



2018 REPORT TO THE COMMUNITY



# TRAVEL MADE EASY.

Whether you're traveling for business or pleasure, the Gerald R. Ford International Airport is always working hard to be easygoing. How easy? With Phase One of our Gateway Transformation Project complete, we now offer a more streamlined security screening process. For the business traveler, several new business centers make working from the road that much easier.

For those looking to relax and refresh, we've got a new craft-beer-themed brewhouse, convenient shopping, and a second Starbucks, now on the gate side of security. To honor our hometown hero, we opened the President Gerald R. Ford Tribute Room, and for those who serve, we now have a welcome center dedicated to active duty military members, veterans, and their families. Meanwhile, we set new passenger records and added a new carrier, bringing even more nonstop flights to West Michigan. Put it all together and you get an airport that's the definition of easy.



## A MAGNIFICENT TRANSFORMATION.



September marked the completion of Phase One of the \$45 million Gateway Transformation Project. Local sponsors were on hand for the ribbon-cutting ceremony to honor what is believed to be the largest show of private financial support for any airport in the country. The result is a magnificent Gateway to the World and a chance to further stimulate our local economy.

With a record-setting 2,811,622 travelers enjoying the airport in 2017, the project comes at a good time. One key enhancement was a centralized security checkpoint that eliminates the need to have one at each concourse. Travelers can enjoy upgraded finishes and expanded amenities, including terrazzo flooring, nursing rooms and family restrooms, kids' play areas, and an expanded indoor observation area.

Four new retail options opened for business, including A Touch of Grand Rapids, a partnership with Hudson News offering wearables, books, and souvenirs, and Destination Michigan, which offers snacks, beverages, and Michigan-made gifts and clothing. For those who want to enjoy a coffee at their gate, a second Starbucks is now open post-security.





Designed with our growing economy in mind, the airport caters to business travelers as never before. Steelcase designed four business centers (including three post-security), and Herman Miller contributed its office insights with a business lounge located near the exit of Concourse B.

For those with an appetite for change, the airport also transformed our dining scene. Working in collaboration with HMSHost, Prospect Hill Brewhouse offers artisan food and communal seating that makes getting to know fellow travelers easy. On tap are craft beers from hometown favorite, Founders Brewing Company. In 2018, USA Today and Airport Revenue News ranked Prospect Hill the third-best airport bar in the country.

All told, the project spanned 21 months and added more than 59,000 square feet to the airport. Coming in 2018, Phase Two of the Gateway Transformation Project will include improvements to the airline ticketing, baggage, and screening areas.

#### Special thanks to our million-dollar+ sponsors:

Amway Meijer SpartanNash Spectrum Health Steelcase Wolverine Worldwide



#### PAYING TRIBUTE TO OUR PRESIDENT.



The airport bearing his name now has a space to honor his legacy. Dedicated to our nation's 38th Commander in Chief, the President Gerald R. Ford Tribute Room is located pre-security and is accessible by all. It includes photos, a football jersey from his University of Michigan playing days, and a model of the USS Gerald R. Ford, the supercarrier commissioned by President Donald Trump in 2017 and set for deployment around 2020.

A ribbon-cutting ceremony was held in September to officially open the space. Among the many who gathered for the occasion were Gerald R. Ford Presidential Foundation representatives including the president's son, Steven Ford, Joan Secchia, and Fred Keller.



#### SALUTING OUR MILITARY.

Hundreds of active duty military and veterans travel through the Ford Airport every day. In November, to celebrate Veterans Day weekend and salute our military members, the airport officially opened the Military Welcome Center. Located pre-security, the space gives military members, veterans, and their loved ones a dedicated place to relax and refresh.

West Michigan retailer SpartanNash was a natural fit to supply the center. As the leading distributor of grocery products to U.S. military commissaries, the company employs more than 800 veterans. In addition to refreshments and snacks, the space includes an arrival/departure monitor, charging stations, veteran profile videos, and public television programming from WGVU. Guests can also enjoy pinning where they've been stationed and deployed on an interactive map.



Traveling can take a toll on any family. This is the thinking behind two new play areas made just for little ones. Sponsored by Spectrum Health Helen DeVos Children's Hospital, the space comes with an illuminated air traffic control tower, foam flooring, wall graphics, a whimsical propeller ceiling fan, and a replica Spectrum Health Aero Med helicopter to test kids' piloting skills.

A ribbon-cutting ceremony opened the space in September. For added convenience, there is a second play area located post-security. Plus, moms will be happy to know there are nursing rooms, both pre- and post-security. Kids can rejoice. Parents can breathe a sigh of relief.



On a crisp fall morning in October, more than 1,200 people took part in the Runway 5K. The setting didn't disappoint, as jets continued to take off and land from two adjacent runways. For participants and spectators, the course made good use of the airport property. Beginning near the cargo facilities, snaking under a runway tunnel, around the fire station, then on the airport's general aviation runway, the path made it possible for participants to see the airfield from a unique vantage point.

Anticipation was high for the first run on airport property since 2003. In fact, it sold out well in advance. The event raised \$10,000 for Make-A-Wish® Michigan. Benefiting children with life-threatening medical conditions, the nonprofit has granted more than 9,000 wishes since its start in 1984. Many of these brave youngsters fly in and out of the Ford Airport to fulfill their wish, making the charity an obvious choice for event organizers.

## ARTPRIZE ARRIVES AT THE AIRPORT.

While the Ford Airport has welcomed countless ArtPrize artists to West Michigan, it has never served as an exhibition space. That all changed in 2017 when the airport became an official venue for the ninth annual art competition. Seven local and international artists displayed their work, which included both indoor and outdoor installations.

For our local community, it was a chance to make a strong first impression on visiting passengers. For the airport, it was an opportunity to embrace artistic expression and, at the same time, show off our Gateway Transformation Project for those who may not be aware of our updated facilities.

ArtPrize participants have displayed work at venues ranging from museums and parks to restaurants, theaters, and even underneath bridges. It only made sense to have the airport join the party. Whether it was their first or last stop in West Michigan, visitors made full use of their airport ArtPrize experience.



#### AIRPORT VIEWING PARK MAKEOVER.



Airplane enthusiasts both young and old are in for a special treat. Located a half mile north of 52nd Street where Kraft Avenue ends, a remote viewing park has long been one of our region's best-kept secrets: a place to watch planes take off and land just meters from the runway.

In partnership with the Cascade Community Foundation, Ford Airport celebrated the \$1.12 million overhaul and the grand reopening of the Airport Viewing Park in 2017. The goal was to give people the best possible flying experience (in this case, from the ground). The redesign includes a new pavilion, benches, picnic tables, restrooms, and a filtered drinking fountain. Parking also nearly doubled from the original viewing park from 56 to 104 spaces, including four dedicated bus spaces to accommodate school field trips and touring groups. Those who have been to the park love the new amenities and how much easier it is to enjoy the miracle of flight.

#### MAKE-A-WISH COMMUNITY PARTNER OF THE YEAR.

#### Wish granted!

Anthony got the surprise of a lifetime when he found out he would be flying to Dallas to experience a Boeing 737 flight simulator.

The Ford Airport was honored to be named Make-A-Wish® Michigan's Community Partner of the Year at the annual Wish Ball. The airport was selected based on the ability to grant wishes to children with life-threatening medical conditions.

For Helping Wishes Tak

With 75 percent of wishes involving travel, the Ford Airport has created special experiences for hundreds of kids and their families. This includes Anthony, the organization's 9,000th child to have his wish granted. The young man got the surprise of his life at the Wish Ball when a Southwest Airlines representative offered to fly him to Dallas, where he could experience the Flight Operations Center and ride in a Boeing 737 simulator.

We are grateful to be able to provide a stress-free experience for families as they embark on these powerful, life-affirming journeys. As the Community Partner of the Year, the airport is honored to help make wishes come true.



#### **FIVE YEARS OF RECORD SETTING GROWTH.**

For the fifth straight year, the airport enjoyed record-setting passenger growth. In 2017, 2,811,622 passengers flew in and out of the Ford Airport, an increase of 5.95 percent from 2016.

It's been a remarkable five-year trend, beginning with a 2013 passenger total of 2,237,979. In 2014, that number jumped to 2,335,105. In 2015, we had a total of 2,550,193, a record-setting 9.21 percent year-over-year increase. This was followed in 2016 with 2,653,630 travelers served. When you combine the numbers, the airport welcomed 12.5 million passengers from 2013 to 2017.

As you might expect, 2017 also had the busiest month in history. 256,880 passengers traveled through the Ford Airport in March, breaking our previous record from July 2016. In addition to people, the airport processed 88.2 million pounds of cargo last year, a 2.56 percent increase from 2016. That brings the grand total to 2.5 billion pounds since 1967. The guestion is, will 2018 be another record-setting year? We think so. Easily.

## FRONTIER AIRLINES LANDS AT THE FORD AIRPORT.

A snowy December day was the backdrop for Frontier Airlines' arrival into the West Michigan market. The low-cost carrier added to the Ford Airport's already impressive array of nonstop flight options with four weekly nonstop flights to Orlando, three to Fort Myers, four to Denver, and two to Philadelphia.

With an average of almost 200 passengers per day each way, Orlando is the Ford Airport's most popular destination for nonstop service. Denver is among the 10 most popular. Flying under the banner "Low Fares Done Right," the Denver-based carrier is proud to offer the best value in U.S. air travel. As an airport committed to providing better travel experiences, we are thrilled to have Frontier Airlines stimulate competition and offer even more nonstop options for our passengers.



#### **GIVING SNOW THE COLD SHOULDER.**

A better airport experience begins with safety. This is especially true during the winter months when runways must be clear. Which is why the airport added serious muscle to its snow removal fleet. Dubbed the PV 400, our 74-foot Snow Mauler is considered the best four-wheel-drive airport plow vehicle in the world, and now Ford Airport has four of them.

The Mauler is made up of a powerful combination of technologies Canada's Airport Technologies is responsible for the diesel engine, which is located mid-ship for better weight distribution, traction, and easier maintenance. Wisconsin-based Wausau Everest is behind the 24-foot "Blue Max" plow blades. Add to that a 45-foot 10000-T Quattro-Jet blowing system with a 20-foot-wide rotating broom, manufactured by Boschung Group of Switzerland, which is capable of blowing snow in four patented blowing channels. West Michigan winters have never been more intimidated.





## **2017 STEEL JOIST INSTITUTE DESIGN AWARD.**

It turns out there's an award for great roof design. And guess who earned it? After overcoming several daunting challenges during the construction of our eight-acre, steel-truss-frame parking garage roof, the airport team behind the project was been recognized for excellence. The parking garage roof project received the Steel Joist Institute Design Award in 2017. Here's to blowing the roof off the competition.



#### SHEDDING NEW LIGHT ON SAVINGS.

It's amazing the difference new lighting can make. The new LED lighting on Level two of our parking garage saves approximately 427,777 kWh per year. That reduces airport energy costs by over \$35,000 annually. With those savings, the project will pay for itself in a few short years. The second, third and fourth levels are now all equipped with LED lighting, and first floor LED installation is planned in 2018.



#### PREPARED FOR ANYTHING.

Fortunately, it wasn't real life when an arriving ERJ-170 collided with a vehicle on runway 8L/26R on May 18. It was a carefully planned drill, one in which the aircraft burst into flames with some survivors trapped on board; others were thrown clear of the wreckage.

While the flames were real, it was all part of a staged disaster drill. In this case, West Michigan Aviation Academy (WMAA) students played the part of victims, while response teams included airport police and rescue firefighters, as well as first responders from the Kent County Emergency Management Team, Cascade Township Fire Department, Kent County Sheriff's Department, Kentwood Fire Department, Michigan State Police, Life EMS, Kent County EMS, Kent County Dispatch Authority, and the Medical Reserve Corps.

Conducted every three years, the drill tests command, communications, and resource management functions in a stressful environment with real-time deployment of resources.

The purpose is not only to comply with the highest FAA standards in safety and security, but also to identify emergency response strengths and weaknesses—all in full collaboration with other local agencies.

A debriefing was held one week later to pinpoint areas for improvement and review additional resources that may be needed moving forward. As the WMAA student volunteers can attest, the hard work is paying off. The Ford Airport has never experienced a major aircraft incident in our 55-year history.

#### WELCOME ALEX PERIC, OUR NEW COO.



The Ford Airport added new leadership in 2017 with the hiring of Alex Peric for the role of Vice President & Chief Operating Officer.

An Ohio native, Peric began his career with Continental Airlines in Cleveland in 2000. He then took part in the Management Development Program at the Phoenix Aviation Department in Arizona. Peric would return to the Cleveland Airport System in 2008, assuming the role of properties officer.

In his most recent tenure in Pittsburgh, Peric was vice president of business development and properties. Among his responsibilities were the evaluation and pursuit of prospective business opportunities in an effort to increase revenues and airport utilization. Peric also oversaw the leasing of more than 3.5 million square feet of facilities and land development of 9,000 acres, as well as aiding air service development in the retention and recruitment of airlines. Additionally, he had roles as a business manager and business analyst in his time in Pittsburgh.

Peric is an Accredited Airport Executive with the American Association of Airport Executives and serves on Airport Council International's Commercial Management Steering Group.



#### Boosting local business

Some may not be aware of the more than 800 acres of airport property open for development. Among Peric's roles as COO is to work with area businesses to leverage the advantages of being situated next to a thriving airport.



#### **DEAR FORD AIRPORT FRIENDS AND SUPPORTERS**,

Hard work and unparalleled support from our community partners have combined to make things easier than ever for airport guests. From our amenities, to our work lounges, to the culture and local history we have on display, the Ford Airport is truly a joy to experience.

Of course, we're equally committed to making travel safer and more efficient. In addition to setting all-time records for most travelers in a month, quarter, and year, we now have a more streamlined screening process to get guests to their gates more quickly. Out on the airfield, we will be replacing the aircraft parking, loading, and fueling area with 153,000 square yards of new concrete, enough to pave a sidewalk from the airport to the Mackinac Bridge.

Moving forward, we will continue to promote our local industry in every possible way. By partnering with leaders in our community, we're not simply a gateway for travel, but also for business—a growing one.

With Phase One of our Gateway Transformation Project complete, we're looking ahead to Phase Two and the opportunity to update our ticketing, baggage screening, and baggage claim areas. Until then, we will continue to strive to be the airport by which all others are measured—one that believes in making travel easy.

Sincerely,

Jame d. Sill

James R. Gill, A.A.E., IAP President & Chief Executive Officer, Gerald R. Ford International Airport Authority

Daniel M. Koonly E

Dan M. Koorndyk Chairman, Gerald R. Ford International Airport Authority Board

#### **EXECUTIVE STAFF**

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

James R. Gill, A.A.E., IAP President & CEO	Brian Picardat, A.A.E. <i>Vice President &amp; CFO</i>	Casey Ries, P.E. Engineering & Facilities	Lisa Belt, SPHR <i>Human Resources</i>
Alex Peric, A.A.E.	Lisa M. Carr, C.M., P.E.M.	Director	Director
Vice President & COO	Public Safety &	Tara Hernandez	
	<b>Operations</b> Director	Marketing &	
		Communications Director	

#### **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.

Dan Koorndyk* <i>Chairman</i> David Slikkers <i>Vice Chairman</i>	Theodore Vonk* <i>Finance &amp; Legislative Committee Chair</i> Floyd Wilson, Jr. <i>Secretary</i>	Steve He Birgit Klo Roger Mo *Denotes k	hs
FINANCIAL HIGHLIGHTS	2017*	2016	2015
Ground Transportation	\$21,567,640	\$20,598,334	\$19,327,483
Airline Payments	13,005,828	12,200,937	12,120,448
Air Cargo	2,525,442	2,544,733	2,551,693
General Aviation	1,651,674	1,483,770	1,478,573
Concessions	1,765,274	1,607,694	1,513,896
Other	1,315,458	1,282,225	1,227,115
Total Operating Revenue	\$41,831,316	\$39,717,693	\$38,219,208
OPERATING EXPENSES			
Personnel Costs	\$10,348,617	\$10,766,302	\$8,917,370
Supplies	1,022,370	640,374	996,493
Contractual	12,421,442	12,754,370	11,478,868
Total Cash Expenses	\$23,792,429	\$24,161,046	\$21,392,731
Operating Income	\$18,038,887	\$15,556,647	\$16,826,477
Depreciation** Pension Adjustment***	(\$18,906,755)	(\$18,288,122) \$5,036,799	(\$16,684,925)
Net Operating Income (Loss)	(\$867,868)	\$2,305,324	\$141,552

\* Unaudited Figures. A comprehensive Annual Financial Report, including audited figures for 2017, will be available from the Gerald R. Ford International Airport Authority as of June 2018.

\*\* Depreciation is a non-cash item.

\*\*\* Based on the 12/2016 actuarial report of the Authority's Pension Plan, a large non-cash entry was made to reduce retirement expenses and book a Net Pension Asset on 12/31/2016. While it is normal to have a small adjustment entry each year, the 2016 entry was significant because of the Authority's split from Kent County.



Gerald R. Ford International Airport | 5500 44th Street, SE, Grand Rapids, MI 49512 616.233.6000 | flyford.org