

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

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

Monday, November 15, 2010 ♦ 9:00 a.m.

1. **Call to Order: Phoenix-Mesa Gateway Airport Authority** – *Councilwoman Thelda Williams, Chair*
2. **Awards, Guest Introductions, and Announcements** - *Lynn Kusy, Executive Director*
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. **Presentations:**
  - a) **Economic Impact Study Results** - *Dr. Lee McPheters, Arizona State University*
  - b) **Employee Benefits Package for 2011** – *Lotus Williams, HR Manager*
7. **Consent Agenda: Consideration and Possible Approval of:**

**Tab A** – **Minutes** of Board Meeting held on October 18, 2010.

**Tab B** – **Resolution No. 10-66** – Authorizing a Memorandum of Agreement with **Mesa Convention and Visitors Bureau** to Host a Hotel Information Board Inside the Passenger Terminal Baggage Claim Area.

**Tab C** - **Resolution No. 10-67** – Authorizing an Amendment to a Car Rental Concession Agreement with **The Hertz Corporation** Increasing Their Floor Space at a Revised Monthly Rate of \$704.85, to Increase the Number of Rental Spaces to 26 at \$780 Per Month, and to Add the Use of the Airport's Car Care Facility at \$1,420 Per Month, For a Total Monthly Cost of \$2,904.85 Effective December 1, 2010.

**Tab D** - **Resolution No. 10-68** – Authorizing an Amendment to the Car Rental Concession Agreement with **Enterprise Leasing Company of Phoenix** to Increase their Monthly Floor Space at a Revised Monthly Rate of \$683.95, and to Increase the Number of Rental Car Spaces to 26 at a Monthly Cost of \$780, for a New Total Cost of \$1,463.95 per Month Effective December 1, 2010.

**Tab E** - **Resolution No. 10-69** – Authorizing an Amendment to the Car Rental Concession Agreement with **Enterprise Leasing Company of Phoenix, LLC (dba Alamo/National)** to Increase Floor Space at a New Monthly Rate of \$683.95 Effective December 1, 2010.

**Tab F - Resolution No. 10-70** - Authorizing **Willis of Arizona, Inc.** to Purchase Employee Benefits Insurance from Various Vendors for Plan Year January 1 Through December 31, 2011.

**Tab G - Resolution No. 10-71 - Cancelling Policy #4502 - Designated Cargo Area.**

**Tab H - Resolution No. 10-73** - Authorizing AOS No. 10-03 Amendment 2 with **Kimley-Horn and Associates, Inc.** to Provide Additional Inspection and Construction Administration for the Alpha Apron Expansion Phase II Project at a Cost Not to Exceed \$50,847.

8. **Executive Session:** The Board may hold an executive session pursuant to Arizona Revised Statutes Sections 38-431.03.(A)(3), (4), and (7), for discussion or consultation for legal advice from the attorneys of the Board; for discussion or consultation with the Board attorneys in order to consider its position and instruct its attorneys regarding the Board's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation; and for discussions or consultations with designated representatives of the Board in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property.

9. **Reconvene** from Executive Session to Regular Session

**Consideration and Possible Approval of:**

10. **Resolution No. 10-72** - Authorizing Termination of a Property Lease Agreement with **IWA Holdings, LLC (Db a CrownAir Aviation).**

11. **Board Member Comments / Announcements**

12. **Next Meeting:** December 20, 2010 – 9:00 am

13. **Adjourn**

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

**BOARD MEETING**

**October 18, 2010**

**AIRPORT AUTHORITY BOARD MEMBERS**

Councilwoman Thelda Williams, Phoenix  
Councilmember John Sentz, Gilbert  
Lt. Governor Joseph Manuel, Gila River Indian Community \*  
Mayor Scott Smith, Mesa  
Mayor Gail Barney, Queen Creek

*\* Neither present nor represented*

**GUESTS PRESENT**

Brian Amarel, Hensel Phelps Construction	Bryan Martyn, Pinal County
Roc Arnett, East Valley Partnership	Floyd Moore, Valle del Oro
Nikki Bernstein, Himovitz Properties	LaVonne Morris, City of Phoenix
Russ Brandt, Blue Chip Land Corp.	Carl Newman, City of Phoenix
Matt Busby, City of Apache Junction	Randy Payne, City of Phoenix
Scott Butler, City of Mesa	Wayne Rockwood, RAI
Jeffrey Carr, Air Force Research Lab	Derek Rogers, Dibble Engineering
Donna Cluckey, Mesa Convention & Visitors Bureau	Christopher Schmaltz, Gust Rosenfeld
Terri Gardner, Mesa Convention & Visitors Bureau	John Schroeder, Chandler-Gilbert Community College
Michelle Gramley, Town of Gilbert	Marquis Scott, Queen Creek Chamber
Ken Halverson, Jetstrip	Phil Statt, HPI
Marty Hedlund, Sundt	Peter Sterling, East Valley Partnership
Keith Hjelmstad, ASU Polytechnic	Jeff Stoddard, Hensel Phelps
Wendy Kaserman, Town of Queen Creek	Art Thomason, Arizona Republic
Larry Kieser, Mesa Police Department	Bruce Tinsley, Access & Egress
Sandra Kukla, DWL	Kristy Vargas, Hyatt Place Gilbert
Kathy MacDonald, City of Mesa	

**AIRPORT STAFF PRESENT**

Casey Denny, Deputy Director  
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors  
Lynn Kusy, Executive Director  
Doug Lane, Line Service Specialist, Gateway Aviation Services  
John Linton, Lead – Gateway Aviation Services  
Bill Mitchell, Director – Operations & Maintenance

## **CALL TO ORDER**

The meeting was called to order by Chairwoman Thelda Williams at 8:59 a.m.

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

- Chairwoman Williams welcomed Gilbert Councilmember John Sentz.
- Mr. Kusy announced that everyone was invited to a ceremony on November 9 from 11:30 am to 1:00 pm to celebrate the grand opening of the new terminal building.
- Mr. Kusy presented five-year service awards to John Linton – Lead, and Doug Lane - Specialist, Gateway Aviation Services.
- Mr. Kusy recognized Carmen Williams for achieving Certified Member status of the American Association of Airport Executives; Lotus Williams for earning the MVP award – Jefferson Cup from ACI; and Brian Sexton, Public Information Officer, for an honorable mention from PR News for Gateway’s Fergie & Feller Field event.

## **PROGRESS REPORTS**

**ASU Polytechnic** – Dr. Keith Hjelmstad, Vice President & Dean, College of Technology & Innovation announced that enrollment figures are up 12 percent at the Polytechnic campus - - the headcount is up to 9,700 students. ASU Poly has recently launched an Innovation and Technology Collaboration and began planning for new residence halls. Work on the halls will begin in June and will open in July 2012. Dr. Hjelmstad said their engineering program just completed its first accreditation, with no complaints. Campus staff submitted a Notice of Intent for use of the Air Force Research Laboratory facilities and awaits a final decision.

**Chandler-Gilbert Community College** – Provost John Schroeder congratulated the City of Mesa for the Ray Road grand opening celebration. He noted that spring registration began today, and that the College now has a complete administration in place.

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

Mr. Kusy provided highlights from the September staff reports:

- Special thanks to the Airport’s Facilities Maintenance staff for remodeling the boardroom.
- Staff met with area planning directors to discuss clarifying some of the language in our Part 150 Noise Compatibility Study. We have asked the FAA to fund an update of the study in 2012.
- Noise summary report shows 11 noise calls in September. A new chart has been added to the report at Mayor Lewis’s request which reports monthly noise calls and operations for the past year.
- Staff met with Gilbert, Queen Creek, and Mesa to discuss business development coordination.
- Gateway Aviation Services delivered one million gallons of fuel in August – a 38 percent increase over last August.
- Worldwide Flight Services has moved into their building which increases our occupancy rate to 56 percent.
- Terminal expansion is on schedule for substantial completion on November 9.
- Staff met with FAA and ADOT to discuss grant projects, passenger facility charges, and our five-year capital program.
- August gross margin was up 21 percent over last year, operating expenses were up 8 percent, and fiscal year to date our operating loss shows a \$146,000 loss compared to the budgeted loss of \$231,000.
- Valley Metro bus service to the passenger terminal will commence in January.

- Staff selected conveyer equipment to be used with our Explosives Detection System. This equipment was provided at no cost by TSA.
- Wayfinding signage has been installed at the terminal and along Sossaman Road.
- August passenger count was 62,000; September count was 55,000 passengers. Staff expects as many as 13 departures a day in December.
- The Airport has exceeded one million gallons of fuel delivered per month since January.

## **PRESENTATIONS:**

Terminal Phase I Expansion Using the Building Information Management System – *Marty Hedlund, Sr. Vice President, Sundt Construction*

Mr. Hedlund gave a presentation to the Board members on the construction activities of the terminal expansion project using a Building Information Management System software program.

Parking Overview – *Casey Denny, Deputy Director*

Mr. Denny provided data on the Airport's current and future parking needs, costs, and locations.

Following the presentation, Mayor Smith stressed the importance of minimizing confusion for our customers by using clear and direct signage. Mr. Kusy said staff intends to simplify the parking experience by installing digital signs and assigning geographical names to the parking lots.

Councilwoman Williams suggested that we implement a parking fee structure all at once, rather than making several small changes.

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

- Tab A – Minutes of Board Meeting held on September 20, 2010.
- Tab B – Resolution No. 10-49 – Authorizing a Two-Year Amendment to a Memorandum of Agreement Between FAA, Phoenix, Tempe, and Phoenix-Mesa Gateway Airport Authority Effective October 20, 2010 to Allow Use of FAA Flight Track Data.
- Tab C – Resolution No. 10-52 – Authorizing a One-Year Extension to the Contract with AMPCO System Parking for Parking Lot Management and Shuttle Services Effective November 1, 2010 at a Cost of \$193,000.
- Tab D – Resolution No. 10-53 – Authorizing the Addition of a Non-Grant Capital Project No. 785 to the Adopted Capital Program Allowing Reconfiguration of Terminal Parking Lots at a Cost of Approximately \$250,000.
- Tab E – Resolution No. 10-54 – Authorizing a Contract with Scheidt & Bachmann USA, Inc. for the Purchase and Installation of Parking Revenue Control Equipment for \$121,325.42.
- Tab F – Resolution No. 10-55 – Authorizing a Contract with Empire Power Systems for Purchase and Installation of a Backup Generator in the Amount of \$27,031.
- Tab G – Resolution No. 10-56 – Authorizing an Eight-Month Contract with Care-Takers Building Maintenance for Custodial Services Effective November 1, 2010, at a Cost of \$81,236. Contract includes Four One-Year Extension Options.
- Tab H – Resolution No. 10-57 Authorizing a Second Amendment to DMKIL1, LLC Lease to Extend Construction Milestone Dates Effective November 1, 2010. Authority Retains Right to Lease to Another Entity During Extension Period.
- Tab I – Resolution No. 10-58 Authorizing a Second Amendment to Velocity Square, LLC Lease to Extend Construction Milestone Dates Effective November 1, 2010. Authority Retains Right to Lease to Another Entity During Extension Period.

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

**CONSIDERATION AND POSSIBLE APPROVAL OF:**

**Resolution No. 10-59** – Authorizing a Five-Year Intergovernmental Agreement with the **City of Mesa** Relating to Aircraft Rescue and Firefighting Services Effective November 1, 2010 at an Annual Cost of \$965,305 in Fiscal Year 2011 and Allowing for Annual Cost Adjustments.

Mr. Kusy said this is a five -year extension to an agreement with the City of Mesa for fire fighters to staff our trucks.

**Councilmember Sentz moved to approve the Resolution No. 10-59. Mayor Barney seconded the motion. The motion carried unanimously.**

**Resolution No. 10-60** – Authorizing Staff to Purchase One Motor Grader and One Ten-Wheel Dump Truck from Publicly Available Procurement Sources in an Amount Not to Exceed \$135,000.

**Mayor Smith moved to approve Resolution No. 10-60. Councilmember Sentz seconded the motion. The motion carried unanimously.**

**Resolution No. 10-61** – Authorizing a Contract with **Centennial Contractors Enterprises, Inc.** for Concrete Repair Services Effective November 1, 2010, at a Cost of \$176,737.95.

**Mayor Smith moved to approve Resolution No. 10-61. Mayor Barney seconded the motion. The motion carried unanimously.**

**Resolution No. 10-62** - Authorizing a Contract with **ACE Asphalt** to Construct a Parking Lot at the Former Fire Station No. 215 Site for an Amount Not to Exceed \$243,619.

Mr. Kusy explained a last minute cost reduction for this parking lot contract. The cost to be approved is \$221,191.79.

**Councilmember Sentz moved to approve Resolution No. 10-62 at a cost of \$221,191.79. Councilwoman Williams seconded the motion. The motion carried unanimously.**

**Resolution No. 10-63** – Approve Authorization of Services No. 10-1004 with **Dibble Engineering** for Design of the North Parking Lot Phase II for a Total Cost Not to Exceed \$61,618.76.

**Mayor Smith moved to approve Resolution No. 10-63. Mayor Barney seconded the motion. The motion carried unanimously.**

**Resolution No. 10-64** – Authorizing a Six-Month Lease Agreement with **Falcon Air Express, Inc.** for Building 1090 Commencing October 19, 2010 Payable at \$2,217.35 Per Month. Lease Includes Mutual Month-to-Month Renewal Options.

**Councilmember Sentz moved to approve Resolution No. 10-64. Mayor Smith seconded the motion. The motion carried unanimously.**

**Resolution No. 10-65** – Authorizing the Airport Authority to File an Application with the **Federal Aviation Administration** to Impose and Use \$39,355,546 in Passenger Facility Charges for Various Construction Projects Subject to FAA Approval.

Mr. Kusy said staff will file a second application to FAA to impose and use a passenger facility charge (PFC) at \$4.50 per enplaned passenger. The \$39,355,546 from PFCs would be used for funding a specific list of projects. He explained that staff anticipates some of the projects on the list will be funded with FAA grants through the Military Airports Program, and that these PFC revenues would be used only for the projects on the list.

**Councilmember Sentz moved to approve Resolution No. 10-65. Mayor Barney seconded the motion. The motion carried unanimously.**

**BOARD MEMBER COMMENTS**

Councilmember Sentz commented on a successful Ray Road grand opening celebration.

**NEXT MEETING**

Monday, December 20, 2010 – 9:00 am

**ADJOURN**

The meeting adjourned at 10:03 am.



**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. 10-66**

**To: Board of Directors**  
**From: Brian Sexton, Public Information Officer**  
**Through: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Memorandum of Agreement with Mesa Convention & Visitors Bureau**  
**Date: September 29, 2010**

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**Proposed Motion:**

**Approve Resolution No. 10-66 authorizing a memorandum of agreement with the Mesa Convention and Visitors Bureau (CVB) to allow the CVB to host a hotel information board inside the west passenger terminal baggage claim area at no cost to the Airport Authority.**

**Narrative:**

The Mesa Convention and Visitors Bureau has been a long standing partner with Phoenix-Mesa Gateway Airport in establishing and further developing scheduled passenger service. Mesa CVB has spent approximately \$300,000 over the past four years promoting travel and tourism in Mesa and the State of Arizona.

Mesa CVB works with other Valley and State tourism groups including Arizona Cactus League, Arizona Tourism Alliance, and others. The CVB recently led an effort to create a Gateway Area tourism Website that extends beyond Mesa and into neighboring communities of Gilbert and Queen Creek. ([www.visitgateway.com](http://www.visitgateway.com)).

Mesa CVB will invest approximately \$18,000 to design and construct a hotel board that meets Airport Authority standards. The CVB will be given rights to sell advertising space restricted to their hotel board slots to assist in recouping costs. Rights to advertise on the hotel board will not be restricted to Mesa members only. Advertising candidates are restricted to travel and tourism businesses only. The Airport Authority reserves the right to deny advertisements that do not meet Airport standards or conflict with the Airport's marketing and advertising initiatives. Revenue received by Mesa in excess of costs to design and construct the hotel board will be used to promote local tourism in cities served by Gateway-based air carriers.

**Fiscal Impact:**

There is no cost to Phoenix-Mesa Gateway Airport Authority for allowing Mesa CVB to host the hotel board.

Attachment



**RESOLUTION NO. 10-66**

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 with the Mesa Convention and Visitors Bureau;

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 Memorandum of Agreement with the Mesa Convention and Visitors Bureau (CVB) to allow the CVB to host a hotel information board inside the west passenger terminal baggage claim area at no cost to the Airport Authority. 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 15th day of November 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

## MEMORANDUM OF AGREEMENT

The Mesa Convention & Visitors Bureau (Mesa CVB) would be pleased to enter an agreement with the Phoenix-Mesa Gateway Airport Authority for a Visitor Information display. This agreement is an understanding that the Mesa CVB will be provided space in the baggage claim area of the terminal in order to offer advertising space for area hotels and visitor attractions.

The Phoenix-Mesa Gateway Airport Authority and the Mesa CVB agree that the space will be provided under the following conditions:

- Manufacturing and installation cost of display will be paid by the Mesa CVB
- Display space will be provided by the airport in the baggage claim area
- No fees or charges will be assessed to the Mesa CVB for display space
- Collection of fees from advertisers will be the responsibility of the Mesa CVB
- The Mesa CVB will keep the display in proper condition and maintenance
- Advertising funds received over the cost of the display and ad production will be used to further promote travel to the airport
- Agreement is for a minimum of 18 months. Upon the fulfillment of the 18 month minimum agreement, cancellation from either party will be granted with an advanced 180-day written notice
- Advertising opportunities will be made available to non members of the Mesa CVB



Robert Brinton – President & CEO, Mesa CVB

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Lynn Kusy – Executive Director, Phoenix-Mesa Gateway Airport



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## Action Item

**RESOLUTION NO. 10-67**

**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: Car Rental Concession Amendment – The Hertz Corporation**  
**Date: November 15, 2010**

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**Proposed Motion:**

Approve Resolution No. 10-67 authorizing an amendment to the car rental concession agreement with The Hertz Corporation to increase floor space at a revised monthly rate of \$704.85, to increase the number of rental car spaces to 26 at \$780 per month, and to add the use of the Airport's Car Care Facility at \$1,420 per month, for a total monthly cost of \$2,904.85 effective December 1, 2010.

**Narrative:**

Phase I terminal expansion has necessitated the relocation of car rental counters, as well as rental-ready and rental-return parking lots. This amendment documents these changes including an increase in Hertz's monthly counter area rental to \$704.85 and the number of rental-ready spaces (26) authorized for their use. It also authorizes use of the Airport Car Care Facility at a monthly fee of \$1,420. All other provisions of the agreement remain unchanged.

Attachment: First Amendment to Car Rental Concession Agreement



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-67**

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 agreement with The Hertz Corporation;

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 amendment to the car rental concession agreement with The Hertz Corporation to increase floor space at a revised monthly rate of \$704.85, increase the number of rental car spaces to 26 at \$780 per month, and to add the use of the Airport’s Car Care Facility at \$1,420 per month, at a total monthly cost of \$2,904.85 effective December 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 15th day of November 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



**Phoenix-Mesa Gateway Airport Authority**  
**FIRST AMENDMENT TO**  
**CAR RENTAL CONCESSION AGREEMENT**

This FIRST AMENDMENT TO CAR RENTAL CONCESSION AGREEMENT ("Amendment 1") is executed to be effective as of the FIRST (1<sup>ST</sup>) day of DECEMBER 2010 (the "Execution Date"), 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 **THE HERTZ CORPORATION**, a Delaware corporation ("Concessionaire"). This Amendment 1 hereby amends that certain Car Rental Concession Agreement between PMGAA and Concessionaire dated and effective as of October 1, 2009 (the "Agreement"), with respect to Concessionaire's car rental business activities taking place at the Airport.

**WITNESSETH:**

**WHEREAS**, PMGAA and Concessionaire desire to enter into this Amendment 1 in order to modify the Agreement;

**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, as follows:

1. The amount of Premises floor space specified in SECTION 1.1.1 a. is hereby revised to read: *THREE HUNDRED SIXTY-SEVEN (367) square feet*. Also, a new **EXHIBIT 1**, attached hereto, replaces the original **EXHIBIT 1**

2. The first sentence of SECTION 3.1, Premises Rent, is hereby deleted in its entirety and replaced by the following:

*Beginning on the Execution Date, Concessionaire shall pay PMGAA monthly rental for such Premises (the "Premises Rent") in the amount of SEVEN HUNDRED FOUR AND 85/100 DOLLARS (\$704.85).*

3. The provisions of SECTION 3.4.2 are hereby deleted in their entirety and replaced by the following:

*3.4.2 PMGAA has provided Concessionaire a total of TWENTY-SIX (26) rental car parking spaces in proximity to the Terminal. Concessionaire shall be responsible for paying monthly Parking Fees in the amount of SEVEN HUNDRED EIGHTY DOLLARS (\$780.00) plus applicable taxes thereon.*

4. The provisions of Section 3.5 are hereby deleted in their entirety and replaced by the following:

*3.5 Car Care Facility Fees. Beginning on DECEMBER 1, 2010, Concessionaire shall pay monthly to PMGAA car care facility fees in the amount of ONE THOUSAND FOUR HUNDRED TWENTY DOLLARS (\$1,420.00) (the "Car Care Facility Fees"), plus applicable taxes thereon. Such fees shall be payable to PMGAA, in advance, no later than the FIRST (1<sup>ST</sup>) day of the month in which such fees are due (the "Car Care Facility Fee Due Date") and include applicable taxes, as required by SECTION 3.9 herein. Concessionaire may elect to cancel its use of the Car Care Facility at any time during a Renewal Term by providing PMGAA written notice thereof no later than THIRTY (30) days in advance of the end of the current Renewal Term.*

5. A new **EXHIBIT 2** (Description of Other Designated Areas), attached hereto, hereby replaces the original **EXHIBIT 2**.

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

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

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

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

FOR PMGAA:

FOR CONCESSIONAIRE:

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

**THE HERTZ CORPORATION**, a Delaware  
corporation

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

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

Name: Lynn F. Kusy

Name: Simon Ellis

Its: Executive Director

Its: Vice President, Global Real Estate &  
Concessions



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## Action Item

**RESOLUTION NO. 10-68**

**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: Car Rental Concession Amendment – Enterprise Leasing Company of Phoenix, LLC**  
**Date: November 15, 2010**

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**Proposed Motion:**

Approve Resolution No. 10-68 authorizing a second amendment to the car rental concession agreement with Enterprise Leasing Company of Phoenix, LLC (Dba Enterprise Rent a Car), to increase Enterprise's floor space at a revised monthly rate of \$683.95 and to increase the number of rental car spaces to 26 at a monthly cost of \$780, for a total monthly cost of \$1,463.95 effective December 1, 2010.

**Narrative:**

Phase I terminal expansion has necessitated the relocation of car rental counters, as well as rental-ready and rental-return parking lots. This amendment documents these changes, including an increase in Enterprise's monthly counter area rental to \$683.95 and the number of rental-ready spaces (26) authorized for their use. All other provisions of the agreement remain unchanged.

Attachment: Second Amendment to Car Rental Concession Agreement



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-68**

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 agreement with Enterprise Leasing Company;

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 second amendment to the car rental concession agreement with Enterprise Leasing Company of Phoenix, LLC (Dba Enterprise Rent a Car), to increase Enterprise’s floor space at a revised monthly rate of \$683.95 and to increase the number of rental car spaces to 26 at a monthly cost of \$780, for a total monthly cost of \$1,463.95 effective December 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 15th day of November 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



**Phoenix-Mesa Gateway Airport Authority**  
**SECOND AMENDMENT TO**  
**CAR RENTAL CONCESSION AGREEMENT**

This SECOND AMENDMENT TO CAR RENTAL CONCESSION AGREEMENT (“Amendment 2”) is executed to be effective as of the FIRST (1<sup>ST</sup>) day of DECEMBER 2010 (the “Execution Date”), 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 **ENTERPRISE LEASING COMPANY OF PHOENIX, LLC**, a Delaware limited liability company qualified to do business in the State of Arizona as **Enterprise Rent-A-Car** (“Concessionaire”). This Amendment 2 hereby amends that certain Car Rental Concession Agreement between PMGAA and Concessionaire dated and effective as of October 1, 2009 (the “Agreement”) and subsequently amended on February 15, 2010, with respect to Concessionaire’s car rental business activities taking place at the Airport.

**WITNESSETH:**

**WHEREAS**, PMGAA and Concessionaire desire to enter into this Amendment 2 in order to modify the Agreement;

**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, as follows:

1. The amount of Premises floor space specified in SECTION 1.1.1 a. is hereby revised to read: *THREE HUNDRED FIFTY-SIX (356) square feet*. Also, a new **EXHIBIT 1**, attached hereto, replaces the original **EXHIBIT 1**.

2. The first sentence of SECTION 3.1, Premises Rent, is hereby deleted in its entirety and replaced by the following:

*Beginning on the Execution Date, Concessionaire shall pay PMGAA monthly rental for such Premises (the “Premises Rent”) in the amount of SIX HUNDRED EIGHTY-THREE AND 95/100 DOLLARS (\$683.95).*

3. The provisions of SECTION 3.4.2 are hereby deleted in their entirety and replaced by the following:

*3.4.2 PMGAA has provided Concessionaire a total of TWENTY-SIX (26) rental car parking spaces in proximity to the Terminal. Concessionaire shall be responsible for paying monthly Parking Fees in the amount of SEVEN HUNDRED EIGHTY DOLLARS (\$780.00) plus applicable taxes thereon.*

4. A new **EXHIBIT 2** (Description of Other Designated Areas), attached hereto, hereby replaces the original **EXHIBIT 2**.

5. Concessionaire warrants and represents to PMGAA that: (i)-all necessary actions have been taken to authorize the execution of this Amendment 2 by Concessionaire; (ii)-the persons who have executed this Amendment 2 on behalf of Concessionaire are duly authorized to do so; and (iii)-this Amendment 2 constitutes a legal, valid and binding obligation of Concessionaire, enforceable against Concessionaire in accordance with its terms and the terms of the Agreement.

6. In all other respects, the Agreement shall remain unchanged and in full force and effect. The Agreement, as amended by this Amendment 2, shall continue to be binding upon PMGAA and Concessionaire and their permitted successors and assigns.

7. 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.

FOR PMGAA:

FOR CONCESSIONAIRE:

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

**ENTERPRISE LEASING COMPANY OF  
PHOENIX, LLC**, a Delaware limited liability  
company

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

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

Name: Lynn F. Kusy

Name: Peter Dulac

Its: Executive Director

Its: Vice President of Rental



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

**RESOLUTION NO. 10-69**

**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: Car Rental Concession Amendment – Alamo/National (Enterprise Leasing)**  
**Date: November 15, 2010**

---

**Proposed Motion:**

**Approve Resolution No. 10-69 authorizing a second amendment to the car rental concession agreement with Enterprise Leasing Company of Phoenix, LLC (Dba Alamo/National), to increase floor space at a new monthly rate of \$683.95 effective December 1, 2010.**

**Narrative:**

Phase I terminal expansion has necessitated the relocation of car rental counters, as well as rental-ready and rental-return parking lots. This amendment documents these changes, including an increase in Alamo/National's monthly counter area rental to \$683.95. All other provisions of the agreement remain unchanged.

Attachment: Second Amendment to Car Rental Concession Agreement



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-69**

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 agreement with Enterprise Leasing Company of Phoenix, LLC (dba Alamo/National);

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 amendment to the car rental concession agreement with Enterprise Leasing Company of Phoenix, LLC (Dba Alamo/National) to increase floor space at a new monthly rate of \$683.95 effective December 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 15th day of November 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



**Phoenix-Mesa Gateway Airport Authority**  
**SECOND AMENDMENT TO**  
**CAR RENTAL CONCESSION AGREEMENT**

This SECOND AMENDMENT TO CAR RENTAL CONCESSION AGREEMENT (“Amendment 2”) is executed to be effective as of the FIRST (1<sup>ST</sup>) day of DECEMBER 2010 (the “Execution Date”), 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 **ENTERPRISE LEASING COMPANY OF PHOENIX, LLC**, a Delaware limited liability company qualified to do business in the State of Arizona as **Alamo Rent A Car** and **National Car Rental** (“Concessionaire”). This Amendment 2 hereby amends that certain Car Rental Concession Agreement between PMGAA and Concessionaire dated and effective as of October 1, 2009 (the “Agreement”) and subsequently amended on December 1, 2009, with respect to Concessionaire’s car rental business activities taking place at the Airport.

**WITNESSETH:**

**WHEREAS**, PMGAA and Concessionaire desire to enter into this Amendment 2 in order to modify the Agreement;

**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, as follows:

1. The amount of Premises floor space specified in SECTION 1.1.1 a. is hereby revised to read: *THREE HUNDRED FIFTY-SIX (356) square feet*. Also, a new **EXHIBIT 1** (Description of the Premises), attached hereto, replaces the original **EXHIBIT 1**.

2. The first sentence of SECTION 3.1, Premises Rent, is hereby deleted in its entirety and replaced by the following:

*Beginning on the Execution Date, Concessionaire shall pay PMGAA monthly rental for such Premises (the “Premises Rent”) in the amount of SIX HUNDRED EIGHTY-THREE AND 95/100 DOLLARS (\$683.95).*

3. A new **EXHIBIT 2** (Description of Other Designated Areas), attached hereto, hereby replaces the original **EXHIBIT 2**.

4. Concessionaire warrants and represents to PMGAA that: (i)-all necessary actions have been taken to authorize the execution of this Amendment 2 by Concessionaire; (ii)-the persons who have executed this Amendment 2 on behalf of Concessionaire are duly authorized to do so; and (iii)-this Amendment 2 constitutes a legal, valid and binding obligation of Concessionaire, enforceable against Concessionaire in accordance with its terms and the terms of the Agreement.

5. In all other respects, the Agreement shall remain unchanged and in full force and effect. The Agreement, as amended by this Amendment 2, shall continue to be binding upon PMGAA and Concessionaire and their permitted successors and assigns.

6. 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.

**[Signatures follow on page 2]**

FOR PMGAA:

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

FOR CONCESSIONAIRE:

**ENTERPRISE LEASING COMPANY OF  
PHOENIX, LLC**, a Delaware limited liability  
company

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

Name: Lynn F. Kusy  
Its: Executive Director

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

Name: Peter Dulac  
Its: Vice President of Rental



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## Action Item

**RESOLUTION NO. 10-70**

**To: Board of Directors**  
**From: Lotus K. Williams, P.H.R., Manager - Human Resources**  
**Through: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Employee Benefits Package for Plan Year 2011 – Willis of Arizona, Inc.**  
**Date: October 22, 2010**

---

### Proposed Motion:

**Approve Resolution No. 10-70 authorizing the Airport's insurance broker, Willis of Arizona, Inc., to purchase insurance (medical, dental, vision, employee assistance plan, basic life/accidental death and dismemberment, short term disability and flexible spending account administration) from various vendors for plan year January 1 through December 31, 2011.**

### Narrative:

The Airport's benefit broker, Willis of Arizona, Inc. (Willis), received quotes from our current plan providers for Phoenix-Mesa Gateway Airport Authority benefits package. Willis negotiated the best possible rate from each carrier, and in most cases, was able to negotiate increases within or substantially below national trends.

Changes from the 2010 benefits plan include changing providers for the Employee Assistance Program from Holman Frazier, LLC to MHN at an estimated annual cost savings of \$2,915 with no change in plan design. An option to enhance the dental plan is being proposed to include an orthodontia benefit for adults at an additional annual cost of \$965.

Cost of the benefits package for calendar year 2011 is estimated to be \$859,259 spread over the second half of the current fiscal year and the first half of fiscal year 2012. Employer's portion of this estimated cost is \$737,036 and employee's estimated portion is \$122,223. Employer's portion of this cost in the second half of the current fiscal year is anticipated to be \$368,518 compared to \$406,258, which was budgeted for this period.

Providing competitive benefits has been, and continues to be, a major retention and attraction tool in our recruiting efforts. In that regard, our objective is to maintain a high level of plan services in addition to minimizing costs. We considered plan benefit levels, cost to employees, and overall cost of the plans.

Attachments: Employee Benefits Package Recommendations Memorandum  
2011 Executive Summary  
2011 Employee Benefit Renewal and Marketing Presentation – Willis



**RESOLUTION NO. 10-70**

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 employee benefits for 2011;

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 insurance (medical, dental, vision, employee assistance plan, basic life/accidental death and dismemberment, short term disability and flexible spending account administration) from various vendors for plan year January 1 through December 31, 2011. This Resolution also authorizes the Chair or Executive Director to execute such contracts, 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 15th day of November 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

# PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

## Executive Summary

Willis of Arizona, Inc. is pleased to present the 2011 Renewal Proposal for Phoenix-Mesa Gateway Airport Authority (PMGAA). By partnering with your current insurance carriers we have been able to provide what we feel is a very favorable renewal.

### **Medical Renewal - UnitedHealthcare**

UnitedHealthcare (UHC) released a renewal of 9.5% citing Medical Trend, Health Care Reform Act (HCRA), a decrease in members, and an increase in the age/sex factor as the core reasons for the proposed increase.

UnitedHealthcare trend number was consistent with what we are seeing as Medical Trend, ranging between 11% and 14% depending on carrier, employee location, and underlying plan design. Insurance companies have increased trend over the past six months in response to HCRA mandates and are applying between 1% and 3% loads to plans to include these provisions.

Medical Plan Utilization is consistent with the national average, with paid claims resulting from Office Visits (26%), Outpatient Care (21%), and Inpatient Care (25%). We successfully negotiated UnitedHealthcare's renewal of 9.5% to a 5% renewal based on utilization history and Willis of Arizona's relationship with UHC.

No benefit changes or options were requested from UnitedHealthcare, resulting in the eligibility to grandfather the Health Plan under the Health Care Reform Act.

### **Dental Renewal – United Concordia**

The United Concordia Dental Plan is in the second year of a rate guarantee. An option to enhance the Orthodontia benefit to include adults has been provided at an overall increase of 1.9%, which is an additional annual cost of \$965.

### **Vision Renewal – Vision Service Plan (VSP)**

VSP is in the second year of a rate guarantee.

### **Life/Accidental Death & Dismemberment (AD&D), Voluntary Life/AD&D and Short Term Disability (STD) Renewal – MetLife**

MetLife released a renewal of 13.6% to the Life/AD&D plan. This percentage was successfully negotiated to a 9.1% offset by a -9.2% decrease in the Short Term Disability plan resulting in a net decrease of approximately \$163. Due to the group size, all underwriting is based on demographics compared to their book of business and moving the rates any further was declined by underwriting. Supplemental Life rates remained unchanged. Willis did market this coverage to UnitedHealthcare in hopes of bundling coverage or negotiating the rates, however UHC was uncompetitive on the Life and unable to quote the STD due to the industry.

### **Flexible Spending Account (FSA) Renewal – B.A.S.I.C.**

The Flexible Spending Account (FSA) renewal will remain unchanged. The rates are guaranteed until December 31, 2011.

### **Employee Assistance Program (EAP) – MHN**

The Employee Assistance Program (EAP) is currently with Holman Frazier, LLC. Current rates were quoted to remain in effect until January 1, 2011. There was a desire to seek quotes from other EAP carriers. A marketing summary is included reflecting carrier options and annual cost. MHN's proposal reflected a 56.5% decrease with an annual cost savings of \$2,915. MHN has over 900 contracted providers in Maricopa County and over 151 attorneys in the Phoenix metro area. MHN provides six face-to-face visits per issue and 10 hours of management support training. MHN has met with Phoenix Mesa Gateway Airport Authority to discuss the proposed services in detail.



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## Action Item

**RESOLUTION NO. 10-71**

**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:** Cancellation of Policy #4502 – Designated Cargo Area  
**Date:** November 15, 2010

---

**Proposed Motion:**

**Approve Resolution No. 10-71 canceling Policy #4502 - Designated Cargo Area due to the area's use for other purposes.**

**Narrative:**

In 2003, the Board entered into a ground lease with Himovitz Properties, Inc. (HPI) for the development of a speculative cargo handling facility. To ensure this new facility would be used for cargo activities over other vacant Airport facilities, the Board also agreed to an HPI request to adopt a policy designating the site as the Airport's cargo area. The result was Policy #4502 – Designated Cargo Area.

Since that time, scheduled cargo service has not developed and HPI has secured alternative tenants for the site: U.S. Immigration and Customs and U.S. Forest Service. As a result, Policy #4502 is no longer required. Should the Airport be successful in attracting scheduled cargo service, there is sufficient land available in the south industrial area along Taxiway A or future Taxiway L to accommodate the operation. Accordingly, staff recommends cancellation of Policy #4502, effective this date.

Attachment: Policy #4502



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-70**

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 Policy #4502;

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 canceling Policy #4502 - Designated Cargo Area due to the area’s use for other purposes.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 15th day of November 2010.

ATTEST:

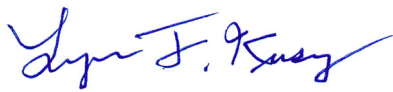
\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

**WILLIAMS GATEWAY AIRPORT AUTHORITY  
OPERATING POLICIES & PROCEDURES**

<b>Department:</b> ALL	<b>Board Resolution #:</b> 03-51 <b>Policy #:</b> 4502	<b>Page</b> 1 of 1
<b>Subject:</b> Designated Cargo Area	<b>Effective Date:</b> October 1, 2003 <b>Revised Date:</b>	
<b>Personnel Covered:</b> All	<b>Authorized Approval:</b> 	

**Background:**

With Federal Aviation Administration assistance, the Williams Gateway Airport Authority recently completed construction of a 500' x 600' cargo apron and associated taxiways capable of supporting two (2) B-747s. The total project cost was approximately \$11 million. In the near future, cargo facilities will be built along this ramp area to support the temporary storage and handling of air cargo.

**Purpose:**

The purpose of this policy and procedure is to provide a designated area for the safe and efficient handling of cargo at the Airport. In addition, this policy is intended to encourage the development of cargo facilities in this designated area in accordance with the Airport Master Plan and to direct staff to market this area as the Airport's primary cargo handling area until additional facilities are planned and constructed

**Policy Statement:**

It is the policy of the Williams Gateway Airport Authority to utilize Lot 60, as identified in Exhibit A, for aviation cargo handling and related activities using the guidelines and principles set forth herein. Furthermore, it is the policy of the Williams Gateway Airport Authority to use its hangars for the storage and maintenance of aircraft or related operations, and not for the warehousing or storage of goods and materials being transported by air, unless no other reasonable alternative exists.

**Cargo Area Development Guidelines:**

- A. In addition to meeting Airport Design Guidelines, staff is directed to Master Plan the cargo area such that all facilities to be developed along the cargo ramp have a similar architectural appearance and quality.
- B. Each individual developer or operator desiring to construct cargo facilities shall construct at least 25,000 sq ft of space. After each developer constructs this minimum amount, they may expand their facilities in no less than 5,000 square foot increments until the cargo area is built out.
- C. Until Lot 60 is substantially developed, Williams Gateway Airport Authority staff shall market this area as the Airport's primary cargo handling area. During this period, staff shall work cooperatively with all developers of facilities in this area to locate appropriate aviation cargo-related tenants by sharing cargo prospect information and cargo studies, and including cargo facility property managers in the Airport's cargo marketing efforts.
- D. Until the facilities located adjacent to the cargo ramp are substantially leased and developed in their entirety, staff is directed not to use other WGAA owned buildings or hangars for cargo operations unless the designated cargo area cannot reasonably accommodate the proposed operation.



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## Action Item

**RESOLUTION NO. 10-73**

**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 Project - Kimley-Horn and Associates, Inc.**  
**Date: November 15, 2010**

---

**Proposed Motion:**

**Approve Resolution No. 10-73 authorizing Authorization of Services No. 10-03 Amendment 2 with Kimley-Horn and Associates, Inc. to provide additional inspection and construction administration for the alpha apron expansion Phase II project at a cost not to exceed \$50,847.**

**Narrative:**

This amendment to the original Authorization of Services is needed for additional administrative effort, quality assurance testing, and inspection services that became necessary due to project delays. These delays are attributed to construction contractor inefficiencies and work required due to difficulties meeting specifications.

Kimley-Horn and Associates, Inc. will prepare supplementary correspondence, daily reports, FAA weekly construction reports, and review additional testing reports. Quality assurance testing will be completed and an additional field inspector will be provided while the contractor utilizes a double shift during the concrete placement period.

In support of this and other capital projects, the Airport Authority requires professional construction administration services. These services are needed to ensure that the Airport Authority 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 Gateway's Agreement 2008-006-B, including the Standard Terms.

The original contract with Kimley-Horn was for \$234,899 and was approved in June 2010.

**Fiscal Impact:**

This contract was included in the FY10 capital budget and, pending FAA Grant award, will be funded with \$48,304.65 in FAA Grant funds (95 percent), \$1,271.17 in ADOT local match funds (2.5 percent) and \$1,271.18 in local grant match funds (2.5 percent) as Project No. 34.

Attachment



**RESOLUTION NO. 10-73**

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 from Kimley-Horn and Associates, Inc.;

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 Authorization of Services No. 10-03 Amendment 2 with Kimley-Horn and Associates, Inc. to provide additional inspection and construction administration for the alpha apron expansion Phase II project at a cost not to exceed \$50,847. 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 15th day of November 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



**AUTHORIZATION FOR PROFESSIONAL SERVICES**  
**Kimley-Horn and Associates, AOS #10-03 Amendment 2**

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. This amendment to the original Authorization of Services is necessary due to project delays that required additional contract oversight, inspection and testing services.
3. **FEE FOR SERVICES:** The fee for services shall be based upon the attached scope of work, not to exceed, Fifty thousand, eight hundred forty-seven dollars (\$50,847.00) 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 October 6, 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: \_\_\_\_\_



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## Action Item

**RESOLUTION NO. 10-72**

**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 – IWA Holdings, LLC (DbA CrownAir Aviation)**  
**Date: November 15, 2010**

---

### Proposed Motion:

**Approve Resolution No. 10-72 authorizing termination of a property lease agreement with IWA Holdings, LLC (DbA CrownAir Aviation) for failure to satisfy project construction milestones and related provisions of the lease. The effective date of termination is November 16, 2010.**

### Narrative:

CrownAir's property lease agreement for Lots 42B/C/D became effective on March 1, 2008. Its purpose was to construct and operate an aircraft maintenance and avionics service center that would include several additional aircraft operations and storage hangars. Project value was estimated at \$12 million.

Owing to economic and other factors, a lease amendment (effective April 1, 2010) was approved that allowed CrownAir to divide their proposed improvements into two separate phases for Lot 42B and Lot 42C/D, phase 1 of which included building permit submission and construction commencement milestone dates of September 1, 2010, and December 1, 2010, respectively.

In mid-August 2010, CrownAir reported that they needed an extension of those September and December milestone dates, and desired authorization to further subdivide Phase I into Phase Ia and Ib. Discussion of various options ensued over several weeks, but nothing was concluded.

On September 9, 2010, CrownAir was sent a default notice for failure to satisfy their September 1 milestone and given until October 13, 2010, to either cure this default, or undertake substantial effort to bring the project back into compliance with their lease. Neither has occurred. CrownAir maintains that additional time and design flexibility are necessary because economic factors will not allow them to proceed with the project as currently specified in the lease.

Staff has concluded that it would not be in the Airport Authority's best interest to allow acceptance of CrownAir's request because: 1.) Only six months have passed since CrownAir's previous accommodation, and there is little confidence additional requests won't be forthcoming in the future; 2.) Lot 42B/C/D, one of the largest developable aviation parcels on the Airport, continues to remain vacant and unimproved after almost three years, with no real certainty of any near-term improvement; and 3.) Their Phase I site plan reflects less than optimal use of the available land area, and material and construction quality appears to no longer match that originally proposed.

For these reasons, staff recommends termination, effective November 16, 2010. Such action will result in CrownAir forfeiting its \$39,790.05 performance guarantee.

Attachment



**RESOLUTION NO. 10-72**

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 property lease agreement with IWA Holdings, 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 termination of a property lease agreement with IWA Holdings, LLC (Dba CrownAir Aviation) for failure to satisfy project construction milestones and related provisions of the lease. The effective date of termination is November 16, 2010.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 15th day of November 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY