

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

November 19, 2018

The Greenville-Spartanburg Airport Commission met on November 19, 2018 at 9:00 a.m. in the Greenville-Spartanburg District Office Board Room located at 500 Aviation Parkway Greer, South Carolina 29651. The public and media were given proper notice of this meeting, under applicable law. This was a regular, non-emergency meeting.

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

MEMBERS NOT PRESENT: None

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Kevin Howell, Senior Vice President/COO; Basil Dosunmu, Senior Vice President-Administration and Finance/CFO; Scott Carr, Vice President Commercial Business and Communications (Environ Area Administrator); Michael Kossover, Director of Operations; Nathan Garner, Director of Aviation Services; Steve Bowlin, Cerulean FBO Manager; Kelly Wiggs, Cerulean Commercial Aviation Services Manager; Peter Gross, Air Cargo Supervisor; Andrew Quintyne, Cargo Lead; Chase Dixon, Line Service Supervisor; Edwin Calderon, Commercial Fueling Supervisor; Sheri Ayers, Customer Service Supervisor; Betty O. Temple, WBD; Stefanie Hyder, Executive Assistant/Recording Secretary

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

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

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

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

PRESENTATIONS:

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

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

A. Recognition of Cerulean Aviation

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

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

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

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

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

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

B. Syneva Economics LLC Economic Impact Analysis

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

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

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

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

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

OLD BUSINESS: None

NEW BUSINESS:

A. Adoption of the GSP Airport Master Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Approval of A Concessions Agreement with Vino Volo

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

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

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

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

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

C. Approval of the Surface Parking Planning and Programming Project

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

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

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

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

PRESIDENT/CEO REPORT:

Aviation Industry Update:

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

Shuttle Bus Operation Update:

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

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

Air Service Development Update:

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

Parking Garage C:

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

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

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

The Commission commented on the MAG Escape Lounge.

COMMISSIONER'S REPORT: None

ADJOURNMENT:

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

SIGNATURE OF PREPARER:



Stefanie Hyder