

## MEETING NOTES:

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**Project Number:** RS&H 210-000-5000

**Meeting Date:** April 19, 2017

**Meeting Place:** International Room, Gerald R. Ford International Airport (GFIA)

**Participants:** Master Plan Update Advisory Committee (MPAC)

**Subject:** Second Meeting

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### The following is a summary of the Second Master Plan Update Advisory Committee Meeting:

- Jim Gill, AAE, IAP, CPA, President & CEO of the Gerald R. Ford International Airport Authority (GFIAA), welcomed all in attendance and introduced Roy Hawkins, Airport Planning Engineer. Mr. Hawkins and master plan consultants Jeffrey Mishler and Gary Logston, RS&H, Inc. conducted the meeting.
- Mr. Hawkins noted there were several items that were addressed in the previous meeting notes and those items would be identified in an amendment to the Website Notes. Also, he thanked Steve Peterson for pointing out the need for clarification and urged all committee members to hold the Airport and consultants accountable.
- The Airport thanked everyone for attending and stressed the importance of their participation in the Master Plan Update process. The majority of members were in attendance including representatives from all local planning agencies - Caledonia Township, Cascade Township, Gaines Township, City of Kentwood, and City of Grand Rapids. During introduction of the MPAC members, Airport Staff, and Consultants, attendees were encouraged to add comments and ask questions during the presentation.
- This MPAC meeting was the second of six meetings that are scheduled to occur over the master plan update period of 18 months. The date for the third meeting was announced to be Thursday June 22, 2017, for the purpose of discussing Facility Requirements based on forecasting.
- A PowerPoint presentation consisting of the following seven agenda items was discussed with the MPAC: Introductions, Master Plan Update Review, Inventory Report, Forecast Report, Survey/ AGIS/ Exhibit 'A' Report, Schedule Review, and Next Steps.
- The presentation generated several questions pertaining to the forecasts that are summarized below:
  - The question was asked whether the forecasts considered elimination of Essential Air Service (EAS) at Michigan airports and potential impacts to GFIA traffic such as the opening of SWITCH.

Both the Base Case and Growth Scenario included the potential for growth in enplanements associated with accommodating new business traffic growth and at least maintaining the current West Michigan market share.

- The question was asked whether the ten year 3 percent to 4 percent growth rate of the Base Case and Growth Forecasts is overly conservative. It is true that GFIA may be experiencing the fastest period of percentage growth in history period. Historically, GFIA's best ten year period of growth was 3.67 percent (1991-2000) and the last ten years growth rate (2007-2016) was 2.68 percent. The average growth rate over the past 25 years has been approximately 2.5 percent and reflects several economic up and down cycles. Growth rates of 3 and 4 percent over a ten year period of time are typically considered aggressive. The consultant pointed out that the growth rates identified in the presentation are Consolidated Average Growth Rates (CAGR) based upon the FAA TAF and the forecast scenarios that measure the rate of overall growth between the first and last years of the forecast timeline (2017-2036).
- The question was asked pertaining to the implication of the High Growth Scenario becoming more accurate than the Base Case. Year 8 of the High Growth Scenario (4 percent) is the equivalent to Year 10 of the Base Case (3 percent). The difference in the Base Case and High Growth forecasts is two years over a 10-year time frame. If the next forecast is prepared in a normal time frame of 5-7 years, the forecast can be reassessed. There was discussion about specific factors that would result in the High Growth Scenario such as introduction of a new carrier and additional non-stop domestic and international destinations.
- A request was made to explain the effect of the difference in the FAA Terminal Area Forecast (TAF) published in 2016 and 2017. Each year, the FAA updates their forecasts for all airports in the National Airport System Plan. These forecasts are used for FAA workload measures and for planning purposes. The FAA reviews an Airport's forecast against the TAF. The 2016 TAF had an Average Annual Growth Rate (AAGR) of 2.0 percent over 20 years (2016-2035) whereas the 2017 TAF has an AAGR of 2.25 percent over 20 years (2017-2036). Whereas the TAF published in 2017 included a one year change of 10.25 percent for the year 2017, the 20 year annual average is 2.25. Large growth rates in early years of a forecast such as the 10.25 percent estimate for 2017 results in significant gains even when succeeding year's growth rates are considerably smaller as is the case with the TAF published in 2017. The AAGR can be determined when there are values for each year and is an average of all values.
- The question was asked whether there was anything that could change the dynamics of market share for GFIA in West Michigan. The large number of non-stop destinations to hub cities and popular destinations along with the increasingly attractive business climate of Grand Rapids should counterbalance GFIA from any change in dynamics in West Michigan.
- The question was asked whether the potential impacts of use of autonomous vehicles to places such as Chicago or Detroit would have an impact upon GFIA enplanements. This is a factor to consider, however it is still a few years out and perhaps an item for consideration in a future Master Plan Update. While the convenience of not having to drive is potentially a compelling factor for some, it remains that the drive still takes a certain amount of time and does not diminish the potential for heavy traffic on route. Consumers would typically weigh the convenience of autonomous vehicles against the time savings associated with flying from GFIA,

reduced gasoline and parking costs, availability of covered parking, and increasing level of service offered by GFIA.

- The question was asked about the drop off in growth rate over the 20 year forecast. The 20-year forecast of the Base Case assumes an overall 2.67 percent Average Annual Growth Rate (AAGR) and assumes a faster growth rate in the first 10 years than the second 10 years. This overall growth rate considers the long-term potential for the inevitable cyclical ups and downs over time but still represents a rate of growth greater than the historical rate for GFIA over the last 25 years.
- The question was asked why the risk factors identified only include national economic growth and aviation industry factors and not local growth rates. Grand Rapids is a city of highly motivated citizens with uniquely active community and economic development group associations. Projections of continuing trends in diversity and strength of the local economy and increasing employment and income factors are significant enough throughout the foreseeable future that there is lesser potential for risk from these local factors than national economic or aviation industry factors.
- The question was asked whether the existence of new land-based commuter service to Chicago and Detroit or other cities from GFIA would affect the forecasts. The prospects for sustained economic growth and improved air service at GFIA is sufficient to make the risk associated with potentially missing connections in Detroit or Chicago too great.
- The question was asked how often master plan updates are completed and what would prompt another update. The FAA recommends that master plans be updated when events have changed significantly to warrant an update. An example would be a significant change in the number of aircraft operations that would result in important changes to facility requirements, prompting an update. Historically at GFIA, master plan updates have been completed every 10-12 years.
- It was requested that the next presentation be provided via e-mail prior to the next MPAC Meeting. Mr. Hawkins committed to forwarding meeting presentations one week in advance of future meetings.
- The committee was reminded that presentations and meeting notes of previous meetings are available on the Master Plan Update website, [gfia-master-plan-update.com](http://gfia-master-plan-update.com), and will be updated as the Master Plan Update process continues.