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## BOARD AGENDA ITEM

Information/Discussion \_\_\_\_\_  
Future Action \_\_\_\_\_  
Action   X  

Item: Airport Hangar Lease

Submitted by: Kevin Philipps

Date: 5-13-2024

Recommended by: Kevin Philipps *KP*

Board Meeting Date: 5-13-2024

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### RECOMMENDATION:

Approve Amendment #1 to the lease agreement with the Kent County Department of Aeronautics for the airport hangar Kent ISD utilizes

### BACKGROUND:

The original lease agreement signed July 1, 2007 expired on July 31, 2023. The original lease included a pre-paid portion to assist in the construction of the hangar, which the district amortized of the life of the agreement. Additionally, the Kent ISD paid a ground lease for 113,338 square feet of ground space.

Amendment #1 is a recommended extension of the ground lease through July 21, 2033. The annual lease starting in the 2024-25 fiscal year will be \$28,335.90, and will increase each year by the Consumer Price Index (CPI). Please note that this annual expense will be a significant decrease to the budget, as the combination of the pre-paid amortization and previous ground lease was approximately \$110,000 per year.

The cost of the lease is funded by the Career Technical Education Fund

Please let me know if you have any questions.

KP/kg  
Attachment

**GERALD R. FORD INTERNATIONAL AIRPORT  
AMENDMENT #1 TO AGREEMENT AND LEASE  
KENT INTERMEDIATE SCHOOL DISTRICT**

This Agreement, made and entered into this 1st day of May, 2024, by and between the GERALD R. FORD INTERNATIONAL AIRPORT AUTHORITY (the “Grantor” or “Board”), the owner/operator of the Gerald R. Ford International Airport (the “Airport”), and Kent Intermediate School District (the “Grantee” and, collectively, the “Parties”).

**RECITALS**

WHEREAS, the Grantor and Grantee are party to that certain “Kent County Department of Aeronautics Gerald R. Ford International Airport Lease Agreement with Kent Intermediate School District” dated July 31, 2007 (the “Lease”), which Lease is made a part hereof and incorporated herein;

WHEREAS, the Parties mutually desire to amend the Lease, in part, to extend the term of the Lease, subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE, for and in consideration of the foregoing recitals and the mutual promises and covenants set forth herein, the Parties agree that Lease be amended as follows:

**AMENDMENTS**

1. Paragraph 1.B, *Duration of Term*, is replaced by the following paragraph:

The term of this Agreement shall commence on the Effective Date and continue until July 31, 2033, unless sooner terminated as set forth herein (the “Term”).

2. Paragraph 4.1, *Privileges Granted to Grantee*, is replaced by the following paragraph:

The right to use the Premises designated on EXHIBIT B for its exclusive use in connection with the conduct of an aeronautical aviation maintenance instructional program at the Airport, data storage relating to Grantee’s operations, and for no other purpose. The sole purpose of the aeronautical aviation maintenance instructional program shall be the education and training of students and not the conduct of a commercial aeronautical activity.

3. Section 6, *Rental*, is replaced by the following:

In consideration of prepaid rent by Grantee and its successors, Grantee shall pay Grantor, for use of the Premises described herein, land rental in the amount of twenty-eight thousand three hundred thirty-five dollars and 90/100 (\$28,335.90) per year payable annually, due on or before the first day of each August during the Term, without setoff, deduction, abatement, reduction, or counterclaim (‘Base Rent’).

All sums due under this Agreement except for Base Rent are deemed to be "Additional Rent." Base Rent and Additional Rent are sometimes collectively referred to in this Agreement as "Rent." If Grantee fails to pay any Rent within five (5) days of the date due, Grantee must also pay Grantor an interest charge of one and one-half percent (1½ %) of the amount owing for each calendar month or part thereof from the due date to the date payment is made. The payment of interest does not excuse or cure any default by Grantee under this Lease. Payments received from Grantee will be applied by Grantor as follows: first, to accrued interest; second to Additional Rent; and third to Base Rent.

4. Grantor's notice address as specified in Section 17 hereby modified as follows:

Kent County Board of Commissioners  
Gerald R Ford International Airport  
5500 44th St. S.E  
Grand Rapids, MI 49512

5. Section 19 of the Lease is hereby deleted.
6. Grantee acknowledges that the Grantor is required by the FAA under the terms of its Grant Assurances to include in this Agreement certain required contract provisions, attached as **Exhibit A** hereto (the "Federal Clauses"). The Operator agrees to comply with the Federal Clauses, as they may from time to time be amended by the FAA or other agency with jurisdiction, and, where applicable, Grantee shall include the Federal Clauses in each of its subcontracts without limitation or alteration.

*(Signature Page Follows)*

IN WITNESS WHEREOF, the Parties, by their duly authorized officers or legal representative, have executed this Agreement as of the day and year stated next to their signature, to evidence their complete understanding and intent to be bound to the terms stated in this Agreement as of the date stated at the beginning of this Agreement.

**GERALD R. FORD INTERNATIONAL AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**KENT INTERMEDIATE SCHOOL DISTRICT**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A  
REQUIRED FEDERAL CLAUSES**

A. Compliance with Nondiscrimination Provisions. During the performance of this Agreement, GRANTEE, for itself, its assignees, and successors in interest (hereinafter collectively referred to as "GRANTEE") agrees as follows:

1. **Compliance with Regulations:** GRANTEE will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.
2. **Non-discrimination:** GRANTEE, with regard to the work performed by it during the term of this Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of contractors, including procurements of materials and leases of equipment. GRANTEE will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Agreements, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by GRANTEE for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential contractor or supplier will be notified by GRANTEE of GRANTEE's obligations under this Agreement and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** GRANTEE will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of GRANTEE is in the exclusive possession of another who fails or refuses to furnish the information, GRANTEE will so certify to GRANTOR or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of GRANTEE's noncompliance with the Non-discrimination provisions of this contract, GRANTOR will impose such sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to withholding payments to the GRANTEE under the Agreement until the GRANTEE

complies, and/or cancelling, terminating, or suspending the Agreement, in whole or in part.

6. **Incorporation of Provisions:** GRANTEE will include the provisions of paragraphs one through six of this Exhibit B, Section (A) in every contract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. GRANTEE will take action with respect to any contract or procurement as GRANTOR or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if GRANTEE becomes involved in, or is threatened with litigation by a contractor, or supplier because of such direction, GRANTEE may request GRANTOR to enter into any litigation to protect the interests of GRANTOR. In addition, GRANTEE may request the United States to enter into the litigation to protect the interests of the United States.

B. Real Property Acquired or Improved Under the Airport Improvement Program. GRANTEE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, GRANTEE will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

C. Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program. GRANTEE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that GRANTEE will furnish its services in compliance with all other requirements imposed by or pursuant to the List of Nondiscrimination Acts And Authorities.

D. Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, GRANTEE, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);

- ii. 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- iii. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- iv. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- v. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- vi. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- vii. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- viii. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38;
- ix. The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- x. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- xi. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100); and

- xii. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

E. General Civil Rights Provision. In all its activities within the scope of its airport program, the GRANTEE agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. If the GRANTEE transfers its obligation to another, the transferee is obligated in the same manner as the GRANTEE. The above provision obligates the GRANTEE for the period during which the property is owned, used or possessed by the GRANTEE and the airport remains obligated to the Federal Aviation Administration.

F. Right of Re-entry. In the event of breach of any of the above Nondiscrimination covenants, GRANTOR will have the right to terminate the Agreement and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Agreement had never been made or issued.

G. Subcontracts. GRANTEE agrees that it shall insert the above six provisions (Section (A) through Section (F)) in any agreement by which GRANTEE grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public under this Agreement.