



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

Tuesday, January 18, 2011 • 9:00 a.m.

AIRPORT AUTHORITY BOARD MEMBERS

Vice Mayor Thelda Williams, Phoenix
Mayor John Lewis, Gilbert
Councilmember Myron Schurz, Gila River Indian Community
Councilmember Scott Somers, Mesa
Mayor Gail Barney, Queen Creek

GUESTS PRESENT

Bryan Amarel, Hensel Phelps Construction
Roc Arnett, East Valley Partnership
Matt Busby, City of Apache Junction
Mark Castleland, Crownair
Michelle Gramley, Town of Gilbert
Jim Hallman, Fugro Consultants
Ken Halverson, Jetstrip
Chris Hayworth, KLM
Dr. Keith Hjelmstad, ASU Polytechnic
Larry Kieser, Mesa Police Department
John Kross, Town of Queen Creek
Donna Lucius, Total Transit
Dr. Lee McPheters, ASU
LaVonne Morris, City of Phoenix

Carl Newman, City of Phoenix
Bob Nullmeyer, Air Force Research Laboratory
Richard Prieve, Air Force Research Laboratory
Paul Ransbury, APS Emergency Maneuver Training
Scot Rigby, City of Mesa
Christopher Schmaltz, Gust Rosenfeld
John Schroeder, Chandler-Gilbert Community College
Phil Statt, Himovitz Properties
Peter Sterling, Mesa Chamber of Commerce
Michelle Streeter, Mesa Convention & Visitors Bureau
Art Thomason, Arizona Republic
Bruce Tinsley, Access & Egress
Rob van den Heuvel, KLM Flight Academy

AIRPORT STAFF PRESENT

Casey Denny, Deputy Director
Jose Godoy-Muro, Airfield Maintenance Technician
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors
Lynn Kusy, Executive Director

CALL TO ORDER

The meeting was called to order by Chair Thelda Williams at 9:00 am.

AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Chair Williams welcomed Councilmembers Scott Somers who was representing Mayor Scott Smith, and Myron Schurz, representing Lt. Governor Manual, to the meeting. She reported that Allegiant Air will add another destination (Minot, ND) in March.

Airport Executive Director Lynn Kusy presented Airfield Maintenance Technician Jose Godoy-Muro with a 10-year service award. He congratulated Chair Williams for being elected as Vice Mayor of Phoenix.

COMMENTS FROM THE PUBLIC

Paul Ransbury, president of APS Emergency Maneuver Training, an Airport tenant for 10 years, announced a contract with the KLM Flight Academy for training at Gateway Airport. Mr. Ransbury said the contract will provide upset recovery training which will be mandatory for airlines in 36 months. This training will deal with the leading cause of fatalities in commercial aviation - - loss of control in flight.

PROGRESS REPORT

Arizona State University Polytechnic– Dr. Keith Hjelmstad, Vice President & Dean, College of Technology & Innovation, announced the February 11 grand opening of the Aerospace and Defense Research Collaboratory. He said this marks a \$1 million investment by Science Foundation Arizona – a statewide initiative and is in collaboration with the University of Arizona, Arizona State University, Embry Riddle, and possibly Northern Arizona University in the future.

Chandler-Gilbert Community College – College Provost John Schroeder reported that Bridget Hall opened today, with a grand opening celebration scheduled for next month. The College is soon to announce a date for a solar photovoltaic installation program. Mr. Schroeder mentioned an upcoming scholarship fundraiser scheduled for Friday, February 18 from 7:30 pm to 9:30 pm at the CGCC hangar.

Allegiant Air – No report

REVIEW OF MONTHLY STAFF REPORTS AND UPDATES ON: ♦ Construction ♦ Commercial Service ♦ Finance

Mr. Kusy provided the following highlights from the December staff reports:

- East Valley Partnership and the Mesa Chamber of Commerce completed the formal creation of the East Valley Aviation and Aerospace Alliance. Each of the parent organizations appointed four people to the Executive Committee. Lynn was appointed by the EVP, as were Dr. Keith Hjelmstad, John Schroeder, and Brian Campbell. Mesa Chamber appointees are Randy Soutiere, Cessna; Lois Yates, Falcon Field Alliance; Otto Shill, Jackson White Attorneys; and Tom Rhodes, immediate past chair of the Chamber.
- We fielded 15 noise calls in December - - 5 from Mesa, 5 from Gilbert, 4 from Queen Creek, and 1 from Queen Valley. Six of the calls were regarding MD-83 aircraft in flight and 4 were regarding MD-83 engine runs.
- Our Human Resources Department was selected as a finalist for the Arizona Business Magazine's 2011 HR Award.
- December fuel deliveries were 15 percent ahead of last year. Retail jet fuel, commercial jet fuel, and aviation gas sales were up, while government fuel deliveries were down 40 percent.
- Our real estate occupancy rate remains at 58 percent.

- Our Accounting Department tells us we are about \$323,000 ahead of budget through the end of November. Capital spending in November was \$2.8 million, including about \$1.6 million for the Alpha Apron and about \$1.1 million for the terminal expansion.
- ADOT completed the installation of Airport directional signs on Loop 202 and the Hawes ramps.
- January 24 is the kick-off celebration for Valley Metro service to the Airport and the Campus.
- Our parking demand peaked at 2,100 on December 26. We had 14 departures that day, and 83 for that week. We handled about 80,000 passengers in December, an increase of 19 percent over the 67,000 handled in November. Total for CY2010 was 804,000 passengers.

Mayor Lewis asked about the status of Airport tenant, ATP. Mr. Kusy responded that ATP's construction project is behind schedule but they have gone through the design review process and are expected to complete their building this calendar year.

PRESENTATIONS/REPORTS

Economic Impact Report - Dr. Lee McPheters, Arizona State University, presented a final report on ASU's economic impact study of the Airport and what the Airport contributes to the regional economy. Dr. McPheters noted that Airport impact studies are done under certain FAA guidelines so that the methodology is similar.

Results of the study included the following:

- Total economic benefits for FY2010: 4,191 total jobs supported, \$187 million payroll, and \$685 total revenues.
- 44 employers on the Airport (passenger service, auto rental, food service, education, pilot training, etc.)
- 1,145 jobs on the Airport (82% are private sector jobs)
- \$309.5 million revenues (private/public sector and capital projects)
- \$109.6 million spent on capital projects
- 2010 revenue up 45 percent from 2008
- On average, airline visitors spend \$335 per visitor
- Economic value of arriving airliner is \$27,470
- \$2.5 million in general aviation spending
- Visitor spending up 86 percent in 2010 – Visitor employment up 94 percent in 2010
- Daily economic impact: \$1.8 million daily, 4,191 jobs supported, \$189,000 visitor spending, 4,673 air visitors to the area.
- Future economic benefits: at 500,000 enplanements = \$905.2 million; 850,000 enplanements = \$1.5 billion; two million enplanements = \$3.9 billion.

Dr. McPheters mentioned several entities that provided data for the study – Arizona Department of Commerce, airport employers, aircraft owners, airline passengers, Behavior Research Center, Inc., Mesa Convention and Visitors Bureau, US Department of Commerce, and the US Department of Transportation.

Chair Williams thanked Dr. McPheters for the “refreshing, good news.” Dr. McPheters responded to a question from Councilmember Somers by stating that the on-airport employee numbers are presented in the same manner as the Arizona Department of Commerce's payroll report. Mr. Kusy noted that when the Air Force Base closed in 1991, the annual economic impact was about \$300 million with approximately 3,000 jobs.

Mayor Lewis asked how other airports are compared in this type of study. Dr. McPheters responded that he used common FAA standards to complete the study. Mr. Kusy said staff continually looks for similar airports for comparison but is difficult due to Gateway's mix of activities. Mayor Lewis requested additional key information for Board members to share with their communities.

Parking Update – Deputy Director Casey Denny reported on changes to the Airport's parking lots and a proposed fee structure. He showed how historical and forecasted parking demand statistics allow staff to plan for future parking demand. He noted that staff decided to operate the new north lot seasonally. The maximum daily rate for the short-term lot was recommended to be \$18.00.

Councilmember Somers recommended using detailed signage similar to Sky Harbor's signage, informing passengers how many spaces are available at each lot, and possibly add the parking fee. This type of sign could be placed at the Airport entrance. Mr. Denny said an "open/closed" sign will be installed near the overflow lot.

Mayor Lewis noted the biggest complaint he hears is about parking. Mr. Denny said the \$18 maximum daily rate begins on February 1 for the short-term lot, and that there is a "no overnight parking" sign posted.

Used Equipment Purchase – Motor Grader – Casey Denny reported that a 1999 CAT motor grader has been purchased for \$104,000 from Pac West in Mesa. The grader has 12,000 hours and will be used to maintain the airfield.

CONSENT AGENDA: Consideration and Possible Approval of:

Tab A – Minutes of Board Meeting held on December 20, 2010.

Tab B – Resolution No. 11-01–Authorizing a Lease with **Cara Flight Deck Café, LLC**, for Restaurant/Food Service Space in the General Aviation Center. Lease Term is Three Years Commencing February 1, 2011, with One Two-Year Renewal Option Payable at \$849.73 Per Month Plus Five Percent of Gross Monthly Receipts.

Tab C – Resolution No. 11-02–Authorizing a Contract with **JWC Environmental** for the Purchase of a Septic Receiving System for a Cost Not to Exceed \$46,616.19.

Mayor Barney moved to approve the Consent Agenda. Councilmember Somers seconded the motion. The motion carried unanimously.

CONSIDERATION AND POSSIBLE APPROVAL OF:

Resolution No. 11-03 – Authorizing a Terminal Ground Transportation License Agreement with **AAA Cab Service, Inc.**, for Taxicab Services at the Passenger Terminal. The Agreement Term is Four Years, Commencing March 1, 2011, With One Two-year Renewal Option, Payable at an Annual Rate of \$6,100 per Vehicle per Year for Thirty Vehicles, or a Total of \$183,000.

Mr. Kusy provided details on this proposed agreement. He said AAA Cab Service was selected having 26 years of experience and the largest taxicab operator in the state. The contract is 4 years at \$6,100 per vehicle annually. Mr. Kusy pointed out that this is not an exclusive agreement.

Mayor Lewis moved to approve Resolution No. 11-03. Mayor Barney seconded the motion. The motion carried unanimously.

Resolution No. 11-04 – Authorizing a Revision to the Current **Airport Rates and Charges** Increasing the Maximum Daily Automobile Parking Fee for Short-Term Parking Lots to \$18 per day Effective February 1, 2011.

Chair Williams cautioned staff to watch this carefully and respond quickly to changing usage. She said parking is key to the success of the Airport.

Mayor Barney moved to approve Resolution No. 11-04. Councilmember Somers seconded the motion. The motion carried unanimously.

BOARD MEMBER COMMENTS / ANNOUNCEMENTS

No comments

NEXT MEETING

The next meeting will be held on Tuesday, February 22, 2011 at 9:00 am.

ADJOURN

The meeting adjourned at 9:56 am.