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2017 REPORT TO THE COMMUNITY

GERALD R.
FORD International
Airport

Getting there is better here.



NONSTOP SUCCESS

Our growing number of nonstop flights is just one of the ways the Ford Airport made travel better in 2016. We also underwent a historic change in governance, officially becoming The Gerald R. Ford International Airport Authority. We announced a new president and CEO, improved airport security, invested in the latest maintenance equipment, and continued what promises to be a breathtaking Gateway Transformation.

Along the way, we hosted a record number of travelers, becoming the 10th fastest growing of all large, medium, and small hub airports in the country. All in all, it was a banner year for the airport. Here's to the efforts of many talented people who believe success is a commitment—one that continues nonstop.



"Much easier to navigate than larger airports. We'll be flying into and out of this airport again."
– Laura L.

"Easy Premier/Priority check-in processes, fast TSA, nice selection of destinations and aircraft for a medium-size city!"
– Derek B.

"I love the shuttle service at this airport. When I arrived, the shuttle followed me to my car to pick me up."
– Pat S.



UNDER NEW AUTHORITY

This past year marked a historic change in governance for the airport. With the Federal Aviation Administration's (FAA) approval in July, we began officially operating under the auspices of the Gerald R. Ford International Airport Authority (GFIAA). This was a key shift from the previous six decades, during which Kent County operated the Airport through its Department of Aeronautics.

Prior to the transition, major policy initiatives were determined by the Kent County Board of Commissioners by way of the Gerald R. Ford International Airport Board. Today, such decisions fall under a regional Airport Authority Board, which is appointed by the Kent County Board of Commissioners.

The shift to a regional authority has major implications. As an independently governed enterprise, the airport now has representation both within and outside Kent County.

The authority is also equipped to raise funds and focus on future development in a more proactive, entrepreneurial manner.

Evidence of this is a recent sponsorship campaign that is fundraising \$20M in private capital for our Gateway Transformation; thanks to our generous sponsors, the campaign is one of the first of its kind in the airport industry. In previous years, this kind of fundraising opportunity wasn't available.

The long-term benefits of the transition go beyond infrastructural upgrades. Under the new authority, the airport will be more responsive to air service demands and focus on passenger needs with a greater emphasis on customer service. Aware of all of these advantages, the County Board of Commissioners supported the transition every step of the way.

WELCOME OUR NEW PRESIDENT AND CEO, JAMES GILL

The Ford Airport saw a change in leadership as it announced the hiring of James "Jim" Gill as its president and CEO. Gill's 20-plus-year track record of success made it easy for the Airport Authority Board to vote unanimously in favor of the hiring.

Jim has over 13 years of service with the Allegheny County Airport Authority in Pittsburgh, which has two airports serving more than 8 million passengers annually. His operational knowledge and focus on collaboration earned him the role of CFO in 2007. He then took on the added role of COO in 2015.

One of his most notable accomplishments is something familiar to us at the Ford: he oversaw the successful transfer of Pittsburgh International Airport from county control to an independent airport authority.

Gill was also instrumental in bringing Allegiant Air point-to-point service to Pittsburgh, making it the airline's first medium hub. Service has steadily grown from five destinations in 2014 to 11 today. Previous to his time in Pittsburgh, he served as deputy airport director and CFO during his six years with the Raleigh-Durham Airport Authority.

Our new chief is among a select group of airport professionals to hold credentials as both an Accredited Airport Executive (A.A.E.) with the American Association of Airport Executives and as an International Airport Professional (IAP) with Airports Council International.

In addition to the culture and focus on customers, Jim noted the recent shift to an airport authority and the Gateway Transformation Project as key to his interest in taking on the role. We look forward to even more growth as Jim brings his leadership talent and experience to our airport.





GATEWAY TRANSFORMATION PROJECT NEARING COMPLETION

Signs of a more efficient, welcoming, and beautiful airport experience are everywhere.

Behind temporary construction walls, progress continued throughout 2016 on our two-phased Gateway Transformation Project.

One of the first updates was the terrazzo tile flooring that occupies the Grand Hall and Concourse A. Crews of roughly 60 workers a day also steadily updated restrooms, gate hold rooms, and business centers, while prepping the exterior for the increased footprint. In the process, the Grand Rapids Magazine Travel Store was moved to a new location, and a convenient family restroom was added to the east end of the Grand Hall.

Overhead, skylights now bring more natural light to each concourse. New high-efficiency air handling units and sections of green roof will complement our sustainability program.

For those seeking an open view of the airfield, the mezzanine-level Observation Area now has new

seating to go with a sleek new design. Progress also continued on what will be the most significant architectural feature: the Gateway itself. This includes the precast concrete and structural steel beams that will support the 40-foot wall of windows overlooking the aircraft ramp and runways.

Thanks to its pre-security location, visitors will be able to browse the Gerald R. Ford Presidential Tribute Room. In partnership with the Ford Museum, the rotating exhibit will feature photos and historical pieces documenting the life of our hometown hero.

Once the first phase of the transformation is completed in summer 2017, phase two will commence with a focus on streamlining the ticketing, screening, and baggage claim experiences. With a combined budget of \$45 million, the Gateway Transformation will more than live up to its name with improved customer service, amenities, and access to technology.

ADDITIONAL RESTAURANT, COFFEE, AND RETAIL OPTIONS

Got a taste for something new? The Gateway Transformation Project has plenty in store. Opening its doors in summer 2017, a new brew house promises to do Beer City, USA proud. Working in collaboration with global restaurateur HMSHost, the unapologetically beer-themed restaurant will emphasize local beers and a mouthwatering selection of handcrafted deli sandwiches. Those who love Founders Brewing will not be disappointed.



The food options don't end there. HMSHost will also unveil The Local @ GRR on Concourse A, as well as another casual dining restaurant on Concourse B.

Burger Federation and Firehouse Subs will crank out on-the-go fare. And, for those looking for a coffee fix, a new Starbucks will be available post-security. Shopping will also get a boost.

The Authority has partnered with Hudson Group to present Touch of Grand Rapids, which will offer a selection of West Michigan-themed products, some in partnership with the Grand Rapids Art Museum.

Each concourse will feature a Grand Rapids Magazine Travel Store, and a new retail store will offer travel essentials in the Grand Hall.





AIRPORT VIEWING PARK EQUALLY TRANSFORMED

Many aren't aware that the airport even has a viewing park. But if you head north on Kraft Avenue from 52nd Street, you will find a few dozen parking spaces and picnic tables—not to mention the ideal location to watch planes land.

Thanks to a new expansion project, this “Best Kept Secret” (according to Grand Rapids Kids Magazine) may be a secret no more.

This past October, the Ford Airport and the Cascade Community Foundation broke ground on a bigger and better Airport Viewing Park. Plans include a new pavilion, restrooms, new seating areas, and added parking with room for bus tours. The completion date is set for May 2017.

PASSENGER NUMBERS SOAR

Airport passenger numbers continue to soar.

In fact, growth was recorded in nine of the past 12 months by amounts ranging from 5.2 percent to 14.95 percent. The 4.06 percent increase over the previous year made 2016 the fourth record-breaking year in a row. In terms of busiest individual months on record, July continued its reign with 238,237 travelers passing through our gates.

By year-end, our 2,653,630 travelers made us the 79th busiest airport in the country.

The Ford was also the 10th fastest growing of all large, medium, and small hub airports in the

country. These impressive numbers are important to our airline partners, who consider them when adding seats and flights to both existing and new destinations.

Passenger count wasn't the only number to increase. Total cargo activity (enplaned and deplaned mail and freight) also increased over the previous year. In total, 82,594,563 pounds of cargo came through last year. To put it in perspective, that's roughly the weight of a locomotive, every single day.

From a global perspective, last year the Ford Airport sent passengers to 730 international airports—proof that getting there is better here.



SIGNATURE INCREASES ITS FOOTPRINT

Much like the rest of West Michigan, our airport is growing by the day. This past August our partners at Signature Flight Support, the world's largest fixed-based operator (FBO), celebrated the grand opening of their General Aviation facility.

At 23,000 square feet, the \$4 million expansion doubles the size of the previous facility.

The new space includes a 5,000-sq.-ft. executive terminal that will serve as home base for both general and corporate passengers and crews. A separate 18,000-sq.-ft. hangar will make room for maintenance activities and larger corporate aircraft, such as the Gulfstream 650. Signature has operated its previous facility since 2013, providing aviation services, including refueling, deicing, maintenance, concierge services, and catering.

ENVIRONMENTAL EXCELLENCE

We go to great lengths to protect and preserve the environment. Airports Council International-North America (ACI-NA) recognized us for these efforts and named us winner of its 2016 ACI-NA Environmental Achievement Awards. Specifically, the Ford Airport won the Mitigation award for our sustainable stormwater runoff control project. Built in 2015, our award-winning system ensures that the glycol used to deice aircraft is safely processed.

Today, the system is performing as designed, meeting the limits prescribed by the Michigan Department of Environmental Quality (MDEQ). As a result, the project earned the 2017 Merit Award from the American Council of Engineering Companies of Michigan (ACEC/M). It stands as one of the few projects of its kind in North America, and the only one in the state of Michigan.



REACHING NEW HEIGHTS

The next time you park, look up and check out our new parking garage roof. It won the 2016 NuHeights Design Award. Under the Transportation category, the award recognizes excellence in design and building construction utilizing steel. In this case, more than 600 62-foot-long joists were used to support the award-winning roof structure.

Also, the fourth level parking deck lighting was replaced with modern programmable LED fixtures, which will save approximately \$53,500 per year.



A BRAVE YOUNG JEDI GETS HIS WISH



Born with a rare health condition, Bo Verlarde-Chan wasn't expected to live past his first birthday. Now a 10-year-old, he not only defied the odds, but has shown the same fighting spirit as his favorite Star Wars heroes. Make-A-Wish Michigan recognized this when granting him an all-expense-paid Disney Cruise, featuring a cast of Star Wars characters.

When his big day arrived, Bo and his family were greeted at the airport by a legion of GVSU students holding Star Wars-themed posters and cheering the brave young Jedi on. This was followed by yet another surprise from Ford Airport marketing

communications director Tara Hernandez. Waiting at Bo's gate, she announced: "The Star Transporter has just landed in Grand Rapids!" To Bo's wide-eyed amazement, the doors to the jetway opened, and out marched eight Star Wars characters. When local news station WZZM aired the story, it immediately went viral, leading to the thrill of a lifetime for Bo: a 13-minute Skype chat with Mark Hamill, the actor best known for his role as Luke Skywalker.

This courageous fourth-grader from Kalamazoo is an inspiration to all of us at the Ford Airport. May the Force be with him!

ALLEGIANT HELPS A DREAM TAKE OFF



You wouldn't know it by his smile, but James Miller has been through a lot in life. Born with Down Syndrome, the 27-year-old Belding native was recovering from two recent kidney transplants when a group of friends decided to do something special for him: They set up a GoFundMe page to cover a trip to Florida—James's first trip out of Michigan. Word quickly spread.

Then James and his family were summoned to their local city hall for a surprise announcement from the Ford Airport: his airline tickets to Florida would be paid for, courtesy of Allegiant Air. With the airline covering his flight, James was free to use his \$2,000 in GoFundMe donations to live out his dream—riding roller coasters and spending time with his mom at Walt Disney World.

WMAA STUDENTS EARN THEIR WINGS

For some, flying is a rite of passage. A proud group of 15 West Michigan Aviation Academy (WMAA) students have achieved their dream of becoming officially licensed private pilots. Participating in the State of Michigan Certified Career & Technical Education (CTE) Aviation Program, these young men averaged 50 hours in the air, testing their skills and proving their airworthiness. We are honored they were able to achieve their goals at our airport. Getting there truly is better here.



BOOKWORMS REJOICE

Flying is the perfect time to settle into a good book. Thanks to the Kent District Library (KDL), a good book won't be hard to find. KDL's "Little Free Library – Take a Book, Leave a Book" was installed at the airport to rave reviews from readers of all ages.

With book locations in both concourses, adult, teen, and child travelers can pick up gently used and second-run editions at no charge. Travelers can then return their volumes at the airport or any KDL location. To ensure good reading, library employees will stock and monitor the content. There are even multi-language books available. After all, we are an international airport.

BLUEPRINT FOR THE FUTURE: OUR AIRPORT MASTER PLAN TAKES SHAPE



Progress often requires a blueprint. For the Ford Airport, this means updating our master plan. Mandated for all U.S. airports, a master plan is a formal study to determine projects needed for the next 20 years. It can include a range of projects, from the airfield and terminal to parking and the surrounding environment.

A successful master plan focuses on the overall safety and efficiency of the airport.

It also takes into account the needs of airport tenants, users, and the general public. And, because no airport exists in a vacuum, regional considerations are also taken into account.

Because federal grant funding is on the line, a plan has to be financially sustainable. In 2016, the airport began the first two phases of its planning process. This included taking an inventory of airport and community facilities along with required airport survey work. This was followed by an investigation into facility requirements.

With the first two phases behind us, and the final two in front of us, the airport is currently gathering information around proposed development in our region. Knowing how much growth is in store for West Michigan, we are excited to develop an airport master plan to serve our region for the next 20 years. For more information on the GFIA Master Plan, visit gfia-master-plan-update.com.

MASTER PLAN BY PHASE:

- 1 Pre-Planning** Conduct surveys and take inventory of airport and community facilities.
- 2 Investigation** Investigate facility requirements based on airport forecasting.
- 3 Solutions** Evaluate various alternatives and conduct an environmental review.
- 4 Implementation** Identify and prioritize needed improvements along with sources of funding. This phase includes the final production of study documents, including the Airport Layout Plan, Capital Program, and associated Financial Plan.



NEW BIKE PATROL WHEELS INTO THE AIRPORT

One of the ways we're ensuring a better travel experience is by making safety and security a priority. Our newly installed bike patrol program is a great example. Beginning last summer, our two-wheeled officers are now more approachable to both younger and older airport guests.

Bike patrol is also a cost-effective way to cover more airport ground, which includes the terminal curb, parking garage, and Gateway Drive. And the patrol's range could expand to include more of the airport campus.

Coming to a bike near you, our first patrol is made up of Sergeant Abe DeVries, Officer Grant Reed, and Officer Crystal King.

AMERICAN AIRLINES ADDS NONSTOP SERVICE TO WASHINGTON, D.C.

Good news for those traveling to our nation's capital. On April 4, 2017, American Airlines started nonstop service to Ronald Reagan Washington National Airport (DCA). American Airlines is flying 13 weekly round trips operated by American Eagle from Grand Rapids, including 7:20 a.m. and 12:50 p.m. Sunday through Friday, and one daily departure at 9:40 a.m. on Saturdays. Return flights from DCA are twice daily at 10 a.m. and 5:45 p.m. Sunday through Friday, with a 4 p.m. daily departure time on Saturdays.

A 25-plus-year airport partner, American Airlines also offers nonstop service to Chicago-O'Hare, Dallas-Fort Worth, Charlotte, and Philadelphia.



RAISING THE CEILING ON FUNDRAISING

When it comes to raising funds, the Ford Airport is excited to be flying first class. This has much to do with the generous business community our airport serves. It also has to do with an entrepreneurial spirit leading our airport. Our Gateway Transformation Project is a case in point.

Before we broke ground on the project, our terminal was sufficient for moving people through the concourses; however, with higher passenger volumes and increased business travel, the airport needed to become more welcoming and efficient for our guests. Naturally, this would have a positive ripple effect for our airline partners.

Yet, the question remained: How would the airport raise the necessary \$45 million in funding?

That's when airport leadership suggested a public-private partnership few airports have attempted. The Regional Air Alliance, a cabinet of area business and community leaders, appointed a Gateway Transformation Campaign chair, Curt Pullen, who worked with GFIAA staff to solicit funds for the project.

Ultimately, the Alliance achieved its goal by raising \$20 million. Local business leaders immediately recognized the value of the undertaking. After all, when their clients and guests step off the plane for the first time, they need to see West Michigan in the best possible light.

The Gateway Transformation Project is likely only the beginning. With the recent shift in governance to an Airport Authority, the airport can look forward to further autonomy and an even greater focus on building business partnerships. One need only step into our newly revitalized airport to know the impact that can have.

A COLORFUL ADDITION TO OUR FLEET

Ever wonder what keeps our runways looking so sharp? The answer is simple. We always keep a fresh coat of paint on them. This is especially important given our harsh Michigan winters. To keep pace with Mother Nature, the airport recently invested in an EZ-Liner paint truck.

Taking over for our last paint truck, which was purchased in 1998, the newest addition to our maintenance fleet allows paint and colors to be changed out in one to two hours. Before, it would have taken half a day. Paint can also be heated, allowing for applications to adhere to pavement earlier in the season. How convenient is the EZ-Liner? The taxiway sideline alone used to take three weeks to complete. Today, it can be done in just three days.





James Gill and Roger Morgan


DEAR FRIENDS OF THE FORD,

It is an honor to be part of an airport making so much progress. Being named in 2015 the best airport by size and region in all of North America by Airports Council International is truly saying something. The fact that we're setting all-time records for most travelers in a month, quarter, and year is also proof that we're growing in all the right ways.

Operating as an airport authority is another significant accomplishment, one that will allow our entrepreneurial spirit to flourish. By building key partnerships with stakeholders throughout our region, our vision is to be a recognized leader for innovation and customer satisfaction, and become the airport by which all others are measured. We are in many ways the gateway to West Michigan; we plan to make it a magnificent one.

Which brings me to our Gateway Transformation Project. This summer we will unveil an airport that will delight the senses and accommodate our guests in every way. And it won't end there. We will continue to upgrade our infrastructure, streamline operations, and seek the most creative ideas and approaches. This is only the start of an era like no other. We can always be better than yesterday. It's the reason we're able to say with confidence: *Getting there is better here.*

Sincerely,


James R. Gill, A.A.E., IAP
President & CEO


Roger Morgan
Chairman, Airport
Authority Board

EXECUTIVE STAFF

GFIA is managed and operated by an executive staff comprising the president & CEO, senior vice president & COO, vice president & CFO, a management team representative of the airport's primary functional areas, and a 100-member Gerald R. Ford International Airport Authority staff.

James R. Gill, A.A.E., IAP <i>President & CEO</i>	Brian Picardat, A.A.E. <i>Vice President & CFO</i>	Thomas R. Ecklund, P.E. <i>Engineering & Facilities Director</i>	Lisa Belt <i>Human Resources Director</i>
Phillip E. Johnson, A.A.E. <i>Senior VP & COO</i>	Lisa M. Carr, C.M., P.E.M. <i>Public Safety and Operations Director</i>	Tara Hernandez <i>Marketing and Communications Director</i>	

BOARD

Policy and general oversight of GFIA are the responsibility of the Gerald R. Ford International Airport Authority Board, a seven-member body appointed by the Kent County Board of Commissioners.

Roger Morgan <i>Chairman*</i>	Theodore Vonk* <i>Finance & Legislative Committee Chair</i>	Birgit Klohs
Dan Koorndyk* <i>Vice Chairman – Operations & Marketing Committee Chair</i>	Steve Heacock	David Slikkers
		Floyd Wilson Jr.

**Denotes Kent County Commissioner*

FINANCIAL HIGHLIGHTS

	2016*	2015	2014
OPERATING REVENUE			
Ground Transportation	\$20,709,783	\$19,327,483	\$17,820,741
Airline Payments	12,651,936	12,120,448	11,475,779
Air Cargo	2,278,411	2,551,693	2,493,862
General Aviation	1,456,698	1,478,573	1,511,647
Concessions	1,470,223	1,513,896	1,241,665
Other	1,274,610	1,227,115	1,298,737
Total Operating Revenue	\$39,841,661	\$38,219,208	\$35,842,431
OPERATING EXPENSES			
Personnel Costs	\$9,727,189	\$8,917,370	\$8,094,180
Supplies	640,101	996,493	854,579
Contractual	12,216,716	11,478,868	9,556,585
Total Cash Expenses	\$22,584,006	\$21,392,731	\$18,505,344
Operating Income	\$17,257,655	\$16,826,477	\$17,337,087
Depreciation**	(\$1*,288,122)	(\$16,684,925)	(\$16,446,327)
Net Operating Income (Loss)	(\$1,030,467)	\$141,552	\$890,760

* Unaudited figures. A comprehensive Annual Financial Report, including audited figures for 2016, will be available from the Gerald R. Ford International Airport Authority as of June 2017. ** Depreciation is a non-cash item.

