

# **GREENVILLE-SPARTANBURG AIRPORT COMMISSION**

## **MINUTES**

**November 13, 2023**

The Greenville-Spartanburg Airport Commission met on November 13, 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 (via teleconference), 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; 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; Jeff Clifton, Director of Design & Construction; 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; John Mafera, McFarland Johnson; Zach Nelson, Ardurra; Jeff Kirby, Parrish & Partners; David Sparkes, Kimley-Horn; Justin Gobhel, Kimley-Horn; Mark Waller, AVCON, Inc.; Jonathan Chasteen, HDR

**CALL TO ORDER:** Chair Minor Shaw called the meeting to order at 9:11 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 September 11, 2023 Regular Meeting Minutes.
- B. The Greenville-Spartanburg Airport Audit Committee November 1, 2023 Regular Meeting Minutes.

**PRESENTATIONS:** None

**OLD BUSINESS:** None

### **NEW BUSINESS**

#### **A. Approval of Rental Car Customer Facility Charge (CFC) Increase**

Deven Judd, Vice President/Chief Commercial Officer, provided an overview of the Rental Car Facility Charge and the request for approval to increase it. The Customer Facility Charge (CFC) is a rental car transaction fee (per day) that is used to pay

unimproved land rentals, capital project expenses, O&M and CAM expenses related to rental car operations.

Due to the escalated construction costs for the new Garage C/Rental Car Facility, the proposed increase to the rental car CFC is necessary to cover both the Land/O&M costs as well as the debt service of the new Garage C/Rental Car Facility.

Mr. Judd provided a brief breakdown of the construction cost allocation for the new Garage C/Rental Car Facility, with 67% allocated to the Rental Car Facility/CONRAC. Because of this majority, the current CFC fee of \$6.00 per day is not sufficient to adequately cover the associated costs of the new Garage C/Rental Car Facility. The total cost of the new Parking Garage C with rental car facility option is projected to cost \$114M to construct, which as noted is split between public parking and the rental car facility. If the CFC charge is increased, the cost of the rental car facility portion would be covered by these funds.

Mr. Judd proposed a CFC increase from the current \$6.00 per day to \$9.00 per day. The increase would produce approximately \$2.4M in annual revenue. Exhibit A was provided to show GSP's projected CFC revenues at \$9.00 per transaction day through 2046.

Commissioner Beeson inquired as to how long the District is guaranteed to have the \$9.00 CFC charge in place, to which Mr. Judd answered that it would be guaranteed for 20 years minimum, 30 years maximum, based on the rental car contracts. Conversation ensued regarding CFC projected annual revenue increase over the life of the rental car contract.

Commissioner Beeson made a motion to (1) approve the recommendation to increase the CFC to \$9.00 per day, and (2) authorize the President/CEO to execute all required documents. Commissioner Burch seconded the motion, and unanimous approval was received.

**B. Approval of a Budget Amendment for Purchase of 1.5 Acres and 15,712 SF industrial/flex building located at 2125 Airport Rd.**

Deven Judd, Vice President/Chief Commercial Officer provided details on events surrounding this request which results in Staff pulling this item for consideration by the Commission.

### **C. Approval of Lease Terms/Agreement and Budget Amendment for Federal Express Corp. (FedEx) Lease**

Deven Judd, Vice President/Chief Commercial Officer, provided an overview of the request to approve the lease terms/agreement and budget amendment for Federal Express Corp. (FedEx) lease.

Mr. Judd explained that FedEx currently leases a 104,307 square foot office and warehouse facility on 10.65 acres of land at the GSP North Cargo Facility. This property is located directly adjacent to the runway north of the terminal. A reference map was provided to the Commission.

Mr. Judd stated that Staff has been working on negotiating the lease renewal with FedEx. He provided a summary of primary business terms on the agreement, including base term, option term, lease premises, annual rent, District improvements, lessee improvements, maintenance, utilities, insurance, taxes and assessments, subleasing, and assignment.

Mr. Judd shared that during an inspection of the premises, Staff developed a scope of work for renovation needed to address necessary improvements. The cost of these renovations was not included in the FY2024 Capital Budget, as negotiations with FedEx have recently concluded. Mr. Judd went on to say that Staff has negotiated a first-year annual lease amount of \$2,001,250. Furthermore, FedEx is responsible for all other expenses associated with the building as it is a triple-net lease. Additionally, each subsequent year throughout the term of the agreement, the annual lease rate escalates by the lesser of 3.6% or CPI.

Mr. Judd requested that the capital improvement budget be amended by \$2,001,250 to complete renovations on the premises which will result in a total FY24 capital improvement budget of \$80,672,750, an increase of 2.5%.

A motion was made by Commissioner Burch to (1) approve the lease terms/agreement as outlined; (2) approve the budget amendment in the amount of \$2,001,250 for the improvements to the premises, and (3) authorize the President/CEO to execute a lease agreement with Federal Express Corporation. Commissioner Miller seconded the motion and unanimous approval was received.

**D. Approval of Final Rankings for On-Call Architectural/Engineering (AE) Professional Consulting Services and On-Call Planning/Environmental (PE) Professional Consulting Services**

Jeff Clifton, Director of Design and Construction, presented the request to approve the final rankings of Architectural/Engineering (AE) Professional Consulting Services and On-Call Planning/Environment (PE) Professional Consulting Services.

Mr. Clifton provided background information on this item, stating that the Greenville-Spartanburg Airport District last selected on-call AE and PE professional service consultants in 2018, and noted that the Federal Aviation Administration (FAA) strongly recommends airports conduct regular solicitations for general consulting services every five (5) years.

Mr. Clifton went on to say that Staff prepared a Request for Qualifications (RFQ) for both on-call professional services, which resulted in ten Submittal of Qualifications (SOQ) for AE services, and two SOQ's for PE services.

For the new five-year term, Mr. Clifton and Staff are seeking to select three (3) AE firms/teams to perform work to support the District. Mr. Clifton provided the names of the ten firms/teams that submitted SOQ's for AE services and from those, he presented the process by which the Selection Committee narrowed those down to the final ranking of three firms/teams. In order of ranking, these firms/teams are Kimley-Horn, Parrish & Partners, and AVCON, Inc.

Additionally, of the SOQ's received for PE services, the Selection Committee unanimously selected McFarland Johnson as the highest ranked firm/team.

Mr. Clifton stated that following approval of the final rankings, Staff will attempt to negotiate an agreement with the three (3) highest ranked AE firms/teams and McFarland Johnson for PE services. Accordingly, there is no fiscal impact associated with the approval of the final rankings and no alternatives were recommended.

Commissioner Miller made a motion to (1) approve the final rankings for On-Call Professional Consulting Services as presented; (2) authorize Staff to negotiate and finalize agreements with the three (3) highest ranked architectural/engineering firms/teams and highest ranked planning/environmental firm/team (if an acceptable agreement cannot be reached with the highest ranked firms/teams, negotiations will be formally terminated and will then proceed with the next ranked firm/team); and (3) authorize the President/CEO to execute all necessary documents. The motion was seconded by Commissioner Burch and unanimous approval was received.

## **PRESIDENT/CEO REPORT:**

### **A. Aviation Industry Update**

David Edwards, President/CEO provided an aviation industry update, noting that there has been some decline in leisure travel, and although business travel is increasing slowly, it still bodes well for the District which historically has a majority of passengers traveling for business.

Mr. Edwards provided a District comparison of 2023 versus 2022 enplanement numbers. The District has had a 20% increase year over year. It also appears that the industry will see the busiest Thanksgiving in air travel on record. It is projected that 3 million passengers will be traveling over the holiday weekend. Overall, Mr. Edwards says that the aviation industry is very healthy.

### **B. Federal and State Legislative Update**

Regarding federal legislation, Mr. Edwards said that if there is a partial government shutdown that grant funding will be affected, but operationally essential employees such as the Transportation Security Administration (TSA) agents and air traffic controllers will still be required to come to work.

Regarding state legislation, Mr. Edwards noted that the District is hosting a Legislative Delegation Luncheon on Friday, November 17. Mr. Edwards is looking to present economic impact analysis results, Mr. Tyra an air service development update, and Mr. Howell a capital improvement plan update and a review of the last five years.

### **C. 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. He also provided a brief update on the capital improvement programs.

### **D. 2023 Best in Business Award – Best Regional Airport in SC**

Mr. Edwards congratulated the District and tenant staff for being honored with the 2023 Best in Business Award – Best Regional Airport in South Carolina.

Discussion ensued about the Upstate Mobility Alliance, which is evaluating transit opportunities and public transportation to and from the airport, from Greenville and

Spartanburg, Mrs. Shaw noted that traffic on I-85 is a problem. Mr. Smith suggested having Kristie Hall from the DOT attend one of the Commission meetings.

Mr. Howell also provided a brief update on the Terminal Roadway Improvement Plan.

**COMMISSIONER'S REPORT:** None

**EXECUTIVE SESSION:**


The Commission Chair requested that the Commission go into Executive Session for the purpose of discussing economic development, contracts, and personnel matters. The motion was made by Commissioner Beeson, seconded by Commissioner Miller, and approved to go into Executive Session at 10:21 a.m.

At approximately 11:39 a.m. public session resumed with no action being taken in Executive Session. A motion was made by Commissioner Burch, seconded by Commissioner Miller and unanimous approval was received for the purchase of 801 and 823 Highway 101.

**ADJOURNMENT:**

There being no further business, a motion was made by Commissioner Beeson, seconded by Commissioner Smith and unanimous vote received to adjourn the meeting. The meeting was adjourned at approximately 11:40 a.m. The next meeting regular, non-emergency Commission meeting is scheduled for Monday, January 22, 2024.

**SIGNATURE OF PREPARER:**

  
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Casey Cooperman