

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

July 10, 2023

The Greenville-Spartanburg Airport Commission met on July 10, 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; Kelly Dawsey, Vice President/CHRO; Deven Judd, Vice President/CCO; Tom Tyra, Director, Communications & Air Service Development; Zach Salvato, Vice President/CIO (via teleconference); Jeff Clifton, Director of Design & Construction; Ryan Clark, Real Estate and Leasing Manager; Tim Juul, Concessions Manager; Trudy Carson, Passenger Development Manager; Ashlyn Martin, Intern; Emma Miller, Intern, Casey Cooperman, Executive Assistant/Recording Secretary

GUESTS PRESENT: Ben Barfield, Brassfield & Gorrie; Steve Van Beek, Steer Group; Shawn Epps, HDR; Jeff Kirby, Parrish & Partners; Alex Kovacs; Jon McCalmont, Parrish & Partners; Bob Overby, McFarland Johnson; Mark Waller, AVCON

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:07 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 May 15, 2023 Regular Meeting Minutes.

PRESENTATIONS:

A. Annual Strategic Business Plan Update

Before starting the presentation, Tom Tyra and Deven Judd introduced summer interns and new staff members in the District's Communications and Commercial Business departments before handing the floor over to Steve Van Beek.

Dave Edwards welcomed Dr. Steve Van Beek of Steer Group. Dr. Van Beek opened with a presentation on GSP's Strategic Business Plan with updates through May 31, 2023, on GSP's Strategic Goals of safety, service, finance, regional leadership and opportunity, and Cerulean services. Dr. Van Beek shared that the District has experienced success in every category, with only small improvements or opportunities suggested in certain areas.

Following the Strategic Plan Update, Dr. Van Beek went into a presentation on the State of the Industry. Dr. Van Beek shared the Strengths, Weaknesses, Opportunities and Threats that are prevalent in the aviation industry now. The positive story is that all regions in the United States will have recovered to at least 94% of 2019 seat capacity with small hub airports leading the way. Most international destinations have recovered to pre-COVID seat capacity as well, however Asia-Pacific destinations still lag behind.

Dr. Van Beek also provided an update on each domestic airline's seat shares in the market compared to 2019. He noted that the recovery patterns and increase in leisure travel have driven changes in networks.

Specifically regarding GSP, Dr. Van Beek shared that its recovery is at about the midpoint of national benchmarks as leisure-oriented regional benchmarks have recovered the fastest. Regarding cargo, although the trends appear negative when compared to 2022, GSP is still outperforming the U.S. average.

Dr. Van Beek then provided a glimpse into the challenges and choices that airlines and airports face. The trend is for airlines to increase aircraft sizes for each route. Because of this, small hub airports such as GSP will face challenges in filling seat capacity in each aircraft and providing optimal customer service for larger waves of passengers per aircraft. The goal for small hub airports such as GSP will be to continuously strive to align airport infrastructure with the increasing seats per aircraft.

Dr. Van Beek then provided a brief update and look into the future of electric aircraft, or Electric Vertical Take-Off and Landing (e-VTOL) aircraft specifically.

Discussion ensued between the Commission and Dr. Van Beek regarding the DCA Perimeter Rule and how it may affect GSP, a status update on TSA administration at the airport, and the Safety Management System (SMS) requirements that have been passed by the FAA. Following a round of discussion between the Commission, Staff and Dr. Van Beek, the presentation concluded.

OLD BUSINESS: None.

NEW BUSINESS:

A. Approval of Final Rankings for Parking Garage C and CONRAC Facility Project – Construction Manager as Constructor

Jeff Clifton, Director of Design & Construction presented a request to the Commission to approve the final rankings for Parking Garage C and CONRAC Facility Project – Construction Manager as Constructor.

The Parking Garage C and Consolidated Rental Car Facility (CONRAC) Project was designed in 2019 and originally planned for 2020-2021 before being suspended due to the COVID-19 pandemic and its effects on air travel. As GSP passenger traffic has returned to pre-COVID levels, public parking demand is again exceeding current garage capacity, and rental car activity is increasing and outgrowing existing rental car facilities.

Construction of Parking Garage C and CONRAC Project is expected to take approximately 24 months and in order to meet GSP customer demands and prepare for its continued future growth, construction of the third parking garage and new rental car facilities is necessary.

The FY24 District budget includes funding for the Parking Garage and CONRAC Facility Project. In order to meet the planned project timeline, Staff republished the RFQ/RFP solicitation for a Construction Manager as Constructor (CmC) to manage the construction of Parking Garage C and CONRAC Project. Seven submittals were received on May 5, 2023.

District Staff with technical support from LCK Construction Services and LS3P (project architect of record) reviewed the qualifications and proposals from each company and evaluated them per the RFQ/RFP requirements. Three firms were shortlisted and invited for presentations/interviews. Upon completion of the presentation/interview phase, the three shortlisted firms were ranked by the Selection Committee. The Selection Committee's recommended final ranking was, in order: #1) Brassfield & Gorrie, LLC; #2) Harper General Contractors; and #3) Messer Construction Company.

Mr. Clifton noted that the approval of the final ranking itself does not have a direct fiscal impact. However, once the contract is executed, the project will proceed per the approved budget and the CmC will be compensated per the final negotiated agreement(s) for their services. Fees for these services are included in the project budget.

Commissioner Smith inquired about the total cost of the project, to which Mr. Clifton answered \$114 million. Mr. Edwards also shared an update on the status of conversations with the rental car companies and their contribution to the funding of the project. He shared that the avenue for financing and funding the project still needs to be determined. Additional discussion ensued about the proximity of the current baggage claim to the proposed new rental car facility and Parking Garage C, and whether the distance between the two will cause any traffic concerns.

A motion was made by Commissioner Burch to (1) approve the final rankings for the Parking Garage C and CONRAC Facility Project Construction Manager as Constructor 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 by Commissioner Beeson and unanimously approved.

B. Approval of Revisions to Greenville-Spartanburg Airport District Rules and Regulations – Alcoholic Beverages

Mr. Deven Judd, Vice President/Chief Commercial Officer, presented the request to revise Section 9.3 of the Airport District's Rules and Regulations.

Staff is requesting to revise Section 9.3 of the Rules and Regulations to reflect an amendment made to the State of South Carolina Title 55 of the S.C. Code which allows the consumption of alcoholic beverages throughout the sterile area of the six commercial airports in South Carolina, including the Greenville-Spartanburg International Airport. Such alcoholic beverages must be sold by a current license holder and must be consumed within the sterile area. Passengers will not be allowed to exit the sterile area either through exit lanes or by boarding an aircraft with such alcoholic beverages.

The District proposes to amend Item C of the District's Rules and Regulations with the following language, "Alcoholic Beverages purchased from a licensed vendor inside the sterile area may be consumed throughout the sterile area".

The District also proposes to add the following two items to rule 9.3:

- Item D to read, "All alcoholic beverages sold to carry out within the sterile area must be poured into a specially designed cup bearing a "To-Go" logo".
- Item E, to read, "Passengers purchasing alcohol in the sterile area to carry out will not be permitted to exit the sterile area or board an aircraft prior to consuming or disposing of their alcoholic beverage".

Commissioner Ramella made a motion to (1) adopt the revised Greenville-Spartanburg Airport District Rules and Regulations – Alcoholic Beverages, and (2) authorize the President/CEO to execute all necessary documents. The motion was seconded by Commissioner Burch and unanimously approved.

PRESIDENT/CEO REPORT:

Aviation Industry Update:

Mr. Edwards stated that Dr. Steve Van Beek provided a well-informed update on the aviation industry during his presentation.

State Legislative Update:

Regarding state legislation, Mr. Edwards provided an update on the South Carolina budget, noting that the original \$50 million that was included for commercial service airports was stripped down to \$20 million coming out of conference committee, noting potential reasons for that determination. Mr. Edwards commented that Staff and Commissioners need to work with local legislators to help raise visibility of commercial airports in the state. In addition, he stated that work also needs to occur with the Governor's office on this issue.

Financial Update:

Mr. Edwards 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.

Following Mr. Edwards's updates, Staff and Commissioners discussed the Terminal Roadway Improvement Project (TRIP), citing delays due to weather. Discussion ensued about whether

the project would continue during the holiday season or temporarily halt until after the start of 2024. Commissioners and Staff discussed additional efforts to notify the public regarding these updates as they are determined, with social media, texts, emails, and website updates.

COMMISSIONER'S REPORT: None.

EXECUTIVE SESSION:


The Commission Chair requested that the Commission go into Executive Session for the purpose of discussing certain confidential economic development projects and a confidential personnel matter. The motion was made by Commissioner Burch, seconded by Commissioner Miller, and approved to go into Executive Session at 11:04 a.m.

The public session resumed at approximately 11:28 a.m. 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 a unanimous vote was received to adjourn the meeting. The meeting was adjourned at approximately 11:29 a.m. The next meeting regular, non-emergency Commission meeting is scheduled for Monday, September 11, 2023.

SIGNATURE OF PREPARER:



Casey Cooperman