



**MINUTES OF THE
WILLIAMS GATEWAY AIRPORT AUTHORITY
BOARD MEETING
JUNE 22, 2009**

AIRPORT AUTHORITY BOARD MEMBERS

Mayor Scott Smith, Mesa
Mayor Art Sanders, Queen Creek
Councilwoman Thelda Williams, Phoenix
Mayor John Lewis, Gilbert
Lt. Governor Joseph Manuel, Gila River Indian Community **

*** neither present nor represented*

GUESTS PRESENT

Roc Arnett, East Valley Partnership	Larry Kieser, Mesa Police Department
Jacques Blondeau, Embraer	Johannes Kurz, Gateway Ambassador
Chris Brady, City of Mesa	Kathy MacDonald, City of Mesa
Russ Brandt, Blue Chip	Debbie Moore, DelStar Companies
Jim Brasetton, Mariscal Weeks	Floyd Moore, Valle del Oro
Scott Butler, City of Mesa	Tom Novy, SRP
Jeff Carr, Air Force Research Lab	Scot Rigby, City of Mesa
Michael Dean, CBP	Christopher Schmaltz, Gust Rosenfeld
Jenny DiGiro, Embraer	John Schroeder, Chandler-Gilbert Community College
Shane Dille, Town of Queen Creek	Councilmember John Sentz, Town of Gilbert
Tamie Fisher, City of Phoenix	Jerry Spellman, Unimodal Systems
Ken Halverson, KMH Holdings	Phil Statt, Himovitz Properties
Karen Hardy, DelStar Companies	Art Thomason, Arizona Republic
Jean Humphries, ASU Polytechnic	Robert Trzepkowski, SRP
Debbie Inman, Willis of Arizona	Jennifer Whalley, East Valley Partnership
	Stephanie Winn, SRP

AIRPORT STAFF PRESENT

Crystal Brinkley, Administrative Secretary
Casey Denny, Deputy Director
Walter Fix, Director of Planning and Special Projects
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors
Lynn Kusy, Executive Director
Jonathan Pitney, ASU Intern

CALL TO ORDER

The meeting was called to order by Chair Smith at 9:01 a.m.

AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Chair Smith welcomed newly elected Gilbert Mayor John Lewis, introduced his new Chief of Staff Kathy MacDonald, and recognized Mesa City Manager Chris Brady.

Airport Executive Director Lynn Kusy recognized Gilbert Councilmember John Sentz and new Development Secretary Crystal Brinkley. He also recognized ASU intern, Jon Pitney, who will be working for Gateway during the summer; Tom Novy, SRP; and Karen Hardy and Debbie Moore from DelStar Companies.

COMMENTS FROM THE PUBLIC

Jerry Spellman is the Arizona Coordinator for Unimodal Systems, LLC. which is developing the SkyTran Mag Lev Personal Rapid Transit System. Mr. Spellman reported that the high speed rail system is being demonstrated at NASA's Ames Research Center in California. Mr. Spellman submitted a proposal for high speed rail system between Mesa, Gilbert, Gateway, ASU Polytechnic, and Queen Creek. The total program would cost about \$300 million for 25 miles of service. He said the federal government could pay 100 percent of the cost. He noted that if funding is approved, it could bring 400 new jobs to the area. Mr. Spellman concluded by asking the Board to review his information, to designate a staff member to be primary contact, and to possibly add this topic to a future Board meeting agenda.

PROGRESS REPORTS

- ASU Polytechnic – Jean Humphries distributed an article from AutoPilot magazine about ASU's new air traffic control (ATC) program. Ms. Humphries said the new ATC simulator is now functioning in the simulator building. She said that ASU now has one of the FAA certified degree programs in ATC training. Ms. Humphries reported that ASU is ahead of admissions over last year. Construction of Backus Mall is progressing and the former Air Force auditorium will be renovated into a 400-seat lecture hall.
- Chandler-Gilbert Community College (CGCC) – John Schroeder announced leadership changes at CGCC. He said Dr. Linda Lujan has been appointed as interim president pending a national search for a permanent president. Maria Hesse has gone to ASU to serve as Vice Provost. Over 100 Chandler 6th graders have graduated from Destination College at the Pecos Campus. The students were introduced to the fields of nursing, fire sciences, aeronautical engineering, and zoology as possible career paths.

Responding to a question from Mayor Smith, Jean Humphries said ASU staff is working with the City of Mesa on water capacity issues for the EVIT project.

EXECUTIVE DIRECTOR'S REPORT - Review of Monthly Staff Reports – Updates on: Construction ♦ Commercial Service ♦ Finance ♦ Economic Stimulus Program - Lynn Kusy, Executive Director

- Fuel deliveries were up to 1.1 million gallons in April

- FAA guidelines require four operations per hour to be able to increase our tower hours. A survey is being conducted to determine whether we can extend our tower hours
- State budget issues may again sweep the aviation fund resulting in: 1.) no state match for federal grants, 2) a delay in State's reimbursement of our grant funds already spent, and 3.) no new capital projects
- Began work on cost/benefit analysis of the east side development
- Staff received notice of a \$6 million award for Taxiway B
- We expect to receive \$1.3 million for site work on the west terminal expansion
- The TSA will receive stimulus funds for improved baggage screening equipment at Gateway
- Revenues and expenses were both under budget in April. We are about \$400,000 better than budget through the end of April
- Enplanements in April were 27,021 with a 90 percent load factor
- Staff has launched a monsoon awareness program with our tenants and customers. We ask them to check tie downs, secure loose items, and monitor weather conditions
- I attended the AAAE conference last week where the mood was somber but optimistic. Nationally, air traffic is down 20 to 30 percent, revenues are down – 2010 is viewed as zero growth year, with 2011 more normal growth of about three percent passenger enplanements. We do not have a multi-year FAA reauthorization bill passed, and Congress is pressing for changes in airport rescue and fire fighting requirements. This would increase manpower and equipment minimums, and reduce response times. If the bill passes, it could require us to build a second new station
- White Knight Two stopped at Gateway on Friday for emergency repairs

Mayor Smith asked for clarification on the airport rescue and fire fighting requirements. Mr. Kusy said it is coming from the fire fighters' union. It has passed in the House, but has not been heard in the Senate. Mayor Smith noted that the Tucson mayor is the new chair of the U.S. Conference of Mayor's Aviation Committee.

PRESENTATION: : SRP Abel-Moody 230kV Transmission Project – Tom Novy, SRP Project Manager (See Resolution No. 09-26)

Mr. Tom Novy gave a presentation on the process used by SRP to select a location for the proposed 230kV line. Mr. Novy explained the need and benefits of the new Abel-Moody 230kV line. He reviewed what had transpired to date concerning working group meetings and public open house meetings. He said SRP submitted their application for a Certificate of Environmental Compatibility from the Arizona Corporation Commission on June 12, 2009. Mr. Novy noted that the Siting Committee Hearings will be held at ASU Polytechnic's Student Union, Cooley Ballrooms, on Wednesday, August 5 beginning at 9:30 am. There is a special public comment session at 6:00 pm that evening at the same location.

Following Mr. Novy's presentation, Mayor Smith said that the Board has not taken a formal position on this issue. The Airport Authority has certain interests, as each community has specific interests and strong feelings. He suggested that today is not the day for this discussion, and that the Board will have an opportunity to discuss potential conflicts at a later time.

CONSIDERATION AND POSSIBLE APPROVAL OF Resolution No. 09-26 – Authorizing the Executive Director to File a Notice of Intent to be a "Party" with the Arizona Power Plant and Transmission Line Siting Committee Related to Salt River Project's Abel-Moody 230kV Transmission Project.

Mr. Kusy asked for Board approval to become a Party to the line siting proceedings. He said we have until July 22 to make a decision. We would have five minutes of testimony as an interested citizen if we don't become a Party. Airport Authority Counsel Christopher Schmaltz reported that the only entity which formally submitted their notice to be a Party is Pinal County. Being a Party gives us the opportunity to participate fully in the hearing to a greater level than simply making a five-minute statement. He said it is appropriate for the Board to make the decision for the Authority to participate formally in the process. Staff can come back to the Board for preparation and perspective. Being a Party is being a participant in the hearing but there is no obligation to present evidence or anything in writing.

Mayor Lewis agreed that it would be "good to move forward and hopefully, be united on July 27." Mr. Schmaltz said a conflict for individual Board members could arise if there is an expression from the Board as to a position that may be contrary to the position taken by a Member of the Authority.

Mayor Smith asked about which routes had the greatest impact to operations of the Airport. Mr. Kusy said it is all the proposed alignments that staff has focused on. Casey Denny said all alignments have been reviewed as to their impact to the Airport.

Mayor Sanders and Councilwoman Williams expressed their desire that the Airport Authority become a Party to the proceedings.

Councilwoman Williams moved to approve Resolution No. 09-26. Mayor Sanders seconded the motion. The motion carried unanimously.

CONSENT AGENDA - Consideration and Possible Approval of:

Tab A - Minutes of Board Meeting held on May 18, 2009.

Tab B - Resolution No. 09-19 - Authorizing the Airport Authority to Accept any Federal Aviation Administration Grant Offer(s) Received between July 1, 2009 and June 30, 2010.

Tab C - Resolution No. 09-20 - Authorizing the Airport Authority to Accept any Arizona Department of Transportation Grant Offer(s) Received between July 1, 2009 and June 30, 2010.

Tab D - Resolution No. 09-21 - Adopting an Amendment to the Intergovernmental Agreement between the City of Mesa and Williams Gateway Airport Authority for Fire Vehicle and Equipment Maintenance Services Effective July 1, 2009 at a Cost of Approximately \$22,000.

Tab E - Resolution No. 09-22 – Authorizing a One-Year Landscape Maintenance Contract with Mariposa Landscape Arizona, Inc. Commencing July 1, 2009 in the Amount of \$106,993.

Tab F - Resolution No. 09-23 – Authorizing Willis of Arizona, Inc. to Purchase Insurance from Various Companies for Period July 1, 2009 to July 1, 2010 at a Total Cost of \$268,541.

Mr. Kusy asked to have Resolution 09-22 removed from the agenda. The Resolution will be brought back at a future date for Board consideration.

Councilwoman Williams moved to approve the Consent Agenda (minus Resolution No. 09-22). Mayor Lewis seconded the motion. The motion carried unanimously.

CONSIDERATION AND POSSIBLE APPROVAL OF:

Resolution No. 09-24 – Adopting Fiscal Year 2009-2010 Strategic Business Plan.

Mr. Kusy explained that each year, staff prepares a proposed business plan that goes to the Board for consideration. He said this year, the goals have been reduced to seven (from ten) to focus on the things that are critical to the operation of the Airport.

Mayor Lewis expressed his appreciation for being part of the Airport Authority and that he is impressed with the Airport. He asked about details on future commercial passenger service. Mr. Kusy said it is an ongoing effort. He said our marketing staff has met with five to six airlines since March. Marketing Manager John Barry keeps in touch with airlines electronically, and if anything concrete arises, staff will bring the information back to the Board. Mr. Kusy added that most airlines expect confidentiality in any preliminary discussions. He noted that the airlines are downsizing 20-30%, and are experiencing route consolidation and mergers.

Mayor Sanders moved to approve Resolution No. 09-24. Councilwoman Williams seconded the motion. The motion carried unanimously.

Resolution No. 09-25 - Authorizing a Terminal Concession Lease Agreement with StarGateway, LLC to Operate the Just Plane Food Café in the Airport Passenger Terminal Annex. The Agreement Term is Seven Years, Commencing July 1, 2009, and is Payable Monthly at the Greater of the Initial Rental Rate of \$2,916.67 or 12 Percent of Gross Revenues.

Mr. Kusy said that StarGateway is a current tenant which operates the Arizona Highway concession in the terminal annex. StarGateway responded to the RFP for a food and beverage concession area, and will remove their food and beverage from existing space and establish it in new space in the annex. This is a seven-year contract with a 12 percent fee.

Councilwoman Williams noted StarGateway was “very reputable and first class.”

Councilwoman Williams moved to approve Resolution No. 09-25. Mayor Sanders seconded the motion. The motion carried unanimously.

Resolution No. 09-27 – Adopting a Revised Airport Rates and Charges Schedule, to be Effective July 1, 2009, superseding all Previous Editions.

Mr. Kusy said very few changes were needed to the Rates and Charges schedule. Given the state of the economy, it would not be prudent to raise fees.

Mayor Sanders moved to approve Resolution No. 09-27. Councilwoman Williams seconded the motion. The motion carried unanimously.

Resolution No. 09-28 – Adopting Revised Commercial Real Estate Brokers and Agents Policy #4202 to Establish New Commission Guidelines and Continue Allowing Payments For New Property Lease Agreements for WGAA-Owned Buildings and Land.

Mr. Kusy explained that seven years ago the Board authorized staff to pay a fee to any real estate broker at three percent if they brought a lease to the Airport. He noted that we have never had a broker bring a deal to us. Staff proposed to increase the commission from 3 to 6 percent to generate additional activity for brokers and agents.

Councilwoman Williams asked what would happen if the fee increase didn't work. Craig Herget responded that this is a one- time payment paid within 30 days of the lease effective date. If a lease goes in default, they would need to pay back the fee. Mr. Herget said this mirrors what is standard

in the real estate industry. It is six percent up to five years, and three percent for the next five years. He added that there are no escalations or changes for CPI. Mr. Herget said given today's market, we may attract more business.

**Councilwoman Williams moved to approve Resolution No. 09-28.
Mayor Lewis seconded the motion. The motion carried unanimously.**

INFORMATION ITEM

Notification of Emergency Procurement - Pavement Repair \$45,886.63. Mr. Kusy reported on an emergency pavement repair in the Allegiant parking area.

BOARD MEMBER COMMENTS

NEXT MEETING

Monday, July 27, 2009 – 9:00 am

ADJOURN

The Board adjourned the meeting at 10:11 am.