



# West Michigan Airport Authority

## Meeting Agenda

Monday, May 3, 2010

11:30am - 1:00pm

Park Township Offices - 52 152<sup>nd</sup> Avenue

1. Consideration of the April 12, 2010 Meeting Minutes. (Action Required)
2. Public Comments.
3. FBO Report.
4. Proposals for Conducting Annual Audit. (Action Required)
5. Monthly Budget and Investment Report. (Accept as Information)
6. Updates:
  - A. Strategic Planning Session.
  - B. Terminal Study.
  - C. Airport Layout Plan (ALP).
  - D. Instrument Landing System (ILS).
  - E. Yankee Air Museum-B25 Event.
7. Other Business.
8. Closed Session to Receive a Legal Opinion. (No Action Required After the Closed Session.)
9. Adjourn.

*Mission Statement: To provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.*

If you are not able to attend the meeting, please contact Greg Robinson (355-1313) or Carolyn O'Connor (355-1311). We must have at least one (1) of the three representatives of each unit of government present at the meeting to attain a quorum. Thank you.

**West Michigan Airport Authority  
Meeting Minutes  
April 12, 2010**

The West Michigan Airport Authority met at Howard Miller Community Center in Zeeland, Michigan.

**Present:** Authority Members Dykstra, Martin, Hoogland, Klunder, Mitchell, Price, and Wickmann.

**Absent:** Authority Member Wiersma and Toscano.

**Others Present:** Ottawa County Representative Disselkoen, Allegan County Representative Burns, FBO Ludema, Assistant City Manager Robinson, and Executive Assistant O'Connor.

**10.04.01 Consideration of the March 8, 2010 Meeting Minutes.**

It was moved by Dykstra and supported by Price to approve the minutes from the March 8, 2010 meeting. This motion was unanimously adopted.

**10.04.02 Public Comments.**

There were no public comments.

**10.04.03 Public Hearing & Consideration of Resolution Approving the FY 2011 Operating and Capital Budget.**

Mr. Robinson highlighted the FY2011 West Michigan Airport Authority Operating and Capital Budget and reviewed the plans for capital projects to be completed in the coming fiscal year. With the changes that have occurred in regards to collection of fees and processing of expenses over the past year, the budget should clearly demonstrate airport revenues and expenses. Authority members discussed various aspects of the proposed budget.

Chairperson Klunder opened the public hearing. As there were no comments, Chairperson Klunder closed the public hearing. It was moved by Hoogland and supported by Felix to approve the FY2011 Operating and Capital Budget and set the millage rate to .10. This motion was unanimously adopted.

**10.04.04 Site Plan Review for Johnson Controls – Saft, 70 West 48<sup>th</sup> Street.**

Mr. Robinson presented the site plan submitted by Johnson Controls-Saft for a lithium-ion battery plant. The West Michigan Airport Authority must review and recommend approval prior to Holland City Planning Commission being able to approve the site plan. Mead & Hunt has reviewed the plan and found no conflict with air space requirements.

It was moved by Dykstra and supported by Mitchell to recommend to the City of Holland Planning Commission that the site plan for Johnson Controls-Saft be approved with the following conditions:

1. That the application receives FAA approval and complies with all FAA requirements.
2. That the elevation of the addition, including all rooftop appurtenances, not exceed a height of 60 feet.
3. That any emission from the building not be visible so as to create hazardous conditions to air traffic.
4. That any external material of the building, including rooftop appurtenances, be non-reflective to reduce glare that could obstruct a pilot's vision.
5. That any external lighting be directed downwards so as not to create any visual hazards for pilots.
6. That any crane utilized during construction be flagged during the day and lowered at night.
7. That, if required by the MDOT Bureau of Aeronautics, a Michigan Tall Structures Act permit be obtained by the applicant.

This motion was unanimously adopted.

**10.04.05 Progress Report on Capital Projects.**

As the report on FY2011 capital projects to be done was presented during the budget hearing, Mr. Robinson provided an update on the repairs to the instrument landing system (ILS) and South pavement repairs occurring at Tulip City Airport. This report was accepted as information.

**10.04.06 FBO Report.**

Mr. Ludema presented a report on the monthly operations at Tulip City Airport. This report was accepted as information.

**10.04.07 Monthly Budget & Investment Report.**

Mr. Robinson briefly highlighted the information contained in the budget and investment report. This report was accepted as information.

**10.04.08 Change May 2010 Board Meeting Date.**

It was moved by Price and supported by Martin to reschedule the West Michigan Airport Authority meeting to Monday, May 3, 2010 instead of the original date of May 10, 2010. This motion was unanimously adopted.

**10.04.09 Staff Report.**

Mr. Robinson provided an update on various items being handled by staff:

- The Strategic Planning Session is scheduled for Monday, May 24, 2010 from 4:00 – 6:00pm in the Training Room of Holland City Hall. Please contact Miss O'Connor to confirm your attendance plans.
- Fueling permits have been received and are currently being reviewed by staff and the attorney's office. A request for approval of these permits will be presented at an upcoming meeting of the authority.

These reports were accepted as information.

**10.04.10 Other Business.**

- The Yankee Air Museum will be bringing a plane to Tulip City Airport on Saturday, May 15, 2010. Tulip City Airport will be providing space for the plane, but the details are being handled by the museum directly. Mr. Mitchell requested that the visit be promoted by the authority and on the airport website.
- Mr. Felix inquired if the West Michigan Airport Authority should have representation on the Macatawa Area Coordinating Council (MACC) Technical or Policy Committee. Mr. Robinson stated that he would contact the MACC in regards to this.

**10.04.11 Adjournment.**

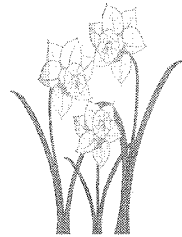
It was moved by Dykstra and supported by Mitchell to adjourn the meeting. This motion was unanimously adopted.

The next meeting of the West Michigan Airport Authority is scheduled for Monday, May 3, 2010 at 11:30am at Park Township Offices.

Respectfully Submitted,

Greg Robinson  
Assistant City Manager  
City of Holland, Michigan

*City of Holland*  
*Finance / Treasurer Office — City Hall*  
 270 River Avenue  
 Holland, Michigan 49423-3299  
 Phone: (616) 355-1370      FAX: (616) 355-1470  
 E-Mail: [finance@cityofholland.com](mailto:finance@cityofholland.com)



To: Board of Public Works (BPW), City of Holland, Herrick District Library, Holland Historic Trust (HHT), Macatawa Area Express Transit Authority (MAX), and the West Michigan Airport Authority (WMAA).

From: Tim Vagle, Director of Finance

Date: April 21, 2010

Attached is a proposal for financial audit services from Rehmann Robson for the five-year period covering fiscal years 2009-10 through 2013-14 for the BPW/City of Holland, Herrick District Library, HHT, MAX and WMAA. Approval from each entity is requested for the audit work which will begin within the next couple of months.

Rehmann Robson has served as financial auditors since 1998. When MAX became an independent authority, a separate proposal was solicited to provide independent financial auditing services for MAX as required. The most recent five-year contract expired at the end of FY2009. Since the City of Holland functions as the fiscal agent for all entities it is preferred that all entities utilize the same financial auditing firm for efficiency reasons (both city staff and auditing staff) which ultimately is more cost effective since many of the procedures and controls are identical and the overall systems review process does not need to be duplicated.

The City of Holland audit committee met on February 11, 2010 with one of the agenda items to consider whether or not to seek a new proposal from Rehmann Robson or conduct a complete Request for Proposal (RFP) process. The committee decided that it was not necessary to go through the RFP process for the City and BPW as they were satisfied with the audit work done by RR over the past few years and there are no legal requirements to go through the RFP process for auditing services. To meet the Federal Transit Authority (FTA) procedures and guidelines, MAX needed to complete a process allowing for competitive bids. The audit committee agreed to wait until a formal process had been completed for MAX before seeking a formal proposal from RR which might or might not include auditing services for MAX depending on the outcome of the competitive bid process.

To comply with the FTA requirements, a Request for Proposal of Qualifications (RFQ) was prepared and distributed to eight accounting firms. The RFQ included preferences for firms with experience in auditing public transit entities, have adequate staff to perform the MAX audit, and a preference to be located in West Michigan. Responses were due on March 24, 2010 in the Finance Department at City Hall.

Although responses were received from several firms declining to bid, only one firm provided a proposal as requested – Rehmann Robson. A short committee meeting was held on April 1, 2010 to review the RFQs and a recommendation to solicit a proposal from RR was made, with MAX to be included in the audit services proposal for the other entities.

Rehmann Robson provided a proposal dated April 13 for financial auditing services for a three-year (with two option years) and a five-year term with pricing for each entity. This proposal was presented to the City's audit committee at their April 20<sup>th</sup> meeting. The overall costs in the five-year proposal actually were lower in the first two years than in FY09, with some redistribution of costs within the individual entities, based on the number of hours required. The committee requested that one additional major program in the Single Audit report be included (five was originally proposed) for total of six at no additional cost and recommended approval for the five-year term at the costs included in the proposal. Rehmann Robson agreed to the request.

It is requested that each governing agency formally approve the attached proposal for auditing and financial services for a five-year period covering fiscal years 2009-10 through 2013-14.



Rehmann Robson  
2330 East Paris Ave., SE  
Grand Rapids, MI 49546  
Ph: 616.975.4100  
Fx: 616.975.4400  
www.rehmann.com

April 21, 2010

Mr. Tim Vagle, Director of Finance  
City of Holland  
270 S. River Avenue  
Holland, MI 49423

*Auditing Price Proposal – 2010-2014*

Dear Mr. Vagle:

Per your request, we are pleased to submit the attached price proposal for the audits of the City of Holland, the Holland Board of Public Works, the Holland Historical Trust, the Herrick District Library, the West Michigan Airport Authority, and the Macatawa Area Express Transit Authority (MAX).

As you will see in the attached schedule, we began by presenting the actual audit fees billed for these entities in fiscal year 2009 (excluding any one-time special projects). These fees were based on amounts previously bid as part of the City's last request for proposal process, and subsequent changes to organizational structure. By reviewing our time and expense records, we then reallocated the amounts attributed to each entity to more accurately reflect the actual audit effort required. This reallocation did not change the total amount billed to the City, but did shift the fees between certain components to better reflect true costs of our services.

Next, we prepared two pricing alternatives for the City's consideration. Alternative A is a five-year price proposal, and includes an initial discount over the amounts actually charged in 2009, followed by modest inflationary increases. Alternative B is a three-year price proposal, with two optional one-year extension that may be exercised at the City's discretion. This alternative reflects only a modest inflationary increase from the amounts charged in 2009.

These proposed fees include single audits for the City and MAX, with up to six major programs between the two entities. Additional major programs, if required, will be invoiced separately based on the incremental time needed for such testing (not to exceed \$2,500 per program). In addition, our fees include drafting the financial statements and related footnotes, drafting the financial portions of management's discussion and analysis, submission of the electronic reporting package to the federal single audit clearinghouse and to the State of Michigan Department of Treasury (as applicable), delivery of up to 25 printed copies of all reports and letters (60 copies for the City's CAFR), and a presentation to each entity's Board.

Mr. Tim Vagle, Director of Finance

April 21, 2010

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These fees are based on professional standards issued as of the date of our proposal (Statements on Auditing Standards through SAS 120 and statements of the Governmental Accounting Standards Board through GASB 58.) The fees quoted for years subsequent to 2010 may be subjected to renegotiation if significant changes in professional standards or reporting requirements make our initial estimate of hours to complete the audit unrealistic. If any such changes occur, we will discuss the reasons with you and arrive at a new fee arrangement prior to incurring any additional charges.

These fees are independent of any special projects for which a separate engagement is contracted. We will, of course, continue to be available throughout the year to answer general business questions, and to assist you or your staff with accounting for specific transactions without charge.

Again, we thank you for the continuing opportunity to be of service to the City, and we look to many more years of exceeding your expectations. If you have any questions regarding this proposal, or if we can be of assistance to you in any way, please do not hesitate to contact us.

Very truly yours,

**Rehmann Robson**



Stephen W. Blann, CPA, CGFM  
Principal

The above proposal is hereby accepted, using Alternative A / B (circle one).

**For the City of Holland:**

**For the Holland Board of Public Works:**

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Mr. Tim Vagle, Director of Finance

April 21, 2010

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**For the Holland Historical Trust:**

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Signature

**For the Herrick District Library:**

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Signature

**For the West Michigan Airport Authority:**

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Signature

**For the Macatawa Area Express  
Transportation Authority (MAX):**

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Signature

City of Holland  
Audit Pricing Tables for 2010-2014

	Actual Billings for 2009*	Reallocation of Fees Based on Actual Audit Effort	Reallocated Billings for 2009
City of Holland	\$ 45,750	\$ -	\$ 45,750
Holland BPW	14,900	(2,500)	12,400
Holland Historical Trust	4,000	1,000	5,000
Herrick District Library	5,500	2,000	7,500
West Michigan Airport Authority	6,500	(700)	5,800
Macatawa Area Express Transportation Authority (MAX)	6,500	200	6,700
	<u>\$ 83,150</u>	<u>\$ -</u>	<u>\$ 83,150</u>

\* Actual billings for 2009 exclude any one-time special projects

	Alternative A - 5 Year Contract					
	2010	2011	2012	2013	2014	Total
City of Holland	\$ 45,200	\$ 45,700	\$ 46,200	\$ 46,700	\$ 47,100	\$ 230,900
Holland BPW	12,200	12,300	12,400	12,500	12,700	62,100
Holland Historical Trust	4,900	5,000	5,100	5,200	5,300	25,500
Herrick District Library	7,400	7,500	7,600	7,700	7,800	38,000
West Michigan Airport Authority	5,700	5,800	5,900	6,000	6,100	29,500
Macatawa Area Express Transportation Authority (MAX)	6,600	6,700	6,800	6,900	7,000	34,000
Total	<u>\$ 82,000</u>	<u>\$ 83,000</u>	<u>\$ 84,000</u>	<u>\$ 85,000</u>	<u>\$ 86,000</u>	<u>\$ 420,000</u>

	Alternative B - 3 Year Contract, Plus 2 Option Years					
	2010	2011	2012	2013	2014	Total
City of Holland	\$ 46,200	\$ 46,700	\$ 47,100	\$ 47,500	\$ 47,900	\$ 235,400
Holland BPW	12,400	12,500	12,700	12,900	13,100	63,600
Holland Historical Trust	5,100	5,200	5,300	5,400	5,500	26,500
Herrick District Library	7,600	7,700	7,800	7,900	8,000	39,000
West Michigan Airport Authority	5,900	6,000	6,100	6,200	6,300	30,500
Macatawa Area Express Transportation Authority (MAX)	6,800	6,900	7,000	7,100	7,200	35,000
Total	<u>\$ 84,000</u>	<u>\$ 85,000</u>	<u>\$ 86,000</u>	<u>\$ 87,000</u>	<u>\$ 88,000</u>	<u>\$ 430,000</u>

Fund Fn Dept	Account	Description	2010 Budget Annual	2010 Actuals Annual	Unrecognized Variance	2010 Percent Budget
104 03 000	400420	Prior Yr Taxes-MTT Judgement	0.00	33.48	<33.48>	0.00
104 03 000	400423	Service Chg in Lieu Taxes (PILOT)	0.00	14.68	<14.68>	0.00
104 03 000	410452	Fueling Permit	0.00	2,000.00	<2,000.00>	0.00
104 03 000	450582C	City of Holland Contribution	109,200.00	115,117.45	<5,917.45>	105.42
104 03 000	450582P	Park Township Contribution	88,500.00	91,007.68	<2,507.68>	102.83
104 03 000	450582Z	City of Zeeland Contribution	47,000.00	42,928.44	4,071.56	91.34
104 03 000	4606541	FBO Franchise Fees	20,000.00	14,999.28	5,000.72	75.00
104 03 000	4606545	Fuel Flowage Fee	66,500.00	37,903.22	28,596.78	57.00
104 03 000	4606546	Landing Fees	10,000.00	10,627.00	<627.00>	106.27
104 03 000	480665	Investment Income	10,000.00	5,225.45	4,774.55	52.25
104 03 000	4906851	Recoveries-Insurance	0.00	13,427.02	<13,427.02>	0.00
104 03 000	5405360023	Fed Grant FAA Entitl-Capital	150,000.00	0.00	150,000.00	0.00
104 03 000	5405360024	Federal Grant-FAA Capital	4,870,750.00	0.00	4,870,750.00	0.00
104 03 000	5505700024	State Grant-MDOT Capital	132,125.00	0.00	132,125.00	0.00
104 03 000	560582A	Contrib-Holland City-Startup	0.00	10,782.14	<10,782.14>	0.00
104 03 000	5606692	Rental-Hangar Land Lease	80,000.00	72,811.60	7,188.40	91.01
104 03 000	5606698	Rental-Agricultural Land Lease	7,400.00	7,380.00	20.00	99.73
104 03 000	560669T	Rental - T-Hangars	46,000.00	31,520.00	14,480.00	68.52
104 000		-General Government	5,637,475.00	455,777.44	5,181,697.56	8.08

104		-General Fund-Airport Authority	5,637,475.00	455,777.44	5,181,697.56	8.08
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Fund	Fn Dept	Account	Description	2010 Budget Annual	2010 Actuals Annual	2010 Unrecognized Variance	2010 Percent Budget
280	03 540	480665	Investment Income	0.00	1.83	<1.83>	0.00
280	540		-Airport Operations	0.00	1.83	<1.83>	0.00
280			-Airport Donations	0.00	1.83	<1.83>	0.00

Fund Fn Dept	Account	Description	2010 Budget Annual	2010 Actuals Annual	Unrecognized Variance	2010 Percent Budget
<b>Grand Totals</b>			5,637,475.00	455,779.27	5,181,695.73	8.08

Fund	Fund F#	Dept	Account	Project	Description	2010 Budget Annual	2010 Actuals Annual	2010 Encumb Annual	2010 Unexp Balance	Percent Expended
104	03	540	710701		Payroll-Regular	40,000.00	12,825.19	0.00	27,174.81	32.06
104	03	540	711702		Payroll-Vacation/Personal	0.00	1,189.14	0.00	<1,189.14>	0.00
104	03	540	711703		Payroll-Holidays	0.00	545.91	0.00	<545.91>	0.00
104	03	540	711704		Payroll-Sick Time	0.00	13.54	0.00	<13.54>	0.00
104	03	540	711712		Special Pay-Longevity	0.00	118.66	0.00	<118.66>	0.00
104	03	540	7117160001		Insurance-Health	0.00	1,205.00	0.00	<1,205.00>	0.00
104	03	540	7117160002		Insurance-Dental	0.00	100.12	0.00	<100.12>	0.00
104	03	540	711717		Insurance-Life & AD&D	0.00	15.39	0.00	<15.39>	0.00
104	03	540	711718		Retirement Contrib-MERS	0.00	1,408.30	0.00	<1,408.30>	0.00
104	03	540	711720		Insurance-Income Protection	0.00	57.49	0.00	<57.49>	0.00
104	03	540	712715		Employer FICA Contribution	0.00	843.85	0.00	<843.85>	0.00
104	03	540	712724		Insurance-Workers Comp	0.00	13.51	0.00	<13.51>	0.00
104	540				+Personal Services	40,000.00	18,336.10	0.00	21,663.90	45.84
104	03	540	721730		Postage	300.00	94.26	0.00	205.74	31.42
104	03	540	721905		Photocopies/In-House Printing	200.00	17.96	0.00	182.04	8.98
104	03	540	721931		Building & Grnds Maintenance	15,000.00	12,252.33	0.00	2,747.67	81.68
104	03	540	721933		Equipment Maintenance	20,000.00	28,717.51	0.00	<8,717.51>	143.59
104	03	540	7228019000		Printing	0.00	14.16	0.00	<14.16>	0.00
104	03	540	7228019010		Advertising/Promotional	40,000.00	27,205.37	0.00	12,794.63	68.01
104	03	540	722804		Contractual-Legal	7,500.00	7,907.02	0.00	<407.02>	105.43
104	03	540	7228050001		Contract-Incpt Audit	0.00	7,500.00	0.00	<7,500.00>	0.00
104	03	540	7228050004		Contr-Financial Svc Fee	0.00	198.00	0.00	<198.00>	0.00
104	03	540	7228070002		Contr-Asset Appraisal	0.00	216.00	0.00	<216.00>	0.00
104	03	540	7228070005		Contr-Plan Development	2,000.00	500.00	0.00	1,500.00	25.00
104	03	540	722808MOW		Contractual-Engineering	2,000.00	1,045.00	0.00	955.00	52.25
104	03	540	722808MTC		Contr Mtce-Mowing	13,000.00	5,937.01	0.00	7,062.99	45.67
104	03	540	722808SNOW		Contr Mtce-General Repairs	10,000.00	8,684.16	0.00	1,315.84	86.84
104	03	540	7228090061		Contr Mtce-Snowplowing	60,900.00	33,502.13	0.00	27,397.87	55.01
104	03	540	7228090062		Contract-Management Services	35,000.00	27,830.00	0.00	7,170.00	79.51
104	03	540	723850		Contr-Airport Manager-Tulip City Ai	0.00	3,232.18	0.00	<3,232.18>	0.00
104	03	540	723860		Communications-Telephone	400.00	163.79	0.00	236.21	40.95
104	03	540	723910		Travel, Conf, Seminars	1,000.00	107.80	0.00	892.20	10.78
104	03	540	723920GATE		Commercial Insurance Premiums	24,000.00	18,197.00	0.00	5,803.00	75.82
104	03	540	723920LAND		Utilities-Fence Gates	300.00	676.12	0.00	<376.12>	225.37
104	03	540	723920PLOT		Utilities-Landing Lights & Systems	2,700.00	3,286.18	0.00	<586.18>	121.71
104	03	540	723920RUNW		Utilities-Parking Lot Lighting	600.00	565.73	0.00	34.27	94.29
104	03	540	723920THAN		Utilities-Runway Lights	4,500.00	3,689.02	0.00	810.98	81.98
104	03	540	723940		Utilities-T Hangars	2,200.00	1,632.72	0.00	567.28	74.21
104	03	540	723955		Reimb City-Debt Obligation T Hangar	17,520.00	1,060.00	0.00	16,460.00	6.05
104	03	540	7239640002		Miscellaneous	3,000.00	1,201.34	0.00	1,798.66	40.04
104	03	540			Refunds-Property Tax Prior Yrs	0.00	53.08	0.00	<53.08>	0.00
104	540				+Other Current Expenditures	262,120.00	195,485.87	0.00	66,634.13	74.58
104	03	540	730971		Land	1,025,000.00	0.00	0.00	1,025,000.00	0.00
104	03	540	730974		Land Improvements	2,055,000.00	7,025.00	0.00	2,047,975.00	0.34
104	03	540	730975		Buildings & Structures	2,305,000.00	0.00	0.00	2,305,000.00	0.00
104	540				+Capital Outlay	5,385,000.00	7,025.00	0.00	5,377,975.00	0.13

By Laura Judge (JUDGE)

Fund	Fund Fh Dept	Account	Project	Description	2010 Budget Annual	2010 Actuals Annual	2010 Encumb Annual	2010 Unexp Balance	2010 Percent Expended
104	03 540	770956		Contingency	10,000.00	0.00	0.00	10,000.00	0.00
104	540			+Contingencies	10,000.00	0.00	0.00	10,000.00	0.00
104	540			+Airport Operations	5,697,120.00	220,846.97	0.00	5,476,273.03	3.88
104	540			+Airport Operations	5,697,120.00	220,846.97	0.00	5,476,273.03	3.88
104				+General Fund-Airport Authority	5,697,120.00	220,846.97	0.00	5,476,273.03	3.88

GROUP/FUND	WORKING CAPITAL BEGIN YEAR	ACTUAL REVENUE	EXPENSES CURRENT YEAR	ENCUMBRANCES	OTHER APPLICATIONS OR SOURCES	WORKING CAPITAL ENDING
General Fund-Airport Authority	575,865.35	455,777.44	220,846.97	0.00	0.00	810,795.82
Reserves-Restricted	25,000.00	0.00	0.00	0.00	0.00	25,000.00
<b>TOTAL: General Funds</b>	<b>600,865.35</b>	<b>455,777.44</b>	<b>220,846.97</b>	<b>0.00</b>	<b>0.00</b>	<b>835,795.82</b>
Airport Donations	235.37	1.83	0.00	0.00	0.00	237.20
<b>TOTAL: Special Revenue Funds</b>	<b>235.37</b>	<b>1.83</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>237.20</b>
Cash/Investments Pool	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL: Internal Service Funds</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Totals:</b>	<b>601,100.72</b>	<b>455,779.27</b>	<b>220,846.97</b>	<b>0.00</b>	<b>0.00</b>	<b>836,033.02</b>

# The Detroit News

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## Region races to grow air commerce

Aerotropolis plan awaits action in state Legislature

*LOUIS AGUILAR*  
*The Detroit News*

The 60,000 acres between Detroit Metropolitan and Willow Run airports are mainly empty grassland, surrounded by suburbia.

But most state and local leaders contend the area known as the Detroit Region Aerotropolis, or airport city, will become the 21st-century economic engine for Michigan, and they are willing to throw in millions of dollars in tax incentives and federal money to make it a reality.

It's based on the economic theory that a region must build faster, more reliable transport of goods and services delivered from long distances, often by airplane, to be a winner in the 21st century. It's sparked a global race to streamline the local networks that stem from airports and link freeways, railroads and water -- or "intermodal transportation."

No complete aerotropolis exists in the United States, but more regions -- from Memphis, Tenn., to Columbus, Ohio, to Denver -- are pursuing the idea and want to be the first to land.

The successful pioneers will reap the benefits in commercial and residential development, said aerotropolis expert John Kasarda of the University of North Carolina. It's one of the reasons fueling support for an expansion of the Ambassador Bridge and the competing idea for a proposed new international bridge, the Detroit River International Crossing.

After finally getting Oakland County's agreement, it remains up to the Legislature to move a series of bills known as the Next Development Act that create areas throughout the state where businesses can locate and avoid paying local and state taxes.

The aerotropolis will "be as important as any downtown," said Michael Belzer, an economics professor at Wayne State University who studies global freight and transport systems. "It can make Detroit the next Chicago," he said.

"Freight and transport make New York and Los Angeles cool, and they were a big factor in making Detroit an auto manufacturing powerhouse."

But a Mackinac Center for Public Policy expert questions the need for selective state tax breaks, since the airport and surrounding area have grown without them.

"Metro Detroit already has an 'aerotropolis,' and one that was born largely of the marketplace," said Michael LaFaive, director of the Morey Fiscal Policy Initiative at the free-market research organization in Midland.

"The area has many logistics businesses, a major international airport, customs brokerages and air freight forwarders. We'd love to see them grow, but at what cost will this come to Michigan taxpayers?"

## Proponents see boost

Wayne County and other local leaders envision the aerotropolis revitalizing Detroit, based on the strength of its open international border.

The region's advantages, proponents contend, will attract new businesses that need fast transport -- like the A123 Systems battery plants, aimed for electric and hybrid vehicles, being built in Livonia and Romulus. Or the \$100 million research and development center being built by General Electric Co. in Van Buren Township. Related companies, residences and development, they believe, will follow.

"It's going to go way beyond logistic firms," aviation and freight, Wayne County Executive Robert Ficano said. "We already have firms moving and interested that have to do with (the making of) the Chevy Volt."

That production is at General Motors Co.'s Hamtramck plant.

The GE facility, which expects to hire 1,200 workers and is in a former office park built by supplier Visteon Corp., already has drawn more spinoff business than expected, Wayne County officials said. It has added \$1 million in sales to the Westin Hotel at Detroit Metro, they said.

Washtenaw County Administrator Robert Guenzel says the aerotropolis will further enhance the University of Michigan's ability to connect to global firms.

"This is way beyond an immediate impact of Washtenaw and Wayne (counties)," Guenzel said. "It benefits the entire state."

## The rush is on

Aerotropolises are nascent throughout the country and internationally. Memphis, the headquarters of FedEx Corp., already has trademarked the moniker "America's Aerotropolis" and partnered with Paris and Guangzhou, China, as sister cities.

With the muscle of FedEx, Memphis' airport is No. 1 in cargo freight in the world, according to the Airports Council International. Detroit Metro ranks 87th internationally and 26th nationally.

Last week, the former Dallas Cowboys stadium was imploded in Irving, Texas, to make way for a 12,000-acre community, Las Colinas, that's larger than most downtowns and is geared to businesses and residents needing quick airport access.

The Heartland Corridor project stretches from Virginia to Chicago. Along the Norfolk Southern rail line, 28 tunnels have had their tops removed so double-stacked trains can get from the East Coast to the Midwest quicker.

As a result, Columbus is touting its aerotropolis potential.

"At this point, we need more tailwind" in the aerotropolis movement, said Tom Schmitt, senior vice president of FedEx and one of Memphis' big proponents of its aerotropolis. "So I see all these efforts as only complementing one another because the links create more links, and that is a good thing."

Thanks to the auto industry and the Great Lakes, Metro Detroit and Michigan have natural advantages, plus the infrastructure to become a major contender, supporters say.

"The heavy lifting already has already been done," Ficano said, referring to regional cooperation agreements, tax structures and potential revenue sharing.

"The big advantage we have is, we have plenty of space."

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\* **From:** al friend (flyboy328@yahoo.com)  
**To:** k.dykstra@cityofholland.com;  
**Date:** Thu, April 1, 2010 11:35:18 PM  
**Cc:** info@westmichiganairportauthority.org; hoekstra@cityofholland.com;  
**Subject:** Building An Terminal Without Local Tax Dollars

Dear Mr Mayor,

\* I thought you might find this article interesting and could you please share it with the Airport Authority and put it in their minutes as correspondence from the public.

Thanks,

Al Friend

## Demolition starts renaissance for municipal airport

- [http://www.qctimes.com/business/article\\_0a36eeac-3c75-11df-9cb5-001cc4c002e0.html](http://www.qctimes.com/business/article_0a36eeac-3c75-11df-9cb5-001cc4c002e0.html)

Larry Fisher Demolition has begun of the former airport terminal at the Davenport Municipal Airport in Mount Joy. Work is expected to begin soon on a new \$4 million terminal. Tuesday March 30, 2010. (Larry Fisher/QUAD-CITY TIMES)

Demolition of the old terminal building at the Davenport Municipal Airport started out slow and difficult Monday, but all turned out good in the end.

The same can be said for the city's efforts to turn the aging and out-of-date private airfield into a state-of-the-art, job-attracting showcase.

"It was a much harder job than we thought initially," said Alderman Gene Meeker, at-large, referring to the demolition. "They tried knocking it down a couple times with the bucket, but the amount of rebar in there was amazing. It had a concrete wall and concrete ceiling. That thing was built like a fortress."

Meeker began pushing for airport improvements — as part of the greater Interstate 80 Corridor redevelopment effort — when he worked for DavenportOne, before being elected to the city council. He's excited to see tangible progress picking up speed.

Carver Aero is spearheading the effort with its new terminal and hangar plans.

The 7,000-square-foot terminal and 20,000-square-foot hangar will be built **without any taxpayer** funding by Carver Aero. The city is providing the land and Roy Carver Jr., owner, president and CEO of Carver Aero, and Rodney Blackwell, a partner in the company, will finance the \$3 million project.

It will be a fixed-base facility with pilots lounge, meeting rooms, storage room for private planes and office space for Carver.

That project should be complete by October. The city is working on road improvements and adding a rail spur to the airport and nearby industrial park as well, which also should be wrapped up this fall.

Meeker said the improvements are long overdue, and will make Davenport's private airport competitive with those of other metro areas in the region. That hasn't been the case for some time, Meeker said.

"When you look at the old terminal out there, it was real dumpy looking," he said of the building that is more than 60 years old. "It looked like a hillbilly airport with an asphalt driveway and a wooden sign. We'll have a new road, new signs, new terminal, and all of a sudden you have a vibrant, active facility to show off."

A new airport manager, Jeremy Keating, was hired March 15, said Dale Hendricks, a member of the Davenport Airport Commission. One of Keating's main duties will be active marketing of the facility.

Sandra Barrett, Carver's Davenport operations manager, said having a thriving private airport is a big selling point for communities looking to land new businesses.

"It's the front door to the city," she said. "When people fly in, this is the first impression they get. A lot of companies are looking for airports to fly into when building their business. We've outgrown our current space and don't have the accommodations we need."

A sign the airport was getting passed by was evident during the Iowa caucus campaign season, Barrett said. In years past, it was a frequent stop for barnstorming presidential hopefuls. Leading up to the 2008 election, she said, many campaign advance personnel checked out the airport, and then decided to go elsewhere.

She expects that to change after the facelift.

A longer range improvement at the airport also is under way.

The city is seeking \$14.2 million in federal grant money to expand the 5,501-foot-long runway to 7,000 feet. The shorter runway restricts its ability to be used by large aircraft and in inclement weather. Hendricks said a 7,000-foot runway would accommodate planes as large as 757s and all corporate jets.

Hendricks said getting FAA approval — which is needed, since the federal government would pick up 95 percent of the \$14.2 million cost — is a time-consuming process. Local governmental agencies would provide the 5 percent match.

However, the FAA recently gave preliminary approval to the airport layout plan and the city has hired the Marshalltown, Iowa-based consulting firm Clapsaddle-Garber Associates to help with planning and engineering work on the runway expansion. The goal is to complete the project in two years, Hendricks said.

Additional information about Davenport Airport.

<http://www.city-data.com/airports/Davenport-Municipal-Airport-Davenport-Iowa.html>