

MBS International Airport



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MBS to Receive Nearly \$13 Million in FAA Grants

FREELAND, MI (April 2, 2009) – Today the MBS International Airport Commission announced the airport will receive \$12.7 million in Federal Aviation Administration (FAA) grant money for the construction of its new terminal.

The grant money will be used toward the third construction phase of the \$48 million, 75,000-square-foot terminal project, which will create approximately 200 construction-related jobs and result in an efficient, sustainable facility that will meet the travel needs of the Great Bay Lakes Region for decades to come.

“This project provides both an immediate and long-term economic boost to the region,” said Commission Chairman Dr. Ken Distler. “In addition to creating much-needed jobs during its construction, the state-of-the-art airport terminal will be vital to the business growth and quality of life of the Great Lakes Bay Region.”

The funds will allow the Commission to bid work for continued site preparation and grading, as well as for the terminal foundation and steel framing, and adds to the previous \$6 million already issued for the project. An initial FAA grant paid for the design of the new terminal building. MBS also has secured FAA funding for land acquisition, utilities and relocation of some critical navigation equipment. In all, funding from the FAA is expected to make up about 70 percent of the total cost of the new terminal project.

“Our commission members have been working diligently with the FAA and state and federal legislators to ensure MBS would benefit from this funding,” said Airport Manager

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Jeff Nagel. “We are very grateful to the FAA and to our legislators for supporting this project and the benefits it will bring to the Great Lakes Bay Region.”

Nagel also thanked the Great Lakes Bay Regional Alliance and area businesses, including The Dow Chemical Company and Dow Corning Corporation, for recognizing the new terminal’s contribution to regional growth and development.

U.S. Sen. Debbie Stabenow (D-Michigan) said the bipartisan support of the terminal project underlines its importance to the region and to Michigan.

“This MBS terminal project is very important to the future of the Great Lakes Bay Region as it contributes millions of dollars annually to our regional economy,” said Stabenow. “I’m pleased that the recovery package is supporting responsible projects that create jobs and contribute immediately to our economy. By creating 200 new construction jobs, this project will provide a much-needed boost to the area.”

In addition to Stabenow, Nagel credited U.S. Sen. Carl Levin (D-Michigan) and U.S. Reps. Dave Camp (R-Midland), Dale Kildee (D-Flint) and Bart Stupak (D-Petoskey) for actively backing the project.

New Terminal to Be Funded without Local Tax Subsidy

Nagel noted that no property tax dollars are being used for the construction of the new terminal. Rather, grant dollars come from the FAA Airport Improvement Program, which uses federal funds generated from aviation and passenger-user fees specifically intended for airport projects.

In addition, the state of Michigan, which handles the distribution of FAA funds to state airports, will provide a 2.5 percent match, and MBS International Airport has pledged \$10 million of existing MBS funds for the new terminal project. Together, these funding sources are expected to cover the entire cost of the new terminal building without incurring any debt.

The new terminal, designed by the aviation design and architectural firm Reynolds, Smith and Hills Inc., will maintain the ease and convenience that passengers appreciate about MBS International Airport, with structural elements that will make it easy to adapt and expand the airport to meet future needs. MBS commissioners made the decision to build a new terminal after two consulting teams found a new terminal building was the most cost-effective option.

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“The board looked at the costs and benefits of our options, and the preferred alternative was a new terminal. With the cost of a new terminal estimated at \$48 million, and a renovation at \$43 million, the long-term advantages of investing in a new facility were clear,” Distler said.

Although construction of the new MBS International Airport soon will be in full swing, travelers will continue to have uninterrupted access for air travel.

“Our customers are our top priority, and an advantage of building a new terminal is it is less disruptive than a renovation,” Nagel said. “Our goal is to provide travelers with the same convenience and friendliness they are used to finding at MBS throughout the construction process.”
