

# Cirrus seeks space to stretch its minds and legs

[Peter Passi](#) Duluth News Tribune

Published Friday, November 09, 2007

Cirrus Design Corp. is running out of room. Again.

This time, however, the fast-growing Duluth-based airplane manufacturer isn't in need of production space. It needs room to dream.

Actually, dreaming isn't



Cirrus design announced plans for its the-jet in August

the primary mission of the 100-person advanced development team that Cirrus has assembled. Their task is to make the company's dream of producing a \$1 million personal jet a reality, and soon.

## RELATED CONTENT

 [Peter Passi Archive](#)

Cirrus aims to have a prototype of its new aircraft—dubbed “the-jet” — by the second quarter of next year.

At present, the development team is crammed into a low-slung, 15,000-square-foot building east of Cirrus' headquarters on Airport Road.

Michael Van Staagen, vice president of Cirrus' advanced development group, eagerly awaits a deal that could dramatically improve his colleagues' work conditions. Cirrus has been working with the Duluth Airport Authority to lease a 39,000-square-foot building next door to its main facility.

Members of the Duluth Airport Authority Board met Thursday morning to consider a proposed lease agreement for the building called Hangar No. 103. But they stopped short of approving the deal, asking staff instead for more information and some language modifications.

Bill King, Cirrus vice president of business administration, said his company first expressed interest in gaining control of the hangar more than 14 years ago.

But Brian Ryks, executive director of the Duluth Airport Authority, said it took years of talks with the Air National Guard, the hangar's prior owner, for the airport to finally acquire the property.

The proposed lease agreement would have provided Cirrus with the building for \$22,163 per month initially, with the rent increasing each year in step with the consumer price

index, to keep pace with inflation. The contract presented to the board Thursday would have allowed Cirrus to rent the facility for the next 25 years, with the right to renew the agreement for up to two more 25-year periods at the same terms.

“Our efforts all along have been to get Hangar 103 for Cirrus, but I think we need to act prudently,” said Michael Orman, airport authority’s board vice president.

“I just don’t want to get into a 75-year lease on the basis of a five-minute discussion. It doesn’t make good sense,” he said.

“I agree with Michael,” said Roy Niemi, another airport authority board member. “With anything past 25 years, I get pretty nervous.”

John Eagleton, secretary of the airport authority board, suggested that after 25 years, the contract could allow for a reassessment of the lease terms, in light of changing market values.

King said he’s willing to work with airport staff to refine the lease agreement but stressed, “We’re desperate for space.”

Eagleton suggested the airport board could call another special meeting after the lease agreement is amended to reflect members’ concerns.

“We need to move this along as quickly as we can,” he said.

Meanwhile, Cirrus’ space crunch continues to intensify.

“We’re hiring as fast as we can,” Van Staagen said. For more than a year now, he said his team has been growing by an average of about six positions per month to keep pace with the project’s demands.

By next fall, the development team for the-jet could number 200, according to King.

Van Staagen said that if additional space doesn’t become available soon, it could hamstring the company.

“It would be a shame to limit Cirrus’ growth because we couldn’t find the space it needs,” he said.

So far, Cirrus has received 327 orders for the jet it plans to build. Each order came with a \$100,000 deposit, putting a total of \$32.7 million in the company’s pockets.

Cirrus has made no promises about when its new aircraft will be ready for delivery, but the-jet is expected to hit the market by 2010, at the earliest. Van Staagen characterized the company’s timeline for getting the-jet into production as ambitious.

“Our customers want this airplane tomorrow,” he said.

Van Staagen described his development team for the-jet as “cross-functional.” It includes designers, engineers, aerodynamic analysts, manufacturing advisers, a build team for the prototype, as well as a flight test group.

But those people need room to work.

“We’ve really gotten behind the eight ball,” Van Staagen said. “I feel personally embarrassed that we’ve not been able to stay ahead of the facility needs for our team.”

“I take my hat off to all our dedicated employees in advanced development who are working on collapsible picnic tables and plastic chairs right now,” he said. “We look forward to providing them with a more comfortable environment in the future.”

PETER PASSI covers business and development. He can be reached weekdays at (218) 279-5526 or by e-mail at [ppassi@duluthnews.com](mailto:ppassi@duluthnews.com).