

# Market & Highest Best Use Analysis



## Volume I

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**CDM  
Smith**

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# Section 1

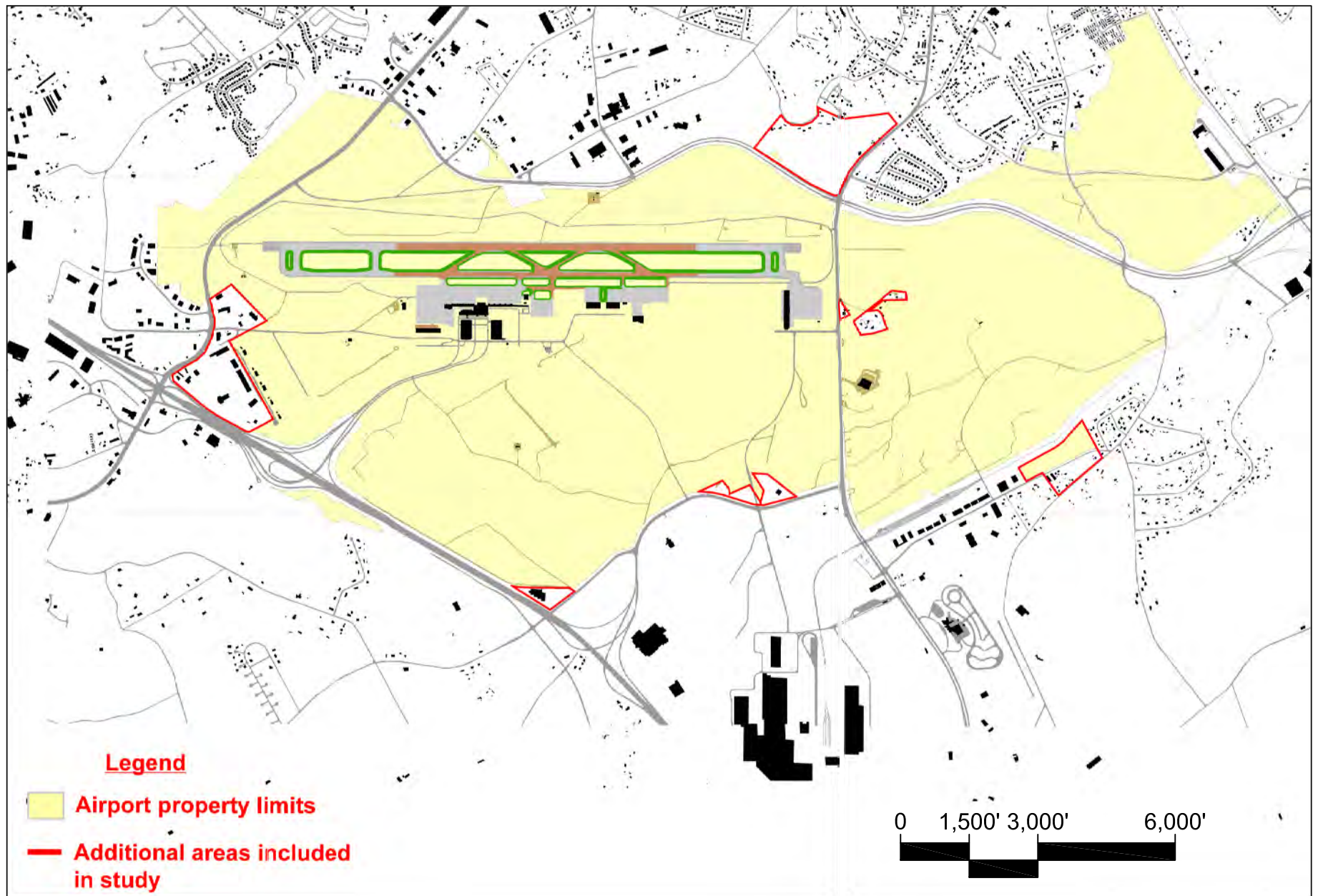
## Introduction

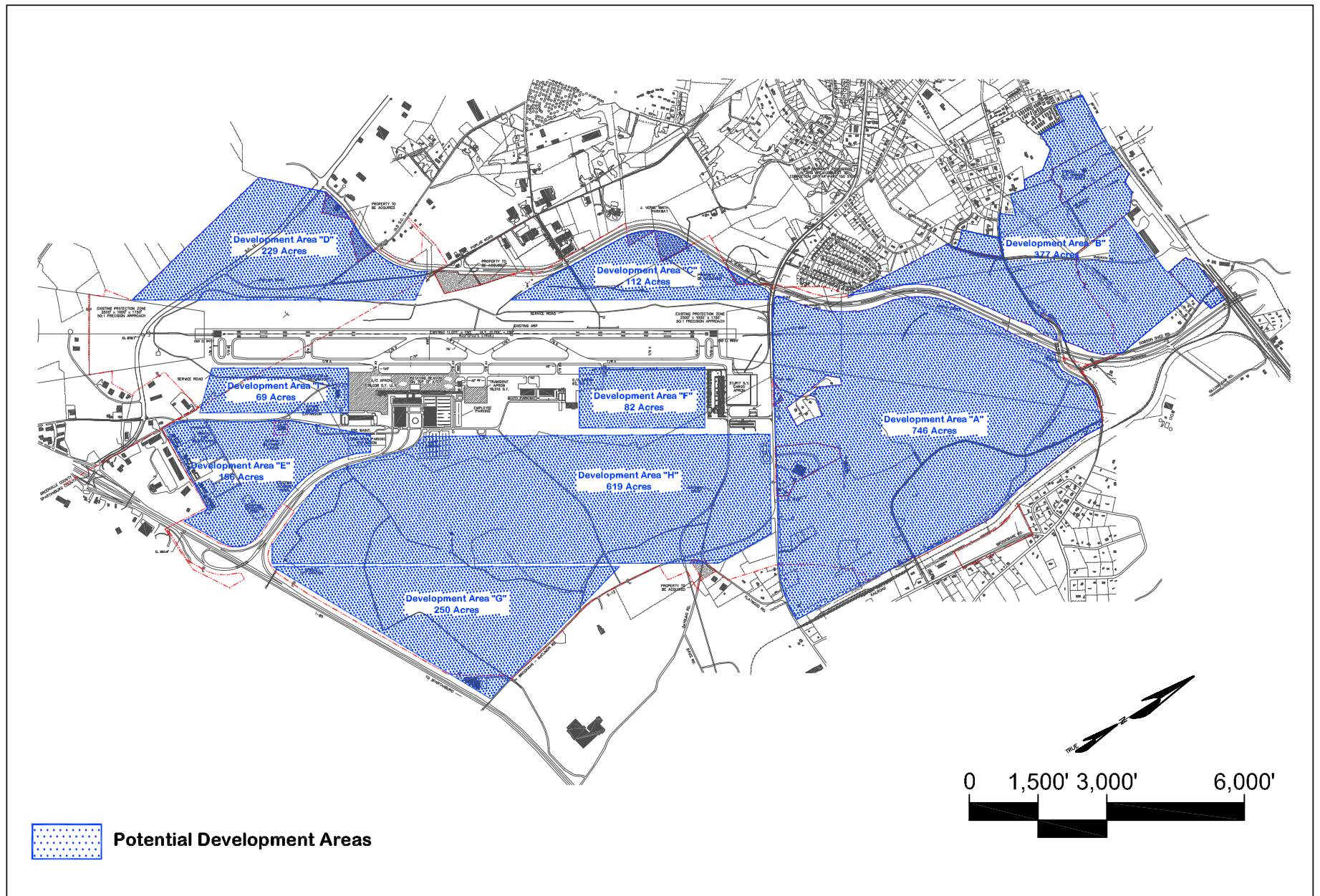
There are specific real estate and land use development opportunities that require or are significantly enhanced by the presence of an airport. This unique characteristic of airports and the positive economic and community impacts that may be derived from the measured and appropriate development of airport lands can bring significant benefit to the surrounding community. To this end, the Greenville-Spartanburg Airport District (District) is embarking on the Greenville-Spartanburg International Airport Land Use Planning & Development Study. The intent of this project is to identify these aviation/real estate relationships, determine which types of development are appropriate for and desired by the District and community, and develop a comprehensive land use and development plan that will guide and facilitate desired real estate and land use development at the Airport.

The objective of this project is to prepare a comprehensive campus-wide land use plan with site development concepts for specific areas on and/or adjacent to the Greenville-Spartanburg International Airport (GSP). The ultimate goal is to create a unified land use plan and associated development concept that provide a framework for future development, identify near term “Phase I” development areas, and includes a comprehensive marketing program to target and recruit potential tenants for the development areas. Additionally, engineering efforts including limited site investigation, identification of utility locations and capacities, and order of magnitude cost estimates will be completed for the Phase I sites in order to lay the ground work for full civil design in a later project.

Various areas on and adjacent to airport property are included in the study. Specifically, the master land use plan addresses the entire airport property and select areas not owned by the District, as illustrated in **Figure 1-1**. The land use planning process and results are presented in Section 3 of this summary report. Further, site development concepts have been created for six specific areas which were selected from the development areas illustrated in **Figure 1-2**. The site development concepts and analyses are presented in Section 4 of the Summary Report.

The land use and development planning, financial and preliminary engineering analyses, as well as conceptual facility layouts, have been completed in accordance with guidance presented in the Federal Aviation Administration’s (FAA) current Advisory Circulars 150/5070-6B, Airport Master Plans, 150/5300-13, Airport Design and others as appropriate and applicable.







## 1.1 Project Tasks

The land use planning and development study will serve as a multi-purpose document for the District. First, the document will provide planning guidance that promotes unified future development that is compatible with both on-airport and off-airport uses. In that respect, the intent of the land use and development plan is to guide the future development of GSP to maximize land use compatibility, increase development efficiencies, and create operational synergies wherever possible. Secondly, the document will provide the District with development guidance for GSP. The outcome will be a document that can serve as a strategic development plan for the Airport to help capitalize on aviation and non-aviation development opportunities as they arise. Further, the project will include design and development of marketing and recruiting campaign materials to allow the land use and development plans to be used as a marketing tool to promote the vision and benefits GSP provides to potential tenants and the Upstate South Carolina region.

The GSP land use planning and development study includes a variety of work tasks. These tasks outline the objective, method of completion, and ultimate product that will take the project from initial inventory and market analysis to completed development plan and marketing campaign. Some of the key tasks involved in the land use planning and development study include: an analysis of the local and regional development market; highest and best use analyses, property-wide land use planning; illustrative site development concepts; financial feasibility and preliminary engineering analyses; and a marketing and recruiting campaign. Specifically, the project will include the following tasks:

- **Site Inventory, Data Collection & Real Estate Market Analysis** – Data collection and evaluation of existing airport facilities, aviation activity, and potential development types. Evaluation of the local and regional development market and determination of potential target markets including the highest and best use of Airport development areas.
- **Master Land Use Plan** – Identification of desired and appropriate airport land use types and development of a preferred master land use concept for the entire airport campus that identifies desired land use types across airport property.
- **Site Development Concepts** – Identification of various site development alternatives for six development areas identified within the master land use plan. The site development concepts will identify various development opportunities and constraints, potential site layouts, and a final preferred site development plan.
- **Financial Feasibility Analysis** – Develops the fiscal evaluation of two Phase I site development areas. The financial analysis completed will consider the feasibility, financial actions, and potential investment returns necessary to develop an effective strategic implementation plan. A review of available funding sources and the potential return on planned investments will also be completed.
- **Implementation Plan** – Includes a limited engineering analysis on two Phase I sites to help establish critical design related items. This effort seeks to evaluate the feasibility of developing the sites through limited engineering analyses and investigations and will allow for determining order of magnitude cost estimates.



- **Marketing Campaign & Materials** – Design and development of a website specific to the development areas at GSP as well as design of collateral print media and a trade show booth to showcase the development concepts for GSP to assist in recruiting and new business development at the airport.

## 1.2 Stakeholder Input

Continuous input and coordination with the District, through use of regular meetings with GSP staff and the Commission Task Force created for the project, is critical to developing a plan that outlines the desired development vision for GSP. Likewise, another critical component of the project is obtaining stakeholder input from community leaders, business groups, agencies and other interested parties in order to better understand the local and regional development needs and identify improvements and overall development that will create a positive impact in the Upstate South Carolina region. Further, this type of information and “brainstorming”, when started at the very beginning of a project, helps establish project goals that are meaningful and applicable to the success of the project while promoting positive impacts and outcomes for the community as a whole.

At the beginning of the study, interviews and workshops were held with local planning officials, economic development agencies, chambers of commerce representatives, local industries and real estate, and site selection and development companies to evaluate the overall level and type of market demand and community needs that are present in the Upstate South Carolina region. The following groups and/or individuals were contacted during this effort:

### Chambers of Commerce

- Anderson Area Chamber of Commerce
- Greater Greer Chamber of Commerce
- Greenville Chamber
- Spartanburg Area Chamber of Commerce

### Economic Development Agencies

- Abbeville County
- Anderson County Economic Development
- Cherokee County Development Board
- City of Greenville
- Greenville Area Development Corporation
- Greenwood County
- Greer Development Corporation
- Laurens County
- Oconee County
- Pickens County
- SC State Department of Commerce
- Spartanburg Economic Futures Group
- Union County
- Upstate SC Alliance

### City & County Planning

- City of Greenville
- City of Greer

- City of Spartanburg
- Greenville County
- Spartanburg County

#### Local Site Selection Consultants & Developers

- Canup & Associates, Simpsonville
- Cullum Interests, Velocity Park
- Global Location Strategies, Greenville
- Hughes Commercial Properties
- Langston Black – Chuck Langston
- McCallum Sweeney, Greenville

#### Utility Providers & Transportation Infrastructure

- AT&T
- Charter Communications
- CSX
- Duke Energy
- Greer CPW
- Norfolk Southern

#### Local Manufacturing & Logistics/Freight Businesses

- Adidas
- BMW
- Boeing
- Chapman Freeborn
- DHL
- GE
- KEMET
- Michelin
- Milliken
- Panelpina

Many of the stakeholder input workshops included a facilitator to encourage participant feedback and open discussion. Additionally, an agenda with several “Study Input Questions” was sent to each group approximately three weeks in advance of the meetings. This approach was used to maximize input from each group for use throughout the study process. In all cases, meeting notes were taken to document each meeting and summarize the feedback from each group. The workshop agenda, questions and summary notes for each kickoff and stakeholder workshop are presented in **Appendix ‘A’**.

## 1.3 Critical Success Factors & Project Goals

As discussed in Section 1.2, in order to obtain a wide range of feedback and input from regional community and business leaders, a series of stakeholder workshops and meetings were held over the course of several days. Also, a number of internal and external critical success factors that could affect the project and the Airport were identified and discussed at project “kick-off” meetings with GSP staff and the Airport Commission Task Force. The intent of these workshops

and meetings was to; obtain important user and stakeholder input and feedback regarding concerns, issues, and needs that should be considered during the planning process; identify and discuss key issues and critical success factors that could impact the project and the Airport and review general goals to guide the study effort. Some of the key issues and critical success factors that were discussed and must be considered throughout the study are as follows:

- Aggressive schedule to meet potential market opportunities
- Community and stakeholder involvement/engagement throughout process
- Aesthetics and natural environment
- Ease of use and access
- Proposed development should be unique in Upstate region
- Guidance and recommendations to allow for educated decisions
- Capitalize on current activity increases, development opportunities, and local manufacturing
- Consider current economic conditions and remain flexible to accommodate shifts in market demand

A number of project goals were developed based on meetings with GSP staff and the Airport Commission Task Force, as well as from input provided by the various groups and individuals during the stakeholder input workshops. A list of the goals and associated objectives discussed for the land use planning and development study is outlined in the following subsections.

### 1.2.1 Goal No. 1

**Perform a thorough local and regional real estate/market analysis with national benchmarking of similar airport development types.**

***Objectives:***

- Evaluate local, regional and comparable national real estate development trends and emerging markets.
- Identify development needs not currently being met by existing products in the GSP market.
- Identify real estate development opportunities that may be enhanced by the Airport and/or multi-modal infrastructure available at GSP.
- Assess market conditions to identify short- and long-term target markets.
- Evaluate GSP property to identify areas for development of specific target markets and industries.

### 1.2.2 Goal No. 2

**Develop flexible land use alternatives and development concepts that incorporate characteristics that are unique in the Upstate region.**

***Objectives:***

- Provide airside and landside development areas to meet anticipated demand while meeting all FAA requirements.
- Create development concepts that maximize the unique nature of airport property and will stand out from other comparable developments in the Upstate South Carolina region.

- Maintain larger land use areas/parcels, relative to each land use type, which can be modified to accommodate changes in market conditions and/or industry demand.
- Maximize synergies between adjacent land use types in order to increase development efficiencies and encourage compatible development.

### 1.2.3 Goal No. 3

**Develop illustrative graphics and concepts that will support the marketing effort and visually promote the ultimate development “vision” for GSP.**

***Objectives:***

- Establish the overall aesthetic image and product level the District envisions for the proposed development.
- Utilize three dimension renderings and drawings to visually convey the development vision.
- Identify initial development standards for future airport development that will establish the desired standard for aviation, and appropriate non-aviation related businesses.

### 1.2.4 Goal No. 4

**Perform financial feasibility and preliminary implementation analyses to develop a business case for two Phase I parcels and identify potential fatal flaws or cost increases.**

***Objectives:***

- Evaluate the feasibility, financial actions, and potential investment returns to enable an effective strategic implementation plan of Phase I.
- Review available funding sources and the potential return on planned investments by developing a business model for the short-term development phase.
- Evaluate various “what if” scenarios to determine what impact potential changes in variable factors may have on successful implementation of Phase I.
- Seek to identify any financial fatal flaws (i.e. excess development costs, lack of positive return on investment, etc.) in the development concept and initial planning prior to moving forward with implementation.

### 1.2.5 Goal No. 5

**Develop creative and effective marketing and business recruiting materials to support implementation and marketing of the GSP development plan.**

***Objectives:***

- Develop the “brand message” and “vision” for the airport development and the ultimate goal for the marketing program.
- Utilize multiple media types/products to create a marketing plan that maximizes visibility and utility in order to recruit potential business in various industry settings.
- Utilize the latest technology to maximize exposure and convey the “brand message” and development vision visually and clearly to the target audience.

### 1.2.6 Goal No. 6

**Incorporate recreational uses in an effort to increase the use and enjoyment of airport property by the local community and augment other onsite development.**

***Objectives:***

- Seek ways to incorporate trails or viewing areas into the development concepts to create recreational areas that will be supported by onsite development and further enjoyed by the local community.
- Look for opportunities to incorporate larger scale recreational uses in areas that may have other long-term future uses (i.e. future parallel runway) but could be developed for an interim disposable use.

### 1.2.7 Goal No. 7

**Maintain the natural beauty of the airport property by ensuring development concepts utilize extensive green space and maximize natural features.**

***Objectives:***

- Maintain current landscape at the airport entrance and minimize/avoid any visible development along existing entrance corridor.
- Increase size of standard landscape buffers and maximize use of green space throughout all development concepts.
- Utilize development coverage ratios that balance the need for financially feasible development against maintaining extensive green space and natural areas.
- Create development concepts that work with existing natural features and maintain the existing character of the land.

### 1.2.8 Goal No. 8

**Maintain, and where possible, enhance the ease of access and use currently enjoyed by airport tenants and users.**

***Objectives:***

- Maintain and further enhance user convenience.
- Consider the impacts of proposed development on existing traffic patterns and identify measures to minimize any resulting congestion.
- Minimize or avoid development that would require access from main airport entrance roadway.
- Seek methods and development alternatives that separate competing or conflicting land use types and identify areas of like uses to maximize synergy between uses.

The previously listed project goals reflect both development and policy based issues that were identified through the kick-off meetings and stakeholder input sessions to be included in the planning process. Ultimately, addressing and/or accommodating some these issues will be determined by local/regional market demand, existing limitations of funds, and design principles.



## 1.4 Existing Documentation and Studies

As part of development of the land use planning and development study, prior reports and studies at GSP and the local/regional community have been identified and will be used as supporting and reference material for various components of the study. The documents and studies identified include:

- **Greenville-Spartanburg International Airport, Air Cargo Study, 2011** – prepared by KPA.
- **Greenville-Spartanburg International Airport, Master Plan Update, 2003** – prepared by Bechtel.
- **Greenville-Spartanburg International Airport, Terminal Area Study, 2010** – prepared by RS&H.
- **Greenville-Spartanburg International Airport, Economic Impact Analysis, 2009** – prepared by SYNEVA Economics LLC.
- **Greenville-Spartanburg Airport Environs Area Zoning Ordinance, 1996 (amended 1999)** - prepared by Greenville-Spartanburg Airport Environs Commission
- **Greenville County, Zoning Ordinance, 2011 (amended periodically)** – prepared by Greenville County Planning Department.
- **Greenville County, Official Zoning Map** – prepared by Greenville County Planning Department.
- **Greenville County Comprehensive Plan (inc. Future Land Use Map), 2009**
- **City of Greer, Zoning Ordinance, 1999 (amended periodically)** – prepared by City of Greer Planning & Zoning Department.
- **City of Greer, Official Zoning Map** – prepared by City of Greer Planning & Zoning Department.
- **City of Greer, Comprehensive Plan (inc. Future Land Use Map), 2010**
- **Spartanburg County, Official Zoning Map** – prepared by City of Greer Planning & Zoning Department.
- **Spartanburg County, Land Management Ordinance, 1999 (amended periodically)**
- **Spartanburg County, Comprehensive Plan (inc. Future Land Use Map), 1998**

## Section 2

# Summary of Existing Airport Facilities & Market Conditions

An inventory of existing facilities is essential to the success of any planning study. The objective of this section is to provide background information essential to the completion of the land use planning and site development study. The inventory effort for Greenville-Spartanburg International Airport (GSP) was accomplished through a physical site visit of the facility, staff interviews, and a review of Airport management records, published reports, and studies. Additional information was gained from documents and studies about the Airport and the Greenville, Spartanburg and Greer area. These documents are referenced in Section 1.

GSP is located in northwestern South Carolina, approximately 13 miles east of downtown Greenville. The Airport is situated within the limits of Greenville and Spartanburg Counties, as well as the City of Greer, north of Interstate 85 (I-85) roughly between Highway 14 to the west and Highway 290 to the east. **Figure 2-1** illustrates GSP's location within northwestern South Carolina, and **Figure 2-2** depicts the Airport in relation to the surrounding communities.

The airport property encompasses approximately 3,600 acres. GSP serves regularly scheduled commercial air carrier operations, non-scheduled charter operations, air cargo operations (non-scheduled charter and scheduled package service), general aviation operations and limited military activity. Aviation services available at GSP include private, charter, and corporate aircraft services. Additionally, U.S. Customs services, ground and cargo handling/warehousing, aircraft maintenance, aircraft rental and sales, storage for local and transient aircraft, aircraft fueling, car rental, a full pilot's lounge, flight planning facilities, and meeting rooms are available.

## 2.1 Airfield Facilities

This section includes an overview of various airfield facilities at GSP, including a review of the existing configurations of the runway, taxiways, aprons, lighting, landing aids, and navigational aids.

### 2.1.2 Existing Runways

GSP has one runway, Runway 04-22, which is 11,001 feet long and 150 feet wide with pavement that is in good condition. The runway is oriented in a northeast/southwest direction with a concrete-asphalt surface. The load bearing capacity of the runway is 100,000 pounds single wheel, 210,000 pounds double wheel, 625,000 pounds double-tandem wheel, and 975,000 pounds dual double wheel.

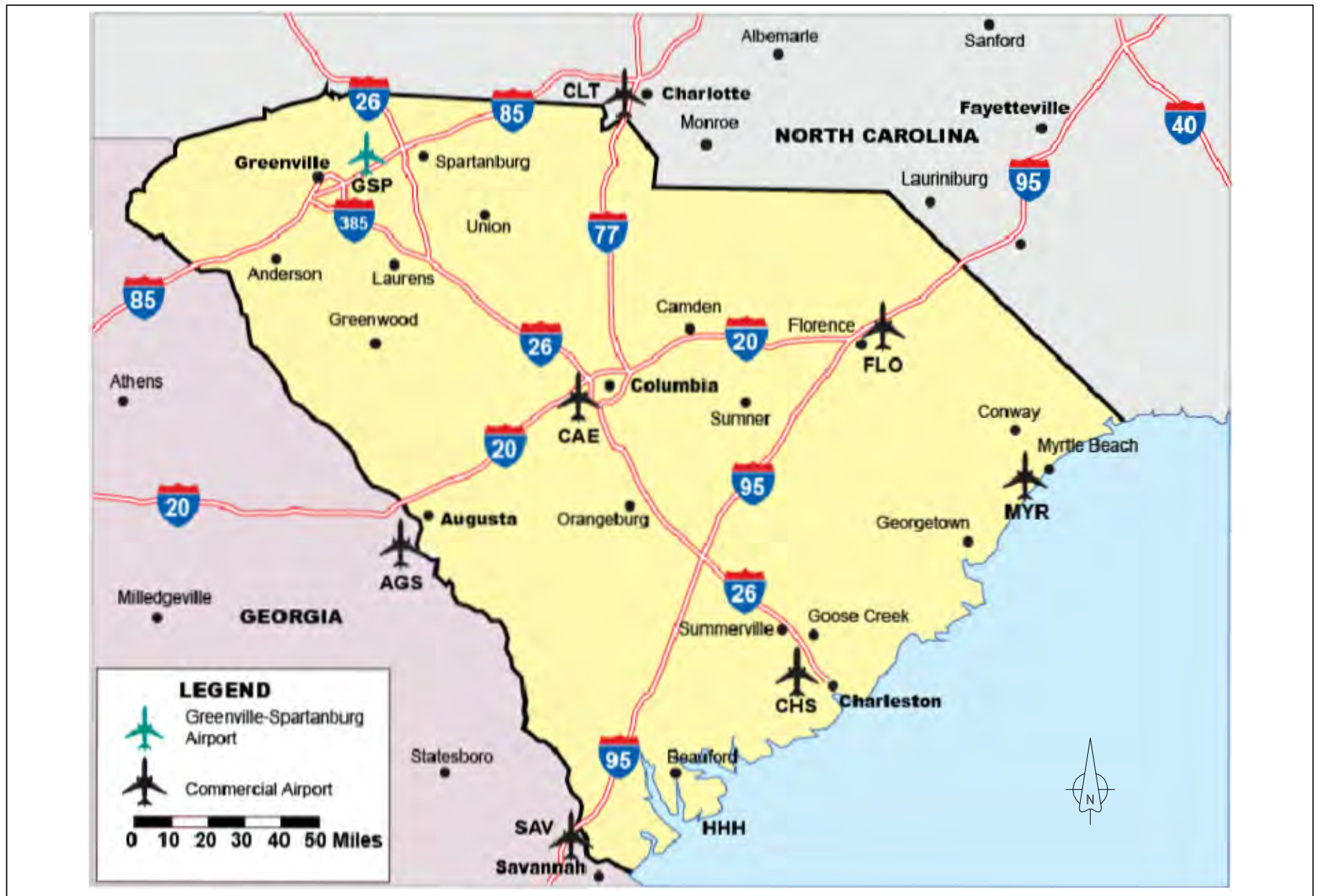
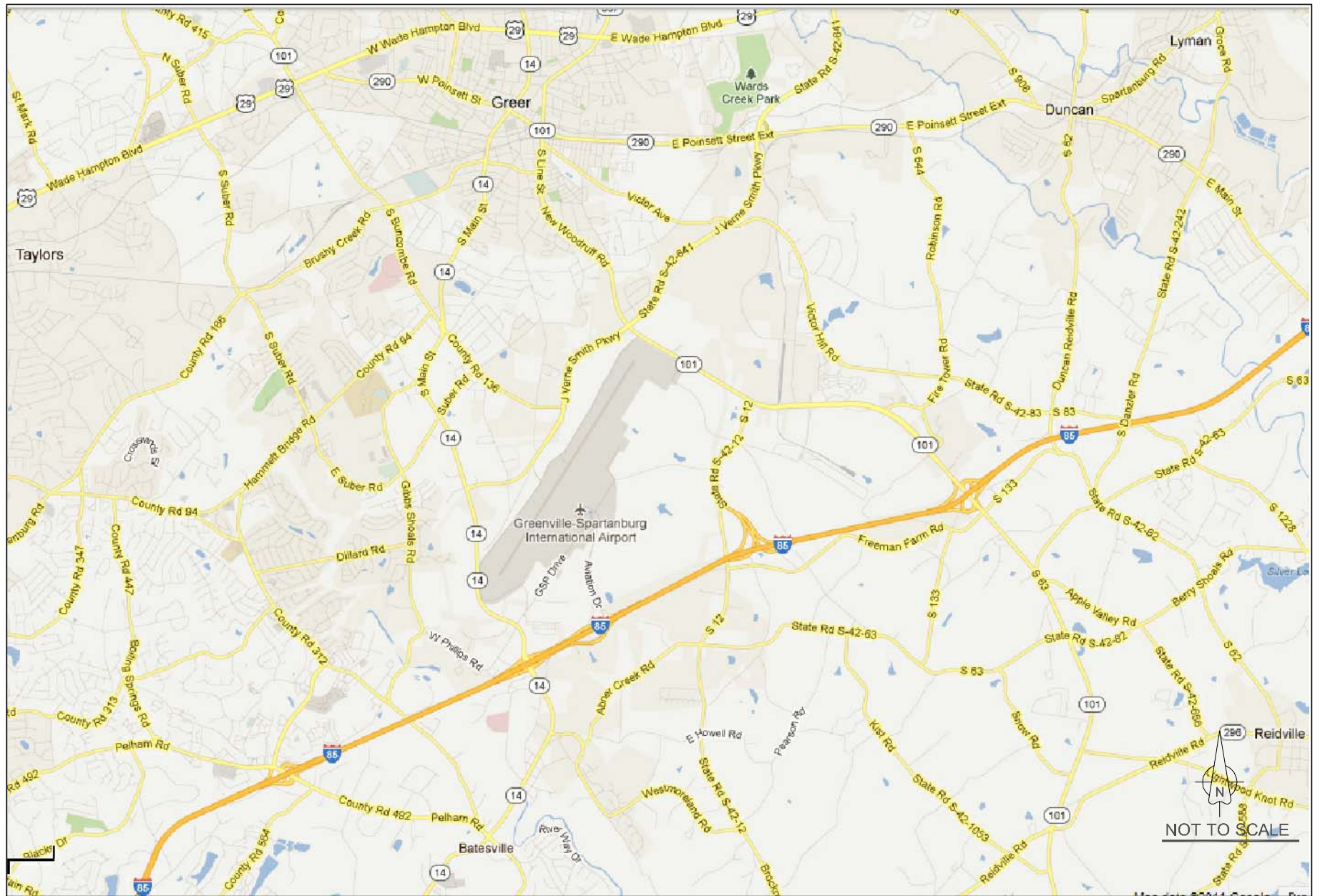


Figure 2-1  
Location Map





Source: Google Earth Pro, 2009

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Figure 2-2  
Vicinity Map

Additional runway characteristics are below:

- Runway 04-22
  - Surface Treatment: Grooved
  - Effective Gradient: 0.21 %
  - Approach Slope (both ends) : 50:1
  - Runway Safety Area (both ends): 1,000' long x 500' wide

**Figure 2-3** illustrates the orientation of Runway 04-22 in relation to the overall airfield.

### 2.1.3 Existing Taxiways

The existing taxiway system, illustrated in **Figure 2-3**, connects both runway ends to the terminal area and other airport facilities. Runway 04-22 is served by a full parallel taxiway, Taxiway A. Taxiway A is located 600 feet east of the runway centerline and is 75 feet wide. Taxiway A meets FAA Airplane Design Group (ADG) VI (i.e. Airbus 380) requirements for runway to parallel taxiway separation and meets ADG V (i.e. Boeing 747) requirements for taxiway width and taxiway to parallel taxiway separation.

In addition to the primary taxiway discussed above, four high-speed exit taxiways (Taxiways D through G) and three entrance/exit taxiways (Taxiways B, C, and J) connect the runway to Taxiway A. Additional taxiways, Taxiways A-2 through A-6, connect the parallel taxiway to the apron edge taxiway, south cargo and terminal area apron, transient apron, and GA apron. This network of taxiways permits safe and efficient movement of taxiing aircraft around the airfield.

### 2.1.4 Aircraft Parking Apron

There are currently four main aircraft-parking aprons located at GSP. The first is the main apron, which consists of the south cargo and commercial terminal apron areas and is approximately 139,000 square yards of concrete apron. The terminal apron area currently accommodates all of the commercial passenger terminal parking and gates at the Airport while the south cargo apron currently accommodates all UPS, charter freight, and belly cargo operations at GSP. Conflicts between cargo operations and other airport needs relative to apron space have been identified based on the increase in charter cargo operations. Additionally, the facilities serving the south cargo apron are designed to accommodate belly cargo and are not as efficient for air freight operations. Based on increasing demand, additional cargo apron space may be necessary.

The other three apron areas are the transient apron, general aviation (GA)/Fixed Base Operator (FBO) apron, and north cargo apron. The transient apron is approximately 19,500 square yards and the GA/FBO apron is approximately 62,700 square yards. The north cargo apron, which currently serves the FedEx cargo facility, is approximately 37,900 square yards.

Figure 2-3 illustrates the location of all aprons at GSP.

### 2.1.5 Navigational Aids

Navigational aids (NAVAIDS) are designed to assist pilots and air traffic controllers in maximizing the safe and efficient use of the Airport under all meteorological conditions. NAVAIDS refer to any facility or equipment available for use in aid of air navigation. NAVAIDS include lights or any



apparatus or equipment used for disseminating weather information, signaling, radio direction finding, or for radio or other electronic communication.

The airport currently has several types of en route, terminal area and airfield lighting aids available for use by arriving and departing aircraft. The following NAVAIDS are currently available at GSP:

#### En Route NAVAIDS

- GPS / RNAV
- Spartanburg VORTAC
- Fairmont NDB

#### Terminal Area Navigation and Landing Aids

- Rotating Beacon
- Category IIIB Instrument Landing System (ILS) on Runway 04
- Category I Instrument Landing System (ILS) on Runway 22
- Visual Approach Slope Indicator (VASI) on Runway 22
- Precisions Approach Path Indicator (PAPI) on Runway 04
- Runway Visual Range (RVR)
- Airport Surveillance Radar (ASR)
- Low-Level Wind Shear Alert System (LLWAS)

#### Airport Lighting Aids

- High Intensity Runway Lights (HIRLs)
- Centerline Lighting
- Touchdown Zone Lighting
- Medium Intensity Taxiway Lights (MITLs)
- Approach Lighting System with Sequenced Flashing Lights – ILS CAT II Modification (ALSF2) on Runway 04
- Medium Intensity Approach Lighting System with Runway Alignment Indicator lights (MALSR) on Runway 22

## 2.2 Landside Facilities

### 2.2.1 Commercial Terminal Building

The existing terminal building is located on the east side of the airfield. It currently encompasses approximately 215,158 square feet of enclosed building area that includes the central plant, mechanical and plumbing rooms, Concourses A and B, connector walkway, customs and border protection facilities, and the airport administration offices. Concourse A has nine gates and Concourse B has four gates. All 13 gates have passenger boarding bridges.

The terminal concourses are arranged in linear fashion along the apron and are approximately 1,865 feet in length from the south end of Concourse A to the north end of Concourse B. Ticketing and baggage claim are located in the first floor lobby core located at the front of the building. Figure 2-3 illustrates the location of the commercial terminal building and air carrier concourses.

### 2.2.2 Air Cargo Facilities

There are currently two air cargo facilities located at the Airport. The first air cargo area is located south of the terminal building along the south cargo apron. This area includes an approximately 38,600 square-foot building with 25 truck docks. The building is designed to handle largely airline belly cargo but is also used by UPS and charter freight operators for all cargo flights. This has led to some operational conflicts due to a lack of available apron and building space when all cargo operations are utilizing the facility. An increase in future air freight (UPS and charter) will likely require additional cargo space be developed specifically for freight operations.

The second air cargo area is located on the north side of the airfield and is currently exclusively used by Fed Ex as its local cargo facility. This area includes approximately 38,000 square yards of apron space with an additional 14,000 square yards in paved staging area. The cargo building is approximately 120,000 square feet. Additional area south of the north cargo facilities has been rough graded and is available for additional future cargo development if needed.

The location of the air cargo facilities is illustrated in Figure 2-3.

### 2.2.3 General Aviation Facilities

#### Fixed Base Operators (FBO)

GSP currently has one FBO located on the airfield, Stevens Aviation. The FBO facilities are located on the eastside of the runway, north of the terminal area, and consist of approximately 5,000 square feet of terminal space, which was recently completed in 2010. Additionally, the FBO has approximately 135,000 square feet of hangar space. Services provided by the FBO include; fuel and line services, maintenance, avionics, aircraft interiors, aircraft storage, and air charter. Their facilities include a pilots' lounge and passenger waiting area, conference room, computerized flight planning room, catering, and pilot supplies. Figure 2-3 illustrates the location of the Stevens Aviation facility.

#### Aircraft Hangar Facilities

There are currently three aircraft storage hangars and one maintenance hangar located at GSP. All four hangars are located near the GA/FBO terminal area. The maintenance hangar and adjacent storage hangar are both approximately 45,000 square feet in size and located along the GA apron south of the GA/FBO terminal building. The other two storage hangars are located just north and east of the GA/FBO terminal building and are approximately 15,000 and 16,500 square feet in size. The hangars are operated by Stevens Aviation, with subleases to other airport tenants, and are currently at full capacity. The location of the hangars is presented in Figure 2-3.

#### Support Facilities

Several support facilities are currently located at GSP and include the following:

- Airport Rescue and Fire Fighting (ARFF) station
- FAA Air Traffic Control Tower (ATCT)
- Airport Maintenance/Snow Removal Facility
- Airport Fuel Farm
- Rental Car Facility

The Aircraft Rescue and Fire Fighting (ARFF) station is located adjacent the north-end of Concourse B between the terminal apron and transient apron. ARFF equipment currently located at GSP includes; three crash trucks, one Rescue Mini/Pumper truck, one Custom Pumper/Tanker truck, one Heavy rescue Service truck and one Brush truck. The FAA ATCT is also located in this area between the ARFF building and Concourse B. The maintenance and snow removal equipment building is located south of the south cargo apron. Additionally, the incinerator facility for the customs and border protection operation is also located in this area.

GSP's fuel farm is located along GSP Drive, near the intersection with Stevens Road. The fuel farm is owned by the Airport and operated by Stevens Aviation. GSP also has a rental car service area that is utilized by the rental car agencies currently servicing the airport. The rental car service area is located along GSP Drive, southeast of the south cargo apron and building.

The location of the airport support facilities discussed previously is illustrated in Figure 2-3.

## 2.2.4 Ground Access and Auto Parking

### Highway Access Routes

Highway access to and from the Airport is provided through several roadways, which are listed in **Table 2-1** and illustrated in **Figure 2-4**. Interstate 85 (I-85) provides the main regional access to GSP. I-85 is a six lane north-south freeway with an interchange that provides direct access to the passenger terminal and parking areas via a terminal loop road (Aviation Parkway). Three other interchanges on I-85 also provide access to the Airport. One interchange is with SC Highway 14 to the south of Aviation Parkway and provides access to the Airport via GSP Drive. A second interchange with Brockman McClimon Road, north of Aviation Parkway, provides access via Stevens Road and Gateway Drive. The third interchange is with SC Highway 101, two exits north of Aviation Parkway. A fourth interchange also provides airport access via SC Highway 290. Highway 290 runs adjacent the northern most parcels of airport property and connects to SC Highway 80/J. Verne Smith Parkway, which is a four-lane limited access roadway that generally runs east and west between Highway 14 and Highway 290.

The primary regional ground transportation routes in the vicinity of GSP are anticipated to be adequate for the current and projected level of operations and demand. However, localized access, circulation, and signalization improvements to existing secondary and support roadways will likely be necessary to accommodate future development proposed in the study area and will be discussed in a later section of this report.



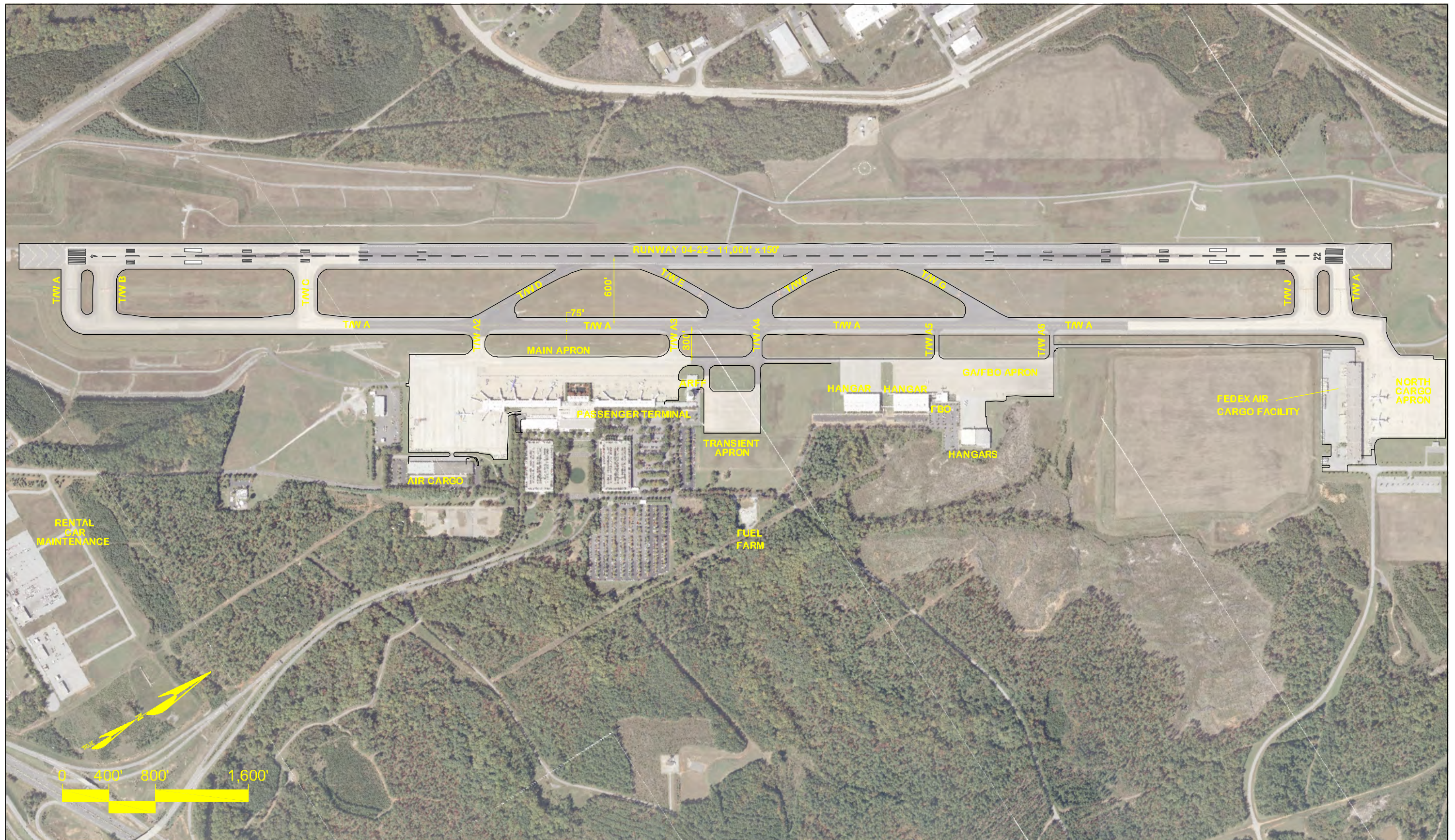


Figure 2-3  
Airside and Landside Facilities



**Table 2-1 Highway Access Routes**

Road Name	Direction of Travel	Traffic Lanes	Speed Limit (mph)
Interstate 85	North / South	Four - Six	65 - 70
Highway 14	North / South	Four - Six	45
Aviation Parkway	North / South	Four	45
Highway 101	North / South	Four	45
Highway 290	North / South	Two	45
Highway 80 / J. Verne Smith Parkway	East / West	Four	45 - 55

Source: Mapquest, 2011, SC DOT, 2011 and CDM Smith Site Visit, 2011.

## Rail Access

Railroad lines owned and operated by CSX and Norfolk Southern are located near the north and northeast sides of the airport respectively. The CSX line is located adjacent Highway 290 on the north and does not currently provide access to airport property. Access from the CSX line to airport property would require construction of a rail spur that crossed both Highway 290 and the existing Norfolk Southern rail line/right of way.

The existing Norfolk Southern rail line is located adjacent airport property on the north and northeast sides. One rail spur from the Norfolk Southern line provides rail access to two buildings located adjacent to airport property along Highway 290, north of Highway 80/J. Verne Smith Parkway. Expansion of this rail spur could provide direct access to airport property in this area. A second rail spur from the Norfolk Southern line runs along the northeast property line of the airport and serves the needs of the adjacent BMW manufacturing and assembly plant. Expansion of this rail spur could provide rail access to a large tract of airport property northeast of Highway 101 and south of Highway 80/J. Verne Smith Parkway.

The location of the rail lines and associated spurs near GSP is illustrated in Figure 2-4.

## Auto Parking

Existing public parking areas at GSP includes garage parking, short-term parking, daily parking, long-term parking, and employee parking. Garage parking is located in two parking garages, Garage A and Garage B, and totals approximately 2,900 spaces total (including rental car space in Garage A). The short-term parking lot has approximately 230 parking spaces while the long-term lot consists of approximately 1,100 parking spaces. An additional 400 space are located in the daily parking lot. Employee parking is located in an approximately 214-space employee lot, southeast of the Administration Building.

A roughly 35 acre consolidated rental car service area is located south of the passenger terminal on GSP Drive and provides additional rental car parking and service facilities. This area accommodates the maintenance, wash rack and service areas for all rental car facilities operating at GSP.





Figure 2-4  
Ground Access



**Figure 2-5** illustrates the location of the existing auto parking lots.

## 2.3 Proposed Airport Facilities

During the time of data collection for this study, specific airport projects were identified that are either in various stages of design, in discussion with Airport staff, or identified as proposed development on the Airport Layout Plan (ALP). One of the larger proposed airport projects is a future 8,200-foot parallel runway on the east side of the existing runway that is proposed on the current ALP. The future parallel runway will connect to the existing runway, taxiways and apron areas by a dual taxiway located just north of the commercial terminal building. Additionally, the future parallel runway is proposed to include dual parallel taxiways on either side. The timing of the future parallel runway and associated taxiways is anticipated to be long-term (20+ years) since the airport is currently operating with significant excess capacity and is presently not near the threshold for project planning of additional runway capacity.

Another large future project that is currently in the design phase is a major commercial passenger terminal expansion for the airport. The proposed terminal expansion will increase the passenger terminal to a total of approximately 315,000 square feet. The expansion will be to both terminal concourses, concessions, the lobby/ticketing area and the baggage claim and arrivals area. The terminal expansion will accommodate increased passenger traffic resulting from the introduction of Southwest Airlines service in March 2011, as well as the long-term forecasted passenger traffic anticipated by the 2010 Terminal Area Study.

In addition to the airport facilities discussed above, a proposed new ASR-11 radar system to be installed east of the existing terminal building and a new air traffic control tower (ATCT) are also proposed. These projects will likely be completed at the same time as the terminal expansion, which is currently projected to be completed by Fall 2013. **Figure 2-6** illustrates the location of these significant proposed airport facilities.

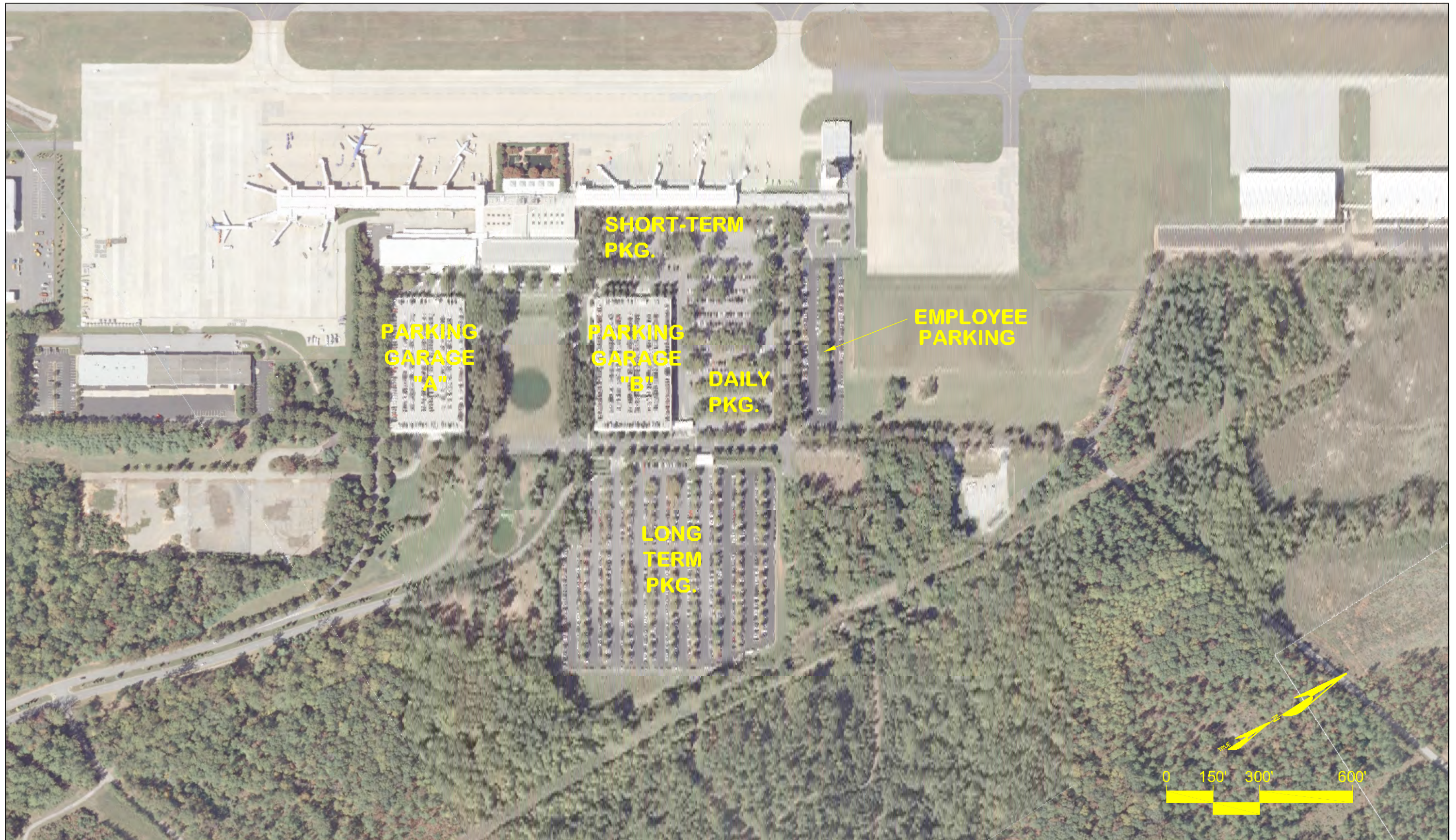
## 2.4 Aviation Activity

Historic and forecast aviation activity data for passengers and various airport operations was reviewed. This data was obtained from the 2010 Terminal Area Study, 2011 Air Cargo Market Profile, current FAA Terminal Area Forecast (TAF), and ATCT activity reports. The aviation activity presented in these data sources establishes the level of existing and anticipated aviation demand at GSP. The primary forecast categories (air carrier operations, commercial enplanements, air cargo activity, GA operations and based GA aircraft) have been included in the following sections for reference throughout the land use planning and development study. Additional forecast data from the previously identified sources will be used as necessary to validate and/or test certain planning assumptions or decisions during concept development.

### 2.4.1 Air Carrier Operations

The current FAA TAF presents historical and forecast operations for various types of aircraft activity. Historical activity is presented through 2010 while forecast activity is projected through 2030. Since the historical data included in the FAA TAF report is only updated through 2010, ATCT activity reports provided by airport staff were used to update the actual 2011 activity levels. Based on this data, air carrier operations (including air taxi and commuter) at GSP







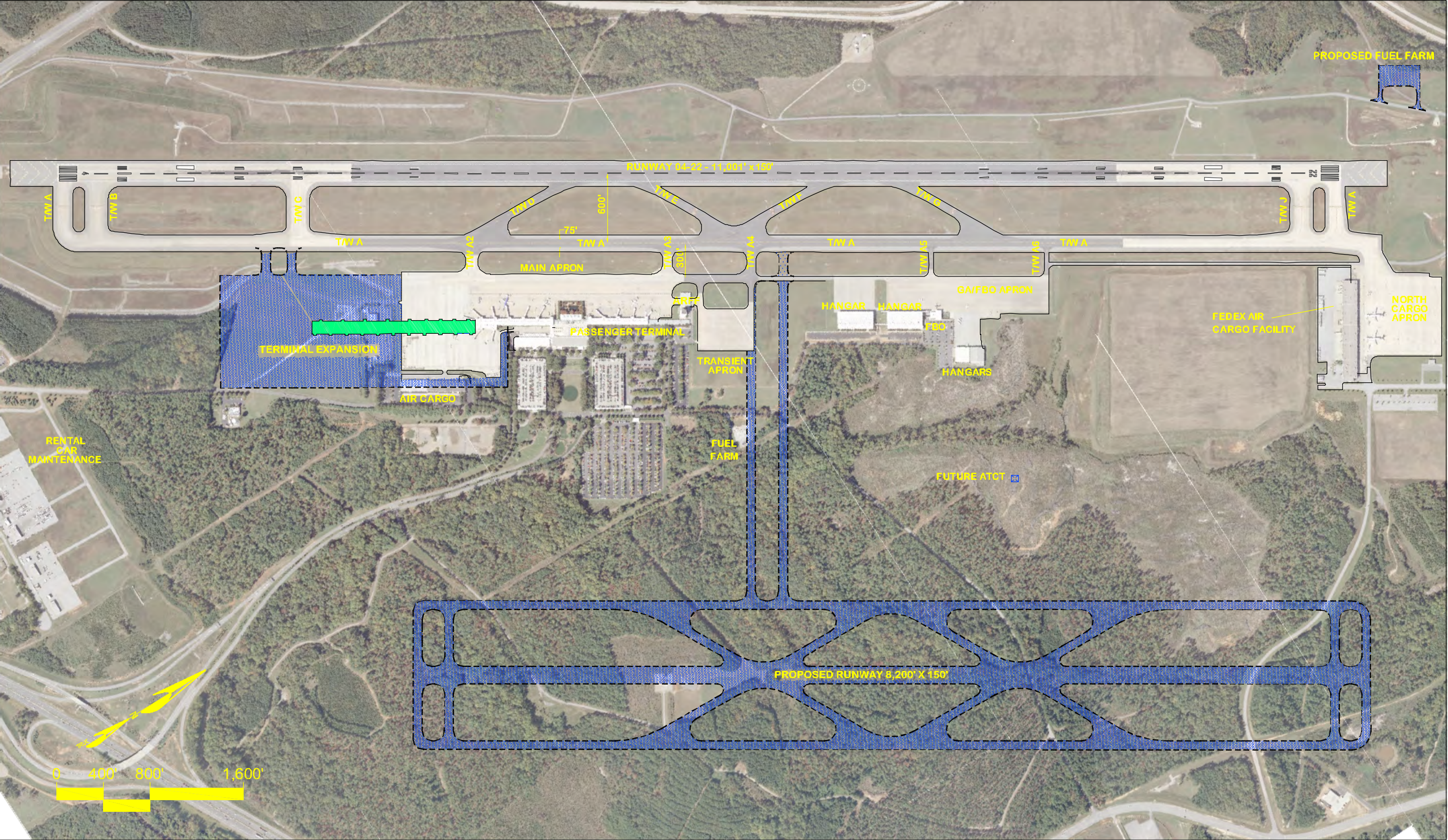


Figure 2-6  
Proposed Airport Facilities



increased from 26,796 in 1990 to an estimated 38,600 in 2011 and are forecast to increase to over 46,000 operations by 2030.

**Table 2-2** shows the historical air carrier activity data while **Table 2-3** presents the air carrier operations forecast.

## 2.4.2 General Aviation (GA) Operations

As with air carrier operations, the FAA TAF presents historical and forecast operations for GA aircraft operations. The GA operations data presented in the FAA TAF was updated with 2011 ATCT data. Based on this data, GA operations at GSP decreased from 24,357 in 1990 to an estimated 9,700 in 2011. GA operations are forecast to increase to 12,259 by 2030.

Table 2-2 shows the historical GA operations while Table 2-3 presents the air carrier operations forecast.

**Table 2-2 Historical Aircraft Operations**

Year	Air Carrier Operations*	GA Operations
1990	26,796	24,357
1995	37,561	20,141
2000	48,859	17,469
2005	55,631	11,545
2010	34,254	9,862

*\*Includes commuter and air taxi operations.*

*Source: FAA TAF, 2011*

**Table 2-3 Forecast Aircraft Operations**

Year	Air Carrier Operations*	GA Operations
2011**	38,600	9,700
2015	37,309	10,114
2020	40,070	10,781
2025	43,076	11,496
2030	46,347	12,259

*\* Includes commuter and air taxi operations.*

*\*\* Actual ATCT data through November 2011 projected through December 2011.*

*Source: FAA TAF, 2011 and ATCT activity data, Dec. 2011*

## 2.4.3 Air Cargo Activity

Air cargo service at GSP is provided on both scheduled and unscheduled basis through passenger airline belly freight, all freight carriers, and air taxi feeder cargo operations. The 2011 Air Cargo Market Profile developed for GSP includes a review of historical cargo tonnage. Based on information in the Air Cargo Market Profile, historical air cargo tonnage at GSP increased from 7,786 tons in 1997 to 24,658 in 2010. Air cargo tonnage peaked in 1997 at 28,670 tons. **Table 2-**

4 illustrates the historical air cargo tonnage at GSP, as presented in the 2011 Air Cargo Market Profile.

It should be noted that all-freight air cargo activity at GSP significantly increased in the fourth quarter of 2011 and has continued through the time of this writing. All-freight cargo charters serving the needs of the local BMW manufacturing and assembly facility have begun utilizing GSP with L1011, B-747, and DC-9 aircraft. B-747 flights alone increased from zero in November 2011 to five in December 2011. The charter flights have been in response to critical parts needs by BMW and thus far have been unscheduled in nature. However, the successful operation by GSP cargo services and the convenience of receiving critical parts adjacent to their manufacturing facility, has led BMW to issue a request for proposals (RFP) for scheduled freight service to GSP utilizing B-747 or L1011 aircraft. If such scheduled cargo service materializes, all-freight air cargo activity at GSP will increase significantly and likely facilitate additional air cargo users and routes to and from the Airport.

**Table 2-4 Historical Air Cargo Activity (Tons)**

Year	Freight	Mail	Total Cargo
1990	4,441	3,344	7,786
1995	19,339	3,508	22,847
2000	24,373	2,563	26,936
2005	23,586	211	23,797
2010	24,658	0	24,658

*Source: GSP Air Cargo Market Profile, 2011 by Keiser Phillips Associates*

## 2.4.4 Commercial Passenger Activity

The 2010 Terminal Area Study identified historical commercial passenger activity and developed various passenger forecast scenarios. Historically, enplaned passengers at GSP increased from approximately 79,917 in 1963 to a high of 904,282 in 2005. Since 2005 enplaned passengers decreased to roughly 641,000 in 2010. In March 2011, the low fare carrier Southwest Airlines initiated service at GSP and passenger enplanements through November 2011 are up significantly to 810,714. That is a calendar year to date increase of approximately 37 percent over 2010.

Several passenger forecasts were developed in the 2010 Terminal Area Study and included base case, low fare carrier and focus city scenarios. The base case forecast assumes existing or similar type airlines continue to serve the Airport at an average annual growth rate in enplanements of 2.5 percent. The low fare carrier forecast assumes a new low fare carrier introduces service at the Airport using 150-seat aircraft. The low fare carrier would begin service with eight daily flights and adds two additional daily flights every five years. The existing airlines continue as indicated in the Base Case forecast. Lastly, the focus city forecast assumes a low fare carrier introduces ten flights a day by the year 2015 and grows service by four new flights every five years. The existing airlines continue with the same schedule as indicated in the Base Case scenario. However, the existing leisure destination carrier withdraws service by 2025.

As discussed previously, Southwest Airlines introduced service to GSP in March 2011 with seven daily flights, possibly reinforcing the assumptions and forecast basis presented in the low fare



carrier forecast scenario. **Table 2-5** presents the commercial enplanement forecast scenarios, as presented in the 2010 Terminal Area Study.

**Table 2-5 Forecast Annual Enplanements**

Year	Base Case	Low Fare Carrier	Focus City
2010*	641,403	641,403	641,403
2015	698,000	1,027,000	1,086,000
2020	791,000	1,202,000	1,317,000
2025	893,000	1,386,000	1,545,000
2030	1,012,000	1,587,000	1,806,000
2040	1,300,000	2,037,000	2,320,000
2050	1,669,000	2,616,000	2,980,000

*\*Updated to reflect actual enplanements based on airport passenger statistics*

*Source: Airport Passenger Statistics, 2011 and GSP Terminal Area Study, 2010 by RS&H, Inc.*

### 2.4.5 General Aviation (GA) Based Aircraft

Historical and forecast GA based aircraft data is presented in the FAA TAF. The data presented are for total based aircraft and does not specify based aircraft by class (single and multi-engine piston, jet, and helicopter). According to the FAA TAF, based aircraft at GSP decreased from 24 aircraft in 1990 to 15 in 2010 and are forecast to increase to 25 by the year 2030.

## 2.5 Market Analysis Summary

Evaluating real estate development patterns and trends are a critical component of the success of GSP's long-term plan. In order to accomplish this, local real estate firm, CBRE | The Furman Co. was engaged to help analyze local, regional and comparable national real estate patterns in relation to the airport's property.

There are three phases to this evaluation, a comprehensive real estate inventory, an evaluation of internal and external real estate markets with airports comparable to GSP, and an analysis of different market segments in accordance with potential long-term development objectives of the airport.

### 2.5.1 Real Estate Inventory

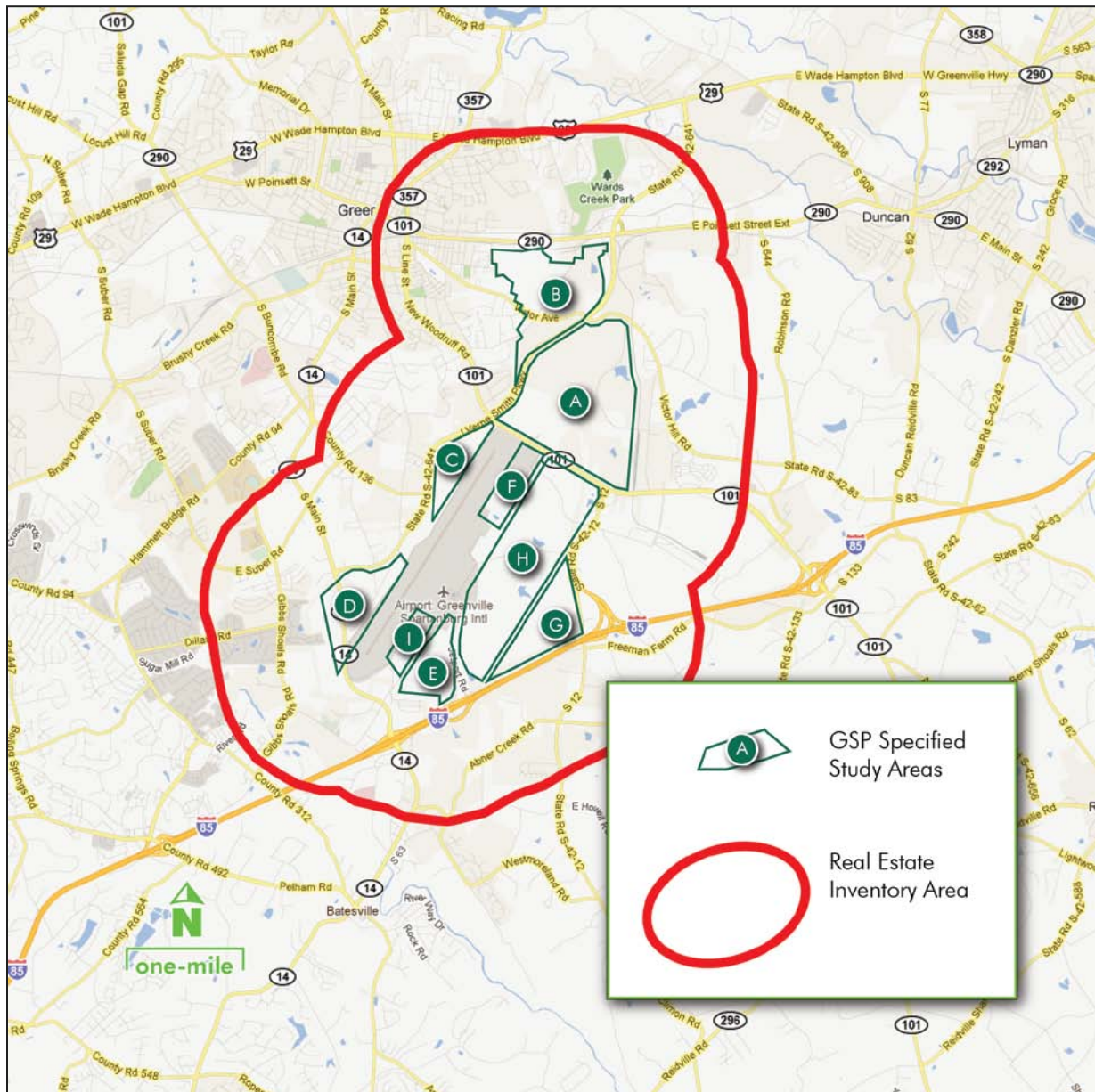
To complete this first phase, CBRE | The Furman Co. completed the following steps:

- Conducted an inventory of all properties within one-mile of the holdings currently under control by GSP
- Reviewed properties for potential strategic acquisitions
- Summarized the findings

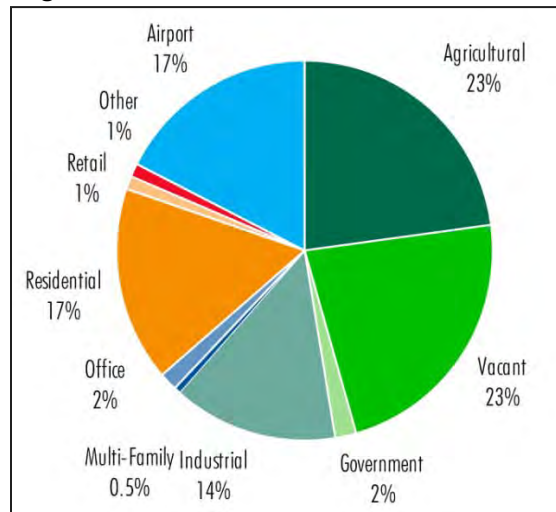
Greenville-Spartanburg International Airport's potential development areas are divided into nine distinct areas. CBRE | The Furman Co. studied all properties within one mile of the GSP defined study areas (**Figure 2-7**). In conducting the inventory, it was found that 46 percent of property

within one mile of the airport is undeveloped, indicating that a substantial amount of change is possible in the immediate vicinity, greatly affecting what the market may be able to handle (**Figure 2-8**). Almost 50 parcels were identified as potential strategic acquisitions. Further review is required to determine how these potential acquisitions fit in GSP's larger development plans.

**Figure 2-7 Real Estate Inventory**



Source: CBRE | The Furman Co

**Figure 2-8 Land Use Classification**

Source: CBRE | The Furman Co.

There are two key points that emerge from the inventory.

First, the primary directive in analyzing development opportunities is to evaluate the potential success of four primary development types: office, industrial, retail and hospitality. It is worth noting that there is not a single property classified as a hospitality use. This provides the first-glance impression that hospitality development may be successful. Additionally, office and retail development may be under-represented as well. The analysis of supply and demand factors completed in the next phase of analysis will help determine the likelihood of success.

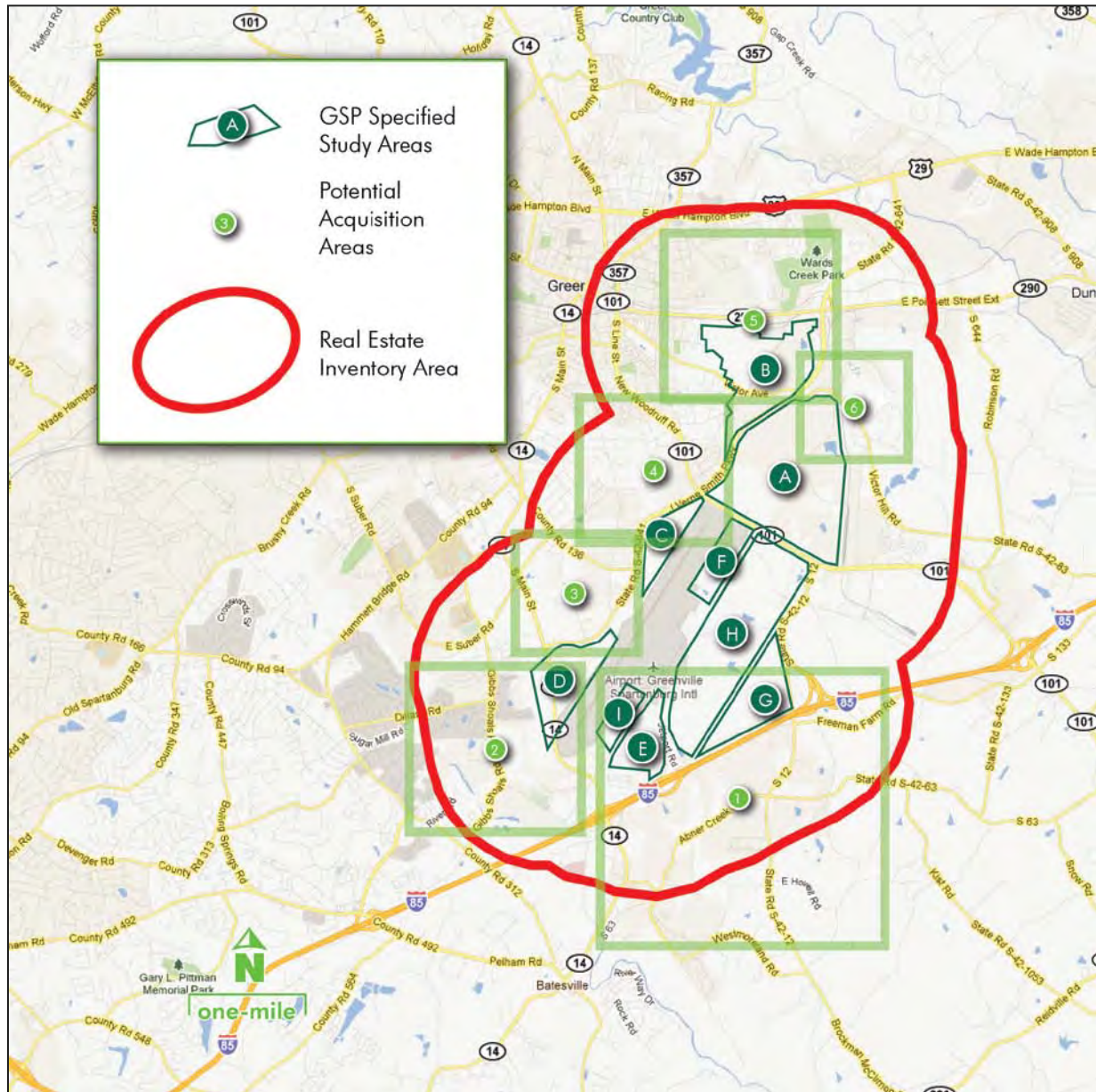
The second point is that 46 percent of the land is classified as “Vacant” or “Agricultural.” Often the presence of agriculture is indicative of land that is available for development purposes. When combined, it is clear that development opportunities are plentiful in the study area. This means there is ample opportunity for development and change in the area.

### 2.5.2 Potential Strategic Acquisition Areas

Several large tracts of vacant land were identified during the real estate inventory, primarily concentrated in six areas, as shown in **Figures 2-9, 2-10, 2-11, 2-12, 2-13 , 2-14 and 2-15.**



**Figure 2-9 Potential Strategic Acquisition Areas**



Source: CBRE | The Furman Co

CBRE | The Furman Co. identified six potential strategic acquisition areas outside of GSP's current landholdings.



**Figure 2-10 Potential Strategic Acquisition Area 1**



Source: CBRE | The Furman Co

On the other side of Interstate 85, there are 20 parcels that could be acquired for strategic purposes.



**Figure 2-11 Potential Strategic Acquisition Area 2**



Source: CBRE | The Furman Co

South of GSP, there are 15 properties that would be of interest associated with potential development along Highway 14.



**Figure 2-12 Potential Strategic Acquisition Area 3**



Source: CBRE | The Furman Co

Two parcels on the other side of J. Verne Smith Parkway near Highway 14 could be strategic acquisitions.



**Figure 2-13 Potential Strategic Acquisition Area 4**

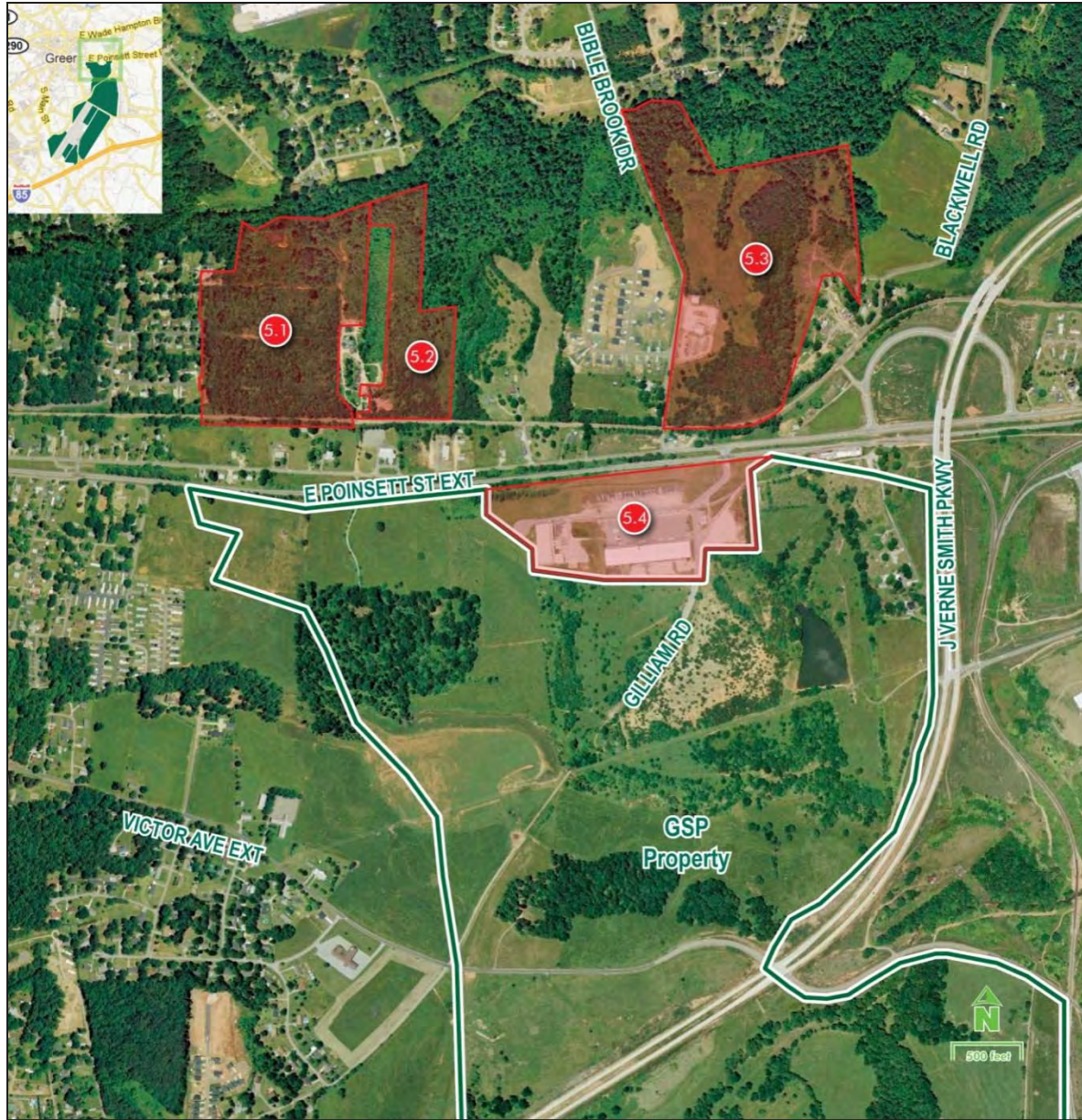


Source: CBRE | The Furman Co

One parcel along J. Verne Smith Parkway and Highway 101 could be a strategic acquisition.

**Figure 2-14 Potential Strategic Acquisition Area 5**



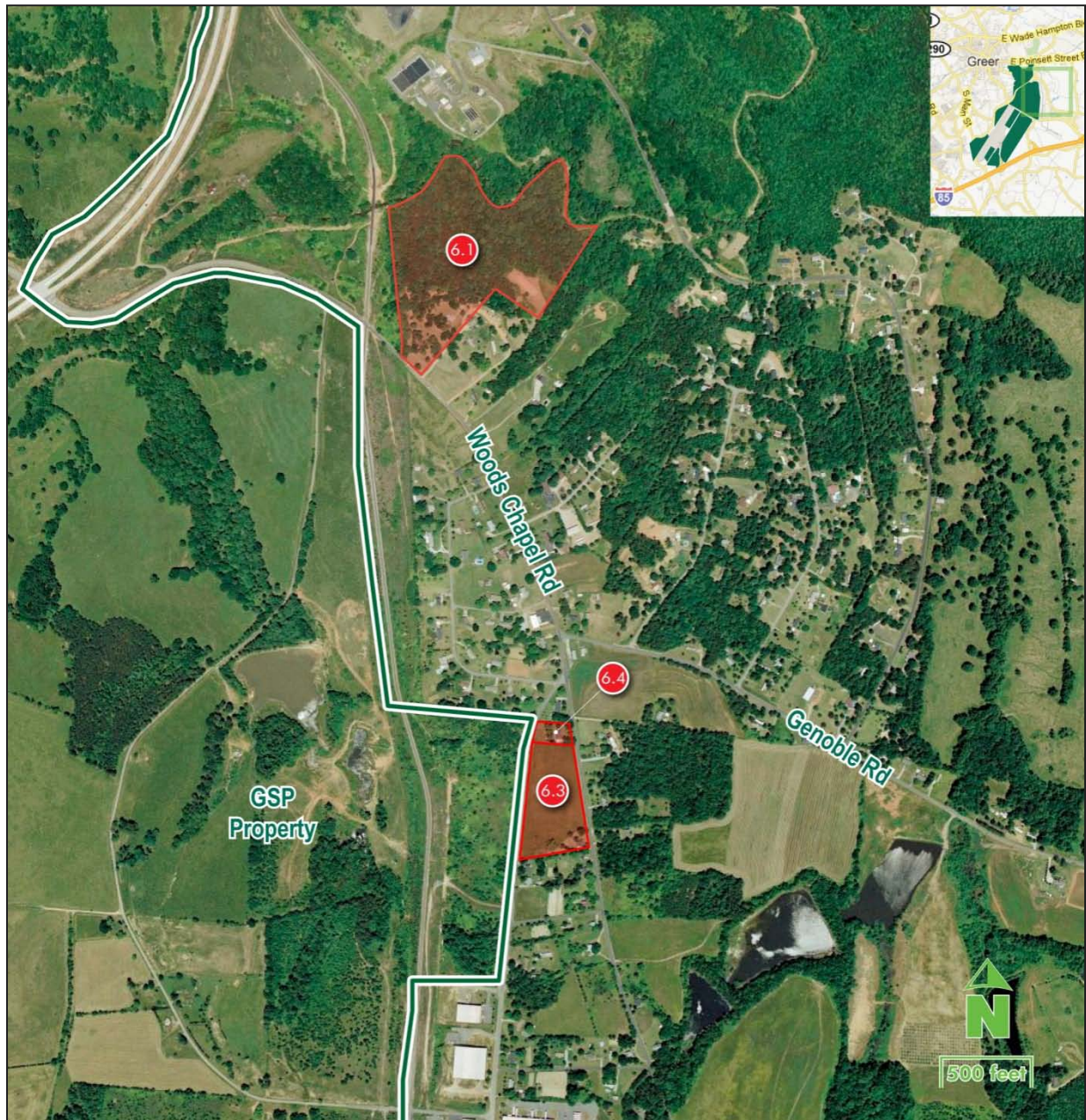


Source: CBRE | The Furman Co

Four parcels to the north of GSP could be strategic acquisitions.



**Figure 2-15 Potential Strategic Acquisition Area 6**



Source: CBRE | The Furman Co

On the eastern side of the airport, there are three parcels that could be acquired.



### 2.5.3 Summary

In total, there are almost 50 parcels that may represent strategic acquisitions. All properties should be evaluated based on short and long-term development plans for GSP's property.

### 2.5.4 GSP MarketView

To complete this second phase, CBRE | The Furman Co. completed the following steps:

- Assembled a set of comparable airports from which to study
- Collected data on comparable airports
- Interviewed local contacts in each market
- Analyzed and summarized the results

Based upon the experiences of comparable airports and on-the-ground conditions in the local market, there are a number of opportunities that emerge. **Table 2-6** effectively summarizes those findings.

**Table 2-6 Short-term and Long-term Recommendations Summary**

Market	Short-term	Long-term
Office	No speculative development	Market to tenants with desire to have direct airport access
Industrial	Fulfill market niche at the higher-end of the warehouse spectrum, where development is proving to be difficult	Maintain the integrity of the large Parcel "A" with the intent of recruiting a user that requires the uniquely situated space
Retail	If desirable, engage previously interested retail users in potential development opportunities	Continuously evaluate market opportunities, especially as it relates to what might be missing in the Pelham Road submarket
Hospitality	The market is underserved at the high-end of the spectrum. Any offerings would have to be high-end and unique to the market due the general accessibility of other hospitality users	Continuously evaluate market opportunities and take advantage of gaps as they emerge

Source: CBRE | The Furman Co

This section is a study of the different market conditions impacting airports comparable to GSP. The entirety of the research completed for this project includes the data collection, interviews and analysis of a large number of airports which were studied for one of several reasons.

**Table 2-7 Airport Markets Studied**

<b>Airport</b>	<b>Market</b>	<b>Reason for inclusion</b>
Albuquerque International	Albuquerque, NM	Cargo
Asheville Regional	Asheville, NC	Proximity
Austin-Bergstrom International	Austin, TX	Cargo
Birmingham-Shuttlesworth International	Birmingham, AL	Passenger
Charleston International	Charleston, SC	Proximity
Charlotte-Douglas International	Charlotte, NC	Proximity
Columbia Metropolitan	Columbia, SC	Cargo
Des Moines International	Des Moines, IA	Cargo
El Paso International	El Paso, TX	Passenger
Ft. Worth Alliance	Dallas-Ft. Worth, TX	Intermodal
Harrisburg International	Harrisburg, PA	Cargo
Hartsfield-Jackson Atlanta International	Atlanta, GA	Proximity
Huntsville International	Huntsville, AL	Intermodal
Jacksonville International	Jacksonville, FL	Cargo
Long Beach/Daugherty Field	Los Angeles, CA	Passenger
Louis Armstrong New Orleans International	New Orleans, LA	Cargo
Louisville International-Standiford Field	Louisville, KY	Passenger
Norfolk International	Norfolk, VA	Passenger
North Carolina Global TransPark	Raleigh, NC	Intermodal
Pittsburgh International	Pittsburgh, PA	Airport development
Port San Antonio	San Antonio, TX	Intermodal
Portland International Jetport	Portland, ME	Terminal expansion
Reno/Tahoe International	Reno, NV	Cargo,

Airport	Market	Reason for inclusion
		Passenger
Richmond International	Richmond, VA	Passenger
Rickenbacker International Airport	Columbus, OH	Intermodal
Sacramento International	Sacramento, CA	Cargo
Spokane International	Spokane, WA	Passenger
Tucson International	Tucson, AZ	Passenger
Tulsa International	Tulsa, OK	Cargo
Will Rogers World	Oklahoma City, OK	Passenger

Source: CBRE | The Furman Co

### 2.5.5 Passenger Volumes

A study of airports with specific passenger volumes was important in order to conduct an evaluation of markets that are contingent upon travel to and from the airport, specifically hospitality, office and retail. The airports included for passenger evaluation purposes are shown in **Table 2-8**.

**Table 2-8 Airports Studied Based on Passenger Volumes**

<b>Airport</b>	<b>Market</b>	<b>2010 Enplanements</b>
Reno/Tahoe International	Reno, NV	1,857,488
Tucson International	Tucson, AZ	1,844,228
Will Rogers World	Oklahoma City, OK	1,710,993
Norfolk International	Norfolk, VA	1,663,291
Richmond International	Richmond, VA	1,651,131
Louisville International-Standiford Field	Louisville, KY	1,651,037
Spokane International	Spokane, WA	1,545,115
El Paso International	El Paso, TX	1,509,093
Long Beach /Daugherty Field	Long Beach, CA	1,451,404
Birmingham-Shuttlesworth International	Birmingham, AL	1,443,215
<b>Greenville-Spartanburg International 2030 Enplanement Projection</b>		<b>1,600,000</b>

Source : CBRE | The Furman Co., FAA, GSP

In 2010, GSP produced 642,512 enplanements. Based on projections by GSP, the airport is projecting to achieve over 1.6 million enplanements by 2030. The airports included in the study were included based on their current enplanement statistics.

## 2.5.6 Cargo Volumes

The evaluation of airports with specific cargo traffic was important in order to conduct a study of the industrial sector, the primary sector associated with cargo demand. The airports included for cargo evaluation purposes are as follows:



**Table 2-9 Airports Studied Based on Cargo Volumes**

<b>Airport</b>	<b>Location</b>	<b>2010 Metric Tonnes</b>
Austin-Bergstrom International Airport	Austin, TX	69,397
Sacramento International Airport	Sacramento, CA	66,998
Columbia Metropolitan Airport	Columbia, SC	62,592
Des Moines International Airport	Des Moines, IA	56,824
Albuquerque International Airport	Albuquerque, NM	56,264
Jacksonville International Airport	Jacksonville, FL	54,397
Harrisburg International Airport	Harrisburg, PA	53,790
Louis Armstrong New Orleans International Airport	New Orleans, LA	52,604
Reno/Tahoe International	Reno, NV	51,255
Tulsa International Airport	Tulsa, OK	49,590
<b>Greenville-Spartanburg International 2030 Cargo Projection</b>		<b>59,400</b>

Source : CBRE | The Furman Co., FAA

In 2010, GSP moved 22,400 metric tonnes of cargo. With an increased emphasis on cargo traffic, approximate annual rates of growth of five percent would be considered strong. With a cargo growth rate of five percent per year sustained over the next twenty years, GSP would achieve 59,400 metric tons of cargo traffic annually. The ten airports achieving comparable cargo traffic tonnage were included in this study.

### 2.5.7 Other Airports Studied

During stakeholder meetings, emphasis on the potential for an intermodal industrial airport required that further airports be evaluated. Additionally, other airports were also included for other reasons.

## 2.5.8 Office Market

**Figure 2-16 Office Submarket Map**



Source : CBRE | The Furman Co.

**Table 2-10 Office Market Statistics**

Market		Market Size (sf)	Vacancy	Availability	Top of Market Asking Rate (Full Service)	Expected Annual Absorption
Greenville-Spartanburg		10.7 million	16.4%	19.9%	\$26.50/sf	100,000 to 150,000 sf
Greenville Suburban Submarket		5.9 million	18.0%	20.7%	\$20.00/sf	80,000 to 100,000 sf
Spartanburg Submarket		1.5 million	13.4%	18.9%	\$23.00/sf	10,000 to 20,000 sf
Most comparable other markets						
Hampton (Norfolk)	Roads	23.3 million	17.8%	21.1%	\$28.50/sf	Less than zero
Louisville		20.5 million	14.8%	15.5%	\$27.00/sf	100,000 to 150,000 sf
Reno		7.3 million	21.0%	22.0%	\$24.00/sf	10,000 to 20,000 sf
Richmond		25.8 million	17.3%	18.2%	\$26.50/sf	50,000 to 100,000 sf
Tucson		8.6 million	17.1%	18.9%	\$26.50/sf	100,000 to 150,000 sf

CBRE | The Furman Co., Costar

With only 10.7 million square feet of leasable office space, the Greenville-Spartanburg market is relatively small. As such, there are only a few locations in the market where speculative development is reasonably assured of achieving success. Quite simply, there are a limited number of potential tenants to recruit to a new office development.

In today's challenging financing environment, constructing a speculative office development in an area where there is a proven track record of success, such as the downtown areas of Greenville and Spartanburg, can be a challenge. Attempting to secure the same type of financing in an area where there is little office development is virtually impossible. As such, office development is only recommended if a tenant can be committed to occupy a potential facility. Given the relatively high availability rates in the Greenville-Spartanburg market, there are plenty of options to choose from. This will only confound any potential office recruitment.



It is worth noting that the Pittsburgh International Airport successfully landed the headquarters of Dick's Sporting Goods, a Fortune 500 company undergoing aggressive expansion and the desire to have direct corporate jet access to the airport. The company outgrew their nearby 189,000 square-foot facility and desired a new headquarters with direct runway access for their corporate jets to help facilitate a more efficient way to oversee their general operations and national expansion. Their headquarters consists of approximately 600,000 square feet on a single 100-acre tract. Presently, there are no Fortune 500 companies currently headquartered in the market to move to the site, meaning that a tenant would have to be found among smaller local tenants or a comparably sized tenant recruited from another market.

**Figure 2-17 Dick's Sporting Goods Corporate Headquarters**



***Dick's Sporting Goods moved into their headquarters adjacent to Pittsburgh International Airport in January of 2010.***

If success is to be found with a potential office development, it will involve having this kind of situation, where a tenant is committed to the project before construction begins or it will be after the current financial conditions change and/or the site becomes developed enough to demand office activity in the near vicinity.

## 2.5.9 Office Recommendation

**Short-term:** Any speculative office development is going to be challenging and is not recommended. Demonstrating the ability to accommodate build-to-suit tenants is advisable to potentially lure a tenant comparable to Dick's Sporting Goods.

**Long-term:** Office development is really only advisable with a tenant in-hand. There may be a potential development opportunity after a considerable amount of the proposed plan has been carried out, when office demand may manifest itself as a function of development in the surrounding area. Considering the large amount of undeveloped land in the area, this is quite a ways off.

## 2.5.10 Industrial Market

**Figure 2-18 Industrial Submarket Map**



Source : CBRE | The Furman Co.

**Table 2-11 Industrial Market Statistics**

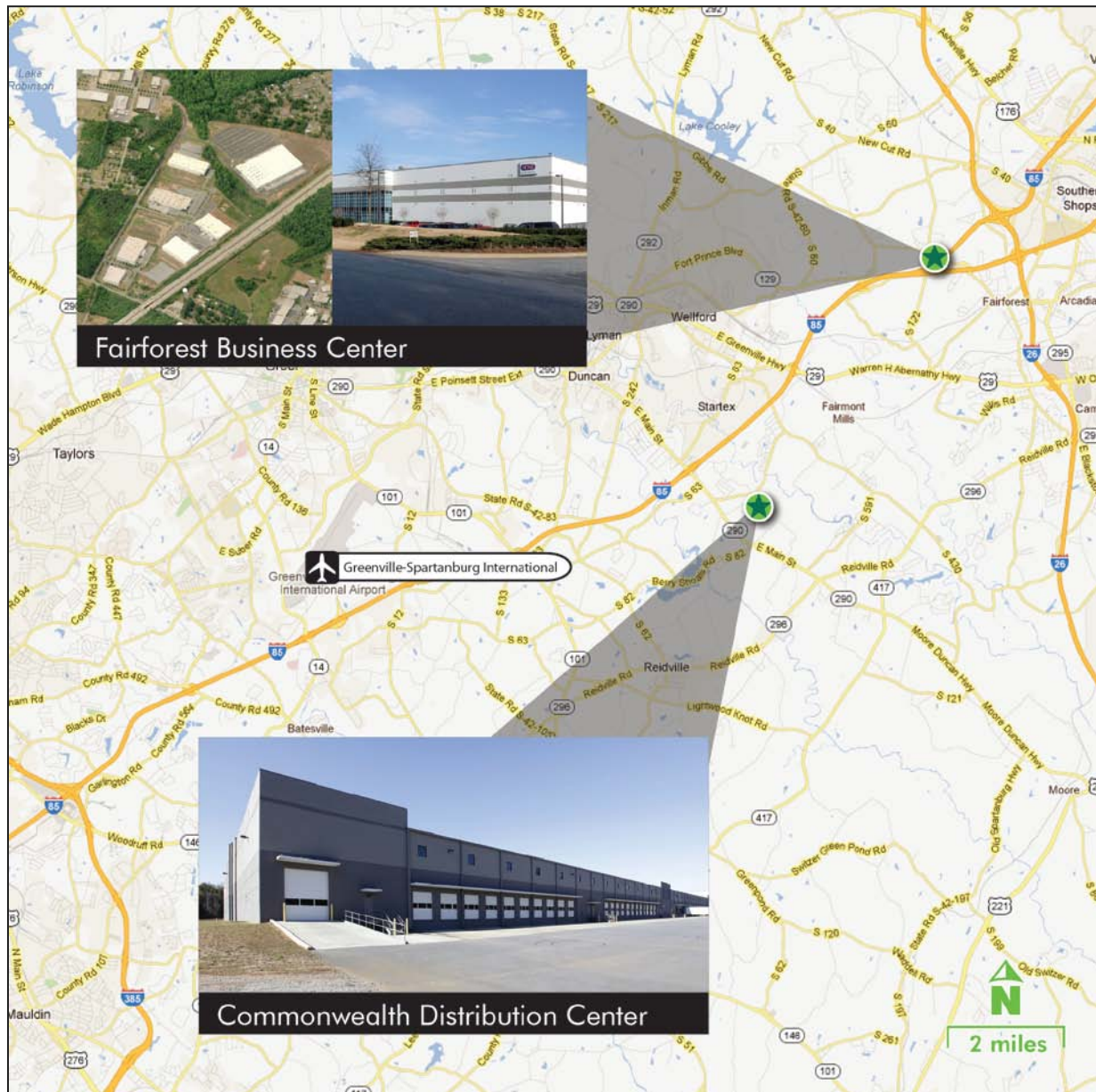
<b>Market</b>	<b>Industrial Market Size (sf)</b>	<b>Market Vacancy</b>	<b>Average Asking Rates (NNN)</b>	<b>Warehouse Market Size (sf)</b>	<b>Warehouse Vacancy</b>	<b>Expected Annual Total Market Absorption</b>
Greenville-Spartanburg	145 million	9.2%	\$3.10/sf	58 million	12.0%	800,000 to 1.2 million sf
I-85 East Submarket	16 million	8.9%	\$5.95/sf	Na	8.9%	10,000 to 20,000 sf
Spartanburg West Submarket	30 million	8.9%	\$3.29/sf	Na	8.9%	400,000 to 600,000 sf
<b>Most comparable other markets</b>						
Albuquerque	39 million	9.2%	\$6.85/sf	14 million	10.9%	400,000 to 600,000 sf
Jacksonville	97 million	11.4%	\$3.97/sf	66 million	14.0%	100,000 to 150,000 sf
New Orleans	59 million	9.2%	\$4.85/sf	40 million	11.0%	Less than zero
Reno	73 million	12.3%	\$4.44/sf	57 million	13.4%	400,000 to 800,000 sf
Tulsa	60 million	10.3%	\$4.55/sf	24 million	9.1%	100,000 to 150,000 sf

Source : CBRE | The Furman Co., Costar

The Greenville-Spartanburg market is a manufacturing market. There has not been a significant amount of Class A large warehouse development – newer industrial warehouse construction with at least 200,000 square feet that generally has 30-foot clear ceilings. In the Greenville-Spartanburg market, there is one 200,000 square foot availability with 30-foot high ceilings. Atlanta has more than 60 comparable properties and Charlotte has thirteen.



**Figure 2-19 Two Example Class A Warehouse Facilities**



Source : CBRE | The Furman Co.



**Table 2-12 Two Example Class A Warehouse Facilities**

Characteristic	Fairforest Business Center	Commonwealth Distribution Center
Location	John Martin Rd, Spartanburg, SC	Tyger River Rd, Duncan, SC
Size	50,000 sf; 100,000 sf (x4); 340,000 sf	220,000 sf
Year Built	1999 to 2008	2008

Two properties highlight the challenges faced by developers of Class A large warehouses in the Greenville-Spartanburg market: Fairforest Business Center and Commonwealth Distribution Center. Fairforest Business Center by Johnson Development is a development that has been successful, but was self-funded. On the other hand, Commonwealth Distribution Center in Duncan is a Class A facility that was successfully financed, but the lack of securing a tenant willing to pay sufficient rates resulted in the developer losing control of the property. Commonwealth Distribution was originally listed on the market for \$4.75/sf NNN. The most recent transaction, after a new owner took control, was achieved at an effective rate of \$3.14/sf NNN.

As it stands right now, securing financing for new development is virtually impossible. First, the rents being paid do not justify the cost of new construction. Secondly, the majority of Greenville-Spartanburg's warehouse market caters to manufacturers. Because the contracts received by third party logistics providers are relatively short-term, potential tenants are not able to sign long-term leases. The lack of long-term tenancy for new developments makes the ability to secure financing even more difficult.

However, there may be an opportunity for GSP to fill a market gap here: providing speculative Class A warehouse space to new short-term tenants. GSP is uniquely positioned to step in as a funding source for new development, shouldering the risk that conventional lenders are unable to stomach at this time.

The good news is that the opportunity for filling this niche may be perfect. The shortage of quality space is now pressuring a rise in rates. There have been several examples of rates rising as the amount of space available dwindles. One example of this is 110 Hidden Lake Circle in Duncan, South Carolina. In 2010, the property was leased for \$2.50/sf NNN. In early 2011, the property was pitched to a new tenant for \$2.35/sf NNN. As of now, negotiations are underway to secure the space for \$3.15/sf NNN with fewer tenant improvements than the early 2011 offering included.

Taking the longer-term view, the ability to provide a site with 700 acres of contiguous developable land with easy access to rail, air and the interstate is unique in the state. The closest comparable product in the Southeast is the Jetplex Industrial Park in Huntsville, Alabama. Other notable multi-modal industrial facilities include Rickenbacker Global Logistics Park in Columbus, Ohio and Alliance Texas outside of Ft. Worth, Texas.

**Table 2-13 Three Industrial Airport Developments**

	<b>Jetplex Industrial Park</b>	<b>Rickenbacker Global Logistics Park</b>	<b>Alliance Texas</b>
Location	Huntsville, Alabama	Columbus, Ohio	Ft. Worth, Texas
Operating Entity	Huntsville-Madison County Airport Authority	Columbus Regional Airport Authority	Hillwood
Established	1984	1980	1988
Developed Industrial Acreage	1,600	2,000	2,300
Available Industrial Acreage	2,400	1,390	3,100
Acreage Developed/Year	64	65 - 70	100 - 110
Runway Length	12,600 ft; 10,000 ft	12,000 ft; 12,000 ft (both cannot be used at the same time)	9,600 ft; 8,220 ft (undergoing extension to 11,000 ft)
Rail	Norfolk Southern	CSX and Norfolk Southern	BNSF and UP
Highway	I-565	I-270	I-35
Selling Points	2-hr turnaround time for 747; cheap landing rates	Major cargo-only airport; dual-rail	Major cargo-only airport; mixed use development
Comments	On-site hotel and golf course; planning an acquiring an additional 3,000 acres for development		Part of 17,000 mixed used development, including additional non-contiguous industrial acreage

Source : CBRE | The Furman Co., Jetplex Industrial Park, Columbus Regional Airport Authority, Hillwood Development Company

Based upon the successes of the aforementioned multi-modal parks, a conservative rate of success would be approximately fifty acres developed per year upon implementation of a strategic marketing plan.

One of the most valuable assets of the GSP land is the tract known as Parcel “A.” Any smaller developments should be orchestrated in a manner that maintains the largest contiguous parcels possible.

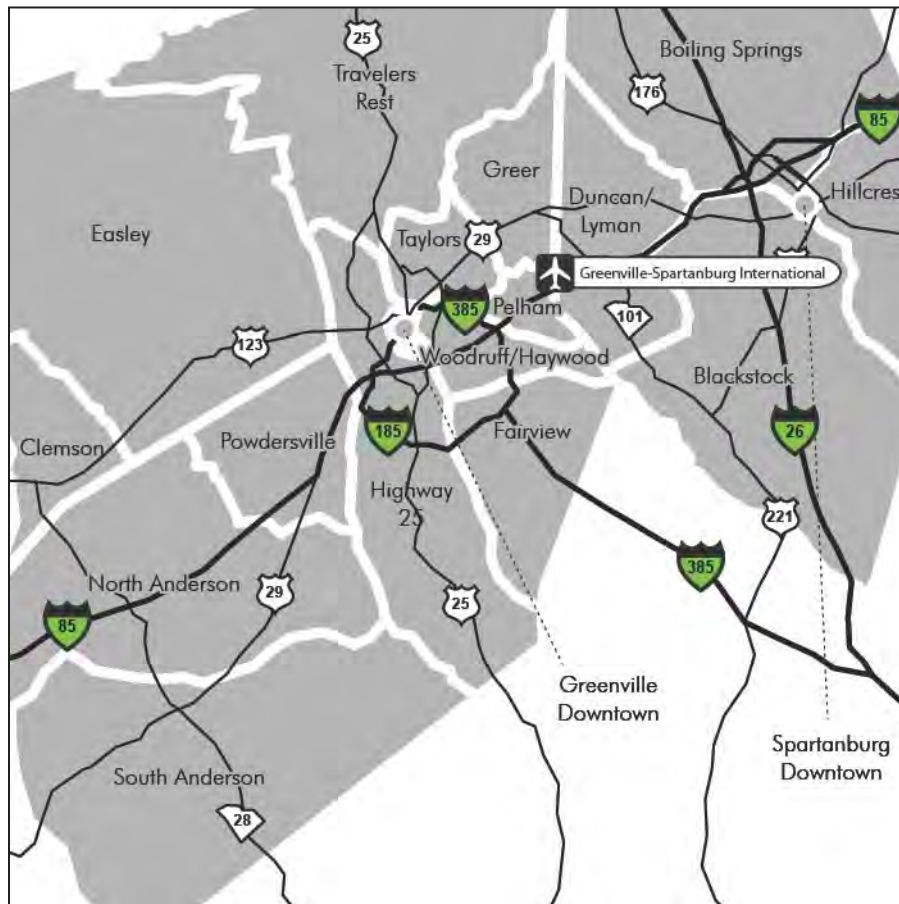
### 2.5.11 Industrial Recommendation

**Short-term:** Given the difficulty in financing Class A warehouse product in the Greenville-Spartanburg market, GSP may be able to leverage their strong financial position to develop best-in-class speculative warehouse space in the market, a product that is in short supply.

**Long-term:** The large contiguous Parcel “A” is unique in the state. While it will take time to land a large tenant for the property, it should remain undeveloped until a tenant in need of multi-modal industrial space surfaces.

### 2.5.12 Retail Market

**Figure 2-20 Retail Submarket Map**

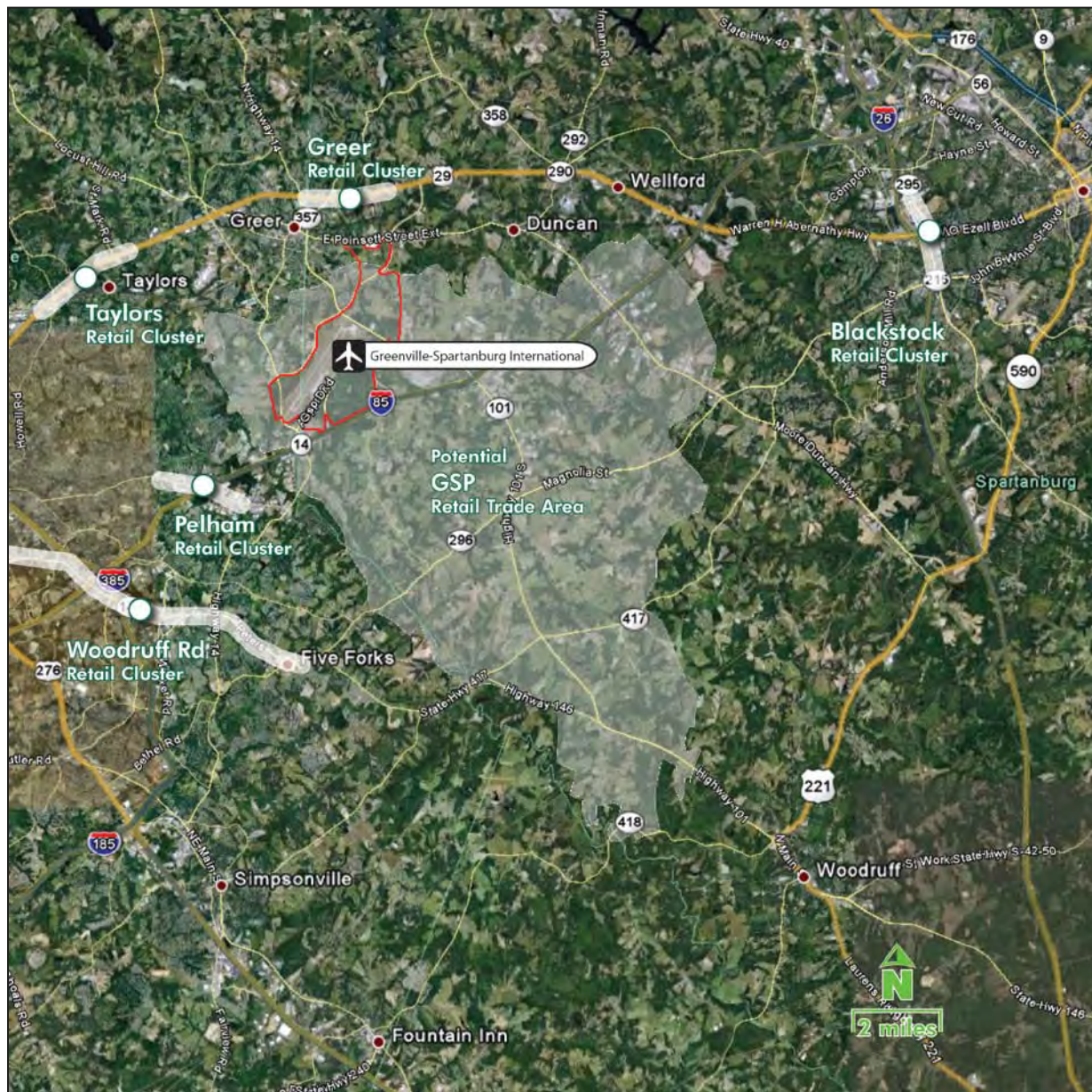


Source : CBRE | The Furman Co.

The Upstate region is divided into fourteen different retail trade areas. The typical retail trade area in the Upstate serves a population of about 70,000 to 75,000 people. As a retail cluster unto itself, a significant retail development would serve a mere 23,000 people, making the airport



Figure 2-21 GSP Retail Cluster



Source : CBRE | The Furman Co.

retail cluster the smallest retail market in the Upstate region. This means that retail intended to serve the surrounding community is likely to struggle when placed at the site.

Retailers that are able to pull from beyond just the nearby community (first-in-market tenants, regional retail draws, etc.) may be able to experience some success. However, given the site's location outside of the most prominent retail areas, landing these types of tenants may be difficult.

It is worth noting that both Bass Pro Shops and Target have demonstrated interest in land within one exit of the site. Either may be significant enough to alter retail patterns enough to make



further retail development successful. However, both tenants would have a significant impact (both positive and negative) on GSP's long-term development and should be carefully considered.

**Table 2-14 Retail Market Statistics**

Market	Market Size (sf)	Market Vacancy	Average Asking Rates (NNN)	Expected Annual Market Absorption
Greenville-Spartanburg	52 million sf	7.3%	\$9.04/sf	250,000 to 300,000 sf
Pelham Submarket	573,000	8.2%	\$10.49/sf	10,000 to 15,000 sf
Duncan-Lyman Submarket	1.3 million sf	12.5%	\$8.82/sf	Less than zero
Greer Submarket	1.8 million sf	9.6%	\$6.22/sf	20,000 to 35,000 sf
<b>Most comparable other markets</b>				
Birmingham	91 million sf	9.6%	\$9.42/sf	25,000 to 50,000 sf
Louisville	79 million sf	7.9%	\$11.34/sf	100,000 to 200,000 sf
Oklahoma City	83 million sf	7.2%	\$10.84/sf	100,000 to 200,000 sf
Richmond	80 million sf	6.4%	\$13.57/sf	500,000 to 700,000 sf
Tucson	51 million sf	8.7%	\$14.42/sf	25,000 to 50,000 sf

Source : CBRE | The Furman Co., Costar

The Pelham Road submarket differentiates itself by being one of the wealthiest retail submarkets in the Upstate. Interestingly enough, the only big box retail development on Pelham Road is Walmart, which is more of a value retailer. There may be an opportunity to provide higher-end retail than what is currently provided on Pelham Road. Such development would have to be strategically fostered.

### 2.5.13 Retail Recommendation

**Short-term:** new retail development should be limited to that required to supplement airport-driven demand. If considerable retail development is a priority, then engaging Bass Pro or Target as potential tenants would be an advisable first step.

**Long-term:** Observe the surrounding retail community and strategically cater to niches not being provided. The close proximity of a retail cluster on Pelham Road will limit potential development opportunities.

### 2.5.14 Hospitality Market

**Figure 2-22 Hospitality Submarket Map**



Source : CBRE | The Furman Co.

**Table 2-15 Hospitality Market Stats – YTD November 2011**

<b>Market</b>	<b>Market Size (rooms)</b>	<b>Occupancy</b>	<b>Average Room Rate</b>	<b>RevPAR</b>
<b>Greenville</b>	<b>8,516</b>	<b>62.0%</b>	<b>\$70.29</b>	<b>\$43.57</b>
<b>Spartanburg</b>	<b>4,295</b>	<b>54.3%</b>	<b>\$62.79</b>	<b>\$34.08</b>
<b>Greenville- Spartanburg</b>	<b>12,811</b>	<b>59.4%</b>	<b>\$67.78</b>	<b>\$40.39</b>
Columbia East	5,333	63.5%	\$81.80	\$51.93
Columbia West	5,888	59.2%	\$59.99	\$35.54
Charleston Airport	6,391	67.3%	\$71.62	\$48.23
Charleston/West Ashley	6,195	77.2%	\$151.36	\$116.84
South Carolina	102,253	56.4%	\$88.43	\$49.85

Source : CBRE | The Furman Co., Smith Travel Research

Based on market statistics from Smith Travel Research, the Greenville-Spartanburg hospitality market appears to be doing relatively well. Outside of locations driven by tourism (Charleston, Savannah, Myrtle Beach and Hilton Head) Greenville-Spartanburg also has the second highest revenue per available room. When combined with the relative low cost of doing business, it is easy to see why one hotel executive interviewed stated that their Greenville-Spartanburg hotels are consistently outperforming their projections.

The hospitality industry, like many consumer-driven activities, has distinct market segments. A market that is ripe for high-end development can subsequently be overbuilt at the value-end of the spectrum and vice versa. To get a stronger understanding of market segment gaps at GSP, a study of hotels at airports was conducted using a classification system developed by hotels.com.

The classification system developed by hotels.com is pertinent because it evaluated each hotel based on the amenities provided. It is common for hotels carrying the same brand name to offer different levels of amenities. The hotels.com classification system takes this into account.



**Table 2-16 Airport Hotel Distribution – Two Miles From Airport**

Airport	Location	Hotels.com Star Rating Score							
		5	4.5	4	3.5	3	2.5	2	1.5
Reno/Tahoe International	Reno, NV	-	-	-	8	5	1	-	-
Tucson International	Tucson, AZ	-	-	2	2	5	5	6	-
Will Rogers World	Oklahoma City, OK	-	-	-	1	3	2	-	-
Norfolk International	Norfolk, VA	-	-	-	1	1	6	11	1
Richmond International	Richmond, VA	-	-	-	-	9	3	6	3
Louisville International- Standiford Field	Louisville, KY	-	-	-	1	6	7	8	-
Spokane International	Spokane, WA	-	-	-	-	3	4	2	1
El Paso International	El Paso, TX	-	-	-	2	10	10	6	1
Long Beach /Daugherty Field	Long Beach, CA	-	-	-	1	2	-	6	-
Birmingham-Shuttlesworth International	Birmingham, AL	-	-	-	-	2	-	2	-
<b>Greenville-Spartanburg International</b>	<b>Greer, SC</b>	-	-	-	<b>1</b>	<b>2</b>	<b>5</b>	<b>2</b>	-

Source : CBRE | The Furman Co., hotels.com

Based upon a study of airport hotels (hotels in close proximity to an airport), there appears to be a surplus of mid-level hotels near GSP. Among the ten comparable passenger airports, there is an average of 15.5 hotels. GSP currently has ten hotels establishments within two-miles of the airport. The gap is most pronounced at the highest and lowest end of the spectrum. If the assumption is made that the market can accommodate 15.5 hotels along the same distribution as the comparable markets, then there is room for more than two hotels with a rating of three stars or greater and room for more than three hotels with a rating of two stars or fewer. Conversely, there is an ample supply of hotels with a rating of 2.5.

Hotels that are developed on-site at an airport tend to be at the higher end of the spectrum due the greater need for amenities from potential airline passengers. There is only one hotel in the Greenville-Spartanburg market with a hotels.com amenity rating of 4.0, the Westin Poinsett in downtown Greenville. Any high end hotel should use that as the baseline for amenities.

**Table 2-17 Hotels.com Star Rating Explained****Five Star - (Deluxe)**

These are hotels that offer only the highest level of accommodations and services. The properties offer a high degree of personal service. Although most five star hotels are large properties, sometimes the small independent (non-chain) property offers an elegant intimacy that can not be achieved in the larger setting. The hotel locations can vary from the very exclusive locations of a suburban area, to the heart of downtown. The hotel lobbies are sumptuous, the rooms complete with stylish furnishing and quality linens. The amenities often include: VCR's, CD stereos, garden tubs or Jacuzzis, in-room video library, heated pools and more. The hotels feature up to three restaurants all with exquisite menus. Room service is usually available 24 hours a day. Fitness Centers and valet and/or garage parking are typically available. A concierge is also available to assist you.

**Typical National Chains:** Ritz Carlton, Four Seasons.

**Four Star - (Superior)**

Mostly large, formal hotels with smart reception areas, front desk service and bellhop service. The hotels are most often located near other hotels of the same caliber and are usually found near shopping, dining and other major attractions. The level of service is well above average and the rooms are well lit and well furnished. Restaurant dining is usually available and may include more than one choice. Some properties will offer continental breakfast and/or happy hour delicacies. Room service is usually available during most hours. Valet parking and/or garage service is also usually available. Concierge services, fitness centers and one or more pools are often provided.

**Typical National Chains:** Hyatt, Marriott.

**Three Star - (First Class)**

Typically these hotels offer more spacious accommodations that include well appointed rooms and decorated lobbies. Bellhop service is usually not available. They are often located near major expressways or business areas, convenient to shopping and moderate to high priced attractions. The hotels usually feature medium-sized restaurants that typically offer service breakfast through dinner. Room service availability may vary. Valet parking, fitness centers and pools are often provided.

**Typical National Chains:** Holiday Inn, Hilton.

**Two Star - (Moderate)**

Typically smaller hotels managed by the proprietor. The hotel is often 2 - 4 stories high and usually has a more personal atmosphere. It's usually located near affordable attractions, major intersections and convenient to public transportation. Furnishings and facilities are clean but basic. Most will not have a restaurant on site but are usually within walking distance to some good low-priced dining. Public access, past certain hours, may be restricted.

**Typical National Chains:** Days Inn, LaQuinta Inn.

**One Star - (Moderate)**

Usually denotes independent and name brand hotel chains with a reputation for offering consistent quality amenities. The hotel is usually small to medium-sized and conveniently located to moderately priced attractions. The facilities typically include telephones and TV's in the bedroom. Some hotels offer limited restaurant service; however, room service and bellhop service is usually not provided.

**Typical National Chains:** Econolodge, Motel 6.

Source: hotels.com

Something to keep in mind is that one executive explained that people who visit hotels typically do not elect to stay at an airport; they prefer to stay near their destination. To increase a potential hotel's success, any opportunity to provide a destination to attract visitors should be pursued.

### 2.5.15 Hospitality Recommendation

**Short-term:** There is a demand for a high-end hotel on-site with new-to-market amenities, especially if a driver of hotel activity is generated in conjunction with the development. Additionally, there appears to be room for a limited amenity, inexpensive hotel.

**Long-term:** A good long term strategy would be to observe hotels in the area and look to take advantage of market opportunities that arise.

### 2.5.16 Current Conditions of Internal and External Real Estate Markets

To complete this phase, CBRE | The Furman Co. completed the following steps:

- Reviewed site plans of all comparable airports
- Collected and reviewed market data including local experts interviews from all comparable airports
- Analyzed and summarized the data below

In evaluating the site plans of comparable airports, it was found that GSP is currently using land efficiently, as expected. The amount of space use for terminal space and non-passenger airport use is minimal when compared to these airports. This can be somewhat attributed to the existence of just one runway and the lack of a military presence at the facility.

From a parking standpoint, the airport appears to be able to handle long-term traffic needs. However, a significant revenue opportunity exists with a potential expansion of retail activity at GSP.

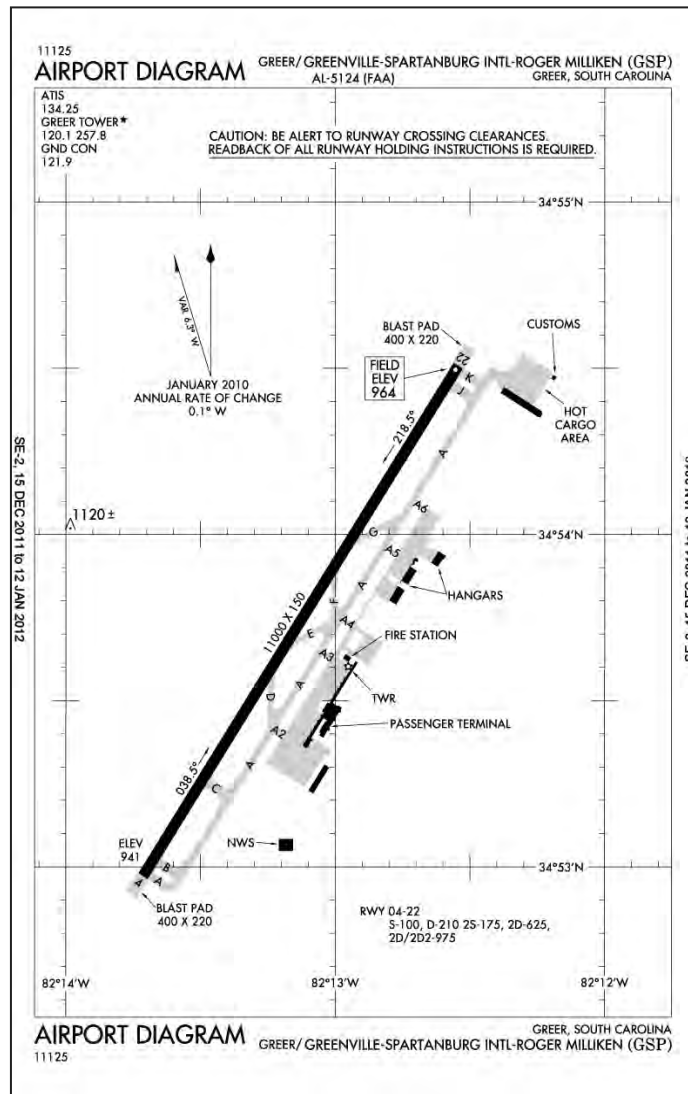
As assessment of real estate markets is a critical component of the land use study. There are two real estate markets being evaluated here: internal airport markets and external airport markets.

### 2.5.17 Internal Real Estate Markets

There are several things that GSP needs to take into account when considering a potential development plan: land dedicated primarily to the administration of passenger travel (terminal, customs and general aviation) and land dedicated to handling cargo travel (other non-military uses.)



Figure 2-23 FAA Diagram



*Airport Diagrams from the Federal Aviation Administration, such as this one for GSP, were leveraged to develop acreage estimates for internal real estate markets.*

To assess land dedicated to passenger travel, a review of FAA airport diagrams for relevant airports identified during previous phases of the study were conducted.

**Table 2-18 Terminal Acreage for Comparable Passenger Airports**

<b>Airport</b>	<b>Market</b>	<b>Terminal Acreage</b>
Reno/Tahoe International	Reno, NV	100
Tucson International	Tucson, AZ	110
Will Rogers World	Oklahoma City, OK	130
Norfolk International	Norfolk, VA	130
Richmond International	Richmond, VA	75
Louisville International-Standiford Field	Louisville, KY	130
Spokane International	Spokane, WA	75
El Paso International	El Paso, TX	90
Long Beach /Daugherty Field	Long Beach, CA	25
Birmingham-Shuttlesworth International	Birmingham, AL	75
<b>Greenville-Spartanburg International</b>	<b>Greenville-Spartanburg, SC</b>	<b>50</b>

Source : CBRE | The Furman Co., FAA

To assess land dedicated to cargo traffic, a review of FAA airport diagrams for relevant airports identified during previous phases of the study were conducted.

**Table 2-19 Non-Military Non-Passenger Developed Acreage for Comparable Cargo Airports and Runway Stats**

<b>Airport</b>	<b>Market</b>	<b>Longest Runway</b>	<b>Non-Military Non-Passenger Developed Acreage</b>
Austin-Bergstrom International Airport	Austin, TX	12,248 ft	730
Sacramento International Airport	Sacramento, CA	8,605 ft	110
Columbia Metropolitan Airport	Columbia, SC	8,601 ft	220
Des Moines International Airport	Des Moines, IA	9,003 ft	480
Albuquerque International Airport	Albuquerque, NM	13,793 ft	200
Jacksonville International Airport	Jacksonville, FL	10,000 ft	280
Harrisburg International Airport	Harrisburg, PA	10,002 ft	90
Louis Armstrong New Orleans International Airport	New Orleans, LA	10,104 ft	160
Reno/Tahoe International	Reno, NV	11,002 ft	180
Tulsa International Airport	Tulsa, OK	10,000 ft	800
<b>Greenville-Spartanburg International</b>	<b>Greenville-Spartanburg, SC</b>	<b>11,000 ft</b>	<b>100</b>

Source : CBRE | The Furman Co., FAA

On average, each comparably projected airport reserves 94 acres for the administration of passenger travel and 325 acres for non-military non-passenger usage. GSP efficiently uses approximately 50 and 100 acres, respectively. The fact that GSP has one runway should result in a more efficient layout, however there may be room for expansion on both sides. From a non-passenger standpoint, runway frontage is limited by the existence of only one runway.

During the initial stakeholder meetings, the concept of developing an intermodal airport was discussed. As such, the evaluation of established intermodal airports was also conducted.



**Table 2-20 Non-Military Non-Passenger Developed Acreage for Established Intermodal Airports**

<b>Airport</b>	<b>Market</b>	<b>Longest Runway</b>	<b>Non-Military Non-Passenger Developed Acreage</b>
Ft. Worth Alliance	Dallas-Ft. Worth, TX	9,600 ft	420
Huntsville International	Huntsville, AL	8,605 ft	250
Rickenbacker International	Columbus, OH	12,102 ft	740

CBRE | The Furman Co., FAA

Among the three established intermodal airports evaluated, there was an average of 470 acres of non-military non-passenger development. However, the amount of acreage used is somewhat misleadingly low, as all three airports have a considerable amount of private airport-related development that does not appear on FAA airport diagrams.

Another factor that should be considered is the real estate dedicated to parking. GSP has two parking structures, which is unique for an airport of its size, especially one that has access to a large amount of land. The efficient use of parking space is one of the reasons why the airport is considered very easy to access.

**Table 2-21 Parking Statistics for Comparable Passenger Airports**

<b>Airport</b>	<b>Market</b>	<b>Parking Spaces</b>	<b>Parking Rates High and Low</b>	
Reno/Tahoe International	Reno, NV	3,632	\$1/30 min	\$10/day
Tucson International	Tucson, AZ	7,615	\$1/30 min	\$4/day
Will Rogers World	Oklahoma City, OK	Approx 5,500	\$1/hour	\$4/day
Norfolk International	Norfolk, VA	Approx 2,900	\$0.25/10 min	\$7/day
Richmond International	Richmond, VA	Approx 8,000	\$1/hour	\$7/day
Louisville International- Standiford Field	Louisville, KY	Approx 5,600	\$1/hour	\$9/day
Spokane International	Spokane, WA	Approx 5,000	\$1/30 min	\$9.50/day
El Paso International	El Paso, TX	5,738	\$1/hour	\$5/day
Long Beach /Daugherty Field	Los Angeles, CA	Approx 2,000	\$2/hour	\$17/day
Birmingham-Shuttlesworth International	Birmingham, AL	Approx 5,600	\$1/hour	\$10/day
<b>Greenville-Spartanburg International</b>	<b>Greenville-Spartanburg, SC</b>	<b>4,840</b>	\$1/hour	\$4/day

GSP's parking rates are comparable to the cheapest rates in the country, at \$1 for the first hour and \$4 per day for long-term parking. The low cost of parking adds to the airport's reputation as being easy on travelers. As of now, GSP has 4,840 parking spaces. The average among comparable airports is approximately 5,200. Over the next decade or so, additional parking spaces may be needed.

**Table 2-22 Retailer Statistics for Comparable Passenger Airports**

<b>Airport</b>	<b>Location</b>	<b># of Restaurants</b>	<b># of Other Retail Establishments</b>
Reno/Tahoe International	Reno, NV	10	8
Tucson International	Tucson, AZ	10	4
Will Rogers World	Oklahoma City, OK	9	8
Norfolk International	Norfolk, VA	10	7
Richmond International	Richmond, VA	8	8
Louisville International-Standiford Field	Louisville, KY	6	5
Spokane International	Spokane, WA	8	8
El Paso International	El Paso, TX	8	10
Long Beach /Daugherty Field	Long Beach, CA	4	1
Birmingham-Shuttlesworth International	Birmingham, AL	6	4
<b>Greenville-Spartanburg International</b>	<b>Greenville-Spartanburg, SC</b>	<b>2</b>	<b>1</b>

With just a few restaurants and one other retail establishment in Hudson News, GSP is underserved from an internal retail perspective. This represents a potential untapped revenue opportunity for the airport, especially as air traffic increases.

### 2.5.18 External Real Estate Markets

A crucial component of evaluating airports and the markets they operate in is a collection of market intelligence to understand how comparable markets are different. Data and local expertise in every market have been consulted to get a sense for how the market compares to the one that surrounds GSP. The following is a brief summary of findings.

#### Albuquerque, NM (Cargo)

Relevant airport: Albuquerque International

Albuquerque is a market comparable in size to that of Greenville-Spartanburg whose primary industries are education and medical. The market was hit hard by the housing downturn and is still struggling to regain its footing. The industrial market softened considerably from 2007 to the



middle of 2010, but that trend has begun to reverse itself. Unfortunately, that has not delivered significant results in the way of employment. Job losses in the industrial sectors have begun to slow, however.

## Asheville, NC (Proximity)

Relevant airport: Asheville Regional

Asheville is a market that is little more than one-hour away from GSP. From a size standpoint, Asheville is less than half of the size of the Greenville-Spartanburg market. Like most markets, Asheville was impacted by the slowdown in residential construction. Tourism is one of its driving activities. While a prominent retirement community, the negative wealth effect of the housing decline will slow this activity in the short-term. In January 2012, discount airline AirTran is slated to end service to the airport, which should further increase passenger traffic to and from GSP. Another smaller low cost service provider, Allegiant Airlines, recently began service the airport.

## Atlanta, GA (Proximity)

Relevant airport: Hartsfield-Jackson International

With a market approximately five times the size of Greenville-Spartanburg, Atlanta is one of the few 24-hour cities in the South. As such, its economic outlook is generally more stable than that of most southern cities. With that being said, Atlanta was hit hard by the downturn with ample overbuilding in all sectors. Over the past twelve months, the financial industry in Atlanta has been hit especially hard, with employment down almost nine percent from the same point last year. From a price comparison standpoint, Atlanta is often used as a benchmark for ticket price comparisons out of GSP. Comparatively speaking, Atlanta's airport experience is far inferior to that of GSP, but it does have the advantage of price and destination variety.

## Austin, TX (Cargo)

Relevant airport: Austin-Bergstrom International

Like much of Texas, Austin is pulling out of the Great Recession with a full head of steam. The area's employment has reached its pre-recession peak and is steadily climbing. Comparatively speaking, the market is about 1.5 times the size of Greenville-Spartanburg. Primary industrial employers are Dell Computers and IBM. The IT sector in Austin has been relatively flat over the past year. As it comes back to life, it will only further strengthen the area's economy. Austin was subject to a substantial amount of speculative high-end Class A industrial warehouse development. Gains among the product have been very strong.

## Birmingham, AL (Passenger)

Relevant airport: Birmingham-Shuttlesworth International

With just over one million people in the market, Birmingham is comparable in size to Greenville-Spartanburg. Birmingham has struggled coming out of the Great Recession, as employment dropped to 1996 levels. One potential driver of growth is the Birmingham Regional Intermodal

Facility, a development that will combine rail, air and highway traffic into one industrial facility. It is slated to be completed in 2012 and should be on the radar of GSP as it comes to fruition.

## Charleston, SC (Proximity)

Relevant airport: Charleston International

Charleston is worth evaluating due to its comparable market size and its proximity to GSP. Charleston International experiences substantially more traffic as a result of its prominence as a tourism destination. While the economy is driven significantly by tourism, manufacturing is going to have a very strong impact. By the end of 2013, Boeing expects to produce about \$3.5 billion in aircraft largely driven by international demand. Total state exports totaled \$20.3 billion in 2010. Boeing's manufacturing facility is onsite at Charleston International. Due to development limitations around the airport, there may be some opportunities for GSP to play a role in Boeing's long-term plans.

## Charlotte, NC (Proximity)

Relevant airport: Charlotte-Douglas International

If a passenger is looking to fly out of GSP, the airport they are most likely to compare prices with is Charlotte-Douglas International Airport, which is just over one hour away. Despite Southwest's presence, flights out of Charlotte are still generally cheaper, although the gap has narrowed. The market is about 1.5 times the size of Greenville-Spartanburg.

## Columbia, SC (Proximity, Cargo)

Relevant airport: Columbia Metropolitan

About an hour away, Columbia serves as a good comparison market for Greenville-Spartanburg, due to its proximity and size. Columbia's industrial market is miniscule when compared to that of Greenville-Spartanburg. The market had little to no class A speculative industrial warehouse development. The market has been hit hard by governmental layoffs although it appears as though the worst is over.

## Columbus, OH (Intermodal)

Relevant airport: Rickenbacker International

Columbus is the state capital of Ohio, it has been negatively impacted by governmental cutbacks. The market benefits from a diverse manufacturing presence. Significant speculative high-end warehouse development has occurred in the market and has been relatively successful. Rickenbacker International is a major industrial airport, the scale of which is not possible to replicate at GSP, but the airport is worth studying further.

## Des Moines, IA (Cargo)

Relevant airport: Des Moines International

Des Moines is about half the size of Greenville-Spartanburg, although its airport enjoys much stronger market share due to its lack of competition from nearby airports. Des Moines has had

some high end speculative Class A industrial warehouse development and those projects have been largely successful in the market. The market was not flooded with product and is doing well.

## El Paso, TX (Passenger)

Relevant airport: El Paso International

El Paso is comparably sized to Greenville-Spartanburg. El Paso is expected to do well in the coming years as the largest employer in the area, the US Army, is expanding. The military is relocating significant operations from Europe to nearby Fort Bliss. As a border town, El Paso's fortunes are also tied to that of Mexico.

## Ft. Worth, TX (Intermodal)

Relevant airport: Ft. Worth Alliance

The Dallas-Ft. Worth region is about 2.5 times larger than that of Greenville-Spartanburg. The warehouse/distribution market was heavily speculated on during the last five years, but economic strengths have managed to take a considerable amount of Class A warehouse space off of the market. Ft. Worth is generally cheaper than Dallas, which should help drive activity in the coming years.

## Harrisburg, PA (Cargo)

Relevant airport: Harrisburg International

Harrisburg is a market considerably smaller than Greenville-Spartanburg, but with its strategic location within a few hours of Washington DC, Philadelphia and New York, the market has become a hotbed of large distribution centers. In late 2008 and 2009, a substantial amount of product was delivered to the market resulting in market vacancy topping twenty percent. Since then, substantial amounts of available space has been taken off the market.

## Huntsville, AL (Intermodal)

Relevant airport: Huntsville International

Huntsville, Alabama, is a market that is about half the size of Greenville-Spartanburg. However, its airport and the nearby Jetplex Industrial Park serves as a good reference for potential development at GSP. The market has a substantial manufacturing presence focused on aviation and aerospace industries. Unfortunately, the market is very dependent upon federal defense and NASA budget for market activity. Both have decreased significantly over the last year, which significantly weakens prospects.

## Jacksonville, FL (Cargo)

Relevant airport: Jacksonville International

Jacksonville, Florida, is a market that is slightly larger than that of Greenville-Spartanburg. Like much of Florida, the region is heavily reliant upon tourism. However, the area also relies on a significant amount of military spending to keep its economy ticking, which has been reduced in



the past year. The port was recently dredged, ensuring that it is equipped to handle larger ships expected with the widening of the Panama Canal, which should boost industrial warehouse activity in the port city by 2015.

## Long Beach, CA (Passenger)

Relevant airport: Long Beach/Daugherty Field

Long Beach is part of the Los Angeles market. Los Angeles is one of the largest markets in the country, about nine times the size of Greenville-Spartanburg. The inclusion of Long Beach as a comparable market is largely a function of the airport that exists there, which feeds off of the presence of discount airline JetBlue and passengers attempting to avoid the complications of flying in and out of LAX. All west coast port cities have had an extremely tight warehouse/distribution market caused by the combination of very heavy port traffic and difficulty in completing new construction.

## Louisville, KY (Passenger)

Relevant airport: Charlotte-Douglas International

Louisville, Kentucky, is a market that is comparable in size to Greenville-Spartanburg. The prominence of UPS having their national hub located here has attracted a significant number of manufacturers to the market. Two major manufacturers (GE and Ford) have announced major expansions. The market is home to a substantial amount of high-end Class A warehouse/distribution product. Since 2000, almost 17 million square feet of large industrial buildings has been constructed in the market.

## New Orleans, LA (Cargo)

Relevant airport: Louis Armstrong New Orleans International

New Orleans is a market that is comparable in size to the Greenville-Spartanburg market. While the market is starting to regain its form after the Deepwater Horizon oil spill, increased federal limits on drilling has had an impact. Additionally, the market has not regained everything it lost after Hurricane Katrina in 2006. Employment is improving, but prospects are relatively muted. Despite its port city status, there has been little Class A warehouse development in the market.

## Norfolk, VA (Passenger)

Relevant airport: Norfolk International

Norfolk, Virginia, is a market that is slightly larger than the Greenville-Spartanburg market. Norfolk is a major port city with a substantial amount of military presence. Cuts in defense spending has weakened the economy and old-line manufacturing has faced substantial cuts as well. The port is expected to help drive the local market as global export and import traffic increases. As a port city, there is a substantial amount of Class A warehouse development that was somewhat overbuilt, but recent gains have shown signs of a rebound.

## Oklahoma City, OK (Passenger)

Relevant airport: Will Rogers World

Oklahoma City is a market that is comparable in size to Greenville-Spartanburg. The market is becoming a significant player in the energy industry and is thriving as a result. Most sectors are expanding aggressively. Due to its position as a prominent rail hub, Oklahoma City does have some Class A warehouse product, but there was not a lot of overbuilding in the last five years.

## Pittsburgh, PA (Airport development)

Relevant airport: Pittsburgh International

Pittsburgh is a market that is about double the size of Greenville-Spartanburg. The market is emerging well out of The Great Recession and is experiencing job growth in all private sectors, including construction. The market has not had a substantial amount of Class A warehouse construction in the past few years. Dick's Sporting Goods recently constructed their 600,000 square-foot corporate headquarters on 100 acres of airport property.

## Portland, ME (Expansion)

Relevant airport: Portland International

The Portland market is about one-half the size of the Greenville-Spartanburg market. The market is doing relatively well coming out of the downturn. Despite the city's port presence, there has been little to no large scale Class A warehouse activity in the market. The airport did recently complete a major airport expansion and the airport competes directly with Boston, similarly to how Greenville-Spartanburg competes with Charlotte and Atlanta.

## Raleigh, NC (Intermodal)

Relevant airport: North Carolina Global TransPark

The Global TransPark is a private airport industrial park in Kinston, North Carolina, that provides potential tenants with access to air and road travel. Rail access is under construction. The park is unique in that it does not currently experience or plan to recruit much in the way of cargo traffic. The site is owned, developed and managed by the North Carolina Global Transpark Authority, a state agency.

## Reno, NV (Passenger)

Relevant airport: Reno/Tahoe International

The Reno market is about half the size of the Greenville-Spartanburg market. The market benefits from its close proximity to California, becoming a good location for businesses interested in accessing large California markets without actually being located there. As a city that serves as a "port" to California, Reno has experienced a substantial amount of Class A warehouse development. Over the last year, some of that product has been absorbed by tenants, but there is still more space than the market demands.

## Richmond, VA (Passenger)

Relevant airport: Richmond International

The Richmond market is comparable in size to Greenville-Spartanburg. The market has been hit relatively hard by the economy. While it is technically a port city, most potential port traffic is routed through the more accessible Norfolk. There has been some Class A warehouse distribution product built in the market that has had modest success.

## Sacramento, CA (Cargo)

Relevant airport: Sacramento International

As the capital of California, Sacramento's economy is tied to the success of the state as a whole. With budget cuts in the state's future, Sacramento's short-term future is troubling. Despite not being a port city, the market has had a substantial amount of Class A warehouse construction due to shortages in almost every western port city. There has been some overbuilding, but recent absorptions have strengthened the market.

## San Antonio, TX (Intermodal)

Relevant airport: Port San Antonio

San Antonio is comparable in size to Greenville-Spartanburg. Like much of Texas, San Antonio managed to weather The Great Recession, with employment already reaching pre-recession levels. The market has seen increased activity as a result of natural gas exploration and is becoming a strategic location for west coast distribution. As such, the market has experienced some Class A warehouse development. Overbuilding has not been an issue, however.

## Spokane, WA (Passenger)

Relevant airport: Spokane International

The Spokane market is about half the size of Greenville-Spartanburg. The airport has very little competition to contend with and is virtually assured to capturing all air traffic in the market. There is virtually no Class A warehouse construction in Spokane.

## Tucson, AZ (Passenger)

Relevant airport: Tucson International

Tucson, Arizona, is comparable in size to the Greenville-Spartanburg market. The long-term outlook for Tucson is somewhat muted, due to its dominant defense-related industries and the significant impacts of the housing slowdown. Home prices have been impacted drastically in the market, which is reverberating throughout the local economy. There has been little Class A warehouse construction in the market.



## Tulsa, OK (Cargo)

Relevant airport: Tulsa International

Tulsa is comparable in size to Greenville-Spartanburg. The region has emerged as an aerospace hub, with over 70 companies related to the industry, including SpiritAerosystems and American Airlines maintenance facilities. Growth in the manufacturing sector is robust. There has been some Class A warehouse construction, but it has been minor.

### 2.5.19 Summary

Based upon an initial evaluation of comparable markets, both internal and external to the respective airports, there are some key observations that should be understood.

1. GSP is unique in that it has more of a manufacturing presence than any comparable market. This means that there may be export opportunities based on the needs of manufacturers that are not possible in comparable markets.
2. The Greenville-Spartanburg market appears to be faring better than most markets. There has not been much in the way of overbuilding in any sector. This is a positive because it means the economy is doing well and is likely to be receptive to new development.
3. Greenville-Spartanburg is a small market. In today's economic climate, investment and financing is more attracted to markets that are larger and likewise perceived as more stable. This presents both a challenge and an opportunity for development at GSP. It is a challenge because tenants and potential developers will find difficulty in securing the necessary financing to make new development work. It is an opportunity due to GSP's ability to help financially facilitate new development.
4. The ease of access to the airport is something that will be challenged as development plans are realized. This will only remain a selling point if successfully maintained.
5. The development opportunities at GSP are significant and should be carefully considered. The impacts of initial development will have a significant impact on the long-term development of not only the property controlled by the airport, but on the airport itself.

## 2.6 Highest and Best Use Analysis

Evaluating real estate development patterns and trends are a critical component of the success of GSP's long-term plan. In order to accomplish this, local real estate firm, CBRE | The Furman Co. was engaged to help analyze local, regional and comparable national real estate patterns in relation to the airport's property.

### 2.6.1 Introduction

The purpose of this report is to analyze nine tracts of land surrounding the Greenville-Spartanburg International Airport to determine their highest and best use based on their physical characteristics, legal restrictions, and current market conditions. The Highest and Best Use analysis relies on the findings of the regional market analysis titled GSP Marketview, which was provided by CBRE | The Furman Co, regarding development trends, emerging markets, vacancy rates, absorption rates, and development needs that may be growing or are not currently met in the GSP market. The regional market analysis also includes a snapshot of existing land uses, the health of each market and its potential for future growth.

## 2.6.2 Scope of the Assignment

In preparing this analysis, the scope of the assignment includes, but is not limited to the following:

1. A physical inspection of each tract, as well as the immediate and general neighborhoods.
2. A search of public records to gather pertinent information for each tract.
3. Review and application of the GSP Marketview provided by CBRE | The Furman Co regarding current and forecasted market conditions.
4. Review and application of the Real Estate Inventory provided by CBRE | The Furman Co regarding potential strategic acquisitions.
5. Physical description of each tract.
6. Determining the Highest and Best Use of each tract.

The general scope started with a review of the area economic data and demographics in order to determine the health of the local economy and identify trends in the local trade area while analyzing the corresponding effects on the real estate market. A study of the subject neighborhood, also known as the sub-market, was also completed in order to determine local trends and the competitive standing of the subject within the sub-market. An onsite inspection of the properties was made along with references to public data available through the local county tax assessor and mapping department along with plats available by public record. Additional supplemental data regarding market conditions was obtained from CoStar, a real estate data service that covers the Upstate of South Carolina. Data considered most relevant is outlined in this report.

## 2.6.3 Market Conditions Summary

The following section summarizes market conditions for the general area. The subject area is considered to include both Greenville and Spartanburg Counties. The market segments are identified as Office, Industrial, Retail, Hospitality, and Flex/Research & Development. This analysis provides data to identify demand, probable property users, and the highest and best use of the subject tracts. Again, this analysis relies primarily on the findings of the GSP Marketview, which was provided by CBRE | The Furman Co.

Additionally, the analysis relies on supplemental surveys and forecasts for each market segment by Costar as of the 4th Quarter 2011. The surveys and forecasts for each market segment have been provided separately as an Addendum to this report. The surveys of each market segment show recent trends regarding vacancy, new construction, absorption, and rental rates. They include all properties identified by CoStar within each market segment for Greenville/Spartanburg counties. The forecast charts rely on a tool in the CoStar software that projects future trends based on the previous five year averages of deliveries and absorption. The forecast assumes that the averages of the previous five years will not fluctuate, thus the projections are not an accurate representation of real world conditions. However, they do provide a broad outlook of future trends if market conditions generally follow historical patterns.

### 2.6.3.1 Office

According to the GSP Marketview provided by CBRE | The Furman Co., office inventory in the Greenville/Spartanburg market totaled 10.7 million square feet with an overall vacancy rate of 16.4%. It should be noted that the vacancy rate for suburban space is much higher than vacancy rates in central business districts. The suburban office market has been lagging due to an oversupply of Class B, office space. However, there is still demand for Class A office space, especially in downtown Greenville. Overall, vacancy has trended downward over the last few quarters. However, this has coincided with a decline in quoted rental rates and few deliveries of new space. The office market is projected to continue to slowly recover over the next several quarters.

### 2.6.3.2 Industrial

According the GSP Marketview provided by CBRE | The Furman Co, industrial inventory in the Greenville/Spartanburg market totaled 145 million square feet with an overall vacancy rate of 9.2%. Warehouse inventory in the Greenville/Spartanburg market totaled 58 million square feet with an overall vacancy rate of 12.0%. The industrial market is the largest market segment in the Upstate. Demand in the market has been historically strong, but the supply of modern industrial facilities is diminishing. The manufacturing segment, particularly the textile industry, has traditionally dominated the industrial market. All of South Carolina has been affected by the loss of textile jobs over the last two decades. As the decline in textile industry has occurred, the Greenville market has begun to evolve towards more specialized manufacturing as shown by the success of BMW. Two of the defining factors for the area are the interstate and rail systems, which link the area to other major southeastern markets. As a result development in the market is also transitioning to warehousing and distribution uses.

Industrial vacancy has decreased over the last few quarters. This has also corresponded with a decline in quoted rental rates and very few deliveries of new space. The industrial market is forecasted to maintain its slow recovery over the next several quarters.

### 2.6.3.3 Retail

According the GSP Marketview provided by CBRE | The Furman Co, retail inventory in the Greenville/Spartanburg market totaled 52 million square feet with an overall vacancy rate of 7.3%. Vacancy has returned to precession figures although it remained fairly consistent throughout the downturn, with the peak at approximately 8% at the end of 2009. While positive, the increased occupancy rates have not yet made a measurable impact on lease rates or facilitated significant new development. The retail market is closely tied to the overall economy as well as residential development and population growth. Going forward, the retail market will likely mirror trends based on these factors.

### 2.6.3.4 Hospitality

Based on research and findings in the CBRE | The Furman Co GSP Marketview, the Greenville area has a hotel occupancy rate of 62% and Spartanburg is at 54.3%. The overall rate for the state of South Carolina is at 56.4%. Overall occupancy rates and room rates are competitive with competing, non-tourism driven markets. It appears there is potential for hotel development as demand and land use will allow. Potential hotels with new-to-market amenities will enhance hospitality development around the airport.



### 2.6.3.5 Flex/Research & Development

According to the 4th Quarter Costar survey of flex properties, flex inventory in the Greenville/Spartanburg market totaled 8 million square feet with an overall vacancy rate of 25%. Of the market segments in this analysis, the flex market has preformed the worst over the last few years. This property type was overbuilt in the 1990's and 2000's. This factor along with the recent economic downturn has resulted in little improvement over the last several quarters. It appears absorption reached its lowest point at the end of 2009 and has fluctuated over the last two years. Rental rates are at a record low with little signs of improving in the near future. Overall, this market is not expected to significantly improve in the near or mid terms.

### 2.6.3.6 Summary

The commercial real estate industry continues to feel the impact of the recent national recession and tighter credit markets. In general, the lingering effects of weaker tenant demand, lower rental rates, and in some cases lower property values remain. However, most sectors of the Greenville/Spartanburg market appear to be stabilizing and slowly recovering. The trend of a slow recovery is expected to continue over the near term.

The Greenville/Spartanburg market has good infrastructure, population growth, interstate access, and a low cost of living, and high quality of life. Over the short term, the area will not see the growth it had seen in the two decades prior to the recession. However, based on its positive market fundamentals, positive overall economic conditions are anticipated for the long term.

## 2.6.4 Neighborhood Overview

### 2.6.4.1 Introduction

The 13th Edition of the Appraisal of Real Estate published by the Appraisal Institute defines a neighborhood as “a group of complimentary land uses”. This definition suggests a variety of uses, each supporting the other, the best example being a residential area with supporting commercial development and nearby employment centers. A district is defined as a “type of neighborhood that is characterized by homogenous land use”.

### 2.6.4.2 Location

The Upstate region of South Carolina includes Greenville, Spartanburg, Pickens, Oconee, Anderson, Cherokee, Laurens, Union, Greenwood and Abbeville Counties. The city of Greenville in Greenville County is the largest city in the region and the city of Spartanburg in Spartanburg County is the second largest city in the region. Located approximately 25 miles apart, these two cities and the counties in which they are located share a common market more so than other members of the region. Greenville and Spartanburg worked together to build the Greenville-Spartanburg International Airport between the two cities and both are located along the I-85 corridor. Greenville and Spartanburg Counties are approximately an equal distance between Charlotte, North Carolina to the northeast and Atlanta, Georgia to the southwest.

The immediate subject neighborhood consists of properties in proximity to the Greenville-Spartanburg International Airport. These properties generally front on or just off SC Highway 14, J. Verne Smith Parkway, and SC Highway 101. This location is between the city of Greer to the north and Interstate 85 to the south. The airport is approximately 10 miles northeast of

downtown Greenville and 17 miles southwest of downtown Spartanburg. The immediate neighborhood is found along both sides of the Greenville/Spartanburg County line.

#### **2.6.4.3 Access**

Interstate 85 forms the southern boundary of the neighborhood and is the major interstate system in the area. It runs in a northeastern direction to the city of Spartanburg before continuing on to Charlotte, Greensboro, and Durham, North Carolina. Traveling just to the south on I-85 is an intersection with I-385. I-385 provides direct access to the Central Business District of Greenville. Continuing southeast on I-385, it connects with the bedroom communities of Mauldin, Simpsonville, and Fountain Inn and eventually intersects with I-26 near Clinton, South Carolina.

In Spartanburg County, Interstate 85 intersects with Interstate 26, creating one of the major interstate junctions in the southeast. Interstate 26 travels in a southeasterly direction from this intersection to Columbia, the state capital, before continuing on to Charleston, the primary port city in the state. Interstate 26 travels in a northeasterly direction from this intersection to Asheville, North Carolina, where it intersects with Interstate 40, a major east/west interstate highway.

SC Highway 14 bisects the immediate subject neighborhood. SC Highway 14 is a six-lane asphalt paved highway connecting to the north with downtown Greer and south forming an interchange with I-85 in the immediate area.

SC Highway 101 is a four-lane state highway which extends north to downtown Greer and south forming an interchange with I-85 in the immediate area. SC Highway 101 was widened in the early 1990s from two to four lanes to accommodate the BMW automobile manufacturing plant which was constructed in 1994 in the northwest quadrant of the intersection of Interstate 85 and SC Highway 101.

In the early 2000's, the J. Verne Smith Parkway (Highway 80) was constructed with an intersection at SC Highway 290. The J. Verne Smith Parkway is a six-mile controlled access connector linking US Highway 29 in western Spartanburg County to SC Highway 14 along the northwest side of the Greenville/Spartanburg International Airport.

SC Highway 290 is a two-lane asphalt paved road which connects to the west bisecting the city of Greer and intersecting at US Highway 29. SC Highway 290 also connects to the east and southeast through the city of Duncan before forming an interchange with I-85.

Brockman McClimon Road is a four-lane asphalt paved road which connects to the north with Highway 101 and to the south forming an interchange with I-85. This road was widened and redesigned to accommodate an interchange that serves the BMW plant.

Norfolk Southern Railway and CSX Transportation provide rail services to the immediate and general area. Both carriers offer service to the Port of Charleston. Tracts A and B have frontage along the Norfolk Southern line. The CSX line runs along the north side of Highway 290 and thus there is no direct access to this line from any of the subject tracts.

The Greenville-Spartanburg International Airport is located along the Greenville and Spartanburg County lines and just off of I-85. The existing GSP terminal building has over 226,000 square feet of space, second level jet bridge boarding, and 13 departure gates. In 1998, a 2,000-foot extension of the runway put the runway at 11,000 feet. The airport is serviced by major carriers including Southwest, American, Continental, United, Delta, Allegiant, and US Airways. The airport handles over 1.6 million passengers annually with departures to 18 cities. The north end of the airport is home to a 120,000 square foot FedEx facility that was completed in 2001.

Overall, the immediate and general neighborhood has good access and will accommodate most land uses.

#### **2.6.4.4 Utilities/Services**

Public utilities available to the immediate subject neighborhood include public water, electricity, and telephone service. Natural gas and public sewer are available to portions of the general subject neighborhood. All public utilities appear to be available in adequate quantities and at reasonable rates from local utility companies.

#### **2.6.4.5 Land Use**

The I-85 corridor between Greenville and Spartanburg is developed with a variety of industrial and service improvements along with supporting commercial outlets. There are a number of small industrial pockets as well as larger established industrial plants along this corridor. Typical service businesses are scattered at these interchanges to provide gas and food to traveling motorists.

The immediate subject neighborhood has long been established as a service/light industrial sector of both counties. The proximity to the interstate system and Greenville-Spartanburg International Airport allows for a variety of industrial uses. Scattered along SC Highway 14 in the immediate area are various service, distribution warehouses and light manufacturing uses.

The BMW automobile manufacturing plant is located in the northwest quadrant of the I-85 and Highway 101 interchange. The plant originally opened in 1994 and has had a significant positive impact on the entire subject neighborhood. In addition to the BMW plant, numerous suppliers for BMW have moved into the area. BMW recently completed an expansion of the existing plant with an additional 1.5 million square feet of space at a reported expense of approximately \$750 million. The expansion is to accommodate the production of the BMW X3, a luxury compact sports utility vehicle. In January 2012, BMW announced would invest \$900 million and hire 1,000 employees at its Spartanburg County plant over the next three years to add the new X4 and ramp up total production to 350,000 vehicles per year.

According to an article published in the GSA Business magazine on November 28, 2011, "Cargo traffic increased 9.1% in September at the Greenville-Spartanburg International Airport, a sign of Upstate manufacturers boosting production. Nationally, cargo traffic was down 6.3%, according to documents recently presented to the GSP airport commission. Cargo traffic has been on the rise at GSP throughout the year. Year-to-date through September, cargo is up 15% with nearly 40.5 million pounds of freight moving through GSP. The amount of freight originating here is nearly equal to the amount shipped to the Upstate, figures show." This increase is largely due to car manufacturers, mortgages, and banking documents. BMW has recently increased cargo



operations at GSP to meet parts and operational needs. Increased use by large, wide body cargo aircraft began in October 2011 and has steadily increased through December. BMW is reportedly considering regular scheduled cargo service to GSP and has issued a request for proposals to determine if pricing would support such a move. This could positively impact air cargo activity at GSP. However, it should be noted that air cargo is generally driven by the health of the overall economy and thus can fluctuate significantly over time.

Land use along SC Highway 101 has changed dramatically since the construction of the BMW automobile manufacturing plant in the mid 1990's. Over the last twenty years the area has developed as a service/light industrial area with a variety of truck terminals, office/warehouse buildings, and other light industrial facilities. Scattered commercial uses include gas stations and restaurants.

Land use off the primary thoroughfares consists of residential subdivisions, rural/residential uses, and various sized vacant tracts of land. Until the recent recession, the city of Greer and surrounding areas has been one of the fastest growing in the entire southeastern region over the last 20 years. Greer served as a bedroom community to nearby Greenville for many years but is coming into its own with an expanding residential base and some corresponding demand for commercial development. This has resulted in scattered commercial pockets to support the residential growth. Subdivisions vary widely in size, age, and price point. Due to the presence of the Greenville-Spartanburg Airport, residential development in the immediate area has been sporadic and slow to occur as it is generally considered to be an incompatible land use with airport activity.

There has been limited retail or office development in the immediate area. The closest retail and office nodes are located to the south along Pelham Road near its interchange with I-85 or north in downtown Greer and along Wade Hampton Boulevard.

#### **2.6.4.6 Outlook/Conclusions**

Greenville County has led the Upstate region in population growth, while maintaining the lowest unemployment rate in the region at or below state levels. Spartanburg County is second to Greenville County; however, these two counties are so close to each other that they are beginning to merge into one market. This trend is expected to continue over the long term.

The general and immediate neighborhoods have steadily grown over the last 20 years prior to the recession. There is suitable overall access and infrastructure in place to support future development. Due to the recent slowdown in the general real estate market and the overall recession, growth has slowed over the past 36 months and limited if any appreciation is anticipated over the short term. However, the long-term outlook for the immediate neighborhood is positive due to the proximity to the airport, rail lines, I-85, Spartanburg, and Greenville.

### **2.6.5 Zoning**

The subject properties are located within both Greenville and Spartanburg Counties. The properties in this analysis are found both outside the municipal areas of Greenville or Spartanburg Counties as well as within the City Limits of Greer. It does not appear that the

current zoning of the subject tracts would measurably prohibit development to each tract's highest and best use. The zoning of the individual tracts is discussed further in this report.

### 2.6.5.1 GSP Environs District

All tracts appear to be within or just outside of the GSP Environs District. Regulations in this district include lighting standards, height of structures, and types of land uses that are compatible and non-compatible with airport operations. This designation in the subject area has resulted in lower density land uses. It prohibits all residential uses and any use that would result in a large congregation of people such as a church, hospital or school. Most office, retail, service, hospitality and industrial uses are permissible depending on proximity to the ends of the runway. Within GSP Airport Environs Area there are height limitations. The Airport Environs Commission must approve all new development projects within this area.

Due to the GSP Environs District and federal regulations, development of any portion of the 9 tracts for residential use is unlikely and largely undesirable from a land use compatibility standpoint. Therefore potential residential uses have not been considered in this analysis. There are no other known public or private covenants, conditions or restrictions on the subject property.

The following map (**Figure 2-24**) obtained from the GSP website shows the GSP Environs area.

**Figure 2-24 GSP Environs Zone**



Source: GSP Website, 2011

### 2.6.6 Highest and Best Use Analysis

**Highest and Best Use is defined as:** "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." *The Appraisal of Real Estate, 13th Edition, The Appraisal Institute, 2008, Page 277.*

The purpose of the Highest and Best Use Analysis is to identify the most profitable, competitive use to which the property can be put based on market forces. The Highest and Best Use Analysis is a systematic examination of the subject property and its position in the competitive real estate market.

The Highest and Best Use Analysis must be made of the property for the land as though vacant. The highest and best use of the land as though vacant assumes that the parcel is vacant.

The four criteria of the highest and best use that the property must meet include:

- Physically possible
- Legally permissible
- Financially feasible
- Maximally productive

The Highest and Best Use Analysis includes and considers the following factors:

- The conclusions account for the recent recession and are based on market conditions as of the fourth quarter 2011.
- All properties will be developed in a manner that satisfies the requirements of the GSP Environs District.
- Each property type is rated based on estimated absorption times as follows:
  - Short term = 1 to 5 years
  - Intermediate term = 5 to 15 years
  - Long term = Over 15 years
- The potential uses are then projected based on their probability as High, Medium, Low or None.
- Potential land uses are classified as follows:
  - Office
  - Industrial (note some industrial recommendations will include a service use aspect)
  - Retail
  - Aviation
  - Hospitality
  - Recreation or Public Use
  - Flex or Research & Development
- The nine tracts each have physical characteristics that could allow for multiple land uses on one property. In this analysis the most likely development option is stated along with possible supplemental or alternative development components.
- Portions of several tracts suffer from topography limitations. It is beyond our expertise to determine the amount of useable land. It is recommended a professional engineer be consulted to determine the amount of useable land for each tract.



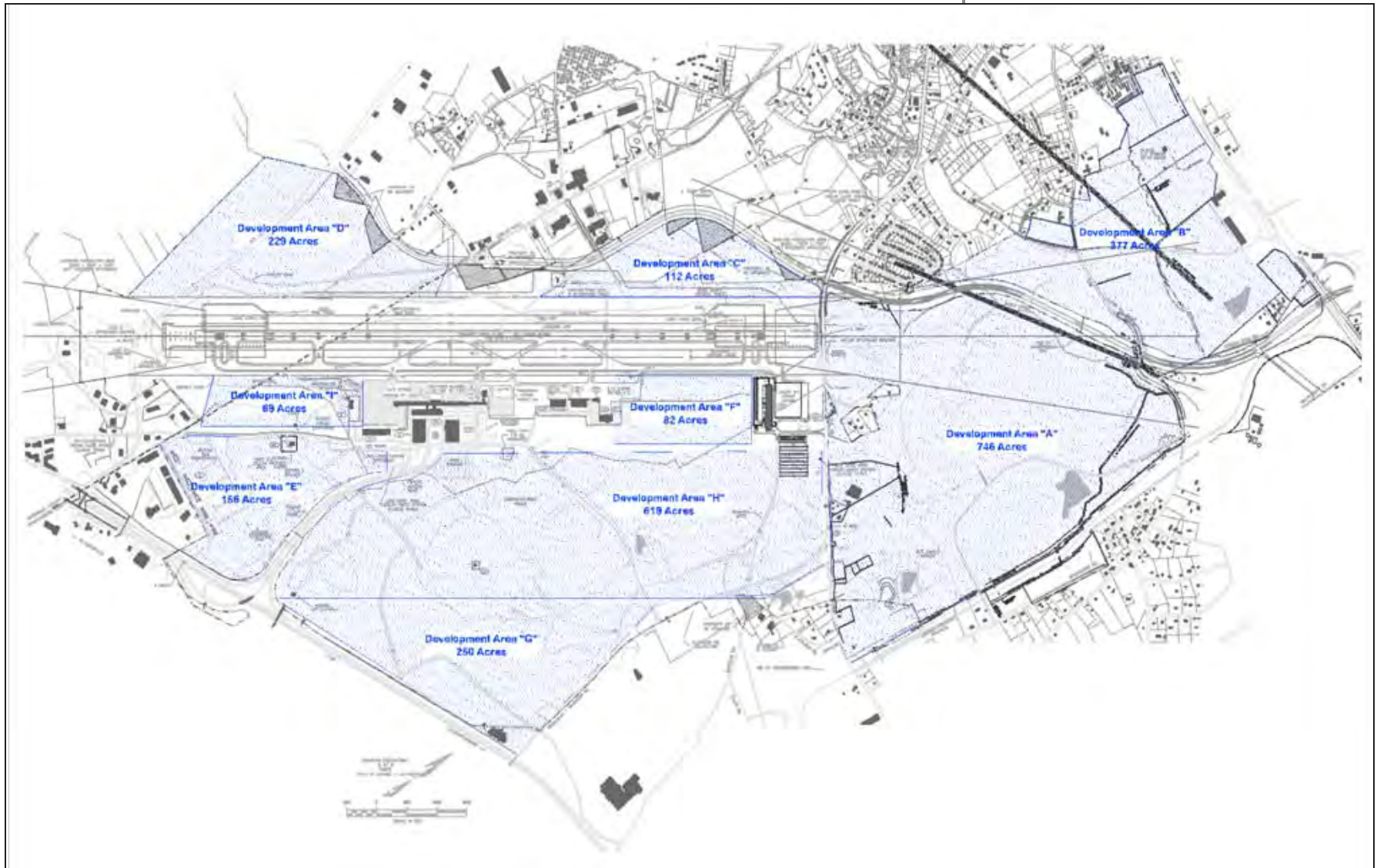
## 2.6.7 Site Description and Analysis

The nine development areas are summarized in chart below and further identified on the map on the following page (**Figure 2-25**).

**Figure 2-25 GSP Development Areas**

<b>GSP DEVELOPMENT AREAS</b>		
<b>Name</b>	<b>Land Area (Acres)</b>	<b>Land Area (SF)</b>
Tract A	746	32,495,760
Tract B	377	16,422,120
Tract C	112	4,878,720
Tract D	229	9,975,240
Tract E	156	6,795,360
Tract F	82	3,571,920
Tract G	250	10,890,000
Tract H	619	26,963,640
Tract I	69	3,005,640

Source: Robinson Company



Site Description and Analysis <i>Tract A</i>		
Summary		Rating/Comments
<b>County:</b>	Spartanburg	Typical
<b>City Limits</b>	Portion within Greer city limits	Typical
<b>Location:</b>	NE end of GSP runway at intersection of Highway 101 and J. Verne Smith Parkway	Typical
<b>Size:</b>	746 Acres	Typical- sufficient for subdivision or independent development
<b>Access/Frontage:</b>	Highway 101, J. Verne Smith Pkwy, & Victor Hill Road (Potential future runway access)	Adequate
<b>Runway Access:</b>	No	None currently but could be expanded if there is demand.
<b>Railroad Access:</b>	Yes	Good- Norfolk Southern line forms eastern property boundary
<b>Utilities:</b>	All available	Typical
<b>Topography:</b>	Level to rolling to sloping	Typical- some steep portions could require engineering prior to development
<b>Flood Plain:</b>	Does not appear to be within the flood plain	Typical
<b>Wetlands/Streams:</b>	Small ponds/small streams	Typical
<b>Shape:</b>	Irregular	Adequate
<b>Zoning:</b>	I-1, City of Greer & None	Majority is zoned I-1, Industrial. Remainder is unzoned.
<b>GSP Environs:</b>	Yes	Appears the majority is within the environs area.
<b>Building Potential:</b>		Average

Source: Robinson Company



### 2.6.7.1 Tract A

Tract A is located on the northeastern end of the GSP runway, across Highway 101 from the airport. It appears it would be possible to connect the tract with the airport via an extended taxiway overpass across Highway 101. However, based on the number of competing tracts of land with direct access to the airport it does not appear this would be economically feasible in the short term unless it is required to meet the needs of a multi-modal center or a large tenant was secured. The tract is large enough with sufficient physical characteristics to allow for a wide variety of development options. Note that portions of the tract have some steeply sloping topography which could limit development. The topography will likely result in higher land to building ratios.

The tract benefits from extensive frontage along Highway 101 and J. Verne Smith Parkway. The most desirable portion of the tract consists of the land fronting along Highway 101. The tract has rail access which allows for inter-modal compatibility. Other positive attributes include proximity to the BMW facility. Based on Tract A's physical attributes, location, as well as current and projected market conditions the highest and best use of the tract is for industrial purposes with inter-modal capability. This would most likely consist of a mixture of larger footprint warehousing, distribution, and light manufacturing uses that should be constructed in phases as demand dictates.

#### *Highest and Best Use: Industrial Inter-modal*

Land Development Potential <i>Tract A</i>			
Use	Short Term	Intermediate Term	Long Term
Office	None	Low	Low
Industrial	High	High	High
Retail	None	None	None
Aviation	Low	Medium	Medium
Hospitality	None	None	None
Recreation/ Public	None	None	None
Flex/ R & D	Low	Low	Medium

Source: Robinson Company

#### *Strategic Acquisition Potential*

As shown in the Real Estate Inventory provided by CBRE/The Furman Company, Tract A adjoins or is in proximity to Tracts 6.1 to 6.4, identified as within Potential Strategic Acquisition Area 6. These tracts do not appear to measurably enhance the development potential of Tract A.

Site Description and Analysis <i>Tract B</i>		
Summary		Rating/Comments
<b>County:</b>	Spartanburg	Typical
<b>City Limits</b>	Portion within Greer	Typical
<b>Location:</b>	SW corner of Hwy 290 & J. Verne Smith Parkway	Typical
<b>Size:</b>	377 Acres	Typical- sufficient for subdivision or independent development
<b>Access/Frontage:</b>	Highway 290, J. Verne Smith Pkwy, & Victor Hill Road	Adequate
<b>Runway Access:</b>	No	Typical
<b>Railroad Access:</b>	Yes	Good- Norfolk Southern line parallels Highway 290
<b>Utilities:</b>	All available	Typical
<b>Topography:</b>	Level to rolling to sloping	Typical- some steep portions could require engineering prior to development
<b>Flood Plain:</b>	Does not appear to be within the flood plain	Typical
<b>Wetlands/Streams:</b>	Ponds/small streams	Typical
<b>Shape:</b>	Irregular	Adequate
<b>Zoning:</b>	I-1, City of Greer & None	Majority of the tract is zoned I-1, Industrial. Remainder is unzoned.
<b>GSP Environs:</b>	Yes	Appears approximately half is within the environs area.
<b>Building Potential:</b>		Average

Source: Robinson Company

### 2.6.7.2 Tract B

Tract B is located on the eastern edge of the City of Greer. It has extensive frontage along the south side of Highway 290 and the east side of J. Verne Smith Parkway. The tract is large enough with sufficient physical characteristics to allow for a wide variety of development options. Portions of the tract have some steeply sloping topography. Additionally, portions are well above road grade. These two factors could limit development. This will also likely result in higher land to building ratios.

The tract has rail access which allows for inter-modal compatibility. However, the tract is located out of the path of most recent growth patterns in the area and currently has more of a rural/residential feel.

Based on Tract B's physical attributes, location, as well as current and projected market conditions, the highest and best use of the tract is to hold for future industrial purposes. This would most likely consist of a mixture of smaller service users fronting along Highway 290 and a mixture of larger footprint warehousing, distribution, and light manufacturing uses to the rear of the tract that should be constructed in phases as demand dictates.

*Highest and Best Use: Future Industrial/Service Inter-modal*

Land Development Potential <i>Tract B</i>			
Use	Short Term	Intermediate Term	Long Term
Office	None	None	None
Industrial/ Service	Low	Medium	Medium
Retail	None	None	None
Aviation	None	None	None
Hospitality	None	None	None
Recreation/ Public	Low	Low	Low
Flex/ R & D	None	None	Low

Source: Robinson Company

### *Strategic Acquisition Potential*

As shown in the Real Estate Inventory provided by CBRE/The Furman Company, Tract B adjoins Tract 5.4, identified as within Potential Strategic Acquisition Area 5. This tract represents the existing SC Foreign Trade Zone building along Highway 290. The acquisition of this tract could benefit Tract B by improving road frontage and exposure. Additionally, this tract has an existing rail spur.



Site Description and Analysis <i>Tract C</i>		
Summary		Rating/Comments
<b>County:</b>	Spartanburg	Typical
<b>City Limits</b>	None	Typical
<b>Location:</b>	SE Corner of J. Verne Smith Parkway & Highway 101	Typical- Tract fronts along the northwest side of the airport
<b>Size:</b>	112 Acres	Typical- sufficient for subdivision or independent development
<b>Access/Frontage:</b>	GSP runway, J. Verne Smith Pkwy, & Highway 101	Adequate
<b>Runway Access:</b>	Yes	Good
<b>Railroad Access:</b>	None	Typical
<b>Utilities:</b>	All available	Typical
<b>Topography:</b>	Level to sloping	Typical- Southern half is level; Northern half is sloping-particularly along J. Verne Smith Parkway.
<b>Flood Plain:</b>	Does not appear to be within the flood plain	Typical
<b>Wetlands/Streams:</b>	None noted	Typical
<b>Shape:</b>	Irregular	Adequate
<b>Zoning:</b>	None	Typical
<b>GSP Environs:</b>	Yes	Appears approximately half is within the environs area.
<b>Building Potential:</b>		Average

Source: Robinson Company

### 2.6.7.3 Tract C

Tract C is located along the northwestern side of the GSP runway. The tract is large enough with sufficient physical characteristics to allow for a wide variety of development options. Note that portions of the tract along the roadway have some steeply sloping topography which could limit development. However, the southern end of the tract is graded level.

The tract benefits from extensive frontage along the GSP runway. However, it is on the opposite side of the runway from existing aviation uses. This tract has airside access and can accommodate future aviation expansion as demand warrants. Thus, the highest and best use is to hold for future aviation requirements. Additionally, future light industrial and service uses are feasible along the roadway as topography and access allow.

#### *Highest and Best Use: Future Aviation*

Land Development Potential <i>Tract C</i>			
Use	Short Term	Intermediate Term	Long Term
Office	None	Low	Low
Industrial/Service	Medium	Medium	Medium
Retail	None	None	None
Aviation	Medium	High	High
Hospitality	None	None	None
Recreation/Public	None	None	None
Flex/R & D	Low	Low	Low

Source: Robinson Company

#### *Strategic Acquisition Potential*

As shown in the Real Estate Inventory provided by CBRE/The Furman Company, Tract C does not adjoin any tracts identified as being within Potential Strategic Acquisition Areas. It does not appear there are any tracts in proximity that would measurably enhance the development potential of Tract C.

Site Description and Analysis <i>Tract D</i>		
Summary		Rating/Comments
<b>County:</b>	Primarily Greenville	Typical- small portion in Spartanburg
<b>City Limits</b>	None	Typical
<b>Location:</b>	East & west sides of Highway 14; South side of J. Verne Smith Parkway	Typical- Tract also fronts along the west side of the airport
<b>Size:</b>	229 Acres	Typical- sufficient for subdivision or independent development
<b>Access/Frontage:</b>	Highway 14 & J. Verne Smith Parkway	Adequate
<b>Runway Access:</b>	Yes	Limited by topography
<b>Railroad Access:</b>	None	Typical
<b>Utilities:</b>	All available	Typical
<b>Topography:</b>	Level to sloping	Below Average- Land to the west of Hwy 14 is steeply sloping. Land at the intersection of Hwy 14 and J. Verne Smith Parkway is sloping to steeply sloping. Land adjacent to airport appears fairly level.
<b>Flood Plain:</b>	Yes	West side of Hwy 14 bisected by Zone A of flood plain. Portion of east side of Hwy 14 bisected by flood plain.
<b>Wetlands/Streams:</b>	Stream/Flood Plain	Below Average
<b>Shape:</b>	Irregular	Adequate
<b>Zoning:</b>	RS & I-1	Typical- assumes RS could be rezoned
<b>GSP Environs:</b>	Portion	Appears the majority is outside the environs area.
<b>Building Potential:</b>		Off the Runway- Below Average On the Runway- Average

Source: Robinson Company



#### 2.6.7.4 Tract D

Tract D is located along the northwestern side of the GSP runway. The tract is also located along both sides of Highway 14 and along the south side of J. Verne Smith Parkway. Based on its location, shape and size this tract should allow for multiple development options.

The land along the west side of Highway 14 and at the southwest corner of Highway 14 and J. Verne Smith Parkway has sloping to steeply sloping topography which could limit development. The presence of flood plain could also hinder development. The land along the runway appears to be fairly level and suitable for development.

The tract has frontage on the GSP runway. However, much of this land appears to have fairly steep topography which would limit aviation uses to smaller footprints. Thus, the highest and best use of the level area along the runway is to hold for future aviation requirements as demand and topography will allow.

Due to topography around this intersection, most existing land uses are for small service and light industrial uses. To date there is little retail development in the area, but the corner location could allow for future retail use with proper engineering. The highest and best use of the land along the west side of Highway 14 and at the southwest corner of Highway 14 and J. Verne Smith Parkway is for service or light industrial use as topography, access, and demand will allow.

*Highest and Best Use: Primarily for future Industrial/Service with some Retail, Office, Flex, or Aviation components*

Land Development Potential <i>Tract D</i>			
Use	Short Term	Intermediate Term	Long Term
Office	None	Low	Low
Industrial/Service	Low	Medium	Medium
Retail	Low	Low	Low
Aviation	Low	Medium	Medium
Hospitality	None	None	None
Recreation/Public	None	None	None
Flex/R & D	Low	Low	Low

Source: Robinson Company

#### *Strategic Acquisition Potential*

As shown in the Real Estate Inventory provided by CBRE/The Furman Company, Tract D adjoins Tracts 2.1 to 2.4, identified as within Potential Strategic Acquisition Area 2. These tracts are best suited for residential use and would not measurably enhance the development potential of Tract D.

Site Description and Analysis <i>Tract E</i>		
Summary		Rating/Comments
<b>County:</b>	Spartanburg	Typical
<b>City Limits</b>	None	Typical
<b>Location:</b>	NW corner of I-85 and Aviation Drive/Exit 57	Typical
<b>Size:</b>	156 Acres	Typical- sufficient for subdivision or independent development
<b>Access/Frontage:</b>	I-85, Aviation Drive, GSP Drive	Above Average- Tract fronts on I-85. Due to shape of the tract and the on ramp to I-85 exposure is somewhat reduced.
<b>Runway Access:</b>	No	Typical
<b>Railroad Access:</b>	No	Typical
<b>Utilities:</b>	All available	Typical
<b>Topography:</b>	Level to rolling to sloping	Typical- some steep portions could require engineering prior to development
<b>Flood Plain:</b>	Does not appear to be within the flood plain	Typical
<b>Wetlands/Streams:</b>	None	Typical
<b>Shape:</b>	Irregular	Adequate
<b>Zoning:</b>	None	Typical
<b>GSP Environs:</b>	Yes	Appears the majority is within the environs area.
<b>Building Potential:</b>		Average

Source: Robinson Company

### 2.6.7.5 Tract E

Tract E is located at the main entrance to the airport and extends back to GSP Drive. It has good visibility for travelers entering and exiting the airport. The location takes advantage of the campus-like setting of the airport along Aviation Drive and GSP Drive. The tract is large enough with sufficient physical characteristics to allow for a wide variety of development options.

Based on its location, this parcel would be attractive to office, logistics, and flex/research and development users. However, as shown there is limited current demand for these uses at this time. Any near term development would likely be on a build to suit basis. Potential users should conform to the existing landscape and theme of the airport campus. Based on the frontage along I-85 there is some potential for future hospitality development. Additionally, there is potential for aviation related, light industrial or service use along the western edge of the tract in proximity to the rental car area.

#### *Highest and Best Use: Future Mixed Use*

Primarily for future Flex/R & D with possible Office, Hospitality, Aviation related and Industrial/Service components.

Land Development Potential <i>Tract E</i>			
Use	Short Term	Intermediate Term	Long Term
Office	Low	Low	Medium
Industrial/Service	None	Low	Low
Retail	None	None	None
Aviation	None	None	None
Hospitality	Low	Low	Medium
Recreation/Public	None	None	None
Flex/R & D	Low	Low	Medium

Source: Robinson Company

#### *Strategic Acquisition Potential*

As shown in the Real Estate Inventory provided by CBRE/The Furman Company, Tract E adjoins Tracts 2.5 to 2.14, identified as within Potential Strategic Acquisition Area 2. These tracts represent the NW quadrant of the intersection of I-85 and Highway 14. The acquisition of this area could enhance the development potential of Tract E for most land uses by improving access and exposure.



Site Description and Analysis <i>Tract F</i>		
Summary		Rating/Comments
<b>County:</b>	Spartanburg	Typical
<b>City Limits</b>	None	Typical
<b>Location:</b>	East side of the GSP runway at Gateway Drive	Typical- tract fronts along the east side of the runway
<b>Size:</b>	82 Acres	Typical- sufficient for subdivision or independent development
<b>Access/Frontage:</b>	GSP runway & Gateway Drive	Adequate
<b>Runway Access:</b>	Yes	Good
<b>Railroad Access:</b>	None	Typical
<b>Utilities:</b>	All available	Typical
<b>Topography:</b>	Level to gently sloping	Good
<b>Flood Plain:</b>	Does not appear to be within the flood plain	Typical
<b>Wetlands/Streams:</b>	None noted	Typical
<b>Shape:</b>	Irregular	Adequate
<b>Zoning:</b>	None	Typical
<b>GSP Environs:</b>	Yes	Appears all is within the environs area.
<b>Building Potential:</b>		Above Average

Source: Robinson Company

### 2.6.7.6 Tract F

Tract F is located along the east side of the GSP runway between the Stevens Aviation and FedEx facilities. The tract is large enough with sufficient physical characteristics to allow for a wide variety of development options.

The tract benefits from good topography, frontage along the GSP runway, and proximity to existing aviation facilities. This tract has airside access and is well suited for future aviation expansion which could include additional air cargo facilities. Thus, the highest and best use is for development to meet aviation requirements.

#### *Highest and Best Use: Aviation*

Land Development Potential <i>Tract F</i>			
Use	Short Term	Intermediate Term	Long Term
Office	Low	Low	Low
Industrial	Low	Low	Low
Retail	None	None	None
Aviation	High	High	High
Hospitality	None	None	None
Recreation/Public	None	None	None
Flex/R & D	Low	Low	Low

Source: Robinson Company

#### *Strategic Acquisition Potential*

As shown in the Real Estate Inventory provided by CBRE/The Furman Company, Tract F does not adjoin any tracts identified as being within Potential Strategic Acquisition Areas. It does not appear there are any tracts in proximity that would measurably enhance the development potential of Tract F.

Site Description and Analysis		
<i>Tract G</i>		
Summary		Rating/Comments
<b>County:</b>	Spartanburg	Typical
<b>City Limits</b>	None	Typical
<b>Location:</b>	NE corner of I-85 & Brockman McClimon Road/Exit 58	Typical
<b>Size:</b>	250 Acres	Typical- sufficient for subdivision or independent development
<b>Access/Frontage:</b>	I-85 & Brockman McClimon Road	Good- Tract fronts on I-85.
<b>Runway Access:</b>	No	Typical
<b>Railroad Access:</b>	No	Typical
<b>Utilities:</b>	All available	Typical
<b>Topography:</b>	Level to rolling to sloping	Typical- some steep portions could require engineering prior to development
<b>Flood Plain:</b>	Does not appear to be within the flood plain	Typical
<b>Wetlands/Streams:</b>	Some small streams	Typical
<b>Shape:</b>	Irregular	Adequate
<b>Zoning:</b>	None	Typical
<b>GSP Environs:</b>	No	Appears to be just outside the southern environs boundary.
<b>Building Potential:</b>		Above Average- Northern End Below Average- Southernmost End

Source: Robinson Company



### 2.6.7.7 Tract G

Tract G is located at the northwest corner of the interchange with I-85 and Brockman McClimon Road. It has good visibility for travelers in both directions on I-85. Note that the southwestern end of the tract near Aviation Drive has steeply sloping topography which could limit development. However, the remainder of the tract appears to have rolling topography that is well suited for development. The tract is large enough with sufficient physical characteristics to allow for a wide variety of development options with multiple property types.

The frontage along Brockman McClimon Road is in proximity to the BMW facility and is suitable for most industrial users. Based on its location, this parcel could also be attractive to flex/research and development users. However, as shown there is limited current demand for these uses at this time. Due to the frontage and exposure along I-85 there is potential for future hospitality or retail development. These would likely be on a build to suit basis.

#### *Highest and Best Use: Future Mixed Use*

With Industrial, Flex/R & D, Retail, and Hospitality components.

Land Development Potential <i>Tract G</i>			
Use	Short Term	Intermediate Term	Long Term
Office	None	None	None
Industrial	Medium	Medium	Medium
Retail	Low	Low	Medium
Aviation	None	None	None
Hospitality	Low	Low	Medium
Recreation/Public	None	None	None
Flex/R & D	Low	Low	Medium

Source: Robinson Company

#### *Strategic Acquisition Potential*

As shown in the Real Estate Inventory provided by CBRE/The Furman Company, Tract G does not adjoin any tracts identified as being within Potential Strategic Acquisition Areas. It does not appear there are any tracts in proximity that would measurably enhance the development potential of Tract G.

Site Description and Analysis <i>Tract H</i>		
Summary		Rating/Comments
<b>County:</b>	Spartanburg	Typical
<b>City Limits</b>	None	Typical
<b>Location:</b>	Southwest side of Highway 101	Typical- along the east side of the airport facility
<b>Size:</b>	619 Acres	Typical- sufficient for subdivision or independent development
<b>Access/Frontage:</b>	Highway 101, Aviation Drive, Brockman McClimon Road, Stevens Road, & Gateway Drive	Good
<b>Runway Access:</b>	No	Typical
<b>Railroad Access:</b>	No	Typical
<b>Utilities:</b>	All available	Typical
<b>Topography:</b>	Level to rolling to sloping	Typical- some steep portions could require engineering prior to development
<b>Flood Plain:</b>	Does not appear to be within the flood plain	Typical
<b>Wetlands/Streams:</b>	Small ponds/small streams	Typical
<b>Shape:</b>	Irregular	Adequate
<b>Zoning:</b>	None	Typical
<b>GSP Environs:</b>	Yes	Appears all is within the environs area.
<b>Building Potential:</b>		Above Average- Northern end Below Average- Southern end

Source: Robinson Company

### 2.6.7.8 Tract H

Tract H is located along the southeast side of the airport between Aviation Drive and Highway 101. This tract has been designated as the location of the future runway expansion. It is unclear at what point the runway expansion will be necessary, but it is not believed to be in the near or midterms.

The land between Aviation Drive and Stevens Road has steeply sloping topography along with several streams which could limit development. As a result of these limitations and the need for an interim use with limited useful development life, this portion of the tract should be developed for recreational or public use that would take advantage of the natural features. This could include a park, trails or golf course.

The land between Stevens Road and Highway 101 appears to have adequate topography. This portion of the tract is large enough with sufficient physical characteristics to allow for a wide variety of development options. It benefits from extensive frontage along several roadways. Other positive attributes include proximity to the BMW facility. Based on Tract H's physical attributes, location, as well as current and projected market conditions, the highest and best use of the tract is for industrial purposes. This would most likely consist of a mixture of larger warehousing and light manufacturing uses in phases as demand dictates. Any development within the site of the proposed runway expansion should include short-lived improvements that can be removed when aviation activity thresholds are met that will trigger the need for the new runway. There is long term future aviation potential assuming a second runway is constructed.

*Highest and Best Use: Recreational/Public & Industrial*

Land Development Potential <i>Tract H</i>			
Use	Short Term	Intermediate Term	Long Term
Office	None	Low	Low
Industrial	Medium	Low	Low
Retail	None	None	None
Aviation	None	None	Low
Hospitality	None	None	None
Recreation/Public	High	High	Low
Flex/R & D	None	Low	Low

Source: Robinson Company

### *Strategic Acquisition Potential*

As shown in the Real Estate Inventory provided by CBRE/The Furman Company, Tract H does not adjoin any tracts identified as being within Potential Strategic Acquisition Areas. It does not appear there are any tracts in proximity that would measurably enhance the development potential of Tract H.

Site Description and Analysis <i>Tract I</i>		
Summary		Rating/Comments
<b>County:</b>	Majority in Spartanburg	Typical- Small portion within Greenville County
<b>City Limits</b>	None	Typical
<b>Location:</b>	SE side of the GSP runway & west side of GSP Drive	Typical- Tract fronts along the east side of the airport
<b>Size:</b>	69 Acres	Typical- sufficient for subdivision or independent development
<b>Access/Frontage:</b>	GSP runway & GSP Drive	Adequate
<b>Runway Access:</b>	Yes	Good
<b>Railroad Access:</b>	None	Typical
<b>Utilities:</b>	All available	Typical
<b>Topography:</b>	Level to steeply sloping	Typical- Northern end is graded level; Southern end is sloping to steeply sloping
<b>Flood Plain:</b>	Does not appear to be within the flood plain	Typical
<b>Wetlands/Streams:</b>	None noted	Typical
<b>Shape:</b>	Irregular	Adequate
<b>Zoning:</b>	None	Typical
<b>GSP Environs:</b>	Yes	Appears all is within the environs area.
<b>Building Potential:</b>		Average

Source: Robinson Company



### 2.6.7.9 Tract I

Tract I is located along the southeast side of the GSP runway with good frontage along GSP Drive. The tract is large enough with sufficient physical characteristics to allow for a wide variety of development options. Note that portions of the tract along the southern end have some steeply sloping topography which could limit development. However, the northern end of the tract is graded level.

The tract benefits from frontage along the GSP runway and proximity to existing aviation facilities. This tract has airside access and can accommodate future aviation expansion as demand warrants. Thus, the highest and best use is to hold for future aviation requirements.

#### *Highest and Best Use: Future Aviation*

Land Development Potential <i>Tract I</i>			
Use	Short Term	Intermediate Term	Long Term
Office	Low	Low	Low
Industrial	Low	Low	Low
Retail	None	None	None
Aviation	Medium	High	High
Hospitality	None	None	None
Recreation/Public	None	None	None
Flex/R & D	Low	Low	Low

Source: Robinson Company

#### *Strategic Acquisition Potential*

As shown in the Real Estate Inventory provided by CBRE/The Furman Company, Tract I does not adjoin any tracts identified as being within Potential Strategic Acquisition Areas. It does not appear there are any tracts in proximity that would measurably enhance the development potential of Tract I.

## 2.6.8 Summary of Recommendations

**Table 2-23 Summary of Highest and Best Use Recommendations**

<b>Tract</b>	<b>Most Likely Development Opportunity</b>	<b>2<sup>nd</sup> Most Likely Development Opportunity</b>	<b>3<sup>rd</sup> Most Likely Development Opportunity</b>
<i>Tract A</i>	Industrial/Intermodal	Aviation	Flex/R&D
<i>Tract B</i>	Industrial/Service	Intermodal	Flex/R&D
<i>Tract C</i>	Aviation	Industrial/Service	Office, Flex/R&D
<i>Tract D</i>	Industrial/Service	Aviation	Retail, Flex/R&D, Office
<i>Tract E</i>	Mixed Use*	Flex/R&D, Hospitality, Office, Aviation Related	Industrial
<i>Tract F</i>	Aviation	Industrial	Office, Flex/R&D
<i>Tract G</i>	Mixed Use*	Industrial	Flex/R&D, Hospitality, Retail
<i>Tract H</i>	Recreational/Public and Industrial	Flex/R&D	Office
<i>Tract I</i>	Aviation	Office, Flex/R&D	Industrial

\*Tracts E and G are suited for all of the supplemental and alternative uses as demand warrants

## 2.6.9 Implementation of Recommendations

The following summaries identify the likely implementations of the recommended land uses:

**Office:** Based on current and future market conditions, it appears there will be limited demand for office use over the short to midterm. Any future office development will most likely be along GSP Drive or Aviation Drive. These uses will most likely be build to suit. Potential users would include but are not limited to call centers, aviation related users, or government entities.

**Industrial:** Based on current and future market conditions, it appears there is highest demand for industrial uses both short and long term. Generally, land along the northern end of the runway and along Highway 101/Brockman McClimon Road has the best potential for industrial use. Potential users would include but are not limited to warehouse, distribution, or manufacturing uses with larger footprints. Sites fronting along J. Verne Smith Parkway and Highway 14 are best suited for secondary service/industrial uses with smaller footprints as topography and access will allow.

**Retail/Hospitality:** Based on current and future market conditions, it appears there will be some demand for retail or hospitality use. Any future development will most likely be in small to mid-sized pockets along I-85 near Aviation Drive or along I-85 near Brockman McClimon Road. There is some future retail potential at the intersection of J. Verne Smith Parkway and Highway 14.

Retail or hospitality uses will most likely be on a build to suit basis. The retail potential would improve if a large big-box retailer were secured on any of the tracts.

**Aviation:** Tracts fronting along the runway are designated for aviation use. These tracts are located on the airport with airside access. These tracts should be held and developed for future aviation or aviation related requirements.

**Public/Recreational Use:** The southern half of Tract H is designated for public/recreational uses based on the topography challenges and the potential of a future runway. Potential developments could include a park, public trails or a golf course with a hospitality component.

**Flex/R&D:** Based on current and future market conditions, it appears there will be limited demand for Flex/R&D use over the short term. Any future Flex/R&D development will most likely be along GSP Drive or Aviation Drive. This development will primarily be on a build to suit basis. Potential users would include but are not limited to a technology park, aviation related, or business centers.