

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

September 11, 2023

The Greenville-Spartanburg Airport Commission met on September 11, 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, Jay Beeson, Doug Smith

MEMBERS NOT PRESENT: Valerie Miller

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Betty O. Temple, WBD; Kevin Howell, Senior Vice President/COO; Thomas Brooks, Vice President/CFO; Kelly Dawsey, Vice President/CHRO; Deven Judd, Vice President/CCO; Zach Salvato, Vice President/CIO; Tom Tyra, Vice President, CMCO; Cody Bauman, Director of Properties; Jeff Clifton, Director of Design & Construction; Trudy Carson, Passenger Development Manager; Ryan Clark, Real Estate & Leasing Manager; Bobby Welborn, Police Chief; Casey Cooperman, Executive Assistant/Recording Secretary

GUESTS PRESENT: Jon McCalmont, Parrish + Partners; Amanda Sheridan, McFarland Johnson; Eric Rysdor, HDR; Alex Cabe, Seamon Whiteside; Daniel Merritt, Seamon Whiteside; Matt Irwin, Messer Construction

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 July 10, 2023 Regular Meeting Minutes.
- B. The Greenville-Spartanburg Airport Commission Meeting Dates and Times for Calendar Yes 2024.
- C. The appointment of Dean Hybl as a Member to the Airport Environs Planning Commission.

PRESENTATIONS:

Prior to the presentation, Mr. Edwards introduced Thomas Brooks, who recently started as Vice President/CFO at the District.

A. Landscape Lighting Project

Kevin Howell, Senior Vice President/COO, introduced the Landscape Lighting Project. The approved FY24 capital budget includes funding for this Landscape Lighting Project and the project's primary focus is landscape lighting improvements along Aviation Parkway between I-85 and GSP Drive as well as Terminal Parkway from Aviation Parkway to Economy Parking. Mr. Howell then introduced and welcomed Daniel Merritt

from Seamon Whiteside to provide a presentation of the landscape lighting plan including pricing.

Mr. Merritt then proceeded to present the challenges with the existing, outdated landscape lighting, stating that additional lighting is needed to provide vehicular safety, that additional uplighting will not provide the necessary amount of light, and because of this, they have proposed an alternative lighting solution that still maintains the general aesthetic of the parking.

The proposed solution includes the removal of existing landscape uplighting along Aviation Parkway, reserving uplighting for key nodes along the roadway, implementing streetlights and providing additional uplighting on wayfinding signs and distinctive elements along the parkway.

Mr. Merritt then provided an estimate of the costs for the project, including soft costs, electrical installation costs, fixture costs (installed), uplighting/accent lighting, along with a contingency of 15%. This concluded the presentation.

Discussion ensued between the Commissioners and Staff regarding the phased timing of the project. The Commission overall was in support of the project.

B. Terminal Planning Review

Kevin Howell, Senior Vice President/COO, provided background information on the Terminal Planning Review. He stated that a Terminal Area Planning Study (TAP) was started in 2019 just prior to the COVID-19 pandemic. After several delays, the TAP was completed in the summer of 2021. The FY23 capital budget included \$18.3M to start the next phase of terminal improvements and the terminal program was ultimately deferred due to decreased passenger activity and changes in longer-range passenger forecasting. Mr. Howell explained that Staff continued to work with the District's planning consultants to evaluate and revise passenger forecasts and refine the GSP capital development program based on these changes. Mr. Howell then provided a presentation on the current passenger forecast and the anticipated plans and timeline for future terminal and capital development.

Mr. Howell presented a comparison of the baseline enplanement and peak activity forecast for 2019 vs. 2023 as well as the revised implementation plan. He then provided a list of immediate and near-term projects, to be completed between 2023-2025, enabling projects, and phase 1-3 projects followed by the timeline of completion and cost estimate for each project.

Discussion ensued between the Commission and Staff regarding inflation, TSA checkpoint peak times and delays, and baggage claim delays before moving to the next presentation.

C. Passenger Leakage and Air Service Development Update

Tom Tyra, Vice President/Chief Marketing & Communications Officer, provided a presentation on the recently updated Passenger Leakage Report which significantly expanded its air service marketing efforts. His update gave an overview of the District's current air service development efforts and presented information on the airport's passenger leakage to other airports in the region. The presentation also provided insight into efforts to address current needs and increase utilization of existing services.

Marketing strategies to reduce passenger leakage include, 1) expanding existing service by adding larger aircraft and additional frequencies, 2) attracting new nonstop service to high-demand destinations, 3) collaborating with the Tourism Community to promote Upstate SC as a destination, 4) targeting primary catchment areas with information about GSP offerings (corporate community and residents), 5) targeting new residents to the area early before bad habits take root, and 6) continuing to add and promote customer amenities and conveniences to set GSP apart from the competition (Charlotte and Atlanta).

Mr. Burch noted that leakage must also be affected by a higher-than-average ticket price. Mrs. Shaw inquired about what leakage rate is acceptable, to which Mr. Tyra said that 30-35% is acceptable. The District is experiencing 41% leakage to other airports in the region which is why there will be a continuous priority to ensure GSP improves their air service marketing effort with airlines and passengers alike.

NEW BUSINESS: None.

PRESIDENT/CEO REPORT:

Aviation Industry Update:

Mr. Edwards thanked Mr. Tyra for providing a comprehensive air service update. The airlines have reported that they performed well in the first quarter of 2023 and that cancellations are better even though weather conditions continue to create problems. Regardless, airlines had a positive summer season. Projections for the fall seem to be weaker, as advanced bookings are off, but GSP continues to grow capacities in the fall. Mr. Edwards noted that the balance between business and leisure may normalize at GSP, as leisure travel seems to be slowing down and business travel is picking up.

Federal and State Legislative Update:

Regarding federal legislation, Congress is back from recess, and the FAA reauthorization is looking to continue towards a resolution to keep funding available, however there are other parts of the bill that need to align, such as pilot hours, simulator training, and the age of retirement. Additionally, the Airport Improvement Program (AIP) is up to \$4B from \$3.5B, which had not been adjusted for inflation since 2000.

Regarding state legislation, SCAA held an all airports meeting, where they discussed the funding strategy going into the next legislative session. GSP is looking to host an Upstate South Carolina Legislative Luncheon. The goal is to share with local legislators the total economic impact the airport has on the upstate. Casey Cooperman will provide the date of this luncheon once available.

Financial Update:

Thomas Brooks, 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. Mr. Brooks noted that the Capital Improvement Plan (CIP) slide has been updated to show the total for capital improvements broken down by new capital improvement projects, professional service projects, renewal and replacement, small capital and equipment, and carryforward items from last fiscal year.

2023 Best Places to Work in South Carolina

Mr. Edwards recognized the District for receiving the award for being one of South Carolina's Best Places to Work, also noting that there are still areas of potential improvement based on the survey results received from District employees.

COMMISSIONER'S REPORT: None.

EXECUTIVE SESSION:

The Commission Chair requested that the Commission go into Executive Session for the purpose of discussing a confidential contract matter, economic development, and a personnel matter. The motion was made by Commissioner Ramella, seconded by Commissioner Burch, and approved to go into Executive Session at 11:23 a.m.

At approximately 12:17 p.m. public session resumed with no action being taken in Executive Session. A motion was made by Commissioner Burch, seconded by Commissioner Ramella and unanimous approval was received for the purchase of 2125 Airport Road.

ADJOURNMENT:

There being no further business, a motion was made by Commissioner Beeson, seconded by Commissioner Smith and unanimous vote received to adjourn meeting. The meeting was adjourned at approximately 12:37 p.m. The next meeting regular, non-emergency Commission meeting is scheduled for Monday, November 13, 2023.

SIGNATURE OF PREPARER:



Casey Cooperman