

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

November 14, 2022

The Greenville-Spartanburg Airport Commission met on November 14, 2022 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 (via teleconference), Hank Ramella, Leland Burch, Valerie Miller, Jay Beeson

MEMBERS NOT PRESENT: Doug Smith

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Kevin Howell, Senior Vice President/COO; Betty O. Temple, WBD; Kelly Dawsey, Vice President/CHRO; Deven Judd, Vice President/CCO; Tom Tyra, Director, Communications & Air Service Development; Jeff Clifton, Director of Design & Construction; Bobby Welborn, GSP Chief of Police; Casey Cooperman, Executive Assistant/Recording Secretary

GUESTS PRESENT: Jon McCalmont, Parrish & Partners; John Mafera, McFarland Johnson; Amanda Sheridan, McFarland Johnson; Christopher Alexander, FHN Financial Capital Markets; Eric Rysdor, HDR

CALL TO ORDER: Vice-Chair Hank Ramella called the meeting to order at 9:04 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 12, 2022 Regular Meeting Minutes.
- B. The Greenville-Spartanburg Audit Committee November 10, 2022 Regular Meeting Minutes.

OLD BUSINESS: None.

PRESENTATIONS:

A. Microgrid Feasibility Study

David Edwards, President/CEO, provided a presentation on a recently completed Microgrid Feasibility Study. Firstly, he provided a definition of a microgrid and why it is important to consider at the District, explaining that the airport is a critical infrastructure facility in the rapidly growing Upstate South Carolina region, and that while the airport does not have a history of long lasting or frequent grid outages, this does not mean there is not a risk of one occurring in the future. Mr. Edwards explained that as the region grows, existing electric grid resources will start to hit capacity limits and be unable to meet the demand at peak times. Therefore, microgrid assets at GSP would benefit the entire community by providing a non-wired solution to some of these capacity constraints.

Mr. Edwards then went on to describe the microgrid development process. The first step of the process is to gather and analyze data on existing electric utilities, analyzing the District's existing assets and equipment, and considering recommended components such as solar PV, battery energy storage and diesel and natural gas generators. Secondly, the District would analyze the recommended sites for both solar PV assets, a central bus (which would allow buildings to switch between grid-connected and island mode), and a battery energy storage location. From there, Mr. Edwards described the process of modeling the microgrid and creating a conceptual design with the project to be completed in phases, noting the various microgrid boundary/coverage options that were explored in the study as well as the solar PV and battery sizing recommendations for each phase.

Mr. Edwards then discussed the three deployment options that were determined as part of the feasibility study. These options ranged from a Clean deployment of only a solar PV to provide ~33% of the Terminal load, an Adaptive deployment of a solar PV with the addition of a BESS and microgrid infrastructure to support limited islanding operation, and a Resilient deployment that includes an expanded solar PV, BESS energy capacity and microgrid infrastructure to connect and provide 12+ hours of islanding capabilities to the entire GSP campus. Mr. Edwards then shared the cost estimation for each of these deployment options.

Providing a glimpse into what microgrid ownership and operation looks like, Mr. Edwards shared information on similar Duke Energy microgrid project investments in Upstate South Carolina and Western North Carolina and how that compares to direct microgrid ownership and operation by the District. Another option being considered is third party microgrid ownership. Mr. Edwards shared the advantages and disadvantages of each.

Mr. Edwards then shared the microgrid benefit cost analysis results for each deployment option that was performed as part of the feasibility study. Following these results, he then shared with the Commission the necessary next steps to proceed to the next phase of the project, to include the design for the solar PV and battery energy storage system, as well as determining if additional generation is to be installed and where, and completing an environmental review to determine environmental impact and permitting requirements. Additionally, Mr. Edwards identified key funding sources and opportunities for the project, including the FAA, DOE and FEMA. The floor was then opened to discussion.

Commissioner Ramella sought clarification on what buildings would be included in the microgrid connectivity area, determining that the airfield and District Operations offices would be connected to the microgrid, however the Air Traffic Control Tower would not. Commissioner Burch asked what the timeframe would be for project completion, to which Mr. Edwards said that it would be approximately two years for the project to be completed once started. Conversation ensued between the Commissioners and Mr. Edwards regarding the impact this project would have on future Electric Vehicle Take Off and Landing aircraft (eVTOLs), operational cost savings built into the project ROI, and funding opportunities.

Following questions and answers, Mr. Ramella asked if the Commission believes that this is a project the District Staff should continue to consider, to which all Commissioners agreed that it is, with a note that Staff needs to do in-depth research to make sure that the project will not negatively impact the environment.

B. Terminal Landside Roadway Improvement Project Media Plan

Tom Tyra, Director of Communications & Air Service Development, provided a presentation of the media plan for the upcoming Terminal Landside Roadway Improvement Project (TRIP). To better communicate with customers through this project Staff has created a logo and acronym (TRIP) that is easy to remember. This logo and acronym will be used in media releases, signage, and communications rather than explaining the project in each release.

Mr. Tyra explained that in January 2023, work will begin on TRIP. This project will allow the Airport District to make roadway, curb, and pedestrian enhancements to provide improved traffic flow around the Terminal Complex and install necessary infrastructure that will allow the airport to grow in the future. Mr. Tyra's presentation provided an overview of the media strategy that will be used to keep the traveling public, media, employees, and tenants informed during the project.

Mr. Tyra provided a rundown of the ways in which the project updates will be communicated, including a dedicated section of the GSP website, which will hold information as it is released in accordance with the project timeline, and newsletters that will go out internally to employees and externally to customers signed up to receive GSP updates. Additionally, Staff will create a new newsletter for tenants to provide frequent updates on the project. Staff will also use the District's quarterly tenant meetings to present updates on employee parking and access. Notifications will also be sent out to the District's Pre-Book parking database of customers periodically. Social media reminders will also provide frequent updates via the District's primary channels including Facebook and Twitter. Mr. Tyra provided a demonstration of an animation Staff will create with voice over that will highlight all construction phases. These animations will be used on our website, social media, press releases and on YouTube. Staff additionally plans on heavily promoting pre-book parking at GSP, which will allow the District to reduce traffic entering and exiting the garages and allow for more people to be added to the pre-book customer database. Once in the pre-book database, Staff can send those customers timely updates on each phase of the project.

Mr. Tyra also explained that in addition to the digital media strategy for the project, Staff will also create one-page handouts for each phase which will be available at the Information Booth and from the GSP Ambassadors, as well as in-terminal communications on information screens and signage to be placed in the shuttle busses. Large, visible roadway signage in multiple locations will also direct traffic through each phase of construction. This concluded the presentation and the floor was opened for discussion.

Conversation ensued about the upcoming closure of Stevens Road and the tactics implemented to also communicate this traffic change.

NEW BUSINESS:

A. Approval of Revisions to and Readoption of the Greenville-Spartanburg Human Resources Policies and Procedures

Kelly Dawsey, Vice President/CHRO, started by providing a background on the existing Human Resources Policies and Procedures, noting that the last time changes were approved was September 9, 2019. Staff, from time to time, has made recommendations for changes to the Human Resources Policies and Procedures in order to maintain compliance with applicable laws and regulations, and to clarify policy.

On this day, Mrs. Dawsey requested approval of recommended changes, including minor updates to titles of the Human Resources Information System, the HR job title, Chief Commercial Officer title, as well as changes to entire sections of the Policies and Procedures. The section changes recommended are to Section 201.01 regarding Personal Appearance and Dress Code, Section 201.04 regarding the Employee Termination Process, Section 201.07 regarding Employee Performance Evaluations, Section 204.00 regarding Recruitment, Selection and Appointment, Section 206.09 regarding Military Leave, Section 207.02 regarding the Exempt Employee Benefit Program, Section 207.03 regarding the Employee Incentive Pay Plan, and Section 207.04 regarding Reimbursement of Educational Expenses.

Mrs. Dawsey recommended no alternatives at this time and noted that the only fiscal impact is the impact of the increase in the Tuition Reimbursement from \$4,000 to \$5,250, with the current annual utilization rate of 5 employees per year, which is forecasted at an additional \$6,250 per year.

Commissioner Shaw requested clarification on the changes made to the new hire application process and Mr. Burch requested clarification on the reason why Administrative Leave is being removed from the Policies and Procedures.

Mrs. Dawsey provided the Resolution for approval by the Commission. Mr. Burch made a motion to a readopt the Greenville-Spartanburg Airport District Human Resources Policies and Procedures with the substantive revisions as outlined in the Commission Board Package and presentation. The motion was seconded by Commissioner Miller, and unanimously approved.

B. Approval of a Budget Amendment for the Terminal Landside Roadway Improvements Project

Kevin Howell, Senior Vice President/COO, presented a request for a budget amendment to the Terminal Landside Roadway Improvements Project. He started by providing background on the project. The FY2022 capital budget included an initial budget of \$4,000,000 for the Terminal Landside Roadways Improvements Project (Project). An

additional \$6,500,000 was budgeted in the FY2023 capital budget to provide a total approved capital project budget of \$10,500,000.

As outlined in the approved Master Plan, the Project scope includes construction of a new terminal approach road around the north end of the future Garage C and Consolidated Rental Car Facility which will increase the overall terminal frontage capacity for loading and unloading passengers by approximately 100%. The Project also includes the reconfiguration of the terminal curbside driving lanes and center island/median to a 4:2 lane configuration and the construction of two new round-a-bouts on GSP Drive with a slip lane at the north round-a-bout for traffic movements from Aviation Parkway towards the new northern approach. These intersection modifications will improve traffic movement from Aviation Parkway to GSP Drive and improves general traffic circulation to Garage Parking and the Terminal curbside.

Staff presented at the July 11, 2022 Commission meeting an overview of the phasing plans and Project timeline highlighting how the Project will be executed to minimize negative impacts to GSP customers and overall airport operations.

The current Project schedule forecasts a construction start for early January 2023 to minimize the terminal curbside impacts around the 2023 holiday peak season. Project construction is expected to take approximately 22 months for full completion. The design phase was completed, and "Release for Pricing" documents were provided to Turner Construction.

Turner solicited sub-contractor pricing and submitted the guaranteed maximum price (GMP) proposal to Staff for review. Construction costs for the project are higher than originally anticipated due to recent and continuing inflation negatively affecting labor and materials increasing construction costs, an expanding and highly competitive regional construction market, and the complexity and extended duration of the Project.

Turner has submitted a GMP of \$14,537,851. The total Project is now \$18,600,000 accounting for programming and design costs, direct cost of work and construction soft costs, and general Project soft costs including Project contingency. This updated Project cost is \$8,100,000 more than the current approved Project budget.

Staff has engaged the services of a local construction cost estimating firm to conduct an independent cost estimate to validate the GMP. Completion of the cost estimate is expected in early December.

Staff is requesting conditional approval of a budget increase to keep the Project on schedule. Approval allows Staff to mitigate further market impacts and to specifically minimize the terminal curbside closures during the 2023 holiday peak season. Staff will only proceed with the work if the independent cost estimate is within an acceptable range of the GMP submitted by Turner and the revised budget of \$18,600,000. Staff will not proceed to contract and will evaluate next steps to deliver the project if there is a significant variance between the independent cost estimate and the GMP.

Discussion ensued about where the budget overage amount be coming from, to which Mr. Edwards answered that it would come from the District's fund balance.

Commissioner Miller made a motion to (1) approve a revised total Project budget in the amount of \$18,600,000 for the Terminal Landside Roadway Improvements Project; and (2) authorize the President/CEO to execute all necessary documents. The motion was seconded by Commissioner Burch and unanimously approved.

PRESIDENT/CEO REPORT:

Introduction to Deven Judd, VP/Chief Commercial Officer

Mr. Edwards introduced the newest member of the District's executive team, Deven Judd, who has recently started in the position of Vice President, Chief Commercial Officer. The Commission also joined Mr. Edwards in welcoming Mr. Judd to the GSP Team.

Aviation Industry Update:

Mr. Edwards noted that regarding airline capacity, the industry is still struggling. Some air carriers have started in new markets, and that Mr. Tyra, Director of Communications & Air Service Development, has requested that GSP be included in these considerations so that the Airport District can have additional capacity provided to its customers. Mr. Edwards noted that business travel has returned to approximately 80% of 2019 levels, domestic travel has returned back to a capacity of approximately 90%, and international travel has returned back to a capacity of approximately 70-72% industry-wide when compared to 2019, with travel to China having a large impact on international levels. Mr. Edwards also noted that airlines have made many improvements as it pertains to hiring and training, and he is hopeful that by Summer 2023 there will be a return to normalcy relating to cancellation levels and flight crew availability.

Federal and State Legislative Update:

Regarding federal legislation, Mr. Edwards shared that the focus is still on the Federal Aviation Administration (FAA) Reauthorization. The current five-year bill will expire on September 30, 2023, and the interest now is in how quickly the new congress will start working on the anticipated changes. Regarding state legislation, in the next legislative session, recurring airport funding for state commercial airports will be discussed, along with a discussion on how current funding is to be dispersed. Mr. Edwards noted that there will be prominent Upstate South Carolina legislative representation in the upcoming legislative session.

Financial Update:

Mr. Edwards provided a brief financial update to the Commission, including YTD Operating Revenues, Operating Expenses, Gross Margin, Cost Per Enplanement, Airline Revenues, Investment Balance, Fund Balance, and Debt Balance.

COMMISSIONER'S REPORT: Mr. Burch provided an updated on PFAS, components found in the aqueous film-forming foam (AFFF) used by Airport Rescue and Fire Fighting operations at all US airports, and which are found to cause harm to the environment. The Environmental Protection Agency has granted another year to designate two alternative suppression foams.

Mr. Ramella shared that the ACI-NA Business Information Technology Committee is continuing to raise awareness of cybersecurity at airports as a primary focus in the wake of recent national security breaches.

EXECUTIVE SESSION:

The Commission Vice-Chair requested that the Commission go into Executive Session for the purpose of discussing economic development projects. The motion was made by Mr. Burch, seconded by Mrs. Miller, and approved to go into Executive Session at 10:59 a.m.

At approximately 11:10am public session resumed with no action taken in Executive Session.

ADJOURNMENT:

There being no further business, a motion was made by Commissioner Miller, seconded by Commissioner Burch and unanimous vote received to adjourn meeting. The meeting was adjourned at approximately 11:16 a.m. The next meeting regular, non-emergency Commission meeting is scheduled for Monday, January 23, 2023.

SIGNATURE OF PREPARER:



Casey Cooperman