



**MINUTES OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**

BOARD MEETING

July 27, 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

GUESTS PRESENT

Roc Arnett, East Valley Partnership	Dr. Gary McGrath, ASU Polytechnic
Nikki Bernstein, Himovitz Properties	Floyd Moore, Valle del Oro
Jacques Blondeau, Embraer	Scot Rigby, City of Mesa
Scott Butler, City of Mesa	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
Ken Halverson, KMH Holdings	Jerry Spellman, Unimodal Systems
Johannes Kurz, Gateway Ambassador	Art Thomason, Arizona Republic
Dr. Linda Lujan, Chandler-Gilbert Community College	Ken Wangler, Access & Egress

AIRPORT STAFF PRESENT

Casey Denny, Deputy Director
Doug Drown, Director of Financial Planning and Budgeting
Margi EvanSon, Project Coordinator
Walter Fix, Director of Planning and Special Projects
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors
Lynn Kusy, Executive Director

CALL TO ORDER

The meeting was called to order by Chair Smith at 9:00 a.m.

AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Airport Executive Director Lynn Kusy introduced Gilbert Councilmember John Sentz, and Operations Project Coordinator Margi EvanSon, who was named Gateway's Employee of the Year.

COMMENTS FROM THE PUBLIC

Mr. Jerry Spellman, Unimodal Systems, addressed the Board on a proposed SkyTran MagLev Personal Rapid Transit system. He reported that Unimodal has applied for a \$25 million TIGER grant from the federal government for a demonstration project in California. His company proposes to build a five-mile demonstration system with cooperation from ASU, Chandler-Gilbert Community College, and Gateway Airport.

PROGRESS REPORTS

- ASU Polytechnic – Dr. Gary McGrath reported that in spite of the economy, ASU Polytechnic is doing well with very few changes to their programs. Dr. McGrath noted that recent reorganization changes affected mostly structural level programs. The University plans to enhance student life by providing residential facilities (dorms) and assigning students to these dorms with other students in the same program.
- Chandler-Gilbert Community College (CGCC) – Mr. John Schroeder introduced new CGCC interim president, Dr. Linda Lujan. He said a national search will be undertaken for a permanent president. Mr. Schroeder reported that fall enrollment continues to grow and he anticipates a 30 percent increase. Aviation Maintenance enrollment numbers are very high and the College is considering a second class. Construction projects underway include Baylor Hall, landscaping, and a fire/law enforcement building, and new wayfinding signage project is scheduled to go to the CGCC Board of Regents this fall.

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

Mr. Kusy provided highlights from the monthly staff reports as follows:

- Casey Denny, John Cox, and other staff joined me in LA at FAA's annual conference for the Western Pacific region. We discussed with FAA staff our current and future grant requests, status of existing grants, grants management performance, our next PFC application, and our rising enplanement counts.
- Our three largest buildings remain vacant, resulting in a 40 percent vacancy rate. We have some prospects for the buildings and have generated some revenue from short-term users of the large hangar.
- For our Aviation Services division, retail fuel sales for May were up slightly over May 2008. Government fuel deliveries were up about 50% and contract fuel deliveries were down slightly. Commercial passenger fuel deliveries were up 33% from May 2008.
- Staff is working with Embraer in preparation for the issuance of special facility bonds to finance their recently completed hangar. The lease we signed with Embraer specifically anticipated the issuance of bonds.

- The State budget may preserve most of the State Aviation Fund, and accompanying legislation changed the calculation of the cap on grants to any single airport. This may mean the restoration of the State grant program, at least to be able to timely reimburse us for existing grant expenditures and to provide 2.5 percent match for new FAA grants.
- Preliminary June financial statements show we finished the year in good shape. Our operating loss before depreciation was about \$200,000 better than budget in spite of the fact that our operating revenues were about \$770,000 under budget. Our change in net assets was about \$1.8 million, almost \$7 million better than budget.
- Enplaned passengers in May were 22,758 and in June were 24,749. Total enplaned passengers for FY2009 were 229,306. Allegiant has announced the addition of service to Grand Island, Nebraska beginning October 14, and we expect two additional destinations to be added this year.. Allegiant Vice President Robert Ashcroft said to the media last week, “One of biggest surprises is the amount of traffic generated from the Phoenix-Mesa area.” About 30 percent are Valley residents heading north.
- Due to the lack of vehicle parking space near the passenger terminal, we are preparing plans for remote parking to handle holiday traffic. In addition to the 1,000 parking spaces we have today, we need to add another 1,600 spaces for the Thanksgiving through New Year season.
- Mesa is planning to break ground on the new fire fighting station on the Airport for August 4. The facility will also include space for Mesa Police department.
- Last week, the House passed the Transportation Appropriations Bill. The Senate committee could review its bill this week.

CONSENT AGENDA - Consideration and Possible Approval of:

Tab A- Minutes of Board Meeting held on June 22, 2009.

Tab B- Resolution No. 09-22 - Authorizing a One-Year Landscape Maintenance Contract with **Desert Glen Commercial Landscape Group, Inc.** Commencing August 1, 2009 in the Amount of \$99,565.

Tab C- Resolution No. 09-29 – Authorizing the Purchase and Installation of Parking Revenue Control Equipment from **Scheidt & Bachmann USA, Inc.** for \$64,614.77.

Tab D- Resolution No. 09-30 – Adopting Authorization of Services No. 1002 with **Dibble Engineering** for Design and Bid-Phase Services of East Verona Avenue Storm Drain Extension in the Amount of \$87,041.40.

Mayor Sanders moved to approve the Consent Agenda. Councilmember Williams seconded the motion. The motion carried unanimously.

CONSIDERATION AND POSSIBLE APPROVAL OF

Resolution No. 09-31 - Adopting a One-Year Intergovernmental Agreement Between the **City of Mesa** and the Phoenix-Mesa Gateway Airport Authority for Dedicated Law Enforcement Services at a Cost of \$334,540.

Mr. Kusy reported this agreement has not been finalized and Board consideration will be postponed to September.

Resolution No. 09-32 – Authorizing an Intergovernmental Agreement Between the **City of Mesa** and Phoenix-Mesa Gateway Airport Authority for Construction Cost Share of Fire Station No. 215 at a Cost Not to Exceed \$290,000.

Mr. Kusy explained that the new fire station was originally planned to be built at the current fire station location, but to allow for passenger terminal expansion, staff asked the City to move the fire station to a new location. The Airport incurred approximately \$290,000 in additional expenses for the new location.

Councilwoman Williams moved to approve Resolution No. 09-32. Mayor Sanders seconded the motion. The motion carried unanimously.

Resolution No. 09-33 – Authorizing a Construction Contract with **Sundt Construction, Inc.** for the West Terminal Expansion Site Preparation and Excavation at an Approximate Cost of \$1.2 Million.

Deputy Director Casey Denny reported that during the expansion of the current terminal, staff discovered that the main portion of the terminal needed to be expanded by 57,000 square feet. The first phase for an expansion of 25,000 square feet is under design. Mr. Denny said this project is for site work only and staff expects to receive a grant for this site work from FAA within 30 to 45 days. Building construction will come to the Board for consideration in the near future.

Mayor Sanders moved to approve Resolution No. 09-33. Councilwoman Williams seconded the motion. The motion carried unanimously.

ELECTION OF OFFICERS *(for positions of Chair, Vice Chair, Secretary, Treasurer)*

Mayor Lewis nominated Mayor Sanders for Chair, Councilwoman Williams for Vice Chair, Mayor Lewis for Secretary, Lt. Governor Manuel for Treasurer, and Mayor Smith as Director. Councilwoman Williams seconded the motion. The motion carried unanimously.

BOARD MEMBER COMMENTS

Mayor Sanders expressed his appreciation to Mayor Smith for his service and leadership on the Board during the past year.

NEXT MEETING

Monday, September 14, 2009 – 9:00 am

ADJOURN

The Board adjourned the meeting at 9:28 am.