



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

**BOARD MEETING**

**June 21, 2010**

**AIRPORT AUTHORITY BOARD MEMBERS**

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

*\* not present*

**GUESTS PRESENT**

Russ Brandt, Blue Chip Land Corp.  
Matt Busby, City of Apache Junction  
Scott Butler, City of Mesa  
Jeffrey Carr, Air Force Research Lab  
Tamie Fisher, City of Phoenix  
Mike Gardner, Triadvocates  
Michelle Gramley, Town of Gilbert  
Ken Halverson, Jetstrip  
Jean Humphries, ASU Polytechnic  
Larry Kieser, Mesa Police Department  
Johannes Kurz, Gateway Ambassador  
Jack Lansdale, Willis of Arizona

Kathy MacDonald, City of Mesa  
Floyd Moore, Valle del Oro  
LaVonne Morris, City of Phoenix  
John Morton, Scottsdale  
Carl Newman, City of Phoenix  
Scot Rigby, City of Mesa  
Christopher Schmaltz, Gust Rosenfeld  
Councilmember John Sentz, Gilbert  
Phil Statt, HPI  
Peter Sterling, East Valley Partnership  
Paul Womack, Phoenix Fire Center

**AIRPORT STAFF PRESENT**

John Cox, Design and Construction Manager  
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors  
Lynn Kusy, Executive Director  
Bill Mitchell, Director – Operations & Maintenance

## **CALL TO ORDER**

The meeting was called to order by Vice Chair Thelda Williams at 9:03 a.m.

## **AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS**

Airport Executive Director Lynn Kusy welcomed Queen Creek Vice Mayor Craig Barnes, Assistant Aviation Director Carl Newman from the City of Phoenix, and Councilmember John Sentz from the Town of Gilbert.

Mr. Kusy announced that the Airport will receive a \$5 million capital grant from the FAA which will fund the four projects on the agenda.

He recognized the Airport's contract tower operator, Serco, for receiving an FAA award called "None in a Million" for having no operational errors in one million operations.

Mr. Kusy, David Valenzuela, and Patrick Oakley received the Silver & Teal Award from Chandler-Gilbert Community College.

## **PROGRESS REPORTS**

- **ASU Polytechnic** –Assistant Vice President Business and Finance Jean Humphries reported on the following ASU Poly activities:
  - As of last week, enrollment for fall is 8,091 students, a 20 percent increase over last year.
  - Dr. Gary McGrath, Dean of Students, will be retiring this month. Dr. Aaron Krasnow has been named as interim Dean.
  - The Mary Lou Fulton Teachers College is co-hosting a science camp for six to twelve-year-old children this month.
  - The Desert Mall is now complete.
  - ASU Poly will be breaking ground on a 300-bed resident hall with adjacent dining hall and student recreation center.
  - Construction will begin in the next 12 months on the Poly ring road which is currently in design.
  - Valley Metro will add bus route #184 from Red Mountain Community College through the Polytechnic campus beginning January 2011.
- **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 May staff reports:

- Serco is part of a team that was awarded a \$1.3 billion research and development contract from FAA. Serco hopes to use Gateway as a test bed for new aviation technologies.
- Noise reports: 10 noise calls in May, down from 15 in April.
- FAA launched an initiative to create "electronic" airport layout plans and staff has received telephone confirmation that Gateway has been selected as a test site.
- Revenues are down, but expenses have been reduced by over \$1 million, so we are still ahead of budget overall.
- Boeing flight test group brought a B-787 to Gateway for testing last month. A 747-800 will be here today for 10 days of hot weather testing.

- Terminal expansion is on schedule and is to be complete by November 8.
- Staff continues discussion with TSA on terminal expansion and existing terminal remodel.
- Parking peaked on May 28 with 98 percent occupancy.
- Passenger count: 64,400 passengers handled in April, and a total of 550,000 for the fiscal year to date.
- Cargo up 29 percent ahead of last year.

**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.

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

**CONSIDERATION AND POSSIBLE APPROVAL OF:**

**Resolution No. 10-21** – Adopting a Revised **Airport Rates and Charges Schedule** to be Effective July 1, 2010 and Superseding all Previous Editions.

Mr. Kusy reported that staff recommends a three percent increase to most items on the current schedule. The proposed rates were distributed to all tenants and customers for a 30-day period with only one comment received. Items suggested for increases are landing fees, aircraft handling fees, special equipment, fuel handling, and parking fees. He noted that staff proposes to raise parking fees from \$5 to \$6 per day, and to increase the lost ticket fee accordingly.

Mayor Smith asked about landing fees. Mr. Kusy responded that landing fees apply to aircraft over 36,000 lbs. – not including military aircraft. Mayor Lewis inquired about customer/tenant feedback. Mr. Kusy noted that two years ago, none of the rates were increased.

**Mayor Lewis moved to approve the Resolution No. 10-21. Vice Mayor Barnes seconded the motion. The motion carried unanimously.**

**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.

Mr. Kusy said this contract is for drainage improvements for the west terminal expansion and some development property along Velocity Way. He said staff received oral confirmation that the grant has been awarded, but it will not be officially awarded until paperwork is complete.

Mayor Lewis asked about the project start and finish time, and how will it impact daily operations. Gateway's Design and Construction Manager John Cox said that staff is phasing in the project to create minimal impact. Mr. Cox said staff hopes to award a notice to proceed in early August, with completion anticipated the beginning of next calendar year.

**Mayor Smith moved to approve Resolution No. 10-22. Vice Mayor Barnes seconded the motion. The motion carried unanimously.**

**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

Mr. Kusy explained that this is for construction monitoring and is a companion contract to the previous contract.

**Mayor Lewis moved to approve Resolution No. 10-23. Mayor Smith seconded the motion. The motion carried unanimously.**

**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.

Mr. Kusy reported that this contract is for the expansion of the existing apron adjacent to Taxiway Alpha. This apron is a public apron, but is primarily used by Immigration and Customs Enforcement, US Marshals Service, and the US Forest Service.

Mayor Lewis asked about time frame. Mr. Cox said this project is on a 90-day schedule and should be completed by the holidays.

**Mayor Smith moved to approve Resolution No. 10-24. Mayor Lewis seconded the motion. The motion carried unanimously.**

**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

Mr. Kusy said that Kimley-Horn did the original engineering for the project back in 2001. Kimley-Horn is our on-call contractor, and this would authorize construction administration services for this ramp pavement project.

**Mayor Lewis moved to approve Resolution No. 10-25. Mayor Smith seconded the motion. The motion carried unanimously.**

**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.

Mr. Kusy explained that Resolution No. 10-26 terminates existing the property lease agreement and executes a *right of first offer* agreement with Gateway 12 LLC. Their project was supposed to be complete this summer, but they haven't broken ground. Gateway 12 LLC has forfeited their security deposit and, upon notice from the Airport, they have 30 days to commit to a new lease or lose their option to develop the property.

**Mayor Smith moved to approve Resolution No. 10-26. Vice Mayor Barnes seconded the motion. The motion carried unanimously.**

**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.

Mr. Kusy stated that the City of Mesa and the Airport have shared federal and state lobbying services for several years. This is a three-year Intergovernmental Agreement with Mesa for state and federal lobbyist services and staff will come back each year to reauthorize the expense.

Mayor Smith concurred that we get more than our return on what we spend. Mayor Smith said, “No doubt that the impact that this representation is valuable and has a direct correlation on our ability to secure discretionary funding and assistance.”

Councilwoman Williams stressed the importance of lobbyist representation to the operation of the Airport.

**Vice Mayor Barnes moved to approve Resolution No. 10-27. Mayor Lewis seconded the motion. The motion carried unanimously.**

## **BOARD MEMBER COMMENTS**

Mayor Smith commented on the Phoenix Aviation Department's involvement with Gateway Airport. He said Phoenix Aviation's involvement is considerable, significant, and greatly appreciated. He pointed out that their involvement is important to our plans and future expansion.

Mr. Kusy added that Carl Newman was recently elected to board of the American Association of Airport Executives.

## **NEXT MEETING**

Monday, July 26 2010 – 9:00 am

## **ADJOURN**

The meeting adjourned at 9:35 am.