

GERALD R. FORD INTERNATIONAL AIRPORT AUTHORITY
FINANCE AND LEGISLATIVE COMMITTEE MINUTES
Wednesday, November 27, 2019
7:30 a.m.

Present: Ted Vonk-Chair, Steve Heacock, Birgit Klohs, Dan Koorndyk

Also Present: Tory Richardson, Brian Picardat, Alex Peric, Tara Hernandez, Allan Fawcett, Matt Zeilstra, Stephen Clark, Casey Ries, Moe Khattak, Dan Villalobos

11-1 Minutes

The minutes of October 30, 2019 were approved as submitted.

11-2 Public Comment

No public comment.

11-3 CIP Funding Cash Flow Model

Mr. Picardat reviewed the CIP Funding Cash Flow Model

11-4 Resolution 19-45: Adoption of 2020 Rates and Charges Resolution and Airport Operating and Terminal Building Occupancy Permit

Mr. Picardat explained that the Board approved the 2020 Operating Budget and 2020 Capital Budget on October 3, 2019. Staff developed preliminary 2020 Rates and Charges utilizing the Authority's Rates and Charges Methodology per Board Policy. Staff distributed the information to the passenger and cargo airlines and met to consult with them on October 3, 2019 and received their comments. Minor adjustments have been made to the rates seen by the airlines. The rates were sent to the airlines on November 7th with some clarifying questions answered by the staff. He added that no major changes were made to the General Use Conditions for Scheduled Commercial Air Carriers document, the Rates & Charges Resolution or the Airport Operating and Terminal Building Occupancy Permit from 2019. Staff is recommending an increase in the Long Term Garage, North Lot and Economy Lot rates by \$1 each. These parking rates should help balance the lots and were part of the recommendation by InterVistas, our ground transportation consultant. Legal Counsel has reviewed the Rates & Charges Resolution, the General Use Conditions for Scheduled Commercial Air Carriers and the Airport Operating and Terminal Building Occupancy Permit.

Motion by Mrs. Klohs, supported by Mr. Heacock, the adoption of the 2020 Rates & Charges Resolution and approval of the 2020 Airport Operating and Terminal Building Occupancy Permit. Motion carried.

11-5 Resolution 19-46: Notice of Intent to Issue Bonds

Mr. Picardat explained that the Authority is under contract with Fishbeck, Thompson, Carr & Huber to design a new parking garage and under contract with Mead & Hunt to design expansion and extension of Concourse A. Construction of

both projects are anticipated to start in the spring of 2020. To pay for the construction, the Authority is planning on issuing bonds. He said that in order to do so, the Board will have to publish a Notice of Intent to Issue Bonds prior to the actual issuance of any bonds. Dickinson Wright, Bond Counsel, has drafted a Notice of Intent Resolution. The Notice of Intent to Issue Bonds is required under the Revenue Bond Act and must be published in a newspaper with general circulation in the County of Kent. He said that the Notice of Intent indicates the bonds will be issued, without submitting such a question to a vote of the electors, unless within 45-days after the date of publication of the Notice of Intent, a petition requesting a referendum upon such question, signed by not less than 10% or 15,000 of the registered electors in the County of Kent, whichever is less, shall have been filed with the Secretary of the Authority Board. At any time after the 45-day referendum period has passed and no petition has been filed with the Secretary of the Authority Board, the Board will be able to issue bonds for the Parking Garage and Concourse A projects. The Notice of Intent to Issue Bonds includes a not-to-exceed amount of \$145,000,000. bond issue. This amount is higher than the preliminary estimate of \$137,156,500. to protect against having to republish for another 45-day referendum if the principal amount of the bonds increases because of increase in the cost of the project. The Notice of Intent clearly states the Authority Board's intent to request the County of Kent to pledge the County's limited tax full faith and credit as additional security for the payment of the principal & interest of the bonds.

Motion by Mrs. Klohs, supported by Mr. Heacock, the approval to publish the Notice of Intent to Issue Bonds. Motion Carried.

11-6 **Resolution 19-47:** Amendment to Customer Facility Charge (CFC) Resolution

Mr. Picardat said that at the August 31, 2005 Airport Board meeting, the Board adopted a resolution to impose a customer facility charge on the rental car companies beginning October 1, 2005 in the amount of \$3 per day for each day with a maximum of up to ten days. The CFC was put in place to finance improvements of facilities leased to rental car companies including their portion of the parking structure. On March 1, 2016, the total amount collected in CFCs and rentals from the rental car agencies reached a total that paid off the amount that the Department of Aeronautics fronted for the cost of these facilities. In 2015, the Board authorized the construction of a roof on the parking structure over the fourth level. The structure was financed with Airport revenue bonds issued in March 2015 in the amount of \$14,595,000. To pay for the debt on the roof project, the Department amended the CFC resolution to add this project along with a maintenance fund to be used for the maintenance of the rent-a-car service facilities and the parking structure. The Department estimates that the amount needed for paying off the debt as well as a maintenance fund for 15 years is \$37 million. Based on current collection rates, the Department anticipates that the amount needed to be collected will be achieved by December 31, 2030.

Authority staff is recommending building a second parking structure in the East Lot to be used to house the rent-a-car ready return vehicles and quick turn facility. The estimate cost of this structure is \$60 million. Staff is recommending issuing bonds to pay for this structure and to use CFCs to pay the debt services. Staff is also recommending to increase the CFC from \$3 per transaction day to \$6 per transaction day. He said that staff worked with legal counsel to draft the 2nd amendment to the CFC.

Motion by Mr. Heacock, supported by Mrs. Klohs, the approval to Amend the Customer Facility Charge (CFC) Resolution dated August 31, 2005 and 1st amended April 27, 2016. Motion carried.

11-7 **Resolution 19-48:** Appointment of General Counsel

Mr. Koorndyk shared that Act 95, Public Acts 2015 (Enabling Act) and Articles of Incorporation (Articles) adopted by the Kent County Board of Commissioners by Resolution #8-27-15-77 establishes the Gerald R. Ford International Airport Authority (Authority) The Enabling Act and Articles provide for the planning, promoting, extending, maintaining, acquiring, purchasing, constructing, improving, repairing, enlarging, and operating of all airports and airport facilities under the operational jurisdiction of or owned by the Authority. As the Authority operates the Gerald R. Ford International Airport (Airport), it is necessary to receive the advice and guidance of general counsel regarding various legal matters pertaining to the Airport. Previously, the Authority appointed Robert Buchanan of Varnum LLP, successor to Law Weathers, as general counsel to the Board. After over 30 years of service, Mr. Buchanan retired from the Authority Board on May 29, 2019. Prior to Mr. Buchanan's retirement, Mary Kay Shaver of Varnum LLP, joined Mr. Buchanan at Authority Board meetings and actively assisted with legal counsel pertaining to issues for the Authority. As such, Ms. Shaver is qualified and familiar with matters pertaining to the Authority and the Airport. Action to approve the appointment of Ms. Shaver as general counsel to the Authority will assure continuity with the Airport's operations and oversight of ongoing legal matters for the Authority; provided, that such appointment does not alter any existing engagement of other counsel by the Authority and the Authority retains the right to engage other counsel as it determines necessary or advisable in its discretion.

Motion by Mrs. Klohs, supported by Mr. Heacock, the appointment of Mary Kay Shaver, of Varnum LLP, as Authority Counsel. Motion carried.

11-8 Other
No additional information was added.

Meeting adjourned at 8:13 a.m.

MAW