

**MINUTES**

**KALAMAZOO COUNTY AERONAUTICS  
BOARD OF TRUSTEES  
REGULAR MEETING**

**JULY 10, 2008  
9:00 am**

ITEM 1. Call to Order: Chairperson Gil Collver called the meeting to order at 9:10 a.m.

ITEM 2. Roll Call: Members in attendance – Gil Collver, Dan Hope, Greg Kurdys, Jim Woodruff.

Also Present: County Liaisons Deb Buchholtz-Heimstra and Nasim Ansari, George Erickcek of the W.E. Upjohn Institute and Mike Vernich of RS&H.

Staff Present: Clifton Moshoginis, Ron Shutler, Linda Bunting, Karen Wolff, Lisa Bradshaw, Marjorie Smith, Thom Canny and Michelle Tombro-Tracy.

ITEM 3. Approval of the June 12, 2008 Meeting Minutes: There being no corrections, the minutes were approved as published.

ITEM 4. Citizen Comments: No comments were presented.

ITEM 5. Presentation of the Economic Impact Study: Mr. Erickcek presented a study conducted by W.E. Upjohn Institute regarding the economic impact of the airport on the Kalamazoo and Battle Creek communities. He stated that if the airport did not exist, there is a possibility of losing 1,350 jobs. It was determined that approximately \$46 million would be lost in income. He explained that the Gross Regional Product would be at a loss of \$105 million. Total sales would be at a loss of \$175 million in 2008. He stated that the negative impacts from the loss of the airport would include the loss of economic activity in the area due to the loss of 484 workers and an increase in cost of doing business in the area. Mr. Erickcek explained that without the airport in existence, many people would have to commute to Grand Rapids, Lansing or Detroit for air transportation, which is very costly especially with the current cost of fuel. He stated that transportation costs represent a low 0.6% of all cost of doing business services. The study also considered what other businesses could be in place of the airport property, which included an industrial park. It was determined that there are already enough business parks in the area. Retail was also considered, however it was determined that this would be a huge displacement cost due to taking business away from current retail businesses. Developing a residential area was considered and it was determined that this would not be feasible as population trends are not showing growth in the area and the housing market is down. In the final analysis the biggest loss is measured in terms of an increase in unemployment.

ITEM 6. Update Terminal Project – RS&H: Mike Vernich gave an update on the development of the new terminal stating that they are maintaining the schedule and have met with vendors and stakeholders for their input. RS&H has given two workshops on two alternative designs. There will be a formal meeting in the near future with further definition of the floor

plan. They are working on the benefit cost analysis with the FAA and they will be holding additional workshops within the next few weeks. More discussion followed as to what is learned from existing completed projects, the volatile construction market and Mr. Vernich stated that RS&H uses an agency to benchmark bids.

ITEM 7. For Consideration

**AIRPORT AGENDA ITEMS**

A. Kalamazoo Pilots Association Agreement: Mr. Moshoginis explained that the purpose of this agreement is to provide a self-service fuel facility for public use. The ground area lease allows for a 10,000 gallon fuel tank, with associated pilots facility. The fuel flowage fees are set at the established rate by the Aeronautics Board of Trustees Rates and Charges and will be evaluated on an annual basis. This is a 10-year agreement terminating July 9, 2018. One ten-year extension is available by mutual agreement by both parties. On a motion made by Mr. Woodruff, seconded by Mr. Kurdys, the motion was approved.

B. Supplemental Lease Agreement – Transportation Security Administration (TSA): Mr. Moshoginis stated that the purpose of this agreement is to allow funds to be distributed to the airport for minor renovations for space that will be leased by the TSA. The amount of the lease is not to exceed \$14,232.00. It is not expected that the invoices for this project will reach this amount. After renovation, the TSA will amend their lease for an additional 798 square feet to be leased in the renovated area. Both the renovation and the additional leased space has been approved and funded by the TSA. On a motion made by Mr. Woodruff, seconded by Mr. Hope the motion was approved.

ITEM 8. Unfinished Business: No unfinished business was presented.

ITEM 9. New Business: No new business was presented.

ITEM 10. Airport Director's Time: Mr. Moshoginis passed out the market share report for June 2008, which showed an 8% decrease in enplanements compared to the same month last year and seats at a 4% decrease.

Mr. Moshoginis distributed documents regarding minimum standards for FBOs to Provide Aeronautical Services to the Public and Administrative Rules and Regulations for the Operation of the Kalamazoo/Battle Creek International Airport and asked that the board review these documents for future adoption and provide comments.

Mr. Moshoginis stated that the budget committee has met regarding the 2009 budget and the next meeting will be on August 12, 2008. The terminal committee met this morning and will continue the process with RS&H.

Mr. Moshoginis passed out an article in the Kalamazoo Gazette that United Airlines will cease service in Kalamazoo as of November 2 of this year. He stated that this is 13% of the airport's market, however other carriers are being considered.

ITEM 11. Members' Time: There were no items presented for discussion.

ITEM 12: Adjournment: There being no further business presented, the meeting adjourned at 10:10 a.m.