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## **AGENDA**

Greenville-Spartanburg Airport Commission Regular Meeting  
Greenville-Spartanburg International Airport Board Room  
Tuesday, May 28, 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 March 25, 2019 Regular Meeting Minutes ([document](#))
- B. Acceptance of the Greenville-Spartanburg Airport Commission Audit Committee April 29, 2019 Meeting Minutes ([document](#))
- C. Approval of Final Rankings for External Financial Audit Services ([document](#))

#### **III. PRESENTATIONS:**

- A. Recognition of Mr. Basil Dosunmu – Leadership Greenville Class 45 Graduate - May 16, 2019 ([document](#))
- B. Air Service Development – Passenger Leakage Statistics Update ([document](#))

#### **IV. OLD BUSINESS: None**

#### **V. NEW BUSINESS:**

- A. Approval of Fiscal Year 2019/2020 Airport District Budget ([document](#))
- B. Approval to Implement a Passenger Facility Charge (PFC Program) ([document](#))
- C. Approval of a Budget Amendment for the Cargo Apron Project ([document](#))

VI. PRESIDENT/CEO REPORT:

- A. Aviation Industry Update
- B. State Legislative Issues Update
- C. New Air Traffic Control Tower Update

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. March 2019 – Traffic Report ([document](#))
- B. March 2019 – Financial Report ([document](#))
- C. April 2019 – Development/Project Status Report ([document](#))
- D. April 2019 – Communications Status Report ([document](#))
- E. April 2019 – Commercial Business and Marketing Report ([document](#))
- F. April 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:
  - Greenville-Spartanburg Airport District Administrative Policies and Procedures
  - Greenville-Spartanburg Airport District Human Resources Policies and Procedures
  - Greenville-Spartanburg Airport District Rules and Regulations
  - Greenville-Spartanburg Airport District Minimum Standards
  - Greenville-Spartanburg Airport District Strategic Business Plan Annual Update

VIII. COMMISSION MEMBER REPORTS:

IX. EXECUTIVE SESSION:

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

**March 25, 2019**

The Greenville-Spartanburg Airport Commission met on March 25, 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, Leland Burch, Valerie Miller, and Doug Smith (via conference call until 9:41am)

**MEMBERS NOT PRESENT:**

**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 (Enviros Area Administrator); Ashley Bruton, Director Human Resources; Bobby Welborn, Police Chief; Dane Slaughter, Director of Facilities; Jeff Clifton, Capital Project Manager; Dudley Brown, Public Relations Manager; Betty O. Temple, WBD; Stefanie Hyder, Executive Assistant/Recording Secretary

**GUESTS PRESENT:** Zach Nelson, McFarland Johnson; Payne Thomas, Metromont Corporation; Steve Babcock, Metromont Corporation; Eric Reichard, Rodgers Builders; Dan Stoddard, Prime Engineering, Inc.

**CALL TO ORDER:** Chair Minor Shaw called the meeting to order at 9:05 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 January 3, 2019 Regular Meeting Minutes.

**PRESENTATIONS:**

**A. Proposed Terminal Building Children's Play Area Update**

Mr. Scott Carr, Vice President Commercial Business and Marketing, provided an informational update of District Staff's efforts to date for construction of a children's play area in one of the alcoves in the terminal building.

Mr. Carr reviewed the programmatic goals which include improving the family travel experience, providing children a safe, fun area to play, and communicating the story of a local Upstate company known as Plus-Plus USA.

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.

Plus-Plus USA has been nationally recognized. Key design features would be themed around aviation and would include a GSP-like entrance with the feeling of the airport experience. Mr. Carr shared different renditions of the space.

The Commission inquired about maintenance, cleanliness, liability and appropriate signage, as well as discussions with other organizations to which Mr. Carr responded. The Commission further inquired about the history of Plus-Plus USA.

Staff will continue to refine layouts and move forward.

## **B. Community Engagement and Sponsorship Program Update**

In response to the Commission's request, Mr. Scott Carr, Vice President Commercial Business and Communications, provided an update on GSP's community engagement and sponsorship programs for FY2019/2020.

In the last six months of 2018, District Staff was involved in over 110 community events. In an effort to maximize the available advertising and marketing budget, and determine the highest and best use of funds, Mr. Carr's staff prioritized each opportunity against available funding. Staff's refocus is on filling newly added airline seats. Mr. Carr shared the forecasted airline operations and seat capacity outlook for 2019.

GSP will continue pop-up events in partnership with Bon Secours Wellness Arena and Greenville Drive, as well as sports advertising and marketing sponsorships and university involvement. Additionally, the District will continue the sponsorship and advertising program at Bon Secours Wellness Arena. The District will continue to support local Chambers of Commerce as well as core sponsorship events in the Greer, Greenville and Spartanburg communities.

The Commission inquired more about participation in the community and the selection of involvement in the higher education institutions to which both Mr. Carr and Mr. Edwards responded.

## **C. Terminal Capacity – Current Challenges and Planning for the Future**

Mr. Kevin Howell, Senior Vice President/COO, presented to the Commission current growth challenges inside the terminal resulting from enplanements outpacing forecasts, airlines up gauging equipment, additional frequencies, and new service announcements.

Mr. Howell reviewed the Master Plan enplanement forecast. While the FAA is conservative on growth projections at approximately 1.5%, the current annual growth

rate (CAGR) for air service is projected at 3.15%. The blended average (Terminal Area Forecast (TAF), Max TAF, and Air Service) is 2.46%. GSP is currently tracking three years ahead of forecast.

While the RS&H study in 2010 indicated that the Terminal Improvement Program (TIP) renovations (2012-2017) would satisfy this airport to about 1.5M enplanements, based on GSP's historical average of 4.5% growth, GSP is likely to reach +1.5M enplanement in the mid 2020's, not 2030 as forecasted; therefore, planning needs to begin in FY20.

Mr. Howell also discussed the existing challenges with gate utilization and the peak hour morning push. He mentioned that the TIP addressed several functional areas, but that no new gates were added during the project.

In the 2010 TAP study, the recommended Phase 2 terminal elements for 1.5M - 2M enplanements include additional gates and hold rooms, passenger security checkpoint and baggage security, international facilities, additional concessions, curb length, and additional public areas. Mr. Howell showed a rendition of the preferred terminal concept.

Mr. Howell proposed the following terminal planning project timeline: FY20 - Planning and Programming, FY21-22 - Potential Design Phase, and FY23 – Potential Construction Start.

The Commission asked about the impact of the I-85 construction on GSP passenger growth to which Mr. Edwards responded. The Commission then asked when the last leakage study was conducted to which Mr. Edwards responded that while a standalone leakage update was conducted in 2012, the numbers from that study are updated twice a year. The Commission indicated an interest in seeing those leakage numbers at a future Commission meeting. The Commission further inquired about a customer service questionnaire. Lastly, the Commission asked for clarification on the timeline of the planning project to which Mr. Edwards responded.

## **OLD BUSINESS:**

### **A. Discounted Commuter Parking Program at GSP**

Mr. Edwards, President/CEO, discussed an old business item by request of Chair Minor Shaw.

At a prior Commission meeting, a representative from a pilot's group and flight crew group presented to the Commission their desire for the District to reinstate a discounted commuter parking program at GSP. After exchange of information and discussion, Staff's recommendation continues to be no action to change the current policy of not providing any type of a discount to that commuter group. While it is not believed that there is a specific action that the Commission needs to take regarding this item, it is the

general consensus of the Commission that there will be no action to change the current policy and this decision will be communicated to this commuter group.

The Commission formally reaffirmed Staff's position. Mr. Edwards noted that he and Madam Chair will communicate a response back to the representative of this commuter group.

## **NEW BUSINESS:**

### **A. Roadway Conveyance Request – Hendrix Road**

Mr. Scott Carr, Vice President Commercial Business and Communications, presented to the Commission, a roadway conveyance request for Hendrix Road.

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

Hendrix Road is currently barricaded off and not in use, and at one time it connected Victor Hill Road with Brookshire Road. The road is approximately 1.27 miles in length. Mr. Carr referenced a road map that was included in the Commission package.

Neither the City of Greer nor Spartanburg County have clear records as to the roadway ownership. The conveyance request is being made to allow the Airport District to formally assume all maintenance responsibility of Hendrix Road.

The Commission asked about future removal of the road to which Mr. Carr responded.

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

### **B. Roadway Conveyance Request – Stevens Road**

Mr. Scott Carr, Vice President Commercial Business and Communications, presented to the Commission, a roadway conveyance request for Stevens Road.

Stevens Road is classified as a local road by the SCDOT. It is also part of the state highway secondary road system. 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 0.86 miles in length. Mr. Carr referenced a road map that was included in the Commission package.

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

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

The Commission inquired about the loss of trees in that area to which Mr. Edwards responded.

### **C. Approval of Final Rankings for Structural Pre-Cast Design Build Provider**

Mr. Kevin Howell, Senior Vice President/COO, presented the final rankings for the structural pre-cast design builder.

The design of the third parking garage and Consolidated Rental Car Facility (CONRAC) at Greenville-Spartanburg International Airport is currently underway. The District made the decision to utilize a pre-cast concrete structure for this project and decided on a design-build approach.

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 from local companies to include Metromont, Inc. and Tindall Corporation. Mr. Howell referenced a bid tab included that was included in the Commission package.

Staff's recommended final ranking for architectural/engineering services was:

1. Metromont, Inc.
2. Tindall Corporation

The Commission commented on the proposals and noted the differences.

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

#### **D. Approval of Final Rankings for Surface Parking Expansion Program – Design Assist Contractor**

Mr. Kevin Howell, Senior Vice President/COO, presented the final rankings for the surface parking expansion program – design assist contractor.

The District engaged Kimley-Horn for design engineer assistance using a Design Assist (DA) method.

Staff issued a Request for Proposal (RFP) for a DA Contractor. Three (3) RFPs were received from McCarthy Improvement Company, Rodgers Builders, Inc., and Sloan Construction Company. Sloan Construction Company and Rodgers Builders, Inc. were shortlisted for final interviews and presentations and the teams' proposals were evaluated by District Staff and Kimley-Horn.

The DA contractor is compensated for preconstruction services and a fee on top of cost of work. Mr. Howell referenced a bid tabulation for the project.

The recommended final ranking for architectural/engineering services was:

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

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

#### **E. Approval of Transportation Security Administration (TSA) - Tenant Improvement Project**

Mr. David Edwards, President/CEO, presented a walk-on item, New Business Item E, to the Commission. Copies of New Business Item E were placed before the Commission.

Mr. Scott Carr, Vice President Commercial Business and Communications, recently received feedback from the U.S. General Services Administration (GSA) that the agency was ready to move forward with the project for a new leasehold space at GSP located directly adjacent to the new consolidated security checkpoint. The space is approximately 3,100 SF in size.

GSA and TSA have specific facility requirements that must be met before the space is occupied. The District received a proposal from Mavin Construction totaling \$402,935. The new five-year lease agreement would begin on July 1, 2019. Project management

services would be provided by in-house staff and the District would apply a 10% fee of \$40,294 for a total project cost of \$443,229. The project would be funded by the District with an amortization period of five years and a 7% fixed interest rate paid by GSA. Interest payments to the District would total \$83,860.

There was a motion to (1) approve a TSA tenant improvement project amount of \$402,935 to be funded by the Airport District and amortized over a five-year period with a 7% fixed interest rate that is paid by GSA 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:**

There are discussions beginning on Capitol Hill and tomorrow is the first hearing in the House on an Infrastructure Bill.

Mr. Edwards recently attended the Washington Legislative Conference in Washington D.C. and participated in a breakfast meeting with colleagues from Georgia and South Carolina airports. This legislative breakfast provided a great opportunity to meet with staff members from the Transportation Committee, Chiefs of Staff, as well as legislative directors for the various congressional members. Mr. Edwards also had the opportunity to meet with Congressman Timmons and his team. Mr. Edwards also noted that he and Mr. Howell had the opportunity to meet with Mr. John Partin (Legislative Assistant to Congressman William Timmons) at GSP last Friday.

Mr. Edwards commented on the recent news related to the Boeing 737 Max 8s and 9s that have been grounded. For clarification, Mr. Edwards noted that GSP has not had any Max 8s or 9s operating out of GSP. Based on recent news, Boeing is meeting with airlines to discuss software updates. From this vantage point, there are three items that may have contributed to the accidents including software issues, pilot training, and a secondary safety system option. Mr. Edwards noted that the longer the aircraft stays grounded, there is greater potential for impacts on future route development and expansion.

### **Commercial Business and Communications Department Awards:**

Mr. Edwards, President/CEO, presented to the Commission awards that were recently accepted by the GSP Communications Department Staff on behalf of Greenville-Spartanburg International Airport at a recent Routes Americas Conference in Quebec City attended by Mr. Scott Carr and Mr. Tom Tyra (Director of Marketing and Air Service Development).

Greenville-Spartanburg International Airport received the Routes Americas 2019 Airport Marketing Award – Best in class among all airports in North and South America. This is an award based solely on airline nominations. While in 2018 GSP received the Airport Revenue News Best Concessions Program Design Award, in 2019, GSP was an award

recipient of the Airport Experience News (formerly Airport Revenue News) Best Overall Concessions Program.

With respect to Marketing, GSP also received the American Advertising Federation 2019 Silver Addy Awards for the GSP-LGA Integrated Campaign and the GSP Airport Landing Page.

In addition, GSP received the Association of Marketing & Communication Professionals (AMCP) 2018 MARCOM Gold Awards for the GSP-LGA Television Campaign and the Jamarcus Gaston – NYC Social Media Influencer Campaign, as well as the Honorable Mention Award for the GSP-LGA Airport Landing Page. Furthermore, GSP received the Service Industry Advertising 2019 Gold Award for the GSP-LGA Outdoor Billboard Campaign and the Jamarcus Gaston NYC Social Media Influencer Campaign, as well as the Merit Award for the GSP-LGA Airport Landing Page.

Mr. Edwards acknowledged and recognized the efforts of the Communications Team.

The Commission noted the importance of publicizing these awards so that people in GSP's catchment area will understand what these are about and feel pride in our airport. The Commission also shared positive feedback on the MAG Lounge.

#### **Venture Aviation Announcement:**

While not listed on the agenda, Mr. Edwards publicly announced that Venture Aviation, a Part 135 Operator, is relocating to GSP and will be leasing 30,000 SF of hangar and office space. They will be locating at least 12 aircraft and will uplift approximately 250,000 gallons of GA Jet A fuel per year. Mr. Edwards thanked Mr. Steve Bowlin (General Aviation Services Manager), Mr. Nathan Garner (Director of Aviation Services), and Mr. Kevin Howell for their efforts.

The Commission inquired about Venture Aviation's effective date to which Mr. Howell responded full operation by April 1, 2019. Mr. Howell also noted that Venture Aviation is also a Part 91 operator.

#### **COMMISSIONER'S REPORT:**

The Commission noted the upcoming ACI-NA/AAAE Airport Board and Commissioner's Conference in San Francisco May 6-8, 2019 of which four Commissioners are scheduled to attend.

#### **EXECUTIVE SESSION:**

There being no further business, a motion was made, seconded, and carried to go into Executive Session at 10:36 a.m. for the purpose of discussing an economic development project and personnel matters.

#### **ADJOURNMENT:**

At approximately 12:15 p.m., public session resumed with no action being taken in Executive Session.

The meeting was adjourned at approximately 12:16 p.m. The next meeting is scheduled for May 28, 2019 at 9:00 a.m.

**SIGNATURE OF PREPARER:**

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Stefanie Hyder

## **GREENVILLE-SPARTANBURG AIRPORT COMMISSION**

### **AUDIT COMMITTEE MINUTES**

**APRIL 29, 2019**

The Greenville-Spartanburg Airport Commission's Audit Committee met at 1:30 p.m. in the Greenville-Spartanburg Airport District Administration Conference Room #1 located at 500 Aviation Parkway, Greer, SC 29651.

**COMMITTEE MEMBERS PRESENT:** Bill Barnet (Chair), Minor Shaw, Valerie Miller

**STAFF PRESENT:** David Edwards, President/CEO; Basil Dosunmu, Senior Vice President Administration and Finance/CFO; Stefanie Hyder, Executive Assistant/Recording Secretary.

Mr. Barnet called the meeting to order.

In opening, Mr. Dosunmu reminded the Audit Committee that as discussed at the April 10, 2019 meeting concerning the selection of a financial audit service firm, the Selection Committee's ranking will be presented at the May 28, 2019 Commission Meeting. In accordance with the RFP, firms are scheduled to be notified the second week of May. The Audit Committee agrees with the final selection of the external financial audit service firm.

The purpose of today's meeting is to discuss focus areas of the audit as well as the approach.

Mr. Barnet asked about the practice of special procedure audits and the necessity thereof. Mr. Dosunmu responded that traditionally GSP Airport District has selected two or three tenants for agreed-upon procedures (AUP). Mr. Dosunmu noted that during the BKD LLP presentation on April 10, a forensic review/audit was recommended rather than agreed-upon procedures that are restrictive and defined.

Mr. Dosunmu distributed the Tenant Special Procedures Audit plan handout to the Committee and made the recommendation to focus on both concessions and rental car, specifically OHM and Budget Rental Car. The Committee continued discussion on various tenants at Greenville-Spartanburg International Airport.

The Committee confirmed that the next financial audit will be performed by the recommended firm. There was a motion to approve OHM and Budget Rental Car as the two focus areas of the financial audit. The motion was seconded and unanimously approved.

The Committee inquired about areas of attention to which Mr. Dosunmu replied operations in general, spending, controls, ERP, etc. Mr. Edwards commented on the ERP system and benefits thereof. Discussion ensued.

The Committee inquired about the financing of the new parking garage to which Mr. Dosunmu responded. Mr. Edwards elaborated and noted the cost breakdown. Other items of discussion included autonomous vehicles, transportation network company (TNC) charges.

There being no further business, a motion was made and seconded to adjourn the meeting. The meeting was adjourned at 1:58 p.m.

**SIGNATURE OF PREPARER:**

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Stefanie Hyder



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## **MEMORANDUM**

TO: Members of the Airport Commission

FROM: Basil Dosunmu, Senior Vice President – Administration and Finance/CFO

DATE: May 28, 2019

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### **ITEM DESCRIPTION – Consent Agenda Item C**

Approval of Final Rankings for External Financial Audit Services

### **BACKGROUND**

The Greenville-Spartanburg Airport District sought to establish a fixed price contract with a qualified external financial auditing firm to provide independent auditing services for the District for the next five (5) fiscal years with two (2) one-year renewal options, beginning with fiscal year end 2019 (July 1, 2018 through June 30, 2019). On March 5, 2019, Staff released a Request for Proposal (RFP) for External Financial Audit Services. Six (6) proposals were received on the March 29, 2019 due date.

Proposals were submitted by the following external financial auditing firms (listed alphabetically):

BKD CPAs & Advisors  
Cherry Bekaert CPAs & Advisors  
Crosslin, PLLC  
Dixon Hughes Goodman LLP (DHG)  
Elliott Davis, LLC  
Mauldin & Jenkins, LLC

The proposals were evaluated based on the firm's experience with government agencies and airport audits similar in size to the District, cost of service, qualifications and experience of key personnel, peer review reports, references, audit approach, and compliance with the RFP instructions.

Staff shortlisted the following firms for onsite presentations delivered to a selection committee on April 10, 2019 (listed alphabetically):



BKD CPAs & Advisors  
Cherry Bekaert CPAs & Advisors  
Mauldin & Jenkins, LLC

The selection committee was expanded to include the GSP Audit Committee. At the conclusion of each presentation, the committee conducted a question and answer session with each firm about their experience with other airport and/or government audit services and each firm's ability to differentiate themselves in order to meet the current and future auditing needs of the District.

## **ISSUES**

In accordance with administrative policy, the selection committee 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 External Audit Financial Services is:

1. BKD CPAs & Advisors
2. Cherry Bekaert CPAs & Advisors
3. Mauldin & Jenkins, LLC

The final ranking is recommended based on the best value the District expects to receive for this service. Strong considerations were given to the firm's extensive experience with providing assurance, accounting and other advisory services to more than 50 airports across the country; first-hand insight from serving on the Government Finance Officers Association (GFOA) Special Review Committee and assisting with the Comprehensive Annual Financial Report (CAFR) and applying for the Certificate of Achievement for Excellence in Financial Reporting Program; knowledge of the compliance requirements that are unique to the Passenger Facility Charges (PFC) program; development of a multi-faceted solution to assist governmental clients with the implementation of GASB 87; forensic approach to Concessionaire review, provision of value-added service and advice to enhance revenue, control expenses and address operational challenges; partnership with Airport Council International – North America (ACI-NA); and connections with relevant regulatory and auditing organizations such as Governmental Accounting Standards Board (GASB), Office of Management and Budget (OMB), and U.S. Government Accountability Office (GAO).



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**

There are no alternatives recommended at this time.

## **FISCAL IMPACT**

The proposed contract value for the next five (5) fiscal years, including two (2) additional one (1) year options, is \$422,900. The District anticipates the fiscal impact to be approximately \$52,300 beginning with fiscal year ended 2019 (July 1, 2018 through June 30, 2019) and increasing approximately 3.5% annually through the end of the proposed contract period.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Commission resolve to (1) approve the final rankings for the External Audit Financial Services 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.



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## **MEMORANDUM**

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: May 28, 2019

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### **ITEM DESCRIPTION – Presentation Item A**

Recognition of Mr. Basil Dosunmu - Leadership Greenville Class 45 Graduate - May 16, 2019

### **BACKGROUND**

On Friday, July 20, 2018, The Greenville Chamber announced Leadership Greenville's 45<sup>th</sup> Class to include Mr. Basil Dosunmu representing Greenville-Spartanburg Airport District.

The Greenville Chamber's Leadership Greenville program accepted 60 participants for its 45<sup>th</sup> class. Participants were selected based on a thorough application process including essays, professional resume and community involvement.

Leadership Greenville is the Chamber's premier 10-month leadership development program designed to help develop informed, committed and qualified leaders for Greenville County. By taking an intensive look into the issues affecting the area, Leadership Greenville prepares and motivates participants to provide quality, dynamic leadership.

The program has graduated over 2000 alumni since 1973, many of which have served in key positions, including school board, city and county council seats, members of Congress, judges and business leaders. Bon Secours St. Francis Health System has been the Leadership Greenville Class 45 Presenting Sponsor.

Mr. Dosunmu graduated on May 16, 2019 from the Leadership Greenville Class 45 program. It is important that such accomplishments are highlighted by the Greenville-Spartanburg Airport District to ensure Staff understands that their efforts are recognized, celebrated, and valued.



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## **MEMORANDUM**

TO: Members of the Airport Commission

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

DATE: May 28, 2019

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### **ITEM DESCRIPTION – Presentation Item B**

Air Service Development – Passenger Leakage Statistics Update

### **BACKGROUND**

The Airport District tracks passenger traffic in GSP's catchment area as well as leakage to other airports in the region. This allows Staff to make educated decisions regarding where to place marketing dollars. In addition, Staff uses the information for meetings with airlines regarding current and proposed air service to support the continued economic prosperity of the communities served by the Airport.

Staff will review the amount of domestic and international traffic utilizing GSP and the number of passengers that are electing to utilize a different airport. Staff will also examine the number of passengers leaking to other airports by specific routes for the top fifteen domestic and international routes.



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## **MEMORANDUM**

TO: Members of the Airport Commission

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

DATE: May 28, 2019

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### **ITEM DESCRIPTION - New Business Item A**

Approval of Fiscal Year 2019/2020 Airport District Budget

### **BACKGROUND**

Staff has prepared a proposed Fiscal Year 2019/2020 Budget for the Airport Commission's consideration (attachments).

### **ISSUES**

The Airport Commission needs to approve a Fiscal Year 2019/2020 Budget prior to July 1, 2019.

### **ALTERNATIVES**

There are no alternatives recommended.

### **FISCAL IMPACT**

Total budgeted revenues are expected to increase to \$48,892,500 in FYE 6-30-2020, a 19.9% increase over FYE 6-30-2019. Total budgeted operating expenses are expected to increase to \$30,703,600 in FYE 6-30-2020, a 12.1% increase over FYE 6-30-2019. Capital projects approved in prior fiscal years and carried forward into FYE 6-30-2020 are projected at \$46.0 million and new FYE 6-30-2020 capital projects of \$5.1 million combine for a total \$51.1 million capital budget.



## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Commission resolve to adopt the attached Fiscal Year 2019/2020 Budget.

Attachments



# Greenville-Spartanburg Airport District

## FY 2019-20 Operating Budget May 28, 2019



# **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

**Greer, South Carolina 29651**

## **Board Members**

Minor Shaw - Chairperson



Hank Ramella – Vice Chairperson



Leland Burch



Valerie Miller



Bill Barnet



Doug Smith



# District Management Staff

## **President/CEO**

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## **Sr. Vice President/COO**

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## **Sr. Vice President -**

**Administration and Finance/CFO**  
**Basil O. Dosunmu, CPA, CIA, CM**  
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## **Vice President - Commercial Business & Marketing**

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## **Sr. Director of Operations & Public Safety**

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# Greenville-Spartanburg Airport District

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## Greenville-Spartanburg Airport District 2020 Operating Budget



### Greenville-Spartanburg Airport District

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# TRANSMITTAL LETTER / BUDGET MESSAGE

May 28, 2019

### TO THE COMMISSIONERS OF THE DISTRICT

The Management Staff herein presents the Greenville-Spartanburg Airport District's ("District") operating budget for the fiscal year ended June 30, 2020. This represents the 57th annual operating budget prepared by the District since operations began on October 15<sup>th</sup>, 1962.

### Aviation Industry Overview

The airline industry is particularly susceptible and sensitive to many variables we find in our world today:

- Oil Prices
- Terrorist events, like 9/11
- Domestic and global economic conditions
- Pandemics and other health concerns
- Aircraft accidents
- Fleet & maintenance issues / aircraft orders and delays
- Customer service issues / failures & resultant negative press
- Volatility of fuel prices
- Debt restructuring
- Volcanic activity
- Merger, acquisitions, bankruptcies of airlines
- Changing regional, national, and international trends
- Federal funding mandates, restrictions, and uncertainties
- Pilot shortages
- Emerging issues in the aviation industry, such as unmanned aerial vehicles (UAVs) or the emergence of sharing economy platforms such as Uber and Lyft, and others

Any one of these can impact airline traffic dramatically, as experience has proven time and again. And yet, when you combine these factors in an ever-changing world, you can expect very volatile results. Airlines have attempted to minimize financial losses thru these periods of extreme volatility by lowering operating costs, merging, canceling unprofitable routes, charging

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

for baggage/food/etc., and grounding older, less fuel-- efficient aircraft. Domestic airlines have reaped record-setting profits throughout 2015, 2016, 2017, and 2018 as the price of oil has dropped and as a result of the aforementioned factors. This represents a stunning turnaround after a decade of losses, cutbacks, reorganizations and bankruptcies.

Overall, it appears that many aviation industry prognosticators continue to believe that:

- Air fares are likely to stay high most of this decade.
- Passenger travel will continue to grow at reduced rates, but airline capacity will continue to shrink, albeit slowly. This combination will cause planes to get more crowded, and is likely to remain that way.
- Over the next two decades, U.S. airline travel is expected to nearly double.
- Airlines are recording historically high profitability levels, which are expected to continue for the foreseeable future.

The most recent Federal Aviation Administration ("FAA's") Aerospace Forecast currently published (2019-2039) contains the following "Forecast Highlights":

"Since its deregulation in 1978, the U.S. commercial air carrier industry has been characterized by boom-to-bust cycles. The volatility that was associated with these cycles was thought by many to be a structural feature of an industry that was capital intensive but cash poor. However, the great recession of 2007-09 marked a fundamental change in the operations and finances of U.S. Airlines. Since the end of the recession in 2009, U.S. airlines revamped their business models to minimize losses by lowering operating costs, eliminating unprofitable routes, and grounding older, less fuel-efficient aircraft. To increase operating revenues, carriers initiated new services that customers were willing to purchase and started charging separately for services that were historically bundled in the price of a ticket. The industry experienced an unprecedented period of consolidation with three major mergers in five years. The results of these efforts have been impressive: 2018 marks the tenth consecutive year of profitability for the U.S. airline industry. Looking forward, there is confidence that U.S. airlines have finally transformed from a capital intensive, highly cyclical industry to an industry that generates solid returns on capital and sustained profits.

Fundamentally, over the medium and long term, aviation demand is driven by economic activity, and a growing U.S. and world economy provides the basis for aviation to grow over the long run. The 2019 FAA forecast calls for U.S. carrier domestic passenger growth over the next 20 years to average 1.8 percent per year. The uptick in passenger growth since 2014 will continue into 2019 driven by generally positive economic conditions in the U.S. and the world. Oil prices averaged \$64 per barrel in 2018 edging down to \$61 in 2019, and our forecast assumes they will increase beginning in the early 2020s to reach \$98 by the end of the forecast period. After a year of solid economic growth in 2018 for the U.S. and generally around the world, conditions are beginning to gradually ease. Some headwinds that have been present over the past few years remain, such as the uncertainty surrounding "Brexit" and the difficulty China faces in managing the slowdown of its economy. Meanwhile, new headwinds have developed, including a broad slowdown in global trade, political tensions in several countries, and economic slumps in Italy and Germany. The U.S. economy is showing signs of moderating

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

from the above trend pace in 2018 as the expansion is poised to become the longest on record. Growth is expected to ease back towards trend with domestic demand supported by positive financial conditions, a strong labor market, and continuing effects of the 2017 Tax Cuts and Jobs Act.

System traffic in revenue passenger miles (RPMs) is projected to increase by 2.2 percent a year between 2019 and 2039. Domestic RPMs are forecast to grow 1.9 percent a year while International RPMs are forecast to grow significantly faster at 3.0 percent a year. System capacity as measured by available seat miles (ASMs) is forecast to grow in line with the increases in demand. The number of seats per aircraft is growing, especially in the regional jet market, where we expect the number of 50 seat regional jets to fall to just a handful by 2030, replaced by 70-90 seat aircraft.

Although the U.S. and global economies saw solid growth in 2018, a combination of higher energy prices and labor cost increases resulted in profits for U.S. airlines falling further from 2016's record levels. The FAA expects U.S. carrier profitability to remain steady or increase as solid demand fed by a stable economy offsets rising energy and labor costs. Over the long term, we see a competitive and profitable aviation industry characterized by increasing demand for air travel and airfares growing more slowly than inflation, reflecting over the long term a growing U.S. and global economy.

The long-term outlook for general aviation is stable to optimistic, as growth at the high-end offsets continuing retirements at the traditional low end of the segment. The active general aviation fleet is forecast to remain relatively level between 2019 and 2039. While steady growth in both GDP and corporate profits results in continued growth of the turbine and rotorcraft fleets, the largest segment of the fleet – fixed wing piston aircraft continues to shrink over the forecast. Against the stable fleet, the number of general aviation hours flown is projected to increase an average of 0.8 percent per year through 2039, as growth in turbine, rotorcraft, and experimental hours more than offset a decline in fixed wing piston hours.

With increasing numbers of regional and business jets in the nation's skies, fleet mix changes, and carriers consolidating operations in their large hubs, we expect increased activity growth that has the potential to increase controller workload. Operations at FAA and contract towers are forecast to grow 0.9 percent a year over the forecast period with commercial activity growing at five times the rate of non-commercial (general aviation and military) activity. The growth in U.S. airline and business aviation activity is the primary driver. Large and medium hubs will see much faster increases than small and non- hub airports, largely due to the commercial nature of their operations.

*Source: FAA Forecast Highlights 2019-2039*

## **Moody's Investor Service Airport Industry Outlook**

Moody's has once again assigned a **positive** outlook for the short-term (12-18 months) U.S. Airport industry sector as economic growth brings more travelers, which generally translates into higher parking and terminal concession revenue. This outlook is summarized in the following press release on December 6, 2018:

### **2019 Outlook – Moody's: 2019 Outlook remains positive but enplanement growth will slow**

Our outlook for the US airport industry is positive. This outlook reflects our expectations for the fundamental business conditions in the industry over the next 12 to 18 months.

Continued growth in the US economy, combined with more seat capacity on US airlines, will push enplanement growth above our threshold for a positive outlook. Growth in enplanements, or the number of passengers using an airport to depart on a flight, generally translates into higher parking and terminal concession revenue. Our outlook has been positive since December 2014.

- **US economy will expand 2.3%, supporting enplanement growth of 3.2% in 2019.** GDP growth of 2.3% as forecast by Moody's will be below the 2.9% growth year to date in 2018 but will be strong enough to support enplanement growth above the airport industry's long-term growth rate of 2.5%.
- **Airlines will add seats at a slower rate than in 2018.** We expect that seat capacity will rise between 3.5% and 4.7% overall in 2019, down from between 4.5% and 5.7% expected in 2018. Enplanement growth has historically demonstrated a high positive correlation with the average of GDP and seat growth.
- **Financial performance to remain strong, but improvement in key metrics unlikely.** Our expected enplanement growth will exceed airports' median budgeted enplanement growth (2.5%) by the lowest margin in five years, slowing the recent improvement in revenue. Lower revenue growth will limit improvement in financial metrics like debt service coverage ratio (DSCR) and liquidity.
- **Airports have largely addressed the disruptive revenue impacts of Uber and Lyft.** Increased use of transportation network companies (TNCs) has negatively impacted parking and other traditional ground transportation revenue at airports. Airports have had varying success implementing fees on TNCs to replace lost revenue, but we expect best practices to spread. Airports will need to make capital improvements to roadways to accommodate the increased curbside traffic from TNCs.

## Greenville-Spartanburg Airport District 2020 Operating Budget

- **Airports in the South and West will continue to benefit from population trends.** The South and West regions of the US are expected to outperform the Northeast and upper Midwest in population growth and tend to skew younger in median age which results in a higher propensity to travel, supporting enplanement growth.
- **What could change our outlook** We would likely shift to a stable outlook if we expect enplanement growth to slip below 3.0%, which could happen if the US economy weakens or if airlines restrict capacity growth to the low end of our expected range. We would likely shift to a negative outlook if enplanement levels were to contract.

**US economy will expand 2.3%, supporting enplanement growth of 3.2% in 2019** For 2019, the most likely scenario is that aggregate enplanement growth for the US airport sector, comprising all airports with commercial airline service, will slow to 3.2% from the 5.4% year-to-date growth in 2018. This is based on our expectations that growth in seat capacity will come in at the midpoint of our range, or 4.1%, and that GDP growth will be 2.3%. Enplanement growth has historically demonstrated a high positive correlation, of 0.91, with the average of GDP and seat growth, as shown in Exhibit 1.

*Source: Moody's Investor Service:*

*"2019 outlook remains positive but enplanement growth will slow" December 6, 2018*

## **Greenville-Spartanburg International Airport (GSP) Outlook**

Although profitability levels have been and continue to be very strong, management is focused on and remains committed to providing increased levels of air service for the surrounding population base. We continue to work diligently towards attracting greater levels of air service for the Upstate region and are ever mindful about posturing ourselves from a competitive standpoint in the face of increased competition from Charlotte and Atlanta.

Management agrees with the FAA forecasts and continues to plan for long-term growth in accordance with local initiatives/demands, and various planning forecasts. A major Airport Master Plan was completed in late 2018. On November 19, 2018, the Commission adopted the final Greenville-Spartanburg International Airport Master Plan presented by McFarland Johnson. The Master Plan addresses, among other things, the following variables which will impact the Airport's future:

- The financial and operational impact of the air cargo route to Germany via Senator, and associated airfield changes (e.g., Taxiway L extension) to support cargo growth
- Projected availability of continued federal funding
- Our assumption of FBO and fueling responsibilities
- A thorough airport pavement evaluation
- Sustainability issues
- An analysis of GSP360 for land use compatibility, highest and best use, and linkage to GSP International Industrial Logistics Park
- Future development of aeronautical and non-aeronautical land owned by the District in concert with our GSP360 plan
- The proposed PRT system and associated impacts on parking, roadway circulation, curbside and other
- Expansion of rental car parking capacities
- Staged parking lot expansions for customers
- Potential capacity constraints for ground transportation along the terminal curb-front and options to reduce congestion along public roadways
- Long term development planning for future needs of key airport tenants
- Optimal location for new Air Traffic Control tower
- Updated airport layout plan (ALP) to meet FAA SOPs
- Updated GIS database to meet FAA requirements to include infrastructure capacities, environmental information, and areas for future development

Management is committed to providing our customers with the highest level of service possible in these challenging and exciting times and look forward to the future. Fiscal Year 2019 witnessed many service-focused improvements and new business opportunities at the Airport including, but not limited to:

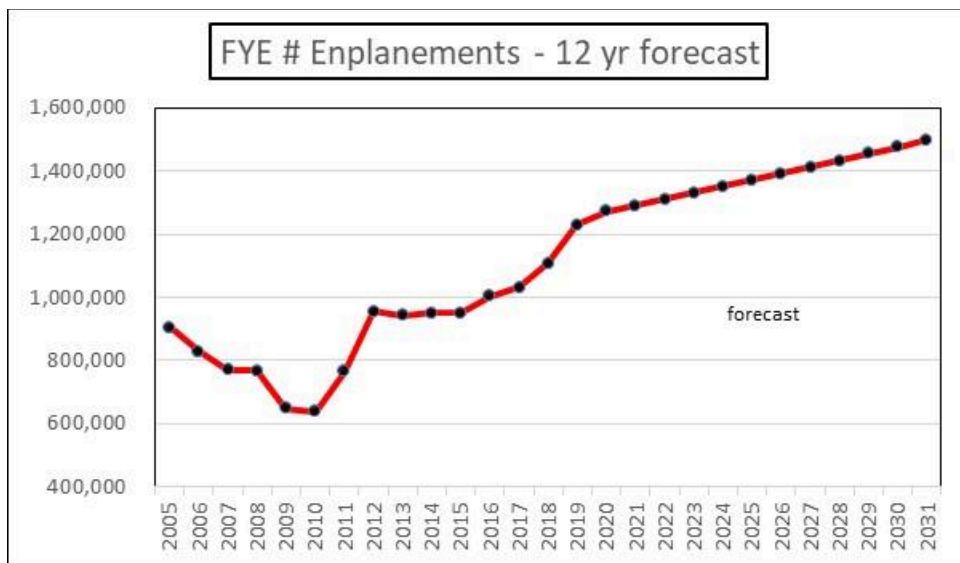
- Expansion of the parking operations to include additional economy lot, other spaces and provision of shuttle services
- Opening of the MAG Escape Lounge to help enhance the airport's appeal to business and leisure travelers

## Greenville-Spartanburg Airport District 2020 Operating Budget

- Addition of a new airline with Frontier Airlines
- Announcement of six new nonstop routes to five new destinations
- Significant growth in cargo activity
- Growth of our FBO service, Cerulean Aviation
- Construction of new cargo apron and facilities
- New international cargo service from GSP to Queretaro, Mexico and strong service to Frankfurt, Germany

Management's assessment of our long-term forecast continues to be favorable largely due to our lack of significant debt, competitive airline rates & charges, aggressive air service development efforts, regional economic trends, healthy catchment area/size, and many other factors. We attempt to look forward via a long-term 20-year forecast at various intervals with known factors and educated "guesses"

Please find below a 12-year projection of our enplanements. The most recent forecast shows enplanements continuing on a positive growth trend.



Many of the factors utilized in arriving at management's outlook assessment are discussed in much greater detail in the remaining portions of this document.

## **Assumptions Used in the Preparation of the 2019-20 Budget**

This 2020 budget reflects management's best estimate of anticipated Airport revenues generated by the regional economy together with expenses for all facilities or services offered. But with the everchanging traveling environment, the changing organizational structure of airlines, airline mergers and acquisitions, the impact of new routes with different aircraft, and the ongoing enhancement to security requirements, it can be assured that additional currently unforeseen changes will need to be addressed during 2020.

The items causing the largest changes for FYE 6-30-2020 budget include, but are not limited to:

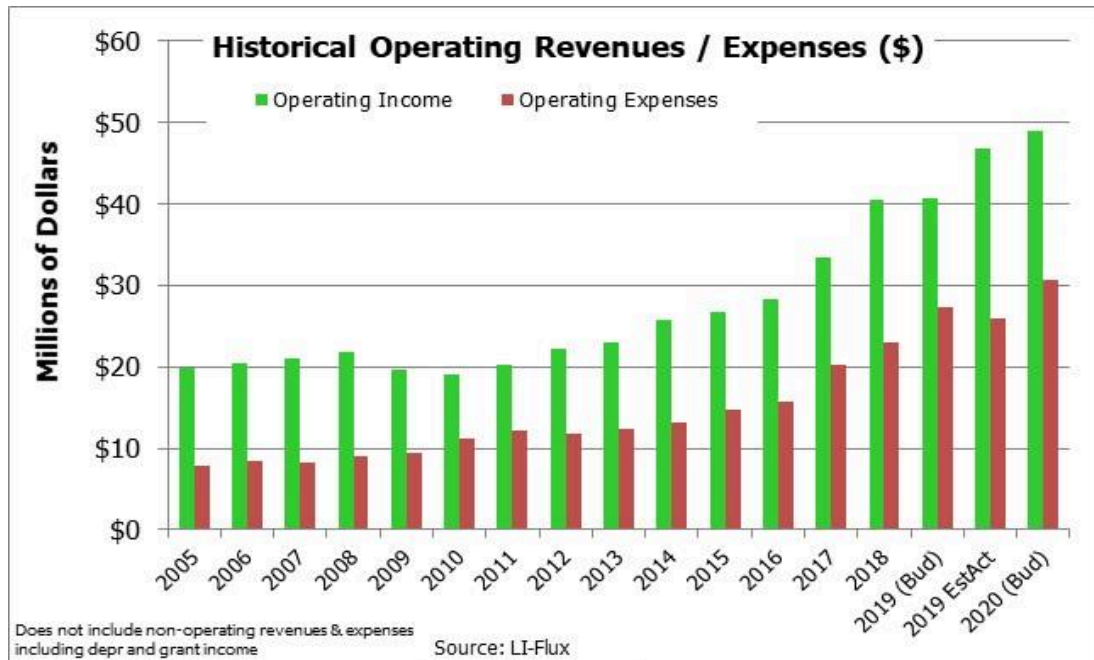
- Increase in terminal maintenance cost such as janitorial, utilities, etc.
- Increase of the FBO operations, associated fuel sales and COGS (cost of goods sold), staffing increase, and other operational changes & projections.
- Expansion of Senator and associated long-haul international cargo service and related services such as catering services and staffing levels.
- Recruitment of additional staff across different departments to support growth in overall operations.
- Increase in space to support the air cargo operation.
- Implementation of performance pay program.

Assumptions utilized in the preparation of the budget include:

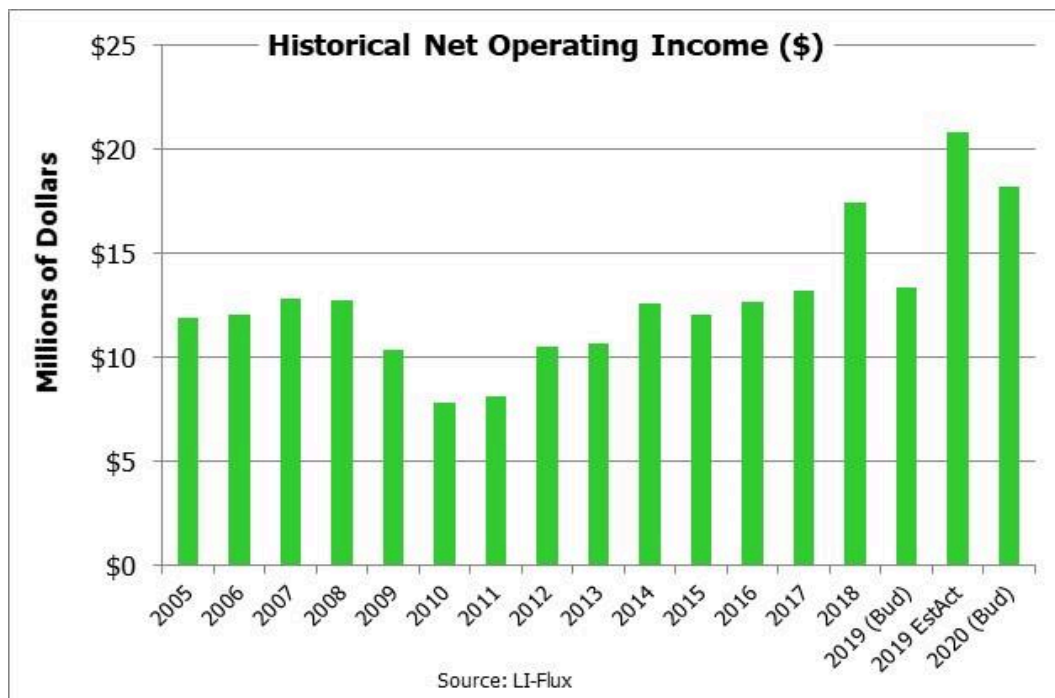
- Increasing passenger enplanements to 1,253,000
- Parking rates to remain the same:
  - Valet rates at \$17/day
  - Garage rates at \$15/day
  - Sky Lot rates at \$9/day
  - Daily Lot at \$9/day
- Increase Economy parking rate from \$6/day to \$7/day
- Includes provision for additional Capital Improvements
- No change in Investment policy – yields average 1.9% (T-Bills, 6-month ladder, Treasury direct)
- Retention of \$25M Line of Credit (LOC) from TD Bank and other borrowing facilities
- Implementing a \$4.50 Passenger Facility Charge (PFC)

## Greenville-Spartanburg Airport District 2020 Operating Budget

### Revenue / Expense Summary by Year



### Net Income Summary by Year



## Greenville-Spartanburg Airport District 2020 Operating Budget

### Operating Margin % Summary by Year



### Rates & Charges Summary

The recommended billing rates and charges are, at this time, a prudent assessment of the financial results that are reasonably achievable in 2020, given the current economic environment and future actions that might be taken by the airlines and potential travelers. As always, there is a continued need to control the number of workforce employees and to maintain tight purchasing and discretionary spending controls to keep rates & charges in line with industry norms. In developing the 2020 budget, the District continues to advance strategies that result in reasonable rates and charges so that business, government, and leisure travelers in the greater Upstate region will continue their support and use of GSP.

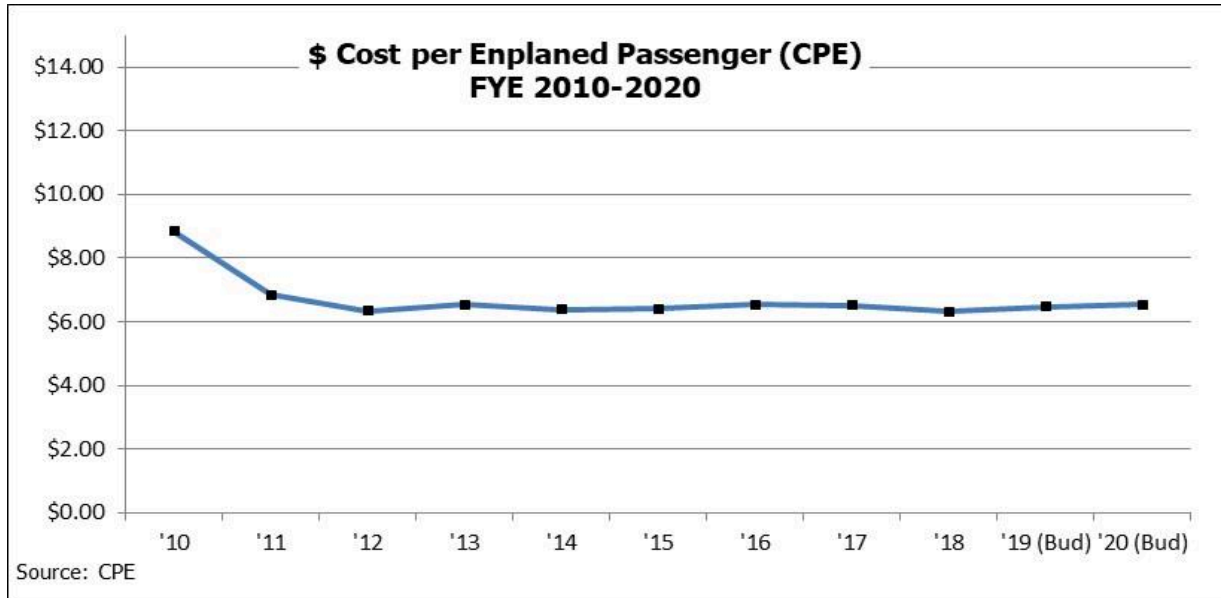
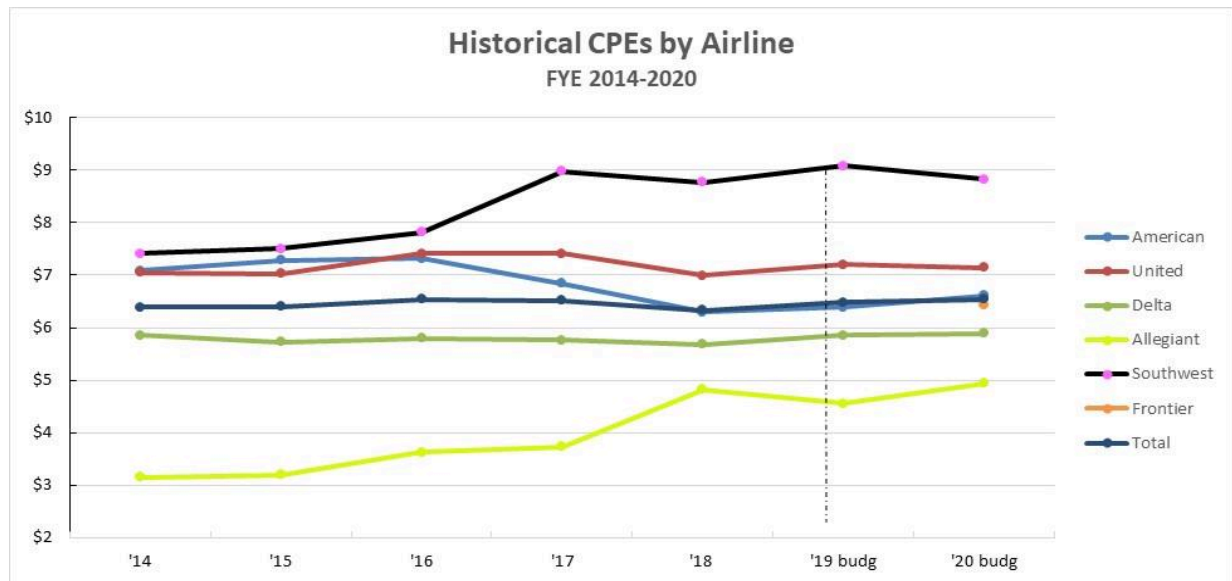
The Airline-Airport Use Permit, which the airlines sign to operate at GSP, is hybrid in nature with a "cost center cost recovery methodology" utilized for calculating the landing fee, and a "compensatory methodology" for calculating the terminal rental rate. The agreement is not subject to a majority-in-interest (MII) approval by the airlines. The District may adjust rentals, fees and charges for Assigned Premises based on changes in actual and projected financial activities during a given fiscal year. This provision is especially important to ensure adherence to financial covenants in bond resolutions.

## Greenville-Spartanburg Airport District 2020 Operating Budget

### Budget FY 2019-20 Summary of Rates and Charges

	2019	Projected		
	Rates & Chrgs	2020		
<b>Scheduled Airline Rates</b>				
Terminal Building Rental Rate (PSF)	\$ 38.98	\$ 40.86		
Landing Fee Per 1,000 LBS	\$ 1.58	\$ 1.49		
Passenger Loading Bridge Annual Rental Fee	(A)	(A)		
Apron rental fee (parking position) per year	(A)	(A)		
Dumpster fee per year	(A)	(A)		
Triturator fee per year (per enplanement)	(A)	(A)		
<b>Cargo Airline Rates</b>				
Landing Fee Per 1,000 LBS	\$ 1.58	\$ 1.49		
(A) included in Per-Turn Rates				
<b>"Per-Turn" Rates</b>				
	<b>Cat 1 Aircraft</b>	<b>Cat 2 Aircraft</b>	<b>Cat 3 Aircraft</b>	<b>Cat 4 Aircraft</b>
	0 - 30 seats	31 - 79 seats	80 - 129 seats	130 - 179 seats
<b>Full-Turn</b>				
Per-Turn" Fee including AirIT EASE at tkng	\$ 93.10	\$ 205.67	\$ 311.35	\$ 423.41
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 86.89	\$ 190.23	\$ 287.94	\$ 390.60
<b>"Modified" Full Turn excluding TKT Ctr/Que</b>				
Per-Turn" Fee including AirIT EASE at tkng	\$ 89.82	\$ 197.04	\$ 297.27	\$ 403.86
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 83.62	\$ 181.60	\$ 273.86	\$ 371.05
<b>"Gate Only"</b>				
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 37.90	\$ 69.99	\$ 102.52	\$ 135.04
<b>Departure Turn "Ferry In, Live Out" aka "Outbound Turn"</b>				
Per-Turn" Fee including AirIT EASE at tkng	\$ 64.44	\$ 136.21	\$ 200.31	\$ 270.78
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 58.24	\$ 120.77	\$ 176.90	\$ 237.97
<b>Arrival Turn "Live In, Ferry Out" aka "Inbound Turn"</b>				
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 54.69	\$ 110.65	\$ 160.02	\$ 214.34
<b>"Per-Turn" Rates continued ...</b>				
	<b>Cat 5 Aircraft</b>	<b>Cat 6 Aircraft</b>	<b>Cat 7 Aircraft</b>	
	180 - 229 seats	230 - 350 seats	351 - 500 seats	
<b>Full-Turn</b>				
Per-Turn" Fee including AirIT EASE at tkng	\$ 530.31	\$ 773.71	\$ 1,072.86	
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 489.54	\$ 712.22	\$ 984.60	
<b>"Modified" Full Turn excluding TKT Ctr/Que</b>				
Per-Turn" Fee including AirIT EASE at tkng	\$ 505.30	\$ 735.49	\$ 1,018.25	
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 464.53	\$ 674.00	\$ 930.00	
<b>"Gate Only"</b>				
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 167.57	\$ 230.88	\$ 306.76	
<b>Departure Turn "Ferry In, Live Out" aka "Outbound Turn"</b>				
Per-Turn" Fee including AirIT EASE at tkng	\$ 336.10	\$ 482.62	\$ 662.30	
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 295.32	\$ 421.13	\$ 574.04	
<b>Arrival Turn "Live In, Ferry Out" aka "Inbound Turn"</b>				
Per-Turn" Fee NOT including AirIT EASE at tkng	\$ 264.93	\$ 370.63	\$ 497.99	
Source: Exhibit A				

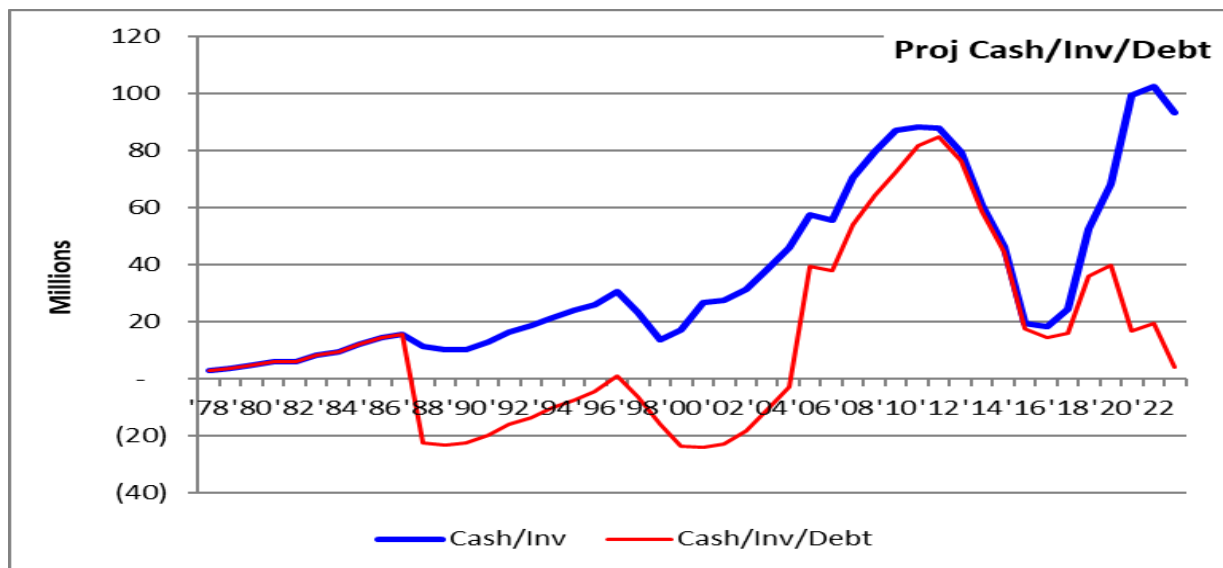
## Greenville-Spartanburg Airport District 2020 Operating Budget



## Greenville-Spartanburg Airport District 2020 Operating Budget

### Budget FY 2019-20 Budget / Investment Plan

	\$ Amount (Estimated)			
<b>OPERATING FUND SUMMARY</b>	<b>Budg FY 2018-2019</b>	<b>Budg FY 2019-2020</b>	<b>Difference</b>	<b>% Change</b>
Operating Revenues	40,761,296	48,892,500	8,131,204	19.9%
Operating Expenses	27,398,498	30,703,600	3,305,102	12.1%
Net Operating Income	<b>13,362,798</b>	<b>18,188,900</b>	<b>4,826,102</b>	<b>36.1%</b>
Add: Interest Income	76,000	76,000	-	0.0%
Add: RAC CFCs	727,473	1,138,772	411,299	56.5%
Less: Interest Expense/Other	335,584	1,058,314	722,730	215.4%
Net Income (Excluding Depr only)	<b>13,830,687</b>	<b>18,345,358</b>	<b>4,514,671</b>	<b>32.6%</b>
<b>Investment Fund Summary</b>				
BOY Cash/Investment Balance (Proj)	<b>14,000,000</b>	30,000,000	16,000,000	114.3%
Add: Net Income	13,830,687	18,345,358	4,514,671	32.6%
Add: Projected Grant Income	<b>10,197,780</b>	<b>14,004,510</b>	3,806,730	37.3%
Add: Projected LOC draw downs	<b>1,500,000</b>	<b>25,000,000</b>	23,500,000	1566.7%
Less: Prior Yr Items Appr/carried forward	<b>14,527,203</b>	<b>46,001,917</b>	31,474,714	216.7%
Less: Capital Improvements	<b>90,000</b>	<b>1,000,000</b>	910,000	1011.1%
Less: Equip/Small Capital Outlays	<b>1,945,650</b>	<b>1,945,000</b>	(650)	0.0%
Less: Renewal & Replacement	<b>493,300</b>	<b>2,134,150</b>	1,640,850	332.6%
Less: Professional Service Projects	<b>1,100,000</b>	-	(1,100,000)	-100.0%
Less: Bond principal payoffs	<b>390,000</b>	<b>420,000</b>	30,000	7.7%
EOY Est Cash/Investments	<b>20,982,314</b>	<b>35,848,801</b>	<b>(8,633,514)</b>	<b>70.9%</b>
3/31/2019 Cash/Inv Balance	33,046,913			
Updated Estimated YrEnd Balances	<b>30,000,000</b>			
Note: Updated 6/30/20 cash/inv projection reflects changes in major capital project delivery, expected payment schedules, updated operating results, actual CIP costs vs budgeted, and many other factors, etc.				
Source: CommPres				



## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### **Acknowledgements**

The Board of Commissioners has contributed its full support to the development and maintenance of the financial operations of the Airport. Without this leadership, together with the strong commitment from the District's management team, the presentation of this budget and other financial reports would not be possible.

Respectfully submitted by:

David N. Edwards, Jr., A.A.E.  
President/CEO

Basil O. Dosunmu, CPA, CIA, CM  
Sr. Vice President Administration and  
Finance/CFO

# **FINANCIAL POLICIES OVERVIEW**

## **Fiscal Year**

The District has adopted June 30<sup>th</sup> as its fiscal year end. All financial reports and budgets are based upon this fiscal year end.

## **Basis of Accounting**

The budget and financial statements are prepared on an modified accrual basis in accordance with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and includes all current operations under the responsibility of the District. Modified Accrual Accounting is an accounting method commonly used by government agencies that combines accrual-basis accounting with cash-basis accounting. Modified accrual accounting recognizes revenues when they become available and measurable and, with a few exceptions, recognizes expenditures when liabilities are incurred. The Government Accounting Standards Board, which is recognized as the official source of generally accepted accounting principles (GAAP) for state and local governments, establishes modified accrual accounting standards.

## **Basis of Financial Statement Presentation**

Due to its organizational structure, the Airport is subject to the application of accounting pronouncements issued by the Governmental Accounting Standards Board (GASB). GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, provides guidance on how GASB pronouncements affect governmental entities that use business-type accounting and financial reporting. As is allowable under this statement, the Airport has elected to follow the GASB hierarchy exclusively regarding authoritative literature issued after November 30, 1989.

## **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### **Budgetary Policies**

#### **Guidelines**

The budget provides adequate funding for operating and maintenance of the Airport buildings and property, replacement of capital equipment, construction, reconstruction and development at the Airport.

#### **Balanced Budget**

The budget should be balanced with current revenues equal to or greater than current expenditures. Strategies to accomplish this balance include cost efficiencies, personnel efficiencies, increasing or implementing fees to match program expenses, and fund balance usage (if available).

#### **Budget Amendments**

The adopted budget represents a business plan covering all Airport operations for the upcoming year. If the plan needs to be significantly modified during the year, the proposed revisions to the plan, together with their financial impact on either revenues or expenses, are presented to the District Board of Commissioners for review and approval.

#### **Budget Monitoring**

The independent monitoring of the budget continues throughout the Fiscal Year for management control purposes.

Operating statements comparing actual financial results to budgets are reported at least quarterly by the Chief Financial Officer and distributed to senior management and key employees. Annual audited financial reports are posted on the District's web-site – [www.gspairport.com](http://www.gspairport.com).

#### **Budgeted Capital Improvements**

Capital projects that will be made during the current budget year are detailed by project, type of work, estimated cost, and funding.

The District will maintain all its assets at a level adequate to protect the Airport's capital interest and minimize future maintenance and replacement costs.

## **Debt Policy**

The District manages its current and future debt service requirement to be in compliance with all bond covenants. The District will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues or fund balances.

The District maintains communications with bond rating agencies regarding its financial condition and will follow a policy of full disclosure.

The District, when applicable, will determine if the financial market place will afford the opportunity to refund an issue and lessen its debt service costs.

## **Revenue Policy**

The District will estimate and project its annual revenues by an objective, analytical process, as practical on a yearly basis.

The District maintains sufficient revenues to pay all expenditures incurred for the operations and maintenance at the Airport.

## **Cash and Other Financial Instruments**

All the cash deposits of the Airport are in a single financial institution and are carried at cost plus interest, which approximates market. The carrying amount of cash deposits is separately reported as cash in the accompanying statements of net assets. These deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Airport. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

Airport cash accounts are part of a nightly multi-account sweep with a major financial institution's automated investment system repurchase agreement. The overnight repurchase agreements are collateralized by the underlying U.S. government securities. Public fund accounts, according to state law, are required to be collateralized using the dedicated method. Under the dedicated method, the bank custodian is required to pledge specific securities for collateralized balances in excess of the amounts covered by the Federal Depository Insurance Corporation.

## **Investment Policy (Summary)**

The GSP Investment policy is designed to ensure the prudent management of District funds, including the availability of operating funds when needed and a level of investment return within acceptable risk parameters as determined by the Board of Commissioners.

### **Investment Objective**

The investment portfolio of the Commission shall be managed to accomplish the following objectives:

1. Preservation of Principal – The single most important objective of the Commission's investment program is the preservation of the principal of those funds within the portfolio.
2. Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet immediate and or future operating requirements of the Commission.
3. Return on Investment – The portfolio shall be managed in such a fashion as to maximize the return on investments but within the context and parameters set forth by objectives 1 and 2 above.

### **Standard of Prudence**

Except where specifically directed by law, statute or regulation, the general investment policy of the District will be guided by the "prudent person" rule. Those with investment responsibility for District funds are considered fiduciaries and, as such will exercise the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for specification, but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

### **Maturity**

The maturities on investments shall be as determined by the Investment Plan as approved by the Board of Commissioners. In all instances, the final maturity shall be limited to thirty-six (36) months or less.

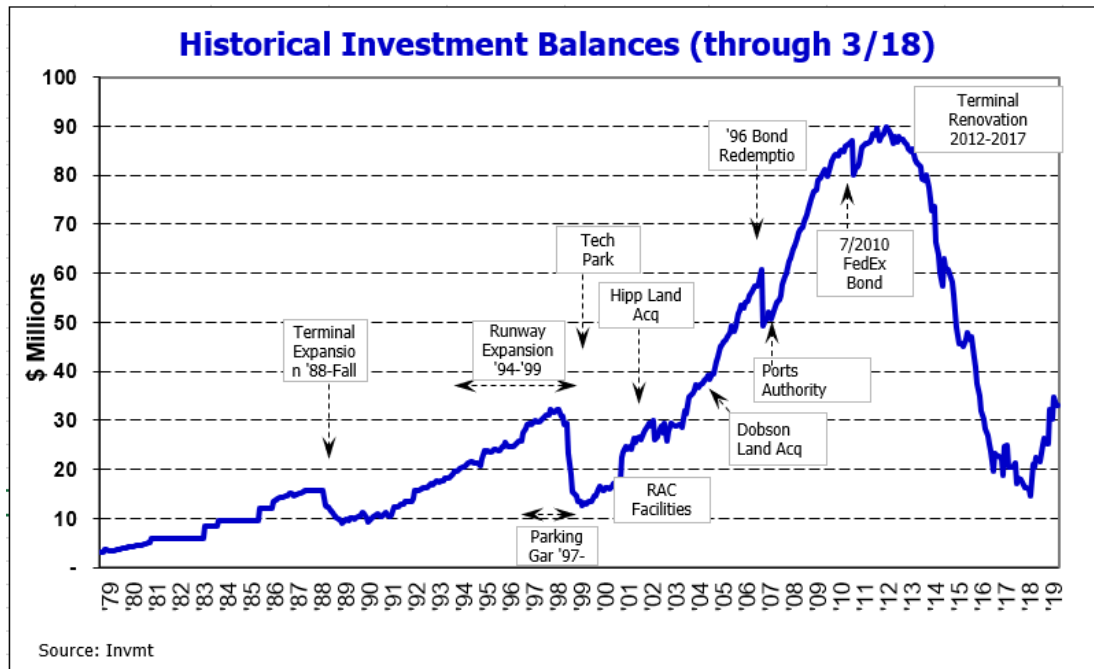
## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### **Reporting**

The President/CEO shall prepare or have prepared a detailed investment schedule with yield and maturities to be included in the monthly financial package distributed to the Board of Commissioners.

## Greenville-Spartanburg Airport District 2020 Operating Budget

### Investment History



### Investment Portfolio as of March 31, 2019

	Initial Purchase	Maturity Date	Interest Rate	Cost Basis or BOY FMV	Par	EOM FMV	FMV Adj
<b>US Treasury</b>							
Note	9/10/2018*	3/31/2019	1.625%	1,396,354.00	1,400,000.00	1,400,000.00	3,646.00
Note	9/10/2018*	6/30/2019	1.625%	1,392,744.00	1,400,000.00	1,396,878.00	4,134.00
Note	9/10/2018*	9/30/2019	1.375%	1,385,974.00	1,400,000.00	1,392,398.00	6,424.00
Note	9/10/2018*	10/31/2019	1.250%	1,332,625.50	1,350,000.00	1,340,563.50	7,938.00
Note	9/10/2018*	12/31/2019	1.625%	1,335,894.72	1,350,000.00	1,341,670.50	5,775.78
Note	9/24/2018*	2/15/2020	3.625%	1,367,278.56	1,350,000.00	1,363,500.00	(3,778.56)
Note	9/24/2018*	3/31/2020	2.250%	1,344,178.16	1,350,000.00	1,347,732.00	3,553.84
Note	9/24/2018*	6/30/2020	2.500%	1,346,072.21	1,350,000.00	1,351,687.50	5,615.29
Note	9/24/2018*	8/31/2020	1.375%	1,318,195.00	1,350,000.00	1,331,019.00	12,824.00
Note	9/24/2018*	9/30/2020	1.375%	1,318,658.56	1,350,000.00	1,330,384.50	11,725.94
Note	1/28/2019	12/31/2020	2.375%	1,346,287.50	1,350,000.00	1,351,107.00	4,819.50
<b>Subtotal-UST</b>				<b>14,884,262.21</b>	<b>15,000,000.00</b>	<b>\$ 14,946,940.00</b>	<b>62,677.79</b>

US Treasury Investment Types		T-Bill	T-Note	T-Bond	Fed Ag	Weighted blended yield = 1.9054%
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.

# **REVENUES**

## **Description of Revenues**

There are two types of revenues budgeted, operating and non-operating.

Operating revenues are revenues generated through the daily operations of the Airport.

Operating revenues are set forth in eight categories:

1. Landing Area Fees
2. Space & Ground Rental
3. Auto Parking
4. Commercial Ground Transportation
5. Concessions
6. Expense Reimbursements
7. Other Income
8. Fuel Sales

The “non-operating” section of the Airport’s P&L (“profit and loss”) statement includes items which are typically passive in nature, not part of the daily “operations” of the airport, and is broken into four categories after “Operating” Net Income is calculated:

1. Investment Income
2. RAC Facility Rental Income (CFCs-Contract Facility Charges)
3. Interest Expense
4. Other Non-Operating

## **Revenue Recognition**

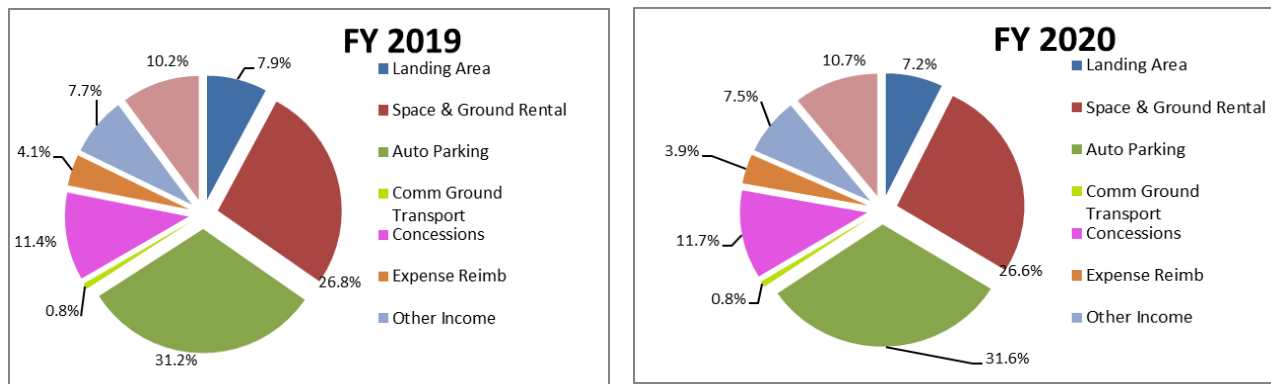
Airside and space and ground rental revenues consist of amounts received under Airline Operating Agreements with the major airlines serving the Airport, certain fixed fees for nonscheduled airlines and private users of the Airport, and certain fixed fees for other ancillary services provided. The Airline Operating Agreements stipulate that landing fees and space rental revenues will be based on maintenance and operations costs, as defined in the agreements. Additionally, the 2001 Bonds contain a restrictive covenant, which provides that the aggregate of airline fees and charges together with other revenues, including nonairline revenues, for each fiscal year should be sufficient to pay the operating expenses and to make all deposits and payments under bond ordinances. Airside and space and ground rental fees are recognized as revenue when the related services are provided and facilities utilized.

Concessions and other revenue consist primarily of rental car, parking, and other ancillary services revenue. Such revenue is generally based on a fixed percentage of tenant revenues

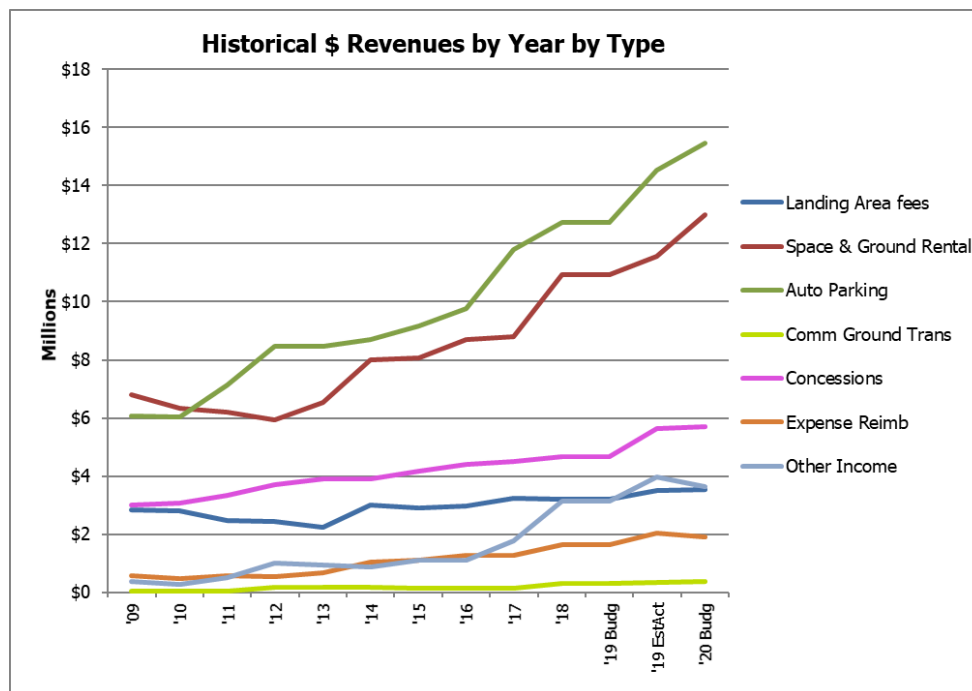
## Greenville-Spartanburg Airport District 2020 Operating Budget

subject to certain minimum monthly fees or a fixed fee schedule. Concessions and other revenue are recognized when earned.

### Operating Revenues by Type

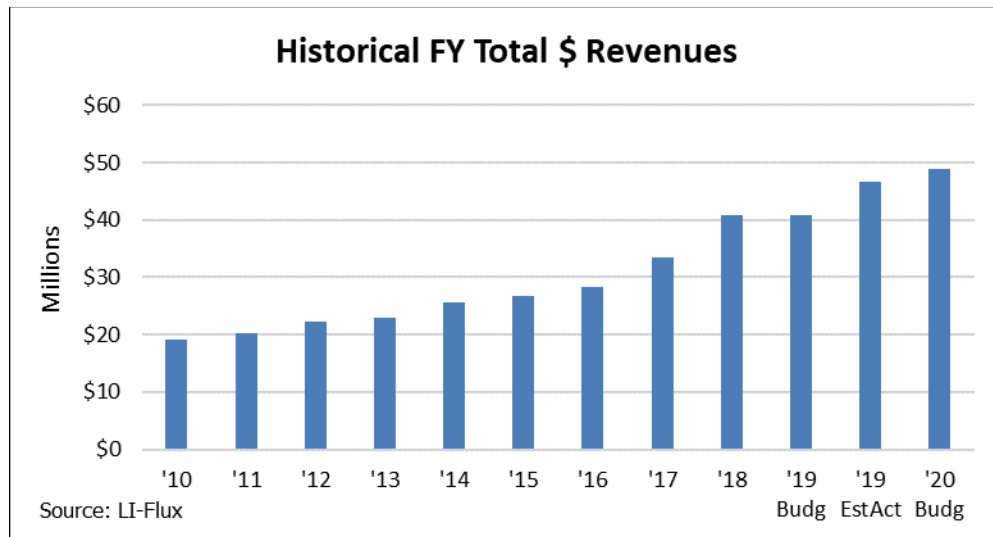


### Revenue Summary by Year by Type

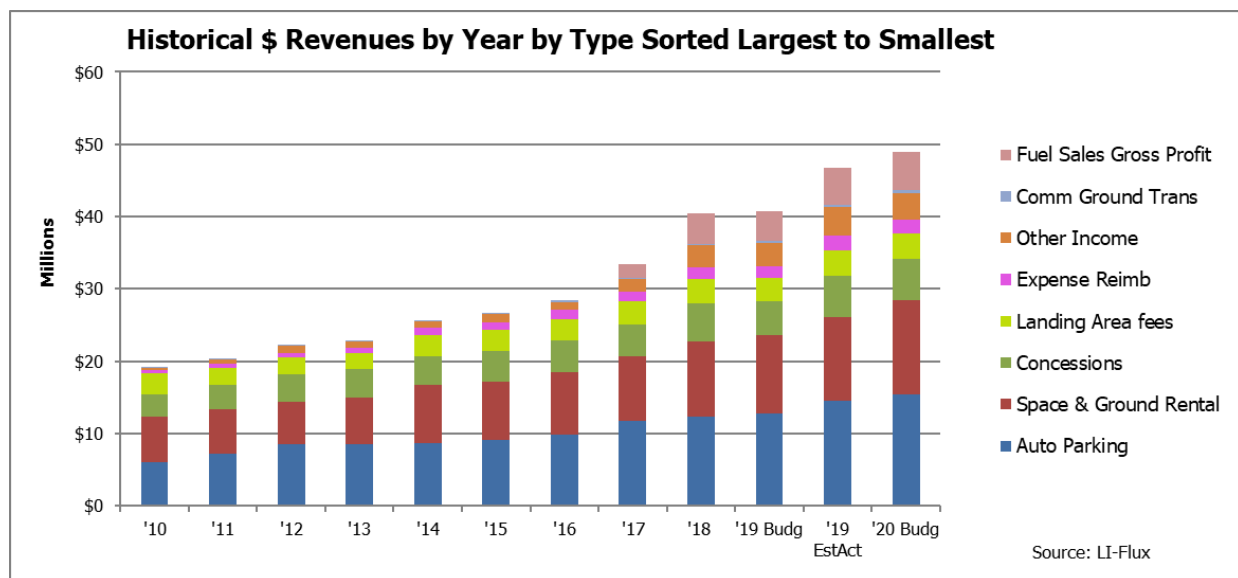


## Greenville-Spartanburg Airport District 2020 Operating Budget

### Revenue History

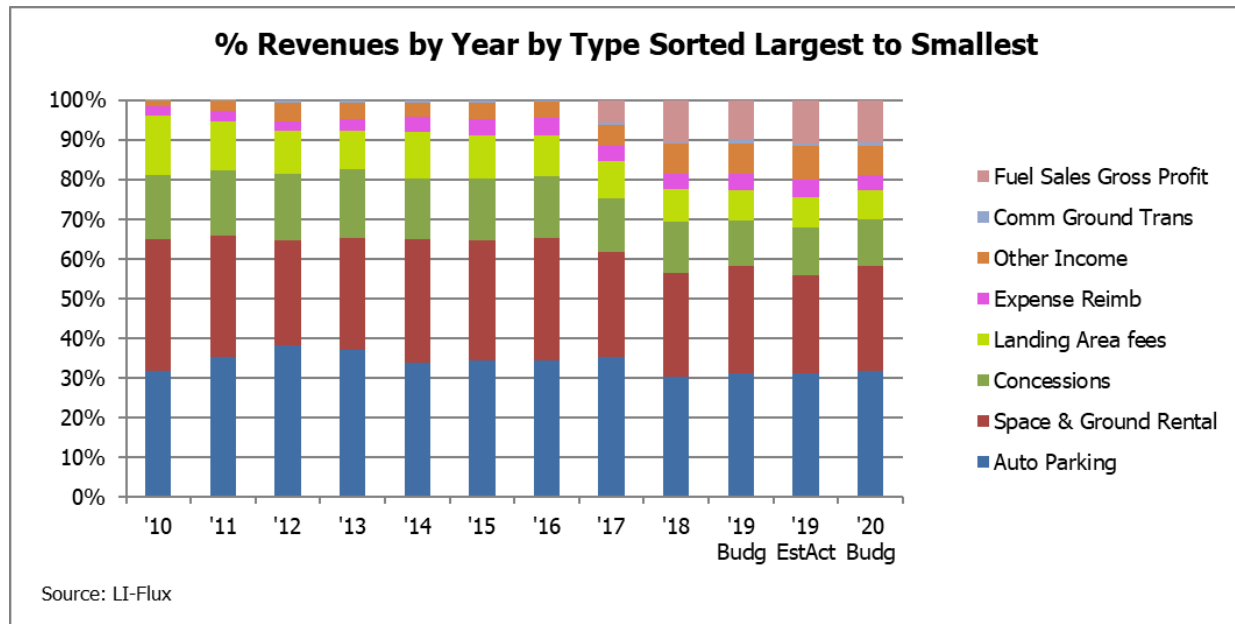


### Revenue History by Year by Type Sorted Largest to Smallest



## Greenville-Spartanburg Airport District 2020 Operating Budget

### % Revenue History by Year by Type Sorted Largest to Smallest



It's obvious from the above graph that Parking revenues account for over 30% of our revenue stream followed by Space & Ground rental (an additional 28%), concession income (an additional 12%), then Landing fees, fuel sales gross profit, expense reimbursements, other income and finally commercial ground transportation.

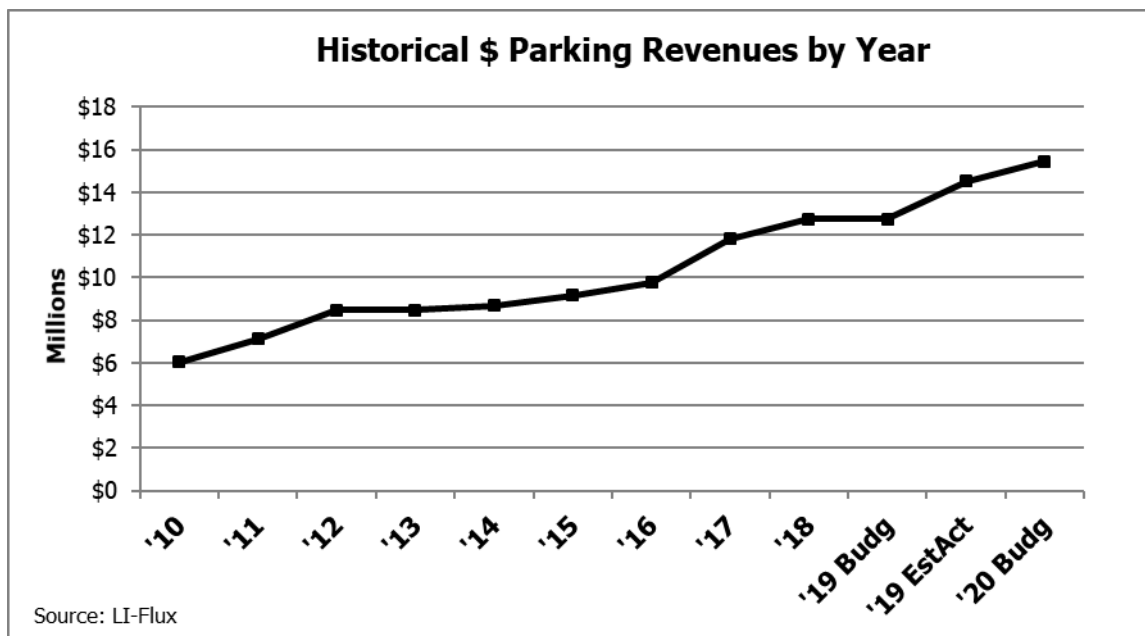
## Greenville-Spartanburg Airport District 2020 Operating Budget

### Parking Revenues

#### Airport Parking Map

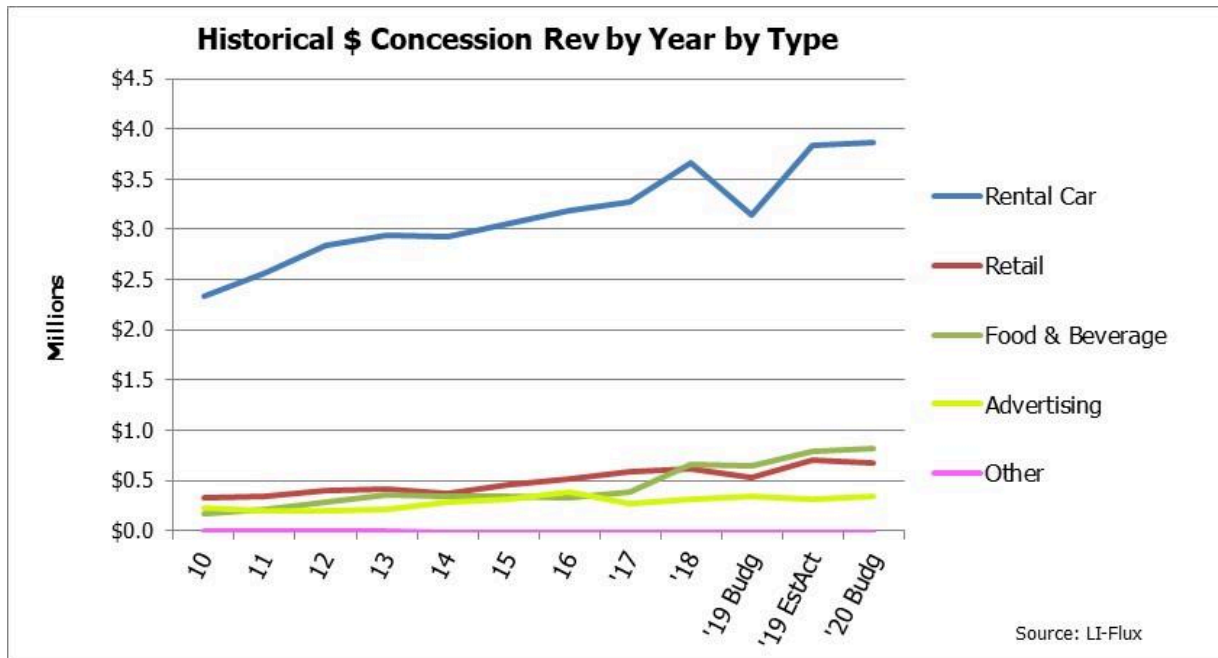


#### Historical Public Parking \$ Revenue



## Greenville-Spartanburg Airport District 2020 Operating Budget

### Concession Income



# **EXPENSES**

## **Cost Centers**

The expenditures in the budget are divided into six (6) major direct cost centers and one (1) major indirect cost center:

### **"Direct" Cost Centers**

1. Terminal
2. Airfield
3. Landside
4. Aviation Services
5. Cargo
6. Other Building/Land Lease

### **"Indirect" Cost Center**

1. Airport Commission

Within each "major" direct cost center there are "sub" cost centers as follows:

### **"Direct" Cost Centers**

1. Terminal
2. Airfield
  - Passenger
  - Cargo
3. Landside
  - Parking
  - RAC (Rental Car)
  - Land Use
  - Roads
4. Aviation Services
  - GA (General Aviation)
  - Commercial
5. Cargo
  - South Cargo
  - North Cargo
6. Other Building/Land Lease
  - Environs
  - International Logistics Park

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### **"Indirect" Cost Center**

1. Airport Commission
  - Executive
  - Communications
  - Finance/Administration
  - IT
  - Human Resources
  - Procurement
  - ARFF
  - Police
  - Operations
  - Facilities
  - Commercial Business & Properties

*Note: Aviation Services represents a separate and distinct "cost center" with it's own P&L (profit & loss) and is "directly" charged ... thus, it's not included in the "Indirect" Cost Center which is allocated.*

The indirect cost centers are allocated to the six (6) direct cost centers in the calculation of rates and charges charged to Airport tenants.

## **Description of Operating Expenses**

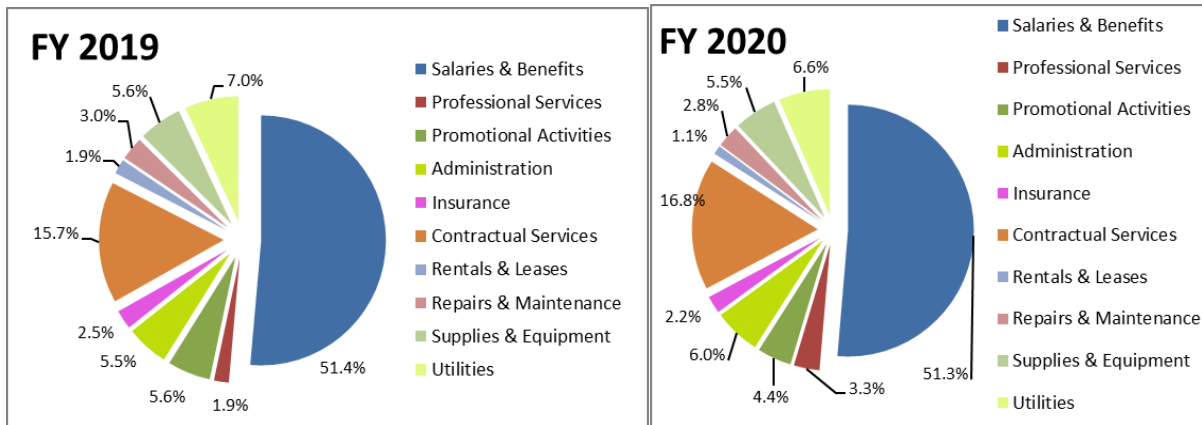
Operating expenses are broken down into ten (10) categories:

1. Salaries & Benefits
2. Professional Services
3. Promotional Activities
4. Administration
5. Insurance
6. Contractual Services
7. Rentals & Leases
8. Repairs & Maintenance
9. Supplies & Equipment
10. Utilities

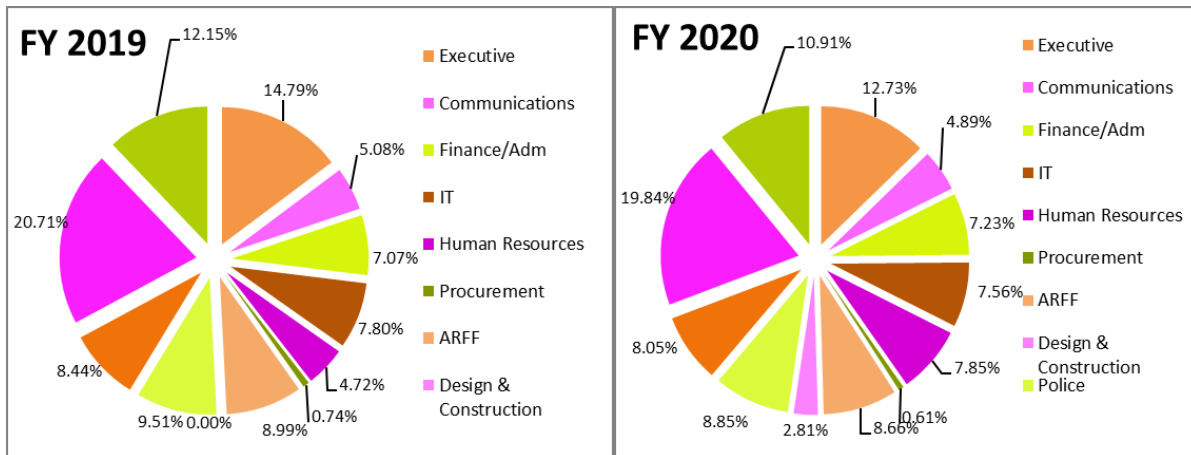
All expenses are categorized to a cost center – sub cost center – expense category – specific account.

## Greenville-Spartanburg Airport District 2020 Operating Budget

### Operating Expenses by Category



### Operating Expenses by Department



### Salaries and Benefits

Salaries and benefits account for half of our total operating expenses. Staff is undoubtedly the most important asset the Airport has and touches every facet of the organization's performance, reputation, safety results and level of service rendered. Staffing levels, staff training, quality of staff hired, staff certifications, turnover, organizational structure, reporting hierarchies, personnel policies, and a host of other human resource concerns are taken very seriously by management.

# Greenville-Spartanburg Airport District 2020 Operating Budget

## BUDGET FLUCTUATION ANALYSIS

### 2019-2020 BUDGET

	<i>(based on 9 months actual)</i>			Budget to	Budget to	
	FYE 2019 BUDGET	Estimated FYE 2019 ACTUAL	FYE 6/30/20 BUDGET	Budget \$ CHANGE	Budget % CHANGE	
<b>OPERATING INCOME:</b>						
Landing Fees	2,805,277	2,953,379	3,062,000	256,723	9.2%	A
Aircraft Parking Fees	293,774	428,730	345,900	52,126	17.7%	B
Into-Plane & Fuel Flowage Fees	103,589	123,094	128,100	24,511	23.7%	C
Space & Ground Rentals	10,927,865	11,578,737	13,008,505	2,080,639	19.0%	D
Auto Parking	12,735,916	14,526,136	15,465,000	2,729,084	21.4%	E
Commercial Ground Transportation	310,000	331,508	376,000	66,000	21.3%	F
Concessions-Food & Beverage	648,722	783,842	823,700	174,978	27.0%	G
Concessions-Rental Car	3,140,653	3,842,223	3,860,000	719,347	22.9%	H
Concessions-Retail	526,148	697,923	674,000	147,852	28.1%	I
Concessions-Other	350,000	320,373	350,000	-	0.0%	
Expense Reimbursements	1,656,479	2,046,891	1,900,000	243,521	14.7%	J
Other Income	3,125,323	3,977,208	3,650,295	524,972	16.8%	K
Fuel Sales Profit	4,137,550	5,074,349	5,249,000	1,111,450	26.9%	L
<b>TOTAL OPERATING INCOME</b>	<b>\$40,761,296</b>	<b>\$46,684,392</b>	<b>\$48,892,500</b>	<b>\$8,131,204</b>	<b>19.9%</b>	
<b>EXPENSES:</b>						
Salary & Benefits	14,080,805	13,596,007	15,764,338	1,683,534	12.0%	M
Professional Services	526,105	725,588	1,014,575	488,470	92.8%	N
Promotional Activities	1,526,645	1,100,541	1,346,650	(179,995)	-11.8%	
Administrative	1,499,228	1,221,791	1,828,586	329,358	22.0%	O
Insurance	679,051	679,051	687,685	8,634	1.3%	
Contractual Services	4,300,536	4,296,662	5,161,452	860,916	20.0%	P
Rentals & Leases	519,490	229,772	344,294	(175,196)	-33.7%	
Repairs & Maintenance	824,878	896,402	860,678	35,800	4.3%	
Supplies & Equipment	1,533,212	1,217,441	1,679,052	145,840	9.5%	Q
Utilities	1,908,549	1,888,020	2,016,290	107,741	5.6%	
<b>TOTAL OPERATING EXPENSES</b>	<b>27,398,498</b>	<b>25,851,275</b>	<b>30,703,600</b>	<b>3,305,102</b>	<b>12.1%</b>	
<b>NET OPERATING INC BEF DEPR</b>	<b>13,362,798</b>	<b>20,833,117</b>	<b>18,188,900</b>	<b>4,826,102</b>	<b>36.1%</b>	
Depreciation Expense	12,998,950	12,998,950	11,655,726	(1,343,223)	-10.3%	
<b>NET OPERATING INCOME</b>	<b>363,848</b>	<b>7,834,168</b>	<b>6,533,174</b>	<b>6,169,325</b>	<b>1695.6%</b>	
<b>Non-Operating Income/(Loss):</b>						
Interest Income	76,000	331,191	76,000	-	0.0%	
Facility Rental (RAC CFC)	727,473	1,252,079	1,138,772	411,299	56.5%	
Interest Expense	(285,484)	(211,348)	(1,008,214)	(722,730)	253.2%	
Other Non-Operating	(50,100)	55,163	(50,100)	-	0.0%	
<b>Total Non-Operating</b>	<b>467,889</b>	<b>1,427,086</b>	<b>156,458</b>	<b>(311,431)</b>	<b>-66.6%</b>	
<b>NET INCOME</b>	<b>831,738</b>	<b>9,261,254</b>	<b>6,689,632</b>	<b>5,857,894</b>	<b>704.3%</b>	

Source: Media Condensed

## Greenville-Spartanburg Airport District 2020 Operating Budget

FLUX EXPLANATIONS
A - Increases in passenger airlines \$75K, cargo \$152K, charter cargo \$25K & charter passenger \$4K
B - Increase in GA & CA parking/ron fees 45K
C - Increase in fuel gallons sales 300K
D - New budgeted rents for the new cargo bldg. \$500K, Frontier \$190K, Panattoni \$255K, ProTrans \$64K and increased activity - airlines \$680K
E - Increase parking levels, inclusions of the valet program, additional parking spaces, \$1 increase in economy parking lot
F - Increase in TNC (Uber & Lyft) operations
G - FY20 is consistent with FY19 growth trend, about 5% above FY19 trend
H - FY20 is consistent with FY19 growth trend, about 0.5% above FY19 trend
I - FY20 is consistent with FY19 growth trend
J - Increase in unreimbursed security cost \$116K & STS (non-airline) \$36K
K - Increase in AvSvc ground handling \$319K, warehousing \$195K
L - FY20 is consistent with FY19 growth trend
M - 10 new positions (\$664K), incremental annual raise (\$33K), performance pay (\$575K), promotions/benefit cost increase (\$240K)
N - Increase in Professional Services: Executive - (consulting and legal fees) (\$155K); D&C - (GIS - \$100K, Document mgmt. services - \$75K, and engineering \$50K) for a total of (\$225K); GA - hangar rental rate market study (30K); and CA - feasibility/demand study of air cargo development (\$60K)
O - Increase in Administrative Cost: Executive - travel (\$28K); Finance - parking credit card processing fees and automated payroll processing fee (\$81K); Communication - dues and training/travel (\$37K); D&C - training/travel and cell phone and dues (\$25K); ARFF - training/travel (\$38K), GA - dues, training/travel (\$8K), CA - travel/training (\$22K); and PropDev - corporate function (\$23K)
P - Increase in contractual services IT - ServTech, Dell Maintenance Contract (\$145K); Ops - Parking Operations Mgmt. Agreement (\$608K), Facilities - Increase in janitorial, nursery, plant, fire alarm, generator, trash, etc. (\$158K)
Q - Increase in supplies & equipment: Communications - conference center supplies (\$10K); D&C - office supplies, courier services, misc. tools, first aid (\$20K); ARFF - office supplies, first aid, fire extinguisher, equipment (\$45K); Facilities - various items cleaning supplies, electrical, lamps, fuel, snow removal, tires (\$141K)

# FIXED ASSETS & CAPITAL PROJECTS

## Accounting Treatment

Capital assets are stated at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging from 3 to 40 years. The Airport's threshold for capitalization is \$10,000. Repair and maintenance costs are expensed when incurred.

## FY 2019-20 Capital Improvement Plan (CIP)

### Approved in Prior Fiscal Years and Carried Forward

		AIP	AIP	State	Other Local Funds			
Description	Total Cost	Entitlements	Discretionary	Funds	Airport Capital	Other	CFC	Total Funding
<u>Capital Improvements</u>								
Oversize Baggage Slide Project	\$ 100,000							\$ 100,000
2102 GSP Dr Improvements (Hangar #1)	\$ 1,400,000							\$ 1,330,082
Potable Water at all Gates	\$ 120,000							\$ 120,000
Aviation Pkwy paving maint & entrance road pavement	\$ 175,000							\$ 175,000
3rd Parking Garage and RAC facilities (Design)	\$ 5,000,000							\$ 3,439,155
Cargo Apron Project	\$ 18,246,850							\$ 11,990,522
New Air Cargo Bldg (built by GSP rather than 3rd party)	\$ 12,500,000							\$ 7,191,933
Adjustment to Cargo Apron Project	\$ 1,610,145							\$ 1,610,145
Surface Parking construction	\$ 16,700,000							\$ 16,699,579
Subtotal	\$ 55,851,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,656,416
<u>Equipment &amp; Small Capital Outlay</u>								
Air Conditioning Cart	\$ 100,000							\$ 100,000
Systems Atlanta Information Display System	\$ 50,000							\$ 50,000
Furniture, Fixtures & Equip-Ops	\$ 15,000							\$ 15,000
Oshkosh Multi-Purpose Snow truck w/blower	\$ 850,000							\$ 850,000
FBO (AvServ-FA) Refueler Wireless Tablets	\$ 15,000							\$ 15,000
Ops IT Equipment	\$ 10,000							\$ 10,000
FBO Security cameras	\$ 50,000							\$ 30,040
Air Start Unit	\$ 230,000							\$ 230,000
Dis-assemble, transport, redesign, re-assemble of tra	\$ 500,000							\$ 500,000
Access Control Assessment	\$ 25,000							\$ 25,000
Subtotal	\$ 1,845,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,825,040
<u>Renewal and Replacement</u>								
Existing Admin Office Renovation for Police, Ops, ...	\$ 250,000							\$ 250,000
Point Repairs on 9K Linear Ft Sanitary Sewer Lines	\$ 100,000							\$ 100,000
Replace 2005 Chev Fire Department Utility Pick up	\$ 30,000							\$ 30,000
Subtotal	\$ 380,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,000
<u>Professional Service Projects</u>								
District/Tenant Development Standards Manual	\$ 50,000							\$ 49,900
Enterprise Resource Planning (ERP) Phases	\$ 1,060,000							\$ 990,560
FBO Building Expansion Study	\$ 50,000							\$ 50,000.00
Facilities Large Equipment Maintenance Bldg. Study	\$ 50,000							\$ 50,000.00
Subtotal	\$ 1,210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,140,460
Subtotal-PY Carry Forward Items	\$ 59,286,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,001,916

The above items were all budgeted, discussed, and carried forward from prior budget years with Commission approval.

## Greenville-Spartanburg Airport District 2020 Operating Budget

### New Items Budgeted for the FYE 6-30-2020

Description	Total Cost	AIP			Other Local Funds			Total Funding
		Entitlements	Discretionary	State Funds	Airport Capital	Other	CFC	
<u>Capital Improvements</u>								
Capital Projects (Multiple)	\$ 1,000,000							\$ 1,000,000.00
<i>Subtotal</i>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000.00</b>
<u>Equipment &amp; Small Capital Outlay</u>								
Grand Hall Video Board	\$ 250,000							\$ 250,000.00
Terminal Art Program	\$ 85,000							\$ 85,000.00
Advertising Program - New Display Hardware and Vide	\$ 70,000							\$ 70,000.00
History alcove	\$ 150,000							\$ 150,000.00
Children's Play Area	\$ 25,000							\$ 25,000.00
Terminal Holiday Decoration	\$ 35,000							\$ 35,000.00
Grnd Power Unit, Potable Water Cart, and Baggage Ca	\$ 50,000							\$ 50,000.00
(1) Transporters	\$ 200,000							\$ 200,000.00
(1) GPU	\$ 90,000							\$ 90,000.00
(1) Crew Stairs	\$ 60,000							\$ 60,000.00
(4) Tow bars	\$ 20,000							\$ 20,000.00
(1) AC/ Heat Cart	\$ 235,000							\$ 235,000.00
Office furniture for remodeled space to include	\$ 35,000							\$ 35,000.00
FF&E Relocate/Combine AOC/OPS	\$ 20,000							\$ 20,000.00
20-Foot Heavy-Duty Mower (P2 in FY19)	\$ 35,000							\$ 35,000.00
Crafco Pavement Router w/ Dust Control	\$ 25,000							\$ 25,000.00
New Ford Connect Transit Cargo XL Van	\$ 30,000							\$ 30,000.00
New Ford Connect Transit Cargo XL Van	\$ 30,000							\$ 30,000.00
FODBOSS / FOD Removal System (P4 in FY19)	\$ 20,000							\$ 20,000.00
Parking Automated Shuttle Signage and App Program	\$ 60,000							\$ 60,000.00
Gate Management Program	\$ 75,000							\$ 75,000.00
Annual Switch Replacement Project	\$ 40,000							\$ 40,000.00
Vehicle Gate Switch Refresh Project	\$ 15,000							\$ 15,000.00
Copper & Fiber Optic Premise Distribution Updates	\$ 20,000							\$ 20,000.00
Firewall Hardware Upgrades	\$ 35,000							\$ 35,000.00
New Ford Connect Transit Cargo XL Van for IT	\$ 30,000							\$ 30,000.00
AirIT - Resource Mgmt. System	\$ 120,000							\$ 120,000.00
Turnout Gear (10 Sets)	\$ 35,000							\$ 35,000.00
Foam Testing Machine	\$ 35,000							\$ 35,000.00
Auto Pulse CPR Machine	\$ 15,000							\$ 15,000.00
<i>Subtotal</i>	<b>\$ 1,945,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,945,000.00</b>
<u>Renewal &amp; Replacement</u>								
Pilots Lounge Furnishings Replacement	\$ 20,000							\$ 20,000.00
Conference Center	\$ 10,000							\$ 10,000.00
(1) Belt loader	\$ 75,000							\$ 75,000.00
(1) Crew Stairs	\$ 60,000							\$ 60,000.00
Replace Silicone Expansion Joints	\$ 40,000							\$ 40,000.00
Replace GM80 with a New Club car 550	\$ 25,000							\$ 25,000.00
Replace M2 - JCB Backhoe	\$ 100,000							\$ 100,000.00
New Ford Connect Transit XL Cargo Van	\$ 30,000							\$ 30,000.00
FBO Conference Room Furniture and Fixtures	\$ 20,000							\$ 20,000.00
Two Police Package SUVs and all equipment	\$ 85,000							\$ 85,000.00
Upgrade Electrical Systems in Hangar 2106	\$ 50,000							\$ 50,000.00
Replace Auto Gate, AG1, at FedEx	\$ 20,000							\$ 20,000.00
French Drains - E & W Edges of the North Blast Pad	\$ 35,000							\$ 35,000.00
Caulk Exterior Expansion Joints on the Concourses	\$ 30,000							\$ 30,000.00
Replace Electrical Panels at Fac Bldg 2	\$ 15,000							\$ 15,000.00
Replace Pipe Under Perimeter Road	\$ 40,000							\$ 40,000.00
Modernization of Great Hall 1 & Great Hall 4 Elevators	\$ 170,000							\$ 170,000.00
Perimeter Road Asphalt Repairs	\$ 165,000							\$ 165,000.00
Painting of Handrails - PGA	\$ 15,000							\$ 15,000.00
Add Outlet Structure to Pipe Outside of Perimeter Fenc	\$ 15,000							\$ 15,000.00
Replace Fire Alarm System in PGA & PGB	\$ 165,000							\$ 165,000.00
Connect Lighting Directly to BAS for Control	\$ 15,000							\$ 15,000.00
Replace GE HVAC unit	\$ 30,000							\$ 30,000.00
Replace 2216 Airpicks and Spare Cylinders (6)	\$ 50,000							\$ 50,000.00
High Pressure Air Bags	\$ 11,050							\$ 11,050.00
Thermal Imaging Camera	\$ 10,000							\$ 10,000.00
Replacement Fire Hose	\$ 40,000							\$ 40,000.00
Replacement Fire Hose Nozzles	\$ 10,000							\$ 10,000.00
Portable Radios	\$ 13,100							\$ 13,100.00
Hurst E-Draulics Tools	\$ 30,000							\$ 30,000.00
Multi Gas Detector (2 each)	\$ 15,000							\$ 15,000.00
New Rescue/Pumper and Equipment	\$ 725,000							\$ 725,000.00
<i>Subtotal</i>	<b>\$ 2,134,150</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,134,150.00</b>
<i>Subtotal- New FY Items</i>	<b>\$ 5,079,150</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,079,150.00</b>
<b>TOTAL FISCAL YEAR 2020</b>	<b>\$ 64,366,145</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,081,066</b>

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### **FYE 6-30-2020 Capital Improvements**

#### **\$1,000,000 Capital Projects (Multiple)**

Multiple capital projects such as road repavement, campus signage, road closure.

### **Equipment and Small Capital Outlays**

#### **\$250,000 Grand Hall Video Board**

Provide advertising, FIDS, and general wayfinding to passengers as they exit the TSA security checkpoint.

#### **\$85,000 Terminal Art Program**

Finalize remaining 53 feet of the commissioned art piece located in baggage claim.

#### **\$70,000 Advertising Program - New Display Hardware and Video Wall**

New advertising program location hardware through the terminal building.

#### **\$150,000 History Alcove**

Purchase and installation of hardware to display art, installation of mount lighting, and flooring improvements.

#### **\$25,000 Children's Play Area**

Airport District improvements to support the build out of a children's play area in partnership with local company/entity.

#### **\$35,000 Terminal Holiday Decoration**

#### **\$50,000 Ground Power Unit, Potable Water Cart and Baggage Cart**

Due to FBO growth, additional ground service equipment is required to meet service demands.

#### **\$200,000 Transporter**

Taking this direction with our loading/offloading design will increase productivity and efficiency by speeding up operations.

#### **\$90,000 GPU**

This would be a backup to our current GPU and also a second gate GPU.

#### **\$60,000 Crew Stairs**

Non-mechanical stairs that would replace 1 PIT stairs. This would serve two gates on the new ramp and would have some security features possibly also replacing a dedicated guard at the stairs.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### *\$20,000 Tow Bars*

Four tow bars in total to include: 2-737 bars (primary and backup), 1-747 tow bar (backup) and 1-767 tow bar (backup).

### *\$235,000 AC/Heat Cart*

An expected piece of GSE on the new ramp for any RON scheduled carrier.

### *\$35,000 Office Furniture for Police Department*

As the new office space is built out, it will need to be furnished.

### *\$20,000 Combine AOC/OPS*

Furniture and relocation of AOC/Ops areas.

### *\$35,000 20-Foot Heavy-Duty Mower (P2 in FY19)*

Need mower for newly purchased tractor in FY19.

### *\$25,000 Crafcro Pavement Router w/ Dust Control*

Additional router needed to be able to open more cracks in the very short window of time that we are allowed to close the R/W.

### *\$60,000 New Ford Connect Transit Cargo XL Van (2)*

A van would replace a club car, allowing employees to get to their job quicker, tools to be protected from the weather, tools to be secured, provide for more storage of tools.

### *\$20,000 FODBOSS / FOD Removal System*

Tow-behind FOD removal system will allow FOD removal at speeds up to 25 mph.

### *\$60,000 Parking Automated Shuttle Signage and App Program*

### *\$75,000 Gate Management Program*

### *\$40,000 Annual Switch Replacement Project*

Replace deprecated fast ethernet switches that have reached end of sale and end of life and no longer supported by Cisco with software release.

### *\$15,000 Vehicle Gate Switch Refresh Project*

Replace environmentally hardened switches that have reached the end of life and no longer supported by Cisco with software release.

### *\$20,000 Copper & Fiber Optic Premise Distribution Updates*

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

Current fiber optic cable utilization between IDF11 & IDF13 to the MDF are reaching maximum capacity. New fiber optic cabling from IDF11 to IDF20 will position critical systems in each location with true failure resiliency. Due to recent fire alarm equipment expansions, all fiber optic cabling from IDF31 to IDF33 have been utilized leaving no spare connections in case of failure, and no long haul fiber connections from IDF34 are currently possible. Re-locate category cabling for four FIDS at each concourse in order to eliminate unnecessary switches and save on switch replacement costs year over year. This will also create additional capacity for new tenants.

### *\$35,000 Firewall Hardware Upgrades*

Replace Firewalls with models capable of higher bandwidth throughput in order to support increased web traffic driven by cloud-based applications.

### *\$30,000 New Ford Connect Transit Cargo XL Van for IT*

With the increase in staff at the Admin office, the Pool car can be difficult to secure. This vehicle will be use by the IT staff to traverse the Airport grounds.

### *\$120,000 AirIT - Resource Mgmt. System*

To permit Properties and Finance to audit gate and ticket counter usage by airlines.

### *\$35,000 Turnout Gear (10 Sets)*

This purchase would allow for spare sets of turnout gear.

### *\$35,000 Foam Testing Machine*

There are new restrictions being placed on airports by FAA and EPA about discharging Aqueous Film Forming Foam (AFFF) into the environment. We must looking at some type of device that can be installed on new trucks and retro fitted to existing ones.

### *\$15,000 Auto Pulse CPR Machine*

This machine would add an extra set of hands, freeing up the firefighters to perform other life saving measures.

## **Renewal and Replacement**

### *\$20,000 Pilots Lounge Furnishings Replacement*

Furniture requires replacement due to wear, use, and age (7 years).

### *\$10,000 Conference Center*

Replacement of furniture and the purchase of linens for the conference center.

### *\$75,000 Belt loader*

This would be a replacement to 1 of our aging belt loaders. It is important because we are now down to 2 belt loaders instead of 3.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### *\$60,000 Crew Stairs*

These would be non-mechanical stairs taking the place of 1 PIT stairs. It would serve the 2 gates on the new ramp and would have some security features possibly taking the place of a dedicated guard at the stairs.

### *\$40,000 Replace Silicone Expansion Joints*

Remove Silicone from Expansion Joints and Replace with Cementitious Grout throughout Entire Main Terminal.

### *\$25,000 Replace GM80 with a New Club car 550*

GM80 is burning significant oil. It has to be topped-off daily. This unit has 6,060 hours on it and is flagged on the Vehicle Analysis Report to be replaced. We need to keep a Club car fleet, especially for grounds, due to their duties and locations of work.

### *\$100,000 Replace M2 - JCB Backhoe with a New Case Backhoe*

M2 is really showing its age (spent more on it to maintain since its purchase in 2004, than the original purchase) and it is starting to have lots of electrical problems. M2 is extremely under-powered for its size and it is a single source of failure. This unit has over 9,000 hours on it (this 9,000 # is an estimate, as the gauge has broken a couple of times - the Vehicle Analysis Report shows about 1,400 hours). M2 is also considered a medium-duty backhoe. We are proposing to replace M2 with a Case 580 Super N Backhoe with a heavy-duty wheel-loader utilizing State Contract #4400012169. The new backhoe would possess several different options that we currently do not have on M2 - i.e. an extended boom, a hydraulic thumb for easy pick up and loading of trees and debris, a light package (for safety reasons), and a 4x4 option. (FYI - Caterpillar equivalent with the same options is \$130,350).

### *\$30,000 New Ford Connect Transit XL Cargo Van*

GM81 is burning significant oil. It has to be topped-off every couple days. This unit has 4,334 hours on it and it is flagged on the Vehicle Analysis Report to be replaced. Phasing out Club cars for Maintenance Technicians. Club cars do not allow for the protection of tools, equipment, electronics parts, O&M manuals, etc. from the elements. Currently, technicians put tarps over these items when it rains, which does not add adequate protection. There is no way to secure items such as tools, test equipment, and repair parts on Club cars. This becomes an issue when working on the public side. We are limited to how much we can carry to a job site in a Club car. Vans will allow us to store tools and repair parts securely and provide protection from the elements. More items will be able to be stored in the Vans, eliminating trips to the shop. Technicians will be able to get to job sites much faster, saving man hours.

### *\$20,000 FBO Conference Room Furniture and Fixtures*

8 Conference Room Chairs and Audio / Video Equipment replacement is required due to wear, use, and age (7 years).

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### *\$85,000 Police Package SUV's and all equipment to outfit each vehicle (2)*

P14 and P15 are both using oil and the maintenance costs are increasing each year. P15 has a tick sound and both are recommended by Kale for replacement.

### *\$50,000 Upgrade Electrical Systems in Hangar 2106*

Panels are obsolete (original) and falling apart.

### *\$20,000 Replace Auto Gate, AG1, at FedEx*

Gate is at end of life cycle (Original equipment, 19 years old). We have contracted multiple repairs on this gate in the past couple of years. Lots of broken or cracked welds, very close to catastrophic failure.

### *\$35,000 Install French Drains Along the East and West Edges of the North Blast Pad*

Both sides of the north blast pad are holding water and not draining. Water seeps out from under the asphalt, so it has nowhere to drain to. This is causing problems while mowing by creating ruts, not to mention the potential impact for attracting wildlife.

### *\$30,000 Caulk all Vertical Exterior Expansion Joints on the Concourses*

Joint seals have failed (these are the original joints, as far as we know), allowing water and moisture into the panels and the chases below. Needed to keep moisture out of building.

### *\$15,000 Increase Electrical Capacity for Facilities Building 2 - Replace Electrical Panels with Larger Panels*

No circuits left for expansion. Some circuits are currently overloaded and need to be separated.

### *\$40,000 Replace Pipe Under Perimeter Road at Antenna Farm Access Road*

Pipe that is currently under perimeter road is collapsing and has the potential for failure and would cause the road to be impassible. Replacement of the pipe from one end to the other with a smaller pipe will be done as a sleeve (pipe-in-pipe, using existing pipe as a sleeve), so there will be no impact to the current road and pavement. The addition of inlet and outlet structures is to help with erosion around the pipe.

### *\$170,000 Modernization of Great Hall 1 & Great Hall 4 Elevators*

The Otis elevators were installed in 1989 and typically the estimated useful life of this type of elevator is 20-25 years, before requiring complete replacement. These units have provided roughly thirty year of service and have mechanically out-lived typical useful life. This would be an overhaul of the mechanical and electrical systems. The TIP project only provided for a face-lift of these elevators. Other items of note if modernization is not completed soon: Sourcing replacement parts will become more challenging, possibly increasing the amount of downtime; New parts may not be available, parts have to be rebuilt and are not as reliable;

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

Troubleshooting knowledge declines as technicians retire; Increases in shut downs due to worn out components and wiring

### *\$165,000 Perimeter Road Asphalt Repairs*

Asphalt coming apart, distress on South-end is very visible, mostly consisting of alligator cracking, which suggests a sub-base issue. Price to mill and replace 4-inch depth of asphalt with sub-base work. This project is listed on the 5-year AIP list in 2022-23 at \$500,000 for "Rehab Perimeter Road."

### *\$15,000 Painting of Handrails – PGA*

Handrails were last painted 5 years ago as part of the TIP. They were not prepped properly, nor was any primer used. Paint is peeling off in most areas. This project is not a candidate for our in-house painter - need to use the paint spec and proper prep, as was done on the PGB handrails.

### *\$15,000 Add Outlet Structure to Pipe Outside of Perimeter Fence South of Gate #19*

Need to add a concrete outlet headwall and splash board to pipe outside of perimeter fence, south of Gate #19, to prevent erosion of slopes and undermining of the existing pipe.

### *\$165,000 Replace Fire Alarm System in PGA & PGB*

Systems (Simplex, Dial-up Systems) are old and causing maintenance issues. This would interface both parking garages with the campus Edwards System (PGA \$89,000 and PGB \$76,000).

### *\$15,000 Remove Hubble Lighting Control System and Connect Lighting Directly to BAS for Control*

Hubble lighting control system has never worked properly; Hubble does not support product, nor can they get the system to work. Currently, we are not able to control lighting (turn lights on or off with the control system). We have to go back to the breaker to turn off lighting when maintenance is required (which is a code violation, as the Hubble System is a control device, not an over-current protection device). The plan is to do sections of the building over the next couple of years, until all systems are off the Hubble system and tied directly to the BAS. Therefore, we will have Phases 3, 4, etc. in future year

### *\$30,000 Replace GE HVAC unit (Heat Pump Type) in Old District Office Section of the Main Terminal*

The life cycle of the 2216 psi SCBA cylinders are coming up in 2019 and will have to be replaced. To become uniform, when these 2216s are replaced these airpacks should be changed over to 4500 psi. This will put 4500 psi on all our vehicles. This will help prevent the accidental filling of a 2216 psi to 4500 psi which could lead to catastrophic failure of the cylinder. The new NFPA 1500 requires more volume of air in the cylinder which 2216 psi do not meet.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### *\$50,000 Replace 2216 Airpacks and Spare Cylinders (6)*

The life cycle of the 2216 psi SCBA cylinders are coming up in 2019 and will have to be replaced. To become uniform, when these 2216s are replaced these airpacks should be changed over to 4500 psi. This will put 4500 psi on all our vehicles. This will help prevent the accidental filling of a 2216 psi to 4500 psi which could lead to catastrophic failure of the cylinder. The new NFPA 1500 requires more volume of air in the cylinder which 2216 psi do not meet.

### *\$11,050 High Pressure Air Bags*

Replacement system for high pressure bags. Ours have meet their life expectancy and have been removed from service.

### *\$10,000 Thermal Imaging Camera*

Department currently has 2 thermal imagers one is 10 years old and the other is 13 years old. Replacement batteries and parts are difficult to find and expensive as manufactures not longer offer product support due to their age. Newer devices are smaller, lighter, and have better technology to search for victims, fires in cargo areas, and buildings.

### *\$40,000 Replacement Fire Hose*

We have several sections of hose that is exceeding its 10 years service life per NFPA 1962. Plan is to replace \$10k of hose every year until all hose is within allowable service life.

### *\$10,000 Replacement Fire Hose Nozzles*

The department currently has several different nozzle types, brands, and operating pressure requirements. By purchasing new nozzles we can consolidate to one brand with consistent flow rates with lower pressure requirements. Newer nozzles work at 50psi vs 100psi. This will save wear and tear on trucks by operating at lower RPMs and also reduce firefighter fatigue by not combatting the higher pressures.

### *\$13,100 Portable Radios*

Our current radios are at the end of their service life and replacement parts are hard to find and expensive. We are also using 3 different models of radios. By purchasing new radios we can streamline to one model number eliminating the need for multiple brands of batteries and chargers. Our plan is to give our old radios to the facilities department so they can use them for their employees.

### *\$30,000 Hurst E-Draulics Tools*

Battery operated extrication tools are much easier to store, deploy, and use. Currently tools must be attached to 100' hydraulics hose and a gas operated hydraulic pump. This limits the ability to use tools inside a building such as an industrial accident like a escalator or baggage belt. It also makes it labor intensive to drag hoses tools and pump to accident sites

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

for both aircraft and vehicles that do not occur on the hard pavement where the trucks can park in close proximity. Battery tools can be deployed and placed in operation before our existing tools can even be pulled off the truck thus saving critical time which can make the difference between life and death.

### *\$15,000 Multi Gas Detector (2 each)*

The RAE Meters are 7 years old. Over the past 2 years the RAE meters have returned to the manufacturer for maintenance, repairs and sensor replacements. Not only are the meters having issues, but they have increased the amount of time we are going without them, putting us at risk of not having a meter should a confined space rescue be needed. By switching over to the MSA meters, they will cut down on the time of being without them. We currently are not able to track the usage of the meters which is required by OSHA. By purchasing the docking station it will download the usage as well as maintain the charge and perform calibrations automatically. By switching over to MSA, these meters would meet the need to operate safely in confined spaces. The new meters will be under warranty for four years. Due to a local distributor, loaner meters would be available if needed.

### *\$725,000 New Rescue/Pumper and Equipment*

With the replacement of Engine 4 with a new crash truck, it must also be replaced with a pumper as well. Engine 4 currently counts as a reserve pumper towards our ISO rating. If our current pumper is down for maintenance or on a call after the replacement of Engine 4, there is not another pumper in the station. The plan is to also eliminate the quick response truck from the fleet (QRV40) and respond a pumper on all calls. This will also require more compartment space for attentional equipment that is not available on our current pumper.

# **INDEBTEDNESS**

## **Overview**

The Airport enjoys a very favorable cash & investment position, especially as compared to other airports of a similar size. Historically, it's been our practice to minimize leasing of equipment and vehicles. Outright purchase has been favored instead. Management has elected to pay off debt as rapidly as possible, especially when interest expense rates exceed investment yields, as currently is the case and probably will be in the foreseeable future.

The aforementioned policies related to debt have resulted in an unencumbered ability to borrow should the Airport need to.

## **Series 2001 Bonds**

In August 2001, the Airport issued \$5,140,000 of tax-exempt revenue bonds ("Series 2001A Bonds") and \$4,990,000 of taxable revenue bonds ("Series 2001B Bonds") (collectively, the "Series 2001 Bonds"). Proceeds of the issuances were used to construct a new rental car facility and related improvements. Interest is payable semiannually on July 1 and January 1. Annual principal installments are due on July 1 and commenced on July 1, 2003. The Series 2001A Bonds and Series 2001B Bonds are composed of serial bonds which bear interest at rates between 3.1% and 5.0% annually and 4.4% and 6.2% annually, respectively. In addition, the Series 2001A Bonds include \$775,000 of 5% term bonds due July 1, 2021, and the Series 2001B Bonds include \$3,355,000 of 6.82% term bonds due July 1, 2021

Under the terms of the 2001 Bonds, the Airport is subject to certain covenants including, but not limited to, limitations on the transfer or sale of assets, limitations on the incurrence of additional indebtedness, maintenance of adequate insurance coverage on property, and maintenance of a minimum level of net revenues, as defined, to aggregate annual debt service. As of June 30, 2011 and 2010, the Airport was in compliance with these restrictive covenants.

## **The Series 2001A Tax-Exempt Revenue Bonds were called early and paid off on 8/18/2011.**

The Series 2001B Taxable Revenue Bonds are the only long-term debts currently on the Airport's books. These too would be called early if they were callable. Unfortunately, they are not. As such, the future debt service requirements of the Series 2001B Bonds are as follows as of June 30, 2019:

## Greenville-Spartanburg Airport District 2020 Operating Budget

<b>FYE</b>	<b>Principal</b>	<b>Interest</b>	<b>Princ&amp;Int</b>
<b>2020</b>	\$ 420,000	\$ 58,993	<b>\$ 478,993</b>
<b>2021</b>	\$ 445,000	\$ 30,349	<b>\$ 475,349</b>
	<b>\$ 865,000</b>	<b>\$ 89,342</b>	<b>\$ 954,342</b>

### Short-Term Debt

In May 2016 the Board approved establishment of a \$25 million Line of Credit (LOC) with TD Bank. The LOC variable interest rate is the 1-month LIBOR (London Interbank Offered Rate) plus 75 basis points. The most recent 1-month LIBOR rate quote was 2.48% as of March 31, 2019. Adding the 2.48% + 0.75% yields a current rate of 3.23%. The LOC is interest only with a 1-year term, where it's automatically renewed.

### Long-Term Debt

On September 10, 2018, the Board approved establishment of a \$16 million, 20-year term note with fixed finance rates at 4.78% for ten years. The \$15,687,840 term note was established with TD Bank on November 6, 2018 with a maturity date of November 1, 2028.

## **AIRLINE RATES & CHARGES**

The Greenville-Spartanburg Airport District requires all commercial airlines to execute an Airport Operating Permit to establish the rules, regulations, and conditions by which an airline operating at the Airport must operate, including airline rates and charges.

### **Annual Airport Budget**

The Commission adopts an annual budget for the Airport District, which is used to calculate rates and charges each year. The objective of the existing airline rates and charges methodology is to estimate the Airport rates, fees and charges necessary for the District to recover its capital, operating and maintenance costs in providing airline facilities at the Airport, regardless of the successes or failures of non-airline revenue generation at the Airport.

The Airport has used the same methodology for determining airline rates & charges for at least the last 20 years. As noted last year, management decided to go to a new rates and charges methodology which was effective the beginning of July 1, 2017.

### **Maintenance and Operating Expenses**

Maintenance and Operating ("M&O") expenses include all of the costs associated with operating and maintaining the Airport. Airport M&O expenses incurred in a direct cost center are accounted for in that cost center. Direct cost centers include the airfield and terminal cost centers. M&O costs for the Operations, ARFF (Aircraft Rescue and Firefighting), and Police Departments not generated in a specific cost center are allocated to the direct cost centers on the basis of a time study, which is performed by the District from time to time. M&O costs for the Facilities Department are allocated to the direct cost centers based upon an allocation via their maintenance work order program tracking hours worked by cost center. Indirect M&O costs in the administrative departments (Executive, Communication, Finance, IT, Human Resources, Property & Business Development) are allocated to the direct cost centers on the basis of each cost center's direct M&O expense as a percent of all direct M&O expenses.

### **Capital Expenses**

Capital expense represents the cost incurred by the District in acquiring capital assets with the use of the District's funds. The Airport's capital expense is the amortization of these costs over their useful lives or annual debt service on assets acquired with the proceeds of debt issued by the District. The annual amortization expense is included in each cost center to the extent that such expense is required for the benefit of the specific cost center. Amortization of capital expense attributable to the Airport's indirect cost centers is allocated to the Terminal cost center and the Airfield cost center on the pro-rata basis that each cost center's annual M&O expense as

## Greenville-Spartanburg Airport District 2020 Operating Budget

a percentage of total M&O expense. Annual debt service resulting from the issuance of Airport Revenue Bonds is included in each cost center for which the asset purchased with bond proceeds is located.

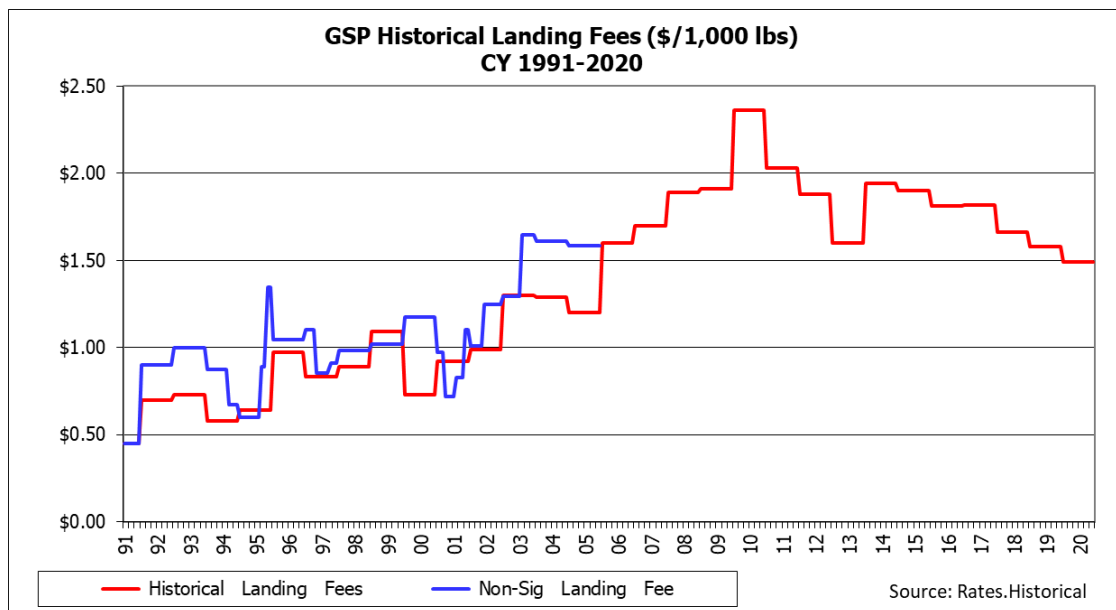
### Landing Fee Methodology

The airline Landing Fee Rate is calculated based on a cost center cost recovery methodology. The objective of this methodology is to recover 100% of the District's cost of the Airport's Airfield cost center (the "Airfield Requirement"). The annual Airfield Requirement includes all of the capital and M&O costs of the Airfield cost center. The annual Airfield Requirement is based on an allocation of direct and indirect M&O, amortization, and debt service (if any) attributable to the Airfield Cost Center. Apron fees and related capital components are now excluded from the Landing Fee calculation AND included in the per-turn fee calculations. In theory, the Airfield Requirement should be recovered from all users of the airfield, including general aviation. Historically, aircraft landed weight has been the method of allocation for recovering airfield costs. While this works well for the commercial air carriers, it is much more problematic with general aviation activity and can result in an airport recovering less than its actual airfield cost. As such, a common practice at airports across the country is to determine the airfield requirement and calculate the Landing Fee Rate using a **cost recovery method**. This method is often preferred for recovering the cost of the airfield cost center, as the revenue sources available to support this area are relatively limited. In this case, the Airline Landing Fee requirement is calculated based on an allocation of direct and indirect M&O, amortization of capital outlays, and debt service attributable to the Airfield cost center. The total of these amounts is reduced by general aviation fuel flowage fees, which is intended to represent the cost to general aviation for the use of the Airfield before calculating the Airline Requirement and the landing fee rate.

It is important to note that when airfield expenses go down, so does the landing fee, and so do the District's reimbursement of said expenses. Fluctuations in landing fees mimic expense spending patterns, project development costs, legal and professional fees, traffic volume changes (i.e., "landed weights"), and spreading of other administrative costs to the various cost centers. Landing fee rates are recalculated semi-annually. GSP's landing fees tend to be extremely competitive, as compared to other airports of similar size around the nation. Our very competitive landing fee rates are one measure, or indicator, of airport operational efficiency.

GSP's historical landing fee rates are graphed below from 1991. The period of greatest rate increase occurred in the years following the 2001 World Trade Center tragedy and increased security concerns/costs. These costs were passed onto the airlines thru increased landing fees and represent just one of the causal factors behind the increased costs of air transportation for the traveling public.

## GSP Historical Landing Fees Graph

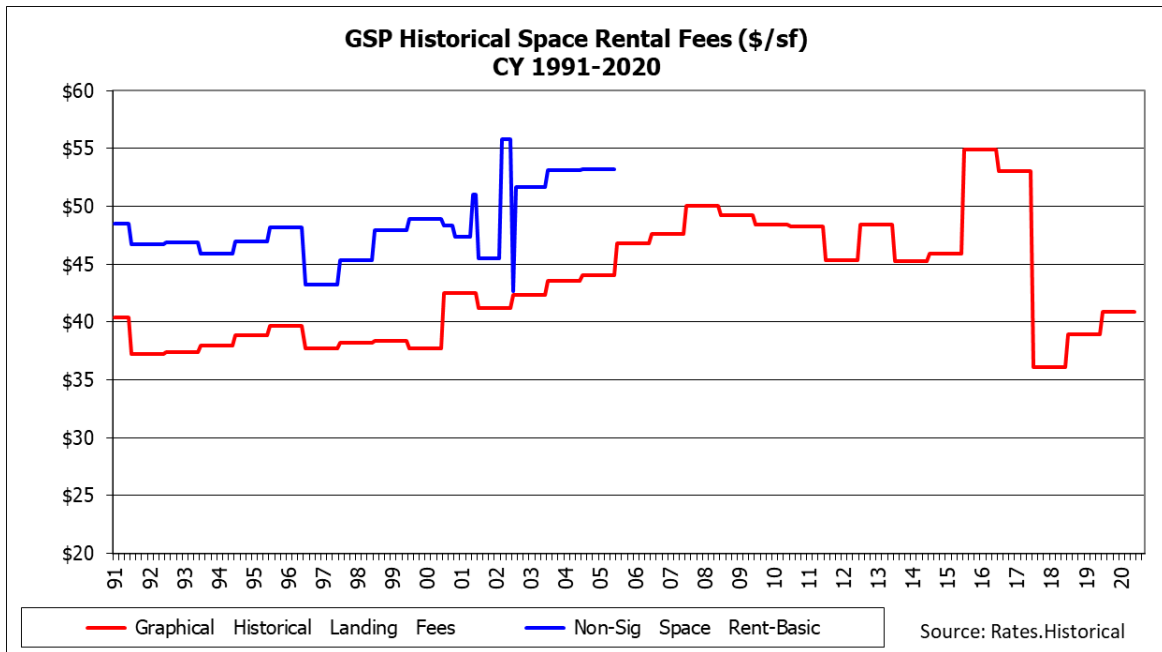


## **Terminal Complex Rental Methodology**

The Terminal Rental Rate is calculated based on a **compensatory cost rate recovery methodology** under which tenants pay only for the space that they occupy. The cost for vacant productive terminal space not leased to the airlines is not charged to the airlines and is paid from non-airline revenue sources. The Terminal Requirement comprises capital expense and M&O expense. The capital component includes an amortization charge of undepreciated assets included in the Terminal cost center and an allocation of capital expense from the indirect cost centers. The M&O Component of the Terminal Requirement includes the direct and indirect cost of maintaining and operating the Terminal cost center. The total capital and M&O expenses of the Terminal Cost Center are divided by the total productive square feet of the Terminal Building. Total productive square feet includes both leased and vacant airline and concession space as well as public areas and TSA space.

## Greenville-Spartanburg Airport District 2020 Operating Budget

### GSP Historical Space Rental Fees Graph



The FYE'20 space rental rate is \$40.86. The reason for the decrease in the space rental rate from FYE'17 of \$53.08 to \$36.07 in FYE'18 is the dramatic change in our rates & charges methodology, as previously discussed. This change has not resulted in a similar decrease in airline & other tenant revenue.

## **"Per-Turn" Charges**

"Per-Turn", also known as (aka) a "Apron-Turn" generally means an arrival and the related departure at the Terminal Building by an aircraft using the Terminal Apron. Per-Turns can be segregated into the following types:

- "Full-Turn" – an arrival and a departure, both with passengers, fully costed out
- "Modified Full-Turn" – same as a "Full-Turn", but excluding use of ticket counters and ticket ques, which are directly charged to the Airline
- "Gate Only" Per-Turn – a per-turn rate costed out gate & apron use elements only
- "Departure Turn" aka "Ferry In, Live Out" aka "Outbound Turn" – a per-turn rate costed out for deplaning charters
- "Arrival Turn" aka "Live In, Ferry Out" aka "Inbound Turn" – a per-turn rate costed out for arriving charters

The derivation of "Per-Turn" fees include consideration of the following components:

- Facility charges
- Common Use Area (CUA) charges
- Apron (A/C Parking) fees
- Passenger Loading Bridge (PLB) charges
- PC Air / Fixed Ground Power (FGP) charges
- Shared Tenant Services
- Inbound Baggage Systems
- Outbound Baggage Systems
- Flight Information Displays (FIDs)
- Baggage Information Displays (BIDs)
- Gate Information Displays (GIDs)
- Paging
- Shared Use Equipment costs
- Other costs (e.g., dumpster, triturator, etc.)

## **Passenger Facility Charges**

Pursuant to 14 CFR 158 ("Part 158"), airport sponsors may apply to the FAA for authorization to impose a fee on every enplaning revenue passenger ("Passenger Facility Charge" or "PFC") at the sponsored airport and to use the revenues derived from any such PFC to pay the allowable costs of PFC eligible airport investments/improvement projects. The level of PFC which may be charged can vary from \$1.00, \$2.00, \$3.00, or \$4.50 depending upon the authorization requested by the sponsor and approved by the FAA. PFCs are collected by each airline which issues a revenue travel itinerary to a passenger and are remitted monthly to the airport sponsor, less a handling charge which the collecting airline is entitled to retain as compensation for its collecting, handling and remitting the PFC revenue. The airline handling charge currently authorized by Part 158 is \$0.11 per PFC actually remitted to the airport sponsor.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### **PFC Eligibility**

Allowable PFC costs include only those costs incurred on projects implemented on or after November 5, 1990. Therefore, the amortization on the Terminal Renovation and Expansion Project are not eligible to be paid with PFCs. Under Part 158, PFCs may be used to fund and finance the allowable costs (project costs and bond-associated debt service and financing costs) of airport-related projects which would be eligible to receive federal grant funding under the Airport Improvement Program ("AIP") and/or which preserve or enhance safety, capacity or security in the national air transportation system, or which reduce aircraft noise, furnish opportunities for enhanced competition between and among airlines and which have been approved for any such use by the FAA. Construction of gates and areas in which passengers are enplaned and deplaned as well as areas directly related to the movement of passengers and baggage are PFC eligible. However, restaurants, car rental facilities, automobile parking facilities, and other concession spaces are not PFC eligible. There are certain instances in which an AIP-ineligible project may be considered PFC eligible. Under AIP eligibility for hub airports, gates and airline ticketing areas including passenger check-in facilities and other revenue producing areas are not eligible for AIP funding. However, the PFC statute incorporates AIP eligibility and expands PFC eligibility to include non-concession areas directly related to the movement of passengers and baggage in air commerce regardless of their revenue producing status. Thus, gates, airline ticketing areas and passenger check-in facilities are PFC eligible even though they are not AIP eligible. All of the costs associated with the preparation, development and continuing administration of a PFC program are eligible for reimbursement with PFC revenue.

### **Utilization of a PFC**

The Airport historically has never utilized PFCs. However, the District is requesting approval to implement a Passenger Facility Charge (PFC) program effective July 1, 2019.

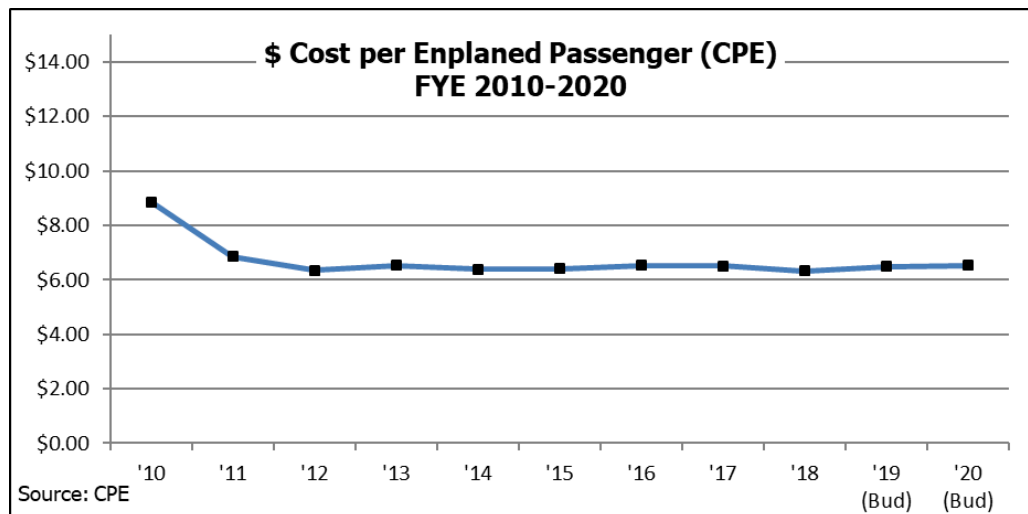
Implementation of a PFC program would provide an additional funding source to decrease the local funding requirement for projects that would otherwise require the use of unrestricted Airport cash or additional borrowing.

## Greenville-Spartanburg Airport District 2020 Operating Budget

### CPE (Cost per Enplanement) Data Components

										Approved Budget	Budgeted
Historical CPE Data	FYE 6/30/2010	FYE 6/30/2011	FYE 6/30/2012	FYE 6/30/2013	FYE 6/30/2014	FYE 6/30/2015	FYE 6/30/2016	FYE 6/30/2017	FYE 6/30/2018	FYE 6/30/2019	FYE 6/30/2020
# Enplanements	639,646	764,626	955,821	942,465	950,205	951,148	1,002,355	1,030,956	1,108,429	1,130,160	1,253,070
Landing Fees	1,971,661	1,815,442	2,235,066	1,842,163	2,069,955	1,956,299	2,030,871	2,127,232	2,086,174	2,153,712	2,228,700
Term Rent (net of jetways)	3,333,383	3,034,007	3,418,543	3,653,130	3,345,560	3,432,029	3,747,123	3,692,201	633,828	684,996	657,000
Terminal Rent-CJA special rate-direct charged									607,090	592,106	609,100
Apron Fees/Aircraft Parking	127,405	112,332	156,577	147,180	180,213	207,046	196,680	236,060	61,932	-	-
PLB/Jetway Rental	126,334	84,600	113,250	332,015	332,020	279,997	316,494	316,710	-	-	-
PC Air/FGP									-	-	-
Shared Tenant Services (STS)-Airline				1,500	1,500	35,850	45,940	63,110	47,635	-	53,892
Inbound Baggage									-	-	-
Outbound Baggage									-	-	-
FIDS/BIDS/GIDS & Paging									-	-	-
Security Fees	-	-	-	-	-	-	-	-	230,252	269,327	165,429
Refuse	3,481	3,540	4,248	3,540	3,540	3,540	3,540	3,068	-	-	-
Triturator	2,450	3,000	4,235	9,806	5,809	6,417	6,151	6,229	7,022	-	-
CJSS Ticketing Stock									48,239	56,213	62,179
Shared Use Equipment (AirIT)									20,400	-	-
Per Turn Fees	97,992	183,127	141,138	173,952	129,712	169,178	205,270	271,376	3,271,493	3,569,753	4,417,205
Utility Reimbursement (crash phone-Redmont)	-	180	300	300	180	-	-	-	-	-	-
Janitorial	-	-	-	-	-	-	-	-	-	-	-
	5,662,707	5,236,228	6,073,358	6,163,586	6,068,488	6,090,356	6,552,069	6,715,986	7,014,066	7,326,106	8,193,504
Cost per Enplaned Passenger	\$8.85	\$6.85	\$6.35	\$6.54	\$6.39	\$6.40	\$6.54	\$6.51	\$6.33	\$6.48	\$6.54

### Historical CPE (Cost per Enplanement) Graph



## FEES, RATES & CHARGES

**Effective: 07/01/19 - 06/30/20**

### **Badging Fees**

Initial Issue (Processed under GSP fingerprint code)	\$60.00
Initial Issue (Processed under non-GSP fingerprint code)	\$60.00
Initial Issue (STA ONLY = FAA, USDA, Public badge issue)	\$30.00
Badge Renewal (Processed under GSP fingerprint code)	\$25.00
Badge Renewal (Processed under non-GSP fingerprint code)	\$40.00
Damaged Badge Renewal	\$15.00
Lost Badge Renewal (1 <sup>st</sup> time)	\$50.00
Lost Badge Renewal (2 <sup>nd</sup> time)	\$150.00
Lost Badge Renewal (3 <sup>rd</sup> time)	\$250.00
Badge Not Returned Upon Termination (Billed to Company)	
per Week	\$50.00
Not to Exceed per Badge	\$500.00
Parking Hang Tag Not Returned Upon Termination	
per Week	\$25.00
Not to Exceed per Hang Tag	\$250.00

### **Parking Rates**

Valet (per Day)	\$17.00
Garage (A & B) (per Day)	\$15.00
Sky Lot (per Day)	\$9.00
Daily Lot (per Day)	\$9.00
Economy Lot (per Day)	\$7.00
Employee (per Month)	\$20.00
Employee Manager (per Month)	\$40.00
Parking Reservation (per Reservation)	\$5.00

## Greenville-Spartanburg Airport District 2020 Operating Budget

### **Non-Tenant Summary**

#### **Non-Tenant Type Agreements**

Hotel/Motel Courtesy Vehicles		
	Admin Fee (per Year)	\$25.00
	Vehicle Fee (per Year)	\$250.00
	Room Fee (per Transaction)	\$3.50
Limousines (6 or fewer passengers)		
	Admin Fee (per Year)	\$25.00
	Vehicle Fee (per Year)	\$250.00
	Pick-up Fee (per Transaction)	\$3.50
Buses (more than 6 passengers)		
	Admin Fee (per Year)	\$25.00
	Vehicle Fee (per Year)	\$250.00
	Pick-up Fee (per Transaction)	\$8.58
Baggage Transporter		
	N/A	\$0.00
	Vehicle Fee (per Year)	\$250.00
	Pick-up Fee (per Transaction)	\$1.76
RAC Courtesy Vehicles		
	Admin Fee (per Year)	\$25.00
	Vehicle Fee (per Year)	\$250.00
	RAC Fee (per Transaction)	\$15.17
Parking Lot Courtesy Vehicles		
	Admin Fee (per Year)	\$25.00
	Vehicle Fee (per Year)	\$250.00
	Off-airport Parking	10%
FedEx Fueling (Quick Fleet Fuel)		
	Admin Fee (per Year)	\$25.00
	Vehicle Fee (per Year)	\$250.00
	Fuel Fee (per Gallon)	\$0.0813
Off-airport catering service		
	Admin Fee (per Year)	\$25.00
	Vehicle Fee (per Year)	\$250.00
	% of Billings	8%
One time service		
	Admin Fee (per Year)	\$50.00
	Vehicle Fee (per Year)	\$50.00
	N/A	\$0.00
Transportation Network Companies (TNCs)		
	per Passenger Pick-up Charge	\$3.50

## Greenville-Spartanburg Airport District 2020 Operating Budget

### **Non-Tenant Airport Use Agreements for No-Lease Operators**

Ground Handlers:

DGS for Delta	% of Billings	3%
DGS for United Express	% of Billings	3%
Trego/Dugan	% of Billings	3%
American Eagle for United Express	% of Billings	3%
GAT Enterprises	% of Billings	3%
Jet Star Aviation	% of Billings	3%
Majestic Terminal Services (also pays \$2,161 per month starting 3/11/11)	% of Billings	3%
G2 Secure Staff, LLC (also pays \$247 per month starting 3/1/11)	% of Billings	3%
Prime flight	% of Billings	3%
Harold Hendricks Cleaning Co	% of Billings	3%

### **Non-Tenant Airport Use Agreements for Small Business Non-Lease Operators**

Reddy Ice	<\$5,000 (Flat Fee)	\$150.00
	>\$5,000 (% Of Billings)	3%
Fly and Shine - Gorilla Detailing DBA Precision Detailing	% of Billings	6%
Best Buy Zooms Systems	% of Billings	7%
Benefit Cosmetics Kiosk Zoom Systems	% of Billings	7%
Massage Chairs (IVS)	% of Billings	50%
Foot Massages (Mark Ebert)	% of Billings	17%
Tricopian LLC/Fuel-Rod & Saveme Batteries		

## Greenville-Spartanburg Airport District 2020 Operating Budget

% of Billings 10%

### **Labor Rate**

Maintenance Department Rate (per Hour) \$61.84

### **Shared Tenant Services Rates**

IT Labor Rate (per Hour)

Labor Rate(per Month) \$125.00

Premise Distribution System (PDS)

Fiber up to 3,000 ft. (per Strand) (per Month) \$25.00

Spare Category 6 Copper Cable 0 - 100 meters (per Month) \$6.00

Phone

Phone PDS Fee, if GSP System is not installed (per Month) \$40.00

Voice Extension with DID (includes voicemail) (per Month) \$50.00

Analog FAX/Modem Extension with DID \$50.00

Extra phone Extension \$15.00

Long Distance (US & Canada) Included

Phone Equipment

Telephone ShoreTel IP230G (Standard 3 line Telephone) (per Month) \$10.00

Telephone ShoreTel IP655 (High end 6 line Telephone) (per Month) \$20.00

Data

Data PDS, if GSP data is not used (per Month) \$40.00

Dedicated Internet Bandwidth (1 Mb) (per Month) \$50.00

Dedicated Internet Bandwidth (1.5 Mb) (per Month) \$75.00

Dedicated Internet Bandwidth (3Mb) (per Month) \$125.00

Dedicated Internet Bandwidth (6Mb) (per Month) \$200.00

Dedicated Internet Bandwidth (10Mb) (per Month) \$300.00

Dedicated Internet Bandwidth (20Mb) (per Month) \$400.00

Dedicated Internet Bandwidth (30Mb) (per Month) \$450.00

Dedicated Internet Bandwidth (40Mb) (per Month) \$500.00

Dedicated Internet Bandwidth (50Mb) (per Month) \$600.00

### **Conference Center Rental Rates**

1 Section (Rental)

(per Hour) \$50.00

Maximum (per Day) \$300.00

Clean-up \$50.00

## Greenville-Spartanburg Airport District 2020 Operating Budget

2 Sections (Rental)	(per Hour)	\$75.00
	Maximum (per Day)	\$450.00
	Clean-up	\$75.00
3 Sections (Full Center) (Rental)	(per Hour)	\$100.00
	Maximum (per Day)	\$600.00
	Clean-up	\$100.00

### **Aviation Services Fees**

Commercial Aviation Fuel Farm Thru-put Fee	per Gallon	\$0.0300
Based Operator Into-plane Fees (ITP) (Fees will be managed to maintain fuel pricing competitive with similar size airports in our region and/or fuel providers in our region with similar levels of service)	per Gallon	\$0.05 - \$0.250
Non-Tenant Operator Into-plane Fees (ITP) (Fees will be managed to maintain fuel pricing competitive with similar size airports in our region and/or fuel providers in our region with similar levels of service)	per Gallon	\$0.15 - \$1.25
Landing Fee	per 1,000 lbs.	\$1.66
Ramp Parking Fees (Fees are charged for aircraft parking on the ramp for active ground service [less than 4 hrs.])	per Turn	\$10.00 - \$500.00
Remain Over Night (RON) Parking Fees (Fees are charged for aircraft parking on the ramp overnight)	per Night	\$50.00 - \$1,000.00
Passenger Aircraft Handling Fees (Fees are charged for passenger and cargo services related to private and public passenger charters)	per Turn	\$500.00 - \$5,000.00

## Greenville-Spartanburg Airport District 2020 Operating Budget

### Cargo Aircraft Handling Fees

(Fees are charged for services related to all cargo charters)

per Turn    \$250.00 - \$5,000.00

### General Aviation Fuel

Fuel Flowage Fee (per Gallon)	\$0.0813
Fuel Farm Thru-put Fee (per Gallon)	\$0.0300

### Transient Retail Jet A Discount Rate

per Gallon        \$0.10 - \$1.20

### Transient Retail 100LL Discount Rate

per Gallon        \$0.10 - \$0.50

### Transient Contract Fuel Into-Plane Fee

per Gallon        \$1.30 - \$3.00

### GSP Based Customers Jet A Fuel Fee

per Gallon        \$0.75 - \$2.00

### Corporate Aviation Association (CAA) Jet Fuel Discount Rate

per Gallon        \$0.25 - \$1.30

### General Aviation Facility Fees

(Fees are charged for aircraft that do not uplift the required minimum gallons of fuel)

\$10.00 - \$1,000.00

### Remain Over Night (RON) Parking Fees

(Fees are charged for aircraft parking on the ramp overnight)

\$5.00 - \$250.00

### Overnight Hangar Fees

(Fees are charged for aircraft parking inside a hangar overnight)

\$50.00 - \$800.00

### **Bulk Storage Rates (before renovation)**

Small Piston (per square foot)	\$4.25 - \$6.00
Turboprop or Light Jet (per square foot)	\$5.25 - \$7.00
Medium Jet (per square foot)	\$6.00 - \$8.00
Heavy Jet (per square foot)	\$6.50 - \$9.00
Office Space (per square foot)	\$6.50 - \$7.00
Shop Space (per square foot)	\$3.50 - \$4.00

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

### **Post Renovation Bulk Hangar Storage Rates (per square foot)**

Non-Exclusive Hangar Deck Space (per square foot)	\$6.50 - \$8.00
Exclusive (Dedicated) Bulk Hangar Deck Space (per square foot)	\$7.50 - \$9.00
Office Space (per square foot)	\$10.00 - \$11.00
Shop Space (per square foot)	\$4.75 - \$6.00

# **AIRPORT DISTRICT OVERVIEW**

## **Organization**

In March, 1959, the General Assembly of the State of South Carolina enacted an act to create the Greenville-Spartanburg Airport District (the "District"), a political subdivision of the State of South Carolina. The corporate powers and duties of the Greenville-Spartanburg Airport District are to be exercised and performed by the Greenville-Spartanburg Airport Commission.

## **Responsibility**

The District is responsible for the efficient planning, development, administration, operation and financial condition of the Airport. The District, as landlord, rents space and assesses fees and charges to the airlines and businesses providing goods and services to the traveling public and to the civilian, business, governmental and military users of the Airport. The District is responsible for assuring residents of the Upstate and the surrounding areas of minimal environmental impact from air navigation and transportation.

## **Strategic Business Plan 2014-2020**

GSP formally adopted the Strategic Business Plan for 2014-2020 on November 24, 2014.

The plan outlined the foundations of our strategy, including our Vision, Mission and Core Values as well as our Strategic Goals that together represent our priorities as we prepare for this century's second decade. We also identified performance measures for each goal, allowing each of us to monitor GSP's continuing progress.

## **Mission and Vision**

Our mission and vision provide the foundation for our six-year strategic business plan. Since GSP was built over a half-century ago, we have enjoyed consistent leadership and commitment to these foundations. For each strategic business plan, these foundations are operationalized through our strategic goals.

## **Mission Statement**

To advance the economic prosperity of the region by providing a safe, convenient, user-friendly and cost competitive air transportation system connecting the region with the nation and world.

## **Vision Statement**

Serve as the region's global transportation hub and economic catalyst by providing best-in-class infrastructure and service.

## **Core Values**

We are especially proud of our "Core Values", which speak to the "GSP way". Our core values express how we conduct our day-to-day business and provide a consistent set of expectations for all of us who work at the airport.

- **Safety & Security:** We embrace them as our priority
- **Excellence:** We are committed to ensuring excellence in all we do
- **Innovation:** We embrace innovative solutions and are always ready for change
- **Integrity:** We are dedicated to honest and ethical practices
- **Accountability:** We accept responsibility for our actions
- **Teamwork:** We think and act like one team, bonded by mutual trust & respect

## **Strategic Goals**

Our strategic goals include:

- A. SAFETY AND SECURITY - Provide safe and secure infrastructure for users, employees and tenants
- B. ECONOMIC DEVELOPMENT - Act as a leading source of economic development for Greenville and Spartanburg counties and the greater Upstate Region
- C. AIR SERVICE - Attract and maintain competitive air service enabling GSP to be the region's "Airport of Choice"
- D. FINANCIAL MANAGEMENT - Increase and diversify aeronautical and non-aeronautical revenues ensure GSP's financial sustainability
- E. ECONOMIC OPPORTUNITY - Serve as a source of job creation and economic opportunity by encouraging business with local firms
- F. CUSTOMER SERVICE - Provide unparalleled access and superior customer service to our users

# **BOARD OF COMMISSIONERS**

## **Objective**

To administer the provisions of the legislation creating the Greenville-Spartanburg Airport District as codified in the Code of Laws of South Carolina 1962 (Sec 55-11-110) (the "Legislation").

## **Purpose**

To carry out the objectives of the Legislation and to serve the public interest through the coordination of the planning, financing, construction, and operation of the aviation facilities known as the Greenville-Spartanburg International Airport in Greenville & Spartanburg counties, South Carolina.

## **Composition**

The membership of the Commission consists of three (3) members who are residents of Spartanburg county, and who are appointed upon the recommendation of a majority of the members of the Spartanburg County legislative delegation AND three (3) members who are residents of Greenville county, and who are appointed upon the recommendation of a majority of the members of the Greenville County legislative delegation. Thus, a total of six (6) members exist. Upon election by a majority of the Greenville or the Spartanburg delegation, as the case may be, the secretary or acting secretary of the respective county delegation shall certify the approval to the Governor, who shall Commission the nominee for a term of six (6) years.

## **Functions**

The Board of Commissioner's functions generally include:

- Exercising the powers of the District to make rules and regulations concerning its operations and facilities.
- Adopting resolutions, policies and procedures.
- Approving the District's annual operating budget and capital improvement expenditures.
- Hiring the President/CEO
- Serving as a public forum for citizens on aviation matters.

## **Audit Committee**

The Commission has established an Audit Committee to assist in its financial oversight responsibilities by reviewing financial reports and related information provided by management, independent auditors, and other sources as needed; monitoring the integrity and effectiveness of the accounting and financial reporting processes and the systems of internal controls; providing a process of communication on audit control for accounting and financial reporting matters among the independent auditors, commissioners and professional staff of the District.

## **AIRPORT FACILITIES OVERVIEW**

Over fifty years ago the seeds were planted for what is known today as Greenville-Spartanburg International Airport (GSP) – Roger Milliken Field. Since that first flight which took place in 1962, GSP has earned a reputation of safety and has grown into one of the finest airports in the country.

More than 2.3 million passengers per year are served by 6 major airlines offering over 50 non-stop daily departures, on average, to 18 major cities across the US. A connection in one of those 18 cities makes access to the world easy from GSP.

GSP is situated on approximately 3,600 acres of land and has a three-level 397,000 square-foot passenger terminal building which includes airline ticket counters, airline offices, a baggage claim area, second-level departure lobbies, restaurants, gift shops, waiting areas and rental car counters. The passenger terminal has two enclosed concourses, Concourse A and Concourse B, with second-level departure jetway boarding and a total of 13 gates. Nine gates located in Concourse A and four gates located in Concourse B. Commuter passengers are processed on the second level of Concourses A and B and board aircraft through boarding bridges or ground-level gates which are accessed by stairways and elevators.

The Airport has a total of 5,428 parking spaces, broken down as follows:

<b>Space Type</b>	<b>Total Stalls</b>
Garage A*	1,458
Garage B**	1,506
Daily Lot	305
Economy A	443
Economy B	1,536
Valet	180
<b>Total</b>	<b>5,428</b>
Less: Fly & Shine	9
Less: Ready Car	386
<b>Total Excluding Rental</b>	<b>5,033</b>
* includes Ready Car Stalls	
**includes Fly & Shine Stalls	

2,964 parking spaces are available in two multi-level parking garages located adjacent to the passenger terminal building. Three hundred eighty-six parking spaces in Parking Garage A have been made available to the rental car companies operating at the Airport to provide conveniently located "ready car" spaces. 305 convenient spaces are located in our Daily Lot, 180 valet spaces and 1,979 additional parking spaces are available in a more remote economy parking lot located approximately 1,200 feet from the passenger terminal building.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

The airfield consists of a single runway in a northeast/southwest orientation, with associated parallel taxiways, an aircraft parking apron and an air cargo apron. The latest runway extension, completed in June of 1999 extended the runway to 11,001 feet making it possible for GSP to accommodate any aircraft currently in operation today. The runway is 11,001 feet long, 150 feet wide, and has paved shoulders that are 35 feet wide. The runway is lighted and is equipped with a Category IIIb Instrumental Landing System which accommodates precision approaches and departures. A traffic control tower and approach and departure control facilities are located at the Airport and manned by FAA personnel. In 1995 the National Weather Service built a new facility at the Airport which includes a Doppler radar system.

Two Federal Inspection Stations (FIS) consisting of Customs, Immigrations and Agriculture are located at GSP. The first FIS facility located under the south concourse is designed to handle 250 international passengers per hour. The second FIS location on the north cargo ramp is designed to handle cargo and corporate aircraft that require international clearance.

A 25-dock cargo facility is located south of the passenger terminal complex and currently serves operations for the various air cargo carriers (except FedEx and UPS) serving the Airport. An air cargo apron was constructed at the north end of the runway in 1995. The north end of the airport is home to a 120,000 square foot FedEx facility and a 5,700 square foot UPS facility.

## **Airport Master Plan**

In late 2016 a team consisting of McFarland-Johnson, AVCON, Woolpert, Arora Engineers, and Seamon Whiteside and Associates was selected to update and develop a new Airport Master Plan for GSP. On November 19, 2018, the GSP Commission adopted the final Greenville-Spartanburg International Airport Master Plan presented by McFarland Johnson.

The scope of work was:

1. Inventory of existing conditions:
  - a. Airport Facilities (airside and landside)
  - b. Aviation Activity
  - c. Environmental Issues
  - d. Land Use, Zoning, and Other Local & Regional Planning Studies
  - e. Roads and Ground Traffic
  - f. FAR Part 77 Obstructions (50:1)
  - g. Utilities
  - h. Sustainability Initiatives
2. Aviation Forecasts – Update forecasts for:
  - a. General Aviation Activity
  - b. Air Carrier Activity
  - c. Cargo Activity
  - d. Military Activity
3. Facility Requirements – Assess the ability of the existing airport, both airside and landside, to support the forecasted demand. Identify the demand levels that will trigger the need for facility additions or improvements and estimate the extent of new facilities that may be required to meet that demand including but not limited to building infrastructure, utilities and land assets.
4. Alternatives Development and Evaluation – Identify options to meet projected facility requirements and alternative configurations for each major component. Assess the expected performance of each alternative against a wide range of evaluation criteria, including its operational, environmental, and financial impacts. Based on this assessment provide recommended development alternatives and triggers for their implementation. Some alternatives will focus on enhancing/maximizing revenue producing opportunities. Alternatives will address short (5 year), medium (10 year) and long range (20 year) facility requirements.
5. Environmental Considerations – Determine the environmental requirements needed to move forward with each project in the recommended development program.
6. Airport Layout Plan – Provide full electronic and hardcopy Airport Layout Plans and a Narrative Report depicting the phased development plan in the near-term, medium-term and long-term development of GSP. This will include an eALP to reflect proposed development

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

identified in the study and reconciling GSP's "Exhibit A" property map. "Exhibit A" reconciliation will likely require survey work.

The ALP drawing set will be developed to include the compilation of an "as-built" ALP and a Preferred Alternative Geospatial Data compliant with the Federal Aviation Administration (FAA) Airports Geographic Information System (AGIS), for GSP's electronic ALP (eALP). All data shall be collected in accordance with AC 150/5300-16A, 17B, and 18B and will be submitted to the FAA Office of Airports, Airport Surveying-GIS Program.

7. Facilities Implementation Plan – Provide a description of the recommended improvements, estimated implementation triggers and costs to be used in the development of a capital improvement plan.
8. Financial Feasibility Analysis – Identify the financial plan for the capital improvement plan and the means by which the District can fund the projects recommended in the master plan. Demonstrate the financial feasibility of each project or program element.
9. Facility Condition Assessment -
  - a. An architectural/engineering assessment of existing facilities to determine remaining useful life, replacement value and anticipated capital improvements required during the study horizon of 20 years will be included.
  - b. Update airports Pavement Management Program (PMP) by conducting an airfield pavement evaluation that includes a system inventory and network definition, traffic analysis, functional evaluation, structural evaluation and rehabilitation recommendations.
10. Sustainability – The sustainability component of the Master Plan should focus on the environmental aspects of capital improvement projects, including their financing, design, construction, and operations, from a holistic policy level. Sustainability recommendations should be useful tools to guide, not constrain, decision-making.
11. Community Outreach/Stakeholder Input Facilitation – Since the long range development of GSP will have an impact on the surrounding community, opportunities for public involvement throughout the process will be part of this Project. A Master Plan Stakeholder / Technical Advisory Committee with broad representation will likely be formed to provide Master Plan input, facilitated by District staff in coordination with the Master Plan consultant. Typical input will be on a quarterly basis or other appropriate intervals/milestones as determined in the process. The District also anticipates conducting public outreach workshops periodically to communicate progress and gather feedback from a broader audience. Finally, the consultant will utilize innovative, digital tools, in addition to the [gspairport.com](http://gspairport.com) website, during the Master Plan study. The District encourages teams to submit creative ideas and solutions in order to garner effective public participation.

# AIRPORT LEVEL OF SERVICE AND OPERATIONAL HIGHLIGHTS

## Type and Size of Airport

GSP is considered an origin and destination airport, with almost 100% of its passenger traffic either originating or terminating their trip at the Airport. In calendar year 2018, GSP served over 2.3 million total passengers.

GSP is defined as a small hub airport under FAA enplanement criteria.

## Airline Service



Six airline brands provide regularly scheduled service to GSP including Allegiant, American, Delta, Frontier, Southwest, and United. In addition to mainline service provided by Allegiant, American, Delta, Frontier and Southwest, air service is also provided by regional affiliates on behalf of their major partners. Envoy, Piedmont, and PSA all operate as American Eagle. Endeavor, GoJet, and Skywest operate as Delta Connection. Air Wisconsin, Commutair, ExpressJet, Mesa, Republic, Skywest, and Trans States operate as United Express at the airport.

GSP has nine boarding gates in Concourse A and four in Concourse B. All 13 of these gates are designated as "common use" gates and are not assigned to specific carriers. At the discretion of the Airport District, each gate can be used by any carrier. This practice significantly increases the airport's flexibility at peak travel times and provides higher overall gate capacity for the facility.

## Greenville-Spartanburg Airport District 2020 Operating Budget

### Non-Stop Destinations

GSP offers nonstop service to 18 destinations and connecting service to hundreds of destinations worldwide. In June 2019, the following destinations will be served on a nonstop basis:

NON-STOP DESTINATIONS FROM GSP	
Carrier	Non-Stop Destination
Allegiant Air	Orlando/Sanford, Ft Lauderdale/Hollywood, Tampa/St. Petersburg
American Airlines	Charlotte, Chicago/O'Hare, Dallas/Ft. Worth, Miami, Philadelphia, Washington DC/Reagan
Delta	Atlanta, Detroit, New York/LaGuardia,
Southwest	Atlanta
United	Chicago/O'Hare, Denver, Houston/Intercontinental, New York/Newark, Washington DC/Dulles

*Source: GSP Website*

## **Location and Other Characteristics of Competing Regional Airports**

Within relatively easy driving distance of the Greenville-Spartanburg-Anderson CSA are a number of other commercial service airports. In fact, the Airport is located between two of the largest airline hub airports in the United States. Atlanta is the home of the nation's largest airline hub for Delta Air Lines. Charlotte is a hub for American Airlines. Other airports such as Columbia Metropolitan and Asheville Regional are reasonably close in distance, but neither is believed to be a serious competitor in the face of the extensive air service available in Atlanta and Charlotte. Key information on the four closest competing airport cities is provided below:

INFORMATION ON SURROUNDING REGIONAL AIRPORTS					
City	Highway Miles	Driving Time	Highway	FAA Hub Size	2016 Rank
Charlotte	69	1.26	Interstate 85	Large	10
Columbia	92	1.45	Interstate 26	Small	124
Asheville	63	1.05	Interstate 26	Small	127
Atlanta	173	2.45	Interstate 85	Large	1

*Source: FAA: [http://www.faa.gov/airports/planning\\_capacity/passenger\\_allcargo\\_stats/passenger/](http://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/)*

GSP's 2017 enplanement ranking was #88 (Source:

[http://www.faa.gov/airports/planning\\_capacity/passenger\\_allcargo\\_stats/passenger/](http://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/)).

Preliminary CY 2018 rankings are not available until July, 2019 from the FAA. Each of the above cities are linked to the Air Trade Area by interstate highways that make driving relatively easy. However, congestion on highways in and around Atlanta can hinder access at peak times.

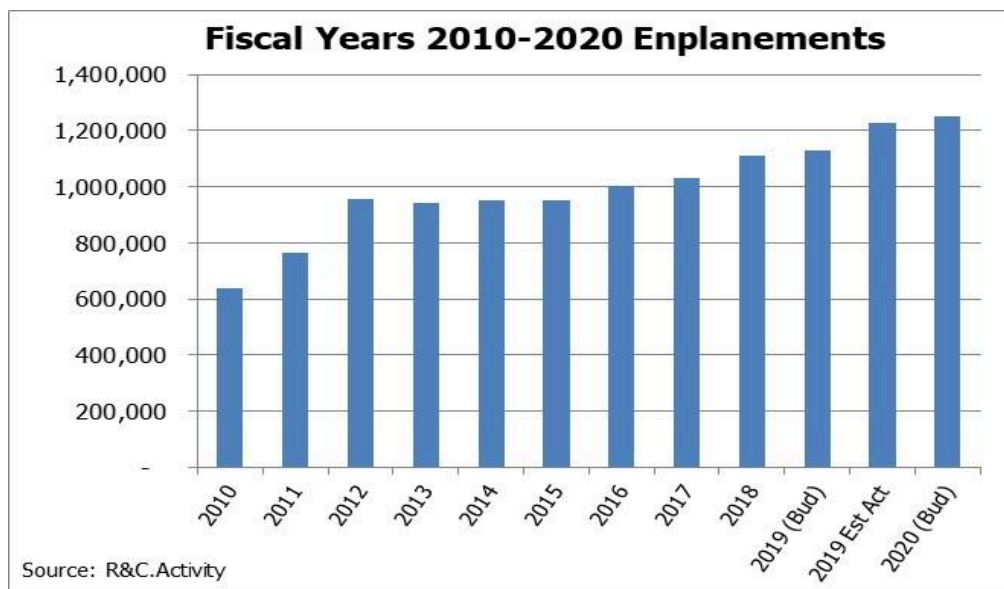
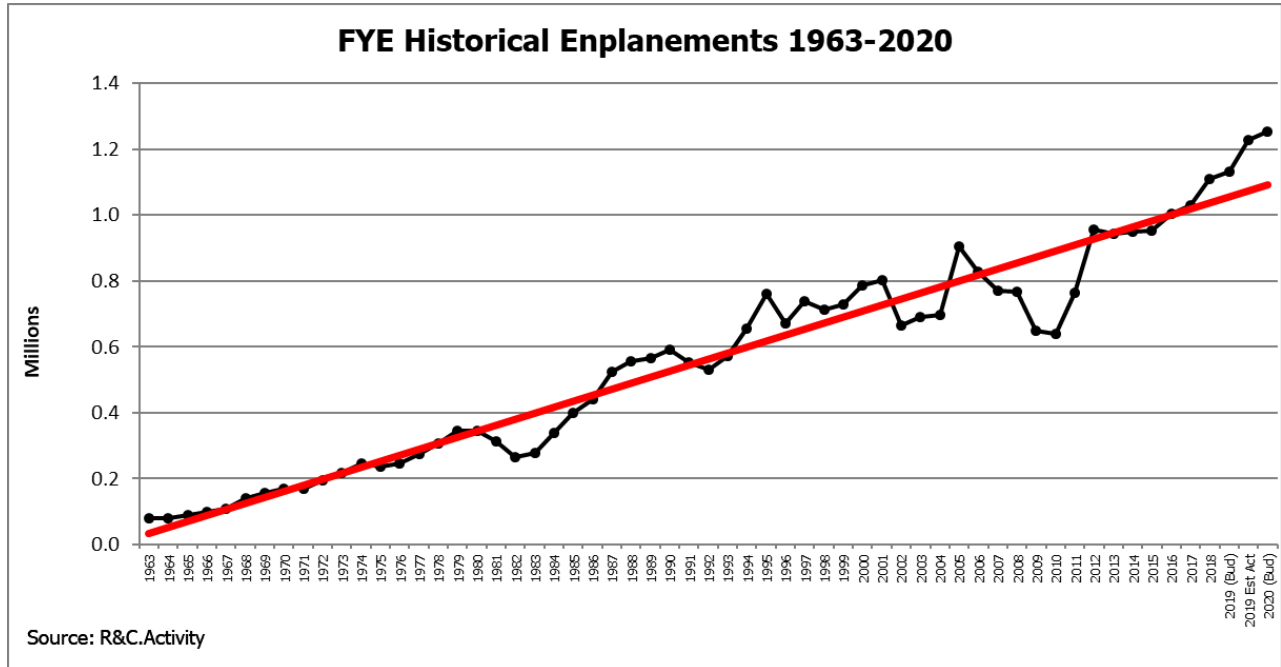
## **Enplanement Data (Graphical)**

Historically, GSP has seen annual enplaned passengers grow from 79,917 in 1963 to 1,108,429 in FYE 6-30-2018. Over this 55-year period, the number of annual passengers grew by 1,028,512 passengers. The average annual growth rate has been about 4.90 percent or an average of approximately 18,700 additional passengers per year. It took less than 6 years for passengers to double from 1963 to 1969. In the 10 years from 1969 to 1979, passengers doubled again, but it took approximately 15 more years for passenger volumes to again double. Since about 1990, passenger volumes have seen a relatively steep annual change. The all-time peak year was last fiscal year ended 6-30-2018 with 1,108,429 enplanements.

A graph of 55 years of enplaned passengers (1963-2018) shows a long-term record of increase as presented below. Placing a linear trend line on the graph presents an interesting pattern of activity. From 1963 to 1979, the trend line follows a steady increase in enplaned passengers. From 1979 to about 1995, the same rate of increase continues, but with more variation among the years. After 1995, the number of annual passengers has shown much higher variation.

## Greenville-Spartanburg Airport District 2020 Operating Budget

Over the entire period, the trend line indicates a 4.90% average annual growth rate, but the very stable growth of the first few decades has been eclipsed by much more volatile growth hence.



## Greenville-Spartanburg Airport District 2020 Operating Budget

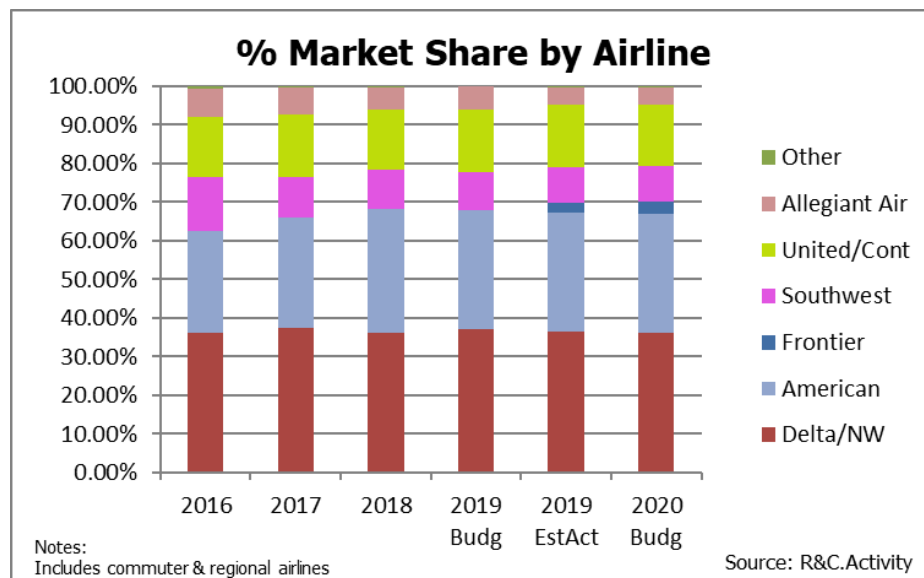
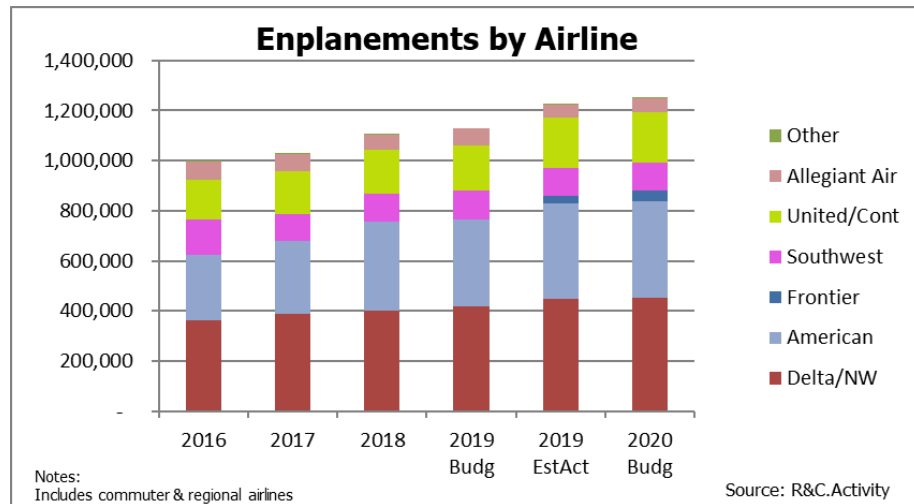
### Historical Enplanement Data by Year

FYE	Enplane	Deplane
1963	79,917	79,917
1964	80,000	80,000
1965	90,000	90,000
1966	100,000	100,000
1967	108,459	104,460
1968	140,506	135,742
1969	156,907	151,790
1970	170,799	165,272
1971	170,557	165,454
1972	195,036	186,197
1973	218,848	211,826
1974	246,141	242,700
1975	236,450	234,382
1976	246,845	250,045
1977	276,590	276,633
1978	305,595	305,709
1979	344,485	339,576
1980	344,410	348,305
1981	312,704	319,207
1982	265,020	259,428
1983	279,053	281,932
1984	339,961	341,879
1985	398,134	397,799
1986	440,433	435,089
1987	524,376	519,500
1988	557,673	550,370
1989	566,233	561,153
1990	590,279	580,866
1991	554,026	546,751
1992	531,593	526,009
1993	573,878	570,490
1994	655,135	660,597
1995	760,918	777,602
1996	669,825	649,015
1997	739,584	729,392
1998	712,733	702,984
1999	728,735	723,793
2000	786,087	776,074
2001	802,132	789,070
2002	665,458	656,589
2003	690,038	680,112
2004	697,698	693,335
2005	903,503	892,288
2006	828,639	813,521
2007	770,406	757,206
2008	768,162	758,917
2009	648,657	643,872
2010	639,646	630,072
2011	764,626	748,288
2012	955,821	941,945
2013	942,465	934,612
2014	950,205	938,887
2015	951,148	939,341
2016	1,002,355	991,986
2017	1,030,956	1,013,073
2018	1,108,429	1,091,881
2019 (Bud)	1,130,160	1,130,160
2019 Est Act	1,228,500	1,228,500
2020 (Bud)	1,253,000	1,253,000

*Note: 2019 estimated actual of 1,228,500 is based upon 883,433 enplanements for 9 months FYTD thru 3/31/2019 annualized.*

## Greenville-Spartanburg Airport District 2020 Operating Budget

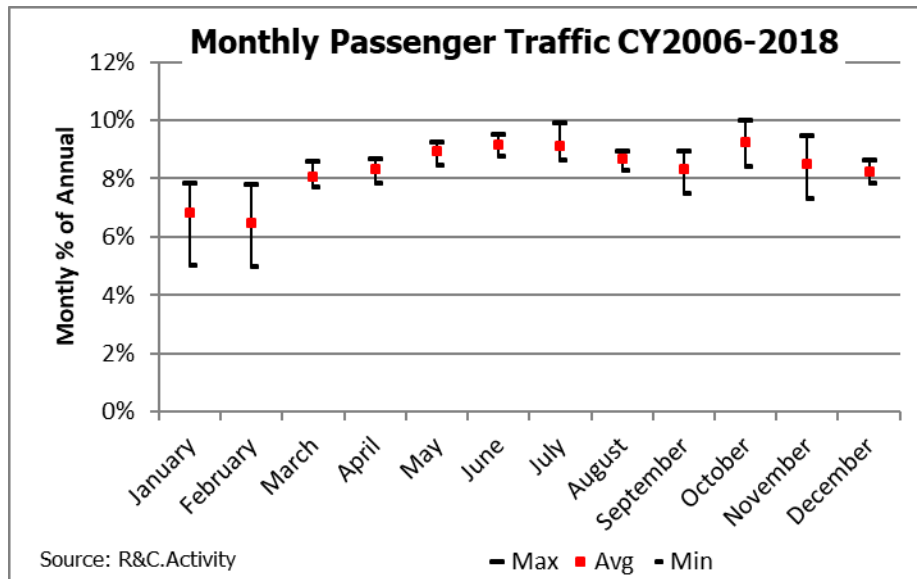
### Enplanements by Airline & Market Share Considerations



## Monthly and Other Seasonal Trends

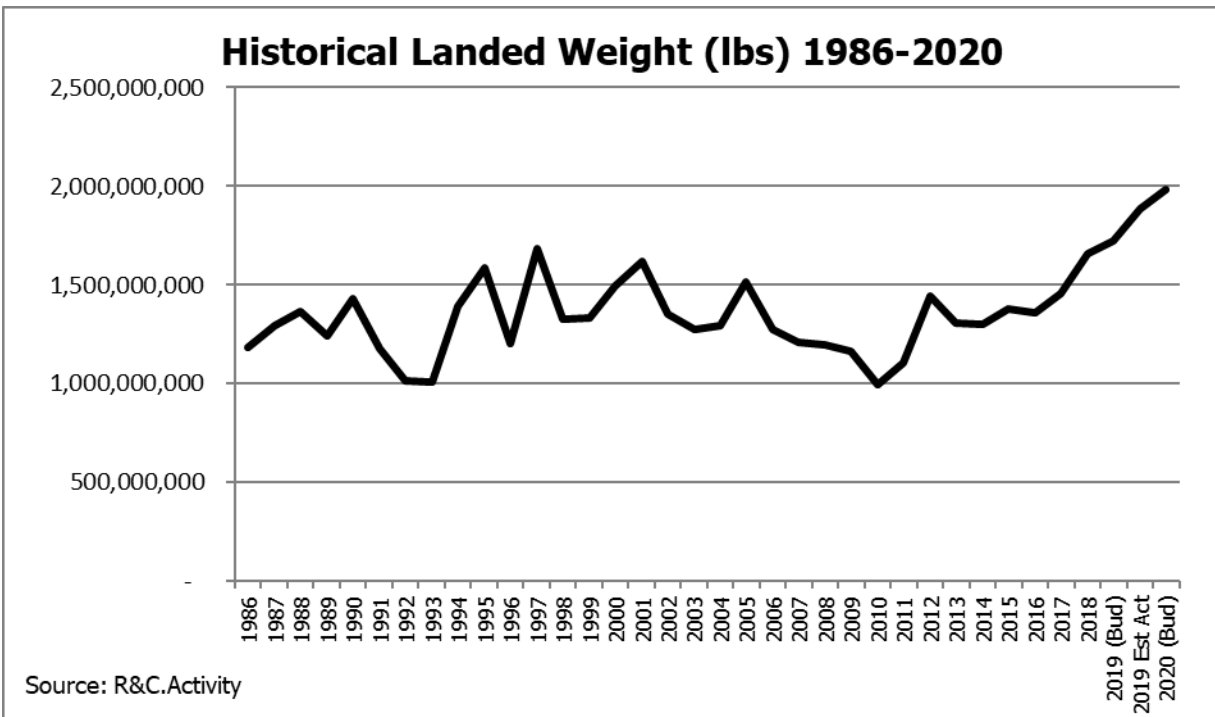
Traffic seasonality at GSP is analyzed in the graph depicted below. Enplanements were mapped out by month for each calendar year from 2006 to 2018. The individual monthly data points were then converted to a % of the annual totals. Minimum %s, Maximum %s, and Average %s for each month between the twelve (12) year period of 2006 and 2018 were calculated and graphed. As can be seen below, the passenger traffic at the Airport is relatively stable for each month ranging from a low of 5% (Jan & Feb) to a high of 10% (July). This similar monthly activity is typically the sign of a business-type market, rather than a leisure destination.

Traffic in January and February appears to have the greatest variability, from 5% (of annual traffic) to a high of nearly 8%. These two months also appear to be the slowest months for the Airport. Likewise, for most other airports, January and February are typically the slowest months. All of the other months appear to have less volatility for GSP. The months of March thru June and August appear to have the smallest range, thereby being the most predictable. The highest travel months for the Airport are generally the early summer (June and July) and October.



## Greenville-Spartanburg Airport District 2020 Operating Budget

### Landed Weight Data (Graphical)



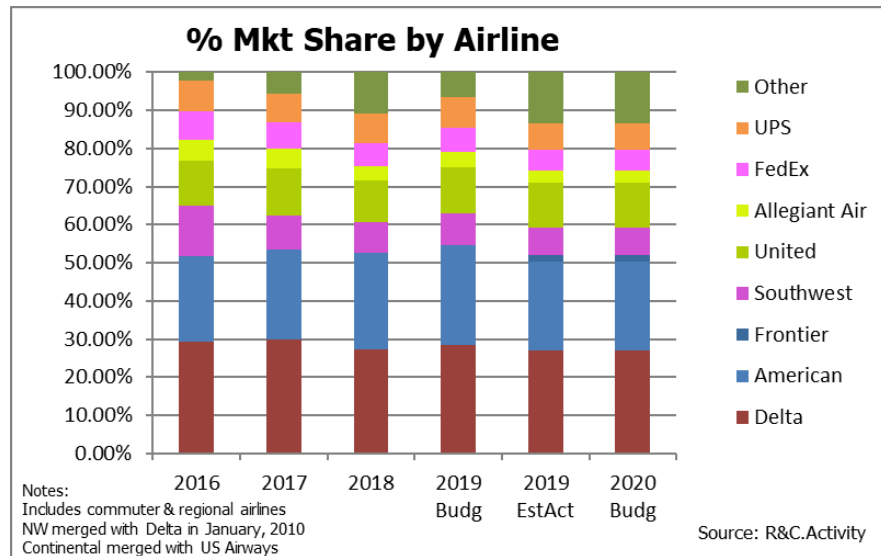
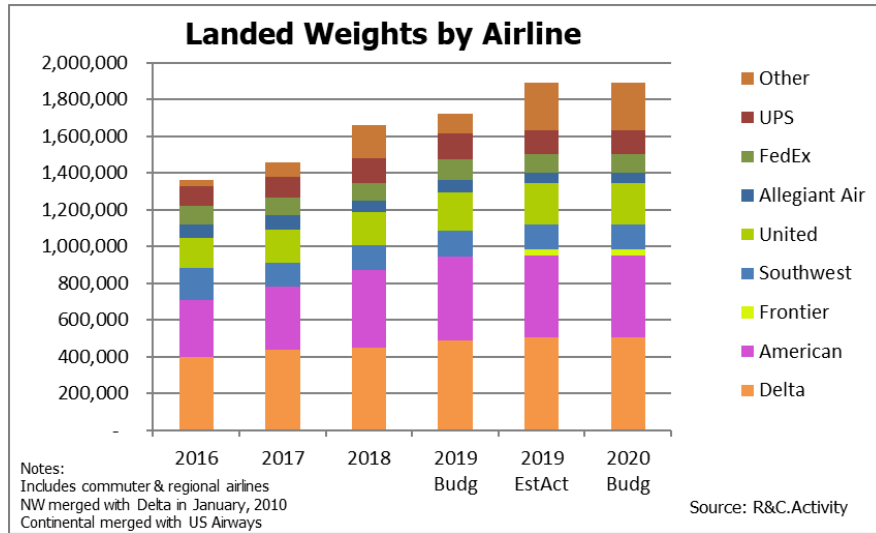
## Greenville-Spartanburg Airport District 2020 Operating Budget

### Landed Weight Data by Year

	<b>Weight</b>
1986	1,182,961,382
1987	1,292,634,800
1988	1,367,914,740
1989	1,241,637,636
1990	1,428,016,050
1991	1,179,112,568
1992	1,016,935,000
1993	1,008,719,000
1994	1,394,681,000
1995	1,587,442,000
1996	1,203,702,000
1997	1,683,104,000
1998	1,325,934,000
1999	1,336,036,000
2000	1,498,861,263
2001	1,621,806,693
2002	1,353,776,313
2003	1,273,519,843
2004	1,291,662,988
2005	1,518,116,610
2006	1,276,853,350
2007	1,207,076,532
2008	1,194,123,669
2009	1,165,584,331
2010	993,235,097
2011	1,103,979,730
2012	1,446,449,155
2013	1,309,815,460
2014	1,299,669,345
2015	1,378,674,345
2016	1,361,355,148
2017	1,459,505,814
2018	1,657,666,368
2019 (Bud)	1,723,968,831
2019 Est Act	1,888,923,497
2020 (Bud)	1,983,369,672

## Greenville-Spartanburg Airport District 2020 Operating Budget

### Landed Weights by Airline & Market Share Considerations



## GLOSSARY OF TERMS AND ABBREVIATIONS

Accrual Basis - Basis of accounting which attempts to record financial transactions in the period they actually occur rather than the period paid or received.

AIP – The Airport Improvement Program (AIP) provides grants to public agencies — and, in some cases, to private owners and entities -- for the planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems (NPIAS).

Aircraft Operation - Considered either a landing or take-off of an aircraft.

Airfield Operations Area (AOA) - Generally considered the restricted area within the security fence surrounding an airport which is reserves for aircraft and related operations. This includes the landing area and ramp area, and other facilities supporting the activity of military, general aviation and commercial aircraft.

"Airfield Area Credits" are those reimbursements and credits as are allocated and applied against the Airfield Area Operating Requirement for any Fiscal Year in calculating the Net Airfield Area Operating Requirement in the calculation of the Landing Fee Rate under this Policy, as illustrated on Table 8LF of Attachment B of this Policy.

"Airlines" are each Airline providing regularly scheduled passenger service to and from the Airport and using the Airport Terminal Building to enplane and deplane passengers.

Airfield Revenues – Also known as "Landing Area" revenues which include landing fees, aircraft parking/ramp fees, FBO 3% fees, and flowage fees.

"Airlines' Revenue Landed Weight" is for the applicable Fiscal Year the sum of the products determined by multiplying each Revenue Aircraft Arrival by each of the Airlines by the applicable Certified Maximum Gross Landed Weight of the aircraft making said Revenue Aircraft Arrival.

Airline Use Permit (Agreement) - An agreement with one or more airlines setting forth the rights of the airlines for their use of the airport and the rates and charges they will pay.

Airline Revenues - Landing fee revenues, loading bridge revenues, apron fees, and terminal rental revenues.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

"Airport Operating Requirement" under this Policy, for any Fiscal Year, is comprised of all the following: (1) Operation and Maintenance Expenses; (2) Depreciation; (3) Amortization; (4) Debt Service; (5) coverage required on any Bonds; (6) fund deposits required under any Bond Ordinance; (7) the net amount of any judgment or settlement arising out of or as a result of the ownership, operation or maintenance of the Airport payable by the District during any Fiscal Year. This amount would include, but not be limited to, the amount of any such judgment or settlement arising out of or as a result of any claim, action, proceeding or suit alleging a taking of property or an interest in property without just or adequate compensation, trespass, nuisance, property damage, personal injury or any other claim, action, proceeding or suit based upon or relative to the environmental impact resulting from the use of the Airport for the landing and taking off of aircraft; (8) any and all other sums, amounts, charges or requirements of the Airport to be recovered, charged, set aside, expensed or accounted for during any Fiscal Year under this Policy, or the District's accounting system.

Airport Revenue Bonds - Bonds payable from Airport revenues which do not pledge the full faith and credit of the issuer.

Airport Security Plan (ASP) – A federal requirement for security at the Airport.

"Amortization" is the amount determined by dividing the net cost of each Airport non-depreciating asset by an imputed estimated life for the asset as determined by the District.

"Apron Charge" is that charge calculated to recoup Materials, Labor, Utilities, and any and all other costs used to maintain the Aprons. The total is divided by the 13 gates to arrive at an apron cost per gate which is then included in the "Per-Turn" calculation.

Apron - A section of the ramp area closest to the terminal building used for parking of aircraft and support vehicles used for loading and unloading of aircraft.

ARFF - Airport Rescue and Fire Fighting, the on-airport unit responsible for airfield emergencies and firefighting.

Automated External Defibrillation (AED) - A portable automatic device used to restore normal heart rhythm to people who are in cardiac arrest.

"Bond Ordinance" under this Policy is any ordinance, resolution or indenture authorizing the issuance of Bonds for or on behalf of the Airport or District, including all amendments and supplements to such ordinances, resolutions and indentures.

"Bonds" are all debt obligations issued for or on behalf of the Airport or the District subsequent to July 1, 2000.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

Cargo - Anything other than passengers, carried for hire, including both mail and freight.

Capital Improvement Program (CIP) - A five year program for regularly undertaking improvements to maintain or revitalize the infrastructure and facilities of the airport. The program serves as a basis for determining funding requirements and other operational planning decisions.

COLA - Cost of living adjustment

Concessionaire - A person or company having a lease, contract or operating permit arrangement with the District entitling them to do business on the airport.

Concession Revenue - One of seven operating revenue categories which include advertising, food & beverage, pay phone, rental car, retail, and tele-trip insurance.

Cost Centers - Functional areas or activities of the Airport grouped together for the purpose of accounting for expenses.

Cost Per Enplanement (CPE) - A unit of measurement used to present the airlines' cost of each enplaned passenger. The total airline revenues paid to the airport are divided by the number of passenger enplanements to calculate the cost per enplanement.

Debt Service - The amount required for the accrual and payment of principal, interest, and premiums, if any, and other fees and amounts associated with all series of Bonds and Indebtedness, as set forth in any Resolution(s) or other financing documents(s) of the District.

Debt Service Coverage - An amount equal to Airport Net Revenues divided by Net Debt Service, which are typically expressed as a ratio. The Airport's master bond covenants require a debt service coverage ratio of 1.25.

Debt Service Reserve Fund - Any fund(s) established by the District for monies necessary to satisfy any Debt Service Reserve Requirement established in any Resolution(s) or other financing document(s) of the District generally equal to the highest annual amount due in any of the remaining years of the debt issue.

Debt Service Reserve Requirement - Requirement, if any, for the Debt Service.

Deplanement - A passenger departing an aircraft at the Airport.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

"Depreciation" is the amount which is the net cost of any Airport asset, except a non-depreciating asset, divided by its estimated useful life as determined by the District.

Disadvantaged Business Enterprise Program (DBE) – Program required by Congress as a condition of receiving federal funds.

Enplanement - A paid passenger boarding an aircraft at the Airport.

Federal Aviation Administration (FAA) - The government agency responsible for air safety and operation of the air traffic control system.

FAA Regulation 139 - This regulation establishes the requirement for airports servicing scheduled air carrier operations in aircraft with 10–30 seats and provides airport certification status, class and ARFF Index to assist air carriers.

FAA Regulation Part 150 - This regulation establishes a uniform nationwide system of describing aircraft noise and noise exposure on different communities, describes land- use compatibility for the guidance of local communities, and provides technical assistance to airport operators and other governmental agencies to prepare and execute noise compatibility planning.

Federal Inspection Station Facility (FIS) - The facility used as the Federal Inspection Station for United States Customs and Immigration.

"Fiscal Year" is July 1<sup>st</sup> of any calendar year through June 30<sup>th</sup> of the next succeeding calendar year, or such other fiscal year as District may subsequently adopt for the Airport.

Fixed Base Operator (FBO) - A fixed based operator provides aircraft fueling, deicing and maintenance for the general aviation customers.

FBO Revenue - One of four landing area revenue categories which include the Airport's share of sale of fuel for aircrafts, landing fees for the general aviation population, deicing of aircrafts, and other miscellaneous fees for the general aviation population.

Fuel Farm - Operated by the FBO and used to store fuel for the airlines and retail general aviation sales.

GAAP - General Accepted Accounting Principles are uniform minimum standards and guidelines for accounting and financial statement reporting.

GASB - Governmental Accounting Standards Board, the body responsible for establishing GAAP for governmental entities, of which the District is one.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

"Grants-in-Aid" are the grant funds from the Federal Airport Improvement Program (AIP), any successor Federal program to AIP, the funds from the State of South Carolina Department of Transportation made available to District to be used for Airport capital projects, and funds from any other essentially similar capital funding programs made available to the District to be used for Airport capital projects.

Ground Transportation Revenues - One of seven operating revenue categories which includes access fees from limousines, hotels/motels, taxis, and off airport parking facilities.

Incident Command System (ICS) - A federally recognized program to deal with emergencies.

Into-plane Fees – Revenue generated based on fuel pumped for the commercial airlines.

Landing Fee Revenues - Revenues collected from commercial aircraft landings.

LIBOR – A benchmark interest rate upon which many transactions are based. Obligations of parties to such transactions are typically expressed as a spread to LIBOR. The term is an acronym for "London Inter-Bank Offered Rate."

Loading Bridge - Equipment used to board and deplane passengers between the terminal building and the aircraft, which are also known as "jetways".

Maximum Gross Landed Weight (MGLW) - Actual gross weight of a particular plane. The weights for all aircraft are published by the FAA.

NATA Safety Management System (SMS) - SMS is a systematic, comprehensive program for the management of safety risks. The program integrates operations and technical systems with financial and human resource management for all activities related to aircraft ground operations.

National Air Transportation Association (NATA) - Organization that promotes safety and the success of aviation service businesses through its advocacy efforts before government, the media and the public as well as providing valuable programs and forums to further its members prosperity.

National Plan of Integrated Airport Systems (NPIAS) - The National Plan of Integrated Airport Systems (NPIAS) identifies nearly 3,400 existing and proposed airports that are significant to national air transportation and thus eligible to receive Federal grants under the Airport Improvement Program (AIP). It also includes estimates of the amount of AIP money needed to fund infrastructure development projects that will bring these airports up to current design standards and add capacity to congested airports. The FAA is required to provide Congress with a 5-year estimate of AIP eligible development every 2 years.

## **Greenville-Spartanburg Airport District 2020 Operating Budget**

Non-Capital Equipment - Equipment, under \$10,000, not covered under the Capital Improvement Program, included within the operating budget.

Operating Expenses – Controllable expenses broken down into the following ten (10) categories:

1. Salaries & Benefits
2. Professional Services
3. Promotional Activities
4. Administrative
5. Insurance
6. Contractual Services
7. Rentals & leases
8. Repairs & Maintenance
9. Supplies & Equipment
10. Utilities

Operating Revenue - Revenues which are generated from the daily operations of the airport which includes the revenues from the following seven (7) categories:

1. Landing Area,
2. Space & Ground Rentals,
3. Auto Parking,
4. Commercial Ground Transportation,
5. Concessions,
6. Expense Reimbursements, and
7. Other Income categories.

PAF– Public Airfield

Passenger Facility Charges (PFC) - Pursuant to 14 CFR 158 ("Part 158"), airport sponsors may apply to the FAA for authorization to impose a fee on every enplaning revenue passenger ("Passenger Facility Charge" or "PFC") at the sponsored airport and to use the revenues derived from any such PFC to pay the allowable costs of PFC eligible airport investments/improvement projects. The level of PFC which may be charged can vary from \$1.00, \$2.00, \$3.00, or \$4.50 depending upon the authorization requested by the sponsor and approved by the FAA.

"Passenger Loading Bridges (PLBs)" means the mechanical covered walkways leading from the Hold rooms at the Airport Terminal Building to aircraft parking positions on the Terminal Apron.

"Passenger-Related Security Fee" are those LEO (Law Enforcement Officer) related fees allocated to the Airlines, net of TSA reimbursements, which are included as a component of the "Per-Turn" calculation.

## Greenville-Spartanburg Airport District 2020 Operating Budget

"Per-Turn", also known as (aka) a "Apron-Turn" generally means an arrival and the related departure at the Terminal Building by an aircraft using the Terminal Apron. Per-Turns can be segregated into the following types:

- "Full-Turn" – an arrival and a departure, both with passengers, fully costed out
- "Modified Full-Turn" – same as a "Full-Turn", but excluding use of ticket counters and ticket ques, which are directly charged to the Airline
- "Gate Only" Per-Turn – a per-turn rate costed out gate & apron use elements only
- "Departure Turn" aka "Ferry In, Live Out" aka "Outbound Turn" – a per-turn rate costed out for deplaning charters
- "Arrival Turn" aka "Live In, Ferry Out" aka "Inbound Turn" – a per-turn rate costed out for arriving charters

RAC – Rental Car

Revenue Per Enplanement (RPE) - A unit of measurement calculated by taking certain airport revenues divided by the number of enplanements.

Salaries & Benefits - One of the main expense categories which includes all wages, salaries and benefits.

Supplies and Equipment Expense - One of the main expense categories which include materials and supplies purchased for airfield, ARFF, FBO, buildings, grounds, and vehicles and equipment.

TIP - Terminal Improvement Program, the long range plan for improving, renovating, and modernizing the Airport passenger terminal.

Transportation Security Agency (TSA) – The Department of Homeland Security responsible for protecting the Nation's transportation systems (including airports) to ensure freedom of movement for people and commerce.



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## **MEMORANDUM**

TO: Members of the Airport Commission

FROM: Basil Dosunmu Senior Vice President – Administration and Finance/CFO

DATE: May 28, 2019

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### **ITEM DESCRIPTION – New Business Item B**

Approval to Implement a Passenger Facility Charge (PFC) Program

### **BACKGROUND**

At the Commission meeting held on November 19, 2018, the Commission adopted the final Greenville-Spartanburg International Airport (GSP) Master Plan presented by McFarland Johnson. The Airport Master Plan includes projects and associated costs for Phase I (0-5 years - \$153.6 million). The Airport Master Plan financial proforma references and includes PFC funding needed to fund airport infrastructure improvement projects. In 5 years, \$20.4 million in non-operating revenues will be generated from the PFC program if it is implemented at a \$4.50 level.

The Federal Aviation Administration (FAA) permits PFC revenues to be used for airport infrastructure improvement projects that enhance and preserve capacity, safety, security, furnish opportunities to enhance airline competition, and reduce noise or mitigate noise impacts.

The use of PFC revenue to fund certain eligible projects will reduce the District's dependence on debt to complete the recommended capital projects. The PFC revenue will be used on a pay-as-you go basis.

### **ISSUES**

Staff requires approval of the Airport Commission to begin the process of implementing a \$4.50 PFC at GSP.



## **ALTERNATIVES**

There are no alternatives recommended at this time. The PFC is the most cost-effective financing method for GSP's required capital improvement program.

## **FISCAL IMPACT**

Receipt of additional \$20.4 million in non-operating revenues over 5 years.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Commission resolve to (1) approve the implementation of a Passenger Facility Charge (PFC) Program at a \$4.50 level; and (2) authorize the President/CEO to execute all necessary documents.



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## **MEMORANDUM**

TO: Members of the Airport Commission

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

DATE: May 28, 2019

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### **ITEM DESCRIPTION - New Business Item C**

Approval of a Budget Amendment for the Cargo Apron Project

### **BACKGROUND**

The Cargo Apron Project designed by WK Dickson and currently under construction with McCarthy Improvement (MCI) includes the construction of a new cargo apron and associated connector taxiway to serve the new Air Cargo facility currently under construction by Haskell. The original construction phase budget for the project of \$16,636,704.48 was approved on March 19, 2018. The construction phase budget was increased by \$1,610,145.32 on September 10, 2018 to incorporate the addition of Phase 1A apron and for unforeseen rock as well as some additional site utilities.

### **ISSUES**

The District and MCI participated in mediation to amicably resolve a dispute regarding the project specifications covering embankment in place, rock excavation and associated unit prices. The mediation settlement dated February 8, 2019 included a change order for \$345,000 to satisfy all previous claims for rock excavation and crushing and amended the unit prices for any additional rock excavation and crushing.

The original contract completion date was February 7, 2019. The mediation settlement adjusted the contract completion time for the full project to July 23, 2019, inclusive of 40 anticipated weather days between February 1 and July 31, 2019. The current estimated project completion date is September 1, 2019 which is dependent on future weather.



WK Dickson's original work authorization for CA/RPR services was based on the original project schedule. An amendment is necessary to cover WK Dickson's services for the extended construction period.

## **ALTERNATIVES**

There are no alternatives recommended at this time.

## **FISCAL IMPACT**

The current approved project budget is \$18,246,849.80 and is partially funded with a combination of AIP entitlement and discretionary funds under two AIP grant agreements totaling \$17,531,885. The current District share is \$714,964.80.

Based on the mediation settlement, extended CA/RPR services and projections of various quantity overruns and remaining additional project costs including rock excavation, etc., the project team estimates \$1,194,620 of costs over the currently approved construction phase budget. Including a 5% contingency brings the necessary budget amendment to an increase of \$1,250,000.00.

The cost overruns and extended CA/RPR services are considered AIP eligible and the District will be applying for a grant amendment to cover 90% of these costs upon close out of the cargo apron project. If the additional costs are covered at 90% with AIP funds, the District's share would be approximately \$125,000.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Commission resolve to (1) approve a project budget increase of \$1,250,000 for the Cargo Apron Project; and (2) authorize the President/CEO to execute all necessary documents.



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## MEMORANDUM

TO: Members of the Airport Commission

FROM: David Edwards, President/CEO

DATE: May 28, 2019

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### ITEM DESCRIPTION – Information Section Item A

March 2019 - Traffic Report

### SUMMARY

For March 2019, passenger traffic was strong with a **15.5%** increase over the same month in 2018. Cargo numbers for March 2019 were up slightly at **1.4%** for the same period. Passenger load factors were down at an average of **77%**.

A comparison of the North America National Passenger Traffic Growth Averages for 2019 to GSP's Passenger Traffic Growth is depicted below:

<b>Month</b>	<b>GSP</b>	<b>National Average</b>	<b>Difference</b>
Jan	16.80%	4.20%	12.60%
Feb	15.80%	2.40%	13.40%
Mar	15.50%	Not Available to Date	
April			
May			
June			
July			
August			
September			
October			
November			
December			
<b>Average</b>	<b>16.03%</b>	<b>3.30%</b>	<b>12.73%</b>

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

Providing a look forward into the service levels for June 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 21.2%, and seats are up at 27.3%.

**Schedule Weekly Summary Report for nonstop Passenger (Air - All) flights from GSP to for travel June 2019 vs. June 2018**

<i>All flights, seats, and ASMs given are per week.</i>												
Travel Period				Jun 2019		Jun 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	62	4,470	53	3,521	9	949	17.0%	27.0%	
AA	GSP	DCA	396	24	1,365	18	978	6	387	33.3%	39.6%	
AA	GSP	DFW	862	20	2,696	14	2,240	6	456	42.9%	20.4%	
AA	GSP	MIA	638	14	700	0	0	14	700			
AA	GSP	ORD	577	20	1,240	20	1,120	0	120	0.0%	10.7%	
AA	GSP	PHL	514	21	1,442	20	1,260	1	182	5.0%	14.4%	
DL	GSP	ATL	153	59	7,839	54	6,519	5	1,320	9.3%	20.2%	
DL	GSP	DTW	508	20	1,758	20	1,756	0	2	0.0%	0.1%	
DL	GSP	LGA	610	17	1,292	7	532	10	760	142.9%	142.9%	
F9	GSP	DEN	1,278	4	744	0	0	4	744			
F9	GSP	LAS	1,851	2	372	0	0	2	372			
F9	GSP	MCO	449	2	372	0	0	2	372			
G4	GSP	FLL	620	3	531	3	531	0	0	0.0%	0.0%	
G4	GSP	PIE	482	3	468	3	510	0	(42)	0.0%	(8.2%)	
G4	GSP	SFB	426	3	489	3	531	0	(42)	0.0%	(7.9%)	
UA	GSP	DEN	1,278	7	532	0	0	7	532			
UA	GSP	EWR	594	21	1,102	20	1,000	1	102	5.0%	10.2%	
UA	GSP	IAD	383	21	1,232	22	1,120	(1)	112	(4.5%)	10.0%	
UA	GSP	IAH	838	14	1,022	14	840	0	182	0.0%	21.7%	
UA	GSP	ORD	577	21	1,050	21	1,050	0	0	0.0%	0.0%	
WN	GSP	ATL	153	20	2,860	20	2,860	0	0	0.0%	0.0%	
			TOTAL	378	33,576	312	26,368	66	7,208	21.2%	27.3%	

Attachment

# Monthly Traffic Report

## Greenville-Spartanburg International Airport

### March 2019



Category	Mar 2019	Mar 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change	*MOV12-2019	*MOV12-2018	Percentage Change
<b>Passenger Traffic</b>									
Enplaned	103,603	90,110	15.0%	278,734	240,768	15.8%	1,204,422	1,092,715	10.2%
Deplaned	<u>104,195</u>	<u>89,787</u>	16.0%	<u>277,743</u>	<u>238,907</u>	16.3%	<u>1,190,364</u>	<u>1,072,249</u>	11.0%
<b>Total</b>	<b>207,798</b>	<b>179,897</b>	<b>15.5%</b>	<b>556,477</b>	<b>479,675</b>	<b>16.0%</b>	<b>2,394,786</b>	<b>2,164,964</b>	<b>10.6%</b>
<b>Cargo Traffic (Pounds)</b>									
<b>Express and Mail</b>									
Enplaned	871,247	930,372	-6.4%	2,539,656	2,660,807	-4.6%	11,107,371	12,240,386	-9.3%
Deplaned	<u>920,894</u>	<u>927,611</u>	-0.7%	<u>2,447,862</u>	<u>2,793,198</u>	-12.4%	<u>11,191,615</u>	<u>12,051,740</u>	-7.1%
<b>Subtotal</b>	<b>1,792,141</b>	<b>1,857,983</b>	<b>-3.5%</b>	<b>4,987,518</b>	<b>5,454,005</b>	<b>-8.6%</b>	<b>22,298,986</b>	<b>24,292,126</b>	<b>-8.2%</b>
<b>Freight</b>									
Enplaned	3,497,483	3,288,838	6.3%	8,660,014	7,744,041	11.8%	38,365,916	32,424,663	18.3%
Deplaned	<u>6,183,050</u>	<u>6,168,591</u>	0.2%	<u>15,038,138</u>	<u>14,853,888</u>	1.2%	<u>58,945,432</u>	<u>49,095,701</u>	20.1%
<b>Subtotal</b>	<b>9,680,533</b>	<b>9,457,429</b>	<b>2.4%</b>	<b>23,698,152</b>	<b>22,597,929</b>	<b>4.9%</b>	<b>97,311,348</b>	<b>81,520,364</b>	<b>19.4%</b>
<b>Total</b>	<b>11,472,674</b>	<b>11,315,412</b>	<b>1.4%</b>	<b>28,685,670</b>	<b>28,051,934</b>	<b>2.3%</b>	<b>119,610,334</b>	<b>105,812,717</b>	<b>13.0%</b>

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

# Monthly Traffic Report

## Greenville-Spartanburg International Airport

### March 2019



Category	Mar 2019	Mar 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change	*MOV12-2019	*MOV12-2018	Percentage Change
<b>Aircraft Operations</b>									
Airlines	2,212	1,659	33.3%	6,349	5,069	25.3%	25,429	21,409	18.8%
Commuter /Air Taxi	<u>1,096</u>	<u>1,299</u>	-15.6%	2,961	3,263	-9.3%	12,774	14,426	-11.5%
<b>Subtotal</b>	<u>3,308</u>	<u>2,958</u>	11.8%	<u>9,310</u>	<u>8,332</u>	11.7%	<u>38,203</u>	<u>35,835</u>	6.6%
General Aviation	803	703	14.2%	2,186	2,028	7.8%	10,435	8,428	23.8%
Military	<u>289</u>	<u>194</u>	49.0%	<u>582</u>	<u>525</u>	10.9%	<u>2,621</u>	<u>1,920</u>	36.5%
<b>Subtotal</b>	<u>1,092</u>	<u>897</u>	21.7%	<u>2,768</u>	<u>2,553</u>	8.4%	<u>13,056</u>	<u>10,348</u>	26.2%
<b>Total</b>	<b>4,400</b>	<b>3,855</b>	<b>14.1%</b>	<b>12,078</b>	<b>10,885</b>	<b>11.0%</b>	<b>51,259</b>	<b>46,183</b>	<b>11.0%</b>
<b>Fuel Gallons</b>									
100LL	1,889	3,515	-46.3%	5,523	6,898	-19.9%	34,008	36,344	-6.4%
Jet A (GA)	142,896	91,818	55.6%	347,906	254,052	36.9%	1,530,422	1,051,438	45.6%
<b>Subtotal</b>	<u>144,785</u>	<u>95,333</u>	51.9%	<u>353,429</u>	<u>260,950</u>	35.4%	<u>1,564,430</u>	<u>1,087,782</u>	43.8%
Jet A (A/L)	<u>1,394,631</u>	<u>1,359,494</u>	2.6%	<u>4,284,953</u>	<u>3,699,803</u>	15.8%	<u>18,190,155</u>	<u>13,879,438</u>	31.1%
<b>Total</b>	<b>1,539,416</b>	<b>1,454,827</b>	<b>5.8%</b>	<b>4,638,382</b>	<b>3,960,753</b>	<b>17.1%</b>	<b>19,754,585</b>	<b>14,967,220</b>	<b>32.0%</b>

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

# Scheduled Airline Enplanements, Seats, and Load Factors

## Greenville-Spartanburg International Airport



March 2019

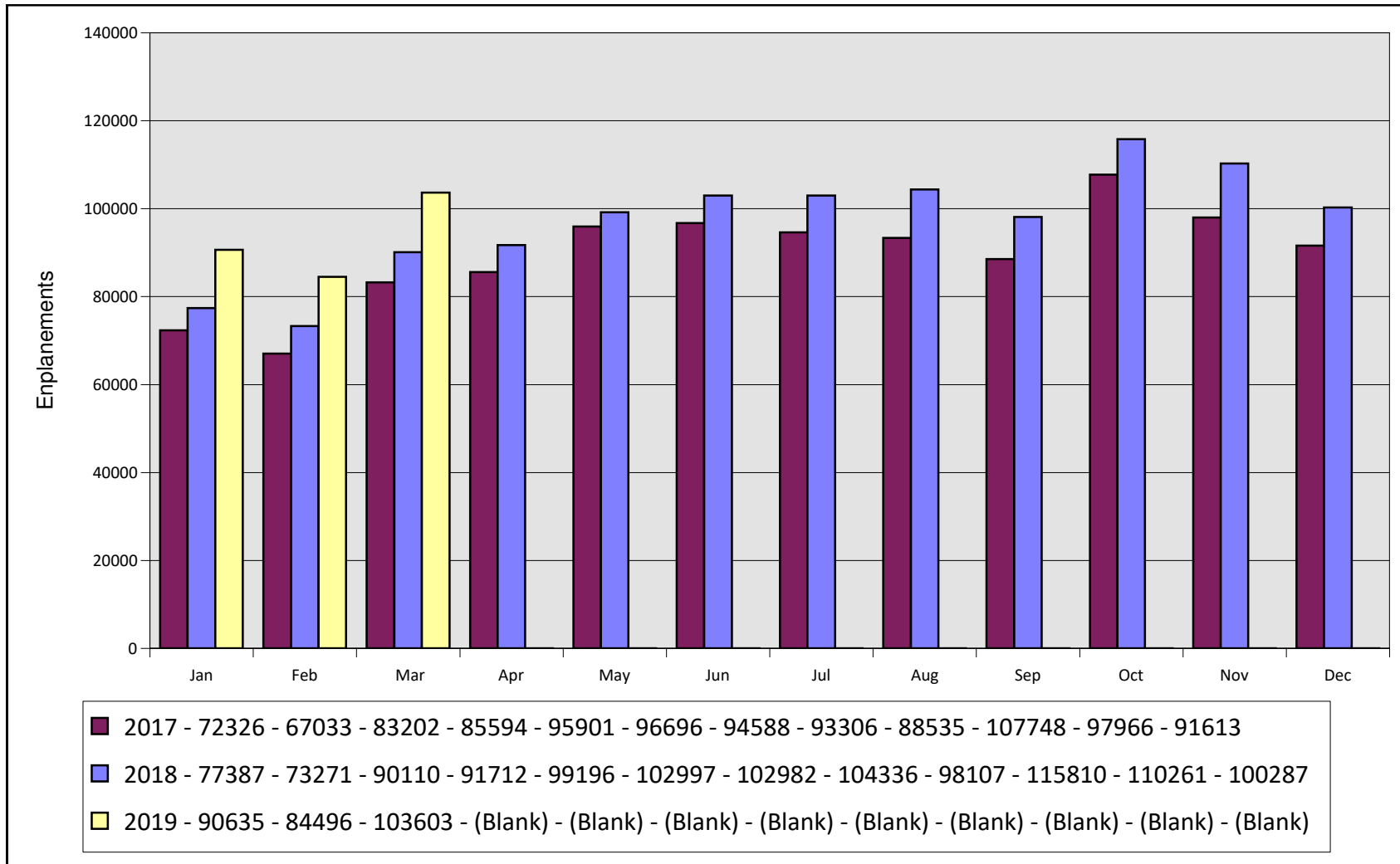
	Mar 2019	Mar 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change
<b>Allegiant Air</b>						
Enplanements	4,345	4,630	-6.2%	10,930	12,269	-10.9%
Seats	5,805	5,598	3.7%	15,072	15,738	-4.2%
Load Factor	74.8%	82.7%	-9.5%	72.5%	78.0%	-7.0%
<b>American Airlines</b>						
Enplanements	33,468	29,348	14.0%	92,227	79,743	15.7%
Seats	45,268	35,854	26.3%	129,953	106,547	22.0%
Load Factor	73.9%	81.9%	-9.7%	71.0%	74.8%	-5.2%
<b>Delta Air Lines</b>						
Enplanements	37,628	33,752	11.5%	100,411	89,787	11.8%
Seats	46,599	38,354	21.5%	130,253	108,025	20.6%
Load Factor	80.7%	88.0%	-8.2%	77.1%	83.1%	-7.3%
<b>Frontier Airlines</b>						
Enplanements	2,707	0	#Div/0!	7,119	0	#Div/0!
Seats	3,348	0	#Div/0!	10,098	0	#Div/0!
Load Factor	80.9%	#Num!	#Type!	70.5%	#Num!	#Type!

Friday, April 19, 2019

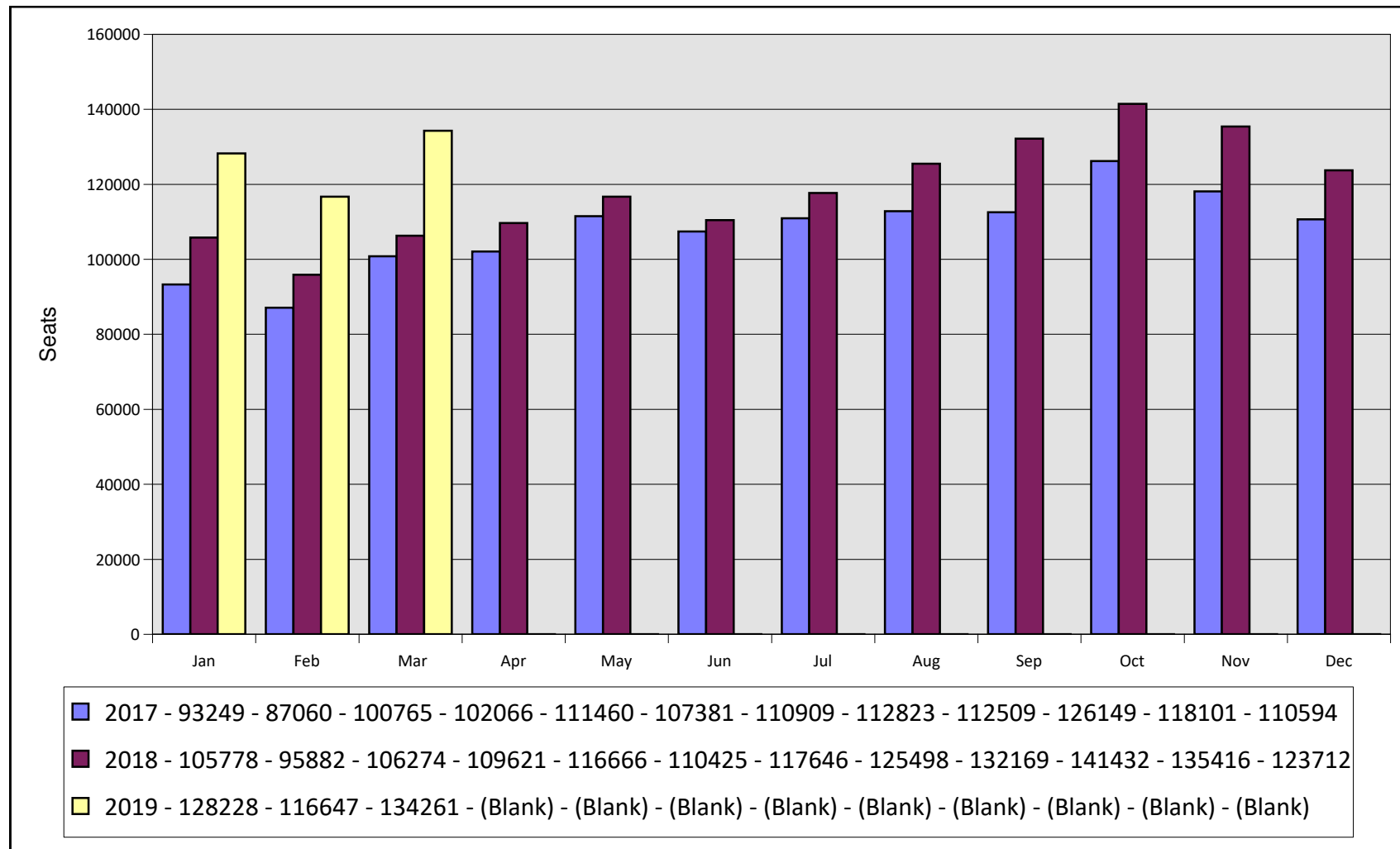
\*CTYD = Calendar Year to Date and \*Mov12 = Moving Twelve Months.

	Mar 2019	Mar 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change
<b>Southwest Airlines</b>						
Enplanements	8,716	9,688	-10.0%	23,762	24,248	-2.0%
Seats	12,569	12,584	-0.1%	36,324	36,322	0.0%
Load Factor	69.3%	77.0%	-9.9%	65.4%	66.8%	-2.0%
<b>United Airlines</b>						
Enplanements	16,459	12,268	34.2%	42,704	33,594	27.1%
Seats	20,516	13,884	47.8%	55,962	41,302	35.5%
Load Factor	80.2%	88.4%	-9.2%	76.3%	81.3%	-6.2%
<b>Totals</b>						
Enplanements	103,323	89,686	15.2%	277,153	239,641	15.7%
Seats	134,105	106,274	26.2%	377,662	307,934	22.6%
Load Factor	77.0%	84.4%	-8.7%	73.4%	77.8%	-5.7%

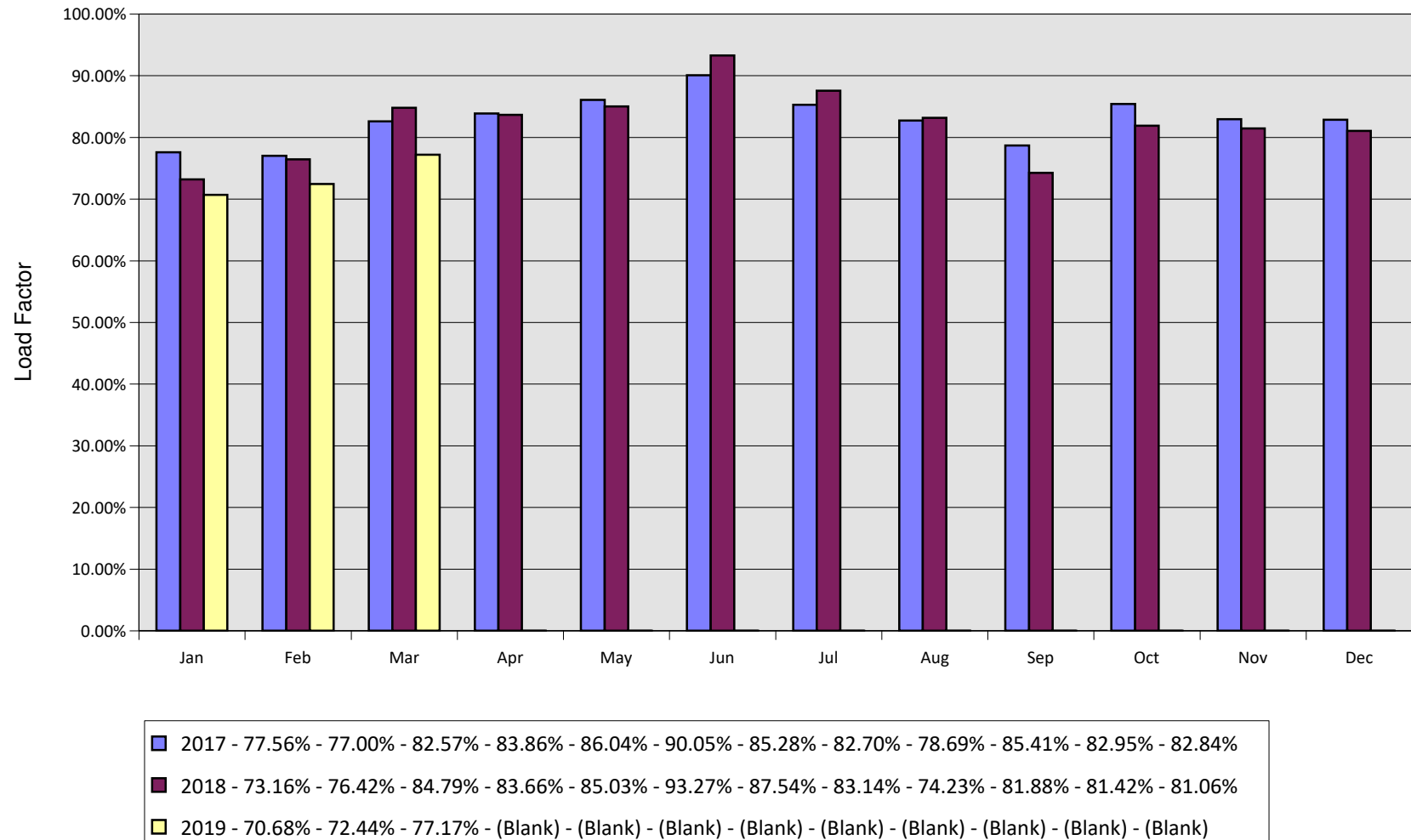
# Monthly Enplanements By Year Greenville-Spartanburg International Airport



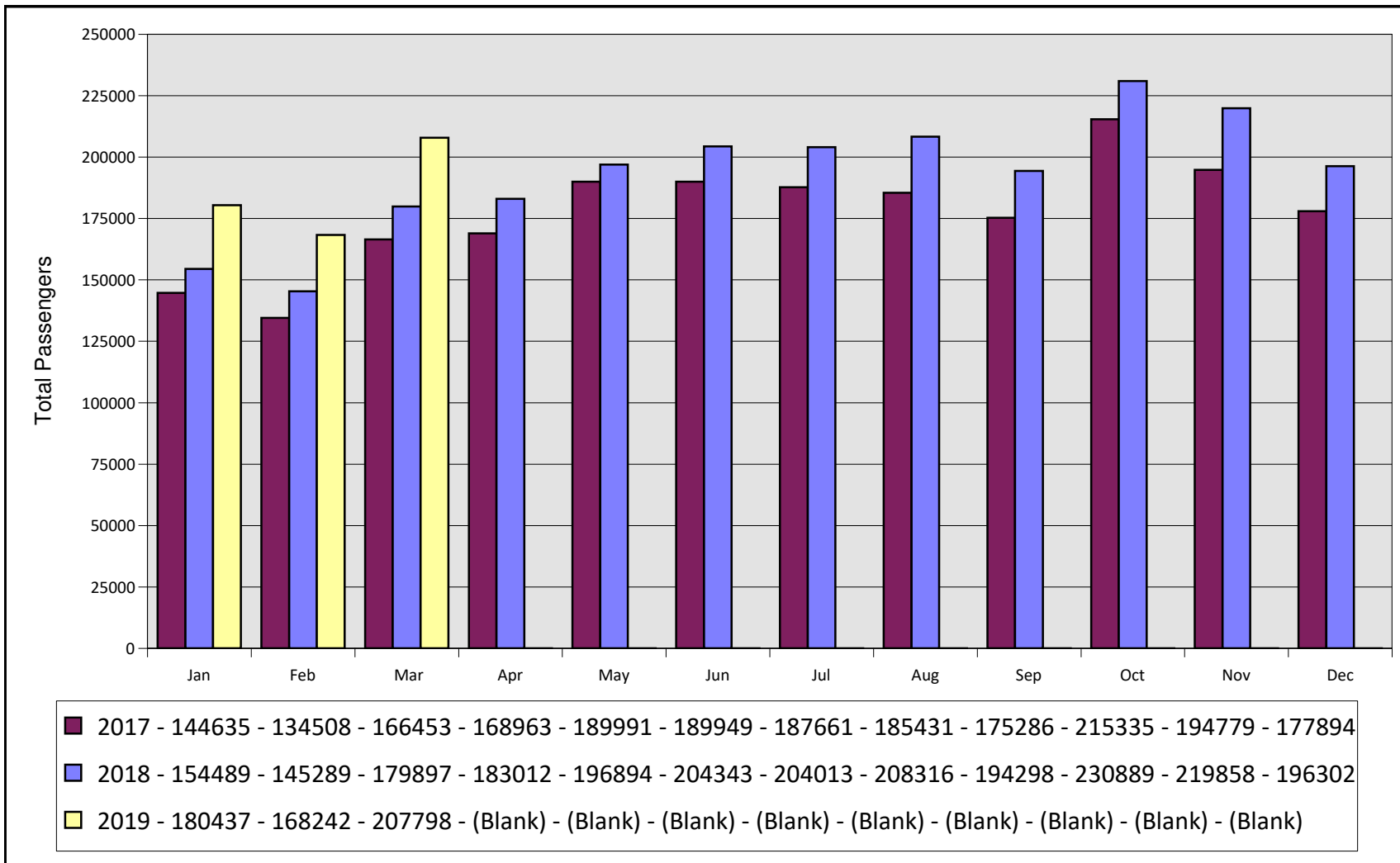
# Monthly Seats By Year Greenville-Spartanburg International Airport



# Monthly Load Factors By Year Greenville-Spartanburg International Airport

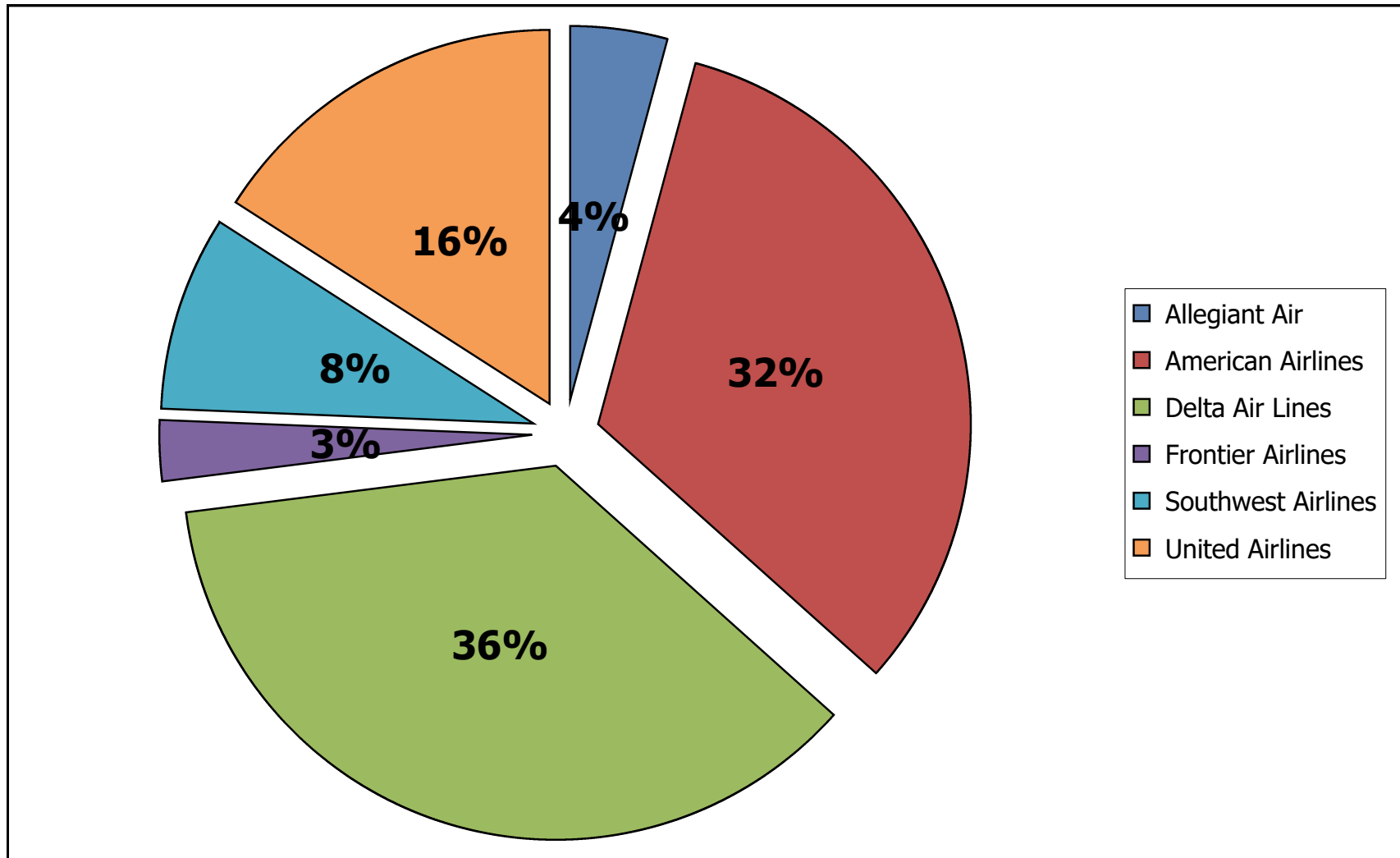


# Total Monthly Passengers By Year Greenville-Spartanburg International Airport



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

Report Period From March 2019 Through March 2019



# Airline Flight Completions

## Greenville-Spartanburg International Airport

### March 2019



Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Aeronaves TSM	7	0	0	0	0	0	100.0%
Air 1st Aviation Companies	1	0	0	0	0	0	100.0%
Air Atlanta Icelandic	23	0	0	0	0	0	100.0%
Air Force 2	3	0	0	0	0	0	100.0%
Allegiant Air	33	0	0	0	0	0	100.0%
Allegiant Charter	1	0	0	0	0	0	100.0%
American Airlines	623	0	1	0	0	1	99.8%

Friday, April 19, 2019

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Amerijet Int'l	8	0	0	0	0	0	100.0%
Barker Neal Wayne	2	0	0	0	0	0	100.0%
Berry Aviation	2	0	0	0	0	0	100.0%
Delta Air Lines	373	0	0	0	0	0	100.0%
Federal Express	39	0	0	0	0	0	100.0%
Freight Runners Express	3	0	0	0	0	0	100.0%
Frontier Airlines	18	0	0	0	0	0	100.0%
Kolo Canyons Air Service	2	0	0	0	0	0	100.0%
McNeely Charter Service	2	0	0	0	0	0	100.0%

Friday, April 19, 2019

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
<b>Miami Air</b>	3	0	0	0	0	0	100.0%
<b>Mountain Air Car</b>	17	0	0	0	0	0	100.0%
<b>Priority Air Cargo</b>	3	0	0	0	0	0	100.0%
<b>River City Aviation</b>	1	0	0	0	0	0	100.0%
<b>Royal Air Freight</b>	7	0	0	0	0	0	100.0%
<b>Southwest Airlines</b>	87	0	0	0	0	0	100.0%
<b>Sun Country Airlines</b>	1	0	0	0	0	0	100.0%
<b>Swift Air, LLC</b>	5	0	0	0	0	0	100.0%
<b>United Airlines</b>	359	0	0	0	0	0	100.0%

Friday, April 19, 2019

Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
UPS	34	0	0	0	0	0	100.0%
USA Jet	1	0	0	0	0	0	100.0%
<b>Total</b>	1,658	0	1	0	0	1	99.9%

Friday, April 19, 2019



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## MEMORANDUM

TO: Members of the Airport Commission

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

DATE: May 28, 2019

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### ITEM DESCRIPTION – Information Section Item B

March 2019 - Financial Report

### SUMMARY

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

Operating Income was up by **14.58%** when compared to the budget for Year-to-Date March 2019. Operating Expenses were down by **5.73%** when compared to the budgeted amount for the period. Net operating income was up by **56.33%** when compared to the budget through March 2019. For the period ending March 2019, which represents nine (9) months of the fiscal year, a total of about **\$15.64 million** has been returned to the bottom line in operating income.

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

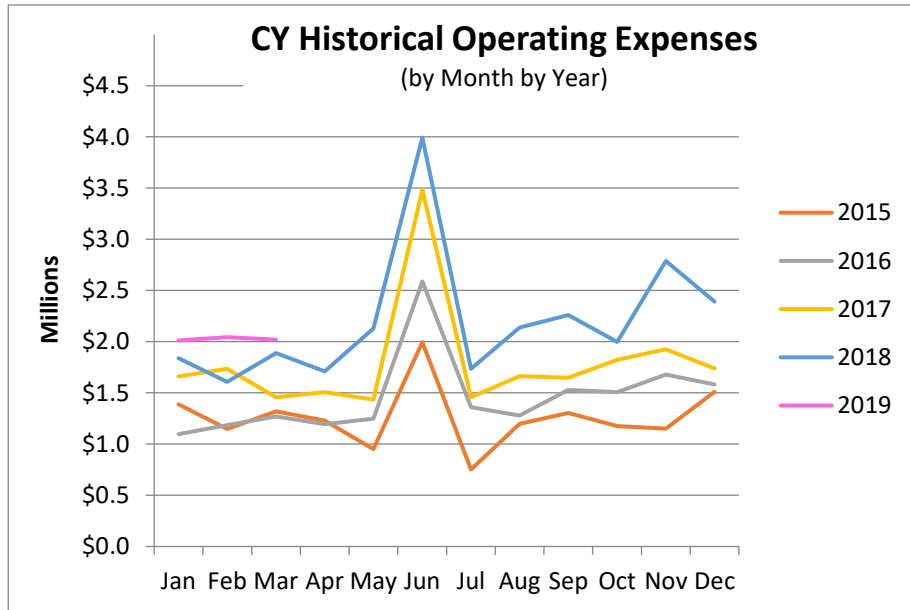
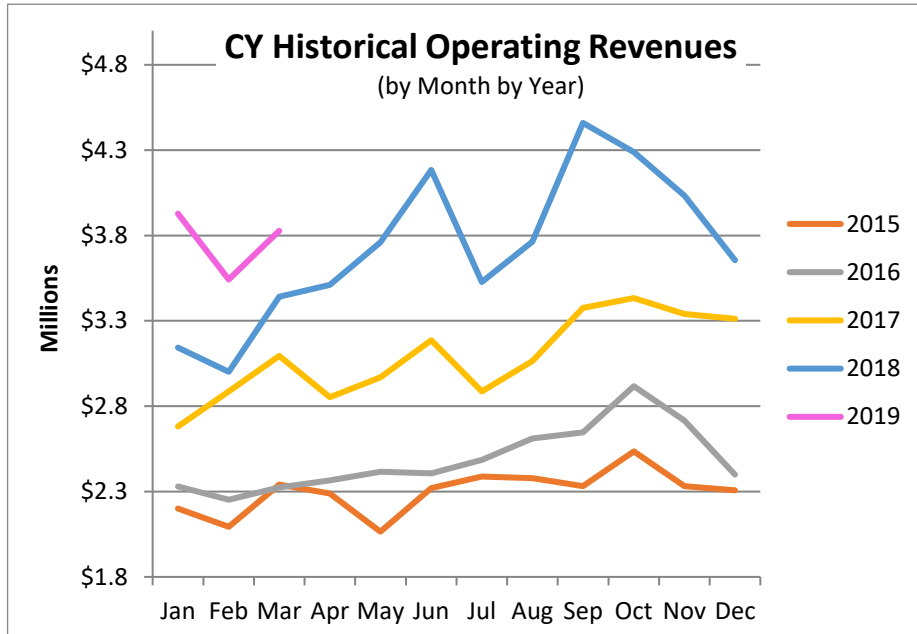
Attachment

**March 31, 2019 FINANCIAL STATEMENT PACKAGE**

GREENVILLE SPARTANBURG AIRPORT DISTRICT  
**STATEMENT OF NET POSITION**

	<b>Current Month Current FY 3/31/2019</b>	<b>Current Month Prior FY 3/31/2018</b>
<b>Assets</b>		
Cash Accounts	17,952,084.29	10,484,575.20
Investments-Airport	15,094,828.51	9,987,341.65
Bond Trustee Assets	313,933.96	356,541.21
Accounts Receivable	2,391,025.77	128,330.17
Less: Reserve for Doubtful Accts	-	
Net Accounts Receivable	<u>2,391,025.77</u>	<u>128,330.17</u>
Inventory	435,273.88	421,237.33
Prepaid Insurance	328,146.25	361,246.76
Notes Receivable-RAC District Funds	1,153,516.97	1,405,665.80
Property, Plant & Equipment (PP&E)	416,207,206.79	392,062,526.98
Less: Accumulated Depreciation	(157,318,016.11)	(145,670,644.46)
Net PP&E	<u>258,889,190.68</u>	<u>246,391,882.52</u>
<b>TOTAL ASSETS</b>	<u><b>296,558,000.31</b></u>	<u><b>269,536,820.64</b></u>
<b>PLUS: Deferred Outflows of Resources</b>		
Deferred Pension	4,794,092.39	2,329,681.54
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>4,794,092.39</b></u>	<u><b>2,329,681.54</b></u>
<b>LESS: Liabilities</b>		
Accounts Payable	2,215,946.80	1,625,495.45
TD Bank LOC	-	7,194,369.00
Revenue Bonds Payable	1,276,391.88	1,702,860.08
TD Bank LT Debt	15,426,376.00	-
SCRS Pension Liability	15,243,794.00	12,214,294.00
Benefit Liability	1,334,855.35	881,124.04
<b>TOTAL LIABILITIES</b>	<u><b>35,497,364.03</b></u>	<u><b>23,618,142.57</b></u>
<b>LESS: Deferred Inflows of Resources</b>		
Deferred Revenues	1,168,692.97	1,428,958.80
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>1,168,692.97</b></u>	<u><b>1,428,958.80</b></u>
<b>NET POSITION</b>		
Invested in Capital Assets, net of Related Debt	241,054,297.71	236,171,847.72
Restricted:		
A/P - Capital Projects - Restricted	292,542.08	273,681.13
Contract Facility Charge	2,128,778.16	2,133,752.96
Total Restricted:	<u>2,421,320.24</u>	<u>2,407,434.09</u>
Unrestricted	21,210,417.75	8,240,119.00
<b>TOTAL NET POSITION</b>	<u><b>264,686,035.70</b></u>	<u><b>246,819,400.81</b></u>

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



GREENVILLE SPARTANBURG AIRPORT DISTRICT  
**PROFIT and LOSS STATEMENT**

<----- FISCAL YEAR TO DATE ----->				
	March 31, 2019 Actual	March 31, 2019 Budget	Actual - Budget	% Change
<b>INCOME</b>				
Landing Area:				
Landing Fees	2,215,034.14	2,103,957.72	111,076.42	5.28% (a)
Aircraft Parking Fees	321,547.29	220,330.71	101,216.58	45.94% (b)
Subtotal Landing Area	2,536,581.43	2,324,288.43	212,293.00	9.13%
Space & Ground Rentals	8,684,052.44	8,195,899.14	488,153.30	5.96% (c)
Auto Parking	10,894,601.95	9,551,937.33	1,342,664.62	14.06% (d)
Commercial Ground Transportation	248,630.66	232,499.97	16,130.69	6.94%
Concessions:				
Advertising	240,280.00	262,500.03	(22,220.03)	-8.46%
Food & Beverage	587,881.16	486,541.08	101,340.08	20.83% (e)
Rental Car	2,881,667.62	2,355,489.54	526,178.08	22.34% (f)
Retail	523,442.43	394,611.03	128,831.40	32.65% (g)
Subtotal Concessions	4,233,271.21	3,499,141.68	734,129.53	20.98%
Expense Reimbursements	1,535,168.39	1,242,359.10	292,809.29	23.57% (h)
Other Income	2,996,855.16	2,343,992.40	652,862.76	27.85% (i)
Gross Profit on Fuel Sales	3,898,082.46	3,180,854.52	717,227.94	22.55% (j)
<b>Total Operating Income</b>	<b>35,027,243.70</b>	<b>30,570,972.57</b>	<b>4,456,271.13</b>	<b>14.58%</b>
<b>EXPENSES</b>				
Salary & Benefits	10,197,005.30	10,560,528.18	(363,522.88)	-3.44% (k)
Professional Services	544,191.02	394,578.72	149,612.30	37.92% (l)
Promotional Activities	825,406.05	1,144,983.78	(319,577.73)	-27.91% (m)
Administrative	916,343.12	1,124,421.12	(208,078.00)	-18.51% (n)
Insurance	509,287.95	509,287.95	-	0.00%
Contractual Services	3,222,496.58	3,244,151.89	(21,655.31)	-0.67% (o)
Rentals & Leases	172,328.96	389,617.47	(217,288.51)	-55.77% (p)
Repairs & Maintenance	672,301.82	618,658.20	53,643.62	8.67% (q)
Supplies & Equipment	913,080.51	1,149,908.94	(236,828.43)	-20.60% (r)
Utilities	1,416,014.97	1,431,412.11	(15,397.14)	-1.08%
<b>Total Operating Expenses</b>	<b>19,388,456.28</b>	<b>20,567,548.36</b>	<b>(1,179,092.08)</b>	<b>-5.73%</b>
<b>NET OPERATING INCOME</b>	<b>15,638,787.42</b>	<b>10,003,424.21</b>	<b>5,635,363.21</b>	<b>56.33%</b>

March 31, 2019

**YTD ACTUAL VS YTD BUDGET FOOTNOTES - SUMMARY**

(a)	<b>Landing Fees</b>	OVER BUDGET	<b>\$111,076.42</b>	<ul style="list-style-type: none"> <li>- Actual passenger weights 1,058.4M (1,022.3M budgeted);</li> <li>- Actual Cargo weights 315.6M (270.6M budgeted)</li> </ul> <p>Also note that weights are typically higher from October to December, May &amp; June with a significant drop in February</p>
(b)	<b>Aircraft Parking Fees</b>	OVER BUDGET	<b>\$101,216.58</b>	<ul style="list-style-type: none"> <li>- Airline parking 15K over budget</li> <li>- Cargo parking 40K over budget</li> <li>- FBO parking 11K over budget</li> <li>- Commercial parking 29K over budget</li> </ul>
(c)	<b>Space &amp; Ground Rentals</b>	OVER BUDGET	<b>\$488,153.30</b>	<p>Blended effects of the following:</p> <ul style="list-style-type: none"> <li>- Per-turn fees over budget 314K</li> <li>- Senator rent not included in the budget 81K</li> <li>- Bradford Logistic : Budgeted 60K per month but only billing 24K per month total to Hudson and OHM (36K per month under budget).</li> <li>- American S. Cargo under budget 69K due to using higher sf in budget</li> <li>- New cargo building rentals under budget 90K, building currently under construction.</li> <li>- PSA office and hangar rent not included in the budget 294K</li> <li>- FBO hanger rent over budget 23K (new rentals)</li> <li>- BMW Phase III and Cam Fees 101K not budgeted, new lease started May 2018</li> <li>- OHM/Hudson are using more of the unconditioned space and less of the conditioned space (higher rate) than budgeted 60K</li> <li>- TSA Holding Over on contract 72K over budget</li> <li>- Jetstar Aviation 60K not budgeted, new lease started March 2018</li> <li>- FBO facility fees over budget 79K</li> <li>- Greer CPW over budget 14K</li> </ul>
(d)	<b>Auto Parking</b>	OVER BUDGET	<b>\$1,342,664.62</b>	<ul style="list-style-type: none"> <li>- Budgeted a 2% increase over our FY18 trend; traffic is trending higher</li> </ul>
(e)	<b>Food &amp; Beverage</b>	OVER BUDGET	<b>\$101,340.08</b>	<ul style="list-style-type: none"> <li>- Conservative budgeting since some of the concepts are new in the concourses</li> </ul>
(f)	<b>Rental Car</b>	OVER BUDGET	<b>\$526,178.08</b>	<ul style="list-style-type: none"> <li>- Enterprise and National are over budget 174K and 187K, respectively - traffic trending higher than anticipated</li> </ul>
(g)	<b>Retail</b>	OVER BUDGET	<b>\$128,831.40</b>	<ul style="list-style-type: none"> <li>- Traffic trending higher than anticipated</li> </ul>
(h)	<b>Expense Reimbursements</b>	OVER BUDGET	<b>\$292,809.29</b>	<ul style="list-style-type: none"> <li>- Traffic trending higher than anticipated</li> </ul>
(i)	<b>Other Income</b>	OVER BUDGET	<b>\$652,862.76</b>	<ul style="list-style-type: none"> <li>- Ground handling fees-AvServ over budget 352K</li> <li>- Ground handling (non-tenant) 49K over budget</li> <li>- A/C Ground handling 15K over budget</li> <li>- Non Tenant Revenue 14K over budget</li> <li>- Warehouse Fees 122K over budget</li> <li>- GSE Lease/Usage 24K over budget</li> <li>- Cargo Ops 55K over budget</li> </ul>

March 31, 2019

**YTD ACTUAL VS YTD BUDGET FOOTNOTES - SUMMARY**

(j)	<b>Gross Profit on Fuel Sales</b>	OVER BUDGET	<b>\$717,227.94</b>	<ul style="list-style-type: none"> <li>- DOD Into-Plane Fees over budget 7K</li> <li>- Throughput Fees over budget 70K</li> <li>- Jet A Into-Plane Fees over budget 528K</li> <li>- Jet A Retail over budget 264K</li> <li>- Flowage Fees over budget 15K</li> <li>- JA COGS over budget (168K)</li> </ul>
(k)	<b>Salary &amp; Benefits</b>	UNDER BUDGET	<b>\$363,522.88</b>	- 220 employees are budgeted vs 207 employed as of February 28th.
(l)	<b>Professional Services</b>	OVER BUDGET	<b>\$149,612.30</b>	<ul style="list-style-type: none"> <li>- Consulting 104K over budget</li> <li>- Legal 60K over budget</li> <li>- Engineering/Design 18K under budget</li> </ul>
(m)	<b>Promotional Activities</b>	UNDER BUDGET	<b>\$319,577.73</b>	<ul style="list-style-type: none"> <li>- Advertising expense 199K under budget</li> <li>- Sponsorships expenses 94K under budget</li> </ul>
(n)	<b>Administrative</b>	UNDER BUDGET	<b>\$208,078.00</b>	<ul style="list-style-type: none"> <li>- Travel/Training 170K under budget</li> <li>- Dues &amp; Subscriptions 37K under budget</li> </ul>
(o)	<b>Contractual Services</b>	UNDER BUDGET	<b>\$21,655.31</b>	<ul style="list-style-type: none"> <li>- Janitorial Services 43K under budget</li> <li>- Computer-annual contracts 75K under budget</li> <li>- Elevator &amp; Escalator 12K over budget</li> <li>- Nursery &amp; Landscaping 23K under budget</li> <li>- Catering Services 24K under budget</li> <li>- Miscellaneous 41K over budget</li> </ul>
(p)	<b>Rentals &amp; Leases</b>	UNDER BUDGET	<b>\$217,288.51</b>	<ul style="list-style-type: none"> <li>- Equipment 21K under budget (AvServ)</li> <li>- Buildings 187K under budget (Executive)</li> </ul>
(q)	<b>Repairs &amp; Maintenance</b>	OVER BUDGET	<b>\$53,643.62</b>	<ul style="list-style-type: none"> <li>- Heating &amp; Air 41K under budget</li> <li>- Building 23K under budget</li> <li>- Equipment 32K over budget</li> <li>- Gates &amp; Fence 14K under budget</li> <li>- Street &amp; Roads 13K under budget</li> <li>- Security System 18K under budget</li> <li>- Project Unanticipated 131K over budget (GSP Vault Replacement 147K)</li> </ul>

**March 31, 2019**

**YTD ACTUAL VS YTD BUDGET FOOTNOTES - SUMMARY**

(r)	<b>Supplies &amp; Equipment</b>	UNDER BUDGET	<b>\$236,828.43</b>	<ul style="list-style-type: none"><li>- Auto 44K under budget</li><li>- Nursery &amp; Landscaping 47K under budget</li><li>- Tires 40K under budget</li><li>- Painting 23K under budget</li><li>- Computer-Equip/Supplies 67K under budget</li><li>- Computer Software 14K under budget</li></ul>
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Note: Please recognize that this is a preliminary report, unaudited, and only represents nine month of activity, resulting in variances which can be quite volatile.

GREENVILLE SPARTANBURG AIRPORT DISTRICT  
Other Operating and Maintenance Reserve Funds

		FY \$ Amount Authorized	Estimated Cost	Date	\$ Amount Used YTD	
<b>Emergency Repair/Replacement/Operations Fund</b>		<b>\$ 750,000</b>				
<b>2018</b>	<b>Waterfall Feature Repair</b>		\$ 200,000	1/31/2019	\$ 146,835	Gregory Fountains
<b>2018</b>	<b>LPI Equipment</b>		\$ 25,000	2/25/2019	\$ 26,000	Barton Utilities Inc.
			<b>\$ 225,000</b>		<b>\$ 172,835</b>	
<b>Uncommitted Balance</b>		<b>\$ 525,000</b>				
<b>Business Development Obligations/Incentives</b>		<b>\$ 600,000</b>				
<b>2019</b>	<b>Escape Lounge</b>		\$ 210,000	9/29/2018	\$ 101,474	Infinity Marketing
<b>2019</b>	<b>AFCO Reimbursement of Expenses</b>		\$ 90,000	9/13/2018	\$ 90,000	AFCO
	due to termination of agreement					
			<b>\$ 300,000</b>		<b>\$ 191,474</b>	
<b>Uncommitted Balance</b>		<b>\$ 300,000</b>				

**Greenville-Spartanburg Airport District**  
**March 31, 2019**

	Initial Purchase	Maturity Date	Interest Rate	Cost Basis or BOY FMV	Par	EOM FMV	FMV Adj
<b>US Treasury</b>							
Note	9/10/2018*	3/31/2019	1.625%	1,396,354.00	1,400,000.00	1,400,000.00	3,646.00
Note	9/10/2018*	6/30/2019	1.625%	1,392,744.00	1,400,000.00	1,396,878.00	4,134.00
Note	9/10/2018*	9/30/2019	1.375%	1,385,974.00	1,400,000.00	1,392,398.00	6,424.00
Note	9/10/2018*	10/31/2019	1.250%	1,332,625.50	1,350,000.00	1,340,563.50	7,938.00
Note	9/10/2018*	12/31/2019	1.625%	1,335,894.72	1,350,000.00	1,341,670.50	5,775.78
Note	9/24/2018*	2/15/2020	3.625%	1,367,278.56	1,350,000.00	1,363,500.00	(3,778.56)
Note	9/24/2018*	3/31/2020	2.250%	1,344,178.16	1,350,000.00	1,347,732.00	3,553.84
Note	9/24/2018*	6/30/2020	2.500%	1,346,072.21	1,350,000.00	1,351,687.50	5,615.29
Note	9/24/2018*	8/31/2020	1.375%	1,318,195.00	1,350,000.00	1,331,019.00	12,824.00
Note	9/24/2018*	9/30/2020	1.375%	1,318,658.56	1,350,000.00	1,330,384.50	11,725.94
Note	1/28/2019	12/31/2020	2.375%	1,346,287.50	1,350,000.00	1,351,107.00	4,819.50
<b>Subtotal-UST</b>				<b>14,884,262.21</b>	<b>15,000,000.00</b>	<b>\$ 14,946,940.00</b>	<b>62,677.79</b>

\* These notes were initially purchased in 9/2018 with a par of \$1M. In 1/2019, additional notes were purchased from the same issuances.

US Treasury Investment Types		<u>T-Bill</u>	<u>T-Note</u>	<u>T-Bond</u>	<u>Fed Ag</u>
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%

**3/31/2019**

## **Procurement / Capital Acquisitions**

<b>Project/Item Description</b>	<b>Date</b>	<b>Monthly \$ Amount</b>
<b>Capital Improvements:</b>		
WK Dickson / Cargo Apron	3/21/2019	34,388
The Haskell Co / Air Cargo Facility	3/21/2019	460,170
WK Dickson / ARFF Station Design	3/21/2019	13,072
Daniel Goldstein / Terminal Art	3/27/2019	111,300
Roebuck Wholesale Nursery / Curbside Drop Off	3/25/2019	196,770
<b>Equipment and Small Capital Outlays:</b>		
Laz Parking / LPI Handhelds	3/31/2019	25,201
TLD America/ Transporter	3/15/2019	70,356
<b>Renewals and Replacements:</b>		
Cooper Crouse Hinds LLC / Airfield Lighting Replacement	3/25/2019	11,200
Service Express / Switch Replacement	3/11/2019	56,362
Service Express / Wireless Lan Controllers	3/11/2019	21,432
Steen Enterprises / Tractor/Mower	3/21/2019	73,356
<b>Professional Service Projects:</b>		

**Total Procurements/Capital Additions for the month** **\$ 1,073,606**



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## MEMORANDUM

TO: Members of the Airport Commission

FROM: Kevin Howell, Senior Vice President/COO

DATE: May 28, 2019

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### ITEM DESCRIPTION – Information Section Item C

April 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. Staff is finalizing the agreement with Metromont Corporation for precast design/build services as approved at the March Commission meeting. Construction of the parking garage is expected to start late summer 2020. As previously discussed, 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 storm drainage, utilities, and concrete paving in the Phase 3 as well as electrical and perimeter road work in the Phase 2 area. The contractor remains behind schedule due to inclement weather over the past couple of months.

### **Air Cargo Facility Phase 1:**

**Status** – Construction Phase

**Project Budget** – \$14,000,000

**Estimated Completion Date** – July 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 the interior office build out.

### **2102 GSP Drive Hangar Renovation Project:**

**Status** – Design Phase

**Project Budget** – \$1,400,000

**Estimated Completion Date** – Spring 2020

This project includes the renovation of the hangar located at 2102 GSP Drive that is 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 was repainted, and the fire alarm system was 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, an 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 this summer.

### **Surface Parking Lot Expansion Program:**

**Status** – Design 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.

Project planning was completed by McFarland Johnson. Kimley-Horn is leading the design and engineering work. Rodgers Builders, Inc. is under contract as the Design-Assist contractor for the project. Civil design is underway, and the team is working towards submitting the project for permitting in June.



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## MEMORANDUM

TO: Members of the Airport Commission

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

DATE: May 28, 2019

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### ITEM DESCRIPTION – Information Section Item D

April 2019 – Communications Status Report

### SUMMARY

#### **News Stories ~ Broadcast, Print and Online 4/01/19-4/30/19:**

##### **Update on potential nonstop flights**

Greenville News: [Ask LeFleur: Any new direct flights at GSP this year?](#)

##### **Frontier's additional DEN service**

Greenville News: [Frontier Airlines doubling service from GSP to Denver](#)

Herald-Journal: [More Frontier flights from GSP to Denver announced](#)

GSA Business Report: [Frontier doubles flights to Denver](#)

GreerToday.com: [Frontier increasing service between GSP, Denver](#)

##### **January passenger, cargo traffic update**

WSPA: [GSP passenger traffic up for 16<sup>th</sup> straight month](#)

##### **GSP growth**

WSPA: [GSP adds new flights, airport CEO hints at possible expansion to Boston, NY and overseas](#)

Herald-Journal: [Greenville-Spartanburg International Airport has expanded flights and facilities. Here's what's next.](#)

Upstate Business Journal: [Flying high: Greenville-Spartanburg International Airport plans future as passenger, cargo traffic hit record highs](#)



The UBJ story was picked up by a number of aviation industry publications, including ACI and CAPA.

### **Edge4Vets**

106.3 WORD: [Veterans employment workshop Friday at GSP](#)

Herald-Journal: [Edge4Vets helps veterans build job-hunting game plan](#)

GSA Business: Not up yet.

WSPA: [Veterans needing jobs are getting help from GSP International Airport](#)

WHNS: [Dozens of vets gathered at GSP Airport for a special workshop](#)

### **Venture Aviation**

Upstate Business Journal: [Venture Aviation moving from Greenville Downtown Airport to GSP](#)

Greenville CEO: [GSP welcomes private charter company](#)

Herald-Journal: [Private charter, Venture Aviation relocating to GSP](#)

### **ToonMobile**

GreerToday.com: [GSP keeps the entire family entertained with free livestreams](#)

GSA Business: [GSP offers free livestream programming](#)

## **Spartanburg Soaring! International Kite Festival sponsorship**

Greenville Journal: [In our Community: Celebrating charity, scholarship and vibrancy](#)

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

## **Airport Experience News Award**

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

[Scott Carr's podcast interview with Airport Experience News](#)

## **Infinity Marketing Award**

UpstateBizSC: [Infinity Marketing wins five American Advertising Federation awards](#)

Greenville Business Magazine: [Infinity Marketing wins five American Advertising Federation awards](#)

GSA Business: [Infinity Marketing wins five American Advertising Federation awards](#)

## **Travel + Leisure**

[The most exciting new flight routes coming this spring and summer](#)

## **Social Media 4/01/19-4/30/19:**

### **GSPAirport.com (4/01-4/30)**

- Sessions – 88,351
- New Users – 61,094
- Page/Session – 1.73
- Average Session Duration – 1:28

### **Facebook**

A post about Greenville being ranked the 10<sup>th</sup> best place to live by Livability received the most engagement in March. It reached more than 10,300 people.

### **Twitter**

The month's top tweet earned 1,400 impressions. It was a WSPA story about the growth that GSP is experiencing.

### **Instagram**

The month's top Instagram post included photos of the recent landscaping updates along the curb.

### **Newsletter**

The March edition of the newsletter went to 8,470 subscribers and had a 33.1 percent open rate. It was the highest open rate for "My GSP" since the newsletter was launched in January. The other two editions also have higher than average open rates. The average open rate in the marketing/advertising industry is 17.85 percent.

### **Community Relations/Special Events:**

- South Carolina Department of Motor Vehicles will host its third Real ID Event at GSP on May 15 from 10 a.m.- 2 p.m.
- GSP will host its second *Wings for All* event May 18.
- An Honor Flight is planned for late spring. The date is to be determined.
- Summer Camp Session 2019 is scheduled to begin June 1. Last year, more than 2,500 campers departed from GSP.
- A formal GSP tour program is scheduled to begin late fall of 2019.
- A year-round performing arts program is being considered for GSP.



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## MEMORANDUM

TO: Members of the Airport Commission

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

DATE: May 28, 2019

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### ITEM DESCRIPTION – Information Section Item E

April 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** – June 30, 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** – Project Completed

**Project Budget** – \$2,500



## **Completion Date – April 30, 2019**

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

### **Frontier Denver (DEN) Advertising/Marketing Campaign:**

**Status** – Campaign is presently running on billboards, radio, television, and social media

**Project Budget** – \$75,000

**Estimated Completion Date** – July 31, 2019

Frontier announced two additional weekly flights to DEN for a total of four that began on May 3, 2019. The Airport District put together a marketing plan to support the additional flights to help ensure that they are successful.

### **United Denver (DEN) Advertising/Marketing Campaign:**

**Status** – Campaign is presently running on billboards, radio, television, and social media

**Project Budget** – \$85,000

**Estimated Completion Date** – July 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 has put together a marketing plan to support this new service to help ensure that it is successful from the first flight.

### **ACI – Jumpstart Conference:**

**Status** – Currently developing presentations for one-on-one meetings with specific airlines. Presently have eight airline meetings scheduled including Air Canada, Delta, Frontier, JetBlue, Southwest, and ViaAir.

**Air Service Development Budget** – \$5,000

**Completion Date** – June 5, 2019

ACI's Jumpstart Conference is an air service development conference where airports have an opportunity to meet directly with various airlines to discuss current and proposed air service from GSP. This year's conference is being held in Nashville, TN and runs from June 2-5, 2019.

### **Art at the Airport Brochure:**

**Status** – Project Completed. Brochure will be printed in the near future for public distribution.

**Project Budget** – \$2,500 (Does not including printing costs. Printing quotes currently being obtained for review).

**Completion Date** – April 30, 2019

The Airport District developed 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.

### **To the Sky - Art at the Airport Book:**

**Status** – A contract has been executed with Crawford Strategies and the layout of the additional pages is currently underway.

**Project Budget** – \$4,400 (Does not including printing costs. Printing will be quoted once the revised book is completed).

**Estimated Completion Date** – June 30, 2019

The Airport District developed a book entitled “To the Sky” that highlighted all the commissioned artwork, at the time, located inside the terminal building. Since it was first printed, several new pieces of artwork have been installed. This update will incorporate all of the recent additions into the book.

### **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** – Warner Media completed their onsite filming on April 17, 2019. Staff is awaiting the final television segment for review and approval.



**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 filmed 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 marketing the new passenger amenity in the terminal building via a WiFi pop up banner.

**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** – Awaiting revised agreement for 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** – May 31, 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.

### **Children's Play Area Alcove Project:**

**Status** – The Airport District has partnered with Plus-Plus USA out of Greenville for the development of a children's play area in the alcove in the Grand Hall. Drafting of a five-year agreement has been completed and is under internal review prior to being sent to Plus-Plus USA.

**Project Budget** – All costs should be covered by Plus-Plus USA

**Estimated Completion Date** – December 31, 2019

Through the terminal building renovation project, two alcoves were developed in the Grand Hall. Based on past direction from the Airport Commission, one will be for a children's play area and another will be for an airport history alcove. The children's play area alcove will be located on the Concourse A side of the Grand Hall.

### **History Alcove Project – Phase #1:**

**Status** – The Airport District has executed an agreement with Jack Porter out of Greenville for schematic design of a history alcove in the Grand Hall. The kick-off meeting is scheduled for May 23, 2019.

**Project Budget** – Schematic design phase is \$18,000

**Estimated Completion Date** – July 31, 2019

Through the terminal building renovation project, two alcoves were developed in the Grand Hall. Based on past direction from the Airport Commission, one will be for a children's play area and another will be for an airport history alcove. The history alcove will be located on the Concourse B side of the Grand Hall.

### **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 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 is rescheduling an onsite visit to take signal strength and data transfer speed measurements throughout the terminal building and both parking garages. The original site visit on April 1, 2019 was cancelled.

**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** – Conference completed. Currently working on follow up with various interested companies.

**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 was held in Atlanta, GA and ran from April 9-11, 2019.

### **National Business Aviation Association (NBAA) Conference:**

**Status** – Staff has selected our booth location through the annual lottery and is now 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 has finalized the concept and layout. Construction documents are currently 60% completed.

**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.

### **R.J. Rockers Brewery - GSP Branded Beer – Concessions Revenue Enhancement Project:**

**Status** – The Airport District approached R.J. Rockers Brewery in Spartanburg to develop a unique GSP branded beer that is only sold at the airport and brewery. An initial name for the beer has been agreed upon and marketing materials are under development such as the bottle/can label, etc.

**Project Budget** – All beer and marketing development costs are being covered by R.J. Rockers Brewery. The Airport District will cover terminal building advertising and announcement of the new beer through our public relations channels.

**Estimated Completion Date** – July 31, 2019

### **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 over 50% 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 is rescheduling the two required readings of the resolution to close the road. An initial public hearing was held but without any action being taken by City Council. The Airport District is presently undertaking a traffic study at the request of the City of Greer.

**Project Budget** – \$15,000 for a required roadway boundary survey and traffic study

**Estimated Completion Date** – To be determined

The Airport District is requesting the City of Greer 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.



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## MEMORANDUM

TO: Members of the Airport Commission

FROM: Ashley Bruton, Director of Human Resources

DATE: May 28, 2019

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### ITEM DESCRIPTION – Information Section Item F

April 2019 – OSHA Reportable Injury Report

### SUMMARY

Monthly Activity as of April 30, 2019

- 0 OSHA Reportable Injury

2019 Calendar Year-to-Date

- 5 OSHA Reportable Injuries

2 Year Historical Annual OSHA Report Submissions:

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



**The Search is On!**  
A Call for Nominations.



**Nominate Today!**  
Deadline: 08.02.2019

AIRPORTS | AIRLINE BAG, FEE COLLECTIONS REACH RECORD HIGH OF \$7.6 BILLION IN 2018

# Airline Bag, Fee Collections Reach Record High of \$7.6 Billion in 2018

American Association of Airport Executives (AAAE) MAY 7, 2019

With airlines collecting nearly \$5 billion in baggage fees in 2018 along with billions more in other ancillary charges – record highs – the American Association of Airport Executives (AAAE) called on Congress to update the U.S. tax code and the federal cap on local airport user fees to reflect the airlines' increased focus on bag fees and ancillary revenue and spur needed investments in the nation's airports.

“While airlines pile up record fee collections from passengers for so-called ‘optional’ services like taking a bag for a trip, they vigorously fight modest proposals that would upgrade airports and other aviation infrastructure,” AAAE President and CEO Todd Hauptli noted in response to the 2018 data released today by the U.S. Department of Transportation and the airlines’ continued opposition to bipartisan calls to adjust a local airport user fee known as the Passenger Facility Charge (PFC) that finances the construction of new runways, terminals, gates and other airport improvements that directly benefit passengers and increase airline competition.

“We can’t meet today’s needs, let alone tomorrow’s, while maintaining a system that fails to take into account changed airline business practices and an airport financing model last updated decades ago,” Hauptli added. “It’s past time for Congress to look past self-serving airline rhetoric and make meaningful changes to boost airport infrastructure investments that directly benefit the traveling public.”

According to data released today by DOT’s Bureau of Transportation Statistics, airlines collected more than \$1.2 billion in baggage fees during the fourth quarter of 2018, bringing total bag fee collections for the year to \$4.9 billion. Airlines collected another \$2.7 billion in reservation change and cancellation fees during 2018, for a total of \$7.6 billion in ancillary fees their passengers paid last year.

Although airlines have increased their bag fees and collect record amounts from their customers, they continue to oppose adjusting the federal cap on local PFCs, a user fee that must be justified locally, imposed locally and used locally on FAA-approved projects that enhance local airport facilities. The federal cap on the local PFC has not been adjusted since 2000. Despite misleading airline arguments, the PFC is not a tax and never goes to the federal Treasury, a fact verified by the non-partisan Congressional Research Service.

## **Bag and Ticket Fee Facts**

- Airlines collected a total of \$7.6 billion in baggage and reservation change fees in 2018 – an average of more than \$20 million every day in combined ancillary fees.
- Total airline bag and reservation fee collections have increased every single year for more than a decade.
- The record in fee collections last year follows an astounding \$7.4 billion in bag and ticket fees in 2017.
- Since 2008, airlines have charged flyers \$67 billion in bag and ticket change fees. Bag fees have now exceeded \$1 billion every quarter for nearly three years.
- Because bag fees are not taxed at the same 7.5 percent excise tax rate applied to base airline tickets, the Airport and Airway Trust Fund lost more than \$367 million in foregone revenue in 2018 alone. Since 2008, the \$38.5 billion in bag fees that are not taxed have cost the Trust Fund nearly \$2.9 billion in lost revenue. Those are funds that could have otherwise been spent on needed airport and air traffic control upgrades.

## PFC Facts

- While airlines raked in \$7.6 billion from bag and ticket fees last year, airports collectively received \$3.5 billion from the PFC in 2018.
- Airlines charged more bag and ticket fees last year than airports collected via the PFC in 2017 and 2018 combined.
- The federal cap on the PFC has not been adjusted since 2000 – more than 19 years ago. The last time Congress increased the PFC cap, Coca-Cola was still selling New Coke, roughly half of U.S. adults used the internet, and Ericsson became the first company to sell a new device it called a “smartphone.”

## RELATED

### CONCESSIONAIRE & RETAIL

## 7-Eleven Lands Newest Store at DFW Airport Terminal C



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AIRPORTS | SAT TRANSFORMS INTO ART GALLERY TO WELCOME VISITORS TO SAN ANTONIO

# SAT Transforms Into Art Gallery to Welcome Visitors to San Antonio

San Antonio Aviation Department MAY 10, 2019



[VIEW GALLERY](#) 

For the second time since its creation, The Galleries @ SAT opened its second season with a gallery unveiling and reception with several of the featured artists and prominent members of San Antonio's rich and vibrant art scene on hand to celebrate.

The Second Season of the Galleries @ SAT features not only the work of local artists from the DiZurita Collection, but pieces on loan from the Dee Howard Foundation private collection, the San Antonio Zoo's "Project Selva;" the Autism Treatment Center's "Art for Autism" collection; the United States Air Force Art Content winners; and the Eduardo Calzado Collection, provided courtesy of the San Antonio Hispanic Chamber of Commerce.

"We are very excited about the second season of the Galleries @ SAT," said Matt Evans, Arts and Culture Manager for the San Antonio Airport System. "Our first opening was widely popular and generated such a positive response from both our local art community as well as visitors travelling through the airport, we started planning for the second season immediately after the opening of the first!"

The Galleries @ SAT is one of several initiatives at the San Antonio International Airport to greet passengers with a sense of the art, music, food, history and culture of San Antonio and the surrounding region. On any day at the airport, you can encounter live music or performing artists, food trucks, artwork, augmented reality stations or even a Fiesta parade.

Specific to the opening of the Second Season, exhibits from the private collection of the Dee Howard Foundation will highlight the tremendous impact San Antonio has had on the history and development of military, civilian and cargo aviation operations. Winning pieces from the United

States Air Force Art Contest will be fittingly displayed as a part of the Second Season, providing a nod to not only Military City USA, but acknowledging that San Antonio is home to the Air Force Air Education and Training Command and Joint Base San Antonio. Additionally, the “Art for Autism” exhibit will highlight that art and creativity have no limits, and the partnership with the San Antonio Zoo will help to raise awareness of Rain Forest conservation efforts.

“There is virtually no way a person can experience all that San Antonio has to offer during one visit – so we attempt to bring a sampling of our history and culture to the airport – whether it is art, music, food or entertainment” stated Evans.

“San Antonio International Airport is one of a number of airports nationwide that are transforming the traveling experience,” said Karen Ellis, Chief of Customer Experience at the Aviation Department. “Where airports were once just a means to a passenger’s travels – they are now becoming an aspect of their traveling experience – and we are proud to be an industry leader in providing our passengers this unique experience.”

Last year San Antonio International Airport welcomed more than 10 million visitors to the airport, making it an ideal place to showcase the talents of local artists to an even bigger international audience.

Artwork is on display in both terminals and in the walkway from the parking garage to the airport. All of the art is on display on the pre-security side of the airport, so you do not need to be a ticketed passenger to enjoy the collections. Those interested in viewing the collection can park at any of the airport’s parking facilities and enter the terminal to enjoy the Gallery.

For more information on the exhibit, contact Matt Evans at [matt.evans@sanantonio.gov](mailto:matt.evans@sanantonio.gov) or 210-207-1542.

## RELATED



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HOME | THE FAA SAYS IT WON'T STAND IN THE WAY OF A QUARRY ON RDU AIRPORT LAND

# The FAA Says It Won't Stand in the Way of a Quarry on RDU Airport Land

The Federal Aviation Administration has determined that it doesn't need to review and approve Raleigh-Durham International Airport's lease of 105 acres of airport property for a stone quarry.

**RICHARD STRADLING APRIL 30, 2019**

**THE NEWS & OBSERVER (RALEIGH, N.C.)**



April 30-- Apr. 30--MORRISVILLE -- The Federal Aviation Administration has determined that it doesn't need to review and approve Raleigh-Durham International Airport's lease of 105 acres of airport property for a stone quarry.

Opponents of the quarry have argued that the Airport Authority was not authorized to lease the property to Wake Stone Corp. without permission of the FAA and the four local governments that appoint members to the authority -- Raleigh, Durham and Wake and Durham counties.

But the FAA's regional director of airports, Steven Hicks, told RDU president Michael Landguth in a letter Monday that the federal agency won't do a full-blown review of the lease because the planned quarry "does not appear to adversely affect the safe and efficient operation of aircraft or safety of people and property on the ground related to aircraft operations."

Hicks also noted that federal money was not used to buy the land, known as the Odd Fellows property, which the airport acquired in the 1970s for a runway that was never built.

The letter was a follow-up to one sent in March in which the FAA's general counsel's office said it was still reviewing the matter. The airport authority approved the 25-year mining lease on March 1.

Landguth hailed the FAA's decision late Monday.

"This letter from the FAA affirms what we have said from day one -- that no federal release is required to move forward with the land-lease agreement," Landguth said in a statement.

In his letter, Hicks said the FAA has an obligation to ensure RDU receives "not less than fair market value under the lease terms," and that the money be used for the benefit of the airport. He said the federal agency may verify those conditions "at a later date."

In his statement, Landguth said RDU has "met its obligation to ensure that it receives fair market value for the land," though he did not elaborate.

Wake Stone has agreed to pay royalties on the value of stone it mines from the quarry, providing an estimated \$24 million over the life of the quarry. Airport officials say that money will help pay for construction projects at RDU, including new gates in the terminals and the replacement of the main runway, which alone is expected to cost about \$350 million.

Opponents of the quarry -- the Umstead Coalition, Triangle Off-Road Cyclists and three individuals -- have won a court order barring Wake Stone from mining the property until Aug. 5 as part of their lawsuit to block the airport's lease. Wake County Superior Court Judge Paul Ridgeway is expected to hold a hearing on the merits of the case before the order runs out.

The airport authority agreed to the extension of the restraining order because it does not prevent the company from preparing for the quarry, including seeking permits and doing exploratory drilling, said RDU spokeswoman Crystal Feldman. Wake Stone's president, Sam Bratton, has said it will take more than a year for the company to obtain the mining and environmental permits it needs to begin mining.

# Robot inevitability: autonomous solutions are here to stay

More semi-autonomous and fully robotic technologies are being tested for terminal or ramp use

Kylie Bull & Ramon Lopez

London & Florida

29/03/2019

**A**utonomous vehicle technology has the potential to change the way airports function. Given the myriad vehicle operations on the runway, taxiway, and ramp, the aviation sector is ripe for an autonomous revolution. From passenger shuttle buses to snow clearing, ramp operations, and baggage and cargo logistics, the applications vary considerably.

The technology can even be used for applications beyond the confines of an airport, to improve passenger flow on arrival without sacrificing passenger experience. California-based autonomous vehicle start-up NEXT Future Transportation Inc has developed a system that enables passengers to complete most of the check-in process during their journey to the airport.

The solution is based on a patented modular vehicle platform, which allows individual autonomous pods to connect in motion and form a fleet which carries passengers. NEXT is seeking European certification for a pod

operating speed of 80 km/h over short and medium distances. NEXT pods will operate on public roadways, so they will be able to reach an airport in a similar way to a bus or minivan. Once the pods are connected, the internal space of the fleet is utilised, just as a train comprises a series of carriages.

While en route, various security technologies are applied in combination to ensure a layered approach to security. The passenger authentication solution in NEXT uses artificial intelligence and facial recognition

hopes the pods will be on the road by 2020.

Sven Hackmann, executive vice-president of NEXT, told *Jane's* that the company is in advanced discussions with two large international airlines for their ground operations, initially focusing on the ramp.

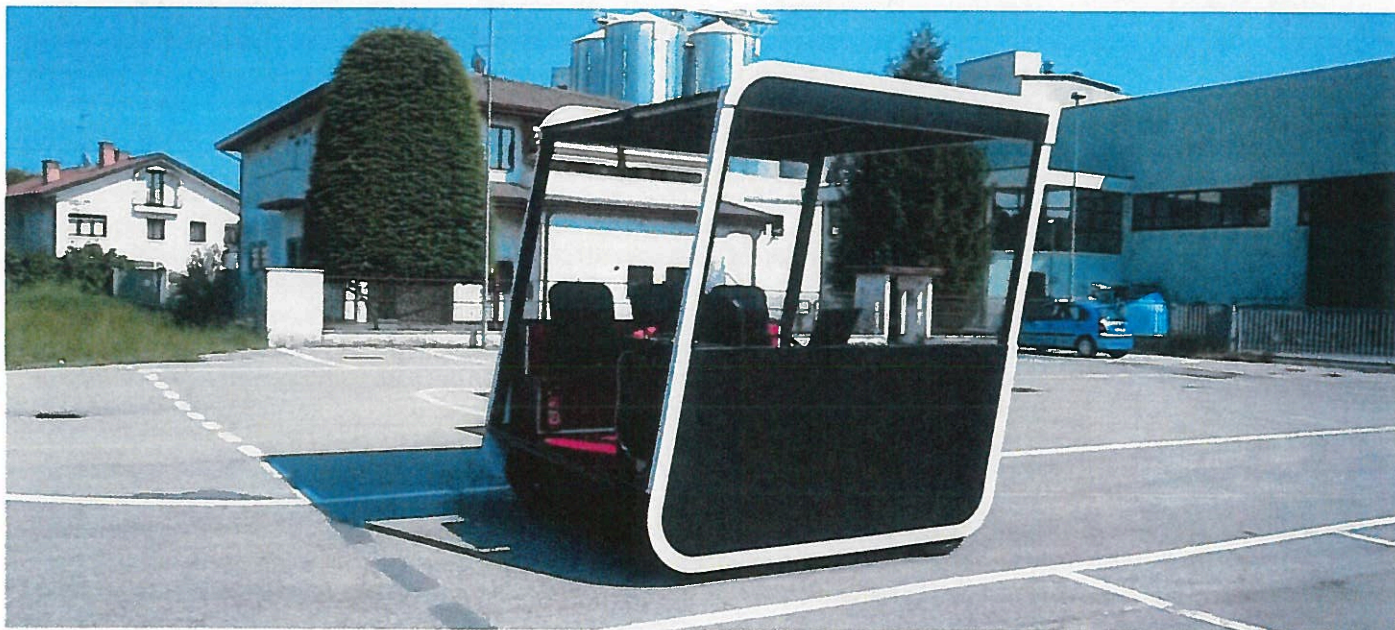
"We see our collaborations expanding, as there is a need to co-ordinate requirements between existing and planned systems to facilitate information and traffic flows between an airport's system, its local cargo community, clearance authorities where

## 'Airport operators must first establish a clear overall automation strategy prior to testing'

to accelerate the check-in process, while a comprehensive range of detection systems screens passengers and their baggage. Passengers catch a pod by using an app which calls the autonomous pod to their location, and each one can carry up to ten passengers. NEXT

appropriate, and ultimately systems at other hubs," he explained.

Hackmann explained that such a solution will initially be applied within the boundaries of an airport. "In the constrained environment of an airport, autonomous



Working prototype of the NEXT pod vehicle.

NEXT Future Transportation Inc. 1735943

technology represents a lever for optimising infrastructure for new mobility offers. Today, most large airport operators have at least contemplated testing one of the many autonomous electric shuttles. From our perspective, airport operators must first establish a clear overall automation strategy prior to testing individual e-shuttles. The leading airports are co-ordinating efforts to develop an inter-operable backbone for all airport autonomous systems.

"The development and implementation of the above will require changes in current processes and infrastructure. As a result, our own development objectives focus on co-development and integration, while not merely emphasising vehicle deployment at an airport in the near-term.

"NEXT plans on close alignment with airport operators and government authorities that ensure technological solutions and standards are developed in accordance with international standards. At the same time, we require such stakeholders to ensure that the necessary communications infrastructure is provided to facilitate broad automation," said Hackmann.

In Germany, a new project funded with EUR3.3 million from the Federal Ministry of Economic Affairs and Energy (BMWi) is developing autonomous vehicles for ramp operations. Five project partners launched the three-year AirPortMover project to create a base platform that addresses the specific challenges of airports, such as positioning and localisation on the ramp, encounters and collision avoidance with aircraft, high safety requirements, restricted areas, and integration into existing airport operations. The project will test various autonomous transports in three application scenarios.

Ibeo Automotive Systems is leading the project with partners Fraport, Christian Albrecht University Kiel, Airbus Operations, and Hanseatische Fahrzeug Manufaktur.

In a separate BMWi-funded project, the Fraunhofer Institute for Transportation and Infrastructure Systems is working with industry to develop autonomous trucks that will initially be deployed in logistics centres. Dr Sebastian Wagner, who is responsible for the project at Fraunhofer, told *Jane's* that it has future potential for airport applications.

Tasks usually performed by a driver would be performed by AutoTruck. For example, when the driver gets out of the truck at the gate and heads home after his shift, the AutoTruck would drive itself to the loading



Many airports have deployed assistance robots to offer help and information to travellers in the terminal. Pictured is 'Tracy' at Seattle-Tacoma International Airport.

ramp, dock itself automatically, and then park itself after unloading.

Orten Electric-Trucks is converting a Mercedes diesel truck into an all-electric vehicle for the project. Götting KG will fit the truck with safety laser scanners in the front and rear bumpers for immediate emergency braking to prevent collisions. The company is also developing a technology for precise positioning via GPS and map-matching, to compare the location of the vehicle with a digital map. The first autonomous truck is set to be operational by the end of 2019.

### Beating the fear factor

The effects of automated and robotic vehicles on humans must be considered. There has long been a degree of mistrust about the topic, with many forecasts of technology-driven job losses. One study, which commenced this January, seeks to examine the emotional and physical impact of autonomous vehicle use at airports on humans.

The study is being run at Stockholm Arlanda and Bromma airports by operator Swedavia, which is seeking to make its fleet entirely electrified, connected, and autonomous. The research areas will include passenger and driver attitudes towards different degrees of automation, and how these attitudes are influenced. The project will also examine how the working environment changes when the degree of automation increases, and how employee dedication can

be maintained alongside changes to daily routines. The end goal for Swedavia is to gain insights that can be shared with society in order to facilitate the implementation of the new technology at its airports.

The scope for autonomous vehicles at airports is almost limitless. The overriding ethos however remains the same – an increase in efficiency with a view to reducing flight and passenger wait times, and improving operations.

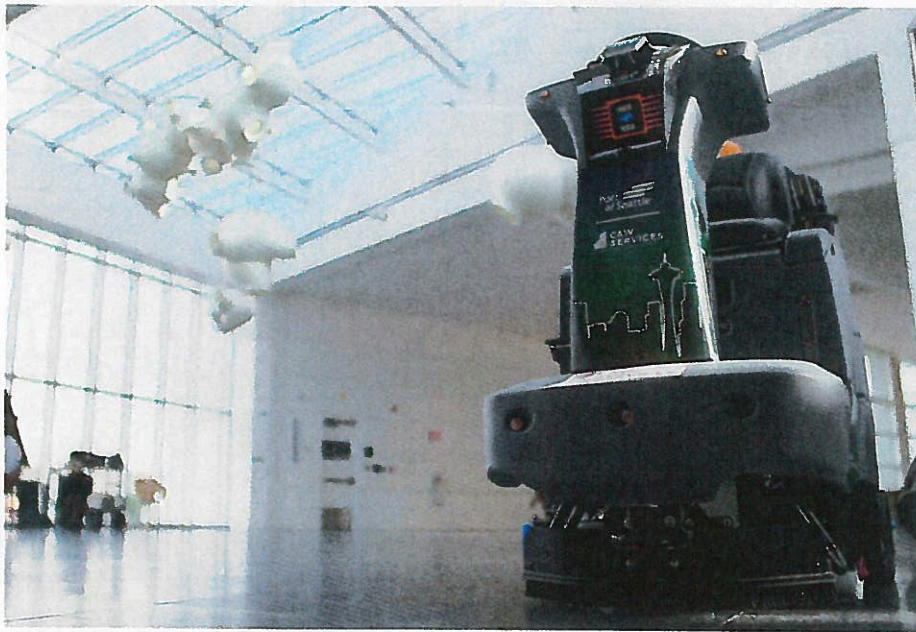
### Exoskeletons prove their worth

A hybrid approach to robotisation comes with the development of exoskeletons: battery-operated mechanical frames that wrap around parts or all of the body to augment the power of human limbs.

Originally developed for the military, exoskeletons are now reflecting the fast-changing pace of technological developments for manufacturing, shipping, logging, farming, mining, and health care. Firefighters, emergency medical technicians and other first responders would also benefit.

At airports, exoskeletons could help to boost productivity and reduce work-related musculoskeletal disorders that cost US employers alone up to USD54 billion per year, according to the National Research Council and the Institute of Medicine.

The technology has progressed to the point that exoskeletons are being adopted in the airport sector, especially in Japan. Tokyo



Port of Seattle:1735946

Cleaning robot at Seattle-Tacoma International Airport.

Haneda International Airport, for example, trialled Hybrid Assistive Limb (HAL) lumbar support exoskeleton suits from Cyberdyne to help with strenuous manual tasks such as baggage loading and unloading, or handling goods in the retail, food, and beverage outlets at the airport. In February, *Jane's* also reported that Atoun has provided 20 "powered wear" units for JAL Ground Service baggage and cargo handlers at Haneda and Tokyo Narita international airports.

In the US, Delta Air Lines in 2018 helped to establish the cross-industry Exoskeleton Technical Advisory Group (X-TAG), to identify key performance and safety requirements and work on strategies to bring full-body, powered industrial exoskeleton systems to the workforce.

"There is no greater responsibility we have than to keep our people and our customers safe," said Delta chief operating officer Gil West. "This X-TAG is an innovative opportunity to think about how fitting our employees with wearable robotics can build on our strong personal safety culture and further protect our people from injury."

Passive exoskeleton suits that do not use external power already exist. There are upper-body, lower-body, and full-body models. For example, the Lockheed Martin ONYX is a powered exoskeleton that straps onto legs. On the move, the exoskeleton takes weight off the user, reducing fatigue and the risk of injury without limiting range of motion.

On the horizon is a new generation of

'soft' exosuit. Early models suffered from a lack of available power supply, but new, more capable products are expected to reach the market by the end of 2019.

Sarcos Robotics plans to start shipping



Haneda Airport:1735944

Cyberdyne provided lumbar support exoskeletons for a trial at Tokyo Haneda.

its Guardian XO Max full-body, powered exoskeleton to customers in early 2020 after completing the assembly of the first all-electric, lithium ion battery-powered, full-body industrial exoskeleton that enables the user to safely lift and manipulate up to 200 lb for up to eight hours on a single charge. The exoskeleton design allows a worker to don the suit or disrobe in under 60 seconds.

Boeing has equipped some mechanics at its aircraft assembly line in South Carolina with exoskeletons to help reduce fatigue on repetitive tasks, such as overhead drilling, and speed up various work tasks. If trials continue to show improved safety and productivity, Boeing says it wants to deploy them to thousands of workers across the company over the next two years. Meanwhile, Toyota Motor North America has equipped assembly line workers with exoskeletons to assist them in inspecting the integrity of welds.

Airports are becoming more ambitious in developing use cases for semi- or fully-autonomous robots inside the terminal. Seattle-Tacoma International, for example, trialled a robot named Tracy that advised travellers on how to get through security quickly. The airport also deployed a fleet of six self-driving floor-cleaning robots. Other robot cleaners have been trialled at Incheon International Airport in South Korea (with LG Electronics), and Tokyo Haneda (Cyberdyne), to name just two.

Robots have been developed to help move baggage in the terminal. LEO from SITA helped outbound passengers to check in their bags at Geneva Airport in Switzerland, and KLM tested a self-driving airport travel assistant to help passengers carry their luggage at Amsterdam Schiphol. The self-driving trolley, dubbed Care-E, can carry up to 85 lb of luggage and drive by the side of passengers.

Invert Robotics developed a remote-controlled climbing robot to deliver efficiency improvements for airlines and the aircraft maintenance repair and overhaul sector. A patented suction mechanism enables the robot to adhere to and traverse aircraft surfaces, even when they are wet or upside down. A high-resolution inspection camera records and transmits video images to a ground-based screen for analysis by line maintenance staff.

Such are the widespread uses for the technology that operational robotics, such as exoskeletons, could in future make a bigger impression at airports than passenger-facing assistance and cleaning robots. ■

# AI intersects with biometrics for smarter processing

The combination of artificial intelligence and biometric identity management brings up abundant opportunities – but particular challenges must also be addressed

Marisa Garcia

Copenhagen

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**B**iometrics are advancing in everyday use, including as an identity token in the air transport industry. More of the electronic devices that we rely on for productivity and entertainment use biometric scans to authorise access, and the 'selfie' culture encourages people to share images on social media, which can be converted to biometric tokens.

Google has been investing heavily in artificial intelligence (AI) for various applications. It is the top acquirer of AI start-ups ahead of Apple and Facebook, with 14 companies bought by the end of 2018. Although AI can be used to solve any number of complex problems using an unlimited range of data, advances in computer vision and image search have the greatest implications for the future of biometric identity. The acquisition in 2013 of deep learning and neural network start-up DNNresearch from the computer science department at the University of Toronto and the acquisition of two Oxford University spin-offs in 2014, helped Google to advance its computer vision, image recognition, and image search capabilities.

Google is not the only company working in this field: other notable computer vision programmes under way include Yandex (Russia) and Baidu (China). Anthony Chapman, director of global product management and strategy information management services at Collins Aerospace, believes that Google might have an edge.

"Technology providers who do facial matching are doing it against Facebook and all of those pictures that are on record, but Google are getting more into data integration," he said.

Integrating data would allow Google to identify important contexts sooner. Potential applications include flagging online activity that may be relevant to travel clearance, predicting passenger behaviour, or

identifying problematic associations.

"Look at what they're doing with Google Flights, where they claim to know when an airline will be delayed before the airline knows," Chapman said.

In fact, a Google patent approved in 2018 (patent number 10031927), and first filed in 2014, specifically mentioned the use of facial imaging to gather context from individuals based on their online activity, including activity on social networks.

"After receiving the visual query with one or more facial images, the system identifies images that potentially match the respective facial image in accordance with visual similarity criteria," Google stated in its patent documents. "Then one or more persons associated with the potential images are identified. For each identified person, person-specific data comprising metrics of social connectivity to the requester are retrieved from a plurality of applications such

## Transborder single-token travel will become common within a decade

as communications applications, social networking applications, calendar applications, and collaborative applications. An ordered list of persons is then generated by ranking the identified persons in accordance with at least metrics of visual similarity between the respective facial image and the potential image matches and with the social connection metrics."

The patent also includes generating a plurality of contextual data. "The search results corresponding to the respective visual identifier include one or more of name, handle, contact information, account information, address information, current location of a related mobile device associated with the

person whose face is contained in the selectable sub-portion, other images of the person whose face is contained in the selectable sub-portion, and potential image matches for the person's face."

The prospect of finding an individual immediately through "current location of a related mobile device" may be particularly useful for aviation security, but Chapman believes that the sensitivity of biometric data will become an issue for airports.

"There are data privacy laws [which allow that] you can use it for security purposes. But can you use it for general tracking?" he mused.

EU General Data Protection Regulation (GDPR) rules protect personal data, including images. In the US, the National Institute of Standards and Technology (NIST) continues to refine its ANSI/NIST-ITL Standard to deal with issues of data security and other complications such as biometric token spoofing. For its part, Google acknowledged in its patent that individuals in some markets may need to actively opt in to be included in searches.

## More than a token effort

In July 2017, during the Farnborough International Airshow, IER and Malaysia Airports Holdings Berhad (MAHB) announced a collaboration to design a new "enhanced passenger journey" with self-service automation that relies on single-token biometric identity. It is expected to allow MAHB to analyse passenger movements at the airport, "which could potentially result in joint intellectual property to serve the airport community".

Chapman believes that transborder single-token travel will become common within a decade, based on a trusted framework for sharing identity data. The adoption of single-token passenger identity is likely to be driven by mutual recognition by governments of different national tokens, but many questions remained unanswered at this stage. "When you share data across borders, what do you share? Do you share the biometric and all of the passport data, or do

you share a token that refers back to where you first stored that [biometric information]? Then, the destination country trusts the original country that the token met their requirements," he said.

The International Air Transport Association (IATA) may have the answer to this question with its One ID programme. The airline industry body forecasts that global airline passenger traffic will double from 4.1 billion in 2017 to 8.2 billion by 2037, so speedy processing of passengers at check-in and through checkpoints will become essential.

Anne Carnall, programme manager for future airports at IATA, regards the One ID identity token program as an integral part of the seamless end-to-end journey.

"Of course we need to provide this while we continually improve security and process efficiency," she said. "Inherent in the [IATA] passenger vision is greater integration between the commercial aspects [that is, the placing of an order] and the operational processes [for example, verification of identity and real-time passenger communications]."

"In offering passengers more choice and control of their journey in a dynamic manner, we must have the means to account not just that a service was requested, but deliver it and track that this happened. This blurs the lines between operational and commercial data."

One ID could be used to manage baggage-handling processes, as a useful way of blurring the lines. "We are keeping in mind that solutions developed for passenger identity may be transferable and useful for baggage identity," Carnall said. "So your bag could have a kind of 'biometric' identity too. Passengers will be reassured about where their belongings are. This will have a profound impact on passenger behaviour and the uptake of emerging baggage service offerings such as home collection and delivery."

Guido Peetermans, head of passenger security at IATA, believes that a focus on One ID will be vital to the automation of Advance Passenger Information (API), visa verification, and border control processes, as well as numerous seamless journey applications. The challenge is for governments to embrace the advances.

"This vision and benefits for the industry will only be realised if there is trust and collaboration amongst the different stakeholders and partnership amongst public and private sector," Peetermans said. "IATA is keen to see this vision realised, as already the industry is moving into this direction. We see more and



Work in progress: a construction worker walks past facial recognition screens at the entrance to Beijing Daxing International Airport. Passenger biometrics could revolutionise airport processes, especially when combined with artificial intelligence.

more initiatives around the world involving various stakeholders and there is a strong urgency to make sure different initiatives are deployed in a harmonised way, allowing interoperability amongst them. This will ensure a seamless process for the passengers but as well for the industry."

A plethora of trials and pilot schemes are under way to explore biometrics and identity management solutions at airports, but these are mostly conducted in isolation. None span the end-to-end passenger journey from booking to arrival at the destination airport. Airports have also adopted different processes and technologies.

Some examples of biometric-enabled seamless travel programmes include the Happy Flow process in Aruba, powered by Vision-Box; the biometric gates at Singapore Changi T4 in the Fast And Seamless Travel (FAST) initiative, enabled by IDEMIA; various US Customs and Border Protection biometrics projects and programmes, such as the fully biometric Delta terminal at Atlanta Hartsfield-Jackson; and planned implementations at international airports serving Bangalore, Schiphol, Heathrow, Dubai, Sydney, and other world cities.

For airports and airlines, the priority is to harmonise the processes and protocols for single-token identity. "There is a need for harmonisation and interoperability. This is the main objective of IATA One ID – starting with industry guidance, and evolving towards formal recommended practices and standards," Peetermans said. "To this end, a

One ID Advisory Group has been established comprising leading governments, airlines, airports, and partner organisations such as ACI [Airports Council International] and WTTC [World Travel and Tourism Council], as well as a broad Task Force that has started to produce the first set of guidance materials, including operational and process considerations, technology considerations, legal and governance considerations, and cost/benefit considerations."

Commercial applications of AI for identity verification, which uses biometric data that we willingly supply day-to-day, may ultimately tear down the barriers to progress of travel initiatives such as One ID, and help the aviation industry to establish a working framework for global biometric data exchange.

For now, passengers appear more inclined to embrace biometric automation rather than worry about its privacy implications. The SITA Passenger IT Insights Report 2019 found that 44% of passengers had their identity verified automatically in 2018, up from 21% in 2017.

"Those who sailed through self-scanning gates reported the greatest satisfaction – 3.85% higher than those who had their ID checked by a human agent," the report stated. "Passengers are ready for more. In fact, 59% are very willing to use their mobiles for ID verification along the journey, with a further 33% open to the idea. With nine out of 10 passengers potentially welcoming this service, airlines and airports can be confident that their investments will pay off." ■