

**West Michigan Airport Authority**

**Special Meeting Agenda**

**April 30, 2018**

**12:00pm – 1:00pm**

**Airport Business Center, 60 Geurink Boulevard, Main Conference Room (Holland)**

1. Public Comment
2. Mead & Hunt Proposal for Preparing Land Release Documents. (Action Requested)
3. Other Business.
4. Next meeting: May 14, 2018, 11:30am, Airport Business Center.
5. Adjourn.

**If you are not able to attend the meeting, please contact Greg Robinson ([g.robinson@wmairportauthority.com](mailto:g.robinson@wmairportauthority.com)) or Aaron Thelenwood ([a.thelenwood@cityofholland.com](mailto:a.thelenwood@cityofholland.com)). We must have at least one of the three representatives of each unit of government present at the meeting to attain a quorum. Thank you.**

## West Michigan Airport Authority

270 South River Avenue, Holland, MI 49423  
P (616) 510-2332

*Comprising City of Zeeland, Park Township and City of Holland*



April 30, 2018

## REPORT 1

**To:** West Michigan Airport Authority Board.  
**From:** Greg Robinson, Authority Manager.  
**Subject:** **Mead & Hunt Proposal for Preparing Land Release Documents.**

Revisions from April 9 report are highlighted.

In November 2017, the Authority Board received a presentation regarding a strategy for developing certain properties at the airport. The Building & Development Committee has been working on this strategy and urgency was given to it when a company expressed interest in purchasing a portion of airport property.

The company remains interested in developing on airport property, however, the company is not an airport-related use, so a release of the property by the Federal Aviation Administration is necessary in order for this to occur. The company owner is interested in a portion of Parcel K which is located along the north side of 64<sup>th</sup> Street, east of the railroad tracks.

There is a process involved in requesting a FAA land release that involves a property appraisal, survey, environmental clearance and rationale for the release. Airport consultant Mead & Hunt has experience with the process and has submitted a proposal for conducting this work on behalf of the Authority. The proposal has been prepared in phases so that if the FAA stopped the process at some point during one of the phases, the Board would not have spent the total potential amount.

The first step in the process was the preparation of a checklist to be submitted to MDOT/Aeronautics (AERO) before proceeding with preparation of the full land release documentation. At the November 13, 2017 meeting, the Board authorized staff to proceed with Mead & Hunt on the Phase 1 portion of this work which was preparation of the project scope and checklist. The Board authorized a not to exceed cost of \$12,200 for this Phase. This Phase has been completed and MDOT/AERO has recently approved the checklist, meaning that the Authority can

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proceed with preparing the full land release documentation. To date, the Authority has been billed \$4861 for this Phase.

Now the Board can proceed with Phases 2-4 which will include field investigation, Categorical Exclusion, wetland boundaries, property survey, property appraisal, and the full land release package. It is estimated that these three Phases will cost \$42,173. If the FAA approves the land release package, the FAA/MDOT requires a revision to the Airport Layout Plan which is estimated to cost another \$9,000.

The prospective company remains interested in parcel K but may now have an owner for its present site. This means that the company's schedule for construction must be moved sooner than originally anticipated. They would like to close on the purchase of the property in the summer or, at the latest, fall 2018. It will be difficult to meet this new schedule, but if we are to have any chance of doing so, we must continue and complete work on the land release property appraisal, land survey, wetland evaluation, and all documentation. If we do not delay moving forward, Mead & Hunt will strive to have all of this completed by May 31, 2018. We will not have control over how long the FAA will take to review and approve the land release, but we will stay in contact with the FAA to be sure they are aware that we have a company ready to go and on a tight timeframe.

Even if we are unable to meet this company's schedule, the Authority Board should proceed with this land release. This FAA land release process is not conducive to economic development. A developer wants to be certain that they can purchase/lease property and, typically, the property owner does not have an extended period to provide this assurance. The FAA process is lengthy and uncertain. As a result, moving forward with the land release on parcel K should be considered as an opportunity cost that enables this property to be ready for development. It is difficult to even market the property for sale or lease without the land release.

Another step in this process is that the City of Holland owns this property and needs to declare it as surplus before the Authority can approve its sale. Usually, the City is required to offer the property for public sale, but since the FAA requires proceeds

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from the sale to be used for airport purposes and the property must be sold at fair market value, it is not necessary for the City nor Airport Authority to publicly offer the property. Prior to closing on the sale, the City will also need to release the property from the land lease with the Authority. Staff has already begun the process of having the City declare the property as surplus and it is hoped that this could occur in May/June 2018.

Since neither the City or Airport Authority need to publicly offer the property for sale, the Authority can enter into a purchase agreement with the company. We will have the Authority's attorney prepare this agreement. It will include language that enables the buyer to exit the agreement if the Authority cannot meet the timetable for acquisition. The prospective buyer has also expressed a willingness to fund a portion of the land release documentation costs at closing.

The Building & Development Committee reviewed this matter on April 24, 2018 and recommends that the Authority Board proceed with completing the FAA land release documentation for parcel K.

### **Recommendation**

It is recommended that the Authority Board authorize proceeding with Mead & Hunt Phases 2-4 of the FAA land release documentation for parcel K at a cost not to exceed \$42,173; and that this cost be funded through the Authority's working capital.

Attachment