

**Phoenix-Mesa Gateway Airport Authority**  
5835 S. Sossaman Road ♦ Mesa, Arizona 85212

**BOARD of DIRECTORS' MEETING**  
**AGENDA**

**Monday, June 21, 2010 ♦ 9:00 a.m.**

1. **Call to Order: Phoenix-Mesa Gateway Airport Authority** – *Mayor Gail Barney, Chair*
2. **Awards, Guest Introductions, and Announcements**
3. **Comments From the Public:** *(Members of the public may comment on any item of interest. Arizona Open Meeting law does not permit the Board to discuss items not specifically on the agenda.)*
4. **Progress Reports:**
  - a) **ASU Polytechnic** – *Dr. Keith Hjelmstad, Vice President & Dean, College of Technology & Innovation*
  - b) **Chandler-Gilbert Community College** – *John Schroeder, Provost*
5. **Review of Monthly Staff Reports and Updates on:** ♦ **Construction** ♦ **Commercial Service** ♦ **Finance** *Lynn Kusy, Executive Director*
6. **Consent Agenda - Consideration and Possible Approval of:**
  - Tab A** – **Minutes** of Board Meeting held on May 24, 2010.
  - Tab B** – **Resolution No. 10-17** – Authorizing a First Amendment to the **Gateway Pilot Shop** Facility Lease Effective July 1, 2010 which Provides Four Mutual One-Year Extension Options, Adjusts the Rental Payment Ratio for Base Rent and Percentage Rent, and Revises the Annual Rent Adjustment Formula to Equal the Greater of Three Percent or CPI.
  - Tab C** – **Resolution No. 10-18** – Authorizing **Willis of Arizona, Inc.** to Purchase Property and Liability Insurance for Period July 1, 2010 to July 1, 2011 at a Total Cost of \$233,855.
  - Tab D** - **Resolution No. 10-19** – Authorizing an Extension to the Intergovernmental Agreement with **City of Mesa** Relating to Aircraft Rescue and Firefighting Services at a Cost of \$312,396.32 Effective July 1, 2010 through October 31, 2010.
  - Tab E** – **Resolution No. 10-20** – Authorizing a One-Year Landscaping Maintenance Contract with **Desert Glen Commercial Landscape Group, Inc.** Commencing July 1, 2010 in the Amount of \$112,026.24.

**Consideration and Possible Approval of:**

7. **Resolution No. 10-21** – Adopting a Revised **Airport Rates and Charges Schedule** to be Effective July 1, 2010 and Superseding all Previous Editions.
8. **Resolution No. 10-22** – Authorizing a Construction Contract with **CSW Contractors** to Provide Construction of Drainage Improvements for the South Area Drainage Project Phases I and II at a Cost of \$2,390,743.49, Subject to Receipt of FAA Funding.
9. **Resolution No. 10-23** – Approving Authorization of Services No. 10-09 with **Dibble Engineering** to Provide Inspection and Construction Administration for the South Area Drainage Project Phases I and II at a Cost Not to Exceed \$256,524.23. Subject to Receipt of FAA Funding
10. **Resolution No. 10-24** – Authorizing a Contract with **Southwest Concrete Paving Company** for the Construction of Alpha Apron Phase II at a Cost of \$1,962,743.97 Subject to Receipt of FAA Funding.

11. **Resolution No. 10-25** – Approving Authorization of Services No. 10-03 with **Kimley-Horn and Associates** to Provide Inspection and Construction Administration for the Alpha Apron Expansion Phase II Project at a Cost Not to Exceed \$234,899. Subject to Receipt of FAA Funding
12. **Resolution No. 10-26** - Authorizing Termination of Existing Property Lease Agreement with **Gateway 12, LLC** for Lot 12 and Execution of a Right of First Offer Agreement Effective June 30, 2010 and Requiring Forfeiture of their \$11,337.84 Security Deposit. The Right of First Offer Term is Two Years at a Rate of \$632.81 Per Month Until Terminated or Until a New Property Lease is Signed.
13. **Resolution No. 10-27** – Authorizing an Agreement for Financial Participation Between the **City of Mesa** and Phoenix-Mesa Gateway Airport Authority to Share State and Federal Lobbyist and Consulting Services Utilizing the Services of Patton Boggs LLP for Federal Representation at a Cost Not to Exceed \$52,800 for FY11, \$57,600 for FY12, and \$60,000 for FY13, and Traidvocates LLC for State Representation at a Cost Not to Exceed \$24,000 for FY11 and \$26,000 for FY12.
14. **Board Member Comments / Announcements**
15. **Next Meeting:** Monday, July 26, 2010 – 9:00 am
16. **Adjourn**

Pursuant to ARS 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and the general public that the Airport Authority will hold a meeting open to the public on Monday, June 21, 2010 at 9:00 am. One or more members of the Board may attend meeting by electronic means ♦ Agenda posted at [www.phxmesagateway.org](http://www.phxmesagateway.org)



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

**BOARD MEETING**

**May 24, 2010**

**AIRPORT AUTHORITY BOARD MEMBERS**

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

*\* not present*

**GUESTS PRESENT**

Nadine Becker, Barton Malow	George Raymond, Mesa Resident
Nikki Bernstein, HPI	Richard Reese, Hensel Phelps Construction Co.
Russ Brandt, Blue Chip Land Corp.	Scot Rigby, City of Mesa
Kevin Eckels, Barton Malow	Christopher Schmaltz, Gust Rosenfeld
Tamie Fisher, City of Phoenix	Tom Schuett, Queen Creek Resident
Ken Halverson, Jetstrip	Councilmember John Sentz, Gilbert
Dr. Keith Hjelmstad, ASU Polytechnic	Commander Joe Shelley, Mesa Police Dept.
Larry Kieser, Mesa Police Department	Vicky Songer, Town of Queen Creek
John Kross, Town of Queen Creek	Phil Statt, HPI
Johannes Kurz, Gateway Ambassador	Bruce Tinsley, Access & Egress
Mike McCleve, Gilbert Leadership	Paul Womack, Phoenix Fire Center
Floyd Moore, Valle del Oro	

**AIRPORT STAFF PRESENT**

Casey Denny, Deputy Director  
Carl Drehle, Supervisor, Gateway Aviation Services  
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors  
Dwayne Hoyt, Specialist - Operations  
Lynn Kusy, Executive Director  
Chris McCarthy, Specialist – Line Service  
Bill Mitchell, Director – Operations & Maintenance

## CALL TO ORDER

The meeting was called to order by Chair Sanders at 9:02 a.m.

## AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Airport Executive Director Lynn Kusy made the following announcements:

- the Boeing 787 was on the Airport and could be viewed before leaving later in the day
- Gateway received another perfect score from the FAA. This is the 13<sup>th</sup> annual perfect inspection
- partnering with SandBox Creative, Gateway received three awards for publications and our justPLANEasy Web site
- presented five-year service awards to: Carl Drehle, Supervisor – Gateway Aviation Services; Dwayne Hoyt, Specialist – Operations; and Chris McCarthy, Specialist – Line Service, Gateway Aviation Services

Mr. Kusy introduced:

- Gilbert Councilmember John Sentz and Ms. Vicky Songer, Assistant to the Gilbert Mayor and Council. Mayor Lewis added that Ms. Songer was the “heart” of the Town of Gilbert with eleven plus years at the Town, and
- Commander Joe Shelley, the Airport’s liaison to the Mesa Police Chief.

Mr. Kusy presented a plaque to Mayor Sanders for his service on the Board of Directors since July 2006.

## COMMENTS FROM THE PUBLIC

Mr. Tom Schuett from Queen Creek addressed the Board concerning Allegiant Air’s early morning engine run ups. Mr. Schuett said since last fall, he has experienced several instances of extreme jet noise between 3:00 am and 4:00 am. Mr. Schuett asked Airport staff to address the timing of early morning engine run up noise with Allegiant Air, and that staff increase public awareness about how to submit a noise complaint to the Airport.

Mesa resident George Raymond commented on the Airport’s “*Fly Friendly*” procedures. He said that in the past, flights would remain south of the SRP power lines. He said the “... noise was bearable then, but *Fly Friendly* procedures went by the wayside.” Mr. Raymond stated that he feels Allegiant Air doesn’t appear to be using these procedures. He stated that the aircraft are flying “lower than FAA requirement of 2,000 feet minimum.”

Mr. Raymond noted that he had spoken to Airport representatives Brian Sexton and Patrick Oakley. Mr. Raymond requested information about who he could follow up with so he could report back to other homeowners. He also asked that the Airport Authority remind Allegiant Air of the *Fly Friendly* procedures. He said “. . . the noise begins at about 6:00 am and continues to approximately 9:00 pm, seven days a week.” Among Mr. Raymond’s other concerns were: property damage due to vibration, hearing loss, use of antiquated 707 engines, dumping fuel into swimming pools, and aircraft flying at “500 yards” altitude.

## PROGRESS REPORTS

- **ASU Polytechnic** – Dr. Keith Hjelmstad reported that enrollment prospects for next year look strong. He noted that the passing of Proposition 100 was a vote of confidence from the people of the State of Arizona on education. Dr. Hjelmstad provided an update on current ASU Polytechnic activities: EVIT will break ground in mid June and begin class in the fall of 2011. Poly Middle School will open in the fall of 2010, Desert Mall and the chilled water plant connection will be done in June, and the Kinder Morgan pipeline removal is complete.

- **Chandler-Gilbert Community College** – no report.

**EXECUTIVE DIRECTOR'S REPORT - Review of Monthly Staff Reports and Updates on:  
Construction ♦ Commercial Service ♦ Finance ♦**

Mr. Kusy provided highlights from the April staff reports:

- East Valley Partnership and Mesa Chamber Aviation Committee are forming an alliance to promote aviation in the East Valley.
- Gateway staff hosted a reception at a recent Aviation Modification, Repair, and Overhaul Conference where Mayor Lewis spoke.
- Mayor Smith spoke at the Hawker Beechcraft ribbon cutting and open house.
- Casey Denny is now president of the Arizona Airports Association. Deena Shaffer and Sandy Kukla were elected to the board.
- Noise complaints for March were 30; April had 15.
- A full-scale disaster exercise was coordinated by staff and local police and fire.
- Passenger traffic: Gateway served 88,792 passengers in March.
- We are behind budget on revenues, but still about \$300,000 ahead of budget for the year.
- Revenues exceeded expenses on a monthly basis for two months in a row.

Responding to a question from the audience, Mr. Kusy said the noise complaints numbers are actual calls made to the noise hotline.

**PRESENTATION – FY 2011-2015 Strategic Business Plan – Lynn Kusy, Executive Director**

Mr. Kusy provided background and rationale for the FY 2011-2015 Strategic Business Plan. He reviewed the seven goals as set out by the Board, their strategies, and how staff plans to accomplish them.

Mayor Lewis asked about future east side development plans. Mr. Kusy said that the general parameters of the east side terminal are based on the Airport Master Plan. Deputy Director Casey Denny added that the Master Plan is demand based and the east side facility is projected to be needed in approximately 2017 or 2018. He also said that the Financial Business Plan and the Northeast Area Development Plan data may add another several years to that schedule, out to 2027. Mr. Denny said the east facility will be approximately 300,000 square feet with 10 gates.

**DISCUSSION ITEM: Responsibilities of the Board of Directors and Executive Director Regarding Lease Amendments - Christopher Schmaltz, Gust Rosenfeld PLC**

Airport Authority legal counsel Chris Schmaltz drew attention to multiple lease amendments on the consent agenda. He said he has examined the Airport Authority's existing Bylaws and Minimum Standards to discover how lease amendments should be handled. He reported that after reviewing the documents, he found clear guidelines on what authority is delegated to the Executive Director regarding leases, but it is not clear how lease amendments should be handled.

Mr. Schmaltz recommended that the Bylaws and Minimum Standards may need amending to provide clarity as to how lease amendments are handled. He said he will return to the Board in the next few months with recommended changes to these documents, and he may look at revising the form of the lease document itself. He asked for input and direction from the Board.

Mr. Schmaltz said that a lease that is less than one year or less than \$1,000 per month can be approved by the Executive Director. The lease is not specific as it deals with amendments. Infers that staff can make minor changes (i.e., use of property). Mr. Schmaltz recommended changing both Bylaws and changing lease verbiage.

Mayor Sanders said he felt that the Executive Director should have the responsibility and should be given the authority to execute amendments. Mayor Lewis asked if Sr. Staff was briefed on this issue. Mr. Schmaltz confirmed that this was discussed with Sr. Staff at their May 11 meeting. Sr. Staff members discussed several options from a hands-off approach to bringing everything to the Board.

Mayor Smith noted that in any long-term business relationship there is always the potential for changes. He suggested it would not be efficient for the Board to be involved in all changes, but there is a point when changes are material (i.e., property use, lease termination, subletting, etc.). He said there are financial changes and non-financial (substance) which the Board should be involved in. It was determined that staff will work with Mr. Schmaltz and come back to the Board with suggested standards and thresholds for dealing with leases.

### **CONSENT AGENDA - Consideration and Possible Approval of:**

**Tab A – Minutes** of Board Meeting held on March 15, 2010.

- Tab B - B1. 10-07** **Cessna Aircraft Company:** Ratifying the First Amendment to Cessna Aircraft's Lease Agreement that Expands the Leasehold Area by 5,204 Square Feet and Increases Annual Rent to \$124,530.72 Annually Effective March 1, 2010.
- B2. 10-08** **Reliance Williams Gateway LLC:** Ratifying the Termination of a Joint Development Agreement with Reliance Williams Gateway LLC Effective as of March 1, 2010.
- B3. 10-09** **Cimarron Airpark, LLC XVI:** Authorizing a Fifth Lease Amendment with Cimarron Airpark, LLC, XVI Effective March 1, 2010 Extending Cimarron's Temporary Lease of Parcel 3, Lot 60 For One Additional Year Effective as of March 1, 2010.
- B4. 10-10** **IWA Holdings** (dba Crown Air): Authorizing a First Lease Amendment Effective April 1, 2010 Permitting Crown Air to Phase Project Development in Return for Payment of \$31,855.78, and Allows First Rent Payment to be Delayed from February 1, 2010 to August 1, 2010.
- B5. 10-11** **Reliance Companies V, LLC:** Authorizing a First Amendment to the Reliance Companies V, LLC, Ground Lease Modifying Rent Payments and Due Dates Effective March 1, 2010.
- B6. 10-12** **HDH Systems Williams AZ, LLC:** Authorizing a Third Amendment to the HDH Systems Williams AZ, LLC, lease to change the rent calculation formula through December 31, 2012 and revise the individual building construction schedule. This amendment will be effective on June 1, 2010.
- B7. 10-13** **ISS Facility Services:** Authorizing a One-Year Extension of Contract C-2009012 for Custodial Services with ISS Facility Services Commencing July 1, 2010 in the Amount of \$90,000.
- B8. 10-14** **Jetstrip, Inc.:** Authorizing a First Amendment to the Jetstrip Lease Extending the Lease on a Month-to-Month Basis From June 1, 2010 through December 31, 2010.

**Mayor Lewis moved to approve the Consent Agenda. Mayor Smith seconded the motion. The motion carried unanimously.**

## CONSIDERATION AND POSSIBLE APPROVAL OF:

- ◆ **Resolution No. 10-15** – Adopt the [Fiscal Year 2011-2015 Strategic Business Plan](#).

**Mayor Smith moved to approve Resolution No. 10-15. Mayor Lewis seconded the motion. The motion carried unanimously.**

- ◆ **Resolution No. 10-16** – Authorizing Contracts with [Sanderson Ford, Inc.](#) for the Purchase of Two 2010 Ford F-150 XL Pickup Trucks for a Total Amount of \$32,458.02.

Mayor Lewis expressed concern that the vehicles were to be purchased, using the State contract, from a dealer other than Gilbert, Mesa, or Phoenix. He asked if local Gilbert dealers had been solicited in the procurement process. Mayor Lewis requested that staff talk to local dealers to determine if they are able to match the price. Mayor Smith agreed, and suggested that the purchase be supported today, but to support our local communities in the future.

Director Bill Mitchell noted that staff would have to go through the procurement process again, which could take possibly three to six months. Mr. Denny said there may be a procurement issue once the dollar amount is published under the rules of the State contract. Mayor Smith and Mayor Lewis asked that in future bids, staff make the effort to contact local dealers first before the bid goes out.

Mayor Lewis suggested staff inquire with local dealers in the future using the guidelines of proper purchasing.

Mr. Schmaltz added that if the Board put action off for a month, staff would have to do the procurement, which could add two or more months based on existing policies.

**Mayor Smith moved to approve Resolution No. 10-16. Mayor Sanders seconded. The motion carried with Mayor Lewis voting no.**

## BOARD MEMBER COMMENTS

Mayor Smith said he appreciated the Airport's support of the Aerospace Institute and thanked staff for including it in the Strategic Business Plan. He noted the potential for creating a significant economic boost for the East Valley by elevating the aerospace industry and to create development and research opportunities in the state.

Mayor Sanders expressed appreciation for the opportunity to serve on the Board.

## NEXT MEETING

Monday, June 21 2010 – 9:00 am

## ADJOURN

The meeting adjourned at 10:08 am.



**Phoenix-Mesa Gateway Airport**  
5835 South Sossaman Road  
Mesa, Arizona 85212-6014  
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## Action Item

**RESOLUTION NO. 10-17**

**To:** Board of Directors  
**From:** John Barry, Manager, Business Development  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
**Through:** Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** First Amendment to Lease – Gateway Pilot Shop  
**Date:** June 21, 2010

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### Proposed Motion:

Approve Resolution No. 10-17 authorizing a first amendment to the property lease agreement with the Gateway Pilot Shop, LLC for Suite 108 in the General Aviation Center. This amendment provides for four mutual one-year extension options, adjusts the rental payment ratio for base rent and percentage rent, and revises the annual rent adjustment formula to equal the greater of three percent or CPI. The amendment effective date is July 1, 2010.

### Narrative:

Gateway Pilot Shop has been a General Aviation Center tenant since July 1, 2005, providing aviation and pilot supplies for students, aircrews, and the general public.

The Pilot Shop's lease term, including authorized extensions, will expire on June 30, 2010. Currently, they pay monthly rental of \$1,306.73 plus two percent of gross receipts. Actual total monthly rent has averaged approximately \$1,600 over the last two years. Their rental adjustment formula requires annual increases equal to the greater of five percent or the percent change in the CPI during the previous 12 months.

The Pilot Shop has requested four additional one-year extension options. But due to the challenging economic times, they also requested adjustments in their monthly rental payment and annual rent adjustment formulas.

### Agreement Term and Rate:

This amendment provides for the addition of four, mutual one-year lease extension options. It also adjusts the monthly base rent to \$1,000 and increases percentage rent to four percent, increasing the stability of the shop during slow months and increasing revenue to the Airport during busier months. Additionally, it revises the annual rent adjustment formula equal to the greater of three percent or CPI. All other provisions of the lease remain unchanged.

Attachment



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-17**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to modify the Facility Lease Agreement between the Authority and Gateway Pilot Shop, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizing a first amendment to the property lease agreement with the Gateway Pilot Shop, LLC for Suite 108 in the General Aviation Center. This amendment provides for four mutual one-year extension options, adjusts the rental payment ratio for base rent and percentage rent, and revises the annual rent adjustment formula to equal the greater of three percent or CPI. The amendment effective date is July 1, 2010. This Resolution also authorizes the Chair or Executive Director to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



**Phoenix-Mesa Gateway Airport Authority**  
**First Amendment to Lease**

This FIRST AMENDMENT TO LEASE ("Amendment 1") is executed to be effective as of the FIRST (1<sup>st</sup>) day of JULY 2010, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY** (formerly the Williams Gateway Airport Authority), a joint powers airport authority authorized under the laws of the State of Arizona, its successors and assigns ("Lessor"), and **GATEWAY PILOT SHOP, LLC**, an Arizona limited liability company ("Lessee"). This Amendment 1 hereby amends that certain Lease Agreement (the "Lease") between Lessor and Lessee dated and effective as of July 1, 2005 (the "Effective Date") with respect to that certain real property at the Airport located at 5803 S. Sossaman Road and described as Suite 103 (the "Premises"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

**WITNESSETH:**

**WHEREAS**, Lessor and Lessee desire to enter into this Amendment 1 in order to modify the Lease; and

**WHEREAS**, Lessor is the present owner and operator of the Phoenix-Mesa Gateway Airport (formerly the Williams Gateway Airport) generally located at the intersection of Ray Road and South Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport");

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained in this Amendment 1 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The reference to the suite number of the Premises, as described in the second WHEREAS Recital paragraph is hereby revised to read *Suite 108*.

2. The provisions of SECTION 2, TERM, are hereby deleted in their entirety and replaced with:

*2.1 Initial Term. The initial term of this Lease shall be for a period of SIX (6) years, commencing on the Effective Date and terminating on the June 30, 2011.*

*2.2 Renewal Terms. Provided Lessee is not then in default of this Lease and Lessee properly exercised its preceding Extension (if any), and upon approval of Lessor, Lessee shall have the option of extending the term of this Lease for FOUR (4) additional periods of ONE (1) year each (individually, an "Extension"). Lessee may exercise an Extension by giving written notice to Lessor of its desire to exercise any Extension no later than TWO (2) months prior to the expiration of the term of the preceding Extension. If Lessee has properly notified Lessor of its desire to exercise an Extension of the term of this Lease, and Lessor approves, then Lessee's Extension of the term of this Lease shall become effective and all references herein to the "term" of this Lease shall mean the initial term as extended.*

3. The provisions of SECTION 4.1, Base Rent, are hereby deleted in their entirety and replaced by the following:

*4.1 Base Rent. Lessee agrees to pay Lessor rental for the use of the Premises the annual amount of TWELVE THOUSAND DOLLARS (\$12,000.00), payable in equal monthly installments of ONE THOUSAND DOLLARS (\$1,000.00) (the Base Rent). The Base Rent shall be payable in advance and without any prior demand therefor and without any abatement, deductions or set-offs whatsoever.*

4. The provisions of Section 4.2, Percentage of Gross Receipts, are hereby deleted in their entirety and replace by the following:

4.2 Percentage of Gross Receipts. . In addition to the Base Rent, Lessee agrees to pay monthly to Lessor FOUR PERCENT (4%) of Lessee’s gross receipts from the Premises. Lessee will provide Lessor a monthly written reconciliation reflecting the prior month’s gross receipts, which Lessee shall remit to Lessor along with Lessee’s payment of Base Rent and such percentage of gross receipts.

5. The provisions of SECTION 4.3, CPI Increases, are hereby deleted in their entirety and replaced by the following:

4.3 CPI Increases. *The annual Base Rent paid by Lessee shall be increased (but never decreased) annually on July 1 during the Term of this Lease by the greater of THREE PERCENT (3%) or the percentage equal to the percentage which the Consumer Price Index (CPI) (as defined below) increased during the immediately preceding TWELVE (12) month period ending NINETY (90) days prior to the adjustment period. For purposes of this Lease, CPI means the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average (1982-1984=100). If at any time the CPI ceases to exist, Lessor may substitute any official index published by the Bureau of Labor Statistics or by a successor or similar government agency as may then exist and which in Lessor’s reasonable business judgment shall be most nearly equivalent to the CPI.*

6. Lessee warrants and represents to Lessor that: (i)-all necessary actions have been taken to authorize the execution of this Amendment 1 by Lessee; (ii)-the persons who have executed this Amendment 1 on behalf of Lessee are duly authorized to do so; and (iii)-this Amendment 1 constitutes a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Lease.

7. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this Amendment 1 shall continue to be binding upon the Lessor and Lessee and their permitted successors and assigns.

8. All of the Recitals set forth above are incorporated into this Amendment 1 by this reference.

9. Lessee recognizes and acknowledges that execution of this Amendment 1 shall in no way constitute a waiver by Lessor of any other sums which may be due and owing to Lessor or which may hereafter accrue.

**IN WITNESS WHEREOF**, the Parties have entered into this Amendment 1 as of the date first set forth above.

FOR LESSOR:

FOR LESSEE:

**PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, an Arizona joint powers airport authority

**GATEWAY PILOT SHOP, LLC**, an Arizona limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Lynn F. Kusy

Name: Joe Monks

Its: Executive Director

Its: Owner



**Phoenix-Mesa Gateway Airport  
Airport Administration**  
5835 South Sossaman Road  
Mesa, Arizona 85212-6014  
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## Action Item

RESOLUTION NO. 10-18

**To:** Board of Directors  
**From:** Doug Drown, Manager – Budgets & Financial Planning  
**Through:** Casey Denny, Deputy Director  
**Re:** Property & Casualty Insurance Coverages – Willis of Arizona, Inc.  
**Date:** June 7, 2010

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### Proposed Motion:

Approve Resolution No. 10-18 authorizing the Airport's insurance broker, Willis of Arizona, Inc., to purchase property and liability insurance for the Airport for the period July 1, 2010 to July 1, 2011 at a total cost of \$233,855, as follows:

- Property, Mobile Equipment, Automobile and Fuel Farm coverage from Travelers Property Casualty Company of America
- Airport Liability coverage from ACE Property and Casualty Insurance Company
- Crime coverage from Travelers Casualty and Surety Insurance Company of America
- Public Officials Liability coverage (including Employment Practices Liability coverage) from State National Insurance Company, Inc. (Hiscox)

### Narrative:

Willis has shopped the insurance market and submitted their recommendations for FY2011 insurance coverages to replace the existing policies which end July 1, 2010. In addition to the bids received, several insurance companies declined to submit bids based on their inability to compete with existing coverage prices or their decision not to serve that market.

The proposed insurance package provides generally the same levels of coverage as last year, with a few exceptions. Changes include increases in the values of many of our buildings (based on periodic review), increased coverage for loss of business income relating to the terminal, a reduction in the value of our mobile equipment, and an increase in the deductible on employment practices liability portion of the Public Officials Liability coverage from \$10,000 to \$25,000. The package includes negotiated premium reductions for most lines of insurance at an overall reduction of 12.3%.

### Broker Fees:

The cost of this insurance does not include commissions or broker fees. Willis is compensated under a separate flat-rate agreement at \$30,000 per year for their services relating to these coverages.

### Budget Considerations:

Our FY2011 budget included \$298,000 for premiums on the proposed coverages. The \$233,855 cost is \$64,145 (21.5 percent) less than budgeted.

	Expiring <u>Policy</u>	FY11 <u>Budget</u>	<b>Proposed <u>Spending</u></b>	Difference <u>from Budget</u>
Property	\$88,669	\$98,396	<b>\$94,757</b>	\$ (3,639)
Boiler & Machinery	8,996	9,983	<b>9,790</b>	(193)
Inland Marine	25,133	25,968	<b>16,046</b>	(9,922)
Fuel Farm	26,007	28,860	<b>15,018</b>	(13,842)
Airport Liability	52,031	61,588	<b>41,625</b>	(19,963)
Automobile	46,572	51,681	<b>40,894</b>	(10,787)
Crime	3,170	3,518	<b>3,170</b>	(348)
Public Officials Liability	16,064	18,006	<b>12,555</b>	(5,451)
	<u>\$266,642</u>	<u>\$298,000</u>	<b><u>\$233,855</u></b>	<u>\$ (64,145)</u>

Attachments: Exhibit A – Summary of Insurance Coverage  
Willis Insurance Proposal



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-18**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to obtain various insurance coverages;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizes the Airport’s insurance broker, Willis of Arizona, Inc., to purchase property and liability insurance for the period July 1, 2010 to July 1, 2011 at a total cost of \$233,855, as follows:**

- **Property, Mobile Equipment, Automobile and Fuel Farm coverage from Travelers Property Casualty Company of America**
- **Airport Liability coverage from ACE Property and Casualty Insurance Company**
- **Crime coverage from Travelers Casualty and Surety Insurance Company of America**
- **Public Officials Liability coverage (including Employment Practices Liability coverage) from State National Insurance Company, Inc. (Hiscox)**

**This Resolution also authorizes the Chair or Executive Director to execute such Agreements with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

DETAILED SUMMARY OF PROPERTY & CASUALTY INSURANCE COVERAGE  
Willis of Arizona, Inc.

Discussion by Type of Coverage:

- **Property – Excluding Fuel Farm**

Property coverage includes buildings, the personal property inside, navigational aids, other fixed improvements, and potential losses of business income due to inability to use insured assets. Value of the physical assets covered is 14% higher than last year due to a periodic review of property values. We are proposing a slight decrease in coverage to \$11.0 million for losses of business income due to buildings becoming unusable. Total coverage: \$100.8 million, up 11%. Deductible: \$10,000. Annual premium is up 7% at \$94,757.

Recommendation: Renew coverage with Travelers

- **Boiler & Machinery**

This coverage is for catastrophic mechanical failure of large equipment items. It is attached to the Property policy. Coverage is automatically the same \$100.8 million included in the property coverage, but only large mechanical items meeting policy definitions are subject to claims under this coverage. For us, the primary insured items are backup electrical power generators. Asset values covered are up 11%. Premium is \$9,790, up \$794 (9%).

Recommendation: Renew coverage with Travelers.

- **Inland Marine (Mobile Equipment)**

This insurance covers 71 mobile equipment items. (Automobiles are insured separately.) These assets are insured at actual cash values, which are estimated by our staff annually. Coverage amounts totaling \$4.2 million are down 7% from last year, primarily due to values dropping as the equipment gets older and is used up over time.

The premium rate is down 31%. In total the \$16,046 premium is down 36%.

Recommendation: Renew coverage with Travelers.

- **Property – Fuel Farm**

This replacement cost coverage includes fuel tanks, related pumps and piping, and the fuel farm office building. Fuel Farm asset values are up 18% to \$3.0 million. Our annual assessment of our exposure resulted in a 14% increase to \$908,000 in coverage for losses of business income should the fuel farm become unusable. Total coverage \$3.9 million. Premium is \$15,018, down primarily due to a 51% rate increase.

- **Airport Liability**

Airport liability insurance covers third party losses due to bodily injury and property damage. The current policy limit with ACE Property & Casualty is \$100 million, including hangarkeepers coverage (for damage we might cause to aircraft while in our control and keeping), non-owned aircraft coverage, and bodily injury coverage. Personal injury coverage is limited to \$50 million.

The annual premium decreased by \$10,406 (20%) to \$41,625, including the Terrorism Risk Insurance Act (TRIA) coverage.

Recommendation: Renew \$100 million liability coverage with ACE Property & Casualty Company.

- **Automobile**

Our auto insurance includes \$1 million in liability coverage for vehicles driven on public streets. The other vehicles are covered under our Inland Marine (Mobile Equipment) coverage. The airport liability policy provides another layer of auto liability coverage for amounts from \$1 million up to \$50 million.

Comprehensive/collision coverage is maintained with \$1,000 deductibles on vehicles with model years of 2002 or later and is not purchased for vehicles older than that. Thirty-six vehicles are covered, two less than last year. The \$40,894 annual premium is down 12% from last year's quote. This reflects a 7% lower rate. Each year, the insurance company audits our vehicle records and adjusts the premiums accordingly, based on our actual vehicles in place during the year.

Recommendation: Renew auto coverage with Travelers.

- **Crime**

This policy provides \$1 million in coverage for losses of money, securities and any other property when caused by dishonest acts committed by employees acting alone or in collusion with others. Deductible: \$25,000. The annual premium of \$3,170 is unchanged from last year.

Recommendation: Renew coverage with Travelers.

- **Public Officials Liability**

This policy provides liability coverage against wrongful acts, including fiduciary responsibilities, of directors, officers and employees, and employment practices. Policy limit is \$1 million, with a \$25,000 retention amount. Annual premium is \$12,555, a 22% decrease from last year.

Only one carrier submitted a bid on this coverage. Three others declined to quote. Willis recommended that we accept the bid from State National, our existing carrier.

Recommendation: Renew coverage with State National (Hiscox).

- **Environmental**

We have never purchased environmental insurance. In 2007, staff did an analysis of the airport risks and insurance costs related to environmental insurance. The conclusion was that the costs to purchase this coverage exceed the risks. Most local municipalities apparently agreed, as they did not purchase this coverage either, even for underground fuel tanks.

Recommendation: Do not purchase environmental insurance.



**Phoenix-Mesa Gateway Airport  
Airport Administration**  
5835 South Sossaman Road  
Mesa, Arizona 85212-6014  
Telephone: 480-988-7600  
FAX: 480-988-2315  
[www.phxmesagateway.org](http://www.phxmesagateway.org)

## Action Item

**RESOLUTION NO. 10-19**

**To: Board of Directors**  
**From: Bill Mitchell, Director Operations & Maintenance**  
**Through: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Amendment to Intergovernmental Agreement for Aircraft Rescue and Firefighting Services – City of Mesa**  
**Date: May 27, 2010**

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### Proposed Motion:

**Approve Resolution No. 10-19 authorizing an extension to the Intergovernmental Agreement (IGA) between the City of Mesa and Phoenix-Mesa Gateway Airport Authority relating to aircraft rescue and firefighting (ARFF) services at a cost of \$312,396.32 effective July 1, 2010 through October 31, 2010.**

### Narrative:

Arizona Revised Statutes, Sections 11-951, authorizes Mesa and Phoenix-Mesa Gateway Airport Authority to enter into intergovernmental agreements for the provision of services, or for joint or cooperative actions. The IGA may be modified by a written amendment approved by the City Council and PMGAA Board of Directors pursuant to A.R.S. 11-952.

Both entities have determined that it is mutually beneficial for the Mesa Fire Department to provide aircraft rescue and firefighting services for the Phoenix-Mesa Gateway Airport Authority.

The existing IGA for ARFF services commenced in July 2006 with a term of three years. In 2009, a First Amendment extended the term of the IGA for one year to June 30, 2010. A new IGA will be drafted between both parties prior to October 31, 2010.

Funding for ARFF services under this IGA is included in the FY11 operating budget at \$965,305.00.

Attachment



**RESOLUTION NO. 10-19**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to amend an IGA with the City of Mesa;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Williams Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby approves an extension to the Intergovernmental Agreement (IGA) between the City of Mesa and Phoenix-Mesa Gateway Airport Authority relating to aircraft rescue and firefighting (ARFF) services at a cost of \$312,396.32 effective July 1, 2010 through October 31, 2010. This Resolution also authorizes the Chair or Executive Director to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Williams Gateway Airport Authority this 21<sup>st</sup> day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

*Phoenix-Mesa Gateway Airport Authority*  
**Second Amendment to the**  
**Intergovernmental Agreement for Aircraft Rescue**  
**and Firefighting (ARFF) Services**

This SECOND AMENDMENT TO THE INTEGVERNMENTAL AGREEMENT FOR AIRCRAFT RESCUE AND FIREFIGHTING (ARFF) SERVICES (“Amendment 2”) is executed to be effective as of the FIRST (1<sup>st</sup>) day of JULY 2010, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized under the laws of the State of Arizona, its successors and assigns (“PMGAA”), and **CITY OF MESA**, an Arizona municipal corporation (“City”). This Amendment 2 hereby amends that certain Intergovernmental Agreement between WGAA and the City dated and effective as of June 30, 2006 and amended via Amendment 1 effective July 1, 2009 (the “Agreement”) with respect to the provision of services or for joint or cooperative actions.

**WITNESSETH:**

**WHEREAS**, the Parties entered into an Intergovernmental Agreement for the City of Mesa to provide dedicated aircraft rescue and firefighting services as outlined in Federal Aviation Regulation Part 139 in support of commercial passenger service at Phoenix-Mesa Gateway Airport;

**WHEREAS**, this Agreement may be modified by a written amendment approved by the City Council and PMGAA Board of Directors pursuant to A.R.S. 11-952;

**WHEREAS**, both Parties desire to amend the existing Intergovernmental Agreement to lengthen the term of the Agreement, and modify definitions, responsibilities and obligations of both Parties.

**NOW, THEREFORE**, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, to amend the Agreement as follows:

1. **SECTION 1 - TERM AND TERMINATION**

1.1 Delete existing and replace with the following:

“Term. The term of this Agreement shall be four (4) years and four (4) months, commencing on July 1, 2006, and continuing until October 31, 2010, unless sooner terminated pursuant to the provision hereof.”

2. **SECTION 2 – RESPONSIBILITIES AND OBLIGATIONS**

2.1(b)(iii) Add the following paragraph:

For the period of the Term commencing July 1, 2010 through October 31, 2010 PMGAA shall pay the City the total sum of Three Hundred Twelve Thousand Three Hundred Ninety Six Dollars and Thirty Two cents (\$312,396.32) for ARFF services in equal monthly installment of Seventy Eight Thousand Ninety Nine Dollars and Eight Cents (\$78,099.08).

3. City warrants and represents to PMGAA that: (i) all necessary actions have been taken to authorize the execution of this Amendment 2 by City; (ii) the persons who have executed this Amendment 2 on behalf of the City are duly authorized to do so; and (iii) this Amendment 2 constitutes a legal, valid and binding obligation of the Parties in accordance with its terms and the terms of the Agreement.
4. In all other respects the Agreement shall remain unchanged and in full force and effect. The Agreement and this Amendment 2 shall continue to be binding upon the City and PMGAA and their permitted successors and assigns.
5. All of the Recitals set forth above are incorporated into this Amendment 2 by this reference.

IN WITNESS WHEREOF, the Parties have entered into this Amendment 2 as of the date first set forth above.

**CITY OF MESA,**  
a municipal corporation

**PHOENIX-MESA GATEWAY AIRPORT  
AUTHORITY,**  
an Arizona joint powers airport authority

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Christopher J. Brady  
Its: City Manager

Name: Lynn F. Kusy  
Its: Executive Director

ATTEST:

\_\_\_\_\_  
City Clerk

In accordance with A.R.S. § 11-952, this Agreement has been reviewed by the undersigned attorneys who have determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the respective public entities they represent.

\_\_\_\_\_  
Mesa City Attorney  
Authority

\_\_\_\_\_  
Attorney for Phoenix-Mesa Gateway Airport

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date





**Phoenix-Mesa Gateway Airport**  
5835 South Sossaman Road  
Mesa, Arizona 85212-6014  
Telephone: 480-988-7600  
FAX: 480-988-2315  
[www.phxmesagateway.org](http://www.phxmesagateway.org)

## Action Item

**RESOLUTION NO. 10-20**

**To: Board of Directors**  
**From: Bill Mitchell, Director, Operations and Maintenance**  
**Through: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Landscape Contract – Desert Glen Commercial Landscape Group Inc.**  
**Date: June 21, 2010**

---

### Proposed Motion:

**Approve Resolution No. 10-20 authorizing a one-year landscaping maintenance contract with Desert Glen Commercial Landscape Group, Inc. commencing July 1, 2010 in the amount of \$112,026.24.**

### Narrative:

A primary function of the Operations and Maintenance Division is to ensure Airport facilities provide a safe and aesthetically pleasing environment for passengers, visitors, tenants and staff. This contract covers landscape services for a total of 39.10 acres of Airport property.

In July 2009, a one-year contract was awarded to Desert Glen Commercial Landscape Group Inc. for landscape maintenance services. Staff is satisfied with the services being provided by Desert Glen and recommends a one-year extension.

Desert Glen provides landscape maintenance services to the following areas:

- 25.81 acres of Sossaman Road medians, parkways, Airport Authority entryway and the west retention area;
- 8.57 acres of tenant leased properties such as Hangar 31, Hangar 32 and Buildings 5950, 531, 532.
- 1.05 acres of Lot 30 – terminal area employee parking;
- 2.48 acres landside of the General Aviation Center; and
- 1.19 acres consisting of Buildings 1096, 1085, 1084, Fuel Farm, Tower and FAA Building.

The Airport Authority is a member of the Strategic Alliance for Volume Expenditures (S.A.V.E). Membership in S.A.V.E. allows staff to access various Arizona municipal and school district contracts. Desert Glen Commercial Landscape Group, Inc. is a vender selected under City of Chandler contract ST9-988-2726.

### Fiscal Impact:

This contract is included in the FY11 Operations and Maintenance operating budget and is funded under Contractual Services.

Attachment



**RESOLUTION NO. 10-20**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to contract for landscaping maintenance;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizes a one-year landscape maintenance contract with Desert Glen Commercial Landscape Group, Inc. commencing July 1, 2010 in the amount of \$112,026.24. This Resolution also authorizes the Chair or Executive Director to execute such contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



PHOENIX-MESA GATEWAY AIRPORT  
5835 SOUTH SOSSAMAN ROAD  
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600  
FAX (480) 988 2315

## **Agreement/Contract Renewal**

Reference Contract #ST9-988-2726

The Phoenix-Mesa Gateway Airport and Desert Glen Commercial Landscape Group Inc. entered into a contract for landscape maintenance on August 1, 2009 and is set to expire on June 30, 2010.

Whereas, Phoenix-Mesa Gateway Airport is a member of the Strategic Alliance for Volume Expenditures (SAVE), allowing it to utilize existing contracts by other SAVE members; and

Whereas, City of Chandler is also a member of SAVE and has executed contract "Landscape Maintenance" with Desert Glen Commercial Landscape Group Inc. for services; and

Whereas, Phoenix-Mesa Gateway Airport and Desert Glen Commercial Landscape Group Inc. desire to utilize the terms and conditions set forth herein, the parties agree as follows:

The original SAVE contract between City of Chandler and Desert Glen Commercial Landscape Group Inc. expires on July 21, 2011, with three (3) one year options to renew. No renewal options have previously been executed, and the current SAVE contract expiration date is July 21, 2011.

By signing below, the Phoenix-Mesa Gateway Airport and Desert Glen Commercial Landscape Group Inc. agree to extend the contract for a one (1) year period. The new contract expiration date is **June 30, 2011**.

All terms, covenants, and conditions contained in the original contract shall be applicable to this renewal with the exception of the following:

### **Work Scope:**

Desert Glen Commercial Landscape Group, Inc. will continue with services as stated within the original contract with the following revisions:

- 1.19 acres will be added into the contract; areas include Bldgs. 1096, 1085, 1084, Fuel Farm, Tower and the FAA Bldg.

### **Fee for Services:**

Desert Glen Commercial Landscape Group, Inc. will continue to charge for services as stated within the original contract with the following revisions:

- The addition of 1.19 acres will increase the original contract by \$3,409.92 annually (\$238.79 contracted per acre charge \* 1.19 acres = \$284.16 monthly charge) (\$284.16 monthly charge \* 12 months = \$3,409.92 annual charge). The new contract will be for \$112,026.24 (\$108,616.32 original annual charge + \$3,409.92 addition)

### **Scrutinized Business:**

Pursuant to Arizona Revised Statutes Section 35-391.06 and 35-393.06, the Contractor certifies that it does not have a scrutinized business operation in either Sudan or Iran.




For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in Arizona Revised Statutes 35-391 and 35-393, as applicable. If the Airport determines that the Contractor submitted a false certification, the Airport may impose remedies as provided by law including terminating the Agreement (Contract) pursuant to Section 35-391.06 and 35-393.06 above.

**E-Verify:**


To the extent applicable under Arizona Revised Statutes § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Authority.

The Phoenix-Mesa Gateway Airport and Desert Glen Commercial Landscape Group Inc. Weed Control acknowledge that they are in agreement with these revised terms and conditions.

**Approved for Phoenix-Mesa Gateway Airport:**

By:   
Title: Executive Director  
Date: 5.2.10

**Accepted for Desert Glen Commercial Landscape Group Inc:**

By:   
Title: President  
Date: 4/27/2010

**CITY OF CHANDLER SERVICES AGREEMENT  
LANDSCAPE MAINTENANCE – AREA 4  
AGREEMENT NO.: ST9-988-2726**

THIS AGREEMENT is made and entered into this      day of      , 2009, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and **DESERT GLEN COMMERCIAL LANDSCAPING GROUP INC.**, a Corporation of the State of Arizona, hereinafter referred to as "CONTRACTOR".

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in the Agreement.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

**CONTRACT ADMINISTRATOR:**

- 1.1. **Contract Administrator.** CONTRACTOR shall act under the authority and approval of the Contract Compliance Inspector /designee (Contract Administrator), to provide the services required by this Agreement.
- 1.2. **Key Staff.** This Agreement has been awarded to CONTRACTOR based partially on the key personnel proposed to perform the services required herein. CONTRACTOR shall not change nor substitute any of these key staff for work on this Agreement without prior written approval by CITY.
- 1.3. **Subcontractors.** During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.
- 1.4. **Subcontracts.** CONTRACTOR shall not enter into any Subcontract under this Agreement for the performance of this Agreement without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.
2. **SCOPE OF WORK:** CONTRACTOR shall provide landscaping maintenance all as more specifically set forth in the Technical Specifications, labeled Exhibit B, attached hereto and made a part hereof by reference and as set forth in the Specifications and details included therein. Bid Bond is attached hereto as Exhibit D1. Performance Bond is attached here to as Exhibit D2. A list of Contractor's equipment is set forth in Exhibit E.
  - 2.1. **Non-Discrimination.** The CONTRACTOR shall comply with State Executive Order No. 99-4 and all other applicable City, State and Federal laws, rules and regulations, including the Americans with Disabilities Act.
  - 2.2. **Licenses.** CONTRACTOR shall maintain in current status all Federal, State and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.
  - 2.3. **Advertising, Publishing and Promotion of Contract.** The CONTRACTOR shall not use, advertise or promote information for commercial benefit concerning this Agreement without the prior written approval of the CITY.
  - 2.4. **Compliance With Applicable Laws.** CONTRACTOR shall comply with all applicable Federal, state and local laws, and with all applicable licenses and permit requirements.
    - 2.4.1 Pursuant to the provisions of A.R.S. § 41-4401, the Contractor hereby warrants to the City that the

- 3.5. **PRICE:** CITY shall pay to CONTRACTOR an amount not to exceed **One Hundred Thirty Thousand Dollars (\$130,000) per year for a total not to exceed of \$260,000 for the initial two (2) year term** for the completion of all the work and services described herein, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as set forth in Exhibit C, attached hereto and made a part hereof by reference.
4. **TAXES**
- 4.1. CONTRACTOR shall be solely responsible for any and all tax obligations, which may result out of the CONTRACTOR'S performance of this Agreement. The CITY shall have no obligation to pay any amounts for taxes, of any type, incurred by the CONTRACTOR.
- 4.2. **Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice.
- 4.3. **Estimated Quantities.** The quantities shown on Exhibit C (the Price List) are estimates only, based upon available information. Payment shall be based on actual quantities and there is no guarantee that any certain quantity shall be required by CITY. City reserves the right to increase or decrease the quantities actually required.
- 4.4. **IRS W9 Form.** In order to receive payment CONTRACTOR shall have a current I.R.S. W9 Form on file with CITY, unless not required by law.
- 4.5. **Price Adjustment (Annual).** All prices offered herein shall be firm against any increase for one (1) year from the effective date of the Agreement . Prior to commencement of subsequent renewal terms, CITY will entertain a fully documented request for price adjustment. The requested increase shall be based upon a cost increase to CONTRACTOR that was clearly unpredictable at the time the Agreement was executed directly correlated to the price of the product concerned.
- 4.6. **Acceptance by City.** CITY reserves the right to accept or reject the request for a price increase. If CITY approves the price increase, the price shall remain firm for the renewal term for which it was requested. If a price increase is agreed upon a written Agreement Amendment must be approved and executed by the Parties.
- 4.7. **Price Reduction.** CONTRACTOR shall offer CITY a price reduction for its services concurrent with a published price reduction made to other customers.
5. **TERM:**
- 5.1. The term of the Agreement is **two (2) years (s)**, commencing on the **22nd day of June, 2009** and terminating on **21<sup>st</sup> day of July, 2011** unless sooner terminated in accordance with the provisions herein. CITY reserves the right, at its sole discretion, to extend the Agreement for up to **three (3)** additional terms of one year each. CITY reserves the right, at its sole discretion, to extend the Agreement for up to sixty (60) days.
6. **USE OF THIS AGREEMENT :** The Agreement is for the sole convenience of the City of Chandler. CITY reserves the rights to obtain like services from another source to secure significant cost savings or when timely completion cannot be met by CONTRACTOR.
- 6.1. **Cooperative Use of Agreement .** In addition to the City of Chandler and with approval of the CONTRACTOR, this Agreement may be extended for use by other municipalities, school districts and government agencies of the State. A current listing of eligible entities may be found at [www.maricopa.gov/materials](http://www.maricopa.gov/materials) and then click on 'Contracts', 'S.A.V.E.' listing and 'ICPA'. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

**EXHIBIT C  
PRICING**

G = GRANITE  
U = UNLANDSCAPED  
A = ACRE  
L=LANDSCAPED

**SECTION 1**

Site

<u>No.</u>	<u>Type</u>	<u>Location</u>	<u>Cost per Month</u>	<u>Qty</u>	<u>Annual-Extended</u>
400	G	<u>PRICE FRONTAGE ROAD (L)</u> ROW and medians- From the 202 Interchange North to Western Canal - 43 A	<u>\$6,724.80</u>	12 mo.	<u>\$ 80,697.60</u>
<b>TOTAL – SECTION 1</b>					<b><u>\$ 80,697.60</u></b>

**SECTION 2 - AIRPORT FACILITES AREAS**

Site

<u>No.</u>	<u>Type</u>	<u>Location</u>	<u>Cost per Month</u>	<u>Qty</u>	<u>Annual-Extended</u>
401	G	<u>NEW AIRPORT TERMINAL AND PARKING AREA (L)</u> 2380 S. Stinson Way - .5 A	<u>\$163.35</u>	12 mo.	<u>\$ 1,960.20</u>
402	G	<u>OLD HELIPORT LANDSCAPE AREAS (L) -.5A</u>	<u>\$163.35</u>	12 mo.	<u>\$1,960.20</u>
<b>TOTAL – SECTION 2</b>					<b><u>\$ 3,920.40</u></b>

**SECTION 3 – STREET DEPARTMENT FACILITES**

Site

<u>No.</u>	<u>Type</u>	<u>Location</u>	<u>Cost per Month</u>	<u>Qty</u>	<u>Annual-Extended</u>
403	G	<u>CITY YARD</u> 249 E. Chicago (L) -.12 A	<u>\$122.35</u>	12 mo.	<u>\$1,468.20</u>
404	G	<u>MCQUEEN ROAD YARD</u> 975 E. ARMSTRONG WAY (L) Outside/Inside Landscaped areas (3 A)	<u>\$716.38</u> \$716.38 / 3 Acres = <u>\$238.79</u>	12 mo.	<u>\$8,596.56</u>
405	G	<u>OLD ROOSEVELT WELLSITE</u> 500 S. Roosevelt (U) - .5 A No Irrigation/plants	<u>\$54.00</u>	12 mo.	<u>\$648.00</u>
406	G	<u>AIRPORT BLVD. MEDIANS</u> Germann Rd. South to Queen Creek (L) 2.9 A	<u>\$373.84</u>	12 mo.	<u>\$4,486.08</u>
407	G	<u>TRANSIT CENTER, CHANDLER FASHION CENTER 1A, (L)</u>	<u>\$355.15.00</u>	12mo.	<u>\$4,261.80</u>
<b>TOTAL – SECTION 3</b>					<b><u>\$19,460.64</u></b>

Please use for location reference



1695 W. Sahuaro Drive  
 Tucson, AZ 85745  
 Phone: (520) 882-6322  
 Fax: (520) 882-6331

### Proposal

July 7, 2009

**Client:** Phoenix-Mesa Gateway Airport  
**Project:** Landscape Maintenance Service  
**Site Name or Description:** Parkways, Medians, Right-of-Way & Parking Area Landscape Maintenance

**Contact:** Brett Williams  
 6263 South Taxiway Circle  
 Mesa, AZ 85212-6399  
 480-988-7542, email bwilliams@phxmesagateway.org

**Description:** Per your request, I calculated the work required to maintain the landscape areas in and around the Airport that you have shown me. The areas include (with approximate measurements)

Location	S.F.	Cost per Mo	Qty	Annual Extended
<u>A</u> Medians	183,375	\$ 1,005.25	11	\$ 11,057.75
<u>B</u> Parkways	612,500	\$ 3,357.69	11	\$ 36,934.59
<u>C</u> North Entry	145,136	\$ 795.63	11	\$ 8,751.93
<u>D</u> W. Retention	183,183	\$ 1,004.20	11	\$ 11,046.20
<u>E</u> S of Ulysses, W side (tanks & bldgs)	252,092	\$ 1,381.95	11	\$ 15,201.45
<u>F</u> 6203 to 6253 Sossaman	27,410	\$ 150.26	11	\$ 1,652.86
<u>G</u> Area on w side, corner of S Arrow and middle Arrow taxiway	52,863	\$ 289.79	11	\$ 3,187.69
<u>H</u> Parking lots E side of Texas	40,931	\$ 224.38	11	\$ 2,468.18
<u>I</u> Landscape and parking areas N of Texas on E side	108,057	\$ 592.36	11	\$ 6,515.96
<u>J</u> Landscape and parking areas N of Texas on W side	45,576	\$ 249.84	11	\$ 2,748.24
<b>Totals</b>		<b>\$ 9,051.36</b>		<b>\$ 99,564.85</b>

The above areas are to be maintained per the cooperative contract with the City of Chandler Area 4 Landscape Maintenance. Site No. 404 McQueen Road Yard was used for comparison. Work includes trimming, weed control and landscape maintenance per specifications.

**Price** Monthly price for above described work .....\$9,051.36  
 Nine Thousand Fifty One and 36/100s

**Terms** Per cooperative contract with the City of Chandler Area 4 Landscape Maintenance.

Respectfully submitted,

Margherita Arvanites – Principal



**Phoenix-Mesa Gateway Airport  
Airport Administration**  
5835 South Sossaman Road  
Mesa, Arizona 85212-6014  
Telephone: 480-988-7600  
FAX: 480-988-2315  
[www.phxmesagateway.org](http://www.phxmesagateway.org)

## Action Item

**RESOLUTION NO. 10-21**

**To: Board of Directors**  
**From: Doug Drown, Manager – Budget and Financial Planning**  
**Through: Casey Denny, C.M., C.A.E., Deputy Director**  
**Through: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Airport Rates and Charges**  
**Date: June 1, 2010**

---

### Proposed Motion:

**Approve Resolution No 10-21 adopting a revised Airport Rates and Charges schedule, to be effective July 1, 2010 and superseding all previous editions.**

### Narrative:

Federal Grant Assurance #24 requires the Phoenix-Mesa Gateway Airport Authority to “maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection.”

To assist in complying with this assurance, the Airport Authority adopts and publishes a schedule of rates and charges. The schedule is reviewed and adjusted as needed each year. The review process includes evaluating each fee, determining any applicable cost recovery factors, or comparing our fees against other airports (market analysis). From there, staff makes a subjective determination on what we would consider to be fair and reasonable given our particular circumstances.

In general, staff is proposing various price increases with some higher adjustments where there have been no price increases in recent years. The intent is to cover inflation and eventually bring the Airport to self-sustainability.

The proposed rates and charges were distributed to Airport tenants and users for their review and comment. The comment period began on April 18 and concluded on May 17. We received one written response which opposed any increases.

Following is a summary of the proposed changes:

#### **Aircraft Landing Fee**

- Increase the aircraft landing fee 5 percent from \$1.02 to \$1.07 per 1,000 lbs. of maximum gross landing weight. There was no increase to the landing fee last year.

#### **Aircraft Ramp Tie-Down Fees**

- Increase current fees 3 percent, rounded to the nearest dollar.

**U.S. Customs and Border Protection Service User Fees**

- Increase fees for aircraft up to 100,000 lbs by 3 percent.
- Increase fees for aircraft greater than 100,000 lbs by 11 percent to offset losses to the Airport for providing these services.
- Increase after-hours appointment fees 8 percent to \$325 with each additional 30 minutes increased 7 percent to \$48.

**Meeting Area & Room Rental Fees**

- Include discount for Airport tenants.

**Special Staff Assistance**

- Increase rates 3 percent, rounded to the nearest dollar.
- Add Line Service Specialists to the list of available staff assistance.

**Special Airport Equipment & Services**

- Increase current fees 3 percent, rounded to the nearest dollar.
- Increase Fuel Handling Permit by 3 percent.
- Increase Fuel Storage & Service Equipment Permit (a two year permit) to \$15 per filtration vessel.
- Charge for Hazardous Materials Response by staff based on published staff rates plus material/disposal.
  - Charge a 12 percent fee to cover administrative costs associated with materials and services purchased for a hazardous materials response.
  - Eliminate the minimum charge for hazardous materials response.
- Charge a flat rate per month for Lavatory Waste Dump instead of per truckload.

**Airport Security Fees**

- Increase security and contractor badge fees by \$6 (to \$36) to cover new annual vetting charges from the Transportation Security Administration.
- Increase lock core change fee by \$3 to \$55.00.

**Fire Suppression Services**

- Increase the connection fee by 10 percent to \$209,746.
- Increase the annual fee by 4 percent from \$.48 to \$.50 per square foot.

**Parking Fee**

- Increase the daily parking fee from \$5 to \$6.
- Increase lost ticket fee from \$35 to \$42.

Attachment: *Airport Rates and Charges – Effective July 1, 2010*



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-21**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to adopt revised Airport Rates and Charges;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby adopts the attached Airport Rates and Charges schedule to be effective July 1, 2010, superseding all previous rates.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

# Airport Rates and Charges

Effective July 1, 2010

<b>Aircraft Landing Fee</b>	<del>\$4.02</del> <del>\$1.07</del> per 1,000 lbs. maximum gross landing weight (MGLW). FAR Part 135 and 121 operators pay a landing fee based on weight or \$5.00 minimum (whichever is greater). <i>Exemptions:</i> <ol style="list-style-type: none"> <li>1. U.S. Government owned aircraft</li> <li>2. Non-revenue and flight training aircraft up to 35,000 lbs.</li> </ol>		
<b>Aviation Fuel Flowage Fee</b>	\$0.11 per gallon – paid to WGAA by any entity or person dispensing fuel on the Airport in accordance with WGAA Aviation Fuel Storage, Dispensing & Handling Guidelines.		
<b>Aircraft Open Ramp Tie-Down Fees</b> (Space subject to availability)	<b>Category (based on MGLW)</b>	<b>Monthly Tie-Down Fee (2-month minimum)</b>	
	<5,000 lbs.	<del>\$43.00</del> <del>\$44.00</del>	
	5,001 – 12,500 lbs.	<del>\$95.00</del> <del>\$98.00</del>	
	12,501 – 35,000 lbs.	<del>\$195.00</del> <del>\$201.00</del>	
	35,001 – 100,000 lbs.	<del>\$307.00</del> <del>\$316.00</del>	
	100,001 – 255,000 lbs.	<del>\$652.00</del> <del>\$672.00</del>	
	> 255,000 lbs.	<del>\$1,283.00</del> <del>\$1,321.00</del>	
<b>U.S. Customs and Border Protection (CBP) Service User Fees</b>	<b>Category (based on MGLW)</b>	<b>Inspection Fee (per aircraft arrival)</b>	
	<5,000 lbs.	<del>\$51.00</del> <del>\$53.00</del>	
	5,001 – 12,500 lbs.	<del>\$139.00</del> <del>\$143.00</del>	
	12,501 – 35,000 lbs.	<del>\$251.00</del> <del>\$259.00</del>	
	35,001 – 100,000 lbs.	<del>\$362.00</del> <del>\$373.00</del>	
	100,001 – 255,000 lbs.	<del>\$474.00</del> <del>\$524.00</del>	
	> 255,000 lbs.	<del>\$585.00</del> <del>\$650.00</del>	
Regular service hours are Monday – Friday, 0930 – 1730 hrs MST. After hours by appointment only. For after hours appointments, there will be a minimum two-hour fee of <del>\$300.00</del> <del>\$325.00</del> in addition to the standard user fee shown above. Two hours after the aircraft's scheduled arrival time, each additional 30 minutes required of the U.S. Customs Inspector will incur a <del>\$45.00</del> <del>\$48.00</del> fee above the <del>\$300.00</del> <del>\$325.00</del> minimum.			
<b>Meeting Area &amp; Room Rental</b>	<b>Location</b>	<b>Hourly Rate *</b>	<b>Daily Rate *</b>
	5803 S. Sossaman Rd. Conference Room	\$39.00	\$195.00
	5835 S. Sossaman Rd. Board Room	\$51.00	\$251.00
	5835 S. Sossaman Rd. Conference Room	\$39.00	\$195.00
	* Plus 2.25% sales tax. <del>50%</del> <del>discount for airport tenants</del> Subject to availability. Additional fees may include long distance phone charges or equipment use. After normal business hours additional security staffing fees may be applied, if not arranged otherwise by renter.		
<b>Special Staff Assistance</b>	<b>Staff Position</b>	<b>Hourly Rate *</b>	
	Airfield Operations Specialist	<del>\$62.00</del> <del>\$64.00</del>	
	Airfield Maintenance Technician	<del>\$62.00</del> <del>\$64.00</del>	
	Facilities Maintenance / Trades Specialist	<del>\$74.00</del> <del>\$76.00</del>	
	Line Service Specialist	<del>[new]</del> <del>\$50.00</del>	
* Minimum staff charge is one (1) hour during business hours, four (4) hours for after hour callbacks. Parts and materials are charged actual cost plus 12%, plus applicable taxes.			
<b>Passenger Facility Charge (PFC)</b>	\$4.50 per enplaned commercial passenger, effective 11/1/2008 through (estimated) 2/1/2013; reference Federal Register: December 1, 2008 (Vol. 73, Number 231)		
<b>Public Records Requests</b>	\$.30 per page (copy). Complete documents available per current price list – contact Airport Administration.		

<b>Special Airport Equipment &amp; Services</b>	<b>Item</b> *1	<b>Hourly Rate</b>	<b>Daily Rate (8 Hrs)</b>	
	High-Intensity Light Cart	<del>\$69.00</del> \$71.00	<del>\$255.00</del> \$263.00	
	Pavement Sweeper – vacuum truck	<del>\$119.00</del> \$123.00	Not available	
	Pavement Sweeper – kick broom	<del>\$81.00</del> \$83.00	<del>\$566.00</del> \$583.00	
	Water truck *2	<del>\$119.00</del> \$123.00	<del>\$816.00</del> \$840.00	
	*1 Equipment rate includes fuel and a qualified operator, as appropriate; subject to availability and applicable sales taxes			
	*2 Plus water usage			
	<b>Item</b>	<b>Fee</b>		
	Fuel Dispensing Permit	\$100.00 per organization, permit valid for 2 years		
	Fuel Handling Permit (includes exam)	<del>\$15.00</del> \$15.50 per individual, permit valid for 2 years		
Fuel Storage & Service Equipment Permit	<del>\$7.50</del> \$15.00 per filtration vessel, permit valid for 2 years			
Hazardous Materials Response	Hourly fees for airport staff assistance (rates listed above) plus <del>or</del> actual cost + 12% of airport for purchased materials and contracted services for clean up of fuel and other hazardous material spills. <del>\$104.00 minimum.</del>			
Lavatory Waste Dump	<del>\$37.00</del> per one-time truckload (up to 500 gallons); <del>\$370.00</del> \$381.00 monthly			
<b>Airport Security Fees</b>	<b>Item</b>	<b>Fee</b>		
	Security badge	<del>\$30.00</del> \$36.00 *1		
	Contractor badge with arm band	<del>\$35.00</del> \$41.00		
	Replacement/Unreturned badge	\$50.00		
	Criminal History Record Check	\$52.00		
	Tenant facility key	\$5.00 per key		
	New lock core or change out	<del>\$52.00</del> \$55.00		
	*1 Law enforcement and emergency response personnel are exempt from badge fees, except replacement badge fees.			
<b>Telephone / Internet Services</b>	<b>Item</b>	<b>Monthly Fee</b>		
	Line Fee *	\$33.23		
	8-button digital phone with display	\$9.80		
	16-button digital phone with display	\$15.68		
	Analog phone	\$2.80		
	Voice mail	\$2.24		
	Individual internet connection per PC	\$30.00, limit 20Mb shared bandwidth		
	Group internet connection up to 25 PC's	\$450.00, limit 20Mb shared bandwidth		
	Dark fiber lease	\$.05 per linear foot		
	Long distance: \$.05/minute for interstate calls; \$.05/minute for intrastate calls			
	* All assigned numbers will have a Line Fee; this cost covers incoming and outgoing trunks, switch gear associated with the number, maintenance fees, tariffs and taxes.			
<b>Fire Suppression Services</b>	<del>\$.48</del> \$.50 per year per square foot of floor space + \$250.00 set-up charge. Billed in monthly installments (15% of annual fees required as security deposit) South ramp connection fee = <del>\$190,678.00</del> \$209,746.00			
<b>Ground Transportation License Fee</b>	\$100 per year per commercial vehicle providing ground transportation to passengers			
<b>Airport Rental Car Fee</b>	Customer Facility Charge = \$1.25 per rental day			
<b>Parking Rates</b>	First 30 minutes FREE \$1.00 each additional 30 minutes Daily maximum = <del>\$5.00</del> \$6.00 Lost Ticket Fee = <del>\$35.00</del> \$42.00			



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## Action Item

**RESOLUTION NO. 10-22**

**To:** Board of Directors  
**From:** John E. Cox, C.M., Design & Construction Manager  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Construction Contract – CSW Contractors  
**Date:** June 21, 2010

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**Proposed Motion:**

Approve Resolution No. 10-22 for a construction contract with CSW Contractors to provide construction of drainage improvements for the South Area Drainage Project Phases I and II at a cost of \$2,390,743.49, subject to the receipt of FAA award.

**Narrative:**

The current airfield drainage system allows an excessive amount of water to flow across the airfield, ramp and developable parcels. In order to develop these parcels, the airfield water flow must be re-directed into a new storm drainage system. This authorization is for the construction of drainage improvements needed along the south ramp.

When constructed, these improvements will provide the necessary drainage system to provide protection for the west terminal expansion and the pending IWA Holding LLC development along Taxiway Tango.

Advertised bids were received on May 13, 2010 from six different contractors.

<b><u>Company Name</u></b>	<b><u>Bid Amount</u></b>
1. CSW Contractors	\$2,390,743.49
2. Norquay Construction	\$2,468,802.51
3. Citywide Contracting	\$2,508,025.40
4. Pierson Construction	\$2,620,313.33
5. FNF Construction	\$2,639,890.75
6. Markham Contracting	\$2,932,875.50

**Fiscal Impact:**

This contract was included in the FY10 capital budget and is anticipated to be funded (subject to FAA grant award) with \$2,271,206.32 in FAA grant funds (95 percent), \$59,768.59 in ADOT local match funds (2.5 percent), and \$59,768.49 in local grant match funds (2.5 percent) under Project No. 3.

Attachments



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-22**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to enter into a construction contract;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizes a construction contract with CSW Contractors to provide construction of drainage improvements for the South Area Drainage Project Phases I and II at a cost of \$2,390,743.49 subject to the receipt of FAA award. This Resolution also authorizes the Chair or Executive Director to execute such contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



**Phoenix-Mesa Gateway Airport**  
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## Action Item

## RESOLUTION NO. 10-23

**To:** Board of Directors  
**From:** John E. Cox, C.M., Design & Construction Manager  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Authorization of Services No. 10-09 – Dibble Engineering  
**Date:** June 21, 2010

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### Proposed Motion:

Approve Resolution No. 10-23 for Authorization of Services No. 10-09 with Dibble Engineering to provide inspection and construction administration for the South Area Drainage Project Phases I and II at a cost not to exceed \$256,524.23, subject to the receipt of FAA award.

### Narrative:

The current airfield drainage system allows an excessive amount of water to flow across the airfield, ramp, and developable parcels. In order to develop these parcels, the airfield water flow must be re-directed into a new storm drainage system. This authorization is for construction administration services related to the construction of drainage improvements on the south ramp.

When constructed, these improvements will provide the necessary drainage system to provide protection for the west terminal expansion and the pending IWA Holding LLC development along Taxiway Tango.

In support of this and other capital projects, the Airport Authority (PMGAA) requires professional construction administration services. These services are needed to ensure that PMGAA receives the project in accordance with the project specifications and to ensure compliance with federal and state grant criteria. All services are to be performed in accordance with PMGAA Agreement C-2008-006-A, including the Standard Terms.

### Fiscal Impact:

This contract was included in the FY10 capital budget and is anticipated to be funded (subject to FAA grant award) with \$243,698.02 in FAA grant funds (95 percent), \$6,413.11 in ADOT local match funds (2.5 percent), and \$6,413.11 in local grant match funds (2.5 percent) under Project No. 3.

Attachments



**RESOLUTION NO. 10-23**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to obtain inspection and construction administration for the south area drainage project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby approves Authorization of Services No. 10-09 with Dibble Engineering to provide inspection and construction administration for the South Area Drainage Project Phases I and II at a cost not to exceed \$256,524.23, subject to the receipt of FAA award. This Resolution also authorizes the Chair or Executive Director to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



PhxMesa **Gateway** Airport

**AUTHORIZATION FOR PROFESSIONAL SERVICES**  
**DIBBLE ENGINEERING, AOS 10-09**

The signing of this Authorization (Agreement) by the Phoenix-Mesa Gateway Airport Authority (PMGAA) and Dibble Engineering (Dibble), 7500 North Dreamy Draw Drive, Suite 200, Phoenix, Arizona 85020 authorizes Dibble to carry out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT:** South Area Drainage Phases I & II – Construction Administration
2. **SCOPE OF WORK:** Perform and provide inspection and construction administration work related to the South Area Drainage Phases I & II. All services are to be performed in accordance with PMGAA Agreement C-2008-006-A, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by the PMGAA Authorized Representative prior to start of work.
3. **FEE FOR SERVICES:** The fee for services shall be based upon the attached scope of work, not to exceed two hundred seventy nine thousand one hundred fourteen dollars and twenty three cents \$256,524.23 without the express written approval of PMGAA.
4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA’s payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the contractor of the lack of the availability of funds. The contractor acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation, is contingent on the availability of those funds being made to PMGAA.
5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:
  - PMGAA Agreement C-2008-006-A dated May 29, 2008.
6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:
  - Scope and Fee Proposal dated April 14, 2010

PMGAA and Dibble Engineering acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

**APPROVED FOR PMGAA:**

**ACCEPTED FOR Dibble Engineering:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Executive Director \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



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## Action Item

## RESOLUTION NO. 10-24

**To:** Board of Directors  
**From:** John E. Cox, C.M., Design & Construction Manager  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
**Through:** Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Alpha Apron Expansion Phase II Construction – Southwest Concrete Paving Co.  
**Date:** June 21, 2010

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### Proposed Motion:

Approve Resolution No. 10-24 authorizing a contract with Southwest Concrete Paving Company for the construction of Alpha Apron Phase II at a cost of \$1,962,743.97, subject to the receipt of FAA award.

### Narrative:

This project is for the expansion of an existing aircraft apron adjacent to Taxiway Alpha south of Taxiway Kilo. The project includes site grading, earthwork, approximately 168,000-square-feet of Portland Cement Concrete pavement, asphalt cement shoulders, pavement markings, lighting, and signage. The existing apron is currently used for various federal government operations and other aircraft activities. Expansion of the apron is necessary to ensure that we have adequate aircraft apron for future operations.

Invitation for Bid No. 2010-006-IFB for Alpha Apron Expansion Phase II, was issued on March 26, 2010 and advertised in the East Valley Tribune on March 26, April 7, 10, 14, 16, and 21. The bid opening was May 6, 2010, and seven bids were received as follows:

<u>Company Name</u>	<u>Bid Amount</u>
1. Southwest Concrete Paving Company	\$1,962,743.97
2. Haydon Building Corporation	\$2,097,625.84
3. FNF Construction, Inc.	\$2,124,505.27
4. Nesbitt Contracting	\$2,147,373.76
5. J. Banicki Construction	\$2,206,725.53
6. CSW Contractors	\$2,232,964.58
7. Meadow Valley Contractors	\$2,339,669.96

### Fiscal Impact:

This project was in the FY10 capital budget, and pending FAA Grant award, will be funded with \$1,864,606.77 in FAA grant funds (95 percent), \$49,068.60 in ADOT funds (2.5 percent), and \$49,068.60 in Airport Authority local matching funds (2.5 percent) as Project No. 34.

Attachments



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-24**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to enter into a contract for Alpha Apron construction;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby approves a contract with Southwest Concrete Paving Company for the construction of Alpha Apron Phase II at a cost of \$1,962,743.97, subject to the receipt of FAA award. This Resolution also authorizes the Chair or Executive Director to execute such contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21<sup>st</sup> day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



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## Action Item

**RESOLUTION NO. 10-25**

**To:** Board of Directors  
**From:** John E. Cox, C.M., Design & Construction Manager  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Authorization of Services No. 10-03 – Kimley-Horn and Associates, Inc.  
**Date:** June 21, 2010

---

**Proposed Motion:**

**Approve Resolution No. 10-25 for Authorization of Services No. 10-03 with Kimley-Horn and Associates to provide inspection and construction administration for the Alpha Apron Expansion Phase II project at a cost not to exceed \$234,899, subject to the receipt of FAA award.**

**Narrative:**

This project is for the expansion of an existing aircraft apron adjacent to Taxiway Alpha south of Taxiway Kilo. The project includes site grading, earthwork, approximately 168,000-square-feet of portland cement concrete pavement, asphalt concrete cement shoulders, pavement markings, lighting, and signage. The existing apron is currently used for various federal government operations and other aircraft activities. Expansion of the apron is necessary to ensure that we have adequate aircraft apron for future operations.

In support of this and other capital projects, the Airport Authority (PMGAA) requires professional construction administration services. These services are needed to ensure that PMGAA receives the project in accordance with the project specifications and to ensure compliance with federal and state grant criteria. All services are to be performed in accordance with PMGAA Agreement 2008-006-B, including the Standard Terms.

**Fiscal Impact:**

This contract was included in the FY10 capital budget and, pending FAA Grant award, will be funded with \$223,154.05 in FAA Grant funds (95 percent), \$5,872.47 in ADO/T local match funds (2.5 percent) and \$5,872.48 in local grant match funds (2.5 percent) as Project No. 34.



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-25**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to obtain inspection and construction administration services;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby approves Authorization of Services No. 10-03 with Kimley-Horn and Associates to provide inspection and construction administration for the Alpha Apron Expansion Phase II project at a cost not to exceed \$234,899, subject to the receipt of FAA award. This Resolution also authorizes the Chair or Executive Director to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



PhxMesa Gateway Airport

**AUTHORIZATION FOR PROFESSIONAL SERVICES**  
**Kimley-Horn and Associates, AOS #10-03**

The signing of this Authorization (Agreement) by the Phoenix Mesa Gateway Airport Authority (PMGAA) and Kimley-Horn and Associates, 7878 N. 16<sup>th</sup> Street, Suite 300, Phoenix, AZ 85020, authorizes Kimley-Horn and Associates to carry out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT:** Alpha Apron Phase II, Project No. 34 – Construction Administration
2. **SCOPE OF WORK:** Perform and provide inspection, quality assurance, construction contract administration and engineering services for the construction of Alpha Apron Phase II. All services are to be performed in accordance with PMGAA Agreement C-2008-006-B, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by the PMGAA Authorized Representative prior to start of work.
3. **FEE FOR SERVICES:** The fee for services shall be based upon the attached scope of work, not to exceed, two hundred thirty-four thousand, eight hundred ninety-nine dollars (\$234,899.00) without the expressed written approval of PMGAA.
4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by the PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA’s payment requirements under this contract for the goods and/or services to be provided hereunder, the PMGAA may terminate this contract by providing notice to the contractor of the lack of the availability of funds. The contractor acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation is contingent on the availability of those funds being made to the PMGAA.
5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:
  - PMGAA Agreement C-2008-006-B dated September 9, 2008
6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:
  - Scope and Fee Proposal dated May 24, 2010

PMGAA and Kimley-Horn and Associates acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

**APPROVED FOR PMGAA:**

**ACCEPTED FOR Kimley-Horn and Associates:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Executive Director

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT A**

**SCOPE OF WORK  
for  
CONSTRUCTION OBSERVATION,  
MATERIAL ACCEPTANCE TESTING SERVICES AND  
DESIGN SUPPORT SERVICES DURING CONSTRUCTION  
of  
ALPHA APRON EXPANSION (PHASE II)**

**PROJECT NO. WGAA-34  
WGAA SOLICITATION NO. 2010-006 IFB**

- A. PROJECT DESCRIPTION:** Phoenix-Mesa Gateway Airport Authority requires construction observation, quality assurance testing and design support services for construction of the Alpha Apron Expansion (Phase II), including grading, drainage, paving, taxiway edge lighting, and paint marking, as related to this project. This project is adjacent to Taxiway "A" and connecting to the southeast side of the existing apron. Project includes site grading and earthwork, PCC pavements with asphaltic concrete shoulders, apron access road, pavement marking/stripping, and retro-reflective edge markers. These services will also include review and of certified payroll and preparation of a Final Engineer's Report and Final Record Drawings.
- B. PROJECT SCOPE:** Kimley-Horn and Associates, Inc. will provide construction observation and material accepting testing services for the Phoenix-Mesa Gateway Airport. These services may include the following:

1. *Visits to Site and Observation of Construction.* Kimley-Horn will provide on-site construction observation services during the construction phase of the subject project. Observations will vary depending on the type of Work being performed by the Contractors, the location, and the contractor's schedules. We will make visits to the site at intervals as directed by the Phoenix-Mesa Gateway Airport Authority in order to observe the progress of the Work. Such visits and observations by Kimley-Horn are not intended to be exhaustive or to extend to every aspect of Contractor's Work in progress. Observations are to be limited to spot checking, selective measurement and similar methods of general observation of the Work based on Kimley-Horn exercise of professional judgment. Based on information obtained during such visits and such observations, Kimley-Horn will determine if the Contractor's Work is generally proceeding in accordance with the Contract Documents, and KHA shall keep the Phoenix-Mesa Gateway Airport Authority informed of the general progress of the Work.

The purpose of Kimley-Horn visits to the site will be to enable Kimley-Horn to better carry out the duties and responsibilities assigned in this agreement to Kimley-Horn during the construction phase by the Phoenix-Mesa Gateway Airport Authority, and, in addition, by the exercise of Kimley-Horn efforts, to provide the Phoenix-Mesa Gateway Airport Authority a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that the integrity of the design concept of the completed project as a functioning whole as indicated in the Contract Documents has been implemented and preserved by Contractor. Kimley-Horn shall not, during such visits or as a result of such

- observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor shall Kimley-Horn have authority over or responsibility for the means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction selected by Contractor, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with laws and regulations applicable to Contractor's furnishing and performing the Work. Accordingly, Kimley-Horn neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its Work in accordance with the Contract Documents.
2. *Recommendations with Respect to Defective Work.* Recommend to the Phoenix-Mesa Gateway Airport Authority that the Contractor's Work be disapproved and rejected while it is in progress if, on the basis of such observations, Kimley-Horn believes that such Work will not produce a completed project that conforms generally to Contract Documents or that it will prejudice the integrity of the design concept of the completed project as a functioning whole as indicated in the Contract Documents.
  3. *Clarifications and Interpretations.* We will issue necessary clarifications and interpretations of the Contract Documents to the Phoenix-Mesa Gateway Airport Authority as appropriate to the orderly completion of Contractor's Work. Such clarifications and interpretations will be consistent with the intent of the Contract Documents. Field Orders authorizing variations from the requirements of the Contract Documents will be made by the Phoenix-Mesa Gateway Airport Authority.
  4. *Change Orders.* Recommend Change Orders to the Phoenix-Mesa Gateway Airport Authority, as appropriate. Kimley-Horn will review and make recommendations related to Change Orders submitted or proposed by the Contractor.
  5. *Shop Drawings and Samples.* Kimley-Horn will review and comment or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit. The review of Shop Drawings, Samples and other data will be provided by the Phoenix-Mesa Gateway Airport Authority.
  6. *Substitutes and "or-equal."* Kimley-Horn will evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents. The evaluation and determination of the acceptability of substitute or "or-equal" materials and equipment will be done collectively with Airport personnel.
  7. *Inspections and Tests.* Require such special inspections or tests of Contractor's Work as Kimley-Horn deems appropriate, and receive and review certificates of inspections within Kimley-Horn's area of responsibility or of tests and approvals required by laws and regulations or the Contract Documents. Kimley-Horn's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. Kimley-Horn shall be entitled to rely on the results of such tests and the facts being certified.
  8. *Disagreements between Client and Contractor.* As necessary, render written decision on all claims of the Phoenix-Mesa Gateway Airport Authority and Contractor relating to the acceptability of Contractor's Work or the interpretation of the requirements of the Contract

Documents pertaining to the progress of Contractor's Work. In rendering such decisions, Kimley-Horn shall be fair and not show partiality to the Phoenix-Mesa Gateway Airport Authority and Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.

9. *Applications for Payment.* Based on Kimley-Horn's observations and on review of applications for payment and accompanying supporting documentation:  
Determine the amounts that Kimley-Horn recommends to the Contractor to be paid. Such recommendations of payment will be in writing and will constitute Kimley-Horn representation to the Phoenix-Mesa Gateway Airport Authority, based on such observations and review, that, to the best of Kimley-Horn knowledge, information and belief, Contractor's Work has progressed to the point indicated, such Work-in-progress is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled insofar as it is Kimley-Horn responsibility to so determine. In the case of unit price Work, Kimley-Horn recommendations of payment will include final determinations of quantities and classifications of Contractor's Work, based on observations and measurements of quantities provided with pay requests.

By recommending any payment, Kimley-Horn shall not thereby be deemed to have represented that observations made by Kimley-Horn to check Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Kimley-Horn in this agreement. Neither Kimley-Horn's review of the Contractor's Work for the purposes of recommending payments nor Kimley-Horn's recommendation of any payment including final payment will impose on Kimley-Horn's responsibility to supervise, direct, or control Contractor's Work in progress or for the means, methods, techniques, equipment choice and usage, sequences, or procedures of construction of safety precautions or programs incident thereto, nor Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on Kimley-Horn to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the contract price, nor to determine that title to any portion of the Work in progress, materials, or equipment has passed to the Phoenix-Mesa Gateway Airport Authority free and clear of any liens, claims, security interests, or encumbrances, nor that there may not be other matters at issue between Client and Contractor that might affect the amount that should be paid.

10. *Substantial Completion.* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with the Phoenix-Mesa Gateway Airport Authority and Contractor, conduct a site visit to determine if the Work is substantially complete. Work will be considered substantially complete following satisfactory completion of all items with the exception of those identified on a final punch list. If after considering any objections of Client, Kimley-Horn considers the Work substantially complete; Kimley-Horn shall notify the Phoenix-Mesa Gateway Airport Authority and Contractor.
11. *Final Notice of Acceptability of the Work.* Conduct a final site visit to determine if the completed Work of Contractor is generally in accordance with the Contract Documents and the final punch list so that Kimley-Horn may recommend, in writing, final payment to

Contractor. Accompanying the recommendation for final payment, Kimley-Horn shall also provide a notice that the Work is generally in accordance with the Contract Documents to the best of Kimley-Horn's knowledge, information, and belief and based on the extent of the services provided by Kimley-Horn under this agreement and based upon information provided to Kimley-Horn upon which it is entitled to rely.

12. *Limitation of Responsibilities.* Kimley-Horn shall not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or of any other individual or entity performing or furnishing the Work. Kimley-Horn shall not have the authority or responsibility to stop the Work of any Contractor.

13. *Post Construction Phase.* The Kimley-Horn will provide assistance and consultation to the Phoenix-Mesa Gateway Airport Authority for up to a month following the project Substantial Completion. This will include site visits to observe any Contractor deficiencies in their Work and assist the Phoenix-Mesa Gateway Airport Authority in recommendations in correcting such Contractor deficiencies. A Final Engineer's Report and final Record Drawings will be provided from documentation gathered during construction of the project.

C. **CONTRACT TIME.** Kimley-Horn shall provide construction observation services during the designated construction period as approved and awarded by the Phoenix-Mesa Gateway Airport Authority. These services for Kimley-Horn shall include the base bid and will be from July 2010 to November 2010.

D. **DELIVERABLES.** Kimley-Horn shall provide the following deliverables:

- Daily Field Reports - one (1) copy to the Phoenix-Mesa Gateway Airport Authority, as requested.
- Weekly FAA Construction Progress Reports – one (1) copy to the Phoenix-Mesa Gateway Airport Authority, one (1) copy to the FAA and one (1) copy to ADOT Aeronautics Division.
- Review and archive of contractor's certified payroll.
- Final Construction Report.
- Record Drawings.

E. **WORK SCHEDULE:** All work is to be completed within six (6) months from the authorization of service date.

F. **CONSULTANT'S COMPENSATION FOR SERVICES:** The CONSULTANT shall be compensated for services using a "Fixed Lump-Sum Payment" method of compensation.

**Design Services - \$234,899**



**Phoenix-Mesa Gateway Airport**  
5835 South Sossaman Road  
Mesa, Arizona 85212-6014  
Telephone: 480-988-7600  
FAX: 480-988-2315  
[www.phxmesagateway.org](http://www.phxmesagateway.org)

## Action Item

**RESOLUTION NO. 10-26**

**To:** Board of Directors  
**From:** John Barry, Manager, Business Development  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
**Through:** Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Lease Termination and Right of First Offer Agreement – Gateway 12, LLC  
**Date:** June 21, 2010

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**Proposed Motion:**

Approve Resolution No. 10-26 authorizing termination of the existing property lease agreement with Gateway 12, LLC for Lot 12 and execution of a right of first offer agreement. The termination agreement is effective June 30, 2010, and requires forfeiture of their \$11,337.84 security deposit. The right of first offer term is two years at a rate of \$632.81 per month until terminated or until a new property lease is signed.

**Narrative:**

The Board approved Gateway 12's lease of Lot 12 on July 16, 2007 which called for Gateway 12 to construct a speculative hangar and office space with a project completion date of July 31, 2010. However, due to the economic downturn, construction never commenced.

Since they are not proceeding as originally agreed, Gateway 12 will forfeit their security deposit. However, they have worked with the Airport on a revised site plan and have developed several leads. To encourage their continued activity toward a viable project, Staff proposed termination of the original lease and creation of a right of first offer to initiate a new lease. A right of first offer allows the Airport to pursue other opportunities for the property while they continue to put together a viable project. Upon notice from the Airport, Gateway 12 has 30 days to commit to a new lease or lose their option to develop the property.

**Agreement Term and Rate:**

In return for termination of their present lease, Gateway 12 will forfeit the security deposit of \$11,337.84. The right of first offer term is two years at a rate of \$632.81 per month until terminated or a new property lease agreement is signed.

Attachment



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-26**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to terminate a lease with Gateway 12, LLC and commence a new right of first offer agreement;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizes the termination of a property lease agreement with Gateway 12, LLC for Lot 12 and execution of a right of first offer agreement to be effective June 30, 2010, and requiring forfeiture of Gateway 12’s \$11,337.84 security deposit. The right of first offer term is two years at a rate of \$632.81 per month until terminated or until a new property lease is signed. This Resolution also authorizes the Chair or Executive Director to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



*Phoenix-Mesa Gateway Airport Authority*  
**Lease Termination Agreement**

This LEASE TERMINATION LEASE TERMINATION (the "Lease Termination") is executed to be effective as of the THIRTIETH (30<sup>th</sup>) day of JUNE 2010 (the "Lease Termination Date"), by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY** (formerly the Williams Gateway Airport Authority), a joint powers airport authority authorized under the laws of the State of Arizona, its successors and assigns ("Lessor"), and **GATEWAY 12, LLC**, an Arizona limited liability company ("Lessee"). This Lease Termination hereby serves to terminate that certain Property Lease Agreement between Lessor and Lessee dated and effective as of AUGUST 1, 2007 (the "Lease") with respect to that certain real property at the Airport located at 5553 S. Sossaman Road and described as Lot 12 (the "Premises").

**WITNESSETH:**

**WHEREAS**, Lessor and Lessee desire to execute this Lease Termination in order to terminate the Lease;

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained in this Lease Termination and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. In return for Lessor's agreement to terminate and otherwise cancel the Lease on the Lease Termination Date and in advance of the Lease's specified termination date of July 31, 2037, Lessee agrees that Lessee shall forfeit and Lessor shall be entitled to retain Lessee's previous Security Deposit, which was previously paid to Lessor as a condition of the Lease, in the amount of ELEVEN THOUSAND THREE HUNDRED THIRTY-SEVEN AND 84/100 DOLLARS (\$11,337.84). In doing so, Lessee agrees to waive any and all right or entitlement to said Security Deposit, including any claims Lessee may have under the terms and conditions of the Lease prior to said Lease's termination, as provided herein.

2. The Parties warrant and represent to each other that: (i)-all necessary actions have been taken to authorize the execution of this Lease Termination; (ii)-the persons executing this Lease Termination are duly authorized to do so; and (iii)-this Lease Termination constitutes a legal, valid and binding obligation on the Parties.

3. Each Party has had the opportunity to have legal counsel review this Lease Termination and has either done so or waived such opportunity. This document shall not be interpreted against any party as the "drafter" of the Lease Termination.

4. All of the Recitals set forth above are incorporated into this Lease Termination by this reference.

5. Lessor and Lessee hereby release and forever discharge one another, and their respective officers, directors, agents, employees, legal representatives and affiliates (collectively, the "Released Parties") for, from and against any and all claims, acts, damages, penalties, losses, liabilities, demands, rights of action, and causes of action which any party ever had, now has, or in the future may have against the other party(ies) or any one or more of the other Released Parties, arising from or in any way connected with the Lease or the Premises. The releases set forth in this paragraph 5 are intended to be full and final settlements and compromises of each, every and all claims of every kind and nature relating to the Lease and the Premises, whether they arise in contract or in tort.

**IN WITNESS WHEREOF**, the Parties have entered into this Lease Termination as of the date first set forth above.

FOR LESSOR:

FOR LESSEE:

**PHOENIX-MESA GATEWAY AIRPORT  
AUTHORITY**, an Arizona joint powers airport  
authority

**GATEWAY 12, LLC**, an Arizona limited liability  
company

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Lynn F. Kusy

Name: William A. Langer, Jr.

Its: Executive Director

Its: Member



*Phoenix-Mesa Gateway Airport Authority*  
**RIGHT OF FIRST OFFER AGREEMENT**

This Right of First Offer Agreement (the “Agreement”) is executed to be effective the FIRST (1<sup>st</sup>) day of JULY 2010 (the “Effective Date”) by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized under the laws of the State of Arizona (the “Authority”), and **GATEWAY 12, LLC**, an Arizona limited liability company (“Gateway 12”), each individually a “Party” and collectively the “Parties.”

**I. TERM.**

The Term of this Agreement shall commence on the Effective Date and terminate upon Gateway 12’s execution of a Property Lease Agreement with the Authority, or JUNE 30, 2012, whichever is earlier.

**II. OFFER SPACE.**

During the Term of this Agreement, Gateway 12 shall have a right of first offer (the “Right of First Offer”) to lease that certain real property located on the Phoenix-Mesa Gateway Airport (the “Airport”) identified as Lot 12, located at 5553 S. Sossaman Road (the “Offer Space”), as identified on **Exhibit A** which is attached hereto and made a part hereof, subject to the provisions contained herein. For this Right of First Offer, Gateway 12 shall pay to the Authority a monthly fee in the amount of SIX HUNDRED THIRTY TWO AND 81/100 DOLLARS (\$632.81) (plus applicable taxes), which shall be due and payable on the first day of each month of the Term of this Agreement, and for which the first such payment shall be due and payable to the Authority on or before the Effective Date. Such payments shall not be prorated.

**III. CONDITIONS.**

Gateway 12’s rights under this Agreement are subject to the following conditions:

- a. The Agreement must be in full force and effect;
- b. Gateway 12 shall, within THIRTY (30) days of such exercise, fully execute a Property Lease Agreement substantially similar to the draft attached as **Exhibit B** hereto (the “Lease”) with the Authority which shall, subsequent to Authority Board approval, become effective on the first day of the month following that approval (the “Commencement Date”); and
- c. Gateway 12 shall not be in default under the Agreement, nor shall Gateway 12 be in default under the Agreement at the Commencement Date of the Lease.

**IV. SPACE SUBJECT TO OFFER.**

Subject to the other terms of this Agreement, Authority shall not, during the Term of this Agreement, lease to another tenant the Offer Space without first offering Gateway 12 the right to lease such Offer Space.

**V. AUTHORITY NOTICE.**

Consistent with Paragraph IV, Authority shall not lease the Offer Space to another tenant unless and until Authority has first offered the Offer Space to Gateway 12, in writing (the “FIRST Offer Leasing Notice”), and Gateway 12 either rejects such offer or a period of TEN (10) business days has elapsed from the date that Authority has delivered to Gateway 12 the First Offer Leasing Notice without Gateway 12 having notified Authority, in writing, of its exercise of its Right of First Offer, whichever occurs first. The First Offer of Leasing Notice shall contain the following information:

- a. A description of the Offer Space (which description shall include the square footage amount and location of such Offer Space) and an EXHIBIT A drawing identifying the space;

- b. The annual and monthly Base Rent as calculated in the proposed lease; and
- c. The form of Lease to be entered into for the Offer Space.

#### **VI. GATEWAY 12 ACCEPTANCE.**

If Gateway 12 timely delivers to Authority, in accordance with the conditions of this Agreement, written notice of Gateway 12's exercise of the Right of First Offer for all of the Offer Space and Authority determines that Gateway 12 has satisfied all conditions provided in this Agreement and the Airport Minimum Standards and Rules and Regulations, then the Offer Space shall be the Premises under the Lease, subject to its terms and conditions entered into by the Parties.

#### **VII. GATEWAY 12 REJECTION OR FAILURE TO MEET CONDITIONS.**

If Gateway 12 shall decline or fail to duly and timely exercise its Right of First Offer, or fails to meet any or all of the conditions provided in this Agreement, Authority shall thereafter be free to lease the Offer Space in portions or in its entirety to any third-party tenant at any time without regard to the restrictions in this Agreement and on whatever terms and conditions Authority may decide in its sole discretion, provided the Base Rental and any rent concession are not substantially more favorable to such third-party tenant than those set forth in the First Offer Leasing Notice, without again complying with all the provisions of this Agreement.

#### **VIII. INVALID AFTER ASSIGNMENT/SUBLEASE.**

This Right of First Offer is personal and specific to Gateway 12 and shall become null and void upon any occurrence or attempt of an assignment of this Agreement.

#### **IX. GOVERNING LAW; ATTORNEY'S FEES.**

The laws of the State of Arizona shall govern the matters set forth in this Agreement. Venue of any action brought under this Agreement shall, at the option of the Authority, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between Authority and Gateway 12 arising under this Agreement, the successful Party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

#### **X. MISCELLANEOUS.**

- a. Cancellation. The Parties hereto acknowledge and agree that this Agreement may be cancelled pursuant to the provisions of Arizona Revised Statutes, Section 38-511, *Cancellation of Political Subdivision and State Contracts; Definition*.
- b. Personal Liability. No member or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.
- c. No Waiver. No provision of this Agreement may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.
- d. Non-Waiver of Rights. No waiver or default by Authority of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Gateway 12 shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Gateway 12, and the Authority shall not be restricted from later enforcing any of the terms and conditions of this Agreement.
- e. Amendment. Only a written instrument executed by the Parties may amend this Agreement.
- f. Invalid Provisions. Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

- g. Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.
- h. Entire Agreement. This Agreement, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement the day and year first written above.

EXECUTED to be effective on the date specified above.

**FOR AUTHORITY:**

**PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, an Arizona joint powers airport authority

By: \_\_\_\_\_  
Lynn F. Kusy, Executive Director

STATE OF ARIZONA            )  
  ) ss.  
County of Maricopa         )

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this \_\_\_\_ day of \_\_\_\_\_, 2010, by Lynn F. Kusy, in his capacity as the Executive Director of the Phoenix-Mesa Gateway Airport Authority, for and on behalf of said Authority.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

**FOR GATEWAY 12:**

**GATEWAY 12, LLC**, an Arizona limited liability company

By: \_\_\_\_\_  
William A. Langer, Jr., Manager

STATE OF ARIZONA            )  
  ) ss.  
County of Maricopa         )

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this \_\_\_\_ day of \_\_\_\_\_, 2010, by William A. Langer, Jr., in his capacity as Manager, Gateway 12, LLC, an Arizona limited liability company, for and on behalf of said company.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_



**Phoenix-Mesa Gateway Airport  
 Airport Administration**  
 5835 South Sossaman Road  
 Mesa, Arizona 85212-6014  
 Telephone: 480-988-7600  
 FAX: 480-988-2315  
[www.phxmesagateway.org](http://www.phxmesagateway.org)

## Action Item

**RESOLUTION NO. 10-27**

**To: Board of Directors**  
**From: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Financial Participation in Lobbyist and Consulting Services with City of Mesa**  
**Date: June 21, 2010**

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**Proposed Motion:**

**Approve Resolution No 10-27 authorizing an agreement for financial participation between the City of Mesa and Phoenix-Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services effective July 1, 2010 as listed below.**

**Narrative:**

In the past, Phoenix-Mesa Gateway Airport Authority and the City of Mesa have shared expenses pertaining to lobbyist services. Mesa and the Airport will utilize the services of Patton Boggs for federal professional services and Triadvocates, LLC for state professional services, and will share in these costs.

The Airport Authority will provide 40 percent of the total cost for the federal lobbying contract and 33 percent of the total cost for the state lobbying contract.

<b>Legislative Representation and Consulting</b>	<b>Airport Authority Share Not to Exceed</b>
Federal (Patton Boggs, LLP)	FY 2011 - \$52,800 FY 2012 - \$57,600 FY 2013 - \$60,000
Triadvocates, LLC	FY 2011 - \$24,000 FY 2012 - \$26,000

Funds budgeted for these services for FY2011 total \$90,000 under Contractual Services.

Attachment



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-27**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to enter into an agreement for lobbyist services with City of Mesa;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizes an agreement for financial participation between the City of Mesa and Phoenix-Mesa Gateway Airport Authority to share lobbyist and consulting services at not-to-exceed costs listed below.**

- **Patton Boggs LLP (Federal): FY2011 - \$52,800, FY2012 - \$57,600, and FY2013 - \$60,000 through June 30, 2013.**
- **Triadvocates LLC (State): FY2011 - \$24,000, FY2012 - \$26,000 through June 30, 2012**

**This Resolution also authorizes the Chair or Executive Director to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of June 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

DATE: June 17, 2010  
TO: Lynn Kusy, Executive Director, Phoenix-Mesa Gateway Airport Authority  
FROM: Scott J. Butler, Government Relations Director, City of Mesa  
SUBJECT: State & Federal Legislative Representation and Consulting Services

The purpose of this memo is to confirm the proposed cost-sharing arrangement for state and federal consulting services between the City of Mesa and the Phoenix-Mesa Gateway Airport Authority.

State professional services are provided by Triadvocates, LLC. The agreement for state representation was recently extended to cover the period from July 1, 2010 until June 30, 2012. Consistent with our previous arrangement, Gateway's financial participation for state services will remain 33% of the total costs. For FY2010/2011, the cost will not exceed \$24,000. For FY2011/2012, the cost will not exceed \$26,000.

Federal professional services are provided by Patton Boggs, LLP. The agreement for federal representation was recently extended to cover the period from July 1, 2010 until June 30, 2013. The Airport Authority's financial participation for federal services will continue to be set at 40% of the total costs. For FY2010/2011, the cost will not exceed \$52,800. For FY2011/2012, the cost will not exceed \$57,600. For FY2012/2013, the cost will not exceed \$60,000.

c: Christopher J. Brady

### **Acknowledgement**

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Lynn Kusy, Executive Director

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Date