

# **GREENVILLE-SPARTANBURG AIRPORT COMMISSION**

## **MINUTES**

**March 21, 2022**

The Greenville-Spartanburg Airport Commission met on March 21, 2022 at 9:00 a.m. in the Greenville-Spartanburg District Office Board Room located at 500 Aviation Parkway Greer, South Carolina 29651. The public and media were given proper notice of this meeting, under applicable law. This was a regular, non-emergency meeting.

**MEMBERS PRESENT:** Minor Shaw, Hank Ramella (via teleconference), Leland Burch, Valerie Miller, Jay Beeson, Doug Smith

**MEMBERS NOT PRESENT:** None

**STAFF AND LEGAL COUNSEL PRESENT:** David Edwards, President/CEO; Kevin Howell, Senior Vice President/COO; Basil Dosunmu, Senior Vice President-Administration and Finance/CFO; Scott Carr, Vice President Commercial Business and Communications; Betty O. Temple, WBD; Thomas Tyra, Director of Communications & Air Service Development; Jeff Clifton, Director of Design & Construction; Bobby Welbourn, GSP Chief of Police; Casey Cooperman, Executive Assistant/Recording Secretary

**GUESTS PRESENT:** Jon McAlmont, Parrish & Partners; Mark Waller, AVCON; Allen Smith, OneSpartanburg, Inc.; Brian Albers, Corgan; Sylvia Hagan, TSA; Rich Rzucidlo, TSA; Dave McMahon, TSA; Jonathan Chasteen, HDR

**CALL TO ORDER:** Chair Minor Shaw called the meeting to order at 9:03 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 24, 2022 Regular Meeting Minutes.

### **PRESENTATIONS:**

#### **A. Transportation Security Administration Update**

Mr. Edwards introduced Mr. Dave McMahon, Federal Security Director for the TSA. Mr. McMahon provided a brief 2021 TSA update, where he discussed the continued leadership realignment at the state level. Mr. McMahon introduced two TSA leaders in attendance, Rich Rzucidlo, Assistant Federal Security Director and Sylvia Hagan, Transportation Security Director. Mr. McMahon also discussed the extension of the federal mask mandate, and TSA operations at GSP. He also indicated that staffing has been a challenge at airports statewide. In 2022, Mr. McMahon is looking forward to continued passenger recovery and shared that TSA's teamwork with GSP Staff and customer experience are their top priority. Among the projects set for 2022, TSA will look to replace all X-ray machines at GSP. Mr. McMahon shared that their greatest concern nationwide is firearms. He discussed the fines for such an occurrence. TSA's goal is to look at working internally with airlines and airports

on how to better educate passengers on the requirements for packing a firearm in checked baggage.

## **B. OneSpartanburg, Inc. Update**

Mr. Edwards introduced Mr. Allen Smith, President/CEO of OneSpartanburg, Inc. Mr. Smith shared the OneSpartanburg, Inc. mission to build a vibrant Spartanburg through business, economic and tourism development. He described the Business, Economy, Tourism and Mission Support branches of OneSpartanburg, Inc. and their functions.

Providing a recap of 2021, Mr. Smith discussed the success of Spartanburg's COVID-19 recovery project, "Bring Back the Burg", citing community vital statistics and programming that aided in the recovery and brought funding for a new city/county joint municipal complex. Regarding advocacy and government relations, Mr. Smith discussed past major wins and the creation of three political action committees. He also shared the recent success of a \$12 million earmark in the state legislature budget for a downtown Spartanburg infrastructure project and the rendering for a new Spartanburg High School. Mr. Smith also shared highlights and focus areas from OneSpartanburg's Tourism and Economic Development branches.

Taking a look at what's to come for Spartanburg, Mr. Smith shared that OneSpartanburg, Inc. will soon be launching its Vision 2.0 plan which aims to advance fifteen key initiatives in three focus areas in pursuit of six primary goals; to raise the level of prosperity, increase educational attainment, attract and retain talented individuals, diversify Spartanburg County's economy, improve quality of life for residents, and reduce racial equity gaps in entrepreneurship and business ownership.

Chair Shaw congratulated Mr. Smith and the OneSpartanburg, Inc. team on their collaborative effort and success. Mr. Edwards thanked Commissioner Smith for his contribution to the continued success of Spartanburg County and the Upstate.

**OLD BUSINESS:** None

**NEW BUSINESS:**

### **A. Approval of a Budget amendment for the Site 1 Corporate Hangar Project**

Mr. Kevin Howell, Senior Vice President/COO, presented a request for approval of a budget amendment for the Site 1 Corporate Hangar Project.

The FY2022 capital budget included a \$5,800,000 budget for the construction of a new corporate hangar at Site 1 on the General Aviation Expansion Area. The original project scope included construction of 25,000 SF of hangar space with 5,000 SF of finished office space and parts storage area for a potential corporate aviation tenant. In January, the 60% construction estimate and a potential project budget of \$7,600,000 was discussed with the Commission based on expected construction costs increasing by approximately 30%.

Since the January 24 Commission meeting, design was completed, and construction manager Myers and Chapman (M&C) solicited subcontractor bids. M&C has submitted their guaranteed maximum price (GMP) based on subcontractor bids for a total of \$6,185,423. Therefore, Staff is presenting this request for a budget amendment.

The current Commission approved budget is \$5,800,000. The revised project budget of \$7,200,000 is an increase of \$1,400,000 or approximately 24%.

The current project scope includes 25,000 SF of hangar space and 5,000 SF of office shell space. The interior build-out of the office space and parts storage area would be budgeted and constructed when a tenant is secured depending on the lease agreement terms.

Discussion ensued as to how the District would fund this project, to which Mr. Edwards replied that the District's cash reserve funds would be used, and Mr. Howell noted that the FBO manager has recently met with companies interested in leasing the space, and if an exclusive tenant is not identified, the hangar could be treated as a bulk hangar with available 30-day hangar deck permits, which would also create revenue.

There was a motion to (1) approve a revised total project budget amount of \$7,200,000 for the Site 1 Corporate Hangar Project; and (2) authorize the President/CEO to execute all necessary documents. The motion was seconded and unanimously approved.

## **PRESIDENT/CEO REPORT:**

### **Aviation Industry Update:**

Mr. Edwards reported that District is experiencing strong passenger numbers, but notes that with the cost of fuel increasing, airfares are also increasing. Along with that, airlines are still having staff challenges and crew availability is a common problem.

The District has relaxed its vaccine mandate for new hires and those being promoted within the company.

Nationwide there is still a focus on leisure travel and the District does appear to be benefiting from this as well as business travel continues to lag behind. The District expects to finish at nearly 90% of 2019 passenger numbers for March 2022.

Commissioner Miller inquired about Contour Airline's load factor and the District's plans to continue advertising the new route, to which Mr. Carr noted that while the load factor is a concern for Contour, GSP is proving to be one of their strongest markets. Additionally, GSP Staff has a meeting with the Contour CEO to go over the results of its recent advertising campaign.

Mr. Edwards continued on by sharing that the District's cargo business remains strong. There have been challenges concerning a lack of aircraft equipment to move freight, citing the war in Ukraine as a contributor. Russian aircraft have been taken out of service due to political issues. The District is also seeing the use of passenger planes used for freight, "preighters", diminish as international passenger traffic is starting to rebound globally. On a positive note, the District may pick up two B-747 flights per day in order to satisfy cargo needs for a local company.

### **Federal and State Legislative Update:**

Mr. Edwards gave a briefing of his time at the Washington Legislative Conference, where he met with the staffs for Representative William Timmons, Senator Lindsey Graham and Senator Tim Scott. Grants were a topic of conversation in these meetings, including the EDA grant for the cargo aircraft apron expansion.

Additionally, Mr. Edwards discussed the rollout of the federal infrastructure money for the Airport Terminal Program (ATP), which includes \$200 million for small hub airports. The District will look to compete over a five-year period for these funds.

In the state, airport representatives fought hard for a \$50 million budget item to be added to the South Carolina Aeronautics Commission budget. At this time, if approved, it could mean that the District is awarded \$10-\$12 million. The goal is for this to be set up as reoccurring funding each year. The funds have not been earmarked for a specific use, but the preference is that they be used for infrastructure/revenue-generating projects.

### **District Personnel Departures:**

Mr. Edwards updated the Commission on recent staff departures, including HR Director, Ashley Bruton, and Director of Commercial Business, Carlos Ruiz. A recent employee engagement survey revealed a request for more flexible work schedules, which the Executive Team and Staff are evaluating how to address.

### **Financial Update:**

Mr. Edwards noted that moving forward, he and Mr. Dosunmu would provide a high-level financial briefing at each Commission meeting. Mr. Dosunmu gave the Commission a snapshot of operating revenues, expenses, gross margin, cost per enplanement, along with a summary of the District's fund balance and debt.

Mr. Edwards discussed the upcoming May 9, 2022 Commission meeting which includes a review of the FY2022-2023 budget, noting where the Commissioners should expect to see increases, projections for next fiscal year's enplanements, and the inclusion of planning studies for several comprehensive projects.

The Commission requests that Staff have a budget workshop meeting to provide detail and further insight into the budget before it is presented at the May 9 Commission meeting.

Regarding the land use master plan update, Chair Shaw recommends creating a taskforce, led by Doug Smith, to coordinate with Staff on future updates to the plan.

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

Commissioner Beeson requested an update on the campus signage and lighting project to which conversation ensued about the signage program's first phase and the need for adjustments in order to meet District standards. Because of these adjustments, the timeline for the next phase has been updated. Mr. Clifton, Director of Design and construction stated that the project will be completed by April 18<sup>th</sup>.

Mr. Edwards also provided an update on the commercial vehicle staging area and the plan for changes to the front curb, roundabouts, and the road to future Garage C.

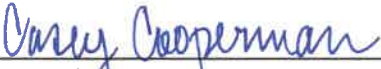
Commissioner Smith posed a request to evaluate the value of "Greenville" and "Spartanburg" marketing and advertising. He would like for the two counties to be captured equally in marketing efforts, so as not to misrepresent the attraction to Spartanburg. A recommendation was made to create a marketing sub-committee and economic development sub-committee.

Mr. Edwards and Chair Shaw agreed that this recommendation would be taken into consideration and that it would be beneficial for the District to provide a GSP Marketing-specific presentation to the Commission once a year.

**ADJOURNMENT:**

There being no further business, a motion was made, seconded and unanimous vote received to adjourn meeting. The meeting was adjourned at approximately 11:03 a.m. The next regular, non-emergency Commission meeting is scheduled for Monday, May 9, 2022, at 9:00 a.m.

**SIGNATURE OF PREPARER:**

  
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Casey Cooperman