

MEETING MINUTES
KENT COUNTY AERONAUTICS BOARD
May 25, 2011 – Special Meeting

A quorum being present and in accordance with notice being duly given, Chair Tomaselli called the special meeting of the Aeronautics Board to order on May 25, 2011 at 9:10 a.m.

Board Members Present: Joseph Tomaselli, Ted Vonk, Terri Lynn Land, Roger Morgan, Richard Vander Molen and Floyd Wilson, Jr. – 6

Also Present:

James Koslosky – Executive Director
Phillip Johnson – Deputy Executive Director
Brian Picardat – Finance and Administration Director
Thomas Ecklund – Facilities Director
Robert Benstein – Public Safety and Operations Director
Bruce Schedlbauer – Marketing Communications Manager
Robert Buchanan – Airport Attorney
Joel Burgess – Properties Administrator
John Van Laar – Former Aeronautics Board Chair
Cal Brinks – Kent County Purchasing
Ben Orange – Continental/United Airlines
Dan Conner – Delta Airlines
Brian Camp – HMS Host
Steve Jenkins – HMS Host
James Munslow – FAA ATCT
Max Harnish – Transportation Security Administration
Roger Dubuc – Transportation Security Administration
Chris Sobieck – Golf Club at Thornapple Pointe
Paul Heule – Grand Rapids Air Center
Michael Krzciok – Grand Rapids Air Center
Nyal Deems – Grand Rapids Air Center/Varnum Law
Charles Cox – Northern Air
Mark Serbenski – Northern Air
J. Fisher – Northern Air/Fisher & Dickinson, PC
Tim Wondergem – Wondergem Consulting, Inc.
Kate Washburn – Wondergem Consulting, Inc.
Brent Wheatley – Metro Cars
Gary Siegfried – Mead & Hunt
Bob Koller – C&S Engineers, Inc.
Terry Boer – Rothbury Executive Air
Rex Vanderlinde – Rothbury Executive Air
Dan Horne – Rothbury Executive Air
Alison Albright – Rothbury Executive Air
AJ Veneklasen – Rothbury Executive Air
Rick Kamel – RK Public Relations

John Sorenson – Citizen
Daren Bower – WZZM 13
Rick Wilson – *The Grand Rapids Press*

Motion by Mr. Tomaselli, supported by Mr. Vander Molen to remove the Executive Session (Item 5-3) from the agenda. Motion carried.

5-1 Public Comment

There was no public comment.

5-2 Rothbury Executive Air – Grand Rapids, LLC – Waiver and Variance Requests

*Terry Boer
Rothbury Executive Air – Grand Rapids LLC
103 Sinclair Drive
Muskegon, MI 49441*

Mr. Boer spoke in favor of the proposal. He reported Executive Air is now named Rothbury Executive Air. He explained the facility will be the first FBO on the Airport to offer a full catering kitchen to all Airport tenants and it would be the first to be able to house a Gulfstream 650 aircraft. Mr. Boer also presented updated drawings showing a revamped entrance with a portico to shelter autos and customers. He indicated he has spoken with most tenants on the Airport, has incorporated their suggestions and has their support.

*Kirk Shaffer, Senior Counsel
Crowell and Moring
1001 Pennsylvania Avenue, NW
Washington, DC 20004-2595*

Mr. Shaffer spoke in favor of the proposal. He presented information to the Board to refute the following objections that have been presented to the Rothbury Executive Air proposal:

- There is insufficient business at GFIA for a third FBO.
- The proposed site is reserved in the Master Plan exclusively for corporate hangars and any other use is inconsistent with airport development.
- Granting the proposed development would result in spot zoning.
- The proposal would introduce non-compatible development.
- Approval would reverse nearly fifty years of denying commercial development in a private corporate hangar area.

- Approval would ignore a long history of tenant objections based on privacy and security.
- There are other viable and available sites at GFIA.
- There is a court-ordered settlement requiring the marketing of the X-Jet site for commercial aviation development.

Mr. Shaffer argued that none of these objections were sufficient to deny Rothbury Executive Air's request for the waivers and variance.

*Rex Vanderlinde, President
Rothbury Executive Air – Grand Rapids LLC
103 Sinclair Drive
Muskegon, MI 49441*

Mr. Vanderlinde spoke in favor of the proposal. He indicated the initial investment would be \$5 million and would yield about \$155,000 in rent and fuel flowage fees to the Airport during its first year. In addition, he expected to hire approximately 30-40 staff the first year, which was an increase from earlier estimates of about 7 staff members. He added the project could create about 200 construction jobs.

*Charles Cox, CEO
Northern Air, Inc.
5500 44th Street SE Building 403
Grand Rapids, MI 49512*

Mr. Cox spoke against the proposal. He presented the Board with pictures of the Executive Air Muskegon facility that he indicated were available on Executive Air's website. He commented that the facilities were not "world class." He explained that there was no reason to change the Master Plan and grant waivers and variances. He indicated there would be little business from the corporate hangars near the proposed site because they are self-contained. He commented that their proposal is backed by one person who wants to be in that particular place on the Airport. Mr. Cox urged Board members to turn down their request for waiver and variance and operate consistently as past Boards have done.

*Nyal Deems, Partner
Varnum LLP
333 Bridge Street NW
Grand Rapids, MI 49504-5367*

Mr. Deems spoke against the proposal on behalf of Grand Rapids Air Center. He said that their request to change the Master Plan to suit Rothbury Executive Air's business plan is arrogant and does qualify as "spot" zoning. He explained that the integrity of the Master Plan is up to the Board and Rothbury Executive

Air seeks to impose their business plan where it does not fit into the Master Plan. On behalf of Grand Rapids Air Center, he urged the Board to deny the request.

Chair Tomaselli thanked all of the participants, staff and Mr. Buchanan for their work on this matter.

Mr. Morgan noted a statement was made that the zoning for the site was already approved and questioned if that was under the general aviation component. Mr. Buchanan replied that the terms “zoning” or “spot zoning” do not apply in this case and what is being discussed here are Master Plan land use designations and whether the Board deviates from them or not.

Mr. Morgan said it was noted the Airport is considered “a small city” and he did not want to confuse this designation with what is found in townships and cities.

Mr. Morgan asked for clarification as to whether an FBO is allowed by the FAA under “general aviation.” Mr. Buchanan said the term is defined broadly by the FAA and includes FBOs and other aeronautical users. He said what is being discussed here are the subparts designated in the Board’s Master Plan as commercial general aviation versus private general aviation-FBOs versus corporate hangars.

Mr. Vander Molen asked for a definition of the term “general aviation.” Mr. Koslosky replied that the term includes all flying other than scheduled flights and military flights. It encompasses single seat aircraft to jumbo jets. He said GFIA distinguishes between commercial and private/corporate activity.

Mr. Vander Molen confirmed that there should not be any “for hire” or FBO activity in the area defined as Corporate Row. Mr. Koslosky said yes.

Mr. Vander Molen asked what the Master Plan outlines for Corporate Row. Mr. Koslosky said that the Minimum Standards require that application for commercial activity must be provided to the Board and comply with the Airport’s Master Plan and ALP. He added that although the Master Plan lays out recommendations, it becomes policy once adopted, signed by the Chair and submitted to the FAA. He noted this policy has been in place for the more than the 20 years he has been Director.

Mr. Koslosky read sections of the Master Plan dealing with private/corporate requirements and recommended development. It was noted the west half of the western general aviation area called for development “consistent” with existing development. The east end expansion area would be designated for new or existing FBO development. He explained this was adopted in 2004.

Ms. Land said she appreciated the consistency followed by past Boards, but noted this is a new Board. She commented on the fact that the prior Board did

authorize \$3.1 million for infrastructure for the X-Jet facility which she considered unusual in land development projects.

She asked if Executive Air will be staying in Muskegon as well. Rothbury Executive Air staff said yes.

Mr. Vonk asked for clarification of multiple uses on Corporate Row. Mr. Koslosky said they are all corporate. The Northern Air hangars are for sub-leasing for private corporate aviation. He explained that at the time, the Airport owned the hangars and Northern Air was the only bidder. The hangars were leased to Northern Air with the stipulation they could only be used for corporate hangar storage.

Mr. Vonk commented that the FBO should fit the Master Plan as it exists now. He indicated that the proposers are making decisions for the Board. He added that the right direction would be for the Board to not deviate from the Master Plan and ask staff to review it. He added that it scared him that the proposers said there was only one site that would suit them.

Ms. Land asked how often the Master Plan is reviewed. Mr. Koslosky said every 10-15 years and the last one was done in 2004. Ms. Land said she agreed that it was not unreasonable to review the Master Plan, but noted that with technology moving faster, that maybe 10 years is too long.

Mr. Vander Molen said he did not agree that the Board should set aside past practice just because it is a new Board, but should honor past practice. He said he would say no to this proposal, but would agree to a new Master Plan review. He added that approving this motion just because someone wants it was not good enough for him.

Mr. Wilson said that he was not taking away from past Board accomplishments, but wanted to be open to new opportunities. He noted that Metro Hospital might not be here today if it did not move to its new location. He commented that many people have contributed to this community financially. He said he considered the zoning designation somewhat irrelevant and added the Board is the keeper of the Master Plan.

Mr. Morgan indicated Master Plans can be amended and are flexible and not cast in stone. This one can be changed if in the best interest of the Airport.

Mr. Vonk said he would vote against the motion because he felt that the Board and staff should go through the process first.

Ms. Land commented that it would not be a problem to make exceptions in this case as cities and townships do this frequently, but agreed with Mr. Vonk that the Board and staff should review the Master Plan.

Mr. Vander Molen asked if the plan is amended, would Rothbury Executive Air be the only ones on the site or should the Board allow for anyone to bid on the site.

Ms. Land said the Board decides only on this motion and if it is turned down, it can go back to rezoning.

Mr. Morgan said the Board is dealing with the request by Rothbury Executive Air, but will go back to staff for Master Plan review in any case.

Chair Tomaselli asked Mr. Koslosky what the next steps would be. Mr. Koslosky said if the motion is approved, staff would negotiate a lease with Rothbury Executive Air. If it is denied, staff will encourage them to use one of the other two sites. He explained that a comprehensive Master Plan update would take about two years to complete at a cost of about \$1.2 million including FAA-mandated GIS and safety management review. Ms. Land noted that time frame would get to the 10-year mark.

Chair Tomaselli called for a vote.

Motion by Mr. Wilson, supported by Mr. Morgan, to approve two (2) waivers and one (1) variance request submitted by Rothbury Executive Air – Grand Rapids, LLC in support of developing a commercial aeronautical activity Fixed Base Operation at the Gerald R. Ford international Airport. Motion carried:

Yeas: Wilson, Land, Morgan and Chair Tomaselli – 4

Nays: Vander Molen, Vonk - 2

5-3 Adjournment

The meeting was adjourned at 10:40 a.m.

ADMINISTRATIVE APPROVAL: _____
James A. Koslosky, Secretary to the Board

dmt