



AGENDA

Greenville-Spartanburg Airport Commission Regular Meeting
Greenville-Spartanburg International Airport Board Room
Thursday, January 3, 2019
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 November 19, 2018 Regular Meeting Minutes ([document](#))
- III. PRESENTATIONS: None
- IV. OLD BUSINESS: None
- V. NEW BUSINESS:
 - A. Approval of the Surface Parking Expansion Program ([document](#))
 - B. Approval to Exempt ERP System Solutions from the Normal Procurement Process ([document](#))
- VI. PRESIDENT/CEO REPORT:
 - A. Aviation Industry Update
 - B. Marketing/Advertising Update
 - C. Air Traffic Control Tower
 - D. Air Service Development
 - E. Parking Garage C Procurement Update
 - F. Annual Conflict of Interest Forms

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. November 2018 – Traffic Report ([document](#))
- B. November 2018 – Financial Report ([document](#))
- C. December 2018 – Development/Project Status Report ([document](#))
- D. December 2018 – Communications Status Report ([document](#))
- E. December 2018 – Commercial Business and Marketing Report ([document](#))
- F. December 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:

- Greenville-Spartanburg Airport District Rules and Regulations Revisions
- Greenville-Spartanburg Airport District Minimum Standards Revisions
- Greenville-Spartanburg Airport District Human Resources Policies and Procedures Revisions
- Greenville-Spartanburg Airport District Administrative Policies and Procedures Revisions

VIII. COMMISSION MEMBER REPORTS:

IX. EXECUTIVE SESSION:

The Airport Commission may hold an Executive Session for the purpose of receiving legal advice on various matters.

X. ADJOURNMENT

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

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

November 19, 2018

The Greenville-Spartanburg Airport Commission met on November 19, 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); Michael Kossover, Director of Operations; Nathan Garner, Director of Aviation Services; Steve Bowlin, Cerulean FBO Manager; Kelly Wiggs, Cerulean Commercial Aviation Services Manager; Peter Gross, Air Cargo Supervisor; Andrew Quintyne, Cargo Lead; Chase Dixon, Line Service Supervisor; Edwin Calderon, Commercial Fueling Supervisor; Sheri Ayers, Customer Service Supervisor; Betty O. Temple, WBD; Stefanie Hyder, Executive Assistant/Recording Secretary

GUESTS PRESENT: Paul Smith, WK Dickson; Zach Nelson, McFarland Johnson; John Mafera, McFarland Johnson, Tom Tveidt, Syneva Economics LLC; David Sparkes, Kimley-Horn; Marco Dibernardo, Vino Volo; Faith Quilling, Vino Volo

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

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

- A.** The Greenville-Spartanburg Airport Commission September 10, 2018 Regular Meeting Minutes.
- B.** The Greenville-Spartanburg Audit Committee October 30, 2018 Audit Committee Meeting Minutes

PRESENTATIONS:

Mr. David Edwards, President/CEO, took a moment to recognize the efforts of the Senior Vice President of Administration and Finance/CFO Basil Dosunmu and his team, as well as Cherry Bekaert, in the production of the 2018 Comprehensive Annual Financial Report (CAFR). A copy of the CAFR was distributed to the Commission members at this meeting. This report will be submitted to the Government Finance Officers Association (GFOA) for review. Mrs. Shaw commented on the report.

Mr. Edwards noted the walk-on item, New Business Item C, to be discussed later during the Commission meeting.

A. Recognition of Cerulean Aviation

Mr. David Edwards, President/CEO, recognized the Cerulean Aviation team.

Since its startup in January 2017, the Cerulean Aviation team has continued to exceed expectations in both the Commercial Service and General Aviation areas.

The continued high level of customer service by the Cerulean Aviation team was displayed during the recently held World Equestrian Games (WEG). This was the largest commercial airlift of horses (550-600 horses) in the history of the world.

Mr. Edwards read samples of feedback received from our customers.

The members of the Cerulean Aviation team that were present stood and Mr. Nathan Garner, Director of Aviation Services, introduced those team members as Mr. Steve Bowlin, Mr. Kelly Wiggs, Mr. Chase Dixon, Ms. Sheri Ayers, Mr. Peter Gross, Mr. Richie Calderon, and Mr. Andrew Quintyne.

Madam Chair thanked the team on behalf of the Airport Commission.

B. Syneva Economics LLC Economic Impact Analysis

Mr. David Edwards introduced Mr. Tom Tveidt, a research economist with Syneva Economics LLC. Mr. Tveidt previously conducted both the 2009 and 2012 economic impact studies. The Greenville-Spartanburg Airport District again retained Tom Tveidt this fiscal year to conduct another comprehensive analysis of the airport's impact upon the Greenville-Spartanburg regional economy.

Mr. Tom Tveidt provided a presentation to the Commission recapping the economic impact study results. The technique used was economic impact modeling. The results were measured as jobs, income (workers and owners), value-added, output, and generated tax revenues (federal, state and local). The region measured included a six-county region (Greenville, Spartanburg, Union, Laurens, Anderson, and Pickens). The five major GSP economics activities that were analyzed included GSP District Operations, GSP Aviation Operations, GSP Commercial Developments, Visiting GSP Passengers, and GSP Air Cargo: Air Reliant Industries.

Mr. Tveidt further compared the 2009 and 2012 local job statistics, economic impact numbers, and generated tax revenue figures to 2018 data.

The Commission asked about the number of counties measured in 2012 versus 2018 as well as comparing like results in the aviation industry to which Mr. Tveidt responded. Mr. Edwards noted the value of measuring both cargo and commercial developments in this

economic impact study. The Commission noted the value and importance of conveying the message of this economic impact in the community.

OLD BUSINESS: None

NEW BUSINESS:

A. Adoption of the GSP Airport Master Plan

Mr. Kevin Howell, Senior VP/COO, introduced the McFarland Johnson team to present to the Commission the final presentation of the Master Plan that has been under planning and review for the past 18 months.

The Master Plan contains forecasts, aviation demand, environmental overview, facility requirements, alternatives and analyses, financial projections, and the development of Airport Layout Plan (ALP) drawings.

Mr. Zach Nelson began with a review of inventory of existing conditions to include airport property, airside facilities, landside facilities, and terminal floor maps. He then reviewed the components to forecast demand, to include based aircraft, operations, passenger enplanements and cargo freight.

Mr. Nelson briefly reviewed the environmental categories in the Master Plan to include the wetlands, floodplains, noise, threatened/endangered species, solid waste and recycle program, and GSP Environs Zone.

Mr. Nelson moved into a discussion about the capacity and facility requirements and the maximum of operations that can be supported. In 2037, GSP is only approaching 40% of capacity so there is no demand to develop any additional capacity in terms of new runways or taxiways to support capacity. The Commission asked about the variability on the calculated annual service volume to which Mr. Nelson responded.

The next focus of discussion was on each element of the airfield, terminal building, and other functional areas of the airport to better understand the existing capacity and facilities today, the ultimate requirement, and the gap analysis.

With regards to airside facility requirements, Mr. Nelson discussed forecasts and noted deficits in runway strength, runway safety areas, instrument approaches and areas on the taxiways.

Mr. Nelson reviewed the facility requirements and projected forecasts of the terminal building (gates/curbs/ticketing, outbound baggage and make-up, passenger security screening and hold rooms, inbound baggage handling and claim, concessions and totals) based on the existing facility, the ultimate requirement in 2037, and 2 million annual enplaned passengers in 2040. The Commission asked about units beyond 2040 to which Mr. Nelson responded.

Mr. Nelson reviewed the facility requirements and projected forecasts for Air Cargo (hardstand positions, process area, truck docs, design aircraft), general aviation

(conventional hangar space, apron space, auto parking), Landside (terminal curbs lanes, access/roadway, auto parking) and Support (Air Traffic Control Tower (ATCT), ARFF, airfield maintenance, fuel storage and distribution).

Mr. Nelson and Mr. Mafera addressed development alternatives and recommendations for the airfield, terminal building, roadways, general aviation, and cargo. The Commission asked questions related to the width of the taxiways, baggage claim, wide-body aircraft, curbs expansion, west side square footage to which Mr. Nelson, Mr. Mafera, and/or Mr. Edwards responded.

Mr. Mafera discussed the final development plan refinements for internal parking transportation, the PRT/GRT alignment (expanded loop, terminal loop, and mixed system), and the land use plan.

Mr. Mafera reviewed phasing, projects, project layout, and costs for Phase I (0-5 years; \$153.6 Million), Phase II (6-10 years; \$150.4 Million), Phase III (11-20 years; \$152.1 Million), and Beyond 20 years (21-45 years; \$701.4 Million). The total 45-year development estimate is \$1.16 Billion.

Mr. Mafera discussed the financial projections to include feasibility considerations and assumptions. Mr. Mafera reviewed the 2019-2023 financial forecast, both baseline and future. The year to year cumulative remains positive. Mr. Basil Dosunmu, Senior VP of Administration and Finance/CFO briefly reviewed the future projections and the fund balance. At the end of five years, the forecast for long-term debt is \$88.M and the fund balance/debt service, \$9.2M. The Commission asked about the acceptable ratio and commented on debt to which Mr. Dosunmu and Mr. Edwards responded. Mr. Edwards reminded the Commission that today's approval is for the plan itself.

Lastly, Mr. Mafera reviewed the ALP set of drawings to include the Airport Layout Plan (ALP) Sheet, Terminal Area Plan Sheet, and the Airspace Plan Sheet.

The next steps include a final stakeholder meeting and public workshop, a draft report review by GSP Staff, a final draft of the Master Plan Update report and the ALP drawing set to the FAA, and a software tool development/implementation. The Commission asked Mr. Mafera to explain the software tool.

The Commission recognized the efforts of the McFarland Johnson team and Mr. Edwards acknowledged the efforts of Mr. Howell and his team. Mr. Edwards commented on ways of public outreach for the Master Plan Update.

There was a motion to adopt the final Greenville-Spartanburg International Airport Master Plan as presented. The motion was seconded and unanimously approved.

B. Approval of A Concessions Agreement with Vino Volo

Mr. Scott Carr, VP Commercial Business and Communications, presented to the Commission the recommendation to approve a new concessions agreement with Vino Volo.

Vino Volo is a boutique wine bar to be in the Grand Hall next to Palmetto Distillery. The Vino Volo MarketBar is a brand-new concept of which GSP would be the first location in North America to offer. Mr. Carr showed a rendering to the Commission.

GSP Staff negotiated a base term of eight years beginning once a certificate of occupancy is issued but no later than May 1, 2019. There is no option term. The lease rate is 12% of gross receipts on all food and non-alcoholic items, and 14% of gross receipts on all alcoholic beverages. The Minimum Annual Guarantee (MAG) is \$100,000. Contract Security is 50% of the Minimum Annual Guarantee (MAG) or \$50,000. There are no Airport District Improvements. There is a minimum of \$400,000 for lessee improvements or \$485 per square foot with a mid-term refurbishment of not less than \$50 per square foot.

Mr. Carr introduced guests Mr. Marco Dibernardo and Mrs. Faith Quilling of Vino Volo. The Commission asked about sales to which Mr. Dibernardo responded.

There was a motion to (1) approve the concessions agreement terms as discussed and (2) authorize the President/CEO to execute a concessions agreement with Vino Volo. The motion was seconded and unanimously approved.

C. Approval of the Surface Parking Planning and Programming Project

Mr. Kevin Howell, Senior VP/COO, introduced the walk-on item, New Business C - Approval of the Surface Parking Planning and Programming Project.

Public parking capacity is a significant issue at GSP. Passenger growth continues to climb as airline capacity continues to increase. The former Overflow Parking Lot, now called Economy Lot A, is now in full use. New Parking Garage C will be constructed on top of the current Daily Surface Lot. Additionally, the District must provide additional parking for the displaced parking stalls from the Daily Surface Lot prior to starting construction on Parking Garage C.

The GSP Master Plan identifies expanded areas for parking. Before kick-off of full design, additional project planning and programming will be needed to determine the full scope of these projects, and Staff has proposed a project budget of \$150,000 for the Surface Parking Planning and Programming project.

There was a motion to (1) approve the Surface Parking Planning and Programming Project with a budget of \$150,000.00; and (2) authorize the President/CEO to execute all necessary documents for the project.

PRESIDENT/CEO REPORT:

Aviation Industry Update:

Airline profitability is down due to new contracts, higher fuel, and labor costs. Nationally, passenger traffic continues to grow. FAA re-authorization is complete. The focus now is on regulations at the federal level. The pilot shortage is still a concern with no near-term solutions.

Shuttle Bus Operation Update:

Since the start of the shuttle bus operation on September 1, 2018, GSP has shuttled 14,000+ customers. The shelters for Economy B Lot are expected to be installed by mid to late December. Full-time shuttle bus operations began in Economy Lot A on November 1, 2018. GSP's third shuttle bus is on order and should be in operation by late December. The Commission inquired about feedback with the shuttle bus service to which Mr. Edwards responded. Mr. Edwards shared parking revenue and parking occupancy data for July through October 2018.

The Commission inquired about the issue with the lights in the parking garages and both Mr. Edwards and Mr. Carr responded. The Commission also asked if we had received any feedback from the parking rate increases to which Mr. Edwards responded.

Air Service Development Update:

Mr. Edwards, Mr. Scott Carr, Mr. Thomas Tyra, Mr. John Lummus of Upstate Alliance, and Ambassador David Wilkins recently traveled to Montreal for a headquarters meeting with Air Canada. Frontier Airlines announced Tampa service last Friday. Southwest Airlines is with GSP Staff November 19-21, 2018 for their Upstate visit/familiarization trip. Mr. Edwards and Mr. Carr have a headquarters meeting with United scheduled on December 5, 2018. American Airlines begins their new service to MIA on December 9, 2018.

Parking Garage C:

Mr. Edwards presented an update on Parking Garage C. LS3P is finishing the schematic design documents. The Consultant and GSP Staff have interviewed pre-cast concrete contractors. Staff will need to RFQ/RFB for pre-cast contractors and select a contractor to assist LS3P with completing the design documents. The pre-cast contractor will be assigned to a future selected General Contractor.

The Commission inquired about signage for the shuttle bus service to which Mr. Edwards responded.

Mr. Edwards reminded the Commission about the Holiday Dinner on December 16, 2018. Mr. Edwards also announced that Fire Chief Alan Sistare is retiring at the end of the month and his retirement party will be held on November 30, 2018 at the GSP Fire Station. Representative Rita Allison will be in attendance to present a proclamation.

The Commission commented on the MAG Escape Lounge.

COMMISSIONER'S REPORT: None

ADJOURNMENT:

The meeting was adjourned at approximately 12:18 p.m. The next meeting is scheduled for January 3, 2019 at 9:00 a.m.

SIGNATURE OF PREPARER:

Stefanie Hyder



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: January 3, 2019

ITEM DESCRIPTION - New Business Item A

Approval of the Surface Parking Expansion Program

BACKGROUND

As previously discussed, the new Parking Garage C will be constructed on top of the existing Daily Surface Lot. The parking garage project's proposed limits of construction will also extend north into the existing Employee Parking Lot.

Public parking capacity continues to be a stress point for GSP. As existing GSP airlines enhance capacity and as new air service is acquired, passenger growth and subsequent public parking demand at GSP will continue to escalate.

It is important that the Greenville-Spartanburg Airport District (District) develop a surface parking solution not only for the short term needs during construction of the third garage, but also establish a surface parking expansion strategy to satisfy anticipated public parking growth.

In November, the Commission approved a project budget of \$150,000 for the Surface Parking and Planning and Programming Project. Since November, McFarland Johnson (MJ) has updated the parking demand forecasts for GSP through 2030 and beyond to 2 million passenger enplanements. MJ will provide a presentation to the Commission on current parking facilities capacity versus demand and long-term parking demand projections. MJ conducted geo tech and survey work in the parking expansion areas shown in the current Master Plan and evaluated potential layouts based on the latest demand projections. Due to challenges with the two sites shown in the Master Plan, MJ developed two additional alternate layouts for review. MJ has prepared planning level cost estimates for the alternate layouts and that information will be provided to the Commission as well.



District Staff (Staff) will discuss recommended next steps for a Surface Parking Expansion Program, including project delivery, design and construction phase budgets, and an overall timeline.

ISSUES

Based on MJ's parking demand analysis, GSP currently has demand for approximately 100-500 spaces more than the existing capacity in the premium parking category, and demand for approximately 250 spaces more than the existing capacity in the economy parking category. The construction of the third parking garage will resolve most of the premium parking capacity challenges through around 2027-2028. Without an expansion to the existing surface lots, demand for economy parking is expected to exceed capacity by up to 700 cars in 2025 and by approximately 1,300 stalls by 2030. As previously discussed, during construction of the third parking garage, the District will need to replace the approximately 400 displaced parking stalls from the Daily Surface Lot.

Based on the parking projections through 2028, Staff recommends constructing 1,500 stalls for public surface parking. Staff also recommends the expanded lot or new lot location be prepped and graded allowing the expansion of an additional 500 public surface parking stalls in the future with minimal site work.

Staff recommends constructing a minimum of 500 stalls for any new Employee Parking Lot to accommodate GSP based tenant employees when the existing Employee Parking Lot is relocated to accommodate the construction of Parking Garage C. Staff also recommends constructing no less than 100 stalls in a new TNC staging lot for TNC companies such as Uber and Lyft. It is Staff's opinion that the existing Cell Phone Lot has sufficient capacity based on the MJ parking projections and actual observations during peak holiday movements.

MJ reviewed several alternatives for public surface parking and employee parking with Staff along with estimated costs. McFarland Johnson will review the most practicable alternatives and the estimated costs for the Commission.

Based on MJ's alternatives analysis, Staff recommends alternative D for public parking and alternative E for employee parking along with the new access road and roundabout on GSP Drive. The estimated total program cost for these alternatives is \$16,700,000.

Commission approval of a budget is necessary prior to starting the program.



Due to the ongoing and increasing challenge of public parking demand versus capacity, and the pending construction of Parking Garage C, Staff recommends starting design immediately for a new public parking surface lot and associated roadways, and a new employee parking lot utilizing one of our current on-call engineering firms. Staff also recommends utilizing the "Design-Assist" (DA) project delivery method for construction to expedite delivery and enhance the overall quality of the projects.

Under DA project delivery, a combined RFQ & RFP will be posted for interested contractors and Staff will evaluate contractor qualifications and proposals to determine the "best proposal" for the District and the Surface Parking Program. The successful proposer will be contracted to work alongside the design team for the remainder of the design phase providing cost estimating services, constructability reviews, phasing plans, construction schedules and general construction recommendations, etc. The contractor will be compensated for these pre-construction services on a lump sum fee structure.

The contractor will be required to bid all work on an "open book" basis with the bid results provided to the District for review. The previously negotiated contractor's fee and general conditions are applied to the cost of work to develop a GMP (guaranteed maximum price). The GMP contract may be converted to a lump sum or include a cost sharing program between the District and the contractor to share any savings achieved below the GMP.

If for any reason the DA contractor's sub-contractor bids or GMP are not acceptable, appropriate termination provisions will be included in the agreement and the District would pay for the DA services to date, terminate the agreement, and proceed with a more traditional design-bid-build delivery method.

Commission approval is necessary for any alternate delivery methods.

ALTERNATIVES

Regarding the Surface Parking Expansion Program, no alternatives are recommended at this time. If the District intends to meet the growing demand for public parking at GSP, it must construct additional parking facilities.

Regarding the recommended project delivery method, the Commission may direct Staff to utilize a traditional "design, bid, build" approach, but this will require additional time, increase exposure to costs beyond the lump sum, and further delay the construction start of the third parking garage.



FISCAL IMPACT

The Staff recommendation for the Surface Parking Expansion Program is estimated to cost \$16,700,000, including \$8,400,000 for the public surface parking lot; \$2,400,000 for the access road; \$1,700,000 for the Aviation Parkway roundabout; and \$4,200,000 employee and TNC parking lot. The program expenses would be spread over the next 1½ years. The sources of funding would include: \$5,000,000 from reserves, \$4,100,000 from PFC's, and the balance would be funded with a combination of short and long-term debt.

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission resolve to (1) approve a budget of \$16,700,000 for the Surface Parking Expansion Program; (2) approve the recommended Design Assist alternate project delivery method; and (3) authorize the President/CEO to execute all necessary documents for the program.



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: January 3, 2019

ITEM DESCRIPTION – New Business Item B

Approval to Exempt ERP System Solutions from the Normal Procurement Process

BACKGROUND

At the Commission meeting held on March 19, 2018, the Greenville-Spartanburg Airport District ("District") Staff presented an ERP overview and informational update. On May 14, 2018, the Airport Commission approved \$1,000,000 for the ERP project as part of the FY2018/2019 Capital Budget. The initial phase of the project includes multiple components such as Human Capital Management (HCM), Core Financial, and Airport Property & Revenue Management (APRM).

District Staff, with the assistance of a third party, has developed detailed system requirements that are used to evaluate multiple vendors that can provide the required components.

ISSUES

The nature of the purchase is such that a typical competitive Request for Proposals/Request for Bids is not practical nor advantageous to procure the specific software, services, or components. The existing procurement policies require that this type of purchase be accomplished by competitive sealed bidding. District Staff needs to be able to select component solutions based on qualification and integration with other components, as well as provide an optimal solution that is scalable to meet future needs and allow for improved workflow and productivity.



ALTERNATIVES

None recommended at this time

FISCAL IMPACT

There is not a direct financial impact related to this specific request to waive the normal procurement procedures.

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission resolve to (1) exempt ERP system solutions from the normal procurement process; and (2) authorize the President/CEO to execute all necessary documents.



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: January 3, 2019

ITEM DESCRIPTION – Information Section Item A

November 2018 - Traffic Report

SUMMARY

For November 2018, passenger traffic was strong with a **13.0%** increase over the same month in 2017. Cargo numbers for November 2018 were up **5.8%** for the same period. Passenger load factors were slightly down at an average of **81.5%**.

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%	5.30%	2.30%
July	8.70%	5.20%	3.50%
August	12.50%	(Data Not Available to Date)	
September	10.80%	(Data Not Available to Date)	
October	7.20%	3.10%	4.10%
November	13.00%	(Data Not Available to Date)	
December			
Average	8.60%	4.64%	3.96%



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

Providing a look forward into the service levels for February 2019 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 13.2%, and seats are up at 21.8%.

Schedule Weekly Summary Report for nonstop Passenger (Air - All) flights from GSP to for travel February 2019 vs. February 2018												
<i>All flights, seats, and ASMs given are per week.</i>												
Mkt	Travel Period			Feb 2019		Feb 2018		Diff		Percent Diff		
	AI	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	GSP	CLT	76	60	4,417	52	3,366	8	1,051	15.4%	31.2%	
AA	GSP	DCA	396	19	1,040	20	1,247	(1)	(207)	(5.0%)	(16.6%)	
AA	GSP	DFW	862	13	2,080	17	1,996	(4)	84	(23.5%)	4.2%	
AA	GSP	MIA	638	12	600	0	0	12	600			
AA	GSP	ORD	577	13	650	14	882	(1)	(232)	(7.1%)	(26.3%)	
AA	GSP	PHL	514	14	910	18	900	(4)	10	(22.2%)	1.1%	
DL	GSP	ATL	153	52	8,027	51	6,707	1	1,320	2.0%	19.7%	
DL	GSP	DTW	508	19	1,570	17	1,153	2	417	11.8%	36.2%	
DL	GSP	LGA	610	13	910	5	380	8	530	160.0%	139.5%	
F9	GSP	DEN	1,278	2	360	0	0	2	360			
F9	GSP	TPA	478	2	360	0	0	2	360			
G4	GSP	FLL	620	2	354	2	354	0	0	0.0%	0.0%	
G4	GSP	PIE	482	2	333	2	354	0	(21)	0.0%	(5.9%)	
G4	GSP	SFB	426	2	354	2	343	0	11	0.0%	3.2%	
UA	GSP	EWR	594	19	950	20	1,086	(1)	(136)	(5.0%)	(12.5%)	
UA	GSP	IAD	383	19	1,216	13	650	6	566	46.2%	87.1%	
UA	GSP	IAH	838	7	506	7	350	0	156	0.0%	44.6%	
UA	GSP	ORD	577	28	1,400	21	1,128	7	272	33.3%	24.1%	
WN	GSP	ATL	153	19	2,717	19	2,717	0	0	0.0%	0.0%	
			TOTAL		317	28,754	280	23,613	37	5,141	13.2%	21.8%

Monthly Traffic Report

Greenville-Spartanburg International Airport

November 2018



Category	Nov 2018	Nov 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change	*MOV12-2018	*MOV12-2017	Percentage Change
Passenger Traffic									
Enplaned	110,391	97,966	12.7%	1,066,299	982,895	8.5%	1,157,912	1,064,143	8.8%
Deplaned	<u>109,800</u>	<u>96,813</u>	13.4%	<u>1,055,716</u>	<u>970,096</u>	8.8%	<u>1,141,997</u>	<u>1,047,544</u>	9.0%
Total	220,191	194,779	13.0%	2,122,015	1,952,991	8.7%	2,299,909	2,111,687	8.9%
Cargo Traffic (Pounds)									
Express and Mail									
Enplaned	936,493	1,075,371	-12.9%	10,312,825	11,174,475	-7.7%	11,460,201	12,292,947	-6.8%
Deplaned	<u>953,814</u>	<u>1,336,998</u>	-28.7%	<u>10,633,108</u>	<u>10,425,557</u>	2.0%	<u>11,736,225</u>	<u>11,536,446</u>	1.7%
Subtotal	1,890,307	2,412,369	-21.6%	20,945,933	21,600,032	-3.0%	23,196,426	23,829,393	-2.7%
Freight									
Enplaned	3,490,331	3,018,510	15.6%	33,659,860	28,058,778	20.0%	36,831,061	31,040,530	18.7%
Deplaned	<u>5,086,222</u>	<u>4,463,128</u>	14.0%	<u>53,651,617</u>	<u>39,105,895</u>	37.2%	<u>58,256,312</u>	<u>42,379,686</u>	37.5%
Subtotal	8,576,553	7,481,638	14.6%	87,311,477	67,164,673	30.0%	95,087,373	73,420,216	29.5%
Total	10,466,860	9,894,007	5.8%	108,257,410	88,764,932	22.0%	118,283,799	97,249,836	21.6%

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

Monthly Traffic Report

Greenville-Spartanburg International Airport

November 2018



Category	Nov 2018	Nov 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change	*MOV12-2018	*MOV12-2017	Percentage Change
Aircraft Operations									
Airlines	2,342	1,930	21.3%	21,950	19,242	14.1%	23,814	20,720	14.9%
Commuter/ Air Taxi	<u>912</u>	<u>1,122</u>	-18.7%	12,083	12,824	-5.8%	13,323	14,172	-6.0%
Subtotal	<u>3,254</u>	<u>3,052</u>	6.6%	<u>34,033</u>	<u>32,066</u>	6.1%	<u>37,137</u>	<u>34,892</u>	6.4%
General Aviation	784	694	13.0%	9,600	7,800	23.1%	10,198	8,425	21.0%
Military	<u>178</u>	<u>162</u>	9.9%	<u>2,318</u>	<u>1,784</u>	29.9%	<u>2,515</u>	<u>1,978</u>	27.1%
Subtotal	<u>962</u>	<u>856</u>	12.4%	<u>11,918</u>	<u>9,584</u>	24.4%	<u>12,713</u>	<u>10,403</u>	22.2%
Total	4,216	3,908	7.9%	45,951	41,650	10.3%	49,850	45,295	10.1%
Fuel Gallons									
100LL	1,846	4,452	-58.5%	33,548	33,599	-0.2%	36,914	37,019	-0.3%
Jet A (GA)	89,938	70,401	27.8%	1,340,807	930,755	44.1%	1,446,271	987,840	46.4%
Subtotal	<u>91,784</u>	<u>74,853</u>	22.6%	<u>1,374,355</u>	<u>964,354</u>	42.5%	<u>1,483,185</u>	<u>1,024,859</u>	44.7%
Jet A (A/L)	<u>1,451,527</u>	<u>1,223,514</u>	18.6%	<u>15,943,751</u>	<u>11,350,400</u>	40.5%	<u>17,243,031</u>	<u>12,414,367</u>	38.9%
Total	1,543,311	1,298,367	18.9%	17,318,106	12,314,754	40.6%	18,726,216	13,439,226	39.3%

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

Scheduled Airline Enplanements, Seats, and Load Factors

Greenville-Spartanburg International Airport



November 2018

	Nov 2018	Nov 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change
Allegiant Air						
Enplanements	5,406	6,470	-16.4%	52,295	61,942	-15.6%
Seats	6,862	7,829	-12.4%	64,956	75,961	-14.5%
Load Factor	78.8%	82.6%	-4.7%	80.5%	81.5%	-1.3%
American Airlines						
Enplanements	31,194	28,471	9.6%	338,927	294,696	15.0%
Seats	40,261	36,564	10.1%	429,477	369,475	16.2%
Load Factor	77.5%	77.9%	-0.5%	78.9%	79.8%	-1.1%
Delta Air Lines						
Enplanements	40,871	36,464	12.1%	390,347	369,643	5.6%
Seats	47,913	42,111	13.8%	451,967	420,598	7.5%
Load Factor	85.3%	86.6%	-1.5%	86.4%	87.9%	-1.7%
Frontier Airlines						
Enplanements	4,238	0	#Div/0!	10,637	0	#Div/0!
Seats	5,400	0	#Div/0!	14,040	0	#Div/0!
Load Factor	78.5%	#Num!	#Type!	75.8%	#Num!	#Type!

Sunday, December 23, 2018

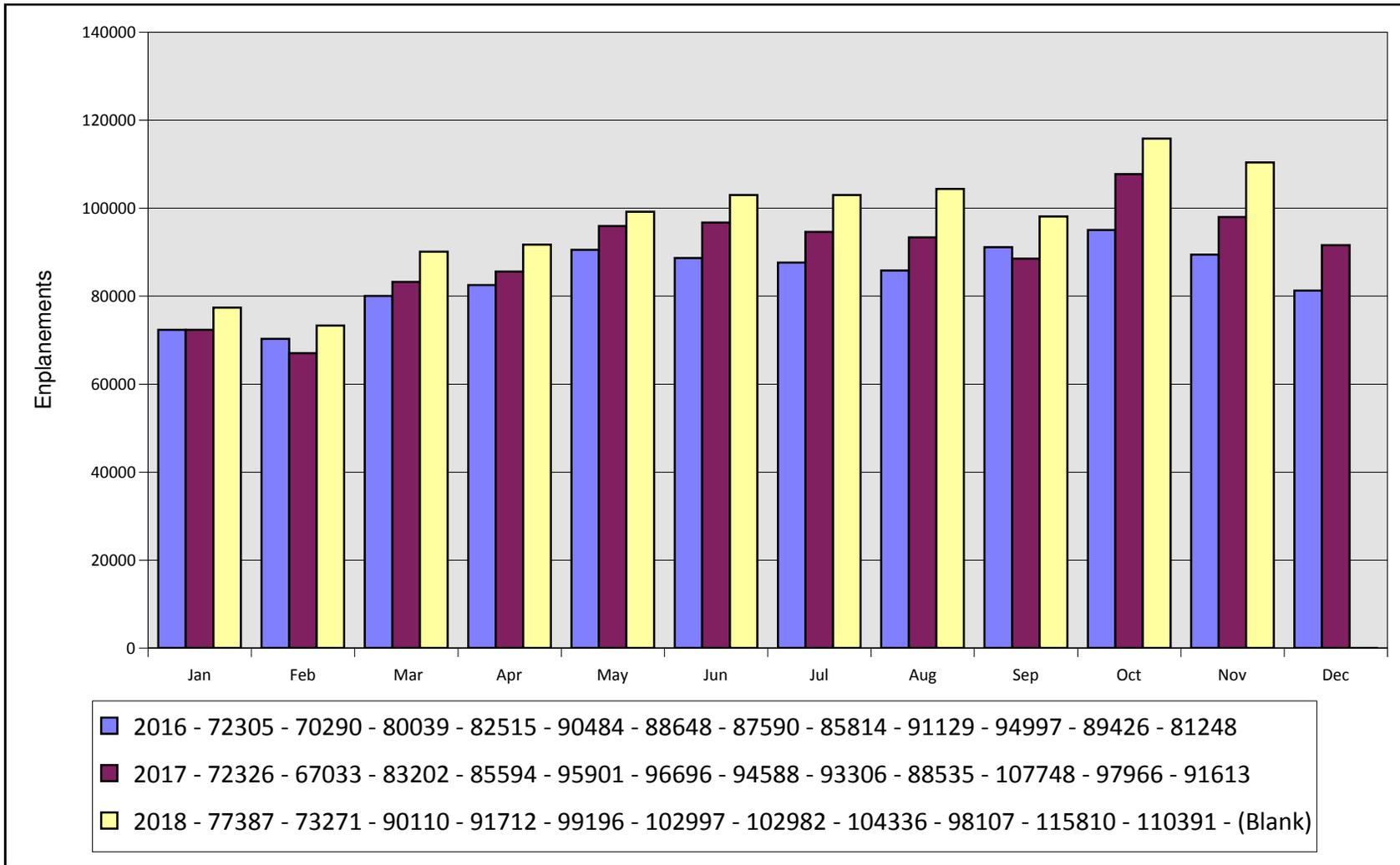
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

	Nov 2018	Nov 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change
Southwest Airlines						
Enplanements	10,105	9,711	4.1%	104,192	101,235	2.9%
Seats	13,062	12,298	6.2%	138,261	135,763	1.8%
Load Factor	77.4%	79.0%	-2.0%	75.4%	74.6%	1.1%
United Airlines						
Enplanements	18,033	16,570	8.8%	166,208	152,298	9.1%
Seats	21,252	19,299	10.1%	197,440	180,675	9.3%
Load Factor	84.9%	85.9%	-1.2%	84.2%	84.3%	-0.1%
Totals						
Enplanements	109,847	97,686	12.4%	1,062,606	979,814	8.4%
Seats	134,750	118,101	14.1%	1,296,141	1,182,472	9.6%
Load Factor	81.5%	82.7%	-1.4%	82.0%	82.9%	-1.1%

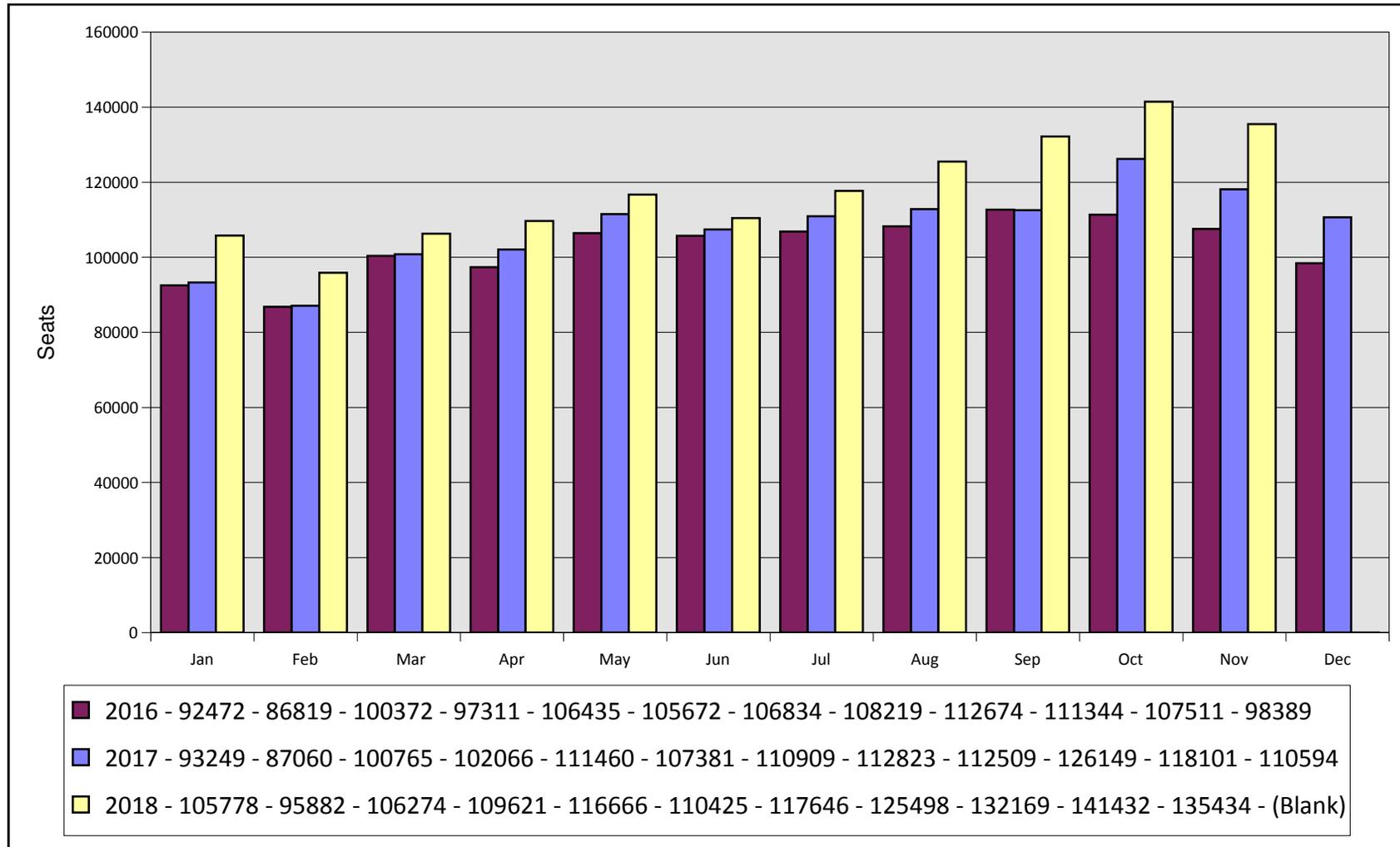
Sunday, December 23, 2018

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

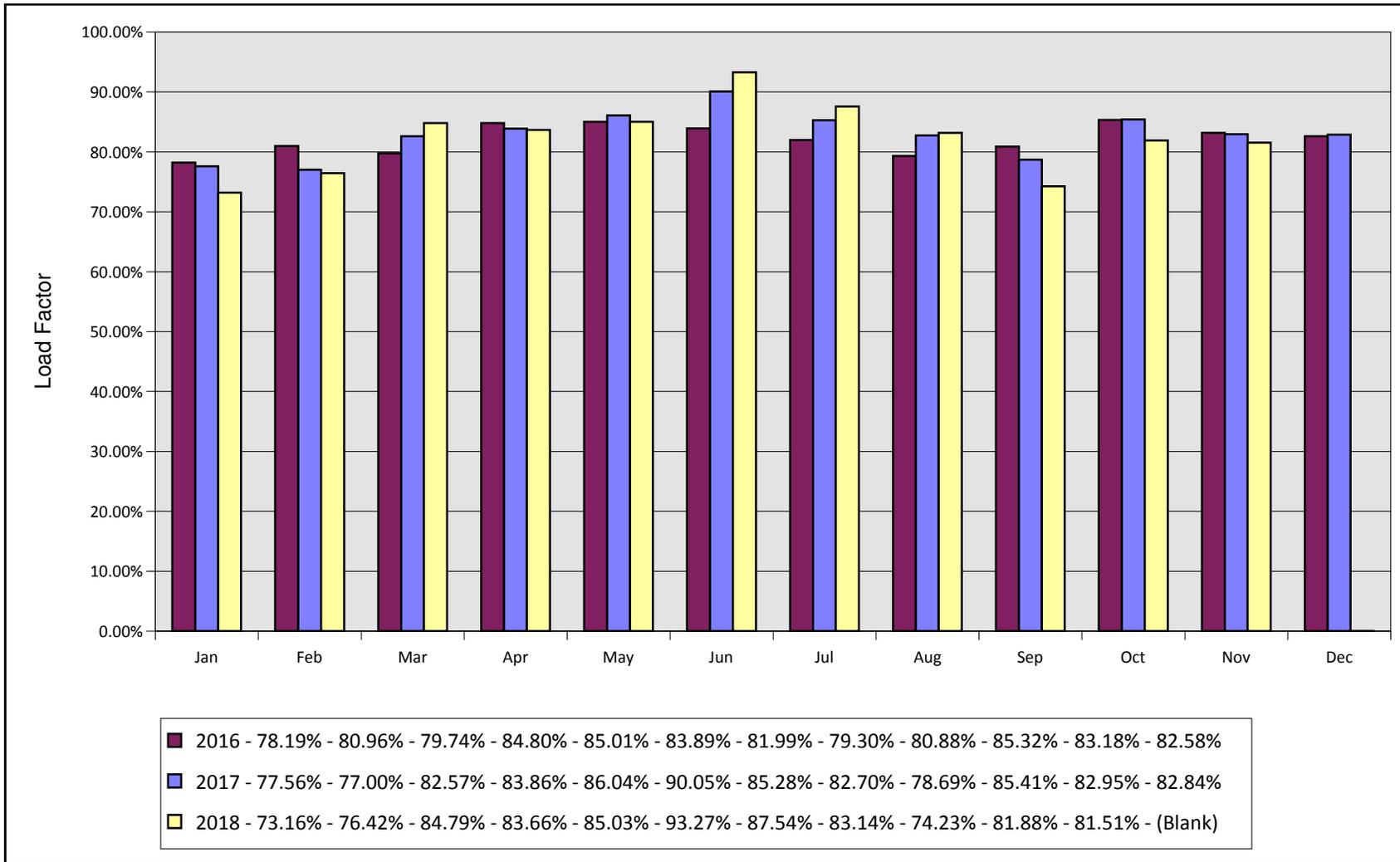
Monthly Enplanements By Year Greenville-Spartanburg International Airport



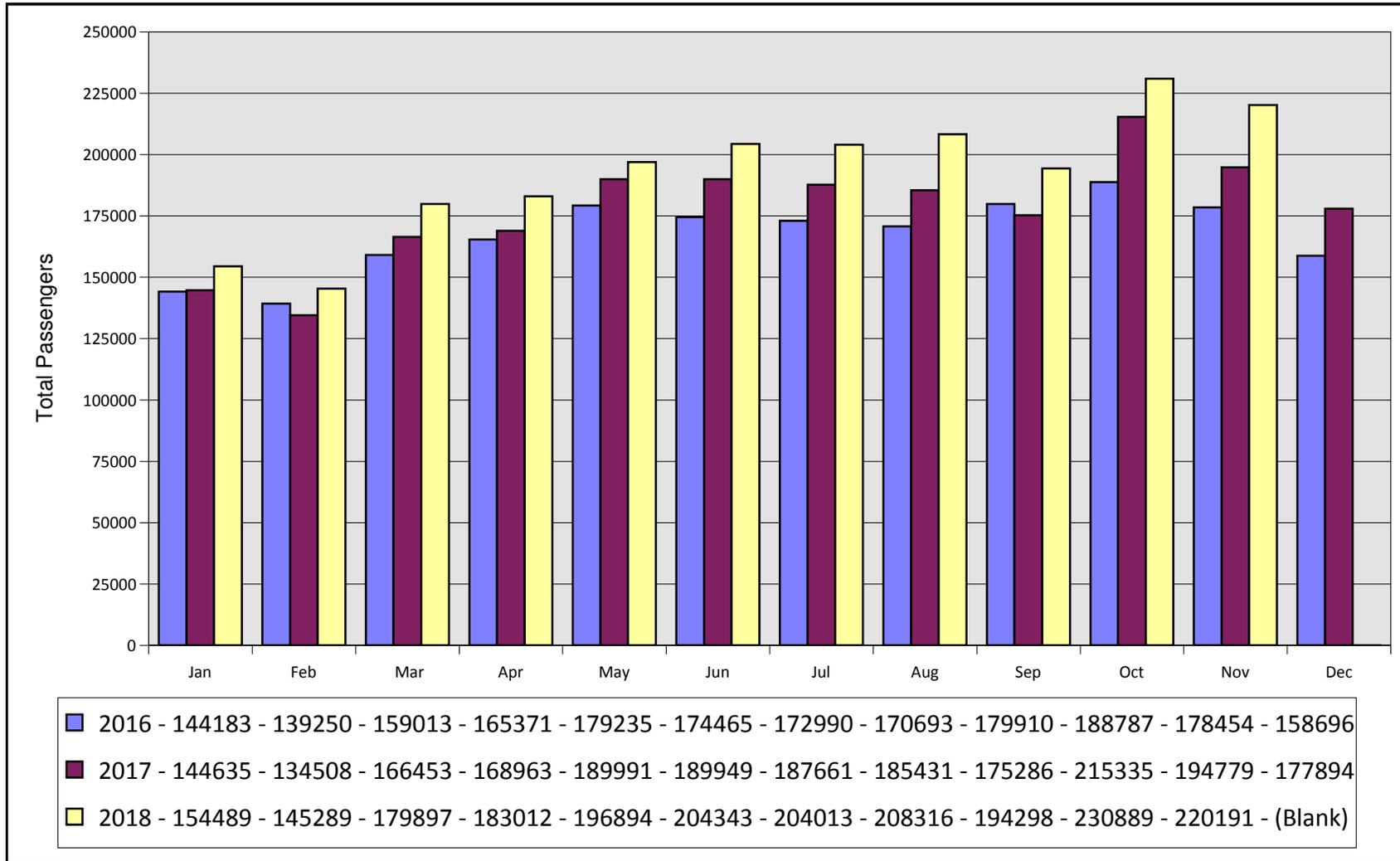
Monthly Seats By Year Greenville-Spartanburg International Airport



Monthly Load Factors By Year Greenville-Spartanburg International Airport



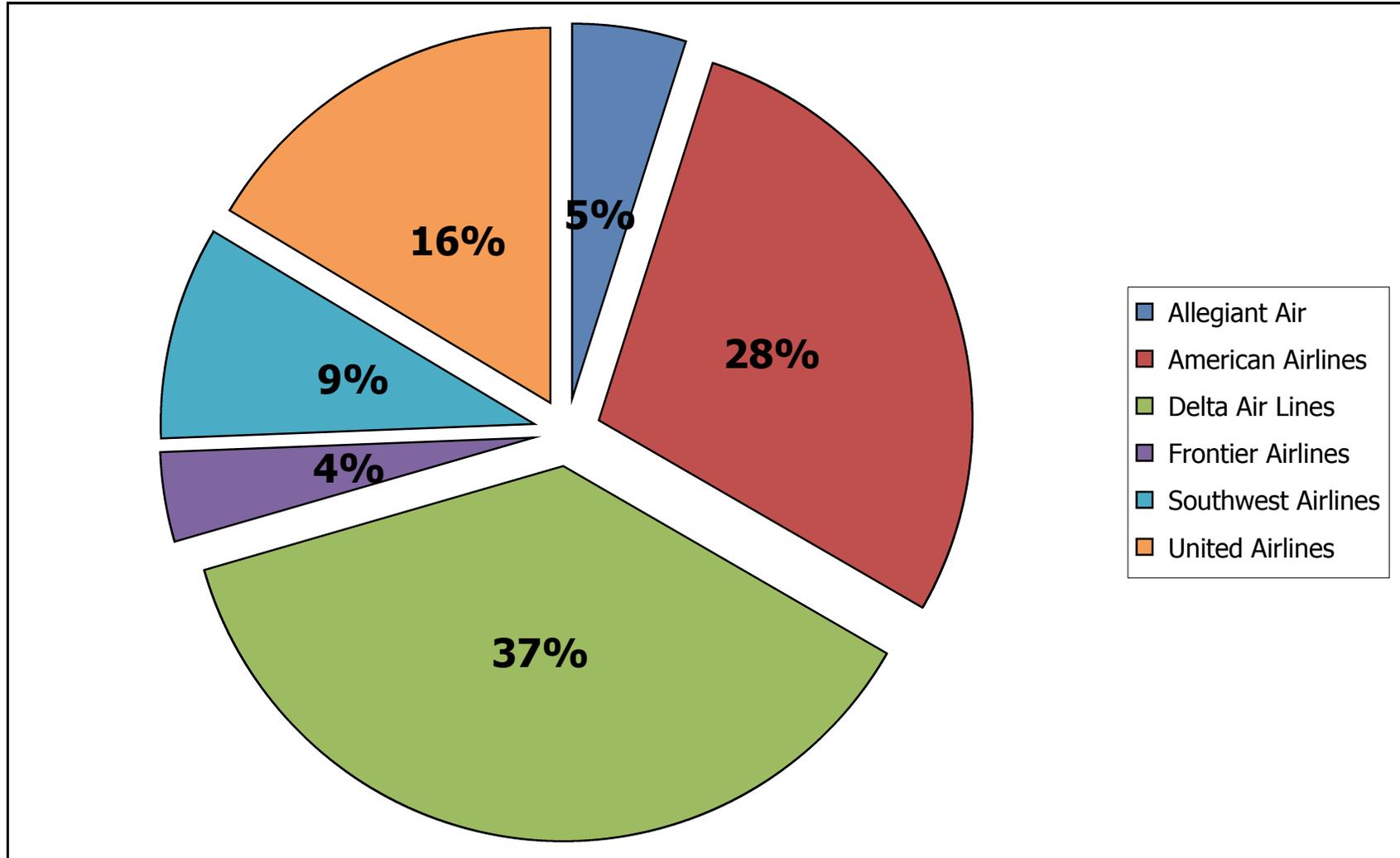
Total Monthly Passengers By Year Greenville-Spartanburg International Airport



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



Report Period From November 2018 Through November 2018



Airline Flight Completions Greenville-Spartanburg International Airport November 2018



Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Aeronaes TSM	7	0	0	0	0	0	100.0%
Air Atlanta Icelandic	24	0	0	0	0	0	100.0%
Air Link	1	0	0	0	0	0	100.0%
Air Tribe/Personas	1	0	0	0	0	0	100.0%
Allegiant Air	42	0	0	0	0	0	100.0%
Allegiant Charter	4	0	0	0	0	0	100.0%
American Airlines	533	0	2	5	0	7	98.9%

Monday, December 24, 2018

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Ameristar Jet Charter	6	0	0	0	0	0	100.0%
Delta Air Lines	385	0	0	0	0	0	100.3%
Elite Airways	1	0	0	0	0	0	100.0%
Federal Express	52	0	0	0	0	0	100.0%
Freight Runners Express	1	0	0	0	0	0	100.0%
Frontier Airlines	30	0	0	0	0	0	100.0%
IFL Group	4	0	0	0	0	0	100.0%
Kalitta Charters II	5	0	0	0	0	0	100.0%
Kolo Canyons Air Service	1	0	0	0	0	0	100.0%

Monday, December 24, 2018

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
McNeely Charter Service	2	0	0	0	0	0	100.0%
Miami Air	2	0	0	0	0	0	100.0%
PAK West Airlines/Sierra W	1	0	0	0	0	0	100.0%
Priority Air Cargo	3	0	0	0	0	0	100.0%
Royal Air Freight	18	0	0	0	0	0	100.0%
Skyway Enterprises	1	0	0	0	0	0	100.0%
Sonrise Aviation	2	0	0	0	0	0	100.0%
Southwest Airlines	90	0	0	0	0	0	100.0%
Sun Country Airlines	1	0	0	0	0	0	100.0%

Monday, December 24, 2018

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Swift Air, LLC	6	0	0	0	0	0	100.0%
United Airlines	372	0	0	0	0	0	100.0%
UPS	36	0	0	0	0	0	100.0%
USA Jet	3	0	0	0	0	0	100.0%
Total	1,634	0	2	5	0	7	99.6%

Monday, December 24, 2018



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: January 3, 2019

ITEM DESCRIPTION – Information Section Item B

November 2018 - Financial Report

SUMMARY

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

Operating Income was up by **18.19%** when compared to the budget for Year-to-Date November 2018. Operating Expenses were down by **4.82%** when compared to the budgeted amount for the period. Net operating income was up by **66.08%** when compared to the budget through November 2018. For the period ending November 2018, which represents five (5) months of the fiscal year, a total of about **\$9.15 million** has been returned to the bottom line in operating income.

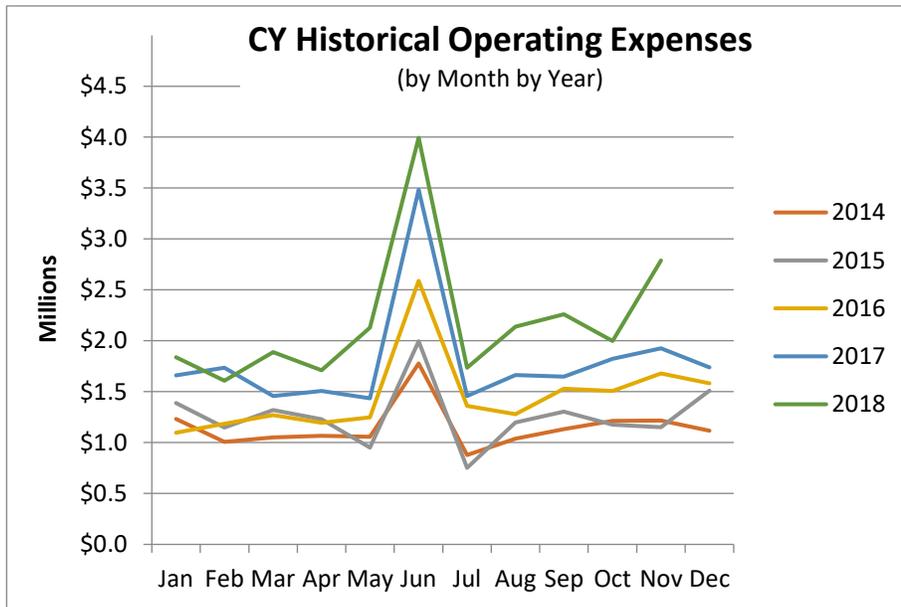
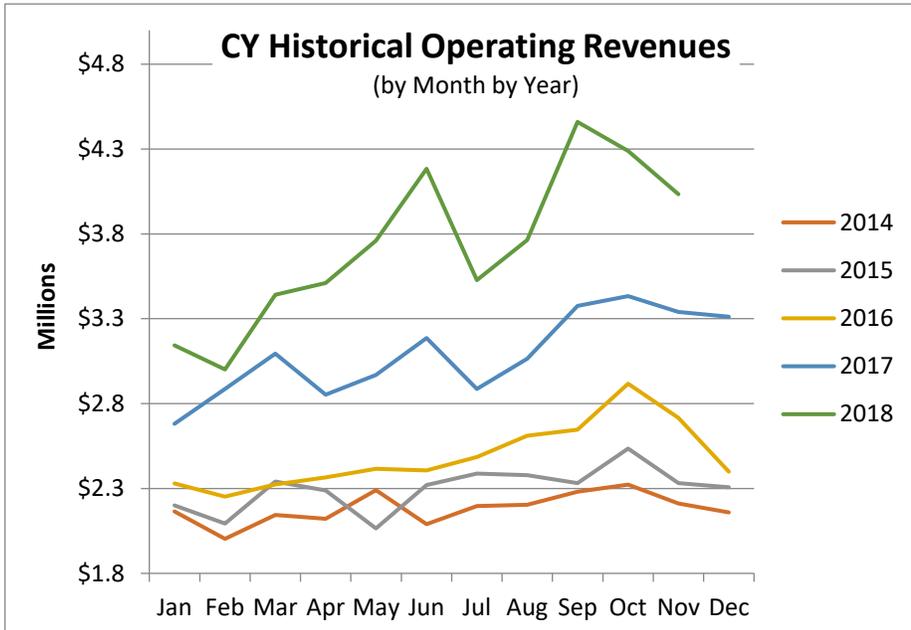
Please recognize that this is a preliminary report, unaudited, and only represents *five months* of activity resulting in variances from budget which can be quite volatile.

November 30, 2018 FINANCIAL STATEMENT PACKAGE

GREENVILLE SPARTANBURG AIRPORT DISTRICT
STATEMENT OF NET POSITION

	Current Month Current FY <u>11/30/2018</u>	Current Month Prior FY <u>11/30/2017</u>
Assets		
Cash Accounts	22,104,260.87	11,165,526.96
Investments-Airport	9,983,360.68	4,995,936.10
Bond Trustee Assets	618,441.14	198,046.53
Accounts Receivable	1,500,048.38	100,883.75
Less: Reserve for Doubtful Accts	-	-
Net Accounts Receivable	<u>1,500,048.38</u>	<u>100,883.75</u>
Inventory	448,548.97	355,978.40
Prepaid Insurance	355,691.45	352,715.44
Notes Receivable-RAC District Funds	1,238,676.65	1,486,385.48
Property, Plant & Equipment (PP&E)	407,701,965.49	384,245,418.05
Less: Accumulated Depreciation	(152,985,032.91)	(141,287,519.50)
Net PP&E	<u>254,716,932.58</u>	<u>242,957,898.55</u>
TOTAL ASSETS	<u>290,965,960.72</u>	<u>261,613,371.21</u>
PLUS: Deferred Outflows of Resources		
Deferred Pension	4,794,092.39	2,329,681.54
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>4,794,092.39</u>	<u>2,329,681.54</u>
LESS: Liabilities		
Accounts Payable	1,935,546.87	1,627,050.69
TD Bank LOC	15,687,840.00	2,164,358.00
Revenue Bonds Payable	1,675,236.16	1,666,032.08
SCRS Pension Liability	15,243,794.00	12,214,294.00
Benefit Liability	1,334,855.35	881,124.04
TOTAL LIABILITIES	<u>35,877,272.38</u>	<u>18,552,858.81</u>
LESS: Deferred Inflows of Resources		
Deferred Revenues	1,253,852.65	1,509,678.48
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,253,852.65</u>	<u>1,509,678.48</u>
NET POSITION		
Invested in Capital Assets, net of Related Debt	236,170,415.93	237,687,155.07
Restricted:		
A/P - Capital Projects - Restricted	563,204.98	152,014.45
Contract Facility Charge	2,126,044.96	2,133,384.96
Total Restricted:	<u>2,689,249.94</u>	<u>2,285,399.41</u>
Unrestricted	19,769,262.21	3,907,960.98
TOTAL NET POSITION	<u>258,628,928.08</u>	<u>243,880,515.46</u>

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



GREENVILLE SPARTANBURG AIRPORT DISTRICT
PROFIT and LOSS STATEMENT

	<----- FISCAL YEAR TO DATE ----->				
	November 30, 2018 Actual	November 30, 2018 Budget	Actual - Budget	% Change	
INCOME					
Landing Area:					
Landing Fees	1,247,884.03	1,168,865.40	79,018.63	6.76%	(a)
Aircraft Parking Fees	197,478.55	122,405.95	75,072.60	61.33%	
Subtotal Landing Area	<u>1,445,362.58</u>	<u>1,291,271.35</u>	<u>154,091.23</u>	<u>11.93%</u>	
Space & Ground Rentals	4,851,694.72	4,553,277.30	298,417.42	6.55%	(b)
Auto Parking	6,138,912.43	5,306,631.85	832,280.58	15.68%	(c)
Commercial Ground Transportation	46,866.32	60,416.65	(13,550.33)	-22.43%	
Concessions:					
Advertising	138,500.00	145,833.35	(7,333.35)	-5.03%	
Food & Beverage	343,480.32	270,300.60	73,179.72	27.07%	(d)
Rental Car	1,745,376.49	1,308,605.30	436,771.19	33.38%	(e)
Retail	307,651.18	219,228.35	88,422.83	40.33%	(f)
Subtotal Concessions	<u>2,535,007.99</u>	<u>1,943,967.60</u>	<u>591,040.39</u>	<u>30.40%</u>	
Expense Reimbursements	905,832.56	690,199.50	215,633.06	31.24%	(g)
Other Income	1,797,217.81	1,370,968.00	426,249.81	31.09%	(h)
Gross Profit on Fuel Sales	2,352,555.18	1,767,141.40	585,413.78	33.13%	(i)
Total Operating Income	<u>20,073,449.59</u>	<u>16,983,873.65</u>	<u>3,089,575.94</u>	<u>18.19%</u>	
EXPENSES					
Salary & Benefits	5,666,436.04	5,866,960.10	(200,524.06)	-3.42%	(j)
Professional Services	334,036.24	219,210.40	114,825.84	52.38%	(k)
Promotional Activities	561,209.98	636,102.10	(74,892.12)	-11.77%	(l)
Administrative	505,891.18	624,678.40	(118,787.22)	-19.02%	(m)
Insurance	282,937.75	282,937.75	-	0.00%	
Contractual Services	1,866,596.14	1,848,140.05	18,456.09	1.00%	(n)
Rentals & Leases	75,302.30	216,454.15	(141,151.85)	-65.21%	(o)
Repairs & Maintenance	285,620.62	343,699.00	(58,078.38)	-16.90%	(p)
Supplies & Equipment	560,164.63	638,838.30	(78,673.67)	-12.32%	(q)
Utilities	781,569.42	795,228.95	(13,659.53)	-1.72%	
Total Operating Expenses	<u>10,919,764.30</u>	<u>11,472,249.20</u>	<u>(552,484.90)</u>	<u>-4.82%</u>	
NET OPERATING INCOME	<u>9,153,685.29</u>	<u>5,511,624.45</u>	<u>3,642,060.84</u>	<u>66.08%</u>	

November 30, 2018

YTD ACTUAL VS YTD BUDGET FOOTNOTES - SUMMARY

(a)	Landing Fees	OVER BUDGET	\$79,018.63	- Actual passenger weights 590.4M (568.0M budgeted); - Actual Cargo weights 170.9M (150.4M budgeted) Also note that weights are typically higher from October to December, May & June with a significant drop in February
(b)	Space & Ground Rentals	OVER BUDGET	\$298,417.42	Blended effects of the following: - Per-turn fees over budget 191K - Senator rent not included in the budget 45K - Bradford Logistic : Budgeted 60K per month but only billing 24K per month total to Hudson and OHM (36K per month under budget) - American S. Cargo under budget 38K due to using higher sf in budget - New cargo building rentals under budget 51K, building currently under construction - PSA office and hangar rent not included in the budget 163K - FBO hanger rent over budget 36K (new rentals) - BMW Phase III 39K not budgeted, new lease started May 2018 - OHM/Hudson are using more of the unconditioned space and less of the conditioned space (higher rate) than budgeted 33K - TSA Holding Over on contract 40K over budget - Jetstar Aviation 41K not budgeted, new lease started March 2018 - FBO facility fees over budget 32K
(c)	Auto Parking	OVER BUDGET	\$832,280.58	- Budgeted a 2% increase over our FY18 trend; traffic is trending higher
(d)	Food & Beverage	OVER BUDGET	\$73,179.72	- Conservative budgeting since some of the concepts are new in the concourses
(e)	Rental Car	OVER BUDGET	\$436,771.19	- Enterprise and National are over budget 136K and 153K, respectively - traffic trending higher than anticipated
(f)	Retail	OVER BUDGET	\$88,422.83	- Traffic trending higher than anticipated
(g)	Expense Reimbursements	OVER BUDGET	\$215,633.06	- Traffic trending higher than anticipated
(h)	Other Income	OVER BUDGET	\$426,249.81	- Ground handling fees-AvServ over budget 276K - Ground handling (non-tenant) 20K over budget - Warehouse Fees 25K over budget - Non-Tenant Uber over budget 22K - GSE Lease/Usage 30K over budget - Cargo Ops 38K over budget

November 30, 2018

YTD ACTUAL VS YTD BUDGET FOOTNOTES - SUMMARY

(i)	Gross Profit on Fuel Sales	OVER BUDGET	\$585,413.78	- DOD Into-Plane Fees under budget 40K - Throughput Fees over budget 2K - Jet A Into-Plane Fees over budget 431K - Jet A Retail over budget 336K - Flowage Fees over budget 5K - AvGas Retail & COGS net over budget 6K - JA COGS over budget (208K)
(j)	Salary & Benefits	UNDER BUDGET	\$200,524.06	- 220 employees are budgeted vs 207 employed as of November 30th
(k)	Professional Services	OVER BUDGET	\$114,825.84	- Consulting 115K over budget
(l)	Promotional Activities	UNDER BUDGET	\$74,892.12	- Advertising expense 113K under budget - General marketing expenses 99K over budget - Sponsorships expenses 56K under budget
(m)	Administrative	UNDER BUDGET	\$118,787.22	- Travel/Training 71K under budget - Dues & Subscriptions 17K under budget - Corporate Function 28K under budget
(n)	Contractual Services	OVER BUDGET	\$18,456.09	- Janitorial Services 33K under budget - Parking Management agreement expenses 81K under budget - Elevator & Escalator 51K over budget - Nursery & Landscaping 13K under budget - Telephone Equipment 27K under budget - Catering Services 11K under budget - Miscellaneous 57K under budget
(o)	Rentals & Leases	UNDER BUDGET	\$141,151.85	- Equipment 31K under budget (AvServ) - Buildings 104K under budget (Executive)
(p)	Repairs & Maintenance	UNDER BUDGET	\$58,078.38	- Building 6K under budget - Conveyor Belt 5K under budget - Heating & Air 18K under budget - Security System 16K under budget - Project Unanticipated 8K under budget

November 30, 2018

YTD ACTUAL VS YTD BUDGET FOOTNOTES - SUMMARY

(q)	Supplies & Equipment	UNDER BUDGET	\$78,673.67	- Auto 28K under budget - Nursery & Landscaping 19K under budget - Tires 16K under budget - Snow Removal 19K under budget - Heat & Air 15K under budget - Lamps 20K over budget
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Note: Please recognize that this is a preliminary report, unaudited, and only represents five 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	
Emergency Repair/Replacement/Operations Fund		\$ 750,000				
2018	Waterfall Feature Repair		\$ 200,000		\$ -	in Engineering right now to be done by Gregory Fountains
2018	LPI Equipment		\$ 25,000		\$ -	
			<u>\$ 225,000</u>		<u>\$ -</u>	
	Uncommitted Balance	\$ 525,000				
Business Development Obligations/Incentives		\$ 600,000				
2019	Escape Lounge		\$ 210,000	9/29/2018	\$ 101,474	Infinity Marketing
2019	AFCO Reimbursement of Expenses		\$ 90,000	9/13/2018	\$ 90,000	AFCO
	due to termination of agreement					
			<u>\$ 300,000</u>		<u>\$ 191,474</u>	
	Uncommitted Balance	\$ 300,000				

Greenville-Spartanburg Airport District
November 30, 2018

	Issue Date	Maturity Date	Interest Rate	Cost Basis or BOY FMV	Par	EOM FMV	FMV Adj
US Treasury							
Note	9/10/2018	3/31/2019	1.625%	996,790.00	1,000,000.00	997,030.00	240.00
Note	9/10/2018	6/30/2019	1.625%	993,980.00	1,000,000.00	994,410.00	430.00
Note	9/10/2018	9/30/2019	1.375%	988,890.00	1,000,000.00	989,180.00	290.00
Note	9/10/2018	10/31/2019	1.250%	985,870.00	1,000,000.00	986,910.00	1,040.00
Note	9/10/2018	12/31/2019	1.625%	988,726.22	1,000,000.00	987,890.00	(836.22)
Note	9/24/2018	2/1/2020	3.625%	1,013,316.56	1,000,000.00	1,009,610.00	(3,706.56)
Note	9/24/2018	3/31/2020	2.250%	995,280.00	1,000,000.00	992,850.00	(2,430.00)
Note	9/24/2018	6/30/2020	2.500%	996,190.00	1,000,000.00	995,160.00	(1,030.00)
Note	9/24/2018	8/31/2020	1.375%	974,460.00	1,000,000.00	975,430.00	970.00
Note	9/24/2018	9/30/2020	1.375%	975,249.06	1,000,000.00	974,410.00	(839.06)
Subtotal-UST				9,908,751.84	10,000,000.00	\$ 9,902,880.00	(5,871.84)

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 (*)

Weighted blended yield = 1.8625%

(*) Note: Since GSP is a political subdivision of SC, we are tax-exempt from all taxes, including state and local.

11/30/2018

Procurement / Capital Acquisitions

Project/Item Description	Date	Monthly \$ Amount
Capital Improvements:		
McCarthy Improvement Co. / Cargo Apron	11/15/2018	538,793
Carolina Time Equipment / ParkAssist	11/26/2018	120,088
LS3P Associates / Parking Garage	11/26/2018	647,989
Lloyd Roofing Company/ 2102 Hangar Roof Replacement	11/10/2018	150,733
The Haskell Co / Air Cargo Facility	11/8/2018	1,050,245
WK Dickson / Curb Droff Off	11/10/2018	24,797
Equipment and Small Capital Outlays:		
Convergint Technologies/ Security Cameras	11/20/2018	10,463
Renewals and Replacements:		
Cooper Crouse0Hinds LLC / Airfield Lighting Replacement	11/29/2018	15,515
Santee Automotive / New Ford	11/20/2018	27,384
Carolina Industrial Equipment / 2018 Power Sweeper	11/29/2018	74,631
C&C Boiler Sales / Replace Burners	11/29/2018	30,904
Professional Service Projects:		
Think.IT / ERP	11/1/2018	17,180
Total Procurements/Capital Additions for the month		<u>\$ 2,708,722</u>



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin Howell, Senior Vice President/COO

DATE: January 3, 2019

ITEM DESCRIPTION – Information Section Item C

December 2018 – Development/Project Status Report

SUMMARY

Parking Garage C & CONRAC Facility:

Status –Design Phase

Project Budget – \$40,000,000

Estimated Completion Date – TBD

This project includes the design and construction of a new combined public parking and rental car ready/return garage. The design team is led by LS3P. The design team is currently working on site design including roadway modifications and underground utilities. A RFQ has been issued for a precast concrete manufacturer to potentially provide design/build services. The selected precast manufacturer would most likely be assigned to the general contractor (to be selected later). The precast manufacturer selection is anticipated in March 2019.

It has been determined the existing Employee Parking Lot will be impacted by Parking Garage C and due to continued passenger growth, additional surface parking will be required prior to beginning construction of the new garage. Additional information regarding parking forecasts along with recommendations and estimated project costs will be presented at the January Commission meeting. The overall parking garage design schedule and construction timeline will be determined by the Public Surface and Employee Parking Lots Project.



New Cargo Apron:

Status – Construction Phase

Project Budget – \$16,636,704.48

Estimated Completion Date – May/June 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 (WKD). The general contractor is McCarthy Improvement Company. The contractor is currently working on underground utilities in Phase 2. The contractor has placed several lanes of new concrete pavement but remains behind schedule due to inclement weather over the past couple months. A winter weather shutdown is possible, and the project schedule will be updated if that occurs.

Mediation was held on December 11, 2018. The primary dispute is on the project specification requirements and definitions of “Excavation, Subgrade and Embankment” versus “Rock Removal.” The parties are still not in agreement, but conversations continue. If an agreement cannot be finalized, the next step of dispute resolution per the contract will be arbitration.

Air Cargo Facility Phase 1:

Status – Construction Phase

Project Budget – \$14,000,000

Estimated Completion Date – May-June 2019

This project includes the new 110,000 SF air cargo facility. Fifty percent (50%) of the new building will be leased by Senator International, and the balance of the building will be used by Cerulean Aviation. The design/build contractor is Haskell. Haskell is currently working on completing the slab on grade, dock pits, parking lot preparation, and forming of precast concrete panels. The next phases of the project include installation of the precast panels currently projected for January.



Terminal Curbfront Landscape Project:

Status – Construction Phase

Project Budget – \$500,000

Estimated Completion Date – February 2019

This project includes Phase 1 landscaping elements from the GSP Landscape Master Plan along the front of the terminal including landscape improvements at each of the solid stucco wall sections flanking the glass atrium areas, sitting height stone walls along the front planter beds, landscape enhancements at each entry vestibule, and site furnishings. This project is led by WKD and landscape architect sub consultant Seamon Whiteside. Roebuck Wholesale Nursery and Landscaping is the contractor for this project. The contractor began work on November 26, 2018. The project is scheduled to be complete by the end of February. Demo is complete, and the contractor is currently working on the seat walls.

2102 GSP Drive Hangar Renovation Project:

Status – Design Phase

Project Budget – \$1,400,000

Estimated Completion Date – TBD

This project includes the renovation of the hangar located at 2102 GSP Drive, adjacent to the FBO Terminal. The hangar was in a serious state of disrepair after being transitioned from Stevens Aviation to GSP/Cerulean Aviation. The interior hangar ceiling has already been repainted and the fire alarm system replaced. Additional renovation items include demo and renovation of the tenant office suites, restroom upgrades, upgrade/replacement of the electrical system and HVAC equipment, new tool room/shop space for corporate flight departments, circulation space, stairs and egress accommodations, exterior paint, doors and hardware replacement, and integration to the GSP campus access control and CCTV systems. Project design is led by DP3, architecture teaming member under the WKD on-call agreement. Stakeholder meetings have been held with the current hangar tenants and field verification is underway. The project is scheduled for bidding in spring.



Public Surface Parking and Employee Parking Lots Project:

Status – Planning Phase

Project Budget – \$120,000 (planning phase)

Estimated Completion Date – February 2019 (planning phase)

The Parking Garage C and CONRAC Facility Project will impact the existing Daily Surface Parking Lot and the Employee Parking Lot. Due to continued passenger growth, public parking capacity is already strained on a near daily basis. This project includes programming and planning phase work to implement the Public Surface Parking and Employee Parking Lots projects, both of which will be required prior to starting construction on the new Parking Garage C and CONRAC Facility.

This planning project will be led by McFarland Johnson (MJ). Project work includes parking demand forecasts for public paid parking, employee parking, valet parking, cell phone lot requirements and TNC staging requirements. MJ will review the new Master Plan concepts for parking expansion and will assist staff with project budget development and a recommendation for the location and scope of the parking lots projects prior to advancing the project(s) to full design. A presentation update will be provided in January with a focus on updated parking forecasts through 2030. Recommendations and estimates of project costs will also be provided.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: January 3, 2019

ITEM DESCRIPTION – Information Section Item D

December 2018 – Communications Status Report

SUMMARY

News Stories ~ Broadcast, Print and Online 12/01/18-12/31/18:

Cotton Bowl Flights

WHNS: [More nonstop flights added at GSP for Tigers Fans traveling to Cotton Bowl](#)
WSPA: [Flights added from GSP to Dallas for Clemson fans heading to bowl game](#)
WYFF: [Airlines add nonstop flights from GSP to Dallas for Clemson fans, GSP Airport officials say](#)
Herald-Journal: [Extra flights from GSP offered for Clemson bowl game](#)
Greenville Journal: [Flights added for Clemson fans traveling to Cotton Bowl](#)
GSA Business: [GSP adds flights for Tiger fans](#)
106.3 WORD: [Planning Cotton Bowl trip?](#)
Atlanta Journal Constitution: [Delta, Southwest add flights for college football playoff games](#)

Geese

Herald-Journal: [Geese flying again at GSP airport terminal](#)

Vino Volo

WHNS: [GSP Airport welcomes new nationally recognized wine bar in 2019](#)
Herald-Journal: [New wine bar concept to debut at GSP in the spring](#)
Greenville News: [GSP adding new wine bar and gourmet market](#)
Upstate Business Journal: [New wine bar to open at GSP in spring of 2019](#)
Greenville Business Magazine: [GSP to be the first airport for the Vino Volo MarketBar](#)

Greer Today: [GSP becoming connoisseur of niche food and beverages, adds Vino Volo MarketBar](#)

MIA Service

Greenville News: [Greenville-Spartanburg International launches first direct flight to Miami](#)

Herald-Journal: [GSP now offering nonstop flights to Miami](#)

GSA Business:

Greer Today: [American begins twice daily flights to Miami](#)

WYFF: Story not online

WSPA: Story not online

WHNS: Story not online

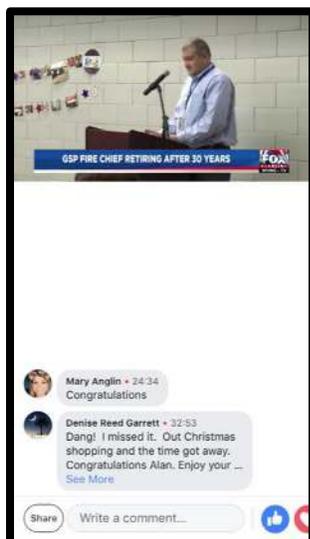
Cody Alcorn (a WHNS anchor) tweet:



Chief Sistare Retirement

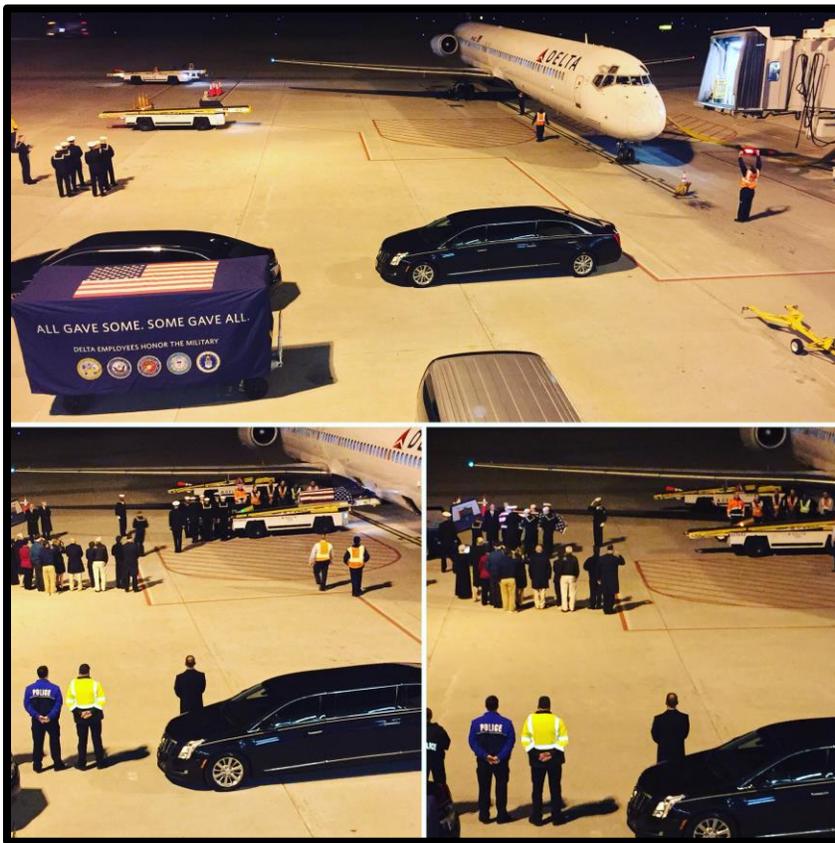
Herald-Journal: [GSP's Chief Alan Sistare calls it a career after 38 years](#)

WHNS: The station livestreamed the event



WWII Sailor's Remains

Local media outlets including WYFF, WHNS, WSPA and the Greenville News covered the planeside honors ceremony for Navy Fireman 2nd Class Carl Dorr, who was killed in the attack on Pearl Harbor. The story was picked up by wire services and appeared in national publications including People and CNN.



Weather

Local media outlets shared updates and tips for traveling during Winter Storm Diego.

Holiday Travel

WYFF came out for a few holiday travel stories, including this one on Christmas Day:
<https://www.wyff4.com/article/airfare-cheaper-airports-less-crowded-on-december-25/25678116>

Cotton Bowl

WYFF talked to Clemson and Notre Dame fans flying out of GSP for the Cotton Bowl.



Escape Lounge

Washington Post: [Stuck at the airport? Consider purchasing a day pass to an airline lounge](#)

RJ Rockers

Nerd Wallet: [Which airport restaurants allow you to use Priority Pass?](#)

Social Media 12/01/18-12/31/18:

GSPAairport.com

- Sessions – 91,809
- New Users – 56,572
- Page/Session – 1.83
- Average Session Duration – 2:01

Facebook

Photos from the planeside honors ceremony received the most engagement in December.

Twitter

Tweets providing updates about GSP being open and operational during Winter Storm Diego while encouraging passengers to monitor flight status through the airlines received the most impressions in December.



Instagram

A video of the Clemson football team pulling up for its charter flight for the Cotton Bowl received the most engagement in December.

Customer Service Complaints Summary:

Customers experience long waits for luggage from United Airlines.

Community Relations/Special Events:

- REAL ID event scheduled for January 16, 2019
- Wings for All event planned for spring of 2019
- Honor Flight planned for March 2019



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: January 3, 2019

ITEM DESCRIPTION – Information Section Item E

December 2018 – Commercial Business and Marketing 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.

Bon Secours Wellness Arena Rebranding:

Status – A new agreement is still being negotiated.
Project Budget – \$5,000
Estimated Completion Date – March 31, 2019

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.



American Miami (MIA) Advertising/Marketing Campaign:

Status – All media buys have been completed. In addition, advertising is up on billboards throughout the Upstate, radio ads are running, and full-page newspaper ads are being printed in four different newspapers.

Project Budget – \$75,000

Estimated Completion Date – February 28, 2019

American announced new service to MIA in June 2018. The service is being operated on E-145 aircraft with 50 seats each, twice daily, and began on December 19, 2018. The Airport District put 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 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: January 3, 2019

ITEM DESCRIPTION – Information Section Item F

December 2018 – OSHA Reportable Injury Report

SUMMARY

Monthly Activity as of December 31, 2018

- 0 OSHA Reportable Injuries

2018 Calendar Year-to-Date

- 12 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



AIRPORTS

Airports Look to Private Investment for Growth

KELLY YAMANOUCI ON DEC 24, 2018

SOURCE: MCCLATCHY

Dec. 24--As airports across the country grow -- including those in metro Atlanta -- they are increasingly looking toward a new engine to drive the growth -- private investment.

Overseas, many airports are run by investor-owned companies, including London Heathrow, Frankfurt, Paris -- Charles DeGaulle, Osaka and Sydney.

"There's certainly a long-term, 30-year global trend that's continuing," said Bob Poole, director of transportation policy at the Reason Foundation and an advocate of airport privatization.

Airports are facing expensive expansion projects to add terminals and gates for a growing number of travelers.

This year, Congress as part of a broader Federal Aviation Administration reauthorization bill passed legislation for private investment in all or part of an airport through long-term leases, expanding beyond a federal pilot program for airport privatization. Privatization would still require airline and FAA approval.

In St. Louis, Mo., city officials are studying whether to privatize St. Louis Lambert Airport. Other airports including New York's John F. Kennedy and LaGuardia, and Los Angeles International, have struck smaller public-private partnerships for terminal upgrades or for a new automated people-mover train.

"One of the trends is to say, 'Well, maybe I can get the upfront money from a private entity, and I will turn that asset over to them for a period of time, and at the end of that period they will turn that back to me in good condition,'" said Steve Van Beek, head of North American aviation at consulting firm Steer.

At Hartsfield-Jackson International, officials have spent years planning a few smaller public-private partnership projects, including a hotel next to the terminal, a recycling and composting facility, and a cargo facility.

But those projects have taken years longer than expected to complete.

Shifting risk

The idea of an airport hotel has been in the works since 2014. By late 2015, a winning team, Majestic Carter Atlanta Mixed Use LLC, was chosen for the contract with plans to build an InterContinental Hotel.

In early February 2016, then-Atlanta Mayor Kasim Reed said the hotel would be completed in about two years. Later that year, Reed, airport officials and the developers held a press conference to lay out plans for the "grand facility."

Now, 34 months after February 2016, the hotel has not yet begun construction.

Current airport general manager John Selden says the project is awaiting work by the private development team.

"We're waiting on their due diligence for their financing," Selden said. "They're on their third extension."

Developer Majestic Realty said it has secured financing and is "on track to break ground next year," according to a statement from senior vice president Barry McCabe.

The composting and recycling facility project, known as Green Acres, has been in the works since at least 2013. At the time, it was expected to take at least until 2015 to complete the composting facility.

It took four attempts to successfully attract proposals from firms for a contract award.

In October 2017, the airport selected Green Energy and Development Inc., to develop the Green Acres facility with a 30-year lease. Construction has not yet begun.

The challenges lie with the "new technology. You're talking about indoor recycling, composting, creating fertilizer, creating feed with waste from the airport," Selden said. "It's a challenge. You've got to make sure you have the right business model."

For the cargo facility development project, the airport plans to prepare the site and soon solicit private firms interested in designing, building, operating and maintaining a cargo facility.

The public-private model allows an airport to foist the cost of development and the risk onto a private company.

But, "you don't make as much revenue with a P3 [public-private partnership]," Selden said. "My feeling is if you have the capital dollars to do it yourself, I think your return on your investment is greater."

In Atlanta and most airports with federal funding, airport revenue must be used for airport expenditures and cannot be diverted to other uses like schools or city streets. But New York was grandfathered into an exemption from the full federal restrictions prohibiting diversion of airport revenue.

As a result, money generated by the three major airports in New York "may help build the World Trade Center, the bus terminal... but a lot of the money goes to the PATH Train. The PATH Train loses a lot of money," Selden said. "That's why you see all the [terminal] P3s there, because they're capital constrained."

A terminal is key to an airport's operations, Selden said. In Atlanta, he said, "Do we really want to let somebody build a concourse here? If you can build the terminal...I think there's more money to be made."

Privatizing pros and cons

One of the more controversial local examples of an airport public-private partnership is a long-term lease that Paulding County's airport authority struck with New York developer Propeller Airports to expand and commercialize the county's airport.

That project stalled, but Propeller is working on a similar project attracting commercial airline flights to a second airport in the Seattle area called Paine Field.

In areas with only one commercial airport, "in a way it invites" private investors who see opportunity to develop a second airport, said Van Beek. "I do see it as a trend."

But, if the "hub carrier's a bit of a junkyard dog politically, then that's going to be more vulnerable to challenges," he said.

In Atlanta, Delta Air Lines has been a leading opponent to Propeller's plan to develop a second airport that might compete with its hub at Hartsfield-Jackson. Delta has also come out against an effort by the State Senate to look at creating an authority to take over the Atlanta airport.

State Sen. Burt Jones, who chairs the study committee looking at the state airport takeover idea, said some private investment groups have reached out to him and "they did say there was probably a big opportunity in Hartsfield.... The concept sounds intriguing," he said.

In response to a query about privatization and public-private partnerships, Delta said it "effectively works with all varieties of airport governance structures at facilities across the world," according to a written statement.

One prominent advocate of airport privatization globally is former Hartsfield-Jackson general manager Angela Gittens.

Gittens, who ran the Atlanta airport from 1993 to 1998 and today leads industry group Airports Council International, issued a statement in June saying there is "a global need to finance new airport infrastructure and if government spending cannot be relied upon as it has been in the past then there is ample evidence of the value created by private investment in airports around the world."

There is private sector participation in 51 of the 100 busiest airports in the world, according to ACI.

But others are more skeptical.

In the U.S., whole airport privatizations are unlikely and "can have more adverse long-term outcomes for the public," according to Fitch Ratings managing director Cherian George. More likely to happen is increased use of public-private partnerships, according to George.

An airline industry group, the International Air Transport Association, has voiced opposition to airport privatization.

IATA CEO Alexandre de Juniac issued a statement in June saying "it is wrong to assume that the private sector has all the answers. Airlines have not yet

experienced an airport privatization that has fully lived up to its promised benefits. over the long term..... Selling airport assets for a short-term cash injection to the treasury is a mistake."

But in some cases, Poole said officials may be motivated by the opportunity to free up money from an airport by leasing out the airport to a private firm, and using the revenue for other infrastructure or to shore up public pension funds.

"Those are reasons we may see growth in airport privatization," Poole said.

Smaller public-private partnership projects may be a "a first step" toward airport privatization, he said.

"The whole idea is still foreign to most government officials," Poole said. With a growing number of airport investment firms expanding globally, "I think we'll see other examples where other companies get involved. And gradually, familiarity builds, and it won't seem outlandish at some later date when the subject of the whole airport comes up."

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NEW FROM ETHIOPIAN:

Ethiopian Airlines has launched a twice-weekly B777 freighter from Oslo to Guangzhou in China, and will increase its B787-8 frequency between Addis Ababa and the Norwegian capital to six a week.

CSAFE RAP FOR UNITED:

United Cargo has approved the CSAFE RAP temperature-controlled container for shipping life science commodities under its TempControl product.

TIANJIN CONNECTION:

Silk Way West Airlines is starting a twice weekly freighter service to Tianjin, connecting its global hub in Baku, Azerbaijan, with northern China.

AIR EUROPA IN HOUSE:

Spanish carrier Air Europa has taken its airfreight product inhouse by establishing its own Air Europa Cargo business.

GOOD PRACTICE DNATA:

Ground handler dnata has been awarded Good Distribution Practice (GDP) certification for pharma handling at the company's facility in Zurich, Switzerland.

FREIGHTER FORECAST

Air cargo volumes set to double over next 20 years

Air cargo operators will need more than 2,600 new or converted freighters over the next two decades to keep up with increasing global freight demand.

Boeing's latest World Air Cargo Forecast said the additional or fleet replacement freighters are required to keep pace with an expected doubling of airfreight volumes over the next 20 years, with an average annual increase of 4.2%.

Factors driving the growth include a growing express market in China and the rise of global e-commerce, which is forecast to increase 20% a year to nearly \$5trn in 2021, according to Boeing's analysis.

The 1,670 passenger to freighter converted aircraft and 980 medium and large production line freighters will go towards replacing older airplanes and growing the global fleet to meet demand, according to Boeing.

Darren Hulst, managing director of market analysis and sales support at Boeing Commercial Airplanes, said:



Large widebody freighters such as the B747-8 will carry 50% of the volume

“The air cargo market continues to be a major element of commercial aviation's growth story. Our new forecast indicates strong long-term air cargo trends, which coincide with the market recovery that we have seen over the last few years across Europe, North America and Asia.”

The world freighter fleet will expand by more than 70%, from the current total of 1,870 to 3,260 airplanes.

Boeing also projects new production freighter deliveries valued at \$280bn and that demand for regional express services in fast-developing economies will boost the standard-

body share of the freighter fleet from 37% today to 39%.

The US framemaker also estimated 1,170 standard body and 500 medium widebody passenger airplanes will be converted into freighters by 2038.

Freighters, which provide a capability passenger belly-cargo cannot match, will continue to carry more than 50% of the world's air cargo, mainly in the large widebody freighter category, such as the B747-8 freighter and B777 freighters.

“With 90% share of the freighter market, Boeing is well positioned to capture this growth,” said Hulst.



AIRPORTS

Building a Seamless Travel Experience in 2019

BY HELENA BONONI ON DEC 24, 2018



Photo credit: WTTC

As the Director of Industry Affairs of the World Travel & Tourism Council (WTTC), people often ask me how the travel sector is operationally going to keep up with passenger trends, consumer expectations, technological innovation and safety concerns – and they are right to query this.

Last month, IATA updated their projections for future aviation growth, estimating that the number of global air travelers will balloon from 4 billion a year now to 8.2 billion by 2037. Yet, of course, the number of airports and runways will not double within the same timeframe, nor would this be the preferred solution.

London Heathrow Airport provides a great case study here. During rush hours at Heathrow, a plane lands on average every 45 seconds, with the number of departing flights growing by 1.7 percent in a year, and the number of passengers by 2.6 percent, according to the Civil Aviation Authority. With six airport terminals and two runways currently in use, a potential third runway has been debated in government for 20 years, each debate more heated than the last.

As aviation technology advances in leaps and bounds – with prospects of non-stop 17-hour flights between the UK and Australia quickly materializing, and Artificial Intelligence now being used to make fleets more available by better managing maintenance cycles – WTTC has turned its attention to boarding processes.

WTTC envisions a future in which travelers can leave their house with one single biometric identifier – and board a plane or cruise, check into their hotel, and hire a car with that unique identifier.

In the words of our President and CEO Gloria Guevara, “Our vision is that the traveler of the future won’t need to provide the physical documents multiple times. Instead, their experience will be seamless, faster and more enjoyable throughout their entire journey. Biometrics will work at every touchpoint of the journey to make travelling easier for the passenger while providing border services with greater security.”

Technologically, this vision is no longer a pipedream. Biometric systems are fully functional in some places and rapidly developing in others. There is also great appetite within the travel sector to implement these new systems. Airlines, airports, cruise ports, hotels, and car hire companies have all somehow engaged in a number of trials and testing exercises in recent years, demonstrating commitment to the streamlining of boarding processes.

The real challenge for WTTC, then, lies in the coordination of all of the initiatives underway to ensure interoperability, and to make travelers journeys as seamless as they can possibly be.

On this front, WTTC has engaged a wide variety of stakeholders from the private and public sectors, hosting workshops in order to share progress updates and best practice models and launching a pilot in 2019 for the world’s first end-to-end seamless journey.

The first pilot programme will quantify the benefits of biometrics across all touchpoints of a traveler’s journey and work to identify solutions to advance a harmonised seamless traveler journey throughout the sector.

Through the 2019 trials, representatives from several industries within the Travel & Tourism sector, such as airlines, airports, hospitality, cruise, car rental, and potentially tour operators, will be able to jointly test different technologies that interconnect and work to improve the experience of the traveler.

The first pilot will see travelers on round-trips between Dallas Fort Worth International Airport and London using biometric technology to conduct all airline security, airport and border processes before accessing car rental and hotel check-in using the same biometric information.

In coordinating global efforts on biometrics, WTTC is also shining a spotlight on those organisations leading by example, such as US Customs and Border Protection (CBP) who have been innovating on biometric technology for the last decade.

Most recently, this took the form of expanding its entry and exit systems so that passengers are processed with facial and iris recognition technologies when travelling through the United States. Within 40 days of introducing this technology, officials at Washington Dulles Airport had identified three ‘impostors’ travelling with fake documentation or without legal status.

This proves a double-win for passengers, as the biometric systems enhance both security and efficiency of their journeys, speeding up queue times and ensuring that only valid and legal travelers can proceed through checkpoints. In terms of detailed facial recognition and pattern matching, the systems are more reliable than their human counterparts, and much quicker – the biometric scanners used at Dulles Airport, for example, take just two seconds to cross reference images with data and make an informed judgement on the validity of the passenger.

Consistent in CBP’s work is the objective of producing one cohesive biometrics system that airlines and airport partners can plug into, thus avoiding a duplication of efforts – an approach that WTTC endorses.

In the months ahead, WTTC will continue to bring together stakeholders from across the Travel & Tourism sector to explore what more can be done in this area, and to encourage collaboration on the development of these technologies. The prospect of getting from A to B effortlessly and with the assistance of the most ground-breaking technologies is no longer a futuristic idea, but rather at our fingertips.

Helena Bononi joined WTTC as Director Industry Affairs in March 2018, responsible for managing programmes under the strategic priority ‘Security and Travel Facilitation’.

Helena has been working in the Travel and Tourism sector for over 20 years and prior to joining WTTC was a Director for Global Operations and Customer Experience for Sabre Holdings, having worked in Latin America and in the US.

She has managed programmes for a range of products and services within Latin America, North America, Europe and Asia and has built extensive network in the Travel Industry.

Her work included developing growth strategies, strategically promoting product and services and managing interactions with customers, as well as using data analysis to improve business relationships, specifically focusing on customer retention and ultimately driving sales growth.



Local News

Charleston International Airport ranked #3 'most stressful'

By:

Tim Renaud (<https://www.counton2.com/meet-the-team/tim-renaud/1493213708>)

✉ (<mailto:trenaud@wcbd.com>)

Updated: Dec 18, 2018 12:00 PM EST

(Interactive Media Not Supported by Print)

NORTH CHARLESTON, SC (WCBD) – A recent [report by InsureMyTrip](#), who tracks the rate of flight cancellations, has ranked Charleston International Airport as the third most stressful for travelers when it comes to the holidays.

The ranking takes into account airports which commonly have flights that are delayed or canceled between 4:00 p.m. and 6:00 p.m.

Charleston International Airport ranked just below LaGuardia in New York (number one on the list) and Norfolk International in Virginia (number two on the list).

Researchers with InsureMyTrip.com say holiday travelers must deal with seasonal factors like weather-related airport delays and badly timed colds, creating an often-stressful experience when taking to the airways.

They say these “what ifs” can add up to a lot of stress due to the uncertainty of not getting to our destination on time.

Researchers say you should choose airports wisely when booking your flight because some airlines and airports have poor on-time performance track records.

Here is their list of top 10 major airports which often report a higher percentage of flight cancellations:

1. LGA New York, NY: LaGuardia (WORST)

2. ORF Norfolk, VA: Norfolk International
3. CHS Charleston, SC: Charleston AFB/International
4. ROC Rochester, NY: Greater Rochester International
5. PHL Philadelphia, PA: Philadelphia International
6. EWR Newark, NJ: Newark Liberty International
7. PVD Providence, RI: Theodore Francis Green State
8. DCA Washington, DC: Ronald Reagan Washington National
9. BUF Buffalo, NY: Buffalo Niagara International
10. JFK New York, NY: John F. Kennedy International

For a full list, please [click here](#).

Those who are unable to avoid these destinations, you should consider flights with earlier departures and book flights that fly directly to your destination. While connecting flights are typically cheaper, they say you'll increase the likelihood of travel problems and adding stops at "airports to avoid".

It is also recommended to save your travel documents. If your flight is delayed or canceled, your travel insurance company will require documentation in the event you file a claim.

If a flight is canceled, [PRNewsWire says](#) most airlines will rebook travelers on the next available flight at no additional charge. It is important to note airlines are not required to reimburse travelers for losses incurred because of a canceled flight.

We reached out to the airport for their reaction. They sent us a statement that reads:

"CHS is committed to providing a stress-free, first-class passenger experience. From expedited security lines, increased parking, excellent cuisine and retail options to local, live entertainment. Coming in 2019, this experience will only be enhanced with the opening of a VIP customer lounge and direct international air service to London."

Surprised by the ranking, many [took to social media](#) rebutting the list, saying travel through Charleston International Airport is one of the easiest and most-stress-free.



AIRPORTS

TN: Chattanooga Airport Adds Parking Spaces, Raises Fees

MIKE PARE ON DEC 18, 2018

SOURCE: MCCLATCHY

Dec. 17--Updated at 5:55 p.m. on Monday, Dec. 17, 2018, with more information,

Chattanooga Airport officials on Monday OK'd constructing a 520-space economy parking lot with shuttle service to the terminal as Lovell Field deals with record passenger boardings.

To help pay for the parking expansion and other improvements, the airport also is raising parking fees for the first time in six years as boardings are expected to surpass a half million for the first time ever this year.

"If there's one thing that keeps me up at night, it's parking," said Terry Hart, president and chief executive officer for the airport. "We want to be able to serve everybody."

The new lot will go up next to an existing 265-space economy lot off Airport Road that's already serviced by a shuttle, he told the Airport Authority in a meeting.

In addition, the airport is adding 250 more spaces by finding room in the existing long-term lots nearer the terminal, Hart said.

Additionally, he said the airport is expected to start work on a 1,300-space parking garage near the terminal next year, but it will take a year to construct.

"Creating an economy lot and adjusting parking rates helps ensure our long term financial stability, while still offering parking at a price well below other airports in our region," Hart said.

He said digital signs are expected to go up on Shepherd Road next year to direct people to lots with available spaces.

Hart said the airport is exceeding its expected growth due to expanded airline routes and the use of larger aircraft by carriers.

Concerning parking, the Authority agreed to the new rates, which will start Jan. 1.

The new short-term parking rate will be \$20 per day, up from current daily rate of \$16. The long-term daily rate will go from \$9 to \$12, and the economy daily rate will stay at \$9. The new long-term rates are on par with neighboring cities, while the new short-term rate is still among the lowest in the region, according to the airport.

Construction of the new economy lot will begin in January, and it's expected to open by the end of April. Two free shuttles are to connect to the terminal daily with pickup every seven to 10 minutes, airport officials said.

The Authority agreed to a bid of \$2.6 million from Thomas Brothers Construction Co. to build the 520-space economy lot. While it was above the \$2.4 million low bid from Talley Construction, Hart said Thomas Brothers met all of the needed criteria, including having the soonest construction timeline.

Hart said the increase in parking fees, accounting for changes in parking by some users, is expected to add \$1.6 million in revenue per year.

Authority Vice Chairman Jim Hall said parking is one of the airport's key revenue streams and vital to users.

"We need to fix the problem," he said. "All you have to do is come out once and not get a flight, they probably won't come back again."

Authority member Mike Mallen said the airport is "at the tipping point" when it comes to parking.

But the airport panel put off a vote on extending parking lot company Republic Parking's contract to service the economy lot with shuttles.

Board member Farzana Khaleel sought more analysis behind the extension and proposed rate increases.

Hart said he would send the requested information to board members.

While the new economy lot and parking garage plans are under development, the airport has been encouraging passengers to consider alternate transportation such as ridesharing, taxi, carpooling and bus or hotel shuttle service.

Contact Mike Pare at mpare@timesfreepress.com or 423-757-6318. Follow him on Twitter @MikePareTFP.

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AIRLINES

Delta Air Lines to Ditch Zone Boarding in 2019

DAWN GILBERTSON ON DEC 13, 2018

SOURCE: USA TODAY

Delta Air Lines is shaking up its boarding process, ditching zone boarding for boarding by ticket type.

The Atlanta based carrier is renaming, and even color coding, its boarding groups, and increasing the number per flight from six to seven or eight depending on the aircraft. The goal: a smoother, more clear-cut boarding process.

Airlines are always testing and tinkering with boarding systems in a bid to lessen passenger frustration and gate crowding. United Airlines recently reduced the number of boarding lanes on its flights.

Read more: <https://www.usatoday.com/story/travel/flights/2018/12/11/delta-air-lines-new-boarding-system-january-2019/2267416002/>

AIRLINES

Delta Expects \$5B Annual Profit Stream

KELLY YAMANOUCI ON DEC 14, 2018

SOURCE: MCCLATCHY

Dec. 14--Delta Air Lines said it hasn't grown profits as much as it had hoped, amid higher fuel costs earlier this year -- but the Atlanta-based carrier still expects to bring in about \$5 billion in pre-tax income for 2018.

"We did not grow earnings as anticipated," said Delta CEO Ed Bastian during the company's annual investor day in New York on Thursday. "But the good news is we did not shrink our earnings either."

After fuel costs went down, the company wasn't able to increase fares as much.

"But our pricing did not step back," Bastian said. "There's no giveback because fuel prices came down in our business." He said revenue will still grow 3 to 4 percent year-over-year.

A big reason for that is Delta's increased focus on charging more for premium seats. Today, less than 50 percent of the company's revenue come from passengers in the main cabin, where "the most price-sensitive travelers" sit, Bastian said.

As Delta replaces older aircraft with newer planes, it is putting in more premium seats.

Eight years ago, Delta was primarily a two-class carrier with first class or business class up front, and coach class in back.

Since then, the airline has added Comfort+ seats with extra legroom, Premium Select on international flights, Delta One business class suites and, at the low end, Basic Economy -- with the idea of upselling travelers.

"When we thought about what individual customers want to buy from us... we found out they wanted to buy a lot more than we were supplying, and they were willing to pay for it," said Delta president Glen Haeunstein.

Separately, Delta is preparing to announce a new route to India in early 2019, Bastian said. Hartsfield-Jackson International Airport general manager John Selden said Atlanta is competing with New York's John F. Kennedy International for the Mumbai route.

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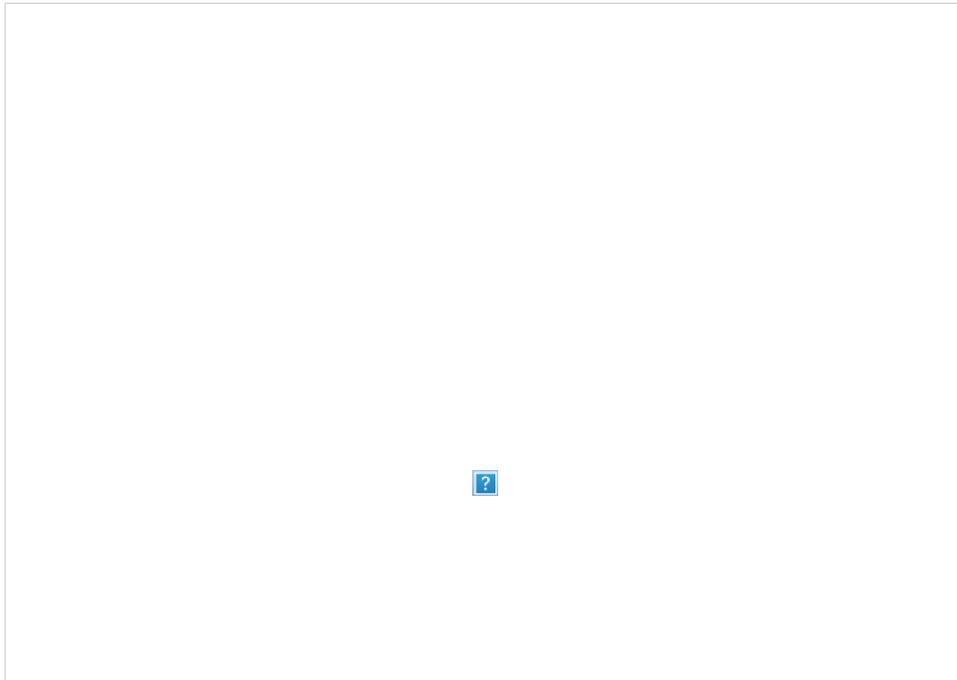


AIRPORTS

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Design and Renovate Today's Terminals for Tomorrow

BY ALLEN BERENTES ON DEC 21, 2018



United Airlines Inc. is one of the United States' original legacy carriers that serves over 335 cities, of which 127 are international destinations and is ranked as one of the top three carriers at Los Angeles International Airport (LAX). LAX is the fourth-busiest airport in the world, second busiest in the U.S. and was named one of Skytrax's 2017 Top 10 Most Improved Airports.

As part of ongoing improvements at LAX, United recently completed a major renovation of their LAX Terminals 7 and 8. The terminal design provided needed enhancements to the existing, aging facilities. United commissioned HNTB as the architect and engineer of record for this enhancement to its terminals.

"Working with United, HNTB designed a new experience for United Airlines' passengers at LAX with an emphasis on customer service and using United's systemwide unified branding icons that are being rolled out across its hubs," said Jennie Santoro, AIA, NCARB, project architect for HNTB. "The enhanced level of customer service and state-of-the-art technologies incorporated for check-in and processing make the passenger flow effortless," she added.

The redevelopment creates new opportunities for concession spaces at optimal foot traffic node points to improve revenue to the airport. This \$480 million project was a phased reconstruction and expansion totaling 305,000 square feet. The Terminal 7 and 8 baggage and building systems were completely replaced to provide a more efficient and sustainable environment for United and its passengers.

The project is using new state-of-the-art technologies for passenger check-in and at the departure hold rooms to minimize wait and boarding time.

"Those technologies include self-service baggage check-in kiosks and designated bag drop zones, using United's new check-in process. At the departure waiting areas, the provision for future automated gate boarding systems are provided," said Paul Kim, AIA, NCARB, HNTB project manager. "Passengers who have checked in online or at home can exit their vehicles at a designated curbside zone and use the Direct to Security path, bypassing the check-in lobby."

A major change for the terminal was the consolidation of three existing passenger security screening locations into one. The new screening area is located to allow passengers to access the area directly from the check-in lobbies and provides for 12 security lanes in a common location. HNTB looked to the future when designing the security area knowing that electrical and communication needs would change with new security screening equipment. The new checkpoint already had been designed and was under construction when United decided it wanted to use a new TSA security processing system being rolled out in the United States. Working closely with TSA officials, HNTB modified the screening area's infrastructure design to meet the new data and power requirements. This first-of-a-kind system at LAX improves the process for passengers to place articles in bins and eliminates the need for TSA staff to handle bins, thus speeding up passenger processing. Because of its success at LAX, United plans to adopt the system at all its U.S. hubs.

The project also provides high-end, high-touch check-in for United's Premier and Global Services passengers and a new 18,000-square-foot United Club featuring an exterior club terrace with great airport and city views for guests.

The Design

HNTB and its associate architect, Krueck + Sexton Architects, developed a design vision, "United by Light," that would use light, materials and scale to provide more open and inviting spaces to enhance the passenger experience.

"Terminals 7 and 8 is one of the first built projects to utilize the LAX Design Guidelines which heightens the passenger experience and visual quality. The design is modern and intuitive," said Tony Gonzales, AIA, LEED AP and Los Angeles studio leader who served United as principal in charge. We approached the design to integrate with LAX's Mid Century Modern roots, the place identity of Los Angeles and the United Airlines brand."

The transformation included an increased level of customer service and changes to circulation routes, escalators, and elevators for more efficient passenger flow for both departing and arriving passengers.

The inbound baggage area process has been renovated to provide improved inbound baggage drops. Baggage claim has been fully renovated with new claim devices and greatly improved circulation and visibility to assist passengers in claiming their baggage. The team also renovated or replaced the building mechanical, structural, electrical and support systems to provide a more efficient and sustainable built environment.

While building code requires seismic retrofitting in significant construction, upgrading existing connections to current code standards would have been a significant undertaking with substantial cost and disruption to ongoing building operations during construction. Working with the structural engineer, John A. Martin and Associates, the design team developed a solution for upgrading the building to current code standards while avoiding the customary difficulties associated with existing frames. New moment frames were designed that utilize new and existing columns. The selected strategy resulted in a renovated building that is code compliant to current standards but avoided the cost and construction difficulties commonly associated with retrofitting similarly aged buildings.

A high level of scrutiny from the city of Los Angeles Design Commission resulted in an iterative design approach to respond to their requirements, expectations and comments. The final design solution resolved their concerns with optimal performance for both efficiency and construction methodology.

The Execution

LAX's operational environment meant that the project team had to demolish and build the terminal enhancements amongst active passengers, security and safety concerns, United's on-going operations, and the 24/7 needs of an active major-hub airport. To successfully deliver in this environment, the team developed a phased construction methodology working with a myriad of stakeholders, including United, Los Angeles World Airports, City of Los Angeles, inspectors, and contractors. HNTB implemented weekly meetings with the stakeholders along with construction phasing exhibits that addressed the ability to maintain life safety and code compliance during construction for that zone or area.

HNTB provided an on-site design team that was co-located with the owner, program manager and construction manager at risk to facilitate efficient communication during the design process and construction. The United project office was located across the street from the airport to provide immediate response to any construction related issues or emergencies. To successfully navigate LAX's complex design review process, HNTB's principal in charge and project manager provided hands-on design leadership during the process.

The result is a cohesive and efficient Los Angeles travel experience for United Airlines' passengers. Two renovated terminals accommodate 24 narrow-body and wide-body aircraft gates. The project also provides space for new concessions and restaurants at high traffic areas and points of connection to maximize revenue.

United continues to implement a variety of enhancements that will create a brighter, more open United experience at Los Angeles International Airport and elevate the overall passenger experience.

Allen W. Berentes, RA NCCARB serves as associate vice president and aviation studio leader at HNTB Corporation, a national infrastructure solutions firm. He specializes in airport terminal architectural planning and design and airport master planning. Berentes has worked with Los Angeles International Airport for three decades, including 10 years as project manager on the Tom Bradley International Terminal modernization project. Contact him at aberentes@hntb.com.



TECH & SECURITY

FL: Federal Shutdown Leaves 40 TSA Staffers Working Without Pay at Daytona Airport

CLAYTON PARK ON DEC 26, 2018

SOURCE: MCCLATCHY

Dec. 24--DAYTONA BEACH -- Despite the federal government shutdown that began midnight Friday, Transportation Security Administration employees were checking departing air travelers' carry-on bags as usual this week at Daytona Beach International Airport.

Only, at least for now, they're doing it without pay.

Jay Cassens, director of business development for Daytona Beach International Airport, confirmed that approximately 40 TSA workers are required to continue to work their regular shifts because they are considered essential federal government employees.

But because of the federal government shutdown, their salaries have been temporarily suspended.

"The last paycheck comes for them next Saturday (for work performed prior to the shutdown)," Cassens said.

TSA workers at the airport were not authorized to speak to the news media and a spokesperson for the federal agency was on furlough and unavailable for comment because her position was deemed "nonessential."

The TSA in a statement said "the expectation is that (essential TSA employees required to work without pay) will receive back pay when the shutdown has ended."

The longest federal government shutdown on record was 21 days, beginning Dec. 5, 1995 and ending Jan. 6, 1996.

The most recent federal government shutdown was in January of this year and lasted three days. A shutdown in October 2013 lasted 13 days.

The latest shutdown comes amid forecasts of record numbers of Americans traveling for the holidays, more than one in three, according to a forecast by AAA auto club.

Of those projected 112.35 million holiday travelers, approximately 6.7 million are expected to travel by air, the most in 15 years and a 4.2 percent increase over last year.

"We understand it must be difficult right now with the uncertainty," Cassens said of the TSA personnel at the airport who are being required to work during the shutdown. "Hopefully, they won't have to truly work without pay."

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AIRPORTS

Full Backup Power at Hartsfield-Jackson Still Up to Three Years Away

KELLY YAMANOUCI ON DEC 17, 2018

SOURCE: MCCLATCHY

Dec. 17--A year after a massive power outage stranded travelers from around the world at Hartsfield-Jackson International, officials say it take up to three years before the world's busiest airport has full backup power.

The Dec. 17, 2017 outage left the Atlanta airport without electricity for about 11 hours, with tens of thousands of passengers left waiting in the dark terminals and concourses.

"As we all know that was a rough day for passengers, for airline employees, for airport employees," said Hartsfield-Jackson's assistant general manager of planning and development Tom Nissalke. "We don't want to go through this again."

A \$130 million project to install a bank of backup generators strong enough to power the entire airport is still in the design stages. Nissalke said it is expected to take up to three years to complete the design and installation of the permanent generators with about 65 megawatts of capacity to power the airport's 7 million square feet.

"It's going to be a very long project," Nissalke said. Airport officials have said it will take time to get environmental approvals, procure more than 21 diesel generators and install them, and much of the electrical work will have to be done overnight.

It was a failure of Georgia Power equipment that triggered a fire in an underground tunnel at the airport a year ago, damaging power cables and causing a loss of electricity throughout the terminals and concourses starting just after 1 p.m. and lasting until close to midnight.

"What happened on Dec. 17 was the perfect storm. It was a total anomaly where everything went out," Nissalke said. Between now and 2021, when the generators are expected to be complete, "if there's a fire or similar incident... We can promise you that the response will be quicker, the recovery will be quicker," he said.

The airport, Georgia Power and the Atlanta Airlines Terminal Co., the airline cooperative that operates and maintains the terminal and concourses, have put in some smaller improvements.

Temporary generators from Georgia Power are available if needed in the interim to provide emergency power for a concourse.

But lights and electricity throughout the two terminals and seven concourses and power for the critical passenger loading bridges to board planes require significantly more juice.

For now, the airport has updated generators on Concourse E to power gates and allow planes to unload. During the outage, hundreds of passengers were stuck on planes on the tarmac for hours.

Also added are more than 90 cameras, including in the Georgia Power tunnel to detect smoke and flames for early detection of a fire. Airlines paid for the cameras, which cost about \$1.4 million.

"The problem that we had was determining, 'Where was it [the fire]?" said Kofi Smith, CEO of the Atlanta Airlines Terminal Co. "We have to have some eyes in our most critical places."

Bullhorns to communicate to passengers have also been added throughout the airport.

Georgia Power said it spent about \$6 million this year on improvements to improve reliability, added new automated switches and had a team of more than 150 employees examine the power delivery system and inspect 21 substations.

Ultimately, the expense for the permanent backup generators will be covered by airline rent payments.

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TECH & SECURITY

CO: New Body Scanners Help Speed Up Security Checks at DEN

KDVR-TV, DENVER ON DEC 21, 2018

SOURCE: MCCLATCHY

DENVER 2018-- New body scanners to speed up the trip through security were launched this week at Denver International Airport, just in time for a busy weekend of holiday travel.

The scanners move passengers through more quickly and people don't have to lift their arms, a benefit for those with physical limitations.

"The real speed is if there is a threat on the body, it's easier to identify and it's seconds quicker," said Larry Nau with the Transportation Security Administration. "When you're processing over 70,000 passengers a day, seconds make a difference."

RELATED: Denver International Airport arrivals and departures

In September, DIA rolled out automatic screen lanes that have been a big hit, making it more efficient to get through security and allowing passengers to not wait on slower people.

The new technology will be incorporated into the new construction that wraps up at the end of 2021.

TSA is projecting Friday and Wednesday, the day after Christmas, as its busiest. Officials say passengers should give themselves extra time to park and to get through security.

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AIRLINES

SkyWest, Inc. Enters into Agreement to Sell ExpressJet Airlines

DEC 18, 2018 SOURCE: PR NEWSWIRE



ST. GEORGE, Utah, Dec. 18, 2018 /PRNewswire/ -- SkyWest, Inc. (NASDAQ: SKYW) today announced that it has entered into definitive agreements to sell ExpressJet Airlines, Inc. ("ExpressJet") to United Airlines ("United") joint venture ManaAir, LLC. The transaction is expected to close in early 2019, subject to customary closing conditions.

Consideration for the transaction includes approximately \$70 million in cash for the majority of the assets and the assumption of liabilities of ExpressJet, subject to a working capital adjustment. The ExpressJet assets excluded from the transaction will be utilized or liquidated by SkyWest. The expected realizable value to SkyWest of the remaining inventory is estimated to approximate the value of the working capital adjustment. SkyWest will retain ownership of the CRJ aircraft currently in service at ExpressJet.

The transaction also includes certain protections around existing SkyWest Airlines flying, as well as priority position to add 25 new dual-cabin aircraft with United should those opportunities arise. As part of the transaction, SkyWest has also agreed to lease 20 CRJ200s to ExpressJet for up to five years.

"Today's announcement provides further clarity and focus for the future," said Chip Childs, SkyWest, Inc. President and Chief Executive Officer. "We want to thank the employees of ExpressJet for their valued contributions and we look forward to continuing to strengthen our partnership with United."

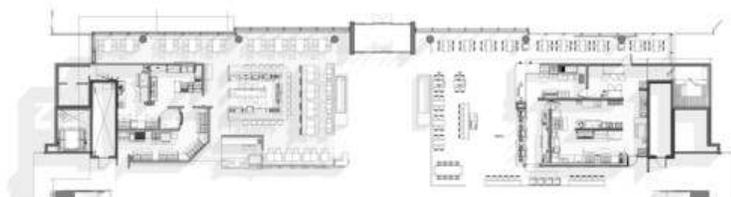


AIRPORTS

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The Struggle of Optimizing Brand Experience in an Airport Environment

BY BRIAN KERN ON DEC 21, 2018



The best way to make decisions and satisfy priorities is to identify critical issues and communicate to stakeholders in the initial design phase.

Photo credit: Oculus Inc.

Airports are unique places with special challenges and opportunities for travelers passing through and merchants who occupy prime real estate space in confined areas. Airport travelers are a captive audience for retailers who want to maintain brand identity and draw traffic to their locale.

For retailers, designing these spaces is more complex than the typical retail scenario, such as an inline or street location. Maintaining brand identity is a key challenge that must be addressed, as the retailers work with architects and engineers who seek to address tight spaces, security concerns, and regulations of governing agencies in each airport and municipality.

Here are insights into addressing and simplifying some of these complex challenges:

Build the Dream Team

Hire the right team. A primary challenge with retail locations is the balancing between brand exposure for the parent company and restrictions imposed by the governing airport authority. Hiring a professional design team with knowledge of airport construction intricacies reduces scheduling conflicts and controls costs.

Host pre-launch meeting. A solid team aligned at the beginning of the project, with diverse representation and effective communication, can turn challenges into workable solutions. The key is asking the right questions and drawing on what has worked in the past. A savvy design team appoints one person as liaison between all groups. A kickoff meeting allows key players to articulate needs and potential concerns, allowing the design team to anticipate deadlines and successfully manage the project. For an example of what might be required, the governing authority at Dulles International Airport required the design team of &pizza to provide full-size chair samples for the review, prior to the airport giving approval to submit for permits. During the Schematic Design Phase, custom-finished chair samples were required to be submitted and approved, which is an atypical critical path item compared to more traditional projects.

In another coordination scenario, a Chick-fil-A in Greenville-Spartanburg (GSP) International Airport had floor drains under front line soda machines that were unacceptable as liquids could penetrate a floor slab above an existing mechanical room. The design team communicated these obstacles to the engineer who proposed a creative compromise. Critical to the project's success was installation of 12" concealed drains on the customer side with longer drain lines on the back side that provided access for cleaning and maintenance operations.

Identify critical issues at the outset. The best way to make decisions and satisfy priorities is to identify critical issues and communicate to stakeholders in the initial design phase. There are some upfront costs to this early planning approach, but getting consensus reduces scheduling conflicts and costly change requests that might otherwise crop up later in the project. The design team should schedule and chair an initial meeting between the retailer, airport authority, local municipalities, and contractors. The design team can address all concerns, get everyone on the same page, and delegate tasks accordingly. The design team can then better manage tasks and deadlines throughout the course of the project, ensuring a more successful project for everyone.

Preserve the Brand Experience within an Airport

Brand promotion. Retailers want to maintain their brand experience while adding a bit of local flare. As mediator, an experienced design team balances competing interests of parent companies/franchise operators with the airport authority. The design team orchestrates design development that best promotes brand awareness based on an approved budget.

Strategic integration of logo. With premium costs of retail space at airports, integrating a company brand and logo presents challenges. Standard finishes, materials, and signage in most retail locations must be downsized or more strategically located to fit tight spaces.

Placement of company logo. This is critical to consumer identification and association. Airports require all signage to have a similar footprint, which impacts size and placement of logos. Owners seek creative solutions to make their signs recognized, such as adding brand colors behind the logo – especially when illumination is not allowed. In one scenario, a manager's request for a protruding blade sign, perpendicular to the storefront, went against airport regulations. The 3D rendering views created by the design team provided a resolution acceptable to all parties.

In another scenario, HMSHost worked with Focus Brands on an airport rollout. Downsizing from a kiosk to a wall unit was a critical space factor. Focus Brands had concerns about size of space, location, and brand presence. The design team created a completely custom solution that provided strong brand presence in a compact area, while still meeting all functionality requirements. The first unit, currently in production and testing phase, is widely expected to be successful from branding, sales, and efficiency perspectives.

Optimization of brand experience with durable materials. Aviation retail projects have unique requirements for materials and finishes. Brand managers are often concerned that durable finishes might compromise brand experience. A design team can act as an intermediary by proposing solutions, explaining the need and value for such finishes, and clarifying costs.

In aviation facilities, branding materials and finishes must be fire retardant, and can almost never be composed of plastic laminate. Durability is also a key factor. Resilient finishes are very important due to the high traffic in airport concourses. In one scenario, &pizza installed a full-height diamond plate sheet at a premium cost, which protected the surfaces of key customer facing items from the daily wear and tear of rolling suitcases up to 4' high.

Pedestrian flow and sound infrastructure around retail space. Traffic flow and queuing are critical issues in retail airport design. Retailers welcome a degree of overflow while restaurants want to avoid long lines inside dining areas that can spill into the concourse, seriously disrupting traffic.

Aviation facilities are technically complex, and engineering a new restaurant can be a challenge. Considerations include a myriad of issues - location of fire suppression, connection to existing ductwork, piping coordination and utility coordination. Selecting the right engineering partner — one familiar with the facility, specific facility engineering requirements, and aviation regulations is an important factor in design.

Create a visual of the finished product

Effective use of tools and technology. Visuals of the proposed design provide clarity during the planning process. A design team can use 3D visualization tools to share final designs, prompting discussions that can reduce complexity, confusion, and costs.

Better visualization leads to more informed decision making. In one example, providing 3D visualizations of how three new standalone restaurant units would

look and fit in as the main features at the new GSP International Airport Terminal was beneficial. The new centralized concessions area with freestanding restaurant units and new seating spaces features prominently in the holistic approach of the rest of the terminal, and has other big implications from a functional, flow, and aesthetic perspective.

3D Models enhance project team success. Models are integral parts of the design process and are used throughout the entire project. A 3D model allows the team to provide a holistic picture of the completed project, capturing the design intent with imagery all parties can understand within the surrounding environment.

Experience and insight

Ultimately, key considerations for successfully optimizing brand experience include:

- Promoting brand uniqueness without compromising the experience of a captive audience.
- Bringing the team together at the outset to address concerns and educate participants about the unique design factors involved with developing retail sites in airport environments.
- Providing visuals to enhance concepts and keep communication flowing between all contributors.

Brian Kern, AIA, NCCARB, LEED AP BD+C, is the Director of Retail with Oculus Inc. With offices in St. Louis, Dallas and Portland, Oculus is a full service architectural, strategic facility planning, interior design, and move management firm. Oculus works in a variety of industries including Retail, Restaurant, Commercial, Government, Healthcare, and Education. Mr. Kern may be reached at 877-628-5871 or briank@oculusinc.com. For more information, go to www.oculusinc.com/retail.