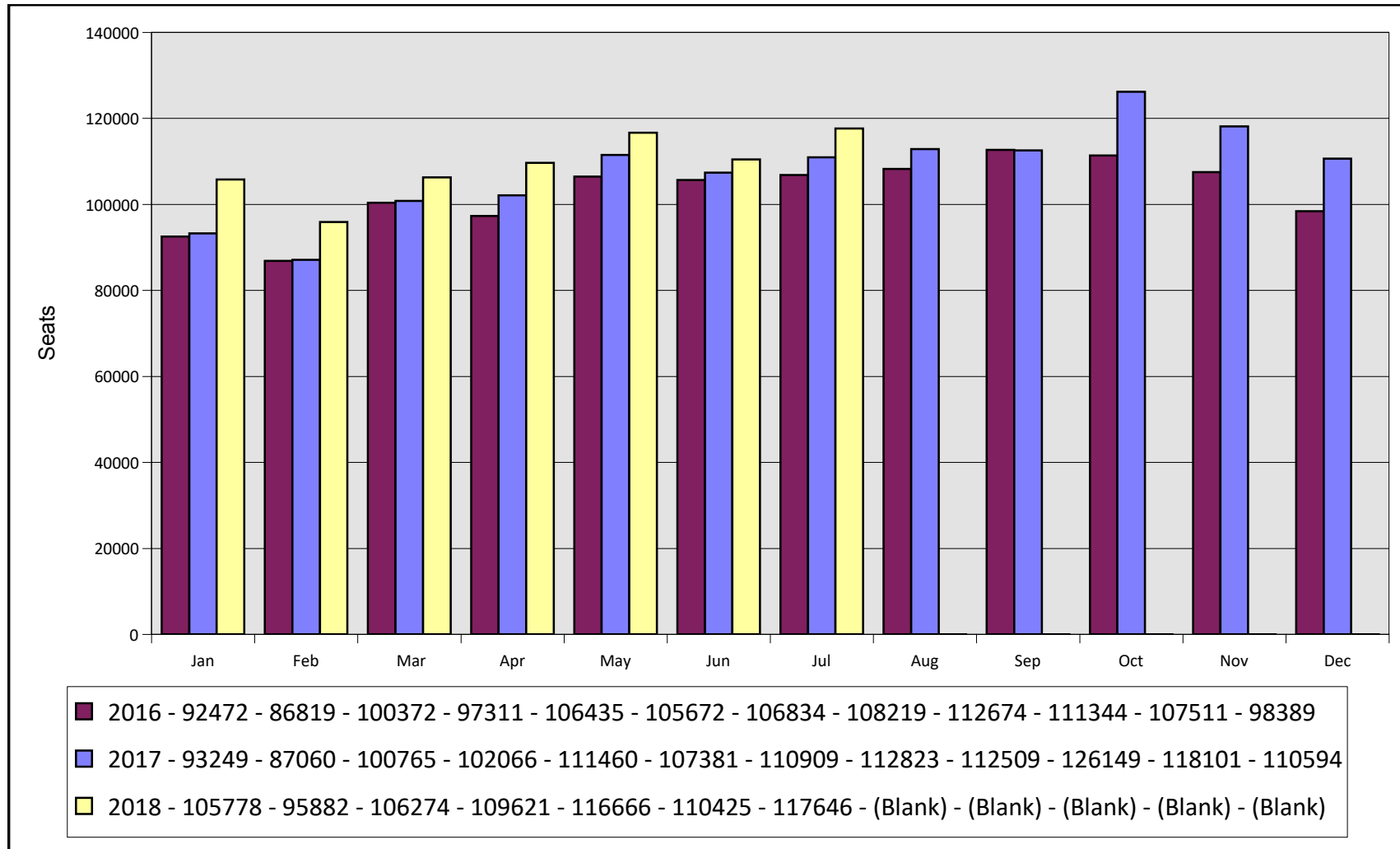
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

	Jul 2018	Jul 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change
United Airlines						
Enplanements	16,029	15,098	6.2%	94,220	88,451	6.5%
Seats	17,746	17,692	0.3%	109,900	105,088	4.6%
Load Factor	90.3%	85.3%	5.8%	85.7%	84.2%	1.9%
Totals						
Enplanements	102,886	94,193	9.2%	635,499	593,346	7.1%
Seats	117,646	110,909	6.1%	762,292	712,890	6.9%
Load Factor	87.5%	84.9%	3.0%	83.4%	83.2%	0.2%

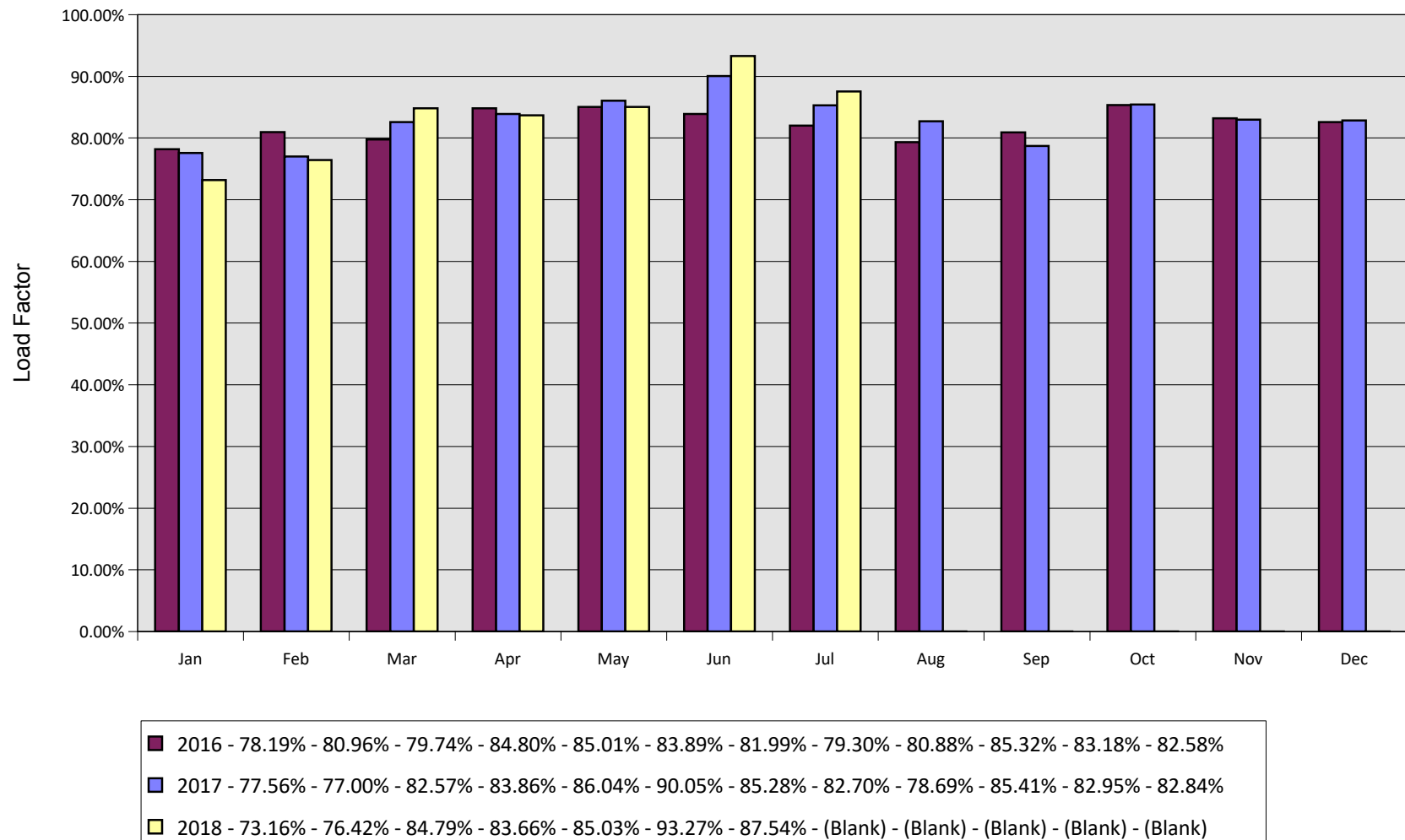
Monthly Enplanements By Year Greenville-Spartanburg International Airport



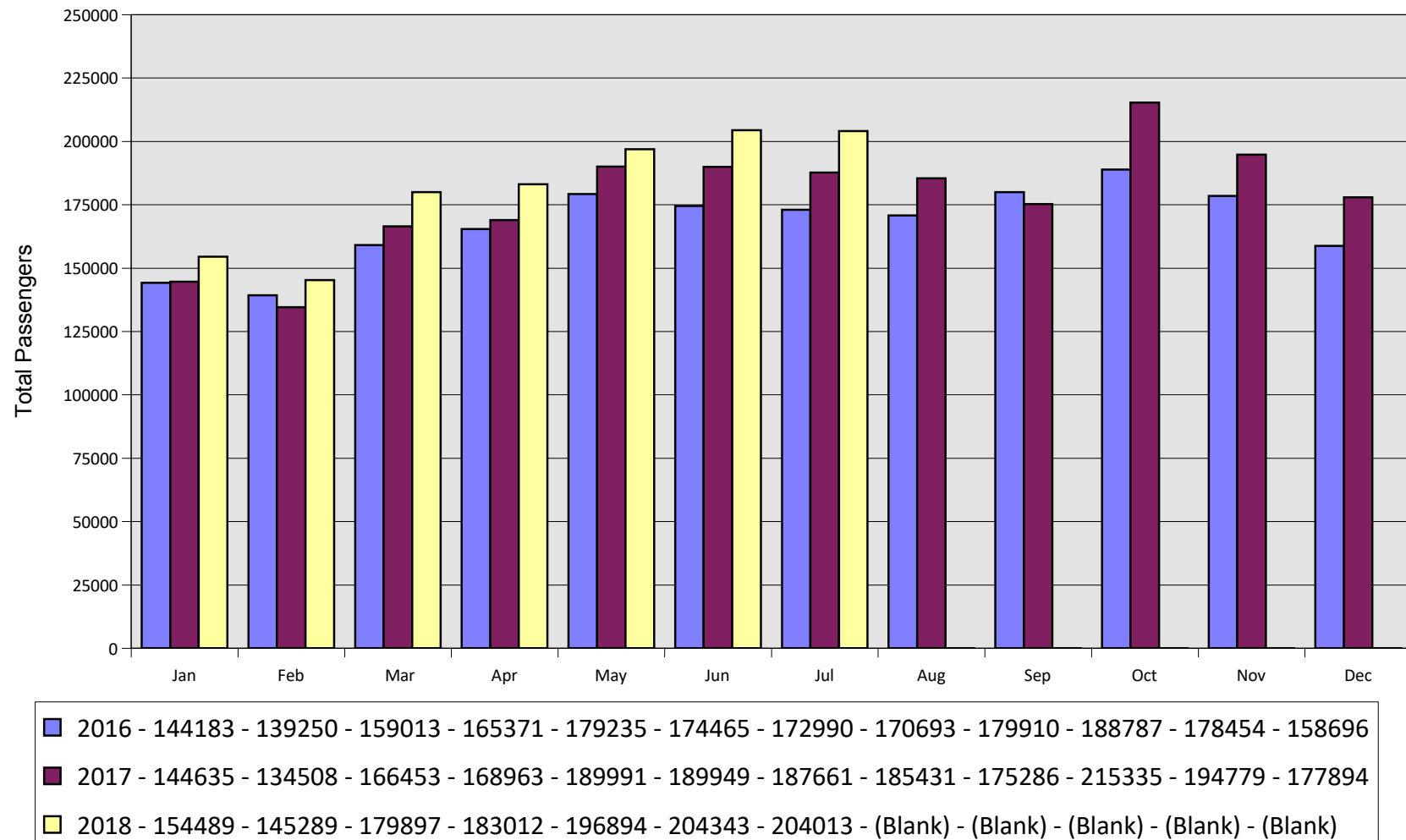
Monthly Seats By Year Greenville-Spartanburg International Airport



Monthly Load Factors By Year Greenville-Spartanburg International Airport

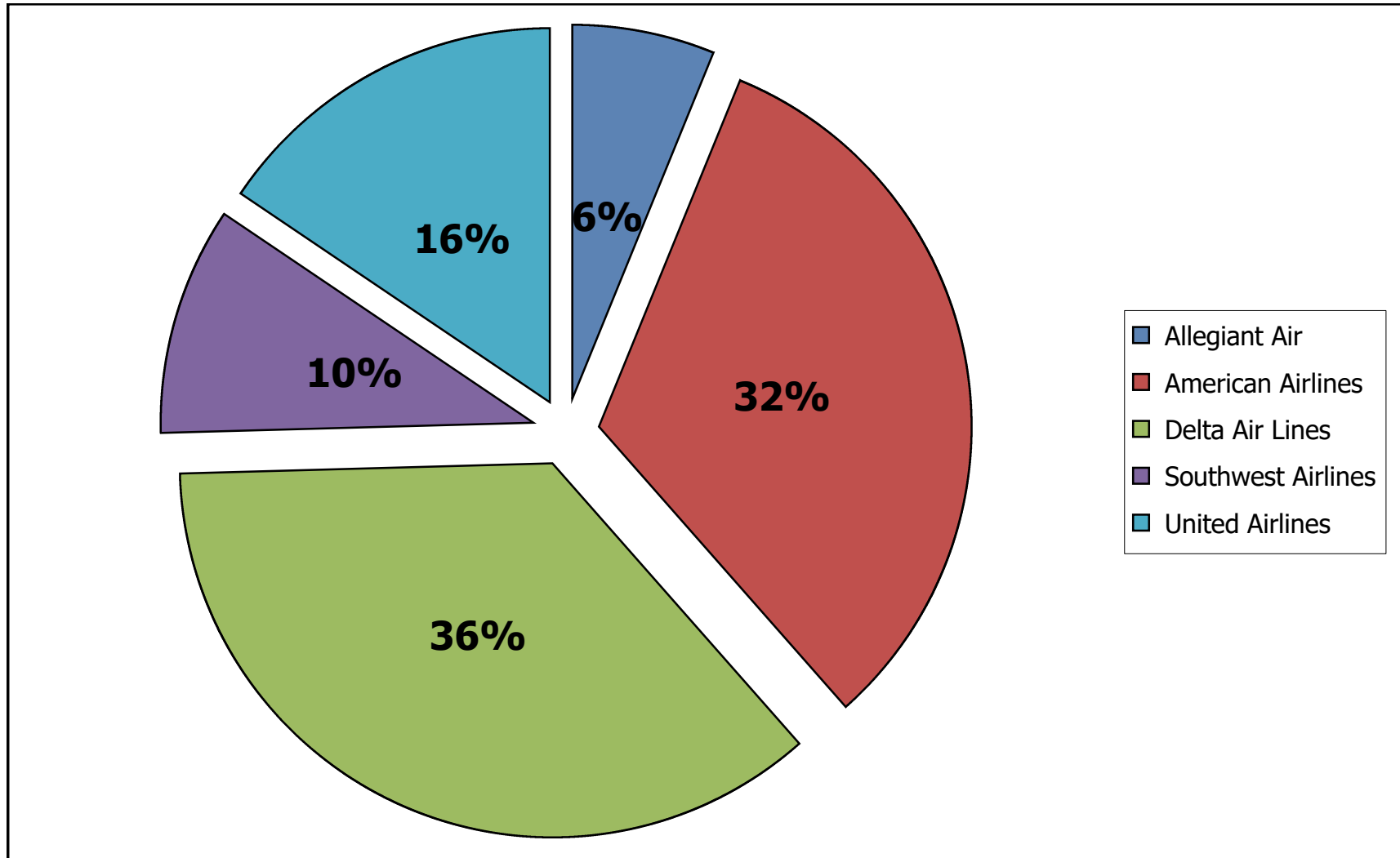


Total Monthly Passengers By Year Greenville-Spartanburg International Airport



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

Report Period From July 2018 Through July 2018



Airline Flight Completions Greenville-Spartanburg International Airport

July 2018



Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Aeronaves TSM	2	0	0	0	0	0	100.0%
Air Atlanta Icelandic	20	0	0	0	0	0	100.0%
Allegiant Air	43	0	0	0	0	0	100.0%
Alliance Air Charter	3	0	0	0	0	0	100.0%
Amazon Aero	2	0	0	0	0	0	100.0%
American Airlines	550	0	1	14	0	15	98.4%
Ameristar Jet Charter	3	0	0	0	0	0	100.0%

Tuesday, August 21, 2018

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
B+F Aviation	1	0	0	0	0	0	100.0%
Barker Neal Wayne	1	0	0	0	0	0	100.0%
Berry Aviation	2	0	0	0	0	0	100.0%
Cargolux	1	0	0	0	0	0	100.0%
Charity Homes Inc.	2	0	0	0	0	0	100.0%
Delta Air Lines	368	0	0	0	0	0	101.1%
Federal Express	37	0	0	0	0	0	100.0%
Fenix Aviation	1	0	0	0	0	0	100.0%
Freight Runners Express	5	0	0	0	0	0	100.0%

Tuesday, August 21, 2018

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
GTA Air	1	0	0	0	0	0	100.0%
IFL Group	9	0	0	0	0	0	100.0%
Kalitta Air	1	0	0	0	0	0	100.0%
Kalitta Charters II	8	0	0	0	0	0	100.0%
Kolo Canyons Air Service	2	0	0	0	0	0	100.0%
McNeely Charter Service	1	0	0	0	0	0	100.0%
PAK West Airlines/Sierra We	5	0	0	0	0	0	100.0%
Priority Air Cargo	6	0	0	0	0	0	100.0%
Royal Air Freight	10	0	0	0	0	0	100.0%

Tuesday, August 21, 2018

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Skyway Enterprises	1	0	0	0	0	0	100.0%
Sonrise Aviation	3	0	0	0	0	0	100.0%
Southwest Airlines	88	0	0	0	0	0	100.0%
Swift Air, LLC	2	0	0	0	0	0	100.0%
Tulip Air	3	0	0	0	0	0	100.0%
United Airlines	329	0	0	5	1	6	100.3%
UPS	32	0	0	0	0	0	100.0%
USA Jet	11	0	0	0	0	0	100.0%
Total	1,553	0	1	19	1	21	98.6%

Tuesday, August 21, 2018



MEMORANDUM

TO: Members of the Airport Commission

FROM: Basil Dosunmu, Senior VP of Administration & Finance/CFO

DATE: September 10, 2018

ITEM DESCRIPTION – Information Section Item B

July 2018 - Financial Report

SUMMARY

Attached is a copy of the detailed financial report for July 2018.

Operating Income was up by **3.86%** when compared to the budget for Year-to-Date July 2018. Operating Expenses were down by ~~**26.20%**~~ when compared to the budgeted amount for the period. Net operating income was up by **71.50%** when compared to the budget through July 2018. For the period ending July 2018, which represents one (1) month of the fiscal year, a total of about **\$1.79 million** has been returned to the bottom line in operating income.

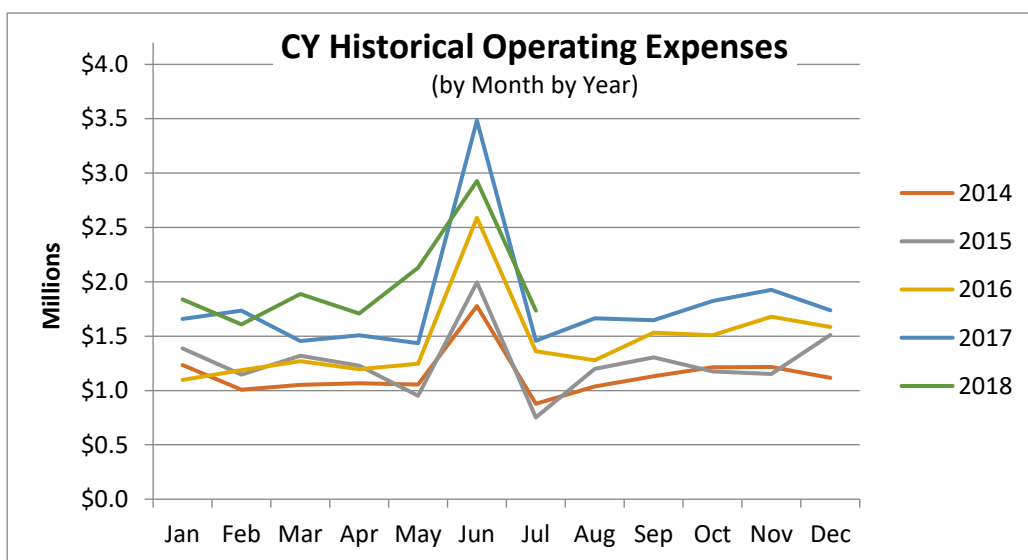
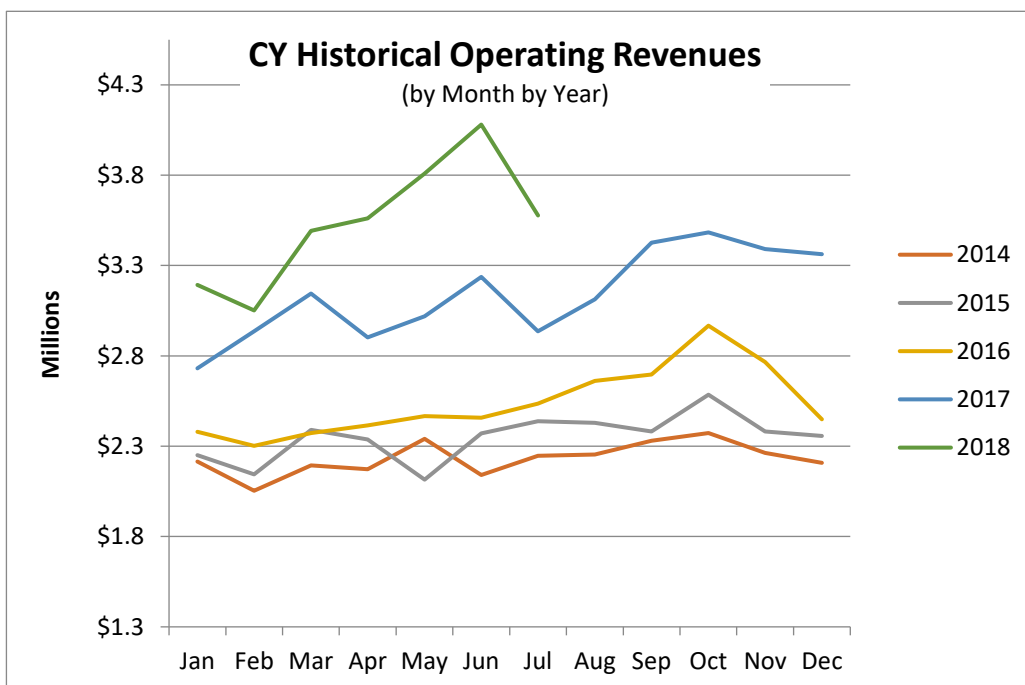
Please recognize that this is a preliminary report, unaudited, and only represents *one month* of activity resulting in variances from budget which can be quite volatile.

July 31, 2018 FINANCIAL STATEMENT PACKAGE

GREENVILLE SPARTANBURG AIRPORT DISTRICT
STATEMENT OF NET POSITION

	Current Month Current FY 7/31/2018	Current Month Prior FY 7/31/2017
Assets		
Cash Accounts	14,975,335.85	7,348,243.46
Investments-Airport	9,985,572.20	9,992,494.45
Bond Trustee Assets	459,910.82	39,551.85
Accounts Receivable	2,470,632.62	2,939,505.02
Less: Reserve for Doubtful Accts	-	
Net Accounts Receivable	<u>2,470,632.62</u>	<u>2,939,505.02</u>
Inventory	419,944.58	355,596.81
Prepaid Insurance	575,309.65	532,935.12
Notes Receivable-RAC District Funds	1,345,126.04	1,567,105.16
Property, Plant & Equipment (PP&E)	397,816,749.54	373,633,501.32
Less: Accumulated Depreciation	(148,652,049.71)	(136,904,394.54)
Net PP&E	<u>249,164,699.83</u>	<u>236,729,106.78</u>
TOTAL ASSETS	<u>279,396,531.59</u>	<u>259,504,538.65</u>
PLUS: Deferred Outflows of Resources		
Deferred Pension	4,534,914.39	2,329,681.54
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>4,534,914.39</u>	<u>2,329,681.54</u>
LESS: Liabilities		
Accounts Payable	1,897,943.38	1,628,600.60
TD Bank LOC	7,194,369.00	2,164,358.00
Revenue Bonds Payable	1,675,236.16	1,629,204.08
SCRS Pension Liability	15,243,794.00	12,214,294.00
Benefit Liability	1,334,855.35	881,124.04
TOTAL LIABILITIES	<u>27,346,197.89</u>	<u>18,517,580.72</u>
LESS: Deferred Inflows of Resources		
Deferred Revenues	1,360,302.04	1,590,398.16
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,360,302.04</u>	<u>1,590,398.16</u>
NET POSITION		
Invested in Capital Assets, net of Related Debt	239,005,204.79	231,377,643.62
Restricted:		
A/P - Capital Projects - Restricted	404,674.66	30,347.77
Contract Facility Charge	2,146,944.96	2,143,604.96
Total Restricted:	<u>2,551,619.62</u>	<u>2,173,952.73</u>
Unrestricted	13,668,121.64	8,174,644.96
TOTAL NET POSITION	<u>255,224,946.05</u>	<u>241,726,241.31</u>

GREENVILLE SPARTANBURG AIRPORT DISTRICT
REVENUES AND EXPENSES TREND GRAPHS



GREENVILLE SPARTANBURG AIRPORT DISTRICT
PROFIT and LOSS STATEMENT

	<----- FISCAL YEAR TO DATE ----->			
	July 31, 2018 Actual	July 31, 2018 Budget	Actual - Budget	% Change
INCOME				
Landing Area:				
Landing Fees	223,953.84	233,773.08	(9,819.24)	-4.20%
Aircraft Parking Fees	29,253.31	24,481.19	4,772.12	19.49%
Subtotal Landing Area	253,207.15	258,254.27	(5,047.12)	-1.95%
Space & Ground Rentals	922,580.01	910,655.46	11,924.55	1.31%
Auto Parking	1,087,993.68	1,061,326.37	26,667.31	2.51%
Commercial Ground Transportation	9,831.31	12,083.33	(2,252.02)	-18.64%
Concessions:				
Advertising	22,480.00	29,166.67	(6,686.67)	-22.93%
Food & Beverage	61,616.89	54,060.12	7,556.77	13.98%
Rental Car	348,765.87	261,721.06	87,044.81	33.26%
Retail	59,638.86	43,845.67	15,793.19	36.02%
Subtotal Concessions	492,501.62	388,793.52	103,708.10	26.67%
Expense Reimbursements	148,503.23	138,039.90	10,463.33	7.58%
Other Income	248,057.12	274,193.60	(26,136.48)	-9.53%
Gross Profit on Fuel Sales	365,096.63	353,428.28	11,668.35	3.30%
Total Operating Income	3,527,770.75	3,396,774.73	130,996.02	3.86%
EXPENSES				
Salary & Benefits	959,149.19	1,173,392.02	(214,242.83)	-18.26%
Professional Services	39,066.63	43,842.08	(4,775.45)	-10.89%
Promotional Activities	3,481.02	127,220.42	(123,739.40)	-97.26%
Administrative	58,189.71	124,935.68	(66,745.97)	-53.42%
Insurance	56,587.55	56,587.55	-	0.00%
Contractual Services	372,576.65	427,128.21	(54,551.56)	-12.77%
Rentals & Leases	6,353.10	43,290.83	(36,937.73)	-85.32%
Repairs & Maintenance	14,707.05	68,739.80	(54,032.75)	-78.60%
Supplies & Equipment	70,674.05	127,767.66	(57,093.61)	-44.69%
Utilities	155,070.29	159,045.79	(3,975.50)	-2.50%
Total Operating Expenses	1,735,855.24	2,351,950.04	(616,094.80)	-26.20%
NET OPERATING INCOME	1,791,915.51	1,044,824.69	747,090.82	71.50%

July 31, 2018

YTD ACTUAL VS YTD BUDGET FOOTNOTES - SUMMARY

(a)	Auto Parking	OVER BUDGET	\$26,667.31	- Budgeted a 2% increase over our FY18 trend; traffic is higher than anticipated
(b)	Rental Car	OVER BUDGET	\$87,044.81	- Enterprise and National are trending 30K and 27K respectively.
(c)	Other Income	UNDER BUDGET	\$26,136.48	- Warehousing Fees Senator and Magma fees under budget 23K - Ground handling (Charter) 24K over budget - GSE Lease/Usage 26K under budget
(d)	Salary & Benefits	UNDER BUDGET	\$214,242.83	- 220 total employees are budgeted while we only have 206 employed at 7/31/2018
(e)	Promotional Activities	UNDER BUDGET	\$123,739.40	- Advertising expense 64K under budget - General marketing expenses 38K under budget - Sponsorships expenses 19K over budget
(f)	Administrative	UNDER BUDGET	\$66,745.97	- Travel/Training 29K under budget - Dues & Subscriptions 17K under budget - Corporate Function 11K under budget
(g)	Contractual Services	UNDER BUDGET	\$54,551.56	- Parking Management agreement expenses 19K under budget - Janitorial Services 9K under budget - Computer-annual contracts 20K under budget - Elevator & Escalator 10K under budget - Catering Services 22K over budget - Miscellaneous 14K under budget (CBP Reimbursable Service program 7K not received yet)
(h)	Rentals & Leases	UNDER BUDGET	\$36,937.73	- Buildings - AFco space not ready yet 21K
(i)	Repairs & Maintenance	UNDER BUDGET	\$54,032.75	- Timing: expenses should increase over the year
(j)	Supplies & Equipment	UNDER BUDGET	\$57,093.61	- Timing: expenses should increase over the year

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

GREENVILLE SPARTANBURG AIRPORT DISTRICT
Other Operating and Maintenance Reserve Funds

		FY \$ Amount Authorized	Estimated Cost	Date	\$ Amount Used YTD	
Committed in 2018 but not spent in 2018	Waterfall Feature Repair		\$ 200,000		\$ -	in Engineering right now to be done by Gregory Fountains
Committed in 2018 but not spent in 2018	LPI Equipment		\$ 25,000		\$ -	
			<u>\$ 225,000</u>		<u>\$ -</u>	
Emergency Repair/Replacement/Operations Fund		\$ 750,000				
			<u>\$ -</u>		<u>\$ -</u>	
	Uncommitted Balance	\$ 525,000				
Business Development Obligations/Incentives		\$ 600,000				
	Escape Lounge		\$ 210,000			
			<u>\$ 210,000</u>		<u>\$ -</u>	
	Uncommitted Balance	\$ 390,000				

Greenville-Spartanburg Airport District
July 31, 2018

	Issue Date	Maturity Date	Interest Rate	Cost Basis or BOY FMV	Par	EOM FMV	FMV Adj
US Treasury							
UST T-Bill 4-wk	7/5/2018	8/2/2018	1.889%	4,992,766.65	5,000,000.00	4,992,766.65	-
UST T-Bill 4-wk	7/12/2018	8/9/2018	1.878%	4,992,805.55	5,000,000.00	4,992,805.55	-
Subtotal-UST				9,985,572.20	10,000,000.00	\$ 9,985,572.20	-

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 = 1.8835%

7/31/2018

Procurement / Capital Acquisitions

Project/Item Description	Date	Monthly \$ Amount
Capital Improvements:		
WK Dickson / Cargo Apron	7/9/2018	40,514
McCarthy Improvement Co. / Cargo Apron	7/12/2018	297,368
McCarthy Improvement Co. / Cargo Apron	7/17/2018	147,655
WK Dickson / Cargo Apron	7/23/2018	49,236
LS3P Associates / PG C Design	7/9/2018	15,747
Avcon / FBO Hangar Project	7/9/2018	10,662
Roebuck Buildings Co / Additional A/C Hangar	7/9/2018	69,900
WK Dickson / ARFF Station design	7/9/2018	194,448
WK Dickson / ARFF Station design	7/23/2018	237,380
Avcon / Cell Phone Lot Overflow Improvements	7/9/2018	31,304
Equipment and Small Capital Outlays:		
Renewals and Replacements:		
Professional Service Projects:		
McFarland Johnson / Master Plan	7/17/2018	121,709
Total Procurements/Capital Additions for the month		<u>\$ 1,215,923</u>



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin Howell, Senior Vice President/COO

DATE: September 10, 2018

ITEM DESCRIPTION – Information Section Item C

August 2018 – Development/Project Status Report

SUMMARY

Airport Master Plan:

Status – Planning Phase

Project Budget – \$1,347,543

Estimated Completion Date – October 2018

McFarland Johnson is leading the GSP Airport Master Plan. Stakeholder meetings and a community input meeting was held on August 14. The Master Plan is scheduled to be completed and ready for submittal to the FAA in October.

ARFF Station Project:

Status – Design Phase

Project Budget – \$969,370 (design phase)

Estimated Completion Date – The design phase is wrapped up. The construction phase is on hold pending confirmation of AIP discretionary funding.

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. Construction documents are being finalized and plans are to be submitted to Spartanburg County for plan review. Contractor pre-qualification and bidding for this project is on hold until FAA AIP funding is secured.



Parking Garage C:

Status – Design Phase

Project Budget – \$40,000,000

Estimated Completion Date – Design phase to be completed February 2019

This project includes the design and construction of a new combined public parking and rental car ready/return garage. The design team is led by LS3P and design is scheduled to be completed in February 2019. Bidding is planned for spring 2019 and construction start would follow in summer 2019.

New Cargo Apron:

Status – Construction Phase

Project Budget – \$16,636,704.48

Estimated Completion Date – March 2019

This project includes the design and construction of a new dedicated cargo apron with taxiway connector just south of the existing FedEx facility. The engineer of record for the cargo apron project is WK Dickson. The general contractor is McCarthy Improvement Company. McCarthy is currently working on mass grading including rock removal and underground utilities. McCarthy has turned over the building pad to Haskell for the Air Cargo Facility.

Air Cargo Facility Phase 1:

Status – Design Phase

Project Budget – \$14,000,000

Estimated Completion Date – May-June 2019

Haskell has mobilized for the construction of the new air cargo facility.

2100 and 2102 GSP Drive Roof Replacement Project:

Status – Construction Phase

Project Budget – \$1,600,000

Estimated Completion Date – 2100 GSP Drive = October 2018; 2102 GSP Drive = September 2018



This project includes replacing the roofs on two existing hangars located at 2100 and 2102 GSP Drive. Lloyd Roofing is handling the roof at 2102 GSP Drive and Baker Roofing is the contractor for the 2100 GSP Drive roof. The first hangar should finish in September and the second should finish in October, pending any weather impacts.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Dudley Brown, Public Relations Manager
Kimberly Davis, Customer Service and Community Relations Manager

DATE: September 10, 2018

ITEM DESCRIPTION – Information Section Item D

August 2018 – Communications Status Report

SUMMARY

NEWS STORIES - BROADCAST, PRINT AND ONLINE 08/01/18-08/31/18:

Corporate, bulk hangar ribbon-cutting

Greenville Business Magazine: [GSP opens two new hangars](#)

Herald-Journal: GSP: [\\$14.5 million in airport upgrades 'just the beginning'](#)

GSA Business: [Cerulean opens new hangars at airport](#)

Greer Today: [GSP celebrates the opening of new aircraft hangars for FBO](#)

[Aviation International News: South Carolina FBO adds new hangars](#)

[Business Airport International: Cerulean opens two hangars at Greenville-Spartanburg International Airport](#)

WYFF: Story not online

WSPA: Story not online

WHNS: Story not online

WORD: [GSP opens new hangars](#)

GSA Business: [Cerulean opens new hangars at airport](#)

Frontier expands Orlando flights, releases Tampa schedule

GSA Business: [Frontier doubles flights to Orlando from GSP](#)

Herald-Journal: [Frontier Airlines ups trips from GSP to Orlando](#)

Greer Today: [Doubling down: Frontier flights from GSP increases and it hasn't had a departure](#)

WORD FM: [Frontier expands at GSP](#)

WHNS: [Frontier Airlines doubles direct flights from GSP to Orlando](#)

WSPA: [Frontier to add even more flights between GSP and Orlando](#)

GSP Master Plan review with the public

WYFF: [GSP airport asking for public input on new 20 year master plan](#)

WSPA: [GSP invites public to give input on master plan](#)

Cargo growth

GSA Business: [GSP pours FAA grant funds into cargo growth](#)

SOCIAL MEDIA 08/01/18-08/31/18:

GSPAairport.com

- Sessions – 93,084
- New Users – 62,536
- Page/Session – 1.85
- Average Session Duration – 1:45

Social Media Influencer Campaign

GSP partnered with Jamarcus Gaston, a local media personality and social media influencer, Aug. 17-19 to promote Delta's flights to NYC. The GSP Instagram account gained 28 followers and the GSP Facebook account gained 77 followers.



Thanks everyone for following along with the GSP to NYC adventure! I appreciate Greenville-Spartanburg International Airport for allowing me to show how easy and fun a quick trip straight from GSP to New York can be. We are very lucky to have these direct flights and be sure to take advantage of the free parking(for up to a week) offer, I will show you how to do that below! Enjoy these photos of my adventure, as you plan yours!:
nonstopgsp.com/newyork/
#ad #GSPtoNYC #Delta





Facebook

The most popular post involved expanded Frontier service to Orlando and the date that seasonal service to Tampa begins. It reached more than 4,000 people and received 107 reactions. The second most popular post promoted a contest with the Bon Secours Wellness Arena that gave away tickets for Cirque du Soleil. It reached more than 3,200 people and had 248 reactions.

Twitter

The most popular tweet promoted the Cirque du Soleil contest. It had 791 impressions and 29 engagements.

Instagram

A photo of an Allegiant plane on the ramp was the most popular Instagram post during August. It received 76 likes.

CUSTOMER SERVICE COMMENTS SUMMARY:

- Suggestions for shuttle service to and from the Economy parking lot.
- Luggage cart kiosk not working properly in Baggage Claim.
- No coffee options when Dunkin' Donuts is closed downstairs.

COMMUNITY RELATIONS/SPECIAL EVENTS:

Planning is underway to participate in Fall for Greenville, Euphoria, Ice on Main and to host a TSA PreCheck event.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: September 10, 2018

ITEM DESCRIPTION – Information Section Item E

August 2018 – Commercial Business and Communications Report

SUMMARY

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

Status – Awaiting plans and specifications for review

Project Budget – All costs are being covered by FedEx

Estimated Completion Date – To be determined

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

MAG Escape Lounge:

Status – Currently under construction with completion slated for mid-October 2018

Project Budget – The Airport District portion to prepare the leasehold space for construction is \$175,000. All other costs are being covered by MAG and are estimated to exceed \$1,000,000.

Estimated Completion Date – October 1, 2018

As the airport continues to strive to reduce passenger leakage to other airports, one of the things that has been noted as needed by the local business community is the need for a lounge. Since the airport is not large enough to have a dedicated airline lounge, a common use lounge will serve all passengers regardless of which airline loyalty program they're affiliated with for their travel. The lounge will be 2,500 square feet in size and

will offer food and beverage, magazines, high speed Wi-Fi, etc., all for a single daily price.

Park Assist – Parking Garages A & B:

Status – Staff is still working through some technical adjustments to fully optimize the system; otherwise, the project is substantially complete

Project Budget – \$791,000

Completion Date – September 30, 2018

Due to the increased number of passengers utilizing the airport, parking in both garages has routinely become full during weekdays. To help assist passengers in locating available parking spaces, the Park Assist system has red and green lights to identify open parking spaces.

This system will help increase customer satisfaction by reducing the stress of finding an available parking spot when arriving at the airport. In addition, there will be some incremental revenue generation by ensuring that passengers continue to utilize the parking garages verses more affordable parking options like the daily and economy lots.

Bon Secours Wellness Arena Rebranding:

Status – New creative is currently in development as well as a new agreement that is being negotiated.

Project Budget – \$5,000

Estimated Completion Date – Fall 2018

The Airport District has an advertising/marketing agreement with the Bon Secours Wellness Arena. As a part of that agreement, we have the branding rights to the ticket office. The current branding is now over three years old and in need of a refresh.

Delta New York LaGuardia (LGA) Advertising Campaign:

Status – Marketing plan has been rolled out and is ongoing.

Project Budget – \$250,000

Completion Date – September 30, 2018

Delta recently announced an increase in service on the GSP-LGA route from the current one flight a day up to three each weekday. The Airport District has put together a



marketing plan to support this increase in service to help ensure that it's successful and by doing so helping to reduce leakage on the route to nearby Charlotte.

American Miami (MIA) Advertising Campaign:

Status – Marketing plan is currently being developed for roll out in October 2018.

Project Budget – TBD

Estimated Completion Date – TBD

American recently announced new service to MIA. The service will be operated on E-145 aircraft with 50 seats each, twice daily, beginning on December 19, 2018. The Airport District is putting together a marketing plan to support this new service to help ensure that it's successful and, by doing so, helping to reduce leakage on the route to nearby Charlotte.

Frontier Advertising Campaign:

Status – Marketing plan is currently being rolled out throughout the Upstate

Project Budget – \$200,000

Estimated Completion Date – December 31, 2018

Frontier recently announced new service to Denver (DEN), Las Vegas (LAS), Orlando (MCO), and Tampa (TPA). The DEN, LAS, and MCO service will be operated on A-321 aircraft with 180 seats each, twice weekly, beginning on September 8, 2018. TPA service will begin in November 2018. The Airport District is putting together a marketing plan to support this new service to help ensure that it's successful and, by doing so, helping to reduce leakage on the route to nearby Charlotte.

Google Street & Terminal Mapping Project:

Status – Google has already been onsite to map the interior public spaces of the terminal building as well as the local streets surrounding the airport. Staff is awaiting Google to upload all of the images to their server and make them available for public use.

Project Budget – All costs are being covered by Google

Estimated Completion Date – To be determined

Google has an interior mapping program for public facilities as well as a street view mapping program. To assist users of the airport by providing a 360-degree view of public areas of the airport, Google has selected GSP for inclusion into both programs. Once



complete, you will be able to see views of the inside of the terminal building and the streets leading up to it when you utilize Google Maps.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Ashley Bruton, Director of Human Resources

DATE: September 10, 2018

ITEM DESCRIPTION – Information Section Item F

August 2018 – OSHA Reportable Injury Report

SUMMARY

Monthly Activity as of August 31, 2018

- 0 OSHA Reportable Injuries

2018 Calendar Year-to-Date

- 7 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
2017	188	241,716	4	0	12
2016	133	243,191	6	0	2

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[Freighters World Conference](#) (freighters-world-conference.html)

[Frankfurt Air Cargo Innovation Lab](#) (frankfurt-air-cargo-innovation-lab.html)

[Cargo Airline of the Year 2017](#) (cargo-airline-of-the-year-2017.html)



(Q)

(NEWS/SINGLE-VIEW/NEWS/LARGEST-US-HORSE-AIRLIFT-AHEAD-OF-WORLD-EQUESTRIAN-GAMES.HTML#)

Largest US horse airlift ahead of World Equestrian Games

30 / 08 / 2018



(uploads/pics/MichaelStone.jpg)

Michael Stone, president of Equestrian Sport Productions. Photo credit: Liza Goodlett

Greenville-Spartanburg International Airport (GSP), a relatively small air hub in the northwest corner of South Carolina becomes the focal point this weekend as what is believed to be the largest-ever airlift of horses into the US gets underway.

On Sunday, afternoon, the first of 20 chartered Emirates freighters will bring 75 horses bound for the nearby World Equestrian Games, set for September 10-23 at the Tryon International Equestrian Center in Tryon.

Sunday's flight from Liege, Belgium, will be the first of 20 that will bring in a total of 550 horses over several days. After Sunday, subsequent flights will carry 35 to 50 horses each.

In addition, the Dubai Royal Air Wing, which has its own private horse transporter, will ship eight horses from the UAE to GSP on September. 6.

Also arriving in Tryon this weekend will be another 75 horses from South America. These horses were flown into Miami International Airport this week from several countries and have been undergoing quarantine. They will be transported by truck from Miami to Tryon.

"Everything is done and we are all ready to go," says Michael Stone, president of Equestrian Sport Productions, organiser of the WEG. "We would like for the weather to cool down," referring to the region's recent mugginess.

Stone says the only comparable equine airlift into the US came in 2010 when about 440 horses were flown to the WEG in 2010, held in Lexington.

Serving as the entry point for the equine participants in the WEG is a big deal for GSP, which only began regularly handling cargo in 2011.

Dave Edwards, the airport's president and chief executive, says his team is ready for the horse invasion.

The airport has been working with the WEG for several months in order to make sure the arrival go smoothly.

"Logistics planning has been excellent and GSP has been fantastic to work with," Stone says. "They have bent over backwards to make it work."

Peden Bloodstock, a Germany-based horse logistics specialist, has arranged the Emirates charters, all to be made on Boeing 777 freighters. GSP cargo staff will serve as cargo handlers for the horses once they arrive.

Martin Atock, Peden's managing director, has traveled to Tryon and GSP several times in preparation for the event.

He praises GSP staff and other regional officials, noting that their helpfulness will be a contributing factor to the event's success.

Emirates is one of the world's leading carriers of horses, transporting about 1,000 annually.

Wilfred D'Souza, Emirates' manager of cargo scheduling and planning says it's all about the comfort and safety of the horses.

"We need to make sure that the horses are not fatigued because of the journey and arrive after a comfortable and quick journey ready to hit the ground running," D'Souza says.

Atock says the vast majority of horses competing in the WEG are based in Belgium, the Netherlands, Germany, and France, so Liege is "enormously convenient." Flights to GSP from Liege take about seven hours and 20 minutes.

Horses must be kept well hydrated during the flight, and air circulation has to be just right.

During the flight, horses are given water and hay. Grooms check on the horses every two hours to make sure everything is going well.

Likewise, with the plane's descent, pilots take it gently with no sharp turns to avoid upsetting their equine passengers. Two of Peden's flying grooms travel with the horses.

"They know all the procedures and are there to protect the integrity of the whole flight," Atock says.

"Once the horses are all in there, you are in good shape if they are all happy, passive travelers.

"Movement is the next crucial thing, and flight crews are enormously experienced. They start very gently, and if there is a turn on the runway, they will move to the right so the horses can adjust their balance.

"Once they are on the runway, they don't go tearing down at full throttle. These pilots use the whole runway and gently ascend up to cruising altitude so the horses don't lose their balance."

After flights land at GSP, horses will be scissor lifted out of the planes while under quarantine conditions and lowered to a walking bridge connecting directly to trucks, which will transfer them to Tryon, where they will undergo 36 hours of quarantine. Before they leave GSP, blood is drawn from each horse.

A special courier then flies with the samples to the USDA testing lab in Ames, Iowa, where the blood is immediately tested for diseases.

For GSP, the equestrian event is an opportunity to showcase its capabilities to the airfreight world.

Edwards says equine transport is a sector the airport could develop in the coming years, perhaps establishing itself as a gateway for horses entering the US.

"First, we need to prove we can do this well through the games. We hope it will create more opportunities going forward."

Dave Edwards, president and chief executive, GSP. Photo courtesy of GSP



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PREVIOUS NEWS STORY

Media centre

Emirates SkyCargo transports first group of horses for the FEI World Equestrian Games™ Tryon 2018

Largest air horse charter for a single sporting event

Dubai, UAE, 3 September 2018- Emirates SkyCargo, the freight division of Emirates, has successfully transported the first group of 67 horses for the FEI World Equestrian Games™ Tryon 2018. The horses were flown from Liege, Belgium to Greenville-Spartanburg, USA in an Emirates SkyCargo Boeing 777 freighter aircraft.

This is the first of the nineteen flights that Emirates SkyCargo will be operating as a special charter for one of the most important events in the global sporting calendar. With over 500 horses being flown for the Games, this is the largest air horse charter that has been undertaken for a single sporting event. Emirates SkyCargo worked with Peden Bloodstock, a leading international horse transportation specialist to execute the charter.

Emirates SkyCargo is no stranger to equine transportation and regularly flies horses for leading racing and other equestrian events across the globe. The air cargo carrier provides a calm and comfortable environment for the horses which also complies with regulations set out by national and international authorities on live animal transport including IATA Live Animals regulations (LAR).

For more information on the charter and the FEI World Equestrian Games™ Tryon 2018 visit the FEI News Centre.

Sukanya Ramanujan

Emirates Public Relations

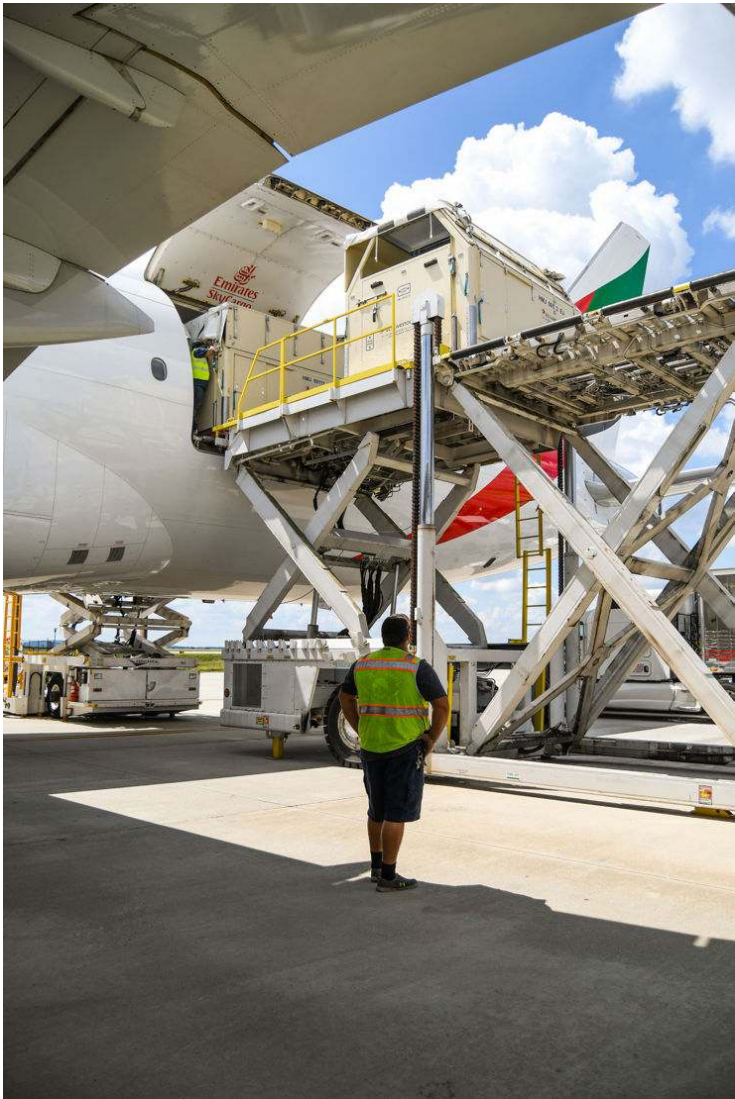
Emirates Group

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AOA

GA: After Security Breaches, Hartsfield-Jackson Installing Concertina Wire Around Perimeter

KELLY YAMANOUCHI ON AUG 31, 2018

SOURCE: MCCLATCHY

Aug. 31--In the wake of security breaches, Hartsfield-Jackson International Airport has begun installing concertina wire on fencing around the perimeter of the airfield.

The coiled razor wire is being added on top of the existing three rows of barbed wire on about 20 miles of perimeter security fencing that surrounds the airport.

It's in response to recent incidents that raised security concerns at the world's busiest airport.

In June, a man scaled a fence and ran onto an active taxiway at the Atlanta airport. Then about two weeks later, another trespasser was found walking on an access road around the airfield inside the perimeter fence at around 2 a.m.

The airport is installing the concertina wire at a rate of about 450 feet a day, said Hartsfield-Jackson interim general manager Balram Bheodari.

The work will cost a total of about \$5 million, to be paid for with airport funds, according to Hartsfield-Jackson.

Still under consideration are additional measures such as covering the chain link fence with fabric to make it difficult to climb.

Bheodari said the permanent solution may also include a v-shaped structure on the concertina wire "that will make it much much much more difficult" to climb. He said it would be a military-style fence that is also used by some airports in other countries.

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AIRPORTS



Airport Parking in the Age Of Uber

BY ART STADIG ON AUG 23, 2018

Ridership of transportation network companies (TNCs) like Uber and Lyft is increasing, and that's posing new challenges when it comes to airport parking. TNC use at some large airports is in the range of 15 percent to 20 percent of all passengers to and from the airport. As patrons choose TNCs to travel to and from airports, demand for parking and other ground transportation options is falling, resulting in lower airport revenue. The problem is, parking is a significant source of revenue for airports—for many it's the second most important revenue source after gate fees—so falling parking demand can hit an airport's bottom line hard.

So, how can airports respond in this Age of Uber? The impacts on parking are not uniform across parking products, and range widely between different airports. However, modeling parking finances can help airports find the right fee to charge for TNC trips to help recover lost revenue.

Demand and revenue impacts

The potential impact of TNCs on airport parking are more complicated than simply assuming there's a uniform decrease in parking demand across the airport parking system. Airport parking demand increases with rising originating enplanements, which in some cases is going up at 3 percent to 5 percent annually. So, while the per passenger parking demand is going down because of TNC use, the number of passengers is growing. This leads to mixed financial results for airports based on several factors, including parking fee changes. In some cases, revenues are flat as enplanements are increasing. Each airport experiences different changes and every situation requires specific solutions. For example, a TNC modeling study at one southern airport found that total parking demand in 2015 dropped by 3-5 percent, compared to 2014, because of TNC trips. This displacement was predominantly affecting longer-term parking of three to four or more days in duration.

Conversely, a survey for another southern airport found that TNC trips increased by 600 percent (on a per enplanement basis) from 2014 to 2016. Meanwhile, the total parking transactions per enplanement decreased by 11 percent from 2014 to 2016. In this second case, long-term and remote parking grew, while short-term parking clearly declined. One potential reason for this difference is that patrons could be using TNCs (which never park) rather than being picked-up or dropped-off with a personal vehicle (which occupy short-term parking). The drastically different findings from these two engagements demonstrate the complicated nature of TNCs' influence on parking demand within airports.

TNCs are also impacting airport car rental revenues and taxi utilization fees, which are also declining as many passengers forgo a taxi ride for a TNC ride. For example, Las Vegas' McCarran International Airport experienced a doubling of TNC pick-ups and drop-offs from a year ago, but saw taxi pickups decline by 13 percent. Los Angeles International Airport, on the other hand, began charging for TNC rides in 2016, which added nearly \$9 million in revenue, while rental car revenue on a per enplanement basis fell by nearly 12 percent in the same year.

TNCs are causing revenue losses through declines in parking and other ground transportation demand, which left unaddressed, may continue to decline as TNC ridership grows. In light of these issues, virtually all major airports have begun charging a fee to TNC rides, similar to fees charged to taxi rides, either to or from the airport, or for both directions, using geo-fencing technology. Additionally, airports frequently charge a one-time or annual fee to the TNCs, similar to that of airlines, car rental, and taxi company fees. However, revenues generated from per-trip fees to riders tend to dwarf these one-time fees, which are currently relatively low.

Current TNC fees at many major airports in the US are presented in the above table. Each airport's needs for TNC fees will likely be different and when setting a fee airports need to take into account the nature and volume of the population surrounding the airport. The volume of TNC rides to and from the airport, current parking demand and fees, and other ground transportation operations revenue all affect TNC fees. Additionally, these issues may change over time, as TNC ridership grows, so airports need to regularly reassess their fees.

TNC fees and financial analysis

Despite the increased use of TNCs, not all airports have experienced parking revenue loss. The stability of total parking revenue at these airports may be attributed to a combination of increasing originating enplanements and/or increased parking fees; many airports increased parking fees to offset a decline in demand. However, this approach could reach a threshold where the cost of a TNC trip is low enough relative to the cost of parking that patrons choose to use TNCs at even higher volumes, assuming today's TNC trip prices don't increase significantly.

Airports continue to monitor the parking revenue situation and must continually monitor their parking products to keep up. As time passes, airports will increasingly need to consider parking technology to make the parking experience more convenient and pleasant or institute parking loyalty programs offering discounted parking, reserved parking, special deals with terminal vendors, and other perks. These offerings appeal to travelers who might otherwise turn to TNCs by making the parking experience more convenient and rewarding.

Changing times

Transportation networking companies already play an important role at America's airports, and that role will continue to grow. As most airport executives have already discovered, TNCs can have a significant impact on the bottom line, particularly when it comes to parking revenues. On the positive side, TNC use may forestall or eliminate the need to expand parking at some airports. It is essential for airport executives to make parking planning an essential element of their airport's operations, and that should include constantly evaluating the airport's parking planning to assure that it accommodates current transportation trends and can adapt to foreseeable changes in the transportation industry. The shared economy, as illustrated by the rise of TNCs is always evolving and airports' parking planning must also constantly evolve to keep up with the growth of TNCs and the transportation trends that are likely to arrive in the future.

Art Stadig, P.E. is Vice President and Director of Aviation Services for Walker Consulting, the world's leading parking design and consulting firm. He can be reached at astadig@walkerconsultants.com.

PARKING PREDICTIONS

Assessing The Impact Of TNCs, Autonomous Vehicles, Technology

BY ARJUN BALASUNDARAM

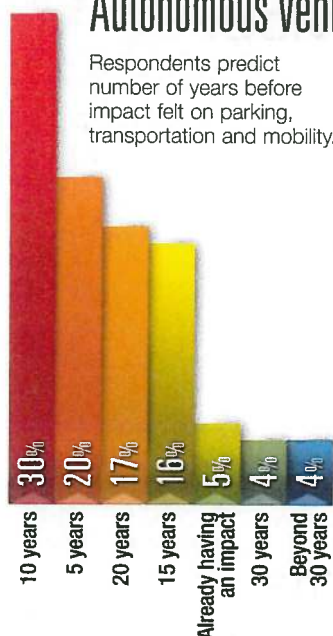
Top Emerging Trends In Parking



Source: 2018 Emerging Trends In Parking Report, International Parking Institute

Projected Impact Of Autonomous Vehicles

Respondents predict number of years before impact felt on parking, transportation and mobility.



Source: 2018 Emerging Trends In Parking Report, International Parking Institute

More than half of parking professionals surveyed by the International Parking Institute say the need for curb management strategies is a key emerging trend in parking. The need has emerged due to the increased use of transportation network companies such as Uber and Lyft, as well as the expectation of autonomous car usage in the relatively near future.

The 2018 Emerging Trends In Parking survey was conducted by the International Parking Institute. Respondents consisted of parking and transportation managers, department heads and officials involved in designing parking facilities for municipalities, universities, airports, hospitals and corporations.

Nearly all respondents agree that autonomous vehicles will have a significant effect on parking, transportation and mobility. More than 60 percent believe autonomous vehicles will create congestion at pick-up and drop-off areas, but 45 percent feel consumer reluctance will delay

the cars' widespread adoption. About 20 percent predict many more autonomous vehicles on the road within five years; others feel that change will take longer.

The survey found that parking technology "remains a game-changer" for the industry. Tech-based trends include the prevalence of mobile apps that provide real-time information on pricing and availability, technologies that improve access control and payment, and demand for guidance systems that help drivers find parking.

Although those were the top practical applications, 41 percent of respondents pointed out that technology can also be used to aid collaboration between parking transportation and decision makers. "Successful projects depend on collaboration," says Shawn Conrad, CEO of the International Parking Institute. "Too often, challenges that could have been avoided by tapping into parking expertise early in the planning process create headaches down the road." ■

AIRPORTS



All Aboard Airport People Movers

BY PETER AARONS ON AUG 23, 2018



The planned Automated People Mover that is part of the Landside Access Modernization Program at Los Angeles International Airport.

Photo credit: LAWA

Automated people movers have been in use in various forms for nearly a century. One of the first automated systems for human transportation was the screw-driven Never-Stop Railway constructed for the British Empire Exhibition at Wembley, London in 1924. Its 88 unmanned carriages moved on a continuous double track along the northern and eastern sides of the exhibition, with reversing loops at either end. The speed could be increased or slowed, depending on operational needs. The system operated reliably during the two years of the exhibition, after which it was dismantled.

Today, many automated people mover systems are being effectively utilized in various global urban transport environments, including at amusement parks, exhibition areas, shopping complexes, medical centers, and increasingly more airports.

APMs offer solutions

With the continued growth of air travel and swelling congestion, airports are looking for innovative transportation solutions to increase the speed and frequency of conveying passengers in and around airports to make the entire travel experience more efficient and pleasant.

As airports continue to undertake major modernization and infrastructure improvements to keep pace with growing passenger demand, they are increasingly considering utilizing automated people movers that can provide numerous mobility benefits for airports and their travelers.

Automated and driverless, people movers can carry up to 100 passengers in vehicles with multiple cars, offer frequent and point-to-point service not only to central terminal areas, but to and from intermodal transit facilities, and in some cases, even to metropolitan city centers. Convenient seamless transit options are further enhanced when automated people movers (APMs) can connect to light rail, bus and other public transportation systems.

Using APMs can relieve traffic congestion in the immediate airport vicinity, as well as alleviate traffic bottlenecks around passenger terminals. This transport technology can offer solutions to existing transit deficits and capacity issues, as well as associated air pollution, to significantly improve the transit experience for all travelers.

More recently, APM systems are being designed to connect airport terminals with landside facilities such as parking, car rental services, regional transportation services, hotels and other related employment and activity centers.

With airports about the size of small cities, passenger conveyance to and through the airport terminals and gates can often feel like running in a marathon. APMs can enable greater numbers of passengers to move more quickly and comfortably over longer distances, when walking or buses are not feasible. This helps passengers arrive at their aircraft gates faster and with less stress, especially those traveling at large airline hub operations.

APMs on the rise

Globally, airports have embraced this transport technology and implemented it as part of their master plans. At last count, there are 51 airports with automated people mover systems around the world. Nearly half (24) of those are in North America.

Several new APM systems are planned, including Los Angeles International Airport's 2.25-mile Automated People Mover that will connect three on-airport stations to Metro Rail and transit services; a Consolidated Rent-A-Car center; two Intermodal Transportation Facilities for additional parking, ground transportation services, and meet-greeter activities; and roadway improvements.

The automated people mover is part of the \$5.5-billion Landside Access Modernization Program that will offer airport guests convenient and reliable choices to access the airport. Scheduled for completion by 2023, the improvements will reduce surrounding congestion and make LAX a world-class facility well in advance of the 2028 LA Olympics Games.

Elevating passenger satisfaction

It's interesting to note that APMs likely play a significant role when it comes to airport customer satisfaction, based on results from the Skytrax World's Best Airport Awards, a global benchmark of airport excellence. The 2017 Top 10 Best Airports include eight airports that have operational APMs. For the fifth year in a row, Singapore Changi Airport, known for excellence, innovation and its Skytrain, has claimed the world's best title.

The Changi Airport Skytrain connects Terminals 1, 2 and 3 at Changi Airport. It was the first driverless and automated system in Asia. With the opening of the Changi Airport underground Mass Rapid Transit Station in 2002, the Skytrain connects passengers at Terminal 1 to the MRT station entrances located at Terminals 2 and 3. The free inter-terminal journey takes approximately four minutes to provide an efficient transport network. Changi undoubtedly deserves to be recognized for its ongoing commitment to the passenger experience.

Seamless intermodal solutions

In the United States, San Francisco International Airport's intermodal solution is a classic example of seamless connectivity between the airport and the local metropolitan area. The airport's automated people mover–AirTrain–links directly with the Bay Area Rapid Transit System (BART), which is a heavy rail line that serves many municipalities in the San Francisco Bay Area. Passengers can travel more conveniently between their homes and the airport, leaving their cars at home.

The HNTB-designed BART to San Francisco International Airport Extension and Stations project was a \$500 million six-mile extension of underground subway, one mile of at-grade trackway and one mile of aerial bridge structure. The extension provides a direct train-to-plane connection that has become the No. 1 choice of air travelers taking public transportation to San Francisco International Airport.

Function and design

APM projects require extensive planning and evaluation to ensure they meet the goals and objectives of individual airports. In addition to planning a system and selecting the type of APM, there is also the need to incorporate design elements that can complement the airport facility and its surroundings and showcase the unique attributes of the airport's locale.

Design management includes the overall responsibility for both engineering and design development, not only to meet the operational needs of the system but to ensure its constructability. An award-winning APM design encompasses many elements – economy, durability, aesthetics, etc., but ultimately the result is concerned with delivering on the program objective of transforming the airport, making it more accessible and enhancing the passenger experience.

This is accomplished by a rigorous design management process that encompasses design leadership, innovation, implementation of proven best practices and collaboration that will result in a transformative solution to each airport's challenges. It requires a talented, coordinated, and well-organized design team that clearly understands the client's requirements and their vision for the airport's APM.

Experience counts

For airports embarking on major infrastructure improvements incorporating APMs, selecting the right team is fundamental to the future success of the project. Success driven teams bring specific and relevant technical expertise; familiarity with the airport, city and other local stakeholders; innovation and creativity; project coordination and quality control; and communication skills. These qualities ensure the project can be delivered on time and on budget, and equally importantly, meet the goals and objectives of the client.

Firms that have a track record of delivering successful complex transit projects bring distinct advantages to airport clients. HNTB's work on airport automated people movers includes the Tampa International Airport Master Plan, with recommendation for a \$4 billion modernization and expansion including new consolidated rental car facility linked to the main terminal via an automated people mover; and Hartsfield-Jackson Atlanta International Airport's South Concourse Development, which includes plans for new midfield concourses served by a second secure APM system in order to serve 153 million annual passengers; among numerous others.

More travelers – More APMs

According to the International Air Transport Association, approximately 7.8 billion passengers are expected to travel in 2036, a near doubling of the 4 billion air travelers projected to fly this year. The prediction is based on a 3.6% average Compound Annual Growth Rate noted in the latest update to the association's 20-Year Air Passenger Forecast.

As growth continues, airports must prepare today if they expect to be able to handle ever increasing passengers in the coming decades. Automated people mover systems will become progressively more essential to provide multi modal accessibility to efficiently and conveniently transport passengers, not only in and around airports, but closer to their final destinations. Innovation and modernization will be key drivers in the race to keep pace with growth in air travel. It's time to get on board with people movers.

Peter Aarons is West Division aviation director and associate vice president for HNTB Corporation. He has more than 25 years of experience in planning, development, design, program and project management, and construction for airports. Contact

Allentown area airport breaks ground on new \$16.3 million hangar



Lehigh Northampton Airport Authority Executive Director Tom Stoudt addresses media and dignitaries at Tuesday's groundbreaking for Hangar 11 at Lehigh Valley International Airport. The 54,000 square-foot hangar is expected to open in the summer of 2019. (Tom Shortell | The Morning Call)



By **Tom Shortell**
Of The Morning Call

AUGUST 22, 2018

Lehigh Northampton Airport Authority officials held a groundbreaking Tuesday on a new 54,000 square-foot hangar at Lehigh Valley International Airport, a project they hope will meet soaring demand to house corporate jets.

Tom Stoudt, the executive director of the airport authority, said staff has received cold calls from companies

looking to move their businesses into the Lehigh Valley. While the authority has planned on building more hangar space for years, rough finances at the airport pushed the project back until now.

“We’ve been turning people away. The inn is full,” Stoudt said.

Now, the authority believes it has three companies lined up to house their jets at the future Hangar 11, which is being built off Hayden Circle in Hanover Township, Lehigh County. Stoudt said no contracts are in place for the potential tenants, but authority officials said that could start to change now that the project is underway.

The hangar is capable of housing the latest generation of 100,000-pound corporate jets, but the rest of the space can just as easily handle smaller aircraft, he said. The three companies that have expressed interest would take up about half the space in the hangar with three aircraft.

Hangar 11, expected to be completed by June 2019, would become the first new hangar built at LVIA in 13 years. The airport authority is paying for most of the \$16.3 million project with a \$10 million bond.

Another \$6 million would be paid with a PennDOT Bureau of Aviation grant. Anthony McCloskey, director of the bureau, described the project as a bread-and-butter example of the type of projects the bureau supports. LVIA has seen its passenger totals surge in 2018, and adding more hangar space will contribute to strong economic growth at the airport, he said. The bureau has committed 60 percent of its total grant funding for the year to the project, he said.

“This was more or less a no-brainer, to invest in a project of this size,” McCloskey said.

State Sen. **Lisa Boscola**, D-Northampton, said more hangar space at LVIA would make the Lehigh Valley an ideal location for private businesses thanks to its easy access to New York City and Philadelphia. Once completed, the hangar will allow LVIA to better compete with the likes of Teterboro Airport and Morristown Municipal Airport in New Jersey, she said.

Boscola, a former member of the airport’s board of governors, said the region’s three state senators formed a united front to push for funding for the project. While she and Sens. **Mario Scavella**, R-Monroe, and Pat Browne, R-Lehigh, occupy different sides of the political aisle, they agreed that securing the grant for LVIA would help the local economy. More hangar space would mean more aircraft, which would create more work for mechanics and pilots and attract more business into the region.

When completed, Hangar 11 will become the authority’s eighth existing bulk hangar, Stoudt said. Older

hangars dating back to the 1920s were removed and not replaced, throwing off the hangar numbering.

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This article is related to: **Mario M. Scavello, Lisa M Boscola**

TECH & SECURITY

CA: Man Arrested After Jumping Fence at LAX

PETER MARTINEZ ON AUG 28, 2018

SOURCE: CBS NEWS

A man is in custody Monday after he scaled a fence at the Los Angeles International Airport (LAX) and ran onto a runway, police said. CBS Los Angeles says the incident happened just before 1:30 p.m. local time.

The station says the man was seen running near a Delta Air Lines plane, where airport police apprehended him.

Read more: <https://www.cbsnews.com/news/man-arrested-jumping-fence-lax-los-angeles-international-airport-today-2018-08-27>

AIRPORTS

OneJet Sued for Serving Only 2 Cities from Pittsburgh with \$1M Incentive

THERESA CLIFT ON AUG 13, 2018

SOURCE: MCCLATCHY

Aug. 13--Allegheny County Airport Authority sued startup airline OneJet for flying to only two cities instead of the 10 it promised when it received a \$1 million incentive to operate out of Pittsburgh International Airport.

The lawsuit, filed Friday in Allegheny County Common Pleas Court, said the carrier owes the authority \$763,000.

The authority paid the carrier \$1 million in state gambling tax revenue in June 2016 in exchange for the carrier to launch 10 routes by the end of 2017. At the time, it was the largest incentive the airport had ever given an airline. OneJet was required to fly each new route five days a week for at least five years, the lawsuit said.

The carrier now flies to only two cities from Pittsburgh -- Indianapolis and Hartford, Conn. A OneJet spokeswoman did not immediately return a request for comment.

Airport spokesman Bob Kerlik said the lawsuit speaks for itself and provided no further comment.

OneJet launched and then cut service from Pittsburgh to Milwaukee, Cincinnati, Indianapolis, Nashville, Richmond, Va.; Albany, N.Y.; Providence, R.I.; Hartford; Kansas City, Mo.; and Palm Beach, Fla.

Service to Memphis never launched, Kerlik said. The carrier told the Tribune-Review last month it planned to launch the Memphis service and re-launch the defunct Nashville service in October.

Allegheny County Airport Authority CEO Christina Cassotis told the Trib last month if the carrier did not launch the Tennessee routes by October, the authority could take back some of the incentive money.

At the time, the OneJet website showed that flights were available from Pittsburgh to eight cities. The airline has been serving only two cities since June or July, Kerlik said Monday. As of Monday, the carrier's website only shows two possible destinations from Pittsburgh. An airport website displaying available nonstop destinations still includes all of the OneJet routes that have ended.

The authority demanded the carrier pay the \$763,000, but the carrier refused, the lawsuit alleged. The carrier also owes a \$54,000 security deposit and has failed to pay airline fees and lease payments in a timely fashion, the lawsuit alleged.

"As a result of OneJet's breach, (the authority) has suffered and will suffer monetary damages, including the distribution, lost customers, lost revenue, lost profits and/or lost customer and industry goodwill, without limitation," the lawsuit said.

The county, through its redevelopment authority, granted the carrier \$1.5 million in loans in 2016 and 2017. It was the only county loan ever given to an airline, county spokeswoman Amie Downs said at the time.

Downs did not immediately respond to a request for comment on the lawsuit.

OneJet also received a \$500,000 state loan and a \$500,000 private investment from former PNC Financial Services Group Chairman James E. Rohr and Steelers minority owner Thomas Tull.

Robert Lewis, an airport authority board member, was also a member of OneJet's board of directors , as of December.

Theresa Clift is a Tribune-Review staff writer. You can contact Theresa at 412-380-5669, tclift@tribweb.com or via Twitter @tclift.

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AIRLINES

OneJet Suspends All Flights Amid Tax Lien, Lawsuit, Scrutiny

NATASHA LINDSTROM ON AUG 30, 2018

SOURCE: MCCLATCHY

Aug. 30--OneJet has halted all flights while the embattled startup airline grapples with a \$600,00-plus federal tax lien and a nearly \$800,000 lawsuit tied to failing to grow as it had planned.

The carrier posted a news release on its website Wednesday announcing the suspension of flights amid a transition expected to take about eight weeks.

"During this transition, we will be suspending scheduled services on current routes," OneJet said in the statement. "Please accept our apologies for any inconvenience caused by this disruption; the result of this transition will be a more robust and reliable operation for our customers from the fourth quarter forward."

The airline expects to resume business sales Oct. 1 and will provide more details then, the statement said.

Also on Wednesday, Allegheny County Controller Chelsa Wagner asked for county Executive Rich Fitzgerald to seek the resignations of two members of the Allegheny County Airport Authority board who invested in OneJet.

Robert Lewis and Jan Rea both invested in the company, the Trib reported this month.

The authority has sued OneJet for flying to only two cities instead of the 10 it promised when it received a \$1 million incentive to operate out of Pittsburgh International Airport.

The lawsuit argues the carrier owes the authority \$763,000.

The authority paid the carrier \$1 million in state gambling tax revenue in June 2016 in exchange for the carrier to launch 10 routes. At the time, it was the largest incentive the airport had ever given an airline. OneJet was required to fly each new route five days a week for at least five years, the lawsuit said.

Two weeks ago, the carrier only flew to two cities from Pittsburgh -- Indianapolis and Hartford, Conn.

Last week, the Pittsburgh Business Times reported that OneJet is facing a \$622,000 federal tax lien.

Natasha Lindstrom is a Tribune-Review staff writer. You can contact Natasha at 412-380-8514, nlindstrom@tribweb.com or via Twitter @NewsNatasha.

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AIRPORTS



Paradies Lagardère to Acquire Hojeij Branded Foods

SOURCE: PARADIES LAGARDÈRE AUG 15, 2018

Paradies Lagardère announced Aug. 15, the signing of an agreement by its parent company, Lagardère Travel Retail, for the complete acquisition of Hojeij Branded Foods (HBF), a leading airport restaurateur in North America. The completion of this transaction is subject to a number of conditions, including regulatory approval and third-party consents and is expected to close during the third or fourth quarter of 2018.

This acquisition is fully in line with Paradies Lagardère's strategy to strengthen its position as a major restaurateur in North America airports. Combining the activities of Paradies Lagardère and HBF, two award-winning and rapidly growing organizations, creates the third-largest operator in the North American airport travel retail and restaurant industry. With operations in more than 100 airports, the overall annual sales will exceed \$1.2 billion, with \$350 million in food and beverage sales.

The synergies in operations, culinary expertise, and customer innovations will offer an exceptional restaurateur with approximately 100 brand partners and proprietary concepts ranging from full service to fast casual and quick serve. The combined brand portfolio presents a vast and attractive array of brands, including Volo Volo, Chick-fil-A, P.F. Chang's, Pei Wei, Bar Symon by Chef Michael Symon, illy Caffè, Longhorn Steakhouse, and Cat Cora.

The very strong and experienced HBF management team, led by Regynald Washington, will remain at the helm of the company, facilitating its successful integration.

Gregg Paradies, President and CEO of Paradies Lagardère, added: "We are delighted to join forces with HBF, an industry leader that shares our same commitment to quality, first-class customer service, and a family culture. This acquisition will accelerate our growth and enable us to achieve our goal of becoming one of the largest and best airport restaurant operators in North America."

Dag Rasmussen, chairman and CEO of Lagardère Travel Retail, commented, "This acquisition strongly reinforces the presence of Lagardère Travel Retail in the food services industry and is in line with our strategy to grow in the three segments of Travel Retail: duty free and luxury, travel essentials and foodservices. We are very pleased to welcome HBF into our group. Together, we will aim to create a regional leader and break new ground."

Regynald Washington, CEO of HBF concluded, "Combining the forces of HBF and Paradies Lagardère is a natural fit as both companies are recognized for operational expertise, top-notch guest service, and a strong commitment to employees."

AIRLINES



Solid Traffic Growth, Record Load Factor

SOURCE: INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) AUG 30, 2018



Geneva - The International Air Transport Association (IATA) announced healthy global passenger demand for July with all regions reporting growth. Total revenue passenger kilometers (RPKs) rose 6.2%, compared to the same month last year. While this was down from 8.1% year-over-year growth in June, it nevertheless marked a solid start to the peak passenger demand season. Monthly capacity (available seat kilometers or ASKs) increased by 5.5% and load factor rose 0.6 percentage point to a record high for July of 85.2%.

"The industry posted another month of solid traffic growth. And the record load factor shows that airlines are becoming even more efficient in terms of deploying capacity to meet demand. However, rising costs -- particularly fuel -- will likely limit the stimulus we would expect from lower airfares. Therefore, we do expect to see a continued slowing of growth compared to 2017," said Alexandre de Juniac, IATA's Director General and CEO.

July 2018 (% year-on-year)	World share ¹	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
Total Market	100.0%	6.2%	5.5%	0.6%	85.2%
Africa	2.2%	3.5%	0.8%	2.0%	75.9%
Asia Pacific	33.7%	9.4%	7.9%	1.1%	82.9%
Europe	26.6%	4.6%	4.0%	0.5%	89.0%
Latin America	5.2%	5.3%	5.9%	-0.5%	84.2%
Middle East	9.5%	4.5%	6.1%	-1.2%	80.1%
North America	23.0%	5.0%	4.0%	0.9%	87.5%

¹% of industry RPKs in 2017 ²Year-on-year change in load factor ³Load factor level

International Passenger Markets

July international passenger demand rose 5.3% compared to July 2017, which was a deceleration compared to the 8.2% growth recorded in June. Total capacity

climbed 4.7%, and load factor edged up half a percentage point to 85.0%. All regions reported growth, led by Asia-Pacific for the first time in three months.

- **Asia-Pacific airlines'** July traffic rose 7.5% over the year-ago period, a slowdown compared to June growth of 9.6%. Capacity increased 6.0% and load factor rose 1.1 percentage points to 82.1%. Growth is being supported by a combination of robust regional economic growth and an increase in route options for travelers.
- **European carriers** posted a 4.4% rise in traffic for July compared to a year ago, down from 7.1% annual growth in June. On a seasonally-adjusted basis, passenger volumes have been tracking sideways for the past three months, reflecting mixed developments on the economic front and possible traffic impacts related to air traffic control strikes across the region. Capacity rose 3.9%, and load factor climbed 0.5 percentage point to 89.1%, highest among the regions.
- **Middle East carriers** had a 4.8% increase in demand for July, well down on the 11.2% growth recorded for June, although this mainly is attributable to volatility in the data a year ago, rather than any major new developments. The region has been negatively impacted by a number of policy measures over the past 18 months, including the ban on portable electronic devices and travel restrictions. July capacity climbed 6.5% compared to a year ago and load factor dropped 1.3 percentage points to 80.3%.
- **North American airlines'** traffic climbed 4.1% compared to July a year ago. This was down from 6.0% growth in June, but still ahead of the 5-year average pace for carriers in the region as strong momentum in the US economy is helping underpin a pick-up in international demand for airlines there. July capacity rose 2.8% with the result that load factor climbed 1.1 percentage points to 87.2%, second highest among the regions.
- **Latin American airlines** experienced a 3.8% rise in traffic in July, the slowest growth among the regions and a decline from 5.6% year-over-year growth in June. Capacity rose 4.6% and load factor slid 0.6 percentage point to 84.2%. Signs of softening demand have come alongside disruption from the general strikes in Brazil.
- **African airlines'** July traffic rose 6.8%, second highest among the regions. Although this represented a decline from 11.0% growth recorded in June, the seasonally-adjusted trend remains strong. Capacity rose 3.9%, and load factor jumped 2.1 percentage points to 76.0%. Higher oil and commodity prices are supporting economies in a number of countries.

Domestic Passenger Markets

Domestic travel demand grew by 7.8% year-on-year in July, broadly in line with 8.0% growth recorded in June. All markets saw annual increases, with China, India and Russia posting double-digit growth rates. Domestic capacity climbed 6.9%, and load factor rose 0.8 percentage point to 85.6%.

July 2018 (% year-on-year)	World share ¹	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
Domestic	36.2%	7.8%	6.9%	0.8%	85.6%
Australia	0.9%	1.5%	0.9%	0.4%	81.4%
Brazil	1.2%	8.4%	9.1%	-0.6%	83.7%
China P.R	9.1%	14.8%	14.3%	0.4%	84.6%
India	1.4%	18.3%	12.2%	4.4%	86.9%
Japan	1.1%	1.0%	-2.0%	2.2%	71.8%
Russian Fed.	1.4%	10.8%	10.2%	0.5%	90.9%
US	14.5%	5.6%	4.7%	0.8%	87.9%

¹% of industry RPKs in 2017 ²Year-on-year change in load factor ³Load factor level ***Note:** the seven domestic passenger markets for which broken-down data are available account for 30% of global total RPKs and approximately 82% of total domestic RPKs

- **Russia's** domestic traffic soared 10.8% in July--a 13-month high--as rising world oil prices are helping support economic activity as well as incomes and jobs.
- **US** domestic traffic also surged to a 5-month high of 5.6%, well above the 5-year average of 4.2%, boosted by the rising US economy.

The Bottom Line

"The second half of the year got off to a solid start. The strong demand we experienced in July is confirmation that summer is when people want to travel, to explore new places and to reunite with friends and family. Unfortunately, for air travelers in Europe, summer also brought delays and disappointment, while for airlines, it meant accepting schedule inefficiencies and longer flight times. That's because air traffic capacity has not kept pace with demand and because some controllers used the opportunity of the peak traffic period to launch strikes and work slowdowns. Travelers want to get to their holidays on time. It's past time for the European Commission, Member States and air navigation service providers to take urgent action to eliminate European airspace bottlenecks and to discourage air traffic controllers from penalizing air travelers when they are unhappy over a contract," said de Juniac.

AIRPORTS

Technology and ULCCs Create a New World of Commercial Air Service

BY JOE PETRIE ON AUG 24, 2018



Denver Mayor Michael Hancock welcomes attendees to the International Aviation Forecast Summit Aug. 20.

Photo credit: Joe Petrie/Airport Business Magazine

Communications technology means travel habits are changing drastically across North America.

Michael Boyd, president of Boyd Group International, said communications technology means short haul air routes are no longer necessary so short routes are disappearing in areas where travelers can opt to drive.

"Short-haul and interregional are both under pressure," he said. "It doesn't make sense anymore to fly from Cleveland to Cincinnati. At one time Wright Airlines did it, but it's not going to happen again."

Boyd shared his analysis of air travel trends at the International Aviation Forecast Summit Aug. 21, in Denver. More than 300 attendees from airports, airlines and aircraft manufacturers attended the event.

Communications technology means business travelers don't need to make a lot of short haul trips so they may opt to use virtual meetings or driving instead of flying. Boyd cited examples like Buffalo to Albany as routes disappearing due to changes in traveler preference.

"Do you really want to go to the airport an hour ahead of time and stand in line at Dallas Love Field, fly to Austin and do it again later? I don't think so," he said.

The one exception to the rule are flights between the San Francisco Bay area and Los Angeles. Andrew Watterson, executive vice president and chief revenue officer for Southwest Airlines, said routes between those two areas added in recent years have been very successful and expanded.

The world gets smaller

Globalization and new aircraft means midsize airports losing commuter routes are now viable options for international service.

Boyd said the airports he expect to get international air service in the coming years includes Albany International Airport (ALB), Manchester-Boston International Airport (MHT), T.F. Green Airport (PVD), Richmond International Airport (RIC), Norfolk International Airport (ORF), Charleston International Airport (CHS) and Jacksonville International Airport (JAX).

Joe Esposito, senior vice president-network planning, for Delta Air Lines, said international flights from Indianapolis International Airport (IND) and Orlando International Airport (MCO) have been very successful for the airline and show the opportunities available.

"We look at what places like Indianapolis and how they can be successful when they connect in Paris or Amsterdam and because we have such a great connecting complex with our partners in Europe, that's why those can be so successful," he said. "We're looking for more of those opportunities."

Esposito said Delta continues to enhance its service at hub airports and focus airports, such as Cincinnati/Northern Kentucky International Airport (CVG), Boston Logan International Airport (BOS) and Raleigh-Durham International Airport (RDU).

While Delta has grown flights at RDU, including a new route to Chicago O'Hare International Airport (ORD), Esposito said calls from the Raleigh business community for a direct flight to Asia are not in the cards for now.

"I think that's going to be a little bit farther down the road," he said. "For right now, we connect customers over multiple gateways."

ULCC growth changes the market

Ultra-low cost carriers (ULCC), such as Allegiant Airlines and Frontier Airlines continue to see success in North America. Although many communities that lost air service seek out ULCC's as an opportunity to find new service, Boyd cautioned you only have about three weeks to make the route work otherwise the airlines will eliminate them.

"I here are airports in this room that have seen Frontier come in and six weeks later or six months later they're mostly gone. They go from nine destinations to three, boom, like that," he said. "Nothing wrong with the market, it just didn't have the return that the airline thought would be there."

He refers to them as "wildcatters," much like the wildcat oil prospectors of the 1800s who will move on if they don't make an immediate profit. While their business model may not fit the traditional mold of a North American airline, Boyd said they have proven successful in capturing "discretionary travelers," who would otherwise not fly at all.

"They are changing this marketplace," Boyd said. "We just heard from Frontier. They're adding 200 airplanes. That's just one airline. They're going to change how things happen and where this happens."

Bob Fornaro, CEO of Spirit Airlines, said the ULCC is a unique model in the U.S., but has existed elsewhere around the world for some time. Creating a different product allows the airline to compete in the market, much like Southwest and JetBlue have done.

"You don't be different just to be different," he said. "You look for a competitive advantage."

Spirit continues to see growth of about 13 percent while improving its on-time performance rate to about 80 percent during the first seven months of 2018, Fornaro said.

The airline recently announced more routes to the Caribbean and Latin America from MCO and George Bush Intercontinental Airport (IAH). Fornaro said they created those routes on the success of its Fort Lauderdale flights to those markets and the success it has seen. There's some vacation element to the route, but given population centers in Houston and South Florida, there's a major potential for friends and family traffic.

"It doesn't require a different airplane, different rules," he continued "It's really an extension of what we do. It's not complicated."

FBOS/TENANTS

Western LLC Announces New Corporate Hangar Development at San Antonio International Airport

SOURCE: WESTERN LLC AUG 29, 2018



The 8.87-acre parcel is a redevelopment of the "Hawker Beechcraft" site located off of John Cape Road and features seven hangars ranging in size from 12,000 sf to over 15,000 sf, 28' tall doors, and attached offices on several units.

Photo credit: Western LLC

Western LLC announced its latest aviation development at the San Antonio International Airport. The 8.87-acre parcel is a redevelopment of the "Hawker Beechcraft" site located off of John Cape Road and features seven hangars ranging in size from 12,000 sf to over 15,000 sf, 28' tall doors, and attached offices on several units. The development is scheduled to break ground fall 2018 with completion expected within 12 months. Western is designing, building, financing and leasing back the facilities to independent corporate clients. All units have been fully reserved and currently there is a waitlist for other interested parties.

"This \$25 million, multi-hangar development initiative is the largest single private/corporate capital project in San Antonio International Airport's history. Partnerships like this are not just good news for the San Antonio International Airport but for all of San Antonio as the economic impact will be substantial for the entire region," said Russ Handy, aviation director for the city of San Antonio.

"We are excited to work on this new built-to-suit hangar development at the San Antonio International Airport," said Alex Langlinais, client executive at Western LLC who is overseeing the day-to-day operations of this project. "This is our first major project with the airport and we look forward to serving the people of San Antonio."