



AGENDA

Greenville-Spartanburg Airport Commission Regular Meeting
Greenville-Spartanburg International Airport Board Room
Monday, March 25, 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 January 3, 2019 Regular Meeting Minutes ([document](#))

III. PRESENTATIONS:

- A. Proposed Terminal Building Children's Play Area Update ([document](#))
- B. Community Engagement and Sponsorship Program Update ([document](#))
- C. Terminal Capacity – Current Challenges and Planning for the Future ([document](#))

IV. OLD BUSINESS: None

V. NEW BUSINESS:

- A. Roadway Conveyance Request - Hendrix Road ([document](#))
- B. Roadway Conveyance Request - Stevens Road ([document](#))
- C. Approval of Final Rankings for Structural Pre-Cast Design Build Provider ([document](#))
- D. Approval of Final Rankings for Surface Parking Expansion Program – Design Assist Contractor ([document](#))

VI. PRESIDENT/CEO REPORT:

- A. Aviation Industry Update
- B. Commercial Business and Communications Department Awards

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. January 2019 – Traffic Report ([document](#))
- B. January 2019 – Financial Report ([document](#))
- C. February 2019 – Development/Project Status Report ([document](#))
- D. February 2019 – Communications Status Report ([document](#))
- E. February 2019 – Commercial Business and Marketing Report ([document](#))
- F. February 2019 – OSHA Reportable Injury Report ([document](#))
- G. Industry Presentation(s)/Article(s) of Interest ([document](#))
- H. Potential Items for the Next Regular Scheduled Commission Meeting:

- FY 2019-2020 Budget and CIP
- Project Maple Lease Agreement Terms
- BMW Lease Agreement Terms

VIII. COMMISSION MEMBER REPORTS:

IX. EXECUTIVE SESSION:

The Airport Commission may hold an Executive Session for the purpose of discussion of an economic development project and personnel 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

January 3, 2019

The Greenville-Spartanburg Airport Commission met on January 3, 2019 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, and Leland Burch (via conference call)

MEMBERS NOT PRESENT: Valerie Miller

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); Ashley Bruton, Director Human Resources; Bobby Welborn, Police Chief; Jeff Clifton, Capital Project Manager; Zach Salvato, Director of IT; Betty O. Temple, WBD; Stefanie Hyder, Executive Assistant/Recording Secretary

GUESTS PRESENT: Zach Nelson, McFarland Johnson; John Mafera, McFarland Johnson; Paul Smith, WK Dickson; James Peace, GLF Construction; John Prickett, United Airlines; Shukri El-Khayyat, United Airlines; Tim Lankford, United Airlines; Chad Sunda, Delta Airlines; Joel Dejong, Delta Airlines; Debbie Thomas, Delta Airlines; Trevor Jones, Delta Airlines; Matt Wells, Delta Airlines

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 November 19, 2018 Regular Meeting Minutes.

PRESENTATIONS: None

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Surface Parking Project and Budget

Mr. Kevin Howell, Senior VP/COO, presented to the Commission the recommendation to approve a surface parking expansion program.

Mr. Howell noted that in November, the Commission approved a project budget of \$150,000 for the Surface Parking and Planning and Programming project. At the same time, the District is currently in Design Phase for the parking garage.

Since November 2018, McFarland Johnson (MJ) has reviewed parking lot demand analysis, updated enplanement forecasts, developed parking demand forecasts based on updated enplanement data, engaged two sub-consultants to conduct Geotech and survey work on proposed parking areas from the Master Plan, and developed cost estimates for the various alternatives. Mr. Howell introduced the McFarland Johnson team to present to the Commission their findings, projections, and alternatives.

Mr. Zach Nelson reviewed the utilization reports for each parking lot based on data collected from May 2018-October 2018 and average and maximum occupancy levels.

Mr. Nelson moved into a discussion about enplanement growth, both historical and forecasted. Albeit conservative, a 5-year Average Annual Growth Rate (AAGR) of 4.25% was utilized to project the estimated 2018 enplanements through 2030. The Commission inquired about the growth numbers in comparison to the Master Plan to which Mr. Nelson, Mr. Edwards, and Mr. Mafera responded.

Mr. Mafera discussed parking demand assumptions. McFarland Johnson has assumed that parking demand per enplanement is projected to remain steady through 2030. They have further assumed that if construction of Garage C is approved by the Commission, the Daily Lot would be lost in 2020, Garage C would become operational in 2022 or 2023, and the rental car spaces in Garage A would be converted to commercial parking spaces in 2023. The Commission asked about assumptions with respect to Uber and Lyft technology, as well as third party buildings to which Mr. Mafera responded. Though not yet approved, the Commission inquired about the completion date for the construction of Garage C to which Mr. Edwards responded.

Mr. Mafera reviewed parking demand projections for the forecasted period of 2020-2030 based on 2 million annual enplanements. Mr. Mafera further discussed employee parking projections and total demand. The Commission inquired about the employee parking deficit to which Mr. Edwards responded. Lastly, Mr. Mafera discussed projections for the Cell Phone and TNC (Transportation Network Companies) staging lot. The Commission noted the demand in the Cell Phone Lot to which Mr. Edwards commented.

Mr. Mafera discussed both parking lot expansion concepts and alternatives. The Commission inquired about transportation services for the new lot, long-term parking demand, and the timeline to which Mr. Mafera and Mr. Edwards responded.

Mr. Mafera reviewed the cost estimates for the proposed alternatives (total and average cost per space). The Commission inquired about the cost difference between lots and the parking expansion costs in relation to the Master Plan to which Mr. Mafera and Mr. Edwards responded. The Commission commented on keeping within the character and landscaping of GSP to which Mr. Mafera and Mr. Edwards eluded to the landscape Master Plan. The Commission further inquired about the roundabout, roadway access and thru traffic to which Mr. Mafera and Mr. Nelson responded. Discussion ensued.

Following McFarland Johnson's presentation, Mr. Howell recommended McFarland Johnson's alternative D for public parking and alternative E for employee/TNC parking, along with the new access road and roundabout on GSP Drive. The Commission inquired about the number of spaces Garage C would provide to which Mr. Howell responded 1,500 parking stalls (750 rental car spaces and 750 public parking spaces).

In addition, Mr. Howell also recommended utilizing the "Design-Assist" (DA) project delivery method for construction to expedite delivery and enhance the overall quality of the project. The delivery method is a combined qualifications and price proposal process. Mr. Howell elaborated on the Design Assist method. The Commission asked if GSP has used this method to which Mr. Howell responded no. Mr. Jeff Clifton, GSP Capital Project Manager, has had experience with the DA method.

Mr. Howell reviewed the proposed timeline of this project with procurement of a DA contractor occurring in January or February 2019, and construction beginning in September 2019. The timeline shows the Employee Lot operational by Spring 2020 and the Economy Lot by Summer 2020.

Mr. Howell discussed the costs associated with the Surface Parking Expansion Program discussed. It 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 for the employee/TNC parking lot. Sources of funding include District reserves, a proposed Passenger Facility Charge (PFC), and a combination of short and long-term debt. PFC funds were a concept introduced in the Master Plan. PFC eligible components include the roundabout and access road. The Commission followed up with questions about the amount of contingency, grading out, difference in user costs, and shuttle bus operations to which Mr. Howell and Mr. Edwards responded.

Chair Minor Shaw introduced Mr. Trevor Jones of Delta Airlines who requested to comment publicly on reimplementing the commuter parking program for pilots and flight attendants. The Commission inquired as to Mr. Jones' representation, whether airlines provide a supplement, Charlotte International Airports' policy, base location, and turnaround time to which Mr. Jones responded. After the allotted five minutes, the Commission thanked Mr. Jones for his comments and the information provided. In response to Mr. Jones' comments, Mr. Howell noted that GSP does not provide free parking for tenants.

The meeting was turned back over to Mr. Howell for a recommendation for approval. Discussion ensued about PFC's. The Commission inquired about debt to which Mr. Basil Dosunmu, Senior VP of Administration and Finance/CFO, provided and discussed the updated Master Plan Fund Balance (fund balance and accrued debt) worksheet reflecting the surface parking expansion program impact of \$16.7M. In 2020, the forecast for long-term debt after impact will increase to \$18.7M, and the fund balance after impact will decrease to \$57.5M. The Commission asked about long-term debt and the line of credit to which Mr. Dosunmu and Mr. Edwards responded. Based on further questions of the

Commission regarding PFC's, Mr. Edwards noted that District Staff will be presenting to the Commission the implementation of a PFC at a later meeting.

There was a motion 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. The motion was seconded and unanimously approved.

B. Approval to Exempt ERP System Solutions from the Normal Procurement Process

Mr. David Edwards, President/CEO, presented to the Commission the recommendation to exempt Enterprise Resources Planning (ERP) system solutions from the normal procurement process.

ERP is a multi-faceted solution. In this year's budget, the Commission approved \$1M for the first phase of the ERP system. In March 2018, Mr. Dosunmu presented an overview of the ERP system with the first phase to include several components such as Human Resources, Core Financial, Airport Property and Revenue Management.

District Staff engaged the IT division of Cherry Bekaert for assistance in gathering information to review potential products to fulfill the District's needs.

District Staff has found that the nature of this purchase is more of a professional service with selection based on qualifications and integration with other components. There is no one integrated solution that accomplishes everything, rather it is a multiple set of software products that can talk to one another. District Staff has engaged in both online and face to face demonstrations and has received price quotes during this evaluation process.

The existing policy requires that this type of purchase, over \$50,000, be accomplished by competitive sealed bidding. District Staff needs to be able to select component solutions based on qualification and an integration basis; therefore, Staff recommends the approval of a one-time exemption for the ERP system solutions procurement process from the normal procurement process and do this on a qualification-based selection with a negotiated cost for each of the various solutions.

The Commission commented that one bid could not carry out the whole project. The Commission inquired about the right to exempt the ERP system solutions from the normal procurement process under the District's current procurement policy. Mrs. Betty Temple, Legal Counsel, noted that Section 110 of the policy allows the President/CEO, Mr. David Edwards, to recommend that the Commission approve an exemption.

There was a motion to (1) exempt ERP system solutions from the normal procurement process; and (2) authorize the President/CEO to execute all necessary documents. The motion was seconded and unanimously approved.

The Commission then asked Mr. Edwards to explain the need for the ERP system and the benefits thereof. Mr. Edwards discussed moving into the 21st century and the transition from manual to automated noting the positive impact on labor. Additional benefits include increased efficiencies, improved accuracy, and access to real-time information.

PRESIDENT/CEO REPORT:

Aviation Industry Update:

Mr. Edwards commented on the Federal Government shutdown and the impact on agencies such as TSA and FAA.

The Airport Improvement Program is set for the next 4-5 years as appropriations continue to be made. The industry is performing well, and airlines continue to profit with the lower fuel costs.

Marketing/Advertising Update:

As part of the budget process, Mr. Scott Carr, VP Commercial Business and Communications, and his team are in the process of evaluating marketing and sponsorship efforts, and will be making recommendations, as part of the budget process, to redirect funds in ways that will benefit the effort to encourage consumers to fly out of GSP.

The Commission asked the District to keep them informed and are also interested in what others in the industry are doing, particularly airports our size. Mr. Edwards agreed to collect and provide this information. Mr. Edwards further noted that this was a topic of discussion at a recent Southeast CEO offsite retreat.

Air Traffic Control Tower:

Mr. Edwards, Mr. Howell and others of the team will be attending and participating in the AFTIL study (new tower location study) in New Jersey at the end of the month. GSP Airport participated in this study in 2011 at our cost because we were trying to get the FAA to relocate, rather than renovate, the current tower. Though the District pulled out of the project because the FAA couldn't find the funding to build the new tower at that time, they have initiated this new project on their own. We should have direction on the construction of a new tower by the end of year. It typically takes 5-7 years before a tower is built.

Air Service Development Update:

In early to mid-December, Air Canada informed us that they are not starting any transborder routes in 2019. Later this month, Mr. Scott Carr and Mr. Tom Tyra will be meeting with Porter Airlines, a Canadian carrier, which flies out of Billy Bishop Airport. Porter provides non-stop service to Toronto, and beyond service into Canada. Additionally, they will be meeting with Sun Country Airlines, a charter operator in Minneapolis.

The Commission inquired about the performance of new routes with Frontier Airlines and the American Airlines service to Miami to which Mr. Edwards responded. Mr. Edwards noted that Frontier Airlines will be enacting a seasonal pull down on the Orlando and Vegas routes for three months.

Parking Garage C Procurement Update:

At the last Commission meeting, Mr. Edwards announced that we were going out on the street for the selection process of pre-cast contractors. The two respondents were Tindall Corporation and Metromont. The Tindall Corporation submittal was sent via UPS. UPS lost the package and the submittal was not received by the deadline. Mr. Edwards has the authority to waive this item and is doing so as only two responses were received. Mr. Edwards indicated that he wanted to make the Commission aware of this item in case someone raised an issue in the future.

Annual Conflict of Interest Forms:

Mr. Edwards asked the Commissioners to execute the annual conflict of interest forms.

GSP Leadership Association Dinner:

The GSP Leadership Association Dinner is a quarterly networking event that was created and developed in response to the employee survey results in 2016. This event provides an opportunity to those employees interested in leadership growth. The Senior Team members have all presented.

The next Leadership Association dinner is scheduled for February 20, 2019 and has been reserved for the GSP Commission. Mrs. Shaw will lead the panel of Commissioners and discuss roles, history, vision, etc.

Clemson Charters:

Mr. Edwards provided an updated schedule for the Clemson charters for the upcoming Cotton Bowl.

COMMISSIONER'S REPORT:

Mr. Ramella reminded the Commission of the ACI-NA Airport Board and Commissioners Conference May 5-7, 2019 in San Francisco, CA.

EXECUTIVE SESSION:

There being no further business, a motion was made, seconded, and carried to go into Executive Session at 11:13 a.m. for the purpose of discussing a concessions contract.

ADJOURNMENT:

At approximately 11:32 a.m., public session resumed with no action being taken in Executive Session.

The meeting was adjourned at approximately 11:33 a.m. The next meeting is scheduled for March 25, 2019 at 9:00 a.m.

SIGNATURE OF PREPARER:

Stefanie Hyder



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION – Presentation Item A

Proposed Terminal Building Children's Play Area Update

BACKGROUND

An informational overview of Staff's efforts to date will be presented on constructing a children's play area in the terminal building. Staff has been working with Plus-Plus USA that is headquartered in the Upstate. They manufacture and sell plastic building blocks for kids of all ages.

The proposed play area would be located in the alcove on the Concourse A side of the Grand Hall. This area is approximately 449 square feet in size. Based on initial discussions, Plus-Plus USA is willing to construct and maintain the play area at their expense.

This will provide them with marketing exposure while providing the Airport District with another passenger amenity for our younger travelers.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION – Presentation Item B

Community Engagement and Sponsorship Program Update

BACKGROUND

Over the past several years, the Airport District has become involved in many local and regional programs throughout the Upstate. Staff is currently reevaluating each community engagement and sponsorship opportunity as part of the annual budgeting process.

To help maximize our available advertising and marketing budget, Staff has prioritized each opportunity against available funding as well as highest and best use of those funds. Based on the recent air service development announcements, Staff believes that a refocus back onto filling these newly available airline seats is the priority in the upcoming fiscal year.

With that said, Staff will continue to provide an active community engagement and sponsorship program. However, the number of overall sponsorships is proposed to decrease in exchange for doing much larger and more engaging community events.

Staff will present its proposed community engagement and sponsorship program for FY 2019-2020.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION - Presentation Item C

Terminal Capacity – Current Challenges and Planning for the Future

SUMMARY

Due to the ongoing growth of passengers and expanding air service at GSP, capacity will become a challenge in several key functional areas of the terminal facility over the next several years.

The Greenville-Spartanburg Airport District completed a Terminal Area Planning (TAP) Study in 2010 prior to embarking on the Terminal Improvement Program. The 2010 TAP Study outlined facility requirements, construction sequencing and implementation for future terminal enhancements. The District also recently completed an Airport Master Plan, which included high-level planning for future terminal expansion and related terminal facility requirements. As passenger enplanements and aircraft operations continue to grow and outpace current forecasts, the District needs to be proactive and further develop the planning and programming for a future terminal expansion.

Staff will provide a presentation to the Commission highlighting the current terminal situation, review our present challenges, and discuss potential stress points that will be impacted as passengers continue to grow at GSP. Staff will also discuss a proposed terminal planning project that will be a part of the FY20 capital budget submission to the Commission for consideration.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION – New Business Item A

Roadway Conveyance Request – Hendrix Road

BACKGROUND

Hendrix Road is classified as a local road by the SCDOT. The road is partially within the City of Greer, wholly within Spartanburg County, and solely surrounded by Airport District property.

Hendrix Road is currently barricaded off. However, at one time it connected Victor Hill Road with Brookshire Road. It is approximately 6,718 feet or 1.27 miles in length. Please see attached map for reference.

ISSUES

Hendrix Road has been closed to through traffic for an undetermined period of time. As such, this conveyance request is being made to allow the Airport District to formally assume all maintenance responsibility of Hendrix Road.

Neither the City of Greer nor Spartanburg County have clear records as to the roadway ownership. However, out of the abundance of caution, prior to the Airport District moving forward with any type of development activity on top of the abandoned roadway, District staff would like to formally request a conveyance from both governmental bodies. That will clear the way for any future development.

ALTERNATIVES

Maintain the status quo with Hendrix Road remaining in place as it is today.



FISCAL IMPACT

No additional costs are anticipated at this time.

RECOMMENDED ACTION

It is respectfully requested that the Airport Commission authorize the President/CEO of the Greenville-Spartanburg Airport District to take necessary action with the City of Greer and Spartanburg County as applicable to formally convey Hendrix Road to the Airport District.

Attachment

HENDRIX ROAD LOCATION MAP



**Hendrix Road
+/- 6,718' or
+/- 1.27 miles**



 **SCDOT Roads**
 **Other Roads**

0 250 500 1,000 1,500 2,000
Feet

Note: This map is for illustrative purposes only. Images contained on this map are property of the Greenville-Spartanburg Airport District (GSP) and may not be used for any other purpose.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION – New Business Item B

Roadway Conveyance Request – Stevens Road

BACKGROUND

Stevens Road is classified as a local road by the SCDOT. However, it is also part of the state highway secondary road system too. The road is wholly located within Spartanburg County and surrounded by Airport District property.

Stevens Road connects Brockman-McClimon Road with GSP Drive. It is approximately 4,524 feet or 0.86 miles in length. Please see attached map for reference.

ISSUES

The Airport District has been maintaining Stevens Road for an unknown amount of time. However, neither SCDOT nor Spartanburg County have clear records as to the roadway's ownership. As such, this conveyance request is being made to allow the Airport District to formally assume all maintenance responsibilities of Stevens Road.

ALTERNATIVES

Maintain the status quo with Stevens Road remaining as it is today, without any clear ownership identified.

FISCAL IMPACT

No additional costs are anticipated at this time.



RECOMMENDED ACTION

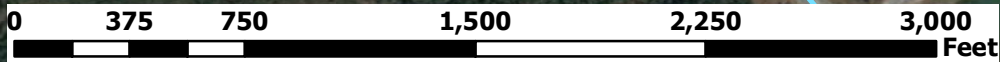
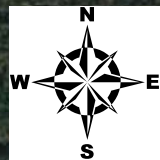
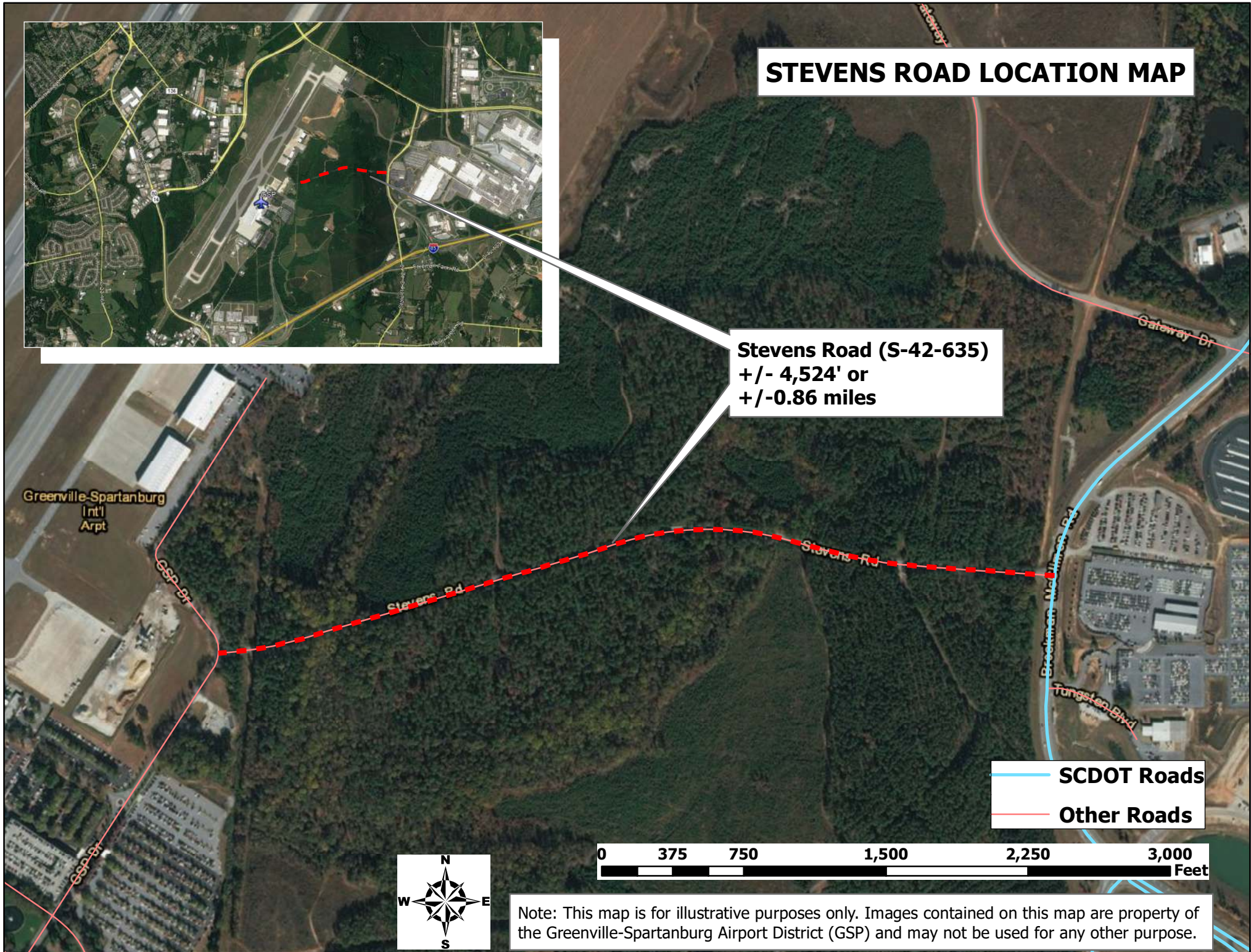
It is respectfully requested that the Airport Commission authorize the President/CEO of the Greenville-Spartanburg Airport District to take necessary action with SCDOT and Spartanburg County as applicable to formally convey Stevens Road to the Airport District.

Attachment



STEVENS ROAD LOCATION MAP

Stevens Road (S-42-635)
+/- 4,524' or
+/-0.86 miles



Note: This map is for illustrative purposes only. Images contained on this map are property of the Greenville-Spartanburg Airport District (GSP) and may not be used for any other purpose.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION - New Business Item C

Approval of Final Rankings for Structural Pre-Cast Design Build Provider

BACKGROUND

The design of the third parking garage at Greenville-Spartanburg International Airport is currently underway. During early design, it was determined to be in the District's best interest to utilize a pre-cast concrete structure for this project. Staff prepared a Request for Qualifications (RFQ) and a Request for Proposals (RFP) for structural pre-cast concrete design build services. Two (2) Submittals of Qualifications (SOQs) were received for pre-cast design build on the December 21, 2019 due date.

Structural pre-cast concrete providers submitting SOQs were (listed alphabetically):

Metromont, Inc.
Tindall Corporation

After reviewing each firms' qualifications, pre-proposal meetings were held individually with each firm. Priced proposals were received from Tindall and Metromont on March 7, 2019. Staff and representatives from LS3P have reviewed the priced proposals from each firm and evaluated them per the RFP requirements.

ISSUES

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



The recommended final ranking for architectural/engineering services is:

1. Metromont, Inc.
2. Tindall Corporation

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

ALTERNATIVES

No alternatives are recommended at this time.

FISCAL IMPACT

Approval of the final ranking itself does not have a direct fiscal impact. Once the structural pre-cast concrete provider is under contract, the selected company will provide design and engineering services in coordination with the parking garage design team. The pre-cast provider will be compensated for their design services per the agreement. The current approved design phase budget is \$5,000,000. Current design phase contract values total \$ 3,193,302. The project will be brought back to the Commission for an update and approval prior to moving to the construction phase.

RECOMMENDED ACTION

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



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION - New Business Item D

Approval of Final Rankings for Surface Parking Expansion Program - Design Assist Contractor

BACKGROUND

In January 2019, the Commission approved a budget for the Surface Parking Expansion Program and the utilization of the Design Assist (DA) alternate project delivery method for the program. Since the January meeting, additional survey and geotechnical work has been completed and Staff finalized the necessary Work Authorization with Kimley-Horn for engineering services.

A Request for Proposal (RFP) was issued for DA contractor services and three proposals were received on February 20, 2019. Contractors providing proposals were (listed alphabetically):

McCarthy Improvement Company
Rodgers Builders, Inc.
Sloan Construction Company

Staff and representatives from Kimley-Horn reviewed the contractor's qualifications and proposals from each company and evaluated them per the RFP requirements. Follow up interviews and presentations were held with Rodgers and Sloan to further evaluate the companies, their team, and their proposals.



ISSUES

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

The recommended final ranking for architectural/engineering services is:

1. Rodgers Builders, Inc.
2. Sloan Construction Company

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

ALTERNATIVES

No alternatives are recommended at this time.

FISCAL IMPACT

Approval of the final ranking itself does not have a direct fiscal impact. Once the DA Contractor is under contract, the selected company will provide design assist and pre-construction services in coordination with Kimley-Horn. The DA Contractor will be compensated for the pre-construction services per their proposal and the final negotiated agreement.

As discussed at the January 2019 Commission meeting, the DA Contractor will be required to bid all project work and provide the bid results to the District for review and approval. The DA Contractor will be compensated for general conditions and a fee on top of the cost of work, per their proposal, and the final negotiated agreement. If the District is not satisfied with the bid results, the DA Contractor agreement may be terminated, and the DA Contractor would be compensated per the final agreement for pre-construction services provided.



RECOMMENDED ACTION

It is respectfully requested that the Airport Commission resolve to (1) approve the final rankings for the Surface Parking Expansion Program Design Assist Contractor as presented above; (2) authorize Staff to negotiate and finalize agreements with the highest ranked company (if an acceptable agreement cannot be reached with the highest ranked company, negotiations will be formally terminated and will then proceed with the next ranked company); and (3) authorize the President/CEO to execute all necessary documents.



MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: March 25, 2019

ITEM DESCRIPTION – Information Section Item A

January 2019 - Traffic Report

SUMMARY

For January 2019, passenger traffic was strong with a **16.8%** increase over the same month in 2018. Cargo numbers for January 2019 were up slightly at **.6%** for the same period. Passenger load factors were down slightly at an average of **70.6%**.

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%	4.80%	7.70%
September	10.80%	6.00%	4.80%
October	7.20%	3.10%	4.10%
November	13.00%	3.60%	9.40%
December	10.30%	3.50%	6.80%
Average	8.74%	4.58%	4.16%

Attached are copies of the detailed traffic report for January 2019.

Providing a look forward into the service levels for April 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 12.1%, and seats are up at 19.7%.

Schedule Weekly Summary Report for nonstop Passenger (Air - All) flights from GSP to for travel April 2019 vs. April 2018												
All flights, seats, and ASMs given are per week.												
Travel Period				Apr 2019		Apr 2018		Diff		Percent Diff		
Mkt AI	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	
AA	GSP	CLT	76	60	4,406	54	3,623	6	783	11.1%	21.6%	
AA	GSP	DCA	396	19	1,040	18	1,056	1	(16)	5.6%	(1.5%)	
AA	GSP	DFW	862	13	2,080	13	1,820	0	260	0.0%	14.3%	
AA	GSP	MIA	638	14	700	0	0	14	700			
AA	GSP	ORD	577	12	600	14	889	(2)	(289)	(14.3%)	(32.5%)	
AA	GSP	PHL	514	22	1,325	26	1,469	(4)	(144)	(15.4%)	(9.8%)	
DL	GSP	ATL	153	52	7,748	53	6,298	(1)	1,450	(1.9%)	23.0%	
DL	GSP	DTW	508	20	1,728	20	1,704	0	24	0.0%	1.4%	
DL	GSP	LGA	610	16	1,116	6	456	10	660	166.7%	144.7%	
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	3	531	2	354	1	177	50.0%	50.0%	
G4	GSP	PIE	482	3	510	2	354	1	156	50.0%	44.1%	
G4	GSP	SFB	426	3	510	3	509	0	1	0.0%	0.2%	
UA	GSP	EWR	594	20	1,020	20	1,328	0	(308)	0.0%	(23.2%)	
UA	GSP	IAD	383	21	1,170	21	1,050	0	120	0.0%	11.4%	
UA	GSP	IAH	838	14	1,064	7	350	7	714	100.0%	204.0%	
UA	GSP	ORD	577	28	1,400	28	1,420	0	(20)	0.0%	(1.4%)	
WN	GSP	ATL	153	20	2,892	20	2,860	0	32	0.0%	1.1%	
TOTAL				344	30,560	307	25,540	37	5,020	12.1%	19.7%	

Monthly Traffic Report

Greenville-Spartanburg International Airport

January 2019



Category	Jan 2019	Jan 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change	*MOV12-2019	*MOV12-2018	Percentage Change
Passenger Traffic									
Enplaned	90,635	77,387	17.1%	90,635	77,387	17.1%	1,179,704	1,079,569	9.3%
Deplaned	<u>89,802</u>	<u>77,102</u>	16.5%	<u>89,802</u>	<u>77,102</u>	16.5%	<u>1,164,228</u>	<u>1,061,170</u>	9.7%
Total	180,437	154,489	16.8%	180,437	154,489	16.8%	2,343,932	2,140,739	9.5%
Cargo Traffic (Pounds)									
Express and Mail									
Enplaned	922,906	899,366	2.6%	922,906	899,366	2.6%	11,252,062	12,393,981	-9.2%
Deplaned	<u>810,712</u>	<u>978,172</u>	-17.1%	<u>810,712</u>	<u>978,172</u>	-17.1%	<u>11,369,491</u>	<u>11,795,689</u>	-3.6%
Subtotal	1,733,618	1,877,538	-7.7%	1,733,618	1,877,538	-7.7%	22,621,553	24,189,670	-6.5%
Freight									
Enplaned	2,404,498	2,716,839	-11.5%	2,404,498	2,716,839	-11.5%	37,137,602	31,811,816	16.7%
Deplaned	<u>4,742,196</u>	<u>4,229,416</u>	12.1%	<u>4,742,196</u>	<u>4,229,416</u>	12.1%	<u>59,273,962</u>	<u>45,053,454</u>	31.6%
Subtotal	7,146,694	6,946,255	2.9%	7,146,694	6,946,255	2.9%	96,411,564	76,865,270	25.4%
Total	8,880,312	8,823,793	0.6%	8,880,312	8,823,793	0.6%	119,033,117	101,055,167	17.8%

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

Monthly Traffic Report

Greenville-Spartanburg International Airport

January 2019



Category	Jan 2019	Jan 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change	*MOV12-2019	*MOV12-2018	Percentage Change
Aircraft Operations									
Airlines	2,168	1,790	21.1%	2,168	1,790	21.1%	24,527	21,340	14.9%
Commuter /Air Taxi	<u>1,022</u>	<u>931</u>	9.8%	1,022	931	9.8%	13,167	14,031	-6.2%
Subtotal	<u>3,190</u>	<u>2,721</u>	17.2%	<u>3,190</u>	<u>2,721</u>	17.2%	<u>37,694</u>	<u>35,371</u>	6.6%
General Aviation	739	580	27.4%	739	580	27.4%	10,436	8,391	24.4%
Military	<u>185</u>	<u>223</u>	-17.0%	<u>185</u>	<u>223</u>	-17.0%	<u>2,526</u>	<u>1,984</u>	27.3%
Subtotal	<u>924</u>	<u>803</u>	15.1%	<u>924</u>	<u>803</u>	15.1%	<u>12,962</u>	<u>10,375</u>	24.9%
Total	4,114	3,524	16.7%	4,114	3,524	16.7%	50,656	45,746	10.7%
Fuel Gallons									
100LL	2,352	1,753	34.2%	2,352	1,753	34.2%	35,982	36,924	-2.6%
Jet A (GA)	100,339	76,539	31.1%	100,339	76,539	31.1%	1,460,368	1,047,970	39.4%
Subtotal	<u>102,691</u>	<u>78,292</u>	31.2%	<u>102,691</u>	<u>78,292</u>	31.2%	<u>1,496,350</u>	<u>1,084,894</u>	37.9%
Jet A (A/L)	<u>1,439,740</u>	<u>1,235,693</u>	16.5%	<u>1,439,740</u>	<u>1,235,693</u>	16.5%	<u>17,809,052</u>	<u>13,046,315</u>	36.5%
Total	1,542,431	1,313,985	17.4%	1,542,431	1,313,985	17.4%	19,305,402	14,131,209	36.6%

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

Scheduled Airline Enplanements, Seats, and Load Factors

Greenville-Spartanburg International Airport



January 2019

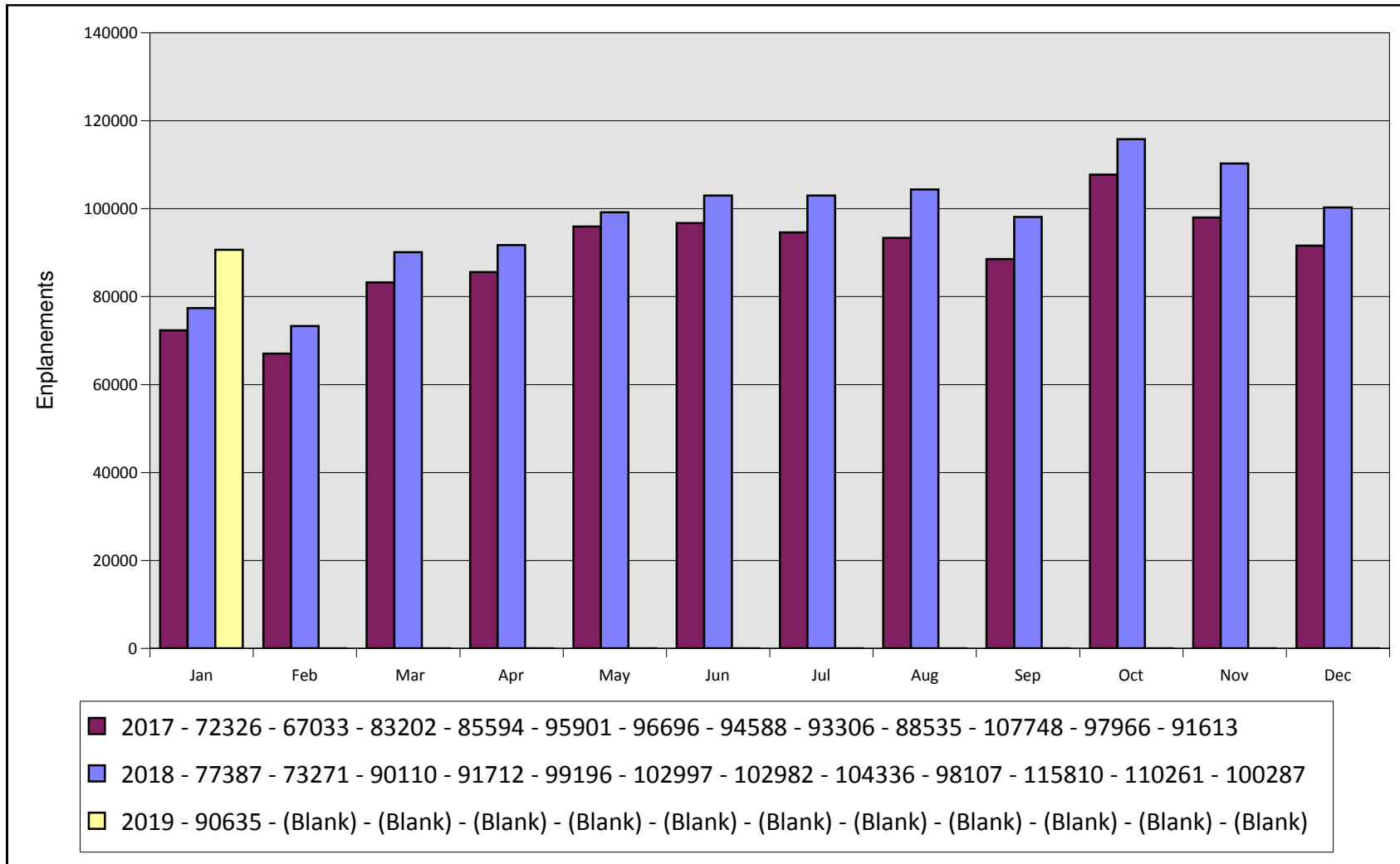
	Jan 2019	Jan 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change
Allegiant Air						
Enplanements	3,464	4,226	-18.0%	3,464	4,226	-18.0%
Seats	5,007	5,386	-7.0%	5,007	5,386	-7.0%
Load Factor	69.2%	78.5%	-11.8%	69.2%	78.5%	-11.8%
American Airlines						
Enplanements	30,445	25,344	20.1%	30,445	25,344	20.1%
Seats	44,360	36,472	21.6%	44,360	36,472	21.6%
Load Factor	68.6%	69.5%	-1.2%	68.6%	69.5%	-1.2%
Delta Air Lines						
Enplanements	32,079	28,397	13.0%	32,079	28,397	13.0%
Seats	43,139	36,409	18.5%	43,139	36,409	18.5%
Load Factor	74.4%	78.0%	-4.7%	74.4%	78.0%	-4.7%
Frontier Airlines						
Enplanements	2,269	0	#Div/0!	2,269	0	#Div/0!
Seats	3,870	0	#Div/0!	3,870	0	#Div/0!
Load Factor	58.6%	#Num!	#Type!	58.6%	#Num!	#Type!

Friday, March 01, 2019

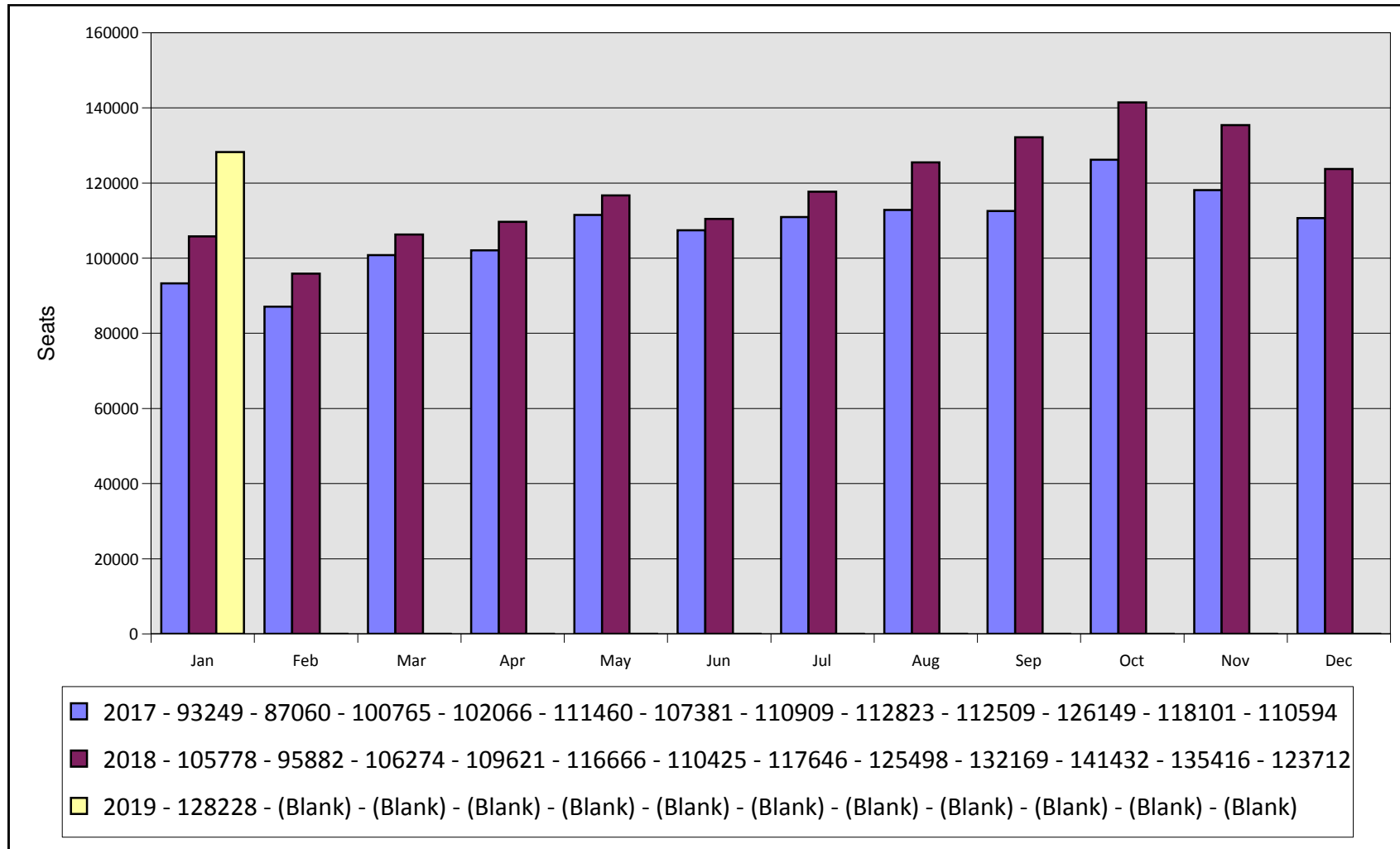
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

	Jan 2019	Jan 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change
Southwest Airlines						
Enplanements	8,111	7,567	7.2%	8,111	7,567	7.2%
Seats	12,712	12,441	2.2%	12,712	12,441	2.2%
Load Factor	63.8%	60.8%	4.9%	63.8%	60.8%	4.9%
United Airlines						
Enplanements	13,233	11,385	16.2%	13,233	11,385	16.2%
Seats	17,822	15,070	18.3%	17,822	15,070	18.3%
Load Factor	74.3%	75.5%	-1.7%	74.3%	75.5%	-1.7%
Totals						
Enplanements	89,601	76,919	16.5%	89,601	76,919	16.5%
Seats	126,910	105,778	20.0%	126,910	105,778	20.0%
Load Factor	70.6%	72.7%	-2.9%	70.6%	72.7%	-2.9%

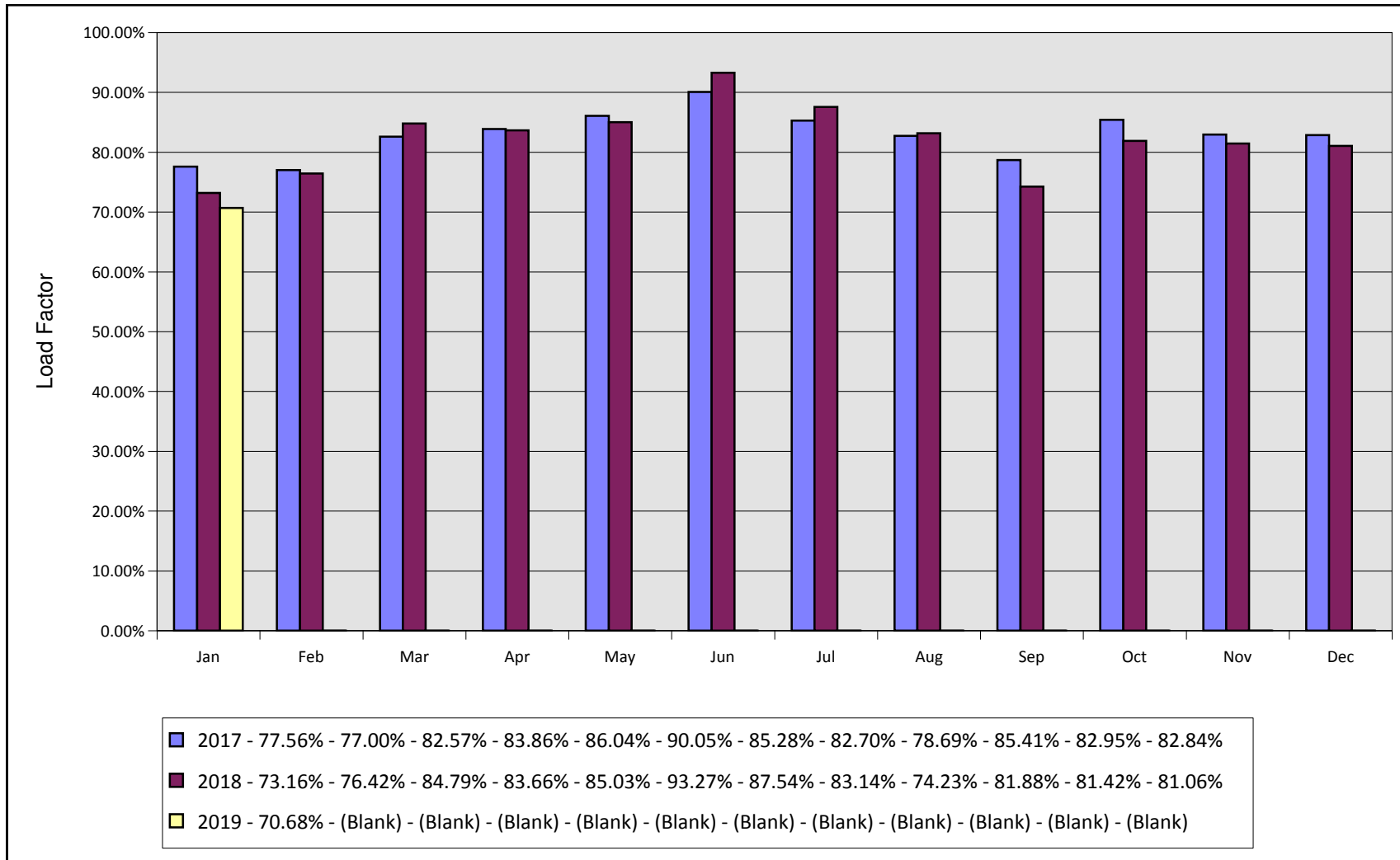
Monthly Enplanements By Year Greenville-Spartanburg International Airport



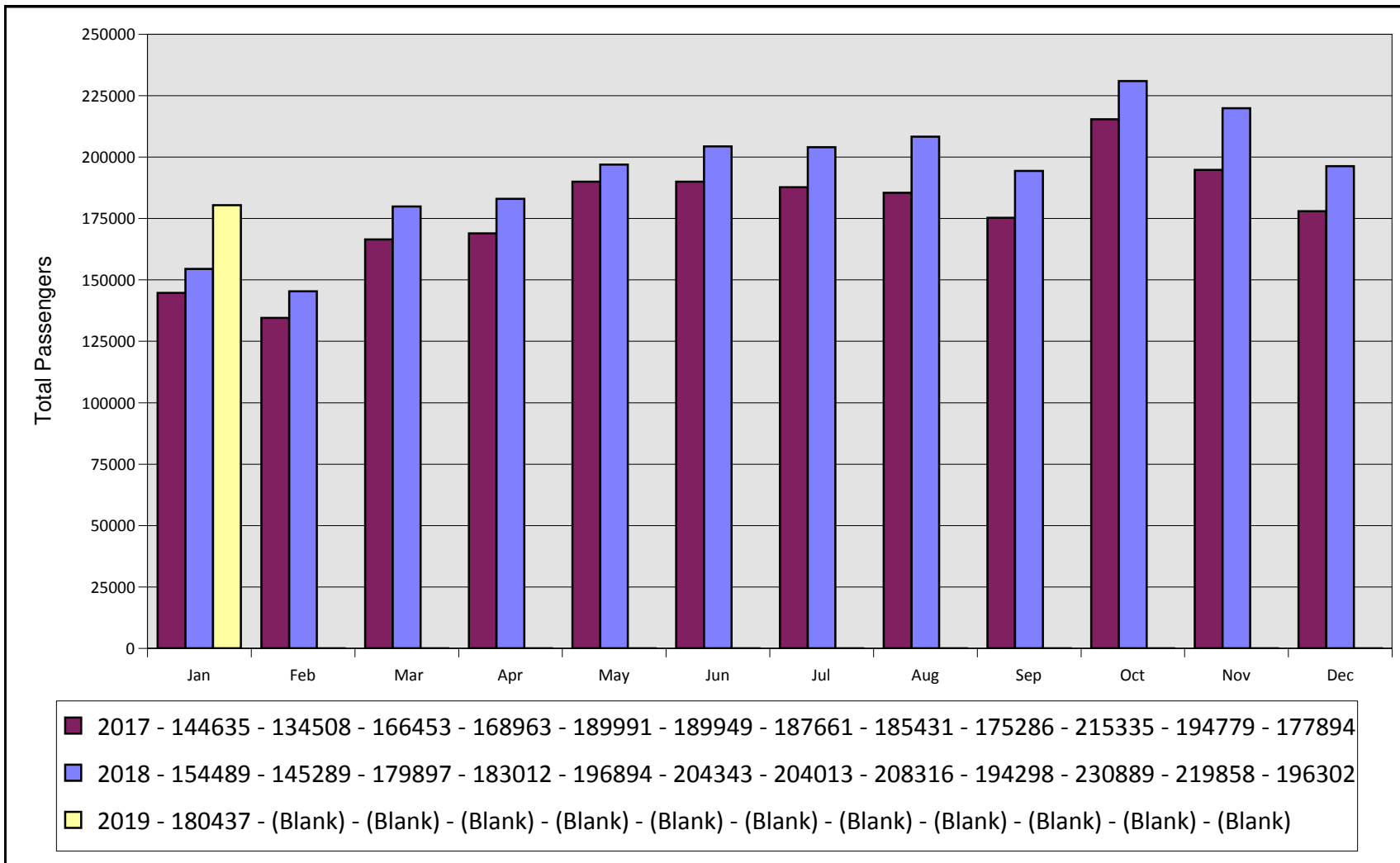
Monthly Seats By Year Greenville-Spartanburg International Airport



Monthly Load Factors By Year Greenville-Spartanburg International Airport

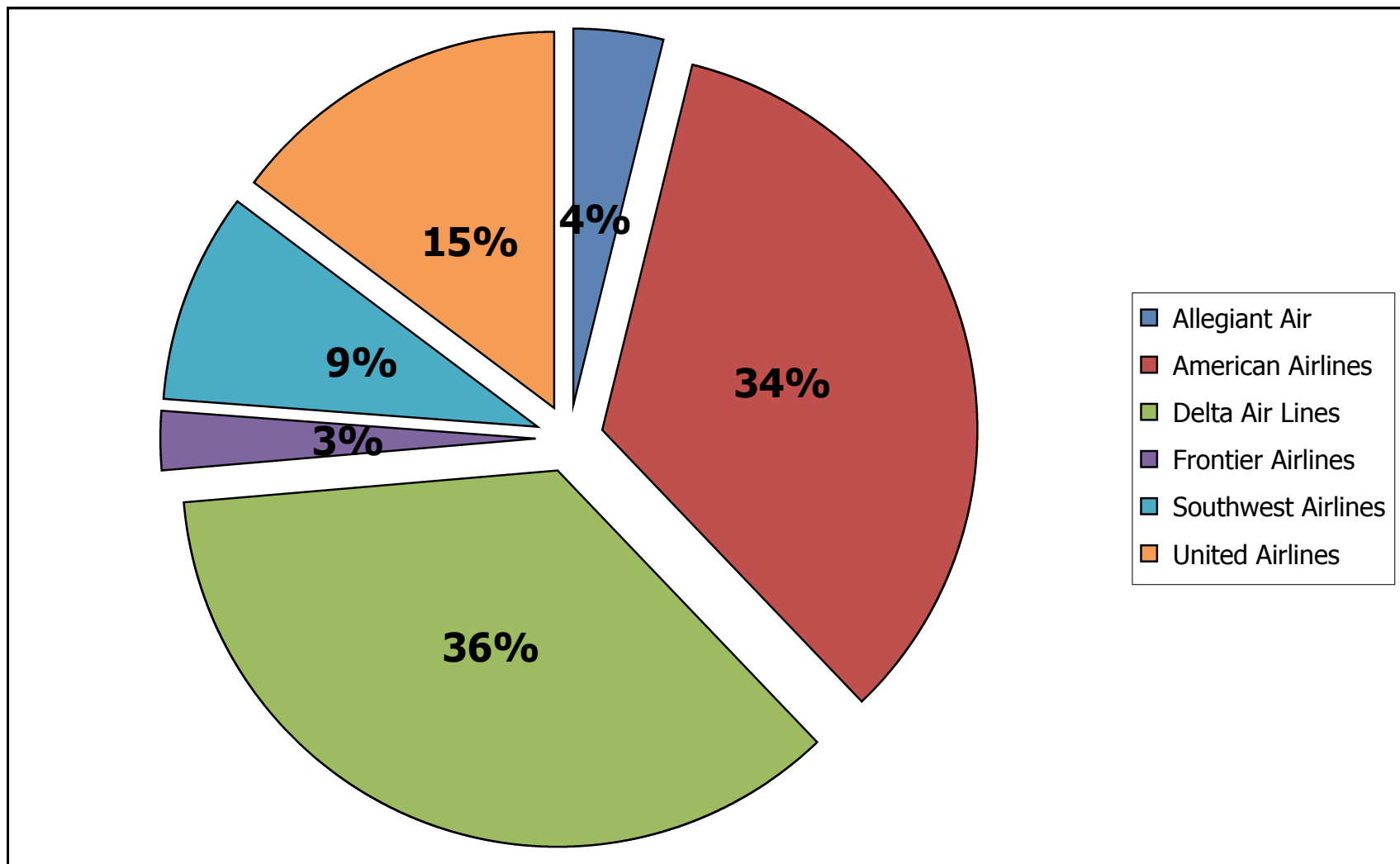


Total Monthly Passengers By Year Greenville-Spartanburg International Airport



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

Report Period From January 2019 Through January 2019



Airline Flight Completions

Greenville-Spartanburg International Airport

January 2019



Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Aeronaves TSM	3	0	0	0	0	0	100.0%
Air Atlanta Icelandic	22	0	0	0	0	0	100.0%
Allegiant Air	29	0	0	0	0	0	100.0%
Allegiant Charter	2	0	0	0	0	0	100.0%
American Airlines	597	0	3	5	0	8	98.7%
Ameriflight	1	0	0	0	0	0	100.0%
Ameristar Jet Charter	2	0	0	0	0	0	100.0%

Friday, March 01, 2019

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Atlas Air	2	0	0	0	0	0	100.0%
Barker Neal Wayne	1	0	0	0	0	0	100.0%
Berry Aviation	6	0	0	0	0	0	100.0%
Delta Air Lines	354	0	0	0	0	0	100.0%
Delta Air Lines Charter	6	0	0	0	0	0	100.0%
Encore Air Cargo Sioux Fall	3	0	0	0	0	0	100.0%
Federal Express	42	0	0	0	0	0	100.0%
Freight Runners Express	1	0	0	0	0	0	100.0%
Frontier Airlines	20	0	1	0	0	1	95.0%

Friday, March 01, 2019

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
IFL Group	8	0	0	0	0	0	100.0%
Kalitta Air	2	0	0	0	0	0	100.0%
Kolo Canyons Air Service	1	0	0	0	0	0	100.0%
McNeely Charter Service	5	0	0	0	0	0	100.0%
Mountain Air Car	17	0	0	0	0	0	100.0%
PAK West Airlines/Sierra W	1	0	0	0	0	0	100.0%
Priority Air Cargo	1	0	0	0	0	0	100.0%
Royal Air Freight	15	0	0	0	0	0	100.0%
Sonrise Aviation	1	0	0	0	0	0	100.0%

Friday, March 01, 2019

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Southwest Airlines	88	0	0	0	0	0	100.0%
Sun Country Airlines	4	0	0	0	0	0	100.0%
Swift Air, LLC		0	0	0	0	0	
Tulip Air	1	0	0	0	0	0	100.0%
United Airlines	321	0	0	0	8	8	97.8%
UPS	36	0	0	0	0	0	100.0%
USA Jet	7	0	0	0	0	0	100.0%
Total	1,599	0	4	5	8	17	98.9%

Friday, March 01, 2019



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION – Information Section Item B

January 2019 - Financial Report

SUMMARY

Attached is a copy of the detailed financial report for January 2019.

Operating Income was up by **16.31%** when compared to the budget for Year-to-Date January 2019. Operating Expenses were down by **4.30%** when compared to the budgeted amount for the period. Net operating income was up by **58.83%** when compared to the budget through January 2019. For the period ending January 2019, which represents seven (7) months of the fiscal year, a total of about **\$12.33 million** has been returned to the bottom line in operating income.

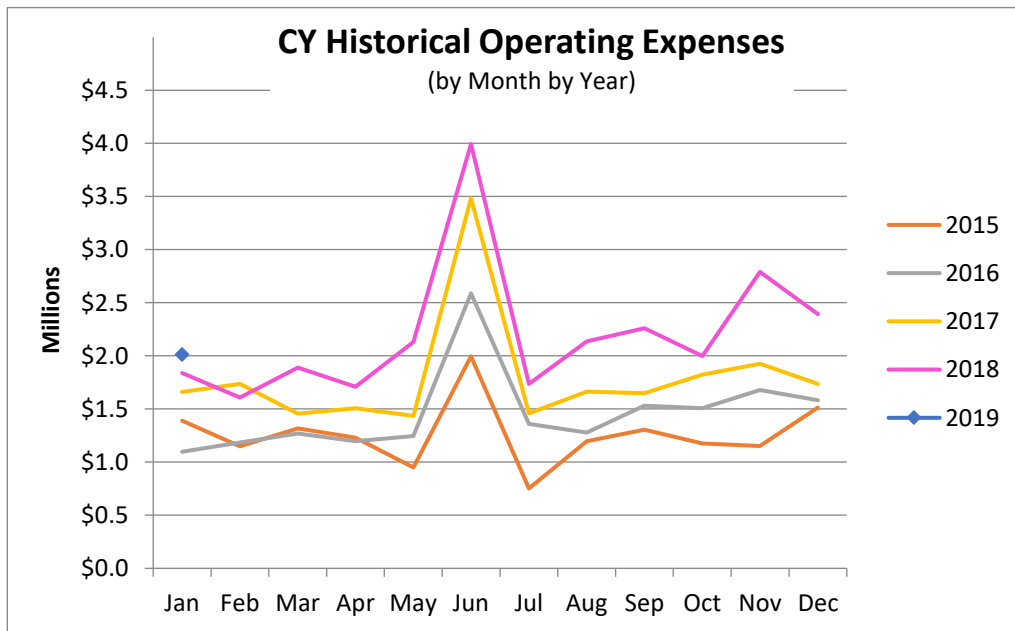
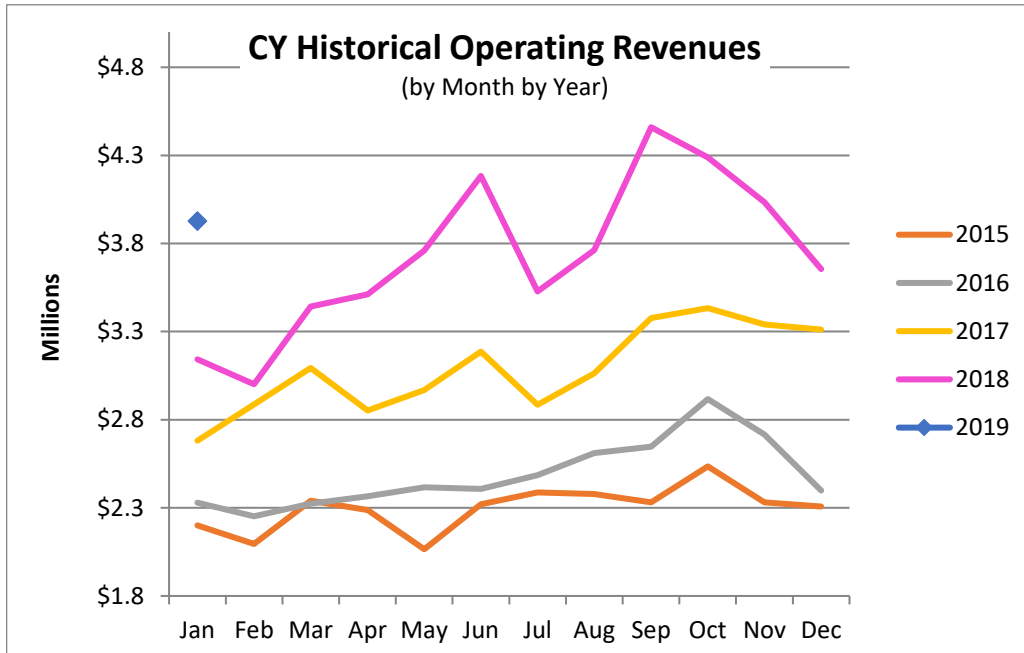
Please recognize that this is a preliminary report, unaudited, and only represents *seven months* of activity resulting in variances from budget which can be quite volatile.

January 31, 2019 FINANCIAL STATEMENT PACKAGE

GREENVILLE SPARTANBURG AIRPORT DISTRICT
STATEMENT OF NET POSITION

	Current Month Current FY <u>1/31/2019</u>	Current Month Prior FY <u>1/31/2018</u>
Assets		
Cash Accounts	19,755,196.36	4,531,379.29
Investments-Airport	15,031,761.40	9,990,083.30
Bond Trustee Assets	697,706.30	277,293.87
Accounts Receivable	2,397,275.28	(110,240.91)
Less: Reserve for Doubtful Accts	-	
Net Accounts Receivable	<u>2,397,275.28</u>	<u>(110,240.91)</u>
Inventory	595,881.63	394,855.31
Prepaid Insurance	440,733.35	451,627.10
Notes Receivable-RAC District Funds	1,196,096.81	1,446,025.64
Property, Plant & Equipment (PP&E)	412,164,510.34	389,632,244.77
Less: Accumulated Depreciation	(155,151,524.51)	(143,479,081.98)
Net PP&E	<u>257,012,985.83</u>	<u>246,153,162.79</u>
TOTAL ASSETS	<u>297,127,636.96</u>	<u>263,134,186.39</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	3,432,444.20	2,423,150.45
TD Bank LOC	-	2,164,358.00
Revenue Bonds Payable	1,725,164.22	1,684,446.08
TD Bank LT Debt	15,557,108.00	-
SCRS Pension Liability	15,243,794.00	12,214,294.00
Benefit Liability	1,334,855.35	881,124.04
TOTAL LIABILITIES	<u>37,293,365.77</u>	<u>19,367,372.57</u>
LESS: Deferred Inflows of Resources		
Deferred Revenues	1,211,272.81	1,469,318.64
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,211,272.81</u>	<u>1,469,318.64</u>
NET POSITION		
Invested in Capital Assets, net of Related Debt	238,639,781.02	240,922,779.15
Restricted:		
A/P - Capital Projects - Restricted	592,542.08	212,847.79
Contract Facility Charge	2,072,408.96	1,865,476.96
Total Restricted:	<u>2,664,951.04</u>	<u>2,078,324.75</u>
Unrestricted	22,112,358.71	1,626,072.82
TOTAL NET POSITION	<u>263,417,090.77</u>	<u>244,627,176.72</u>

GREENVILLE SPARTANBURG AIRPORT DISTRICT
REVENUES AND EXPENSES TREND GRAPHS



GREENVILLE SPARTANBURG AIRPORT DISTRICT
PROFIT and LOSS STATEMENT

<----- FISCAL YEAR TO DATE ----->				
	January 31, 2019 Actual	January 31, 2019 Budget	Actual - Budget	% Change
INCOME				
Landing Area:				
Landing Fees	1,747,651.10	1,636,411.56	111,239.54	6.80% (a)
Aircraft Parking Fees	255,717.17	171,368.33	84,348.84	49.22%
Subtotal Landing Area	2,003,368.27	1,807,779.89	195,588.38	10.82%
Space & Ground Rentals	6,807,768.56	6,374,588.22	433,180.34	6.80% (b)
Auto Parking	8,430,012.19	7,429,284.59	1,000,727.60	13.47% (c)
Commercial Ground Transportation	67,707.70	84,583.31	(16,875.61)	-19.95%
Concessions:				
Advertising	189,400.00	204,166.69	(14,766.69)	-7.23%
Food & Beverage	466,387.50	378,420.84	87,966.66	23.25% (d)
Rental Car	2,296,942.51	1,832,047.42	464,895.09	25.38% (e)
Retail	414,546.88	306,919.69	107,627.19	35.07% (f)
Subtotal Concessions	3,367,276.89	2,721,554.64	645,722.25	23.73%
Expense Reimbursements	1,233,856.92	966,279.30	267,577.62	27.69% (g)
Other Income	2,496,679.10	1,919,355.20	577,323.90	30.08% (h)
Gross Profit on Fuel Sales	3,249,778.58	2,473,997.96	775,780.62	31.36% (i)
Total Operating Income	27,656,448.21	23,777,423.11	3,879,025.10	16.31%
EXPENSES				
Salary & Benefits	7,867,663.97	8,213,744.14	(346,080.17)	-4.21% (j)
Professional Services	492,657.55	306,894.56	185,762.99	60.53% (k)
Promotional Activities	744,460.07	890,542.94	(146,082.87)	-16.40% (l)
Administrative	759,858.62	874,549.76	(114,691.14)	-13.11% (m)
Insurance	396,112.85	396,112.85	-	0.00%
Contractual Services	2,538,784.02	2,539,895.97	(1,111.95)	-0.04%
Rentals & Leases	113,532.71	303,035.81	(189,503.10)	-62.53% (n)
Repairs & Maintenance	533,473.01	481,178.60	52,294.41	10.87% (o)
Supplies & Equipment	763,404.02	894,373.62	(130,969.60)	-14.64% (p)
Utilities	1,115,026.82	1,113,320.53	1,706.29	0.15%
Total Operating Expenses	15,324,973.64	16,013,648.78	(688,675.14)	-4.30%
NET OPERATING INCOME	12,331,474.57	7,763,774.33	4,567,700.24	58.83%

January 31, 2019

YTD ACTUAL VS YTD BUDGET FOOTNOTES - SUMMARY

(a)	Landing Fees	OVER BUDGET	\$111,239.54	<ul style="list-style-type: none"> - Actual passenger weights 831.4M (795.1M budgeted); - Actual Cargo weights 247.9M (210.5M budgeted) <p>Also note that weights are typically higher from October to December, May & June with a significant drop in February</p>
(b)	Space & Ground Rentals	OVER BUDGET	\$433,180.34	<p>Blended effects of the following:</p> <ul style="list-style-type: none"> - Per-turn fees over budget 269K - Senator rent not included in the budget 63K - 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 54K due to using higher sf in budget - New cargo building rentals under budget 70K, building currently under construction. - PSA office and hangar rent not included in the budget 228K - FBO hanger rent over budget 33K (new rentals) - BMW Phase III and Cam Fees 78K 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 47K - TSA Holding Over on contract 56K over budget - Jetstar Aviation 51K not budgeted, new lease started March 2018 - FBO facility fees over budget 56K - Greer CPW over budget 14K
(c)	Auto Parking	OVER BUDGET	\$1,000,727.60	<ul style="list-style-type: none"> - Budgeted a 2% increase over our FY18 trend; traffic is trending higher
(d)	Food & Beverage	OVER BUDGET	\$87,966.66	<ul style="list-style-type: none"> - Conservative budgeting since some of the concepts are new in the concourses
(e)	Rental Car	OVER BUDGET	\$464,895.09	<ul style="list-style-type: none"> - Enterprise and National are over budget 162K and 175K, respectively - traffic trending higher than anticipated
(f)	Retail	OVER BUDGET	\$107,627.19	<ul style="list-style-type: none"> - Traffic trending higher than anticipated
(g)	Expense Reimbursements	OVER BUDGET	\$267,577.62	<ul style="list-style-type: none"> - Traffic trending higher than anticipated
(h)	Other Income	OVER BUDGET	\$577,323.90	<ul style="list-style-type: none"> - Ground handling fees-AvServ over budget 329K - Ground handling (non-tenant) 35K over budget - Warehouse Fees 67K over budget - Non-Tenant Uber over budget 34K - GSE Lease/Usage 31K over budget - Cargo Ops 46K over budget

January 31, 2019

YTD ACTUAL VS YTD BUDGET FOOTNOTES - SUMMARY

(i)	Gross Profit on Fuel Sales	OVER BUDGET	\$775,780.62	<ul style="list-style-type: none"> - DOD Into-Plane Fees under budget 27K - Throughput Fees over budget 62K - Jet A Into-Plane Fees over budget 484K - Jet A Retail over budget 266K - Flowage Fees over budget 12K - AvGas Retail & COGS net over budget 5 - JA COGS over budget (26K)
(j)	Salary & Benefits	UNDER BUDGET	\$346,080.17	<ul style="list-style-type: none"> - 220 employees are budgeted vs 201 employed as of January 31st.
(k)	Professional Services	OVER BUDGET	\$185,762.99	<ul style="list-style-type: none"> - Consulting 140K over budget - Legal 47K over budget - Engineering/Design 15K under budget - Audit 13K over budget YTD
(l)	Promotional Activities	UNDER BUDGET	\$146,082.87	<ul style="list-style-type: none"> - Advertising expense 91K under budget - General marketing expenses 38K over budget - Sponsorships expenses 89K under budget
(m)	Administrative	UNDER BUDGET	\$114,691.14	<ul style="list-style-type: none"> - Travel/Training 133K under budget - Licenses/Permits 23K over budget - Dues & Subscriptions 25K under budget - Corporate Function 16K over budget
(n)	Rentals & Leases	UNDER BUDGET	\$189,503.10	<ul style="list-style-type: none"> - Equipment 35K under budget (AvServ) - Buildings 146K under budget (Executive)
(o)	Repairs & Maintenance	OVER BUDGET	\$52,294.41	<ul style="list-style-type: none"> - Heating & Air 27K under budget - Security System 17K under budget - Project Unanticipated 97K over budget (GSP Vault Replacement 147K)
(p)	Supplies & Equipment	UNDER BUDGET	\$130,969.60	<ul style="list-style-type: none"> - Auto 35K under budget - Nursery & Landscaping 34K under budget - Tires 31K under budget - Painting 16K under budget - Computer-Equip/Supplies 37K under budget - Lamps 24K over budget

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

GREENVILLE SPARTANBURG AIRPORT DISTRICT
Other Operating and Maintenance Reserve Funds

		<u>FY \$ Amount Authorized</u>	<u>Estimated Cost</u>	<u>Date</u>	<u>\$ Amount Used YTD</u>	
Emergency Repair/Replacement/Operations Fund		\$ 750,000				
2018	Waterfall Feature Repair		\$ 200,000	1/31/2019	\$ 146,835	Gregory Fountains
2018	LPI Equipment		\$ 25,000		\$ -	
			\$ 225,000		\$ 146,835	
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					
			\$ 300,000		\$ 191,474	
Uncommitted Balance		\$ 300,000				

Greenville-Spartanburg Airport District
January 31, 2019

	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%	1,396,354.00	1,000,000.00	1,398,208.00	1,854.00
Note	9/10/2018	6/30/2019	1.625%	1,392,744.00	1,000,000.00	1,395,296.00	2,552.00
Note	9/10/2018	9/30/2019	1.375%	1,385,974.00	1,000,000.00	1,389,332.00	3,358.00
Note	9/10/2018	10/31/2019	1.250%	1,332,625.50	1,000,000.00	1,337,080.50	4,455.00
Note	9/10/2018	12/31/2019	1.625%	1,335,894.72	1,000,000.00	1,338,498.00	2,603.28
Note	9/24/2018	2/1/2020	3.625%	1,367,278.56	1,000,000.00	1,364,499.00	(2,779.56)
Note	9/24/2018	3/31/2020	2.250%	1,344,178.16	1,000,000.00	1,345,464.00	1,285.84
Note	9/24/2018	6/30/2020	2.500%	1,346,072.21	1,000,000.00	1,349,946.00	3,873.79
Note	9/24/2018	8/31/2020	1.375%	1,318,195.00	1,000,000.00	1,326,645.00	8,450.00
Note	9/24/2018	9/30/2020	1.375%	1,318,658.56	1,000,000.00	1,325,430.00	6,771.44
Note	1/28/2019	12/31/2020	2.375%	1,346,287.50	1,000,000.00	1,347,516.00	1,228.50
Subtotal-UST				14,884,262.21	11,000,000.00	\$ 14,917,914.50	33,652.29

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

Weighted blended
yield =
1.8625%

1/31/2019

Procurement / Capital Acquisitions

Project/Item Description	Date	Monthly \$ Amount
Capital Improvements:		
McCarthy Improvement Co. / Cargo Apron	1/31/2019	1,055,106
The Haskell Co / Air Cargo Facility	1/9/2019	304,020
Roebuck Wholesale Nursery / Curbside Drop Off	1/31/2019	73,438
Equipment and Small Capital Outlays:		
Brasco International / Economy Lot Shelters	1/31/2019	47,400
Landscape Forms / Garden Terrace Furnishings	1/31/2019	34,759
Renewals and Replacements:		
Mohawk Resources / Lifts	1/16/2019	128,659
Goodway Technologies Corp / Filtration System for Colling	1/31/2019	15,116
Professional Service Projects:		
Think.IT / ERP	1/31/2019	16,770
Total Procurements/Capital Additions for the month		\$ 1,675,268



MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin Howell, Senior Vice President/COO

DATE: March 25, 2019

ITEM DESCRIPTION – Information Section Item C

February 2019 – Development/Project Status Report

SUMMARY

Parking Garage C & CONRAC Facility:

Status – Design Phase

Project Budget – \$40,000,000

Estimated Completion Date – 2022

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 was issued for a precast concrete manufacturer to provide design/build services. Tindall Corporation and Metromont Corporation were shortlisted and issued an RFP. Proposals were submitted on March 7 and staff is currently evaluating. 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 that 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 were 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 Program.



New Cargo Apron:

Status – Construction Phase

Project Budget – \$16,636,704.48

Estimated Completion Date – 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 and concrete paving 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 of months. Options are being evaluated to determine inclement weather work alternatives. 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." A mediation settlement agreement has been finalized.

Air Cargo Facility Phase 1:

Status – Construction Phase

Project Budget – \$14,000,000

Estimated Completion Date – August 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 structural steel, parking area and canopy area. The next phases of the project include roofing and interior construction.

Terminal Curbfront Landscape Project:

Status – Construction Phase

Project Budget – \$500,000

Estimated Completion Date – March 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 March. Most of the seat wall has been installed. The contractor is waiting on the precast cap to arrive. The project team is working on revisions around some drainage issues.

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 summer.

Surface Parking Lot Expansion Program:

Status – Planning Phase

Project Budget – \$16,700,000

Estimated Completion Date – Summer 2020

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. Based upon the planning and programming presented in January 2019, the Surface Parking Expansion Program was approved with a budget of \$16,700,000.



This program includes a new 1,500 stall parking lot for public economy parking with associated access road and a roundabout on Aviation Parkway. The program also includes a new approximately 600 stall Employee Parking Lot and TNC Staging Area on GSP Drive.

McFarland Johnson is wrapping up their planning work and finalizing their deliverables. Staff has finalized a scope and fee agreement with Kimley-Horn for design and engineering for the program. A design assist request for proposal was issued in March. Three submittals were received, and Staff is currently evaluating those proposals with Kimley Horn.



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION – Information Section Item D

February 2019 – Communications Status Report

SUMMARY

News Stories ~ Broadcast, Print and Online 02/01/19-02/28/19:

Edge4Vets

Herald-Journal: [Edge4Vets hopes to connect Upstate veterans with careers](#)

WHNS: [GSP to host workshop focused on employing veterans](#)

WSPA: [Helping veterans transition into civilian jobs](#)

GreerToday.com: [GSP to host workshop focused on employing veterans](#)



United's new Denver service

Greenville News: [GSP Airport has added another daily flight, and this one opens up business in the Rockies](#)

Herald-Journal: [Daily to Denver: United Airlines adds new nonstop flights to GSP](#)

GreerToday.com: [United adds non-stop flight to Denver from GSP](#)

WLOS: [GSP to offer nonstop flights to Denver starting in June](#)

WHNS: [Daily nonstop flights between GSP and Denver begin this summer](#)

WSPA: [United adding new non-stop flight to Denver from GSP](#)

USA Today: [United Airlines: Three new routes for fast-growing Denver hub](#)

GSA Business: [United adds nonstop to Denver](#)

The Denver Channel: [South Carolina airport to add flights to Denver this summer](#)

The Greenville News story was picked up by The State, Myrtle Beach Sun News and other outlets.





2018 passenger, cargo activity

Greenville Business Magazine: [GSP passenger activity sets all-time record in 2018](#)

Herald-Journal: [GSP said 2018 best year ever for passenger traffic](#)

WSPA: [GSP has a record year for passenger traffic in 2018](#)



Spartanburg Soaring! Festival sponsorship

[Chapman Cultural Center announces date for the 2019 Spartanburg Soaring! Festival](#)

Routes America

MarketScreener: [Southwest Airlines: Oakland International Airport Named Overall Winner at the Routes Americas 2019 Marketing Awards](#)



Airport Experience News

Airport Experience News: [Airport Experience News award winners named at last night's ceremony](#)

Social Media 02/01/19-2/28/19:

GSPAairport.com (2/01-2/28)

- Sessions – 86,103
- New Users – 58,368
- Page/Session – 1.75
- Average Session Duration – 1:27

Facebook

A post celebrating United's new Denver service reached more than 3,800 people. A post promoting openings in the Airport District reached more than 3,100 people and had the most engagement for the month.

Twitter

The month's top tweet earned 816 impressions. It promoted the upcoming Edge4Vets workshop.

Instagram

The month's top Instagram post was a shot of high school classmates reuniting in the terminal lobby while welcoming former professional basketball player Harthorne Wingo home from New York.

Newsletter

The newsletter reaches more than 8,300 subscribers. The February edition had a 25 percent open rate. The average open rate in the marketing/advertising industry is 17.85 percent.

Community Relations/Special Events:

- The next Real ID event is scheduled for May 15 from 10 a.m. to 2 p.m.
- Upstate Honor Flight is planning a Spring Honor Flight – Date to be determined
- GSP is the presenting sponsor for Spartanburg Soaring! International Kite Festival on April 13.
- 13 events were held in the GSP Conference Center in February



MEMORANDUM

TO: Members of the Airport Commission

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

DATE: March 25, 2019

ITEM DESCRIPTION – Information Section Item E

February 2019 – Commercial Business and Marketing Report

SUMMARY

Bon Secours Wellness Arena Rebranding:

Status – A new agreement is still being negotiated.

Project Budget – \$15,000

Estimated Completion Date – July 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 four years old and in need of a refresh.

GSP360 – Land Development Program Video:

Status – A draft script has been completed and is being reviewed.

Project Budget – \$5,000

Estimated Completion Date – May 31, 2019

The Airport District is developing a video to highlight the GSP360 land development program. The video will be used for business development purposes with prospective tenants.

Air Service Development Video:

Status – A draft video has been completed and is being reviewed for final edits.

Project Budget – \$2,500



Estimated Completion Date – April 30, 2019

The Airport District is developing a video to highlight the airport and Upstate region for air service development purposes. The video will be used with prospective airlines as well as current ones to retain and increase air service at the airport.

American Miami (MIA) Advertising/Marketing Campaign:

Status – Campaign successfully completed

Project Budget – \$75,000

Completion Date – February 28, 2019

American announced new service to MIA in June 2018. The service began on December 19, 2018 and is being operated on E-145 aircraft with 50 seats each, twice daily. The Airport District put together a marketing plan to support this new service to ensure that it was successful and to help reduce leakage on the route to nearby Charlotte-Douglas International Airport. To date, the new route has been a success according to American.

Frontier Denver (DEN) Advertising/Marketing Campaign:

Status – Currently developing a marketing plan with budgetary numbers

Project Budget – TBD

Estimated Completion Date – July 31, 2019

Frontier announced two additional weekly flights to DEN for a total of four beginning on May 3, 2019. The Airport District is putting together a marketing plan to support this additional service to ensure that it is successful.

United Denver (DEN) Advertising/Marketing Campaign:

Status – Currently developing a marketing plan with budgetary numbers

Project Budget – TBD

Estimated Completion Date – August 31, 2019

United announced new service to DEN in February 2019. The daily flight begins on June 7, 2019 and is being operated on E-175 aircraft with 76 seats including a first-class cabin with 12 seats. The Airport District is putting together a marketing plan to support this new service to ensure that it is successful.



Art at the Airport Brochure:

Status – A draft brochure has been completed and is under internal department review. Professional photography of several pieces for inclusion into the brochure were taken on March 12, 2019.

Project Budget – \$2,500

Estimated Completion Date – April 30, 2019

The Airport District is developing an Art at the Airport brochure that highlights all the commissioned art pieces in the terminal building. The brochure also discusses the overall art program and the themes that are the basis for design of all the pieces created by the various artists.

Art Program – Baggage Claim Mural:

Status – Currently working on concepts to complete the mural

Project Budget – Presently being negotiated

Estimated Completion Date – Summer 2019

The Airport District is working with the artist on the completion of the remaining section of the mural. It is located in baggage claim above the three baggage carousels and is entitled "Weaving the World".

CNN Airport Network – GSP Award Winning Concessions Program Segment:

Status – Waiting on Warner Media to schedule an onsite filming date

Project Budget – All costs are being covered by Warner Media.

Estimated Completion Date – May 31, 2019

CNN Airport Network airs feature stories on different airports in addition to news, weather, travel destination information, and live sporting events. They plan to film a segment at the airport on the award-winning concessions program. This segment will highlight the airside garden, The Kitchen by Wolfgang Puck, Palmetto Distillery with their local moonshine, and other aspects of the concessions program. This segment will air in all airports nationwide that have CNN Airport Network, which currently totals 57.



CNN Airport Network & Cartoon Network Streaming:

Status – Streaming of both live television channels is presently available on personal devices throughout the terminal building. Currently working on the marketing of the new passenger amenity in the terminal building.

Project Budget – All costs are being covered by Warner Media.

Estimated Completion Date – May 31, 2019

The Airport District partnered with Warner Media who currently provides the six CNN Airport Network live television locations at the gates on both Concourse A and B to provide the same content on personal devices via streaming over the airport's Wi-Fi network. In addition, Cartoon Network was added as a streaming option for our younger travelers. GSP is the first airport in the country to offer these two live television streaming options to the traveling public.

Mystery Shopping Program:

Status – Final agreement under review

Project Budget – \$20,000

Estimated Completion Date – June 30, 2019

The Airport District is in the process of launching a mystery shopping program with a national company to "shop" various passenger experience services at the terminal building. These include all food, beverage, and retail concessions, the customer service counter, as well as parking facilities and ground transportation services. In addition, they will provide feedback on the TSA security screening process, restrooms, police department assistance, etc. This will provide staff with baseline information as well as subsequent monthly third-party feedback to gauge improvement of identified areas. This will assist the Airport District with ensuring that we're the airport of choice for Upstate travelers.

Passenger Intercept Survey Program:

Status – Awaiting an agreement for review

Project Budget – \$15,000

Estimated Completion Date – To be determined

The Airport District is in the process of relaunching passenger intercept surveys at the terminal building. This will provide staff with quarterly third-party feedback and assist

the Airport District with identifying areas of improvement to the passenger experience to ensure that we're the airport of choice for Upstate travelers.

Passenger Comment Card:

Status – A draft comment card has been completed and is under internal department review. A USPS prepaid postage application has been submitted for approval.

Project Budget – \$2,500

Estimated Completion Date – April 30, 2019

The Airport District is in the process of developing a comment card to receive and track feedback from our passengers. The comment card can either be dropped in one of several collection boxes strategically located around the terminal building or mailed back to us at no charge to the passenger.

Federal Aviation Administration (FAA) – AT&T Network Fiber Extension Project:

Status – Construction documents are presently under review. A utility access permit is being drafted by the Airport District for AT&T to review and sign to facilitate the project.

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

Estimated Completion Date – To be determined

FAA needs additional bandwidth at the Air Traffic Control Tower (ATCT). This project will extend AT&T's fiber network from the National Weather Service along GSP Drive, and then adjacent to the current employee parking lot up to the FAA ATCT leasehold.

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

Status – Project canceled

Project Budget – All costs were being covered by FedEx.

Estimated Completion Date – N/A

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

FedEx – AT&T Network Fiber Extension Project:

Status – Construction documents are presently under review. A utility access permit is being drafted by the Airport District for AT&T to review and sign to facilitate the project.

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

Estimated Completion Date – To be determined

FedEx was requesting to install a backup cellular system for their local data network to provide redundancy if their wired data connection is interrupted. This project was cancelled and has been replaced by a fiber installation project that will extend fiber from SR 101 down Gateway Drive to the FedEx leasehold.

T-Mobile Signal Strength & Data Transfer Speed Enhancement Project:

Status – T-Mobile will be onsite to take signal strength and data transfer speed measurements throughout the terminal building and both parking garages on April 1, 2019.

Project Budget – All costs are being covered by T-Mobile.

Estimated Completion Date – To be determined

T-Mobile has received customer service complaints regarding their signal strength for their wireless customers while at the airport. They are presently evaluating the current signal strength. Subsequently they will evaluate options to determine the best corrective action to boost that signal strength and data transfer speeds around the airport campus.

MRO Americas Conference:

Status – Staff is in the process of scheduling meetings with prospective tenants and preparing to exhibit at the conference.

Business Development Budget – \$15,000

Completion Date – April 12, 2019

MRO Americas Conference is a business development and exhibiting opportunity for the Airport District to showcase our GSP360 land development program. This year's conference is in Atlanta, GA and runs from April 9-11, 2019.

National Business Aviation Association (NBAA) Conference:

Status – Staff is in the process of selecting our booth location through the annual lottery and preparing to exhibit at the conference.

Business Development Budget – \$25,000

Completion Date – October 25, 2019

NBAA is a business development and exhibiting opportunity for the Airport District to showcase our GSP360 land development program as well as Cerulean Aviation. This year's conference is in Las Vegas, NV and runs from October 22-24, 2019.

Vino Volo – Market Bar:

Status – Since this will be the first ever Vino Volo – Market Bar location, construction documents have not progressed as quickly as anticipated. The brand is currently working to finalize the concept and layout, as it will be the template that gets rolled out to other airport locations nationwide in the future.

Project Budget – All costs are being covered by Vino Volo.

Estimated Completion Date – Summer 2019

Vino Volo selected the airport as it's first location for a new market bar concept. The concept includes its traditional Vino Volo bar as well as the addition of a market with local items for sale. There will also be a selection of grab and go food and beverage items available in the market too.

The Kitchen by Wolfgang Puck – Concessions Revenue Enhancement Project:

Status – Initial results of the program have been extremely positive and continue to be evaluated on a monthly basis.

Project Budget – All costs are being covered by OHM.

Completion Date – June 30, 2019

The Airport District partnered with OHM Concessions Group (OHM) and Wolfgang Puck to offer a special menu offering that includes a choice of salad as well as one of two entrees for \$14. This lower price point offers price conscious customers an opportunity to enjoy the restaurant while still receiving a magnificent meal.

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. Some images were uploaded that include the terminal building's airside garden and several roadways around the airport campus in early March 2019.

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.

Tract B – Panattoni Development Company Project:

Status – Currently under construction and approximately 40% complete

Project Budget – All costs are being covered by Panattoni Development Company.

Estimated Completion Date – July 1, 2019

Presently, Panattoni Development Company is constructing a +/-567,630 square foot office and warehouse facility on Tract B. The leasehold site consists of +/-40.32 acres. This facility will initially be subleased to BMW for the first 10 years of the initial 30-year lease term.

Victor Avenue Extension – Roadway Abandonment Project:

Status – City of Greer – City Council unanimously approved a resolution for the roadway abandonment request on March 12, 2019. Public hearings for the request are presently being scheduled for two future City Council meetings by the City Attorney's office.

Project Budget – \$5,500 for a required roadway boundary survey

Estimated Completion Date – To be determined

The Airport District is requesting the City of Greer to abandon a section of Victor Avenue Extension between McElrath Road and J. Verne Smith Parkway. This will facilitate a future economic development project on Tract B that will create new jobs in the community as well as provide an additional user of the South Carolina Inland Port.



MEMORANDUM

TO: Members of the Airport Commission

FROM: Ashley Bruton, Director of Human Resources

DATE: March 25, 2019

ITEM DESCRIPTION – Information Section Item F

February 2019 – OSHA Reportable Injury Report

SUMMARY

Monthly Activity as of February 28, 2019

- 3 OSHA Reportable Injury

2019 Calendar Year-to-Date

- 4 OSHA Reportable Injury

2 Year Historical Annual OSHA Report Submissions:

Calendar Year	Annual Average # Employees	Total Hours Worked by all Employees	# OSHA Reportable Work-Related Injuries	# OSHA Reportable Work-Related Illnesses	# Days away from Work
2018	195	379,203	12	0	112
2017	188	241,716	4	0	12

GSP passenger activity sets record in 2018

Staff Report

gsanews@scbiznews.com

Greenville-Spartanburg International Airport's streak of consecutive months of increased passenger activity reached 15 with a 10.3% rise in passengers in December.

For the calendar year, GSP set a new record with 8.8% more passengers in 2018 (2.31 million) when compared to 2017 (2.13 million).

"That was a fitting way to end the 2018 calendar year," Dave Edwards, GSP president and CEO, said in a news release. "We welcomed Frontier Airlines as our sixth passenger airline serving the airport, launched service to five new nonstop destinations and worked with existing airline partners to add 8.9% more seats to the market to serve Upstate travelers over what we had in 2017. We continue to outpace our projected growth."


American Airlines began offering two daily nonstop flights to Miami International Airport in December. Earlier in the year, Frontier added nonstop ser-

"We welcomed Frontier Airlines as our sixth passenger airline serving the airport (and) launched service to five new nonstop destinations."

Dave Edwards
president and CEO, GSP

vice to Denver, Las Vegas, Orlando and Tampa while Delta enhanced service to New York's LaGuardia Airport with more flights and larger aircraft.

The airport's cargo numbers for 2018 (118 million pounds) were more than 20% higher than in 2017, when they handled 98.7 million pounds of cargo.

Edwards said GSP expects continued growth in air freight to and from the Upstate. A \$30 million air cargo facility is under construction now that will enable more than one cargo aircraft to load and unload at once. 

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BUSINESS

Airports feared losing revenue to Uber and Lyft. Here's what happened

By HUGO MARTIN MAR 01, 2019 | 11:25 AM



Ann Marie Bingo chats with Uber driver Mike Miller as UberX began making passenger pickups at Los Angeles International Airport in 2016, joining competing service Lyft. (Al Seib / Los Angeles Times)

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Airport officials were understandably nervous when Uber and Lyft drivers began pulling up at terminals across the country a few years

ago.

After all, more fliers using the relatively cheap ride-hailing services could mean that fewer would pay for airport parking and rental car services — two significant sources of airport revenue.

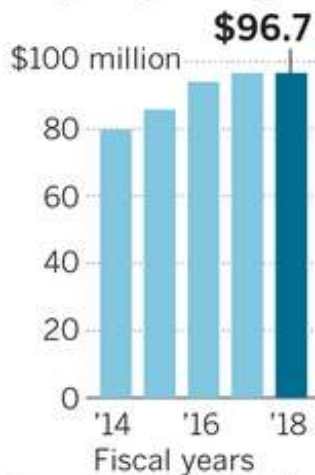
Advertisement



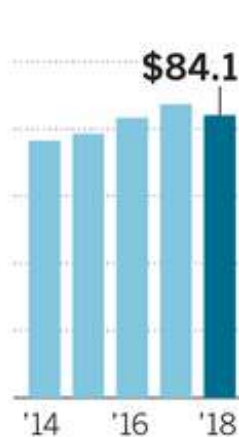
“At the time, all we knew was there was some uncertainty around it,” said Ryan Yakubik, deputy executive director and chief financial officer at Los Angeles International Airport.

LAX revenue from cars

Airport parking



Car rentals



Fees paid by Uber and Lyft



Source: Los Angeles World Airports

@latimesgraphics

(Shaffer Grubb / Los Angeles Times)

But a look at Southern California airport budgets shows that the move to let ride-hailing services pick up and drop off passengers — and pay a fee to do it — was not the financial disaster some had feared.

LATEST BUSINESS

Eli Lilly offers half-price insulin as politicians pressure it over drug costs

1h



Buyer says yes to George Kotsiopoulos' dressed home in Hollywood Hills West

2h



WarnerMedia shake-up: Bob Greenblatt to lead HBO; CNN's Jeff Zucker gets Turner Sports

3h



'Brotherhood' creator Blake Masters was bound to find a buyer in Hollywood Hills

4h



California Inc.: Finally, the Marvel character in tights is a woman

5h



Technology-amped gig-economy start-ups have disrupted many industries in the last decade but most of the airports in the region appear to be either unfazed or bolstered by the changes.

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And a good thing, too. Although airports are generally self-supporting, a sharp decline in revenue would probably be resolved by increasing other fees, which could get passed along to travelers.

[Taxing Uber and Lyft rides is L.A. County's latest idea to free up congested roads »](#)

At Los Angeles International Airport — one of the nation's busiest airports — ride-hailing service drivers pay a \$4 fee for every passenger picked up or dropped off at the airport curb. Uber, Lyft and other ride-hailing companies are charged fees of varying amounts by other local airports. Such fees typically are passed along to passengers as a surcharge.

Ride-hailing fees at LAX generated \$44.3 million in fiscal 2018 and \$33.7 million in fiscal 2017, up sharply from the \$8.9 million in fiscal 2016, when ride-hailing services were prohibited from dropping off and picking up passengers in the same trip.

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The hike in ride-hailing money more than made up for the decline in revenue from rental car companies, which dropped to \$84.1 million in fiscal 2018 from \$87.4 million in fiscal 2017, according to LAX budget records.

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central terminal with a car rental facility, a ground transportation hub and a station on the Metro Crenshaw Line.

“The fact that people are taking Uber and Lyft in such volume is a good thing,” said Justin Erbacci, LAX chief innovation and technology officer. “It shows people like to use them to get to the airport.”

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A United Airlines plane sits at the tarmac at LAX. Fees from ride-hailing companies generated \$44.3 million in fiscal 2018 for LAX. (Al Seib / Los Angeles Times)

Most of Southern California's smaller airports have thrived since the introduction of ride-hailing services.

- At Hollywood Burbank Airport, parking revenue rose 3%, or \$553,000, in the 2018 fiscal year over the year before, and ground transportation money — which includes fees from ride-hailing services — jumped 60%, or \$1.9 million, in the same period, according to budget records. “We are seeing some nice revenue” from ride-hailing companies, “and parking revenue is increasing year over year, month over month” said Denis Carvill, airport deputy executive director. “It’s not like we are in dire straits.”
- For Ontario International Airport, the arrival of ride-hailing companies “has not affected us in a negative way,” said Atif Elkadi, the airport’s deputy executive director. Fees charged to Uber and Lyft increased about \$230,000, up 85%, in the six months ended Dec. 31, 2018, over the same period in the prior year, while car rental fees brought in an extra \$530,000, up 13.4%, and parking revenue was little changed.
- Long Beach Airport reported that parking revenue rose to \$10 million in 2018, up 10% over the previous year, while fees from rental car businesses climbed 2.7% to \$3.24 million. On top of that, the airport took in \$1.6 million in fees from Uber and Lyft last year. “All of our revenues are up,” said Dale Worsham, the airport’s revenue manager.

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At John Wayne Airport in Santa Ana the financial picture has not been so rosy since ride-hailing companies began serving the airport in 2015.

The Orange County airport saw parking revenue drop 7.4%, or \$3 million, in the fiscal year that ended June 30, 2017, compared with the

previous year, according to the most recent budget reports available. In that same period, fees charged to ride-hailing services generated \$1.2 million. Revenue from rental car businesses at the airport was nearly the same as in the previous year.

Airport officials said ride-hailing revenue is expected to rise because the companies last year began paying a \$2.25 fee for each drop-off on top of the fee charged for pickups. The fee increased to \$3 on March 1.



Ride-hailing companies last year began paying a \$2.25 fee for each drop-off at John Wayne Airport, on top of the fee charged for pickups. The fee increased to \$3 on March 1. (Richard Vogel / Associated Press)

Airport industry experts say there are no recent studies on the broad airport revenue impact of Uber, Lyft and other ride-hailing firms, but they say the experience hasn't been uniform across the board.

Some large and midsize airports have suffered financially in states such as Oklahoma and Idaho where airports are prohibited by state law from charging ride-hailing services for dropping off or picking up passengers at terminals, industry experts said.

"Are they taking a financial hit?" said Carter Morris, executive vice president of the American Assn. of Airport Executives, a trade group that represents executives at 875 airports nationwide. "That's an airport-by-airport picture."

Over the last three years or so, ride-hailing services have become ubiquitous in big cities, especially popular among business travelers. Airports initially restricted Uber and Lyft to dropping off passengers at the terminal curbs but eventually reached deals to let them also pick up rides.

In 2018, Uber was — for the second year in a row — the No. 1 expensed brand among business travelers who use Certify, a cloud-

based travel and expense report company. Lyft was ranked as the sixth-most expensed brand last year, behind companies including Starbucks and Delta Air Lines, according to Certify, which based the ranking on more than 50 million expenses filed in North America.

The effect of ride-hailing services on airports is difficult to gauge accurately because ride-hailing gained popularity at the same time that demand for air travel surged.

The Ontario and Long Beach airports in particular have seen sharp increases in passenger volume over the last several months as they have expanded service. That could mask any negative effects on parking and rental car revenue from ride-hailing services.

But fees from parking and rental car companies are key contributors to airport budgets. At LAX, parking and rental car businesses are considered part of the concessions operations, which generated about 33% of operating revenue last year, while building rental fees accounted for 37% of overall revenue.

With the growing popularity of Uber and Lyft, airline passengers have more options than ever to get to an airport. The biggest effect has been felt by taxis and shuttle van services, which have lost up to 43% of their business since the new competition came on the scene.

Uber and Lyft drivers say getting access to airports has been a mixed blessing.

Drivers with ride-hailing services say they can get double the number of passengers at airports because they are allowed to pick up a passenger within minutes of dropping off a rider at the terminal.

But heavy traffic at airports can often mean sitting in gridlock instead of making money by picking up new riders.

“It isn't more or less lucrative than a route where you don't end up picking up or dropping off at LAX,” said Nephresha Singletary, a life coach who has been driving for Uber for more than three years.

“Sometimes it's less [lucrative], like if you pick up someone during rush hour and move at a snail's pace to drop them off.”

Airport operators say they are trying to ease congestion with new signage and designated drop-off and pickup spots.

“We've worked closely with more than 300 airports and local communities on how best to utilize curb space, carpool lanes and loading zones — efforts that have generated millions of dollars in

revenue for airports across the country,” said Bakari Brock, senior director of city partnerships at Lyft.



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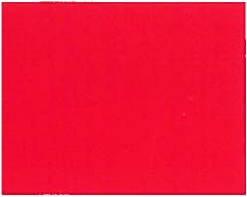
Hugo Martin

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Hugo Martin covers the travel industries, including airlines and theme parks, and writes the weekly Travel Briefcase column for the Los Angeles Times Business section. A native Californian, Martin was part of the Metro staff that won three Pulitzer Prizes in 1993, 1995 and 1998. He was also on the Travel section staff that won the Lowell Thomas Award from the Society of American Travel Writers in 2008. He is an avid outdoorsman, gardener and Lakers fan.

COMMENTS (22)



MAKING

Millennials Not The Only Generation Seeking Experiences To Remember

BY ANDREW TELLIOH

Millennials want to be able to share their travel journey with friends over social media platforms. They want to get in and out, often with as little human contact as possible. They also want a quality dining experience at a low cost.

That contrasts with some older travelers who are often a little less tech savvy and a little more willing to plunk down a few more bucks on an even higher-quality meal at a fine dining establishment.

But airport operators say that despite their differences, millennials, baby boomers and everyone in between are seeking a memorable experience they can talk about with their friends.

Common Ground Among Demographics

Space constraints make it difficult to cater to every demographic's every desire, but from Generation Z to baby boomers, people have a belief that travel is meant to be memorable, says Kevin Kelly, president of Delaware North's travel business.

"We're not running retirement homes or child-care centers," he says. "You have to cater to everybody. What I like about the millennials is they are experience-based. Being in the hospitality industry, we like to provide the experience." While the millennials are known for seeking out interesting experiences, it's not like baby boomers avoid them.

"They don't mind fun and experience," Kelly says. "That experience in the airport is quick, fresh and value-driven. You have to have that, but also interesting and local. From an experience standpoint, I don't think it matters that its millennials, boomers, Z-ers, whatever you want to call them. They are all looking for that non-trad experience at the airport."

For Delaware North, that's done with design. Millennials would rather have hipster furniture: big, comfy couches they can sprawl out in more. The company can't do as much of that as they'd like due to space constraints. But Kelly says the company does try, in smaller ways, to provide an experience, even if it's in the details of the glassware.

Every three weeks, he says, Delaware North rolls out a new beverage. Recently, one popular seller was the Moscow Mule. "There's something about that copper cup in the airport," Kelly says.

Later, a drink served in a Tiki mug also sold well. Spritzers and some other choices have not drawn the same enthusiasm as the "Mules or the Tikis," he says. "I think they just come out as more fun and out of the ordinary."

Another area in which Delaware North tries to cater across demographics is technology. Its Denver Central Market at **Denver International Airport**, for example, incorporates four food stations. Patrons order. They are handed their food and they head to one of five self-pay kiosks.



Left: Paradies Lagardère partnered with PeriscopeVR to bring an interactive, luxury virtual reality center to John F. Kennedy International Airport's Terminal 4.

Right: There are Dylan's Candy Bar stores in nine airports. The concept is designed to succeed across the demographic spectrum.

There is a concierge there who can help walk lesser experienced travelers through the transaction, but adoption is around 85 percent. "The speed of service is much better," he says.

Reaching Across Demographic Spectrums

Paradies Lagardère works with its airport partners that aim to address the needs and desires of key demographics. But they also can't focus solely on winning over one demographic group over another.

"We marketers like to think certain brands will draw very targeted demographics," says Gerry Savaria, executive vice president. "The reality is that to succeed in airports brands have to have a following across the demographic spectrum."

Savaria points at Dylan's Candy Bar, which works with Paradies Lagardère on an exclusive arrangement at nine airports to offer bulk candy. "Travelers of all ages enjoy Dylan's Candy Bar," Savaria says.

At John F. Kennedy International



Airport's (JFK) Terminal 4, the company partnered with **Periscope VR** to bring an interactive virtual reality center that "brought travelers at JFK Terminal 4 an experience in luxury, retail, original content and technology, offering travelers an interactive and blissful escape" through 12 freestanding VR towers.

Whether it's millennials, Generation Z or other demographics the company is trying to reach, the company constantly conducts industry research, talking to airport partners, conducting surveys and researching local

tastes in food and retail. It's not enough, he says, to focus on demographics alone to create a successful program.

"This ensures that when we prepare bids and stock stores and restaurants, that we're meeting the needs of the airport's key demographics," Savaria says. "Beyond the demographics and generational profiles, what the research is telling us is that the nationality or country of origin, the purpose of the travel and the point in time in their journey all have a significant influence on traveler behavior."



Above: Millennials are seeking choice, personalization and experiences, which SSP officials say are a perfect match for the local concepts for which the company has become known.

In SSP's Wheelhouse

Millennials seek out choice, personalization and experiences, and that's a perfect fit for the restaurants in the portfolio at SSP America, says Sebastiaan Rotteveel, senior director of restaurant development and innovation.

The company, he says, has become known for its local concepts. Local travelers want to see their hometown heroes represented. For example, Cassell's Hamburgers, an iconic restaurant in Los Angeles dating back to the 1950s, grinds fresh beef and makes fresh mayo in house every day at Los Angeles International Airport (LAX). Built Custom Burgers at Toronto Pearson International Airport (YYZ), where customers can assemble the burger of their choice, is an example of personalization, though that menu includes pre-assembled options, as well.

"We don't want to exclude any passengers," Rotteveel says.

Several local breweries, ethnic venues and street food concepts provide avid travelers with tastes from around the world. And they want technology, speed and convenience. SSP offers self-checkout kiosks in many locations, online ordering apps, self-pouring beer walls and high-speed cooking technology. "Technology is at the front of our decision-making process when designing new restaurants," Rotteveel says.

That said, some older generations are less tech-savvy and SSP, he says, wants to meet them where they are. Regardless of where travelers fall on the demographic spectrum, there always are some similarities. Between the company's in-house research and working with airport data, SSP works hard to meet the needs of all passengers.

"I do personally believe everybody wants to have a great experience," he says. "Creating memorable restaurant concepts, Instagram-able food and ensuring you're on the ball with certain food trends and fads is a very important factor in order to be successful as a restaurateur or brand."

Everyone Wants An Experience

Demographics are just one way HMSHost dissects information when planning a bid. The company studies the industry, the urban centers, restaurant trends in every segment of travel, the airport travel characteristics such as business or leisure travel or hub or origin/destination status,

says Tyler Pitman, senior director of restaurant development/portfolio.

All those factors will play, "starting always with understanding how the industry is moving and what trends are on the forefront and what is working," he says. "Then we take a look at the different generational impacts."

For example, the company's body of research has indicated that millennial business travelers are less likely to go for big dinners at full-service restaurants, instead favoring something that is still high quality, but also quick, "so they can get reconnected to work," he says. "All the while, they are really focused on the quality of ingredients, traceability and sustainability of the concepts. While they are very keen on the industry trends, they skew at times toward chef-driven or a little bit of an elevated faster experience."

They are less concerned with whether a brand is local or national. Pitman pointed at Pret a Manger, Panera and Shake Shack as examples of brands that emphasize high quality ingredients along with faster transaction times.

"It's really an elevated grab-and-go experience, but the emphasis is really on sustainable ingredients, traceable ingredients, organic and a little elevated quality," Pitman says.

There is a balance that has to be achieved. Baby boomers are willing to sit down and spend a bit more. But HMSHost, Pitman says, has to balance between local brands – which often work better with a casual dining bar format – and regional or national brands – where quick-service or fast casual restaurants typically perform better.

"Millennials would rather spend money on experiences rather than things," says Atousa Ghoreichi, vice president of marketing and communications. "Then you have the older demographic being a lot more concerned with a higher-end experience. They have global palates, they are willing to spend more money on quality and things. It is all about balance. A purposeful balance is how we would look at it."



Experience Focus On Steroids

Research would seem to indicate that as the industry evolves going forward, there are going to be more travelers coming up focused even more heavily on experience. Generation Z is looking for enhanced digital tools, such as the ability to purchase directly via social programs, such as YouTube, Facebook or Instagram, according to a study conducted by **Accenture**.

“Social media has emerged as a real disruptor in targeting Gen Z shoppers, who are true digital natives,” says Jill Standish, senior managing director of Accenture’s retail industry practice. “To succeed in this increasingly digital world, retailers must understand Gen Z’s expectations, influencer circles and behaviors – especially their social-media habits and how they differ from those of millennials.”

At the same time, brick-and-mortar stores are re-emerging in importance, as 60 percent of those Accenture surveyed prefer to make purchases in store. They’re all about visuals, they study their potential purchases online before going to physical stores to experience items and then buy. The study also showed that Gen Z shoppers don’t have brand loyalty and they are impulsive buyers, willing to pay for speedy delivery.



Top, Above, Right: Concepts like Shake Shack, Panera or Pret a Manger are quick dining options, but also feature quality, sourceable food, which is important to the millennial traveler.



Those findings mirror those of Farla Efros, president of the **HRC Retail Advisory**, who adds that this younger generation wants to see and feel what they plan to buy before making a final purchase, but they also don’t want to be overwhelmed by constant attention from store workers.

“They want to go to the store for the tactile experience,” Efros says. “Millennials are more than fine to hide behind their computers and order everything online. Generation Z actually likes going to the mall and having that tactile experience.”

While Gen Zers are at the store, interactivity remains important. They want the opportunity to get on store Wi-Fi, they want deals pushed their way and they want stations where they can quickly recharge their phones when their batteries run low.

“They are very savvy with regard to technology,” Efros says. “The key, in order to snap them out of that ‘phone zone’ they are in, is to have the interactivity and the ability to communicate in the way they wanted to be communicated with.” ■