

## **GREENVILLE-SPARTANBURG AIRPORT COMMISSION**

### **MINUTES**

**November 20, 2017**

The Greenville-Spartanburg Airport Commission met on November 20, 2017 at 9:00 a.m. in the Greenville-Spartanburg District Office Board Room located at 500 Aviation Parkway Greer, South Carolina 29651. The public and media were given proper notice of this meeting, under applicable law. This was a regular, non-emergency meeting.

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

**MEMBERS NOT PRESENT:** None

**STAFF AND LEGAL COUNSEL PRESENT:** David Edwards, President/CEO; Kevin Howell, Vice President Operations/COO; Basil Dosunmu, Senior Vice President/CFO; Scott Carr, Vice President Commercial Business and Properties (Environs Area Administrator); Rosylin Weston, Vice President Communications; Marsha Madore, Human Resources Director; Bobby Welborn, Chief of Police; Alan Sistare, Fire Chief; Betty O. Temple (conference call), WBD; Dane Slaughter; Facilities Director; Stefanie Hyder, Executive Assistant/Recording Secretary

**GUESTS PRESENT:** Jack Murrin, Retired GSP Vice President/CFO; Nancy Murrin; John Mafera, McFarland Johnson; Zach Nelson, McFarland Johnson; Morgan Arndt, WBD; Ernie Kovach, ABM; Matt Wells, Delta; Jim Fair, Greer Today; Ken Holt, Holt Consulting; Dennis Wiehl, Mead & Hunt

**CALL TO ORDER:** Chair Minor Shaw called the meeting to order at 9:15 a.m.

**CONSENT AGENDA:** A motion was made, seconded, and unanimous vote received to approve each of the following items:

- A.** The regular meeting minutes from the September 11, 2017 Commission Meeting.
- B.** The Greenville-Spartanburg Audit Committee October 16, 2017 Audit Committee Meeting Minutes.
- C.** The Environs Planning Commission reappointment for Greenville County.
- D.** The Retirement Resolution for Mr. Jack G. Murrin read aloud by Mr. David Edwards.

### **PRESENTATIONS:**

#### **A. Terminal Concessions and Parking Program Update**

Mr. Scott Carr, VP Commercial Business and Properties, showed a video of the recently completed \$127M terminal renovation program including new restaurants and shops such as The Kitchen By Wolfgang Puck, Baskin Robbins, Chick-Fil-A, Dunkin Donuts, Thomas Creek

Grill, RJ Rockers Flight Room, Flatwood Grill, King of Pops and DC-3. New retail shops include four new Hudson News stores, a Tech-on-the-Go, Upstate Marketplace, Palmetto Distillery, Best Buy Express, Benefit Cosmetics, Fuel Rod, massage chairs by IVS, foot massagers, as well as three new ATM's by TD Bank. Mr. Carr presented various metrics for several of the new shops and restaurants and highlighted certain successes and opportunities for growth.

Mr. Carr provided an overview of the Centralized Receiving and Distribution Facility developed earlier this year to streamline logistics and more efficiently handle concessionaire goods and products needing to be delivered to, stored, and/or returned from the terminal building.

Mr. Carr updated the Commission on the airport's parking program. Currently, GSP has approximately 5,000 parking spaces available, but with the completion of the Overflow Parking Lot project/Cell Phone Lot expansion, GSP will have approximately 5,400 spaces available. Parking occupancy rates have grown over the past three years. Overall, GSP parking lots average about 81% full. On weekdays, GSP parking lots are about 95% full.

GSP began offering valet parking services on May 1, 2017 under an agreement through AmeriPark. The usage of such services continues to be strong each month. The Commissioners inquired about extra valet parking if needed.

In Fiscal 2015, parking gross revenue was \$9.3M. Last year, parking revenue was \$10.6M. Year-to-date, revenue is \$11.6M and is expected to exceed \$13M by fiscal year end.

Park Assist is a camera based system that will identify open parking spaces in Parking Garage A and B. This program is expected to come online during the first quarter of 2018.

In an effort to make GSP the airport of choice, Staff recently negotiated a corporate parking program with The Cliffs Communities offering the ability for Cliffs members to make parking reservations on the sky lots of Parking Garage A and B. The only expense to GSP for providing such service is signage. Commissioners inquired about assessing the value of such programs. Commissioners also discussed the status of opening The Kitchen by Wolfgang Puck to non-travelers.

## **B. Human Resources Department - Employee Survey Results and Action Items**

Mrs. Marsha Madore, Human Resources Director, provided a brief presentation that recapped the District Employee Engagement Survey results, activities, and action items.

During the fall of 2016, Staff conducted an employee survey. The survey consisted of fifteen positive statements that Staff could rate on a scale of 1-5 with 1 being the lowest and 5 being the highest. The participation rate was strong at 87%. Mrs. Madore discussed the top five and bottom five performing areas with the Commission.

In response to the survey, Human Resources personnel met with employees department by department in focus groups to address concerns and discuss employee-driven initiatives. As a result of these meetings, Staff created the GSP Leadership Association, consisting of tri-annual dinner meetings with a keynote speaker on topics related to the District's business. The Executive Team committed to scheduling informal department visits. New hire announcements will now be included in GSP's internal publication called *Word on Wednesday (W.O.W.)* created by Mrs. Rosylin Weston, Vice President Communications. Additionally, Town Hall meetings were held to communicate to Staff these new action items and how to better balance contracts and communication with Tenants. In response to career advancement opportunities, The Airport Leadership Development Program (ALDP), a rotational cross-training program, is currently being developed and should be open for application in January 2018. Moreover, a safety team will be created with a member from each department so Staff can develop and encourage a strong sense of teamwork and cooperation between departments. Furthermore, channels of communication will be improved through the publishing of events in the W.O.W. and the new employee web portal. Lastly, in an effort to retain highly qualified employees, Human Resources will provide total compensation statements to new hires, Staff created an employee referral program, and ALDP participants will be mentors for new hires.

Commissioners inquired about GSP's tuition reimbursement program and recommended their participation in the GSP Leadership Association.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. Approval of Parking Management Services Agreement**

Mr. Scott Carr, VP Commercial Business and Properties, presented the parking management services agreement to the Commission for approval. The District has been under contract for parking management services with ABM Parking Services, Inc. since 2009. Their current agreement is set to expire on January 31, 2018. The District has had an agreement with AmeriPark for valet parking services since May 1, 2017, which will expire on April 30, 2018.

Staff prepared a Request for Proposals (RFP) for parking management services that included valet parking and shuttle bus operations to the economy and future overflow lot. Six proposals were received on September 29, 2017. Proposals were received from ABM Parking Services, AmeriPark, LAZ Fly Airport Parking, Park 'N Fly, Republic Parking System, and SP+ Airport Services.

The Selection Committee, comprised of Staff from Commercial Business and Properties and Finance, reviewed the six proposals and ranked them in accordance with the evaluation criteria outlined in the RFP. The evaluation criteria included company qualifications and experience, management and operations plan, equipment, staffing, frequent parker program and other revenue generating ideas, financial submission and financial capability.

Based on the evaluation criteria, the four companies that were short-listed were ABM Parking Services, AmeriPark, LAZ Fly Airport Parking, and Republic Parking System. Interviews and presentations were held on November 6, 2017. The Selection Committee's recommended final rankings were #1) LAZ Fly Airport Parking, #2) AmeriPark, #3) ABM Parking Services, and #4) Republic Parking System. Mr. Carr stated that Staff reached out to other airports for references. LAZ operates at both large and small airports.

Commissioners inquired about ratings, rankings, the current valet parking service, start date, and different options regarding shuttle services. There may be a discussion in the future regarding capital project options for the economy parking lot and/or rate increases to offset the cost of shuttle bus services. The new contract is anticipated to take effect February 1, 2018

There was a motion to approve the final rankings for parking management services and to authorize the President/CEO to execute all necessary documents. The motion was seconded and unanimously approved.

#### **B. Approval of Lease Agreement for Sprint/Airgate PCS, Inc.**

Mr. Scott Carr, VP Commercial Business and Properties, presented the lease agreement for Sprint/Airgate PCS, Inc. (Sprint) to the Commission for approval. Sprint has had a cell phone tower on Parking Garage A since 2005. The original agreement was amended in 2008 and again in 2012. That current agreement is set to expire on November 30, 2018.

The District has negotiated new lease terms with Sprint to include a base term of five years beginning December 1, 2018 and two additional five-year options, with a lease rate of \$45,604.00 for the first year, adjusted annually by three percent through the base term and subsequent two option terms. The lessee is responsible for all maintenance and utilities with no additional cost to the District.

There was a motion to approve the lease agreement terms as outlined and to authorize the President/CEO to execute all necessary documents. The motion was seconded and unanimously approved.

#### **C. Approval of Lease Agreement For AT&T Mobility, Inc.**

Mr. Scott Carr, VP Commercial Business and Properties, presented the lease agreement for AT&T Mobility, Inc. (AT&T) to the Commission for approval. AT&T has had a cell phone tower on Parking Garage A since 2003. The original agreement was amended in 2008 and again in 2013. That current agreement is set to expire on January 31, 2018.

The District has negotiated new lease terms with AT&T to include a base term of five years beginning February 1, 2018 and two additional five-year options, with a lease rate of \$45,604.00 for the first year, adjusted annually by three percent through the base term and subsequent two option terms. The lessee is responsible for all improvements, maintenance and utilities with no additional cost to the District.

There was a motion to approve the lease agreement terms as outlined and to authorize the President/CEO to execute all necessary documents. The motion was seconded and unanimously approved.

#### **D. Approval of Salary Level Adjustment Recommendations and Associated Fiscal Year 2017-2018 Budget Adjustment**

Mrs. Marsha Madore, Human Resources Director, presented the salary level adjustment recommendations to the Commission for approval. The District conducts a salary survey every three years. For over a year, there has been increased pressure to conduct the survey early due to increased salaries across the country and in our region, coming out of the recession, and the tight labor market. The District conducted the salary survey a couple of months early because of difficulty in hiring. In the past, recommended salary increases were merged with the Budget and then implemented in the month of July. This year, the salary survey was completed in August of 2017 and the District requested a budget adjustment mid-year.

The District partnered with Asheville, Columbia and Charleston airports and invited 28 similarly sized southeast airports to participate. The District used the ACI Salary Survey, a report from small to mid-airports in the southeast and Midwest, and local data from Upstate Salary Survey that included about 150 business participants for the municipalities, police, fire, facilities and other common positions. The District also used online surveys such as Robert Half for IT, SHRM for Human Resources, and Payscale to look at every position. In particular, the District has faced difficulty in hiring and retention of employees in the following areas: Grounds (landscape and airfield), Police, Fire, Operations, and IT.

Staff identified three salary adjustment options for consideration. Option one increased only the salaries currently below the minimum of the new range to range minimums with an annual financial impact of \$132,018 and a budget increase of \$66,009. Option two increased salaries currently below the minimum of the new range to the respective range minimums and increased all other salaries by a weighted proportion with the percentage of increase for that range. The annual financial impact was \$356,158 and a budget increase of \$178,074. Option three increased salaries currently below the minimum of the new range to the respective range minimums and increased all other salaries by the percentage of increase to the range. The annual financial impact of Option 3 was \$622,959 and a budget increase of \$311,480.

Staff recommended Option 2, effective January 1, 2018, to increase salaries by the weighted amount and to increase salaries currently below the minimum of the range to the respective minimum.

Commissioners inquired about the partnerships we have with the other airports involved in this survey, as well as the importance of raising the bar and remaining competitive. Commissioners also noted that these figures do not include benefits.

There was a motion to approve the salary level adjustments and Option 2 as outlined, approve a budget amendment increase for the Fiscal Year 2017/2018 budget, and authorize the President/CEO to execute the planned increases effective January 1, 2018.

**E. Approval of the Emergency Hangars Roof Replacement Project at 2100 and 2102 GSP Drive**

Mr. Kevin Howell, VP/COO, presented the emergency hangars replacement project to the Commission for approval. The District has been dealing with multiple roof leaks in the aircraft hangars located at 2100 (PSA MRO) and 2102 (Hangar #1) GSP Drive since the District took over the operations and maintenance of the buildings from Stevens Aviation. Mr. Howell shared pictures that indicated that the roof systems are well beyond their useful life. Based on a former consultants' building assessment of both roofs and rating each as "Good," the District did not budget for this project.

The District has spent over \$1M in repairs for the PSA MRO Facility at 2100 GSP Drive and has approximately \$1.4M budgeted for interior improvements at 2102 GSP Drive.

The District hired an architect to conduct a roof assessment and help develop a budget. The estimated cost to replace both roofs is \$1.6M. This amount included construction costs, engineering costs, contingency money, etc.

The District budgeted for the current Fiscal Year \$1,050,000 to improve the taxiway connector between the Terminal Apron and the PSA Hangar. At this time, the pavement is in good condition and Staff recommends the reallocation of this \$1,050,000 plus an additional \$550,000 to fully fund the \$1.6M emergency roof replacement project.

The Commissioners inquired about the original assessment of the roofs, bids and funding which Mr. Howell responded to. Mr. Howell will keep the Commissioners updated on the status of the project.

There was a motion to approve the emergency hangars roof replacement project, approve the reallocation of funds, approve a budget amendment to the FY2017/2018 budget, and to authorize the President/CEO to execute all necessary documents. The motion was seconded and unanimously approved.

**PRESIDENT/CEO REPORT:**

**Aviation Industry Update:**

Not a lot has been happening recently related to FAA reauthorization because of the air traffic control privatization discussions. The industry has seen some language in tax bills being proposed at both the House and Senate that affects private activity bonds that would have an impact on airports, but not so much GSP. Such bonds would no longer be tax exempt, making them less attractive from an investor's standpoint. On the TSA side, the industry heard early rumblings about the LEO reimbursement and language in bills that cut the LEO reimbursement received today through DHS and TSA. This amounts to approximately \$100,000/year in the District's budget. There is activity in DC, however, to

defend both of these programs as key programs to remain in place for financial viability for airports.

**NBAA-BACE Conference & Exhibition:**

The National Business Aviation Association meeting was held in Las Vegas. Several members of the GSP Team attended and helped staff the 20x20 GSP Booth. Floor activity was relatively quiet and slow, but GSP Staff engaged in conversation and shared opportunities at GSP with fellow exhibitors and visitors.

**Meeting with jetBlue:**

Mr. David Edwards, President/CEO, met with jetBlue corporate executives in mid-October to discuss service out of GSP (Boston, JFK, Ft. Lauderdale, and Orlando). It was a productive meeting; however, GSP appears to be less of a priority for jetBlue compared to last year. In particular with Boston, jetBlue is focused on originating traffic from Boston. We have a 60% origination here at GSP versus a 40% origination out of Boston. Mr. Edwards connected with the Air Service Director at Boston Logan airport and will continue to have ongoing dialogue with him.

**ACI-NA Public Relations Campaign-Small Airports Award:**

Mr. David Edwards, President/CEO, recognized Mrs. Rosylin Weston, Vice President Communications, and her team for recently competing and being awarded First Place for the *ACI-NA Excellence in Airport Marketing, Communications, and Customer Service Award Public Relations Campaign - Small Airports*. The focus of this campaign was the wrapping up of WINGSPAN, the benefits of WINGSPAN, and what GSP accomplished as a result of that engagement.

**Skanska Moss Contract:**

Mr. David Edwards, President/CEO, stated that the Skanska Moss construction contract is officially closed. Originally, the District was holding \$1,500,000, but released \$250,000 prior to the final meeting with the Principals and Executives of both Skanska and Moss. At the meeting, the District identified issues regarding construction quality and negotiated back \$375,000 out of the remaining \$1.25M to finish some of the work and repairs that Skanska Moss was unwilling to complete. There are two items that were determined to be unacceptable to the Staff which Skanska Moss will correct.

**Executive Staff Retreat:**

The Executive Team attended a Staff Retreat in mid-November. Prior to the retreat, the Team completed DiSC Training assessments. During the retreat, Staff worked through exercises and discussed the results of the DiSC assessments as well as *The 5 Behaviors of a Cohesive Team*. Mrs. Marsha Madore, Human Resources Director, will continue to lead the follow-up efforts and Staff will likely continue follow-on training with the facilitator on a bi-monthly or quarterly basis for the first year. In addition, Dr. Steve Van Beek also attended the retreat to review the strategic business plan and discuss modifications. The Senior Team is scheduled to meet with Dr. Van Beek on November 29, 2017 to discuss updates which Staff will in turn bring back to the Commission for review and adoption at the January 2018 Commission meeting.

**INFORMATION SECTION:** No reports

**COMMISSIONER'S REPORT:**

Mr. Leland Burch attended the Tryon International Equestrian Center Saturday Night Lights Grand Prix event for the close-out of the season on October 28, 2017 on behalf of GSP and commented on the positive feedback received regarding GSP from multiple attendees.

Mr. Leland Burch attended the ACI-NA Annual Conference in Fort Worth, TX and commented on concerns related to airport privatization (selling airports to private investors and using proceeds to pay for other public expenditures), mandatory interlining, and remote/virtual control towers. Mr. Burch also attended a Crisis Management Workshop which he found extremely informative.

Mr. Hank Ramella also attended the ACI-NA Annual Conference in Fort Worth, TX and his interest was the Business Information Technology (BIT) group and how far the industry is progressing in retina recognition rather than just facial recognition.

**PUBLIC COMMENT:**

Mrs. Minor Shaw invited Mr. Matt Wells of Delta Airlines to address the Commission on his concerns regarding airline employee parking.

**EXECUTIVE SESSION:**

There being no further business, a motion was made, seconded, and carried to go into Executive Session for the purpose of receiving legal advice and the discussion of a potential economic development project.

At approximately 11:59 a.m., public session resumed with no action being taken in Executive Session.

**OPEN SESSION:**

Mr. Scott Carr provided the Commission with an overview of a potential lease for Tract B located along State Route 80 for a business development/economic development opportunity. Staff requested the ability to negotiate with a proposed tenant for an approximately 50-acre tract of land on Tract B with a base term of 30 years, two option terms of 10 years each, 8% cap rate, and a per acre valuation of \$79,557. Based on the 8% cap rate, the first year per acre valuation would be \$6,365 or approximately \$320,000 annually. There would be a lease rate escalation annually based on CPI and reappraisals. Contract security would be 50% of annual rental fees. There are no improvements being proposed by the District. The lessee improvements would include roadway and utility infrastructure, as well as the construction of a facility approximately 500,000-700,000SF including associated parking and other infrastructure. Maintenance would be the responsibility of the lessee as well as utility costs. Insurance would be required by the lessee. All taxes and assessments would be the responsibility of the lessee. The lessee



would have to obtain written approval by the District to sublet the lease and the lessee would have to obtain written approval to sign the lease agreement.

There was a motion to approve the lease terms as outlined and to authorize the President/CEO to execute a lease agreement with a proposed tenant. The motion was seconded and unanimously approved.

A motion was made, seconded, and carried to go back into Executive Session to discuss the status of claims with legal counsel related to Michael Baker and their design efforts associated with the Wingspan project.

**ADJOURNMENT:**

At approximately 12:19 p.m., public session resumed with no action being taken in the second Executive Session.

The meeting was adjourned at 12:21 p.m. The next meeting is scheduled for January 8, 2018 at 9:00 a.m.

**SIGNATURE OF PREPARER:**

  
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Stefanie Hyder