

# GREENVILLE-SPARTANBURG AIRPORT COMMISSION

## MINUTES

March 27, 2023

The Greenville-Spartanburg Airport Commission met on March 27, 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, Hank Ramella, Leland Burch, Valerie Miller, Jay Beeson, Doug Smith

**MEMBERS NOT PRESENT:** None

**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; Jonathan Sykes, Marketing & Graphic Design Specialist; Kim Davis, Information Center Supervisor; Courtney Myers, Communications Specialist; Cody Bauman, Director of Properties; Jeff Clifton, Director of Design & Construction; Casey Cooperman, Executive Assistant/Recording Secretary

**GUESTS PRESENT:** John Lummus, Upstate Alliance; Jon McCalmont, Parrish & Partners; Jennifer Mustar, HDR; Shawn Epps, HDR; Eric Rysdon, HDR; Amanda Sheridan, McFarland Johnson; Mark Waller, AVCON, Inc.; Andrew Swift, Pond

**CALL TO ORDER:** Chair Minor Shaw called the meeting to order at 9:02 a.m.

**CONSENT AGENDA:** A motion was made, seconded, and a unanimous vote was received to approve the Consent Agenda as follows:

- A. The Greenville-Spartanburg Airport Commission January 23, 2023 Regular Meeting Minutes.

### **PRESENTATIONS:**

#### **A. Upstate Alliance Update**

Before the Upstate Alliance Presentation, Dave Edwards, President/CEO ask the Chair for a moment to introduce the Marketing and Communications team for the District as they have been doing a fantastic job. He then introduced Tom Tyra, Vice President of Marketing and Communications to recognize his team and congratulate them for their part in helping to accomplish the ACI-NA ASQ Best Small Airport award.

Dave Edwards, President/CEO, then introduced and welcomed John Lummus from Upstate Alliance.

John Lummus, President/CEO of Upstate Alliance, started his presentation by recognizing the positive impact Greenville-Spartanburg International Airport has on the region.

Mr. Lummus then provided a breakdown of Upstate Alliance partnerships, including public and private sector partners, and state fund matching. He then shared why focusing on the region instead of specific cities or counties is more beneficial to everyone, including the cities, counties, businesses, workforce and public-private partners.

Mr. Lummus went on to describe that the role of Upstate Alliance is to bring awareness of the Upstate to potential companies, the identification of best-fit companies for the area, and recruitment of them to the Upstate area, stressing that Upstate Alliance's focus is on building relationships, with site selectors, international trade offices, industry leaders, and prospect companies. In 2022, Upstate Alliance announced \$3.94 billion in new capital investment and the announcement of 6,476 new jobs. He noted that both Greenville-Anderson-Mauldin and Spartanburg were both recognized as top metros in Site Selection Magazine.

Following that, Mr. Lummus shared five trends that have changed the way we work and live in Upstate South Carolina, noting that change is a constant in global markets. To keep up with the change, Upstate Alliance has implemented a five pillar plan of work. The five pillars are to showcase the Upstate's value proposition, double down on data-driven lead generation, recruit both companies and talent to the region, promote the Upstate as a talent and career destination, and champion economic development and a business-friendly environment. Using these five pillars, Upstate Alliance will target the specific industries of aerospace, mobility, engineered materials, food manufacturing, life sciences, and office and professional. He concluded with more specific information on the demographics represented in the talent pool of the region, and industries most widely represented, such as trade, transportation and utility, manufacturing, and public administration. He also discussed two of the Upstate Alliance's initiatives, Move Up and Skill Up. Mr. Lummus then opened the floor to any questions.

Chair Shaw inquired as to what the Upstate could do better, to which John answered that we should give serious consideration to traffic and transportation plans, affordable housing, and workforce efforts in both manufacturing and technology.

Conversation ensued over the importance for the state to have pad-ready sites to recruit new companies, and discussed how having a pad-ready site would be beneficial for the District as well.

## **OLD BUSINESS:**

### **A. Approval to Proceed with Parking Garage C and Consolidated Rental Car Facility Project**

David Edwards, President/CEO, presented a request for approval to proceed with the Parking Garage C and Consolidated Rental Car Facility (ConRAC) project.

Mr. Edwards provided the background of the project, stating that the Greenville-Spartanburg Airport District (District) was on track to begin the construction of Parking Garage C and Consolidated Rental Car Facility Project (Project) in early 2020. However,

when COVID-19 surfaced, and passenger traffic levels fell this Project was put on hold. Staff would now like to begin the necessary processes to move this project forward. The Greenville-Spartanburg International Airport (GSP) is now reaching approximately 95% of its 2019 passenger traffic levels. Staff is forecasting that GSP should be fully back to 2019 passenger traffic levels in early to mid-2024.

Parking and rental car demand continues to increase as passenger traffic recovers from the impacts of the pandemic. Currently, on certain days of the week, both existing parking garages reach capacity and must be closed.

Mr. Edwards then provided the general timeline for this Project if the Project moves forward in early April 2023.

The financial delivery of this Project is being further evaluated. It is no surprise that construction costs have risen significantly since 2020 as well as the cost of financing. Mr. Edwards stated that the Staff has now met with the rental car companies on two occasions since January 2023, and they indicated in the last meeting that they do believe that this Project is necessary for their future growth here at GSP. The challenge will be balancing the need for the Project versus the financial impacts on rental car companies, the District, and our mutual customers.

Mr. Edwards went on to say that, if approved to move forward with the Project, Staff will secure a General Contractor and obtain a GMP. During this process, Staff will be working with the rental car companies to develop a mutually acceptable financing plan for the project which will be brought back to the Commission for consideration and approval. Finally, Mr. Edwards said that once the GMP is received from the Contractor, it will be brought back to the Commission for review and approval.

Alternatively, the Commission could elect not to move forward at this time. The fiscal impact of this project rose from an estimated \$75 million in 2019 to \$114 million based on a recently completed estimate.

Kirk Eickhoff, Senior Vice President/CFO then presented a review of the various financial changes and impacts of the Project.

The Commission and Staff discussed the staggering increase in cost but agreed that the costs will likely not go back down so decided waiting for a better price isn't feasible. The Commissioners will also look forward to the additional approval process once the GMP is received from the contractor.

Conversation ensued about the prior contractor selected for the Project, how the new rental car facility would change Parking Garage A where the rental car companies currently reside, and if design for Parking Garage C has changed.

There was a motion made by Commissioner Ramella to approve Staff to move forward with the Parking Garage C and Consolidated Rental Car Facility Project as outlined in the memorandum and authorize the President and CEO to execute all necessary documents. The motion was seconded by Commissioner Miller and unanimously approved.

**NEW BUSINESS:** None.

**PRESIDENT/CEO REPORT:**

**Aviation Industry Update:**

Mr. Edwards discussed the recent FAA Aviation Safety Summit held on March 15. The purpose of the summit was to discuss ways to enhance flight safety, focusing on commercial operations, the air traffic system, airport and ground operations, and general aviation operations. The summit was called to focus on the industry following a string of recent safety incidents. Mr. Edwards went on to say airline fares have remained high and that will likely continue through the summer. At the District, business travel is returning and leisure travel is strong. Overall, there has been a general return to normalcy.

**Federal and State Legislative Update:**

Mr. Edwards provided an update on the recent Washington Legislative Delegation, noting that the House and the Senate intend to get the FAA Reauthorization Bill out early this year, by July 1, which then allows three months for it to be passed by the end of September. There will likely be no significant changes, but they are pushing for increased funding and some regulatory changes.

Regarding state legislation, Mr. Edwards spoke on the state's budget for the SC Aeronautics Commission and what portion the District may receive in non-recurring project funding. Mr. Edwards noted that commercial airports in South Carolina have garnered attention for the importance of aviation and its economic impact.

**Financial Update:**

Kirk Eickhoff, Senior Vice President/CFO, provided a brief District financial report to the Commission, including FYTD Operating Revenues, Operating Expenses, Gross Margin, Cost Per Enplanement, Airline Revenues, Investment Balance, Fund Balance, and Debt Balance.

**Palmetto Sites Program Update:**

Deven Judd, Vice President/CCO, provided an update on the Palmetto Sites Program, explaining that the goal of the program is to elevate the state of South Carolina's competitiveness by vetting sites for industrial development and having due diligence items ready for prospects. Participants in the program provide data on the property's availability, developability, zoning, transportation, and utility infrastructure. The South Carolina Department of Commerce initiated the program and has partnered with Site Selection Group (SSG). Mr. Judd went through the program's scope of services, due diligence plan/checklist, findings and conclusions related to the District's developable tracts, as well as an executive summary of SSG's perspectives on GSP, site analysis, workforce, target industries of interest, and execution, with key recommendations and options for a path forward. In conclusion, Mr. Judd asked for no action to be taken at this time but assured that this will be brought back for action by the Commission at a future meeting.

**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 Ramella, seconded by Commissioner Miller, and approved to go into Executive Session at 11:11 a.m.

At approximately 11:46 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 Ramella, seconded by Commissioner Burch and unanimous vote received to adjourn meeting. The meeting was adjourned at approximately 11:47 a.m. The next meeting regular, non-emergency Commission meeting is scheduled for Monday, May 15, 2023.

**SIGNATURE OF PREPARER:**

  
\_\_\_\_\_

Casey Cooperman