

**GERALD R. FORD INTERNATIONAL AIRPORT AUTHORITY
OPERATIONS AND MARKETING COMMITTEE MINUTES
Wednesday February 20, 2019
8:00 a.m.**

Present: Roger Morgan, Dan Koorndyk, Floyd Wilson, Jr.

Also Present: Alex Peric, Lisa Belt, Casey Ries, Moe Khattak, Tom Cizauskas, Stephen Clark, Susan Sherman, Alicia Roberts, Steve Jenkins (Host/Hudson), Matt Zeilstra, Laura Feigel, Margie Witbeck, Kelly Jost (C&S), Haley Cornelisse (Hudson), Greg Reese (Felder), Garrett Hain and Joe Meszaros (AvFlight), Brian Loden (HMS Host), Stan Felder (Felder Communications), Brian Camp (HMS Host)

Minutes

The Authority Operations and Marketing Committee minutes of January 16, 2019 were approved as submitted.

Public Comment

No public comment.

2018 Concessions Recap

Mr. Peric, Mr. Clark, and representatives from Host and Hudson provided a recap of concessions and retail sales and services from 2018.

Report to the Community

Stan Felder provided an overview of a draft Report to the Community including cover art concepts for consideration and comment. A preferred art concept was identified.

Resolution 19-2:

AvFlight Fixed Base Operation and Ground Lease Agreement

Mr. Peric explained that AvFlight Corporation seeks to enter into an agreement with GFIAA to provide FBO services on the east side of the airfield as a result of a public procurement process administered by GFIAA. The initial capital investment will be between \$6M and \$7M for a 30 year term with two 10-year options. He explained that the ground rent is \$.37/per square foot; which is comparable to what Signature Flight is paying now. Mr. Meszaros and Mr. Hain from AvFlight explained that they are a local company based out of Ann Arbor, including Lansing and Saginaw.

Mr. Wilson asked how many jobs can be expected to be created. Mr. Hain answered that 30-40 jobs are typically created with an FBO of this size, which will include ground handlers and re-fuelers.

Motion by Mr. Morgan, supported by Mr. Koorndyk, to recommend to the Board the approval to authorize the Interim President & Chief Executive Officer to enter into a Fixed Base Operation Agreement inclusive of a Ground Lease Agreement between the Gerald R. Ford International Airport Authority and AvFlight Corporation. Motion carried.

**Resolution 19-3:
On-Call Architectural Services Contract**

Mr. Cizauskas explained that a request for qualifications was issued in November 2018 for an on-call architecture firm for projects that require a quick turn-around. Nine qualifications statements were received and the three highest scoring firms, FTC&H, TowerPinkster and DLZ Michigan, were interviewed by the evaluation committee. The recommend TowerPinkster for the on-call agreement.

Mr. Koorndyk asked if TowerPinkster are the current on-call architect and Mr. Cizauskas said yes.

Motion by Mr. Morgan, supported by Mr. Koorndyk, to recommend to the Board the approval of a contract with TowerPinkster to provide architectural services on an as needed basis and to authorize the interim President & CEO to sign. Motion carried.

**Resolution 19-4:
On-Call Engineering Services Contracts**

Mr. Cizauskas explained that a request for qualifications was issued in November 2018 for an on-call Engineering firm for projects that require a quick turnaround. Seven qualifications statements were received and the three highest scoring firms, Mead & Hunt, Prein & Newhof and C&S Companies, were interviewed by the evaluation committee. The evaluation team is recommending a contract be awarded to Prein & Newhof for landside projects and a contract be awarded to C&S for airside projects. He explained that the design of an aircraft apron to facilitate FBO facility construction on site 4 will be the first work scope assigned to C&S.

Mr. Morgan asked for more information regarding C&S and the logistics of handling two different on-call engineering firms at the airport. Mr. Ries explained that C&S has been working with us since 2012. The team has experienced the airside strengths of C&S throughout multiple terminal apron projects since 2012. Mr. Morgan asked how we are going to make it work with two different organizations Mr. Ries explained that the work will be split between the companies in line with their strengths, using the airfield perimeter fence as the general dividing line.

Ms. Jost, Managing Engineer for C&S, stated that they are excited to work with the airport on an on-call basis. Mr. Peric explained C&S is a global company with a Michigan office.

Mr. Ries said that Prein & Newhoff will be awarded work outside of the airport perimeter fence and that they bring an established community presence allowing GRR to continue to be connected to the local community. C&S will work on airside and will keep us connected on a national level.

Motion by Mr. Morgan, supported by Mr. Koorndyk, to recommend to the Board the approval contracts with Prein & Newhof and C&S Companies to provide Engineering services on an as needed basis and authorize the interim President & CEO to sign; and approval of an amendment to the 2019 Capital Budget. Motion carried.

**Resolution 19-5:
Gateway Transformation Phase 2 – TSA Equipment MOA**

Mr. Ries asked to retract Resolution 19-5. TSA has committed to completing work related to relocating checked baggage screening equipment in the lobby, behind the walls, at their cost and using their staff. The estimated cost is \$150,000-\$200,000. TSA has committed to doing the work in-house due to our continued partnership and the benefits to the TSA. Mr. Morgan said to make sure to highlight this and thank TSA.

Mr. Wilson asked how we communicate our wins with tenants and community. Mr. Peric stated that the leadership team continues to brainstorm ideas on how we can communicate internally and externally.

Mr. Wilson suggested a state of the airport address by Mr. Koorndyk. He said that the chair should be out in the community sharing airport successes.

**Resolution 19-6:
Gateway Transformation Phase 2 – TSA Equipment Relocation**

Mr. Ries asked to retract Resolution 19-6.

**Resolution 19-7:
Air Service Development Program Agreement – Allegiant Air for Savannah/Hilton Head International Airport route**

Mr. Peric explained that the Air Service Development Program (ASDP) is a mechanism for the Authority to partner in the success of air service additions at the Gerald R. Ford International airport. These service incentives take the form of temporary waivers of landing and apron fees and marketing support funding. He continued to say that Allegiant Air is scheduled to begin new nonstop passenger service between GRR and Savannah/Hilton Head International Airport (SAV), beginning on June 7, 2019. The new service qualifies Allegiant to participate in the ASDP. Per the terms of the ASDP, the Authority will waive landing and apron fees that would otherwise be owed to the Authority by Allegiant Air for the first twelve consecutive months of service, not to exceed \$100,000. Allegiant Air will also receive up to \$100,000 in marketing support funds for advertisement of the SAV route.

Motion by Mr. Morgan, supported by Mr. Koorndyk, to recommend to the Board the approval for the Interim President & CEO to authorize and execute an Air Service Development Program agreement with Allegiant Air. Motion carried.

Resolution 19-8:

Air Service Development Program Agreement – Allegiant Air for Nashville International Airport route

Mr. Peric explained that Allegiant Air is scheduled to begin new nonstop passenger service between GRR and Nashville International Airport (NSH) beginning on June 6, 2019. The new service qualifies Allegiant to participate in the ASDP as discussed with resolution 19-7. Per the terms of the ASDP, the Authority will waive landing and apron fees that would otherwise be owed to the Authority by Allegiant Air for the first twelve consecutive months of service, not to exceed \$150,000. Allegiant Air will also receive up to \$150,000 in marketing support funds for advertisement of the NSH route.

Mr. Peric explained that he spoke with several different Airlines at the Routes conference in Canada. He said that attending the Routes conference was his opportunity to elevate Grand Rapids on a national level. During 20 minute interviews, Alex and our Air Service consultant had opportunities to educate airlines on West Michigan and initiate airline service. Mr. Peric said he spoke with airlines that are already with GRR and others that are not, including Southern Air, Spirit Air and Canada Air.

Mr. Morgan asked if Mr. Peric met with Jet Blue. Mr. Peric said yes that he did speak with Jet Blue. Mr. Peric explained that Spirit Air is interested in speaking with us further. They would like to keep the conversation going.

Motion by Mr. Morgan, supported by Mr. Koorndyk, to recommend to the Board the Approval for the Interim President & CEO to authorize and execute an Air Service Development Program (ASDP) agreement with Allegiant Air. Motion carried.

Major Project Summary

Mr. Ries explained that a new major construction project overview is provided.

Mr. Morgan asked for 4-5 talking points to reference when he's out in the community. He would like the Board to all be on the same page when speaking about the airport. He added that he would like to stay updated and consistent with the leadership team.

Mr. Koorndyk inquired about the status of the FIS development. Mr. Ries explained that CBP is consistently stating that they cannot support our FIS project because they cannot commit staff at this time. Mr. Morgan noted that GFIAA should generate some strategies to get airlines to support us. Mr. Koorndyk added that a backup plan should be created. Mr. Morgan said that he does not want to take no for an answer.

Project/Construction Report

Mr. Ries presented the February 2019 Project Construction Report to the Committee.

Mr. Ries referenced the monthly project update and explained that the airlines have been great partners in the Gateway Phase 2 project; a great relationship that has helped move the project further. Mr. Ries said that a recently conducted survey showed 65% of passengers noticed construction, but only 8% felt impacted by the work. Focused efforts have been effective in maintaining airport operations and the airport experience during construction.

Mr. Koorndyk asked what we are going to do about parking. Mr. Peric noted that capacity exists within the airport parking system in the economy lot so people can still park on airport property. The recently opened East Lot also provides additional parking options.

Mr. Ries explained that the East lot had a soft opening but will be open within the next two weeks.

Other

Mr. Wilson said to keep up the great work, keep smiling and working hard.

Meeting adjourned at 9:06 a.m.

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