

PROJECT APPLICATION
(State Aid for Development of Public Airports)

SCAC No. 23-029

Date May 9, 2023

PART I - PROJECT INFORMATION

The **Beaufort County** (herein called the "Sponsor") hereby makes application to the South Carolina Aeronautics Commission (herein designated "SCAC") for a grant of State funds pursuant to applicable statutes, regulations, and policies, for the purpose of aiding in financing a project (herein called the "Project") for the development of the **Hilton Head Island Airport** (herein called the "Airport") located in the county of **Beaufort** in the State of South Carolina.

It is proposed that the project consists of the following described airport development:

Terminal Construction

all as more particularly described in the plans and specifications separately submitted to SCAC on March 14, 2021, which are made a part hereof by reference.

PART II - REPRESENTATIONS

The Sponsor hereby represents and certifies as follows:

1. Legal Authority. The Sponsor has the legal power and authority:
 - (A) To do all things necessary to undertake and carry out the Project in conformity with the applicable statutes, regulations, and policies;
 - (B) To accept, receive and disburse grant funds from the State of South Carolina in aid of the project on the terms and conditions stated in the applicable statutes, regulations, policies, and proposed grant agreement, and;

2. Funds. The Sponsor now has on deposit **\$0.00** for use in defraying the costs of the Project. The present status of these funds is as follows: **in the Hilton Head Island Airport Capital fund.**

The Sponsor hereby designates Raymond H. Williams to receive payments on behalf of Beaufort County Airport representing SCAC's share of the Project costs.



Signature of Sponsoring Agency's Representative

Jon Rembold, C.M. Airports Director
Representative Title

ATTACHMENT A

THE FOLLOWING IS A SUMMARY OF THE ESTIMATED COSTS OF THE PROJECT

ITEM	TOTAL ESTIMATED COST	ESTIMATED SPONSOR'S SHARE OF COST	ESTIMATED FEDERAL SHARE OF COST	ESTIMATED STATE SHARE OF COST
		AMOUNT	AMOUNT	AMOUNT
1. PLANNING COST				
2. LAND COST				
3. CONSTRUCTION COST	\$12,000,000			\$12,000,000
4. ENGINEERING COST				
5. ADMINISTRATIVE COST				
7. MISCELLANEOUS				
8. TOTAL ALL ESTIMATED PROJECTED COST	\$12,000,000			\$12,000,000

ATTACHMENT B
DOCUMENTATION SUPPORT

1. Is this project a result of facility requirements determined by a master plan, airport layout plan, the South Carolina Airport System Plan, or a revision to the airport layout plan? If so, indicate FAA or SCAC approval date: **September 2011**

2. Does this project require an Environmental Impact Assessment (EIAS) report under the National Environmental Policy Act of 1969 (NEPA)? Yes _____ No

3. Status of EIAS **Complete (FONSI April 22, 2020)**

4. Have all previous projects that involved federal and/or state funds been completed?
 Yes ___ No (List Open Grants)

5. If the state is unable to participate to its maximum extent, what is the sponsor's ability to fund a share greater than the state match?
Sponsor's ability to match is limited

6. Name of Regional Planning Council which airport is located. **Lowcountry Council of Governments**

7. Has Federal Application Form 424 been submitted to the Inter-agency Council on Public Transportation (State Clearinghouse) in accordance with Section 57-3-1050?
 Yes _____ No

8. The following action has been taken by the local governing body to provide steps toward protective zoning of the airspace and land surrounding the airport. Describe actions by the Sponsor and governing body related to land use planning and zoning ordinances. **Town of Hilton Head Island Land Management Ordinance**

9. Anticipated date construction or planning project is to commence:

Start Date: **October 2023**

Ending Date: **October 2025**

ATTACHMENTS

Project Justification - provided
Project Sketch - provided
Engineer's Estimate – not applicable
Estimated quantities and cost - provided
Federal Application Form **424** – not applicable

(Revised: May 1, 2014)

PROJECT JUSTIFICATION



Vital Statistics

- | | | |
|-----------------------------|---------------------|---------------------|
| → Economic Impact (annual): | 2017: \$166 Million | 2020: \$417 Million |
| → SC Tax Revenue: | 2017: \$6.8 Million | 2020: \$17 Million |
| → Passengers: | 2017: 54,000 | 2021: 388,000 |
- ↑
- No. 1 Island in Continental US 6 years running!
 - 1995 Terminal – not designed for current needs; Airlines & customers NEED space
 - Project is **SHOVEL-READY**
 - Conquistadors del Cielo – Aerospace CEOs at Hilton Head Island; over 40 large jets
 - HHI Motoring Event & Concours d’Elegance – Flights & Fancy Gala, Aero Expo – 22,000 visitors
 - RBC Heritage PGA Tournament: \$8 Million Purse increase to \$20 Million; Top 20 players
 - Must **Repatriate Revenues** lost to Georgia via Savannah (Hilton Head) Airport – Build the #1 Island’s Airport!

County Council of Beaufort County • Hilton Head Island Airport

120 Beach City Road • Hilton Head Island, SC 29926 • (843) 255-2942 • Fax (843) 255-9424 HiltonHeadAirport.com

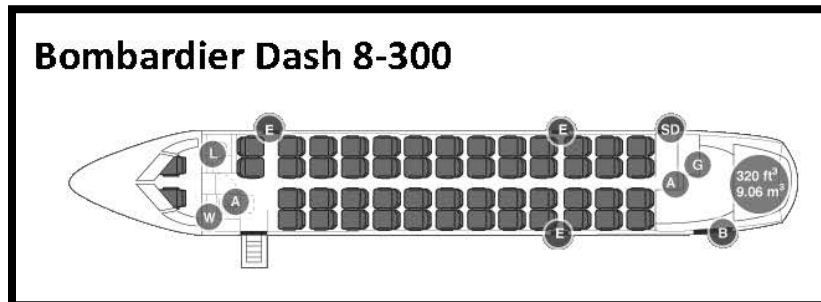
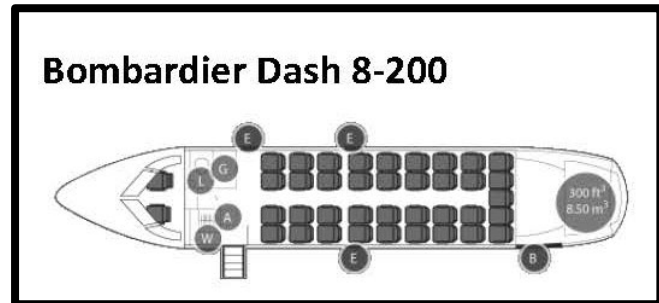
History

1967

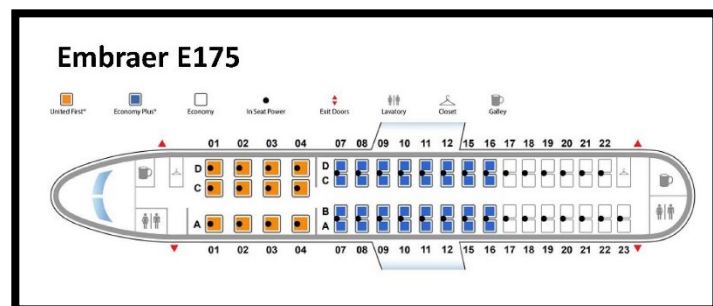
When Charles E. Fraser was developing Sea Pines Plantation in the 1960s, Mr. Fraser was told by Arnold Palmer that he would come and play golf on the Island if there was an airport into which he could fly his aircraft. In 1967, the Hilton Head Island Airport opened, allowing visitors to fly directly to the island and play golf within 30 minutes.

2018

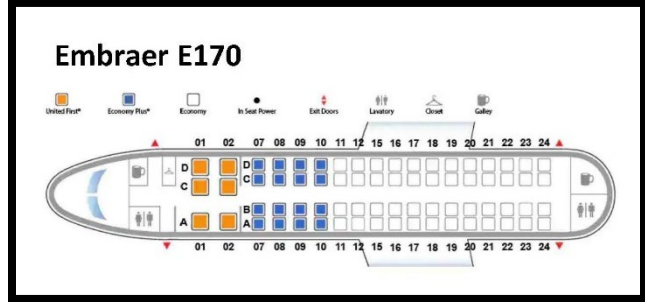
HXD is situated on approximately 184 acres with a runway 5,000 feet long and 100 feet wide and supports the business and residential community of Hilton Head Island and Bluffton, as well as the Island's tourist industry. It is home to one fixed base operator (FBO, Signature Flight Support) and serves as a base for Angel Flight Southeast. Beaufort County owns and operates 22 T-hangars, three small box hangars, and one larger hangar, which is used for lease purposes or overnight stays. In addition, 44 small private hangars are based off-airport, with access to the runway.



With the completion of the runway extension project to 5,000 feet in June 2018, American Airlines (AA) retired its fleet of Bombardier Dash-8-200 and 300 turboprop aircraft. They replaced them with Embraer E-175 regional jet aircraft for its year-round service at HXD. Shortly after American Airlines began its new E-175 service, United Airlines (UA) announced that it would commence seasonal service in Spring 2019 with E-175 aircraft, as well. Subsequently, in 2019, Delta Airlines (DL) also started year-round service to HXD with new E-170 aircraft. The demand that these larger aircraft have placed on the existing terminal building, aircraft parking, and vehicle parking areas has been overwhelming and is only marginally being met with temporary modular holdroom



facilities and extremely crowded aircraft parking and vehicle parking facilities. With these overcrowding conditions and no room for future growth, expansion of the existing commercial terminal building, along with the renovation of critical portions of the existing terminal building are necessary to meet these demands. Likewise, an expansion of the commercial aircraft parking apron and an expansion of the landside vehicle parking are needed to meet this increased demand.



2020




Residents of Hilton Head Island have traditionally been underserved by air service at the Hilton Head Island Airport. This has suppressed business growth, real estate values, diversity of tourist origination, economic development, and local job creation. The terminal renovation and expansion project will greatly accelerate the continuing growth of the economic impact of the Airport on the community. This impact is realized through spending in the local economy, local jobs, tax revenues, and other benefits.

With the runway extension completion in June 2018, commercial air service has exponentially increased from one airline providing three flights per day to one airline hub to three airlines providing up to 25 flights per day serving 16 cities (Table 1). This growth was earned in 25 short months and has led to an emergent need to renovate and expand the commercial service passenger terminal. The existing terminal was completed in the mid-1990s and does not adequately provide for optimum operational efficiencies, passenger convenience, and



Transportation Security Administration (TSA) facilities. The terminal building typically saw between 60,000 and 100,000 passengers through it annually. Based on 2021 estimates, this same building could see 400,000 to 500,000 residents and visitors passing through its doors, checkpoints, and aircraft boarding gates. These boarding gates are surface gates, affording no relief from the elements as valued passengers board and deplane aircraft.

Table1
Airlines, Routes, and General Flight Information
Hilton Head Island Airport

Airline		
American Airlines 	 DELTA	UNITED 
Daily, nonstop flights Charlotte (CLT)	Daily, nonstop flights Atlanta (ATL)	None
Seasonal Routes (March – October)	Seasonal Routes (March – September)	Seasonal Routes (May – September)
Daily nonstop flights Philadelphia (PHL)	Daily nonstop flights New York LaGuardia (LGA)	Daily flights Newark (EWR)
Saturday nonstop flights Chicago O'Hare (ORD)	Saturday nonstop flights Boston (BOS)	Daily flights to Washington Dulles (IAD)
Saturday nonstop flights Dallas/Ft. Worth (DFW)		Daily flights Chicago O'Hare (ORD)
Saturday nonstop flights Washington Reagan (DCA)		3x weekly flights Cincinnati (CVG)
Saturday nonstop flights Boston (BOS)		3x weekly flights Cleveland (CLE)
		4x weekly flights Columbus (CMH)
		3x weekly flights Indianapolis (IND)
		3x weekly flights Pittsburgh (PIT)
		3x weekly flights St. Louis (STL)
Source: Beaufort County Department of Airports, "Airlines, Routes and General Flight Information," www.hiltonheadairport.com/flight-info.html , accessed April 15, 2021.		

The new terminal project will improve the passenger experience through convenience, safety, and security. It also provides a much-improved work environment for the residents who earn their living at the airport and in related services. This terminal project cannot be funded and executed too quickly. This is needed today, and the necessity will only grow as air service grows. To help illustrate the need, it is common to witness aircraft lined up on the taxiway waiting their turn to access a gate to deplane passengers and embark the next group. The Airport holdrooms, one of which is a modular building that the airport purchased to help with the surge of passengers, are routinely full. To help manage the flow, the TSA checkpoint must screen small groups as the airlines embark their passengers and space becomes available.

Existing Facility

HXD's existing terminal was completed in 1995. The terminal's post-9/11 security requirements are severely limited due to space.

The current building has:

- A rusty exterior
- Decrepit restrooms
- Antiquated bag claim chutes
- Leaking glass curtain walls
- Outdated holdroom with old seating
- Inefficient HVAC/electrical capacity/lighting
- Cramped TSA checkpoint
- Rodent/pest problems due to gaps in building shell
- Customers and bags are exposed to weather via exposed exit lane/boarding ramps

Project Description

HXD's expansion and renovation will upgrade the aging, inefficient and crowded terminal. The project will transform the leaky, rusting facility to include:

- Three jet bridge gates
- One walk-out gate
- New TSA checkpoint
- Ticketing counters and Airline offices
- Baggage claim
- Rental car service desks
- Outbound baggage system
- ADA access to and throughout the terminal will be greatly improved
- Restrooms will be added/upgraded with improved access, energy-efficient fixtures
- All new MEP systems will be energy efficient
- Light-colored roof reduces heat signature
- Landscaping and integrated stormwater system will improve water quality

The new facility will increase capacity and access to a **local** airport, reducing the need to drive an hour to the next-nearest airport and reducing vehicle traffic on sensitive bridge infrastructure. New common-use gates will increase flexibility and airline access to the market. The terminal will

triple in size, alleviating crowding. Improved circulation, seating options, expanded ticketing, and baggage claim areas improve the passenger experience.

The original project was designed to occur in phases:

- Phase 1 - Roadway Realignment and Parking Lot
 - Demolition of parking lot in preparation for new roadway – will create future drop off lane
 - No changes to existing roadway
 - Three future lanes and parking lot open
 - Migrating from old lanes to new roadway
 - Demolition of old roadway in front of terminal and demolition for terminal expansion – front entrance will be taken temporarily out of service
 - Construction of new pieces of roadway, pedestrian canopy and barricade
 - Fully migrated to new roadway system

- Phase 2 - Terminal Expansion
 - Roadway complete - expansion starting – no impact on current operations
 - Constructing canopy to existing ticket lobby
 - Constructing canopy between ticket lobby and bag claim
 - Constructing canopy to bag claim
 - Canopy and all entrances complete
 - Terminal expansion complete and in operation

- Phase 3 -Ticket Lobby, Screening and Bag Makeup
 - Transfer ticket lobby and bag screening to old hold room, airlines offices will go into hold room trailer, bag drop upper left corner of old hold room, relocate x-ray device and bag belt to outside for tugs to come and pick up – will be tented to deal with weather, will also have supplemental air conditioning
 - Passengers go in, go out through temporary walkway – will need signage and people to help direct
 - Demo of ramp for future outbound bag make-up and new ticket lobby – will rely on two entrances to existing terminal and 2 entrances to new hold room
 - Continued construction
 - New lobby, outbound bag makeup, airline offices in operation

- Phase 4 - Bag Claim and rental car renovation
 - Old hold room will become bag claim and rental car area - outbound bag belt will be repurposed fir inbound bag claim, temporary trailer will be removed – will start construction
 - Demo of old bag claim and rental car area

- Construction of new area – no passenger access
- Open for operation

- Phase 5 - Center part of the building
 - Will use temporary pedestrian corridor to access bag claim from ticketing and hold room – temporary restroom trailers for on secure side
 - Demolition of center of terminal and existing bathrooms
 - Renovation and new construction areas
 - New bathrooms open, circulation area, removal of temporary pedestrian canopy and barricade

- Phase 6 - Roadway Canopy
 - Build canopy in phases to allow as much of roadway to be open – starting at north
 - Moving south
 - Removing temporary canopy

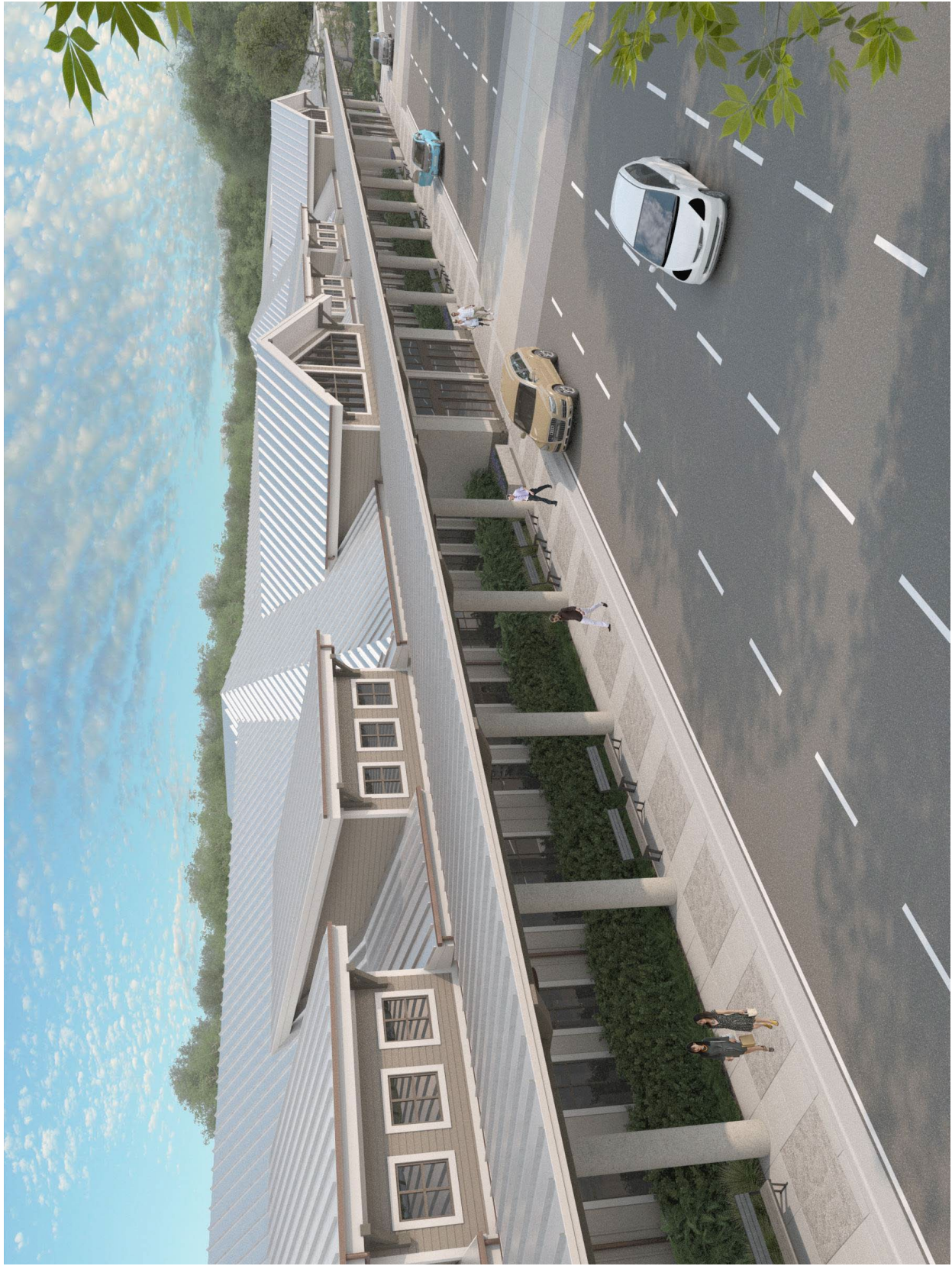
Hilton Head Island Airport (HXD) was awarded \$20M in FAA discretionary funding: 3-45-0030-045-2020 and 3-45-0030-050-2022. The first phase (\$30+ million) is being funded with FAA AIP, State, local funds.

PROJECT SKETCH





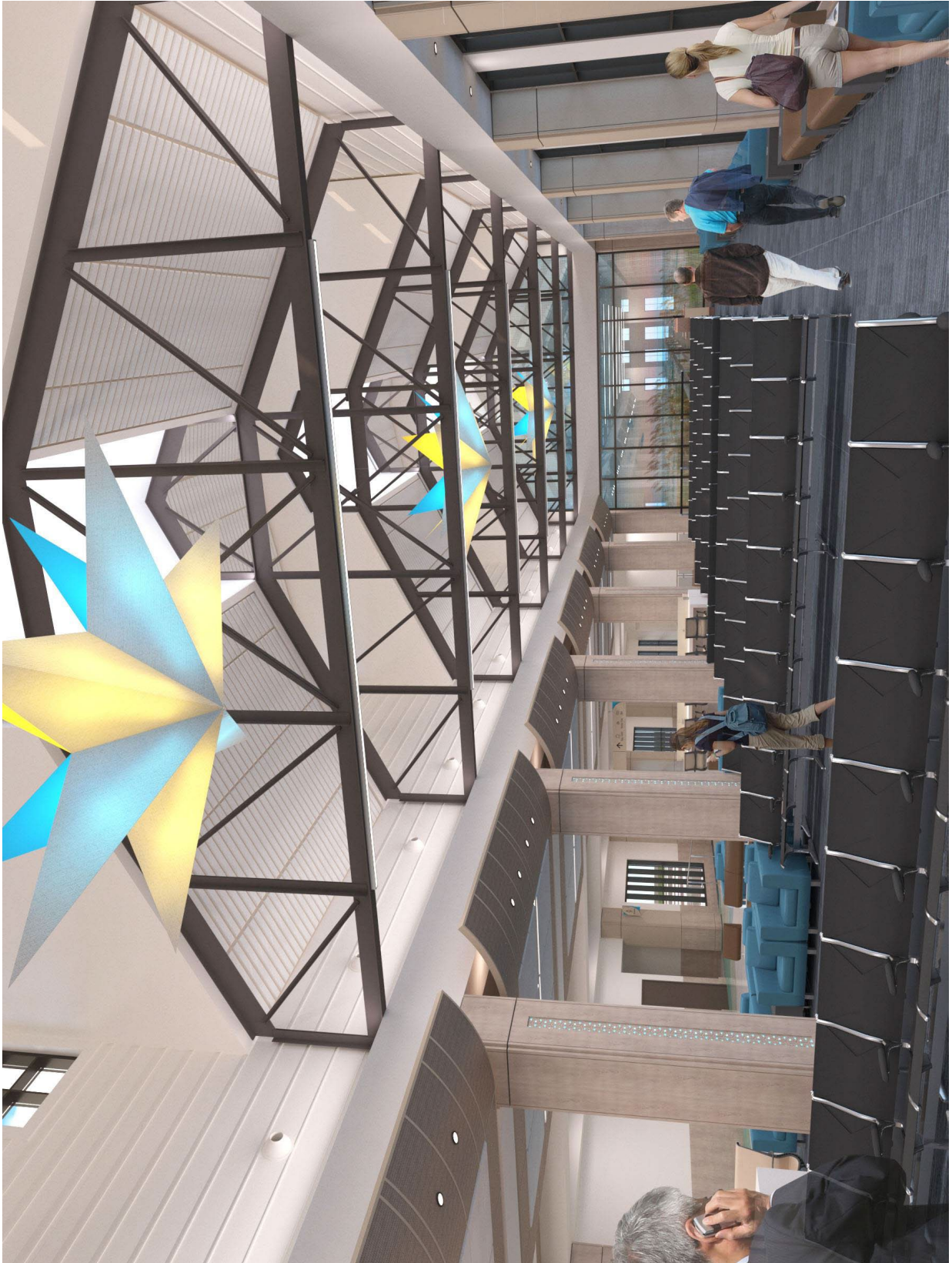






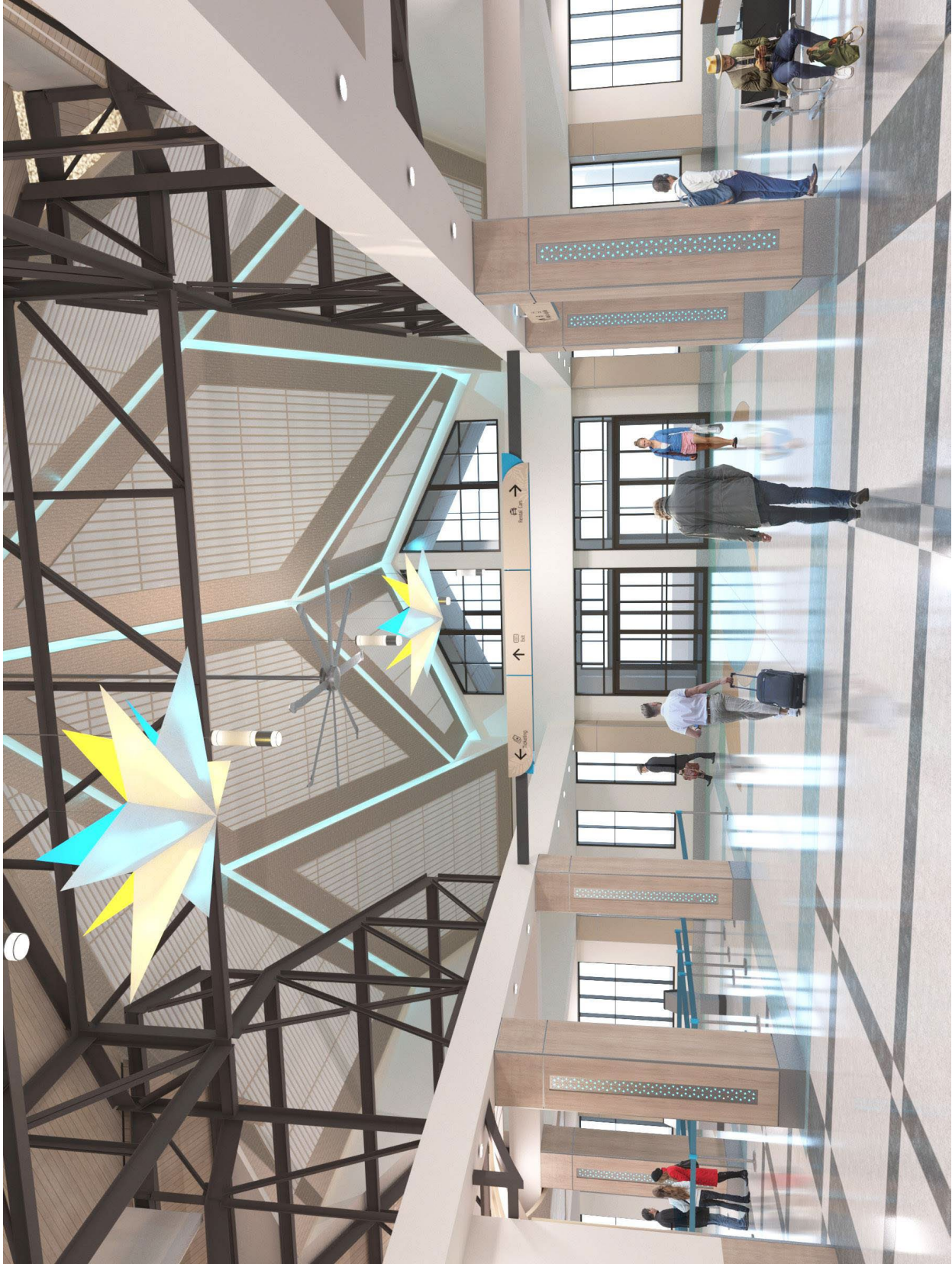


















ESTIMATED QUANTITIES AND COST

Hilton Head Island Airport (HXD)
Terminal Improvements
Cost - Phase Workbook - BUILDING COSTS ONLY (NO SOFT COSTS)
11/16/2022

Taken from MCC Bid 6/23/22
* New Scope
** Extracted from MCM Estimate 5/31/22

Building Line Item		\$47,156,600
Total SF	64,530	\$731
Phase 1 Building (Ph 2 - Expansion)	25,000	\$18,269,255
Total Civil (1-84)		\$10,385,034
Total Landscape (108-168) (90%)		\$879,643
** Aircraft Support Systems		\$3,545,000
* New Temp Canopy & Circulation (33% of 4,700 SF)	1,551	\$1,133,425
Soil Testing Allowance		\$10,000
Gate Counter Allowance		\$21,000
Furniture Allowance (75%)		\$225,000
Aircraft Support Systems Spare Part Allowance		\$48,000
Plan Review Allowance (60%)		\$120,000
Temp Signage Allowance (20%)		\$3,000
Sub-Total		\$34,639,356
Phase 3 (Ticket Lobby)	16,300	\$11,911,554
** Outbound BHS (50% of Div 34)		\$1,660,000
Ticket Counter Allowance		\$80,000
Temp Ticket Lobby Upfit Allowance		\$200,000
BHS Spareparts Allowance		\$95,000
Digital Display Allowance		\$225,000
Temp Signage Allowance (20%)		\$3,000
Interim Bag Porterage Allowance (50%)		\$14,250
Plan Review Allowance (10%)		\$20,000
Sub-Total		\$14,208,804
Phase 4 (Bag Claim Lobby)	15,000	\$10,961,553
** Inbound BHS (50% of Div 34)		\$1,660,000
BSO Allowance		\$15,000
Furniture Allowance (25%)		\$75,000
Temp Bag Claim Upfit Allowance		\$150,000
Temp Modular Holdroom Demo Allowance		\$50,000
Plan Review Allowance (10%)		\$20,000
Temp Signage Allowance (20%)		\$3,000
Interim Bag Porterage Allowance (50%)		\$14,250
Sub-Total		\$12,948,803
Phase 5 (Restrooms & Main Entrance)	4,600	\$3,361,543
Plan Review Allowance (10%)		\$20,000
Temp Signage Allowance (20%)		\$3,000
Repaint and Stain Existing Allowance		\$25,000
Sub-Total		\$3,409,543
Phase 6 (Canopy) (33% of 11,000 SF)	3,630	\$2,652,696
Temp Signage Allowance (20%)		\$3,000
Plan Review Allowance (10%)		\$20,000
Sub-Total		\$2,675,696
Total All Phases		\$67,882,202