



Municipal Airport

CITY OF ANN ARBOR, MICHIGAN

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To: Airport Advisory Committee
From: Airport FBO Building Subcommittee
Date: May 13, 2022
Re: Recommendation of Preferred Proposal

With the withdrawal of the proposal from Whisper Aviation for the FBO building located at 719 Airport Drive, the subcommittee was tasked with reviewing the Airport's options for re-use of the building. As part of this effort, the subcommittee reached out to the two remaining proposers to determine if they were still interested in the building, reached out to new parties that had expressed interest in the building, considered a new proposal process, looked at different aviation uses for the site and discussed internal redevelopment of the facility.

The two remaining proposers each expressed their interest and confirmed the terms of their proposals as still valid. Two additional parties that had expressed interest were contacted and one move forward with a written proposal. The subcommittee felt comfortable that from these three proposals, a recommendation could be made. An interview of the new proposer, KARB Ventures, was held by the subcommittee to review the proposal and address questions. After a comprehensive review and discussion of the three active proposals, the following recommendation is offered by the subcommittee.

Recommendation

The subcommittee is recommending that the Airport Advisory Committee move forward to the due diligence phase with the proposal submitted by KARB Ventures. A copy of their proposal is attached. The proposal would bring another experienced FBO operator to ARB. In addition to traditional FBO services, KARB Ventures will provide avionics, aircraft upholstery and painting, and aircraft sales to our aviation users. There were numerous other positive items that were shared during the interview that the subcommittee would be happy to discuss at the meeting if Committee members are interested.



KARB Ventures Project



Our Background

Key Personnel

Aircraft Maintenance

Flight Training

Aircraft Painting

Avionics Installation

Aircraft Sales



Key Personnel

Dale Foerschler

- Retired military officer with 33 years experience in leadership and management. Owner of Great Lakes Air Ventures, a part 61 and 141 flight school in Mason Michigan, last year assisted 65 pilots attain their first license or upgrade to the next level of pilot experience. Owner of Great Lakes Air Repair last year completed over 30 Annuals, 13 avionics upgrades, painted 8 planes and installed 6 plane interiors.



Brian Herron

- Local entrepreneur and instrument/multi pilot, learned to fly at Ann Arbor and keeps an airplane at KARB. Owner of Herron Aviation Group – Michigan License Aircraft Dealer, Herron Farms – local vineyard, and Herron Holdings Group – Michigan Licensed Automotive dealer. President of Opus IVS, an Ann Arbor high tech business adjacent to the airport that has grown from 2 people to over 400. Real-estate development experience and former licensed Michigan builder





Aircraft Maintenance

- Great Lakes Air Ventures – Currently located at KTEW. Would expand KARBas a second location
- 100 hour, annuals, and regular maintenance performed daily
- Range of maintenance customers - Cessna 152 to Cessna Citation
- A&P I/A on staff
- FAA Certified repair station
- Electronics International, Garmin, Genesis, Honeywell.... dealer



GREAT LAKES AIR VENTURES
Mason Jewett Airport

Great Lakes Air Ventures
Fight school in Ingham County, Michigan

Website | Directions | Save | Call

Address: 699 Aviation Dr, Mason, MI 48854
Hours: Open - Closes 9:30PM+
Phone: (517) 960-1281

Popular times
MON TUE WED THU FRI SAT SUN
3 PM: Usually not too busy

Send to your phone

Great Lakes Air Ventures on Google

Nov 19, 2020

Profiles
LinkedIn

Reviews
7 Google reviews
"Low cost, good instructors, well maintained fleet."
"Fantastic experience."
"Chris Morrow was a very good instructor for me."

View all Google reviews



Fight Training



- PPL, MEL, CFI, Instrument programs on part 61 and 141
- Initial and recurring for
 - Twin piston aircraft
 - Cheyenne
 - Conquest
 - King Air
- Partnered with FlyATM for national referrals and insurance approvals





Aircraft Painting and Upholstery

- Full paint shop, restoration or complete repaints
- Inhouse interior refinishing with leather seat upholstery



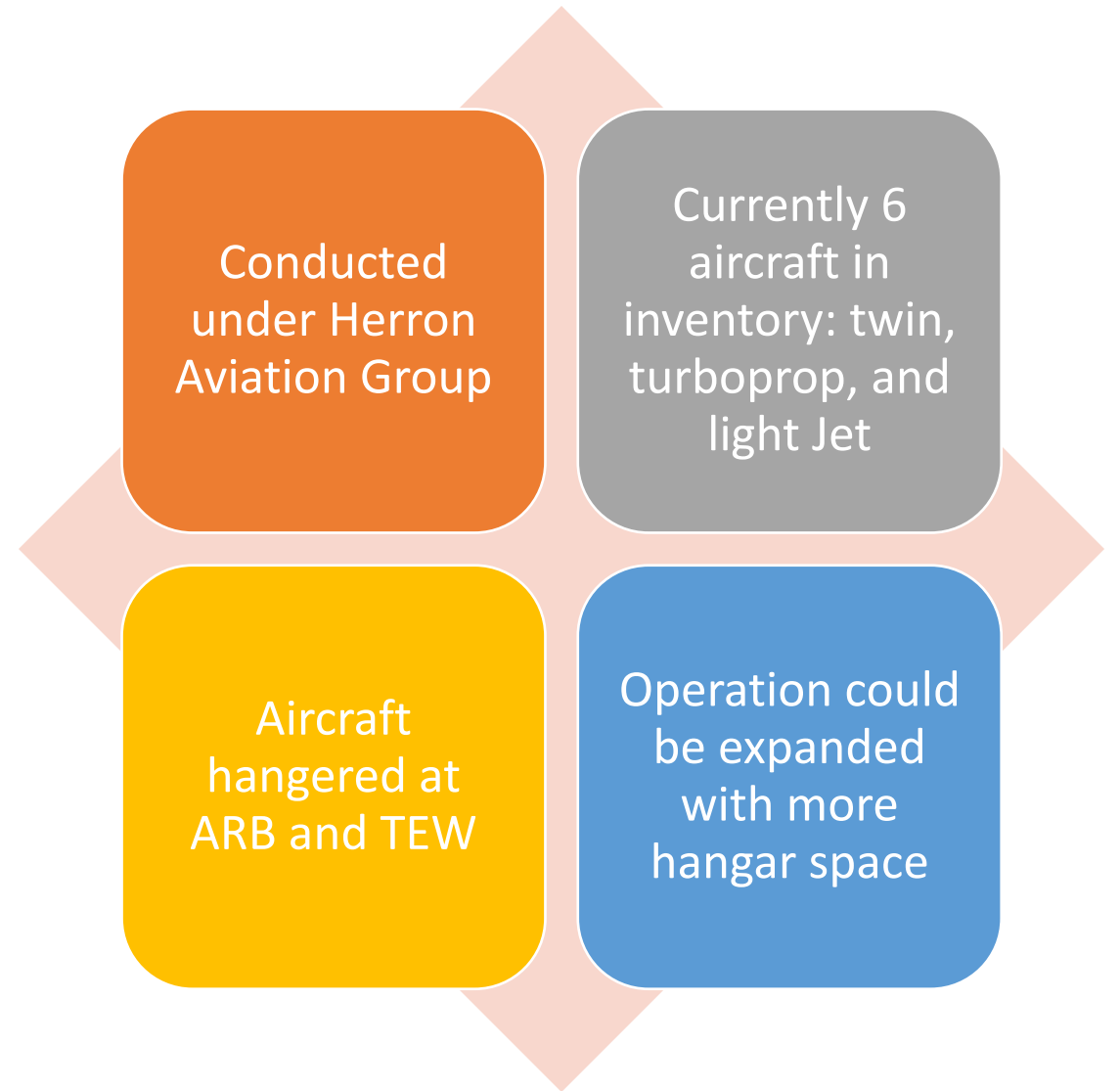
Avionics

- Garmin Certified Avionics Installer
- GPS, Autopilots, radar, transponders, radios, audio controls, engine monitors, PFDs, MFDs, full laser cut panels





Aircraft Sales





ARB Strategic Vision

To provide a simple, seamless ownership and maintenance experience for owner pilots to encourage growth of aviation at ARB

Target customers are individuals and businesses from that own or plan to own an aircraft and use it for travel or entry into aviation.



How we will accomplish the vision

- Invest to repair and renovate old Aviation center building and directly manage all construction
- Expand already successful maintenance business at TEW to ARB
- Grow inventory of an already successful aircraft sales business from TEW to ARB
- Make aircraft ownership easy for our customers
 - Provide turnkey, complete solutions from training and aircraft leasing to maintenance, fuel, avionics, and interior upgrades
 - Offer rental, fractional ownership, dry lease, and charter options for aircraft owners on demand
 - Offer sales of new and used aircraft, accept trade-ins, bundle in financing
 - We would like to discuss leasing land to build and rent low cost, large T-hangars that can accommodate up to 50' wingspan enabling Ann Arbor to support Cheyenne, 421C (wingtip version), Meridian, Turbo Commander, Pilatus, TBM, and King Air aircraft



ARB Proposal

Site for Operations

- Old Aviation Center, additional land or buildings

Construction

- Architectural refurbishment of building
- Mechanical Upgrades
- Electrical changes to building
- Additional items not noted in report to improve site and drive business
- Future expansion – large T hangars

Operations

- Full service fuel
- Full maintenance center for piston and jet
- Flight training
- Aircraft rental/leasing
- Aircraft painting
- Aircraft Avionics
- Aircraft sales



Structure of Deal

- We will make all necessary renovations to facility, up to \$200,000 and demonstrate liquidity for renovations and operations
- Will bring FBO and aircraft dealership online within agreed upon time period
- Lease rate – to be discussed
- Lease duration – Would like to be a long term operation at Ann Arbor, and bring real value to Ann Arbor airport and community
 - Desire is a long term lease with 1 renewal option to absorb CapEX from renovations
 - Note, other nearby airports offer 30 year lease term with 10-30 year extensions
- Would like option for additional adjacent land lease option for construction of T-hangars to accommodate 50' wingspans.



Timeline

We believe the renovations can be completed in 90 days

Full FBO can come online within 6 months

Some operations can begin immediately



Capitalization

- Business partners have combined liquidity for > \$1M Investment
- No external financing is planned until after construction is complete and operation is stabilized



The Ask

Long Term Lease with
renewal

6 Months to bring
operations online

Option to lease additional
land/structures for
expansion