

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

January 23, 2023

The Greenville-Spartanburg Airport Commission met on January 23, 2023 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, Leland Burch, Valerie Miller, Jay Beeson, Doug Smith

MEMBERS NOT PRESENT: Hank Ramella

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Betty O. Temple, WBD; Kevin Howell, Senior Vice President/COO; Kirk Eickhoff, Senior Vice President/CFO; Kelly Dawsey, Vice President/CHRO; Deven Judd, Vice President/CCO; Zach Salvato, Director of IT; Tom Tyra, Director, Communications & Air Service Development; Tiffany Cherry, Communications Manager; Casey Cooperman, Executive Assistant/Recording Secretary

GUESTS PRESENT: Ben Murray, WBD; Eric Rysdor, HDR; Mark Waller, AVCON; Mark Gale, AAAE; Lisa Edwards; Amanda Sheridan, McFarland Johnson

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:13 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 November 14, 2022 Regular Meeting Minutes.

OLD BUSINESS: None.

PRESENTATIONS:

A. AAAE Distinguished Service Award Presentation

Mark Gale, Chair American Association of Airport Executives (AAAE) and CEO/Director of Aviation for the Broward County Aviation Department, presented AAAE's Distinguished Service Award (DSA) to Mr. David Edwards, President/CEO of the Greenville-Spartanburg Airport District (District). Mr. Gale recognized that this is one of AAAE's highest levels of recognition and commended Mr. Edwards on his many years of service and leadership in the aviation industry.

Mr. Gale noted that Mr. Edwards is receiving this award as recognition of outstanding accomplishments in his professional and personal lives; that he is not only a leader in his own community but that he also contributes to other aviation organizations, serves AAAE and its regional chapters, and participates in civic and community affairs. Mr. Gale spoke personally on his experience with Mr. Edwards, mentioning the tremendous impact he has made as a leader in the industry and the example he has set as an involved advocate for

the aviation industry and community. Mr. Gale went on to say that DSA winners exemplify the best in airport management by continually bringing credit to the profession. All DSA winners are Accredited Airport Executives (A.A.E.s) and exemplify the standards that the accreditation seeks to inspire.

Chair Shaw recognized Mr. Edwards and the positive impact that he has not only had as a leader at the District, but also in the Greenville and Spartanburg communities, where he is always seeking to align the goals of the airport with the goals of the Upstate SC area.

NEW BUSINESS:

A. Approval of a Budget Amendment for the Cargo Apron Phase 2 Project

Kevin Howell, Senior Vice President/COO, presented a request to the Commission for a budget amendment to the Cargo Apron Phase 2 Project.

The FY2023 capital budget included a budget of \$10,800,000 for the Cargo Phase 2 Apron Project (Project). The Project scope includes expansion of the Center Cargo Ramp (CCR) which will double the capacity for parking widebody cargo freighter aircraft.

Project design was led by WK Dickson, and the project was bid December '22. Three bids were received, and the lowest responsive bidder was Webber at \$14,443,236.

The lowest responsive bid along with costs for contract administration (CA) services, resident project representative (RPR) and inspection services, quality assurance testing and a 10% contingency budget puts the new total project budget at \$16,500,000. Commission approval is necessary prior to proceeding with the project.

Mr. Howell presented the fiscal impact of the project, noting the increase in budget by \$5,700,000 and provided a breakdown of the proposed sources of funding for the revised budget from the EDA, AIP discretionary grant and South Carolina Aeronautics FY23 primary funding program. The revised amount of the District's contribution is now \$2,839,356.

Following the presentation, conversation ensued about the appropriation of grant funding to the Project, and the increase in GSP's contribution, to which Mr. Edwards noted that the revised appropriation of funds works best with the District's budget and availability of funds. Commissioner Smith asked what is attributing to the increase in the estimate, to which Mr. Howell answered that the original estimate is over two years old, and that there has been an increase in material costs, specifically the raw goods in concrete.

A motion was made by Commissioner Burch to (1) approve the revised total project budget amount of \$16,500,000 for the Cargo Apron Phase 2 Project; and (2) authorize the President/CEO to execute all necessary documents. The motion was seconded by Commissioner Miller and unanimously approved.

B. Approval of a Budget Amendment for the GA Apron Paving Project

Kevin Howell, Senior Vice President/COO, presented a request to the Commission for a budget amendment to the GA Apron Paving Project.

In November 2020, the Commission approved a budget of \$2,900,00 for the GA Site 1 Infrastructure Project. The GA Infrastructure Project scope included the construction of utilities, roadway extension, retaining wall and taxi lane/apron paving required for the new corporate hangar being constructed at the GA expansion area Site 1.

The infrastructure portion of the work was competed among the IDIQ contractors and awarded to Mavin Construction. Mavin is substantially complete with the infrastructure work. Approximately \$800,000 is remaining from the original project budget.

An additional \$1,400,000 was budgeted in the FY23 capital budget for the GA Apron Paving Project.

The apron paving was designed by WK Dickson and bid along with the Cargo Apron Phase 2 Project for cost efficiency. The lowest responsive bidder on the Cargo Apron Project is also the lowest responsive bidder on the GA Apron Paving Project with a bid of \$2,128,970.

The lowest responsive bid along with costs for contract administration (CA) services, resident project representative (RPR) and inspection services, quality assurance testing and a 10% contingency budget puts the new total GA Apron Paving Project budget at \$2,600,000. Commission approval of a budget amendment is necessary prior to proceeding with the project.

Regarding fiscal impact, Mr. Howell noted that approximately \$800,000 is remaining from the original GA Site 1 Infrastructure Project budget. An additional \$1,400,000 was budgeted in the FY23 capital budget.

With the construction costs, contract administration (CA) services, resident project representative (RPR) and inspection services, quality assurance testing services and a 10% project contingency budget, the remaining project budget is \$2,600,000.

With that Mr. Howell stated that a \$400,000 project budget amendment is requested to fully fund the remaining project scope.

Mr. Edwards then discussed with the Commissioners that the previous estimates did not come from local companies which may attribute to the variance, as these companies are not familiar with the local market's current demand for construction services. He stated that local cost estimating will hopefully help avoid budget amendments in the future.

A motion was made by Commissioner Miller to (1) approve the revised total project budget amount of \$2,600,000 for the GA Apron Paving Project; and (2) authorize the President/CEO to execute all necessary documents. The motion was seconded by Commissioner Beeson and unanimously approved.

PRESIDENT/CEO REPORT:

Aviation Industry Update:

Mr. Edwards touched on the District's experience with Southwest flight cancellations in December, attributing to a loss of between 1,600 – 1,700 enplanements. However, as the District moves into 2023, larger aircraft are being reintroduced into the market and additionally, American Airline's addition of direct service to LaGuardia airport will boost enplanements in the new year. Mr. Edwards also notes that there is the potential for additional new service to be introduced from GSP in the upcoming months.

Revisiting the original target of 2024 for the District's passenger traffic recovery from COVID, Mr. Edwards noted that the District is still on track to reach this goal. Although it has not been a steady increase in traffic, the additional seat capacity will help. He gave an update on where the airlines stand in getting their seat capacity back to 100% of pre-COVID levels. He noted that although airlines are still experiencing difficulties with pilot and crew shortages as well as Southwest's operational issues, the carriers are overall doing well and continue to get back on track.

Federal and State Legislative Update:

Regarding federal legislation, Mr. Edwards shared that the focus is on the upcoming FAA Bill Reauthorization, as the current bill will expire on September 30th. It is unlikely there will be a new bill to pass, but some fear that there will also not be an extension, which would effectively halt the funding system, including Airport Improvement Plan (AIP) funding that comes from the Airport & Airway Trust Fund (AATF). Therefore, there are hopes that a bill can be passed which will at least allow for grant funding to be pulled from the AATF.

As it pertains to state legislation, Mr. Edwards noted that the state budget's appropriation of \$50M to the South Carolina Aeronautics Commission (SCAA) has been reduced by 20% to \$40M for the six commercial airports, with the remainder set aside in a budget proviso to fund an airport in a county that does not have one. Of that, the District will receive \$8.9M. In the next year's budget, the SCAC's request is for \$100M to be split between commercial service airports and general aviation airports, with the hopes that it will include a recurring appropriation of funds moving forward. Mr. Edwards added that the speaker of the house has made a strong acknowledgement that there needs to be significant investment in the state's airports.

Financial Update:

Mr. Edwards introduced and welcomed the District's new Senior Vice President/CFO, Kirk Eickhoff, and asked that he provide the Commission with a District financial update. Mr. Eickhoff provided an update including YTD Operating and Airline Revenue, Operating Expenses, Gross Margin, Cost Per Enplanement, Airline Revenues, Investment Balance, Fund Balance, and Debt Balance.

Chair Shaw inquired as to how the District projects to spend its Capital Improvement Project (CIP) funding over the next few years and how this spending relates to the District's outlook. Mr. Edwards stated that at the next Commission meeting Staff will provide additional information and an updated CIP chart.

COMMISSIONER'S REPORT: None.

EXECUTIVE SESSION:

The Commission Chair requested that the Commission go into Executive Session for the purpose of discussing economic development projects. The motion was made by Commissioner Burch, seconded by Commissioner Miller, and approved to go into Executive Session at 10:17 a.m.

At approximately 10:30 a.m. public session resumed with no action being taken in Executive Session.

ADJOURNMENT:

There being no further business, a motion was made by Commissioner Miller, seconded by Commissioner Burch and unanimous vote received to adjourn meeting. The meeting was adjourned at approximately 10:31 a.m. The next meeting regular, non-emergency Commission meeting is scheduled for Monday, March 27, 2023.

SIGNATURE OF PREPARER:



Casey Cooperman

