



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

BOARD of DIRECTORS' MEETING

**AGENDA**

Monday, March 21, 2011 ♦ 9:00 a.m.

1. **Call to Order: Phoenix-Mesa Gateway Airport Authority** – *Vice Mayor Thelda Williams, 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*
    - c) **Allegiant Air** – *Brian Davis, Director – Airport Planning*
  5. **Review of Monthly Staff Reports and Updates on:** ♦ **Construction** ♦ **Commercial Service** ♦ **Finance**  
*Lynn Kusy, Executive Director*
  6. *(not used)*
  7. **Consent Agenda: Consideration and Possible Approval of:**
    - Tab A – Minutes** of Board Meeting held on February 22, 2011.
    - Tab B – Resolution No. 11-07**– Authorizing an Amendment to **Cimarron Airpark's** Lease for Parcels 60-1 and 60-2 Changing Cargo Related Use Provision to Aeronautical Related Activity. Amendment is Effective March 1, 2011.
    - Tab C - Resolution No. 11-08**– Authorizing a Contract with **Ace Asphalt** for Concrete and Asphalt Improvements in the Terminal Courtyard, Main Terminal Runway Apron, and Parking/Drive Area at a Cost of \$26,515.22.
    - Tab D - Resolution No. 11-09** – Approving Authorization of Services No. 10-02 Amendment No. 3 with **DWL Architects and Planners** to Provide Additional Inspection and Construction Administration for the West Terminal Expansion Phase I Project at a Cost Not to Exceed \$49,910.24.
- Consideration and Possible Approval of:**
8. **Resolution No. 11-10** – Adopting a Revised **Airport Rates & Charges** Schedule to be Effective July 1, 2011 and Superseding all Previous Editions.
  9. **Resolution No. 11-11** – Adopting the Proposed **Budget** Package and **Capital Improvement Program** for Fiscal Year Ending June 30, 2012.
  10. **Resolution No. 11-12**- Authorizing a Memorandum of Understanding with the **City of Mesa** and **Able Engineering**.
  11. **Resolution No. 11-13** –Authorizing a Lease Agreement with **International Air Response, Inc.**, for Hangar 1084 Located at 6250 S. Taxiway Circle. Lease Term is Two Years with Three Renewal Options, Commencing June 1, 2011 and Payable at a Monthly Rate of \$23,483.24.
  12. **Resolution No. 11-14** – Authorizing a Contract with **Nesbit Contracting** for Construction of the North Economy Parking Lot Phase II at a Cost Not to Exceed \$1,268,489.81.
  13. **Resolution No. 11-15** – Approving Authorization of Services No. 10-1006 with **Dibble Engineering** to Provide Inspection and Construction Administration for the North Parking Lot Phase II Construction Project at a Cost Not to Exceed \$153,357.15.
  14. **Board Member Comments / Announcements**
  15. **Next Meeting:** Monday, April 18, 2011 – 9:00 am
  16. **Adjourn**



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

**Tuesday, February 22, 2011 • 9:00 a.m.**

**AIRPORT AUTHORITY BOARD MEMBERS**

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

*\*neither present nor represented*

**GUESTS PRESENT**

Tony Abalos, Mesa Police Department	Floyd Moore, Valle de Oro
Roc Arnett, East Valley Partnership	LaVonne Morris, City of Phoenix
Keith Belden, Morrison-Maierle	Bob Nullmeyer, Air Force Research Laboratory
Nikki Bernstein, Himovitz Properties	Victor Peterson, Gilbert Resident
Russ Brandt, Blue Chip Land Corporation	Rich Prieve, Air Force Research Laboratory
Matt Busby, City of Apache Junction	Paul Reader, Himovitz Properties
Shannon Cluff, Mesa Fire Department	Richard Reese, Hensel Phelps Construction Co.
Rhonda Curtis, Wells Fargo	Scot Rigby, City of Mesa
Milt Fort, Mesa Convention & Visitors Bureau	Scott Sauve, Gilbert
Michelle Gramley, Town of Gilbert	Christopher Schmaltz, Gust Rosenfeld
Jennifer Graves, City of Mesa	John Schroeder, Chandler-Gilbert Community College
Ken Halverson, Jetstrip	Cou. John Sentz, Town of Gilbert
Natalie Harris, Mesa Convention & Visitors Bureau	Peter Sterling, Mesa Chamber of Commerce
Fred Himovitz, Himovitz Properties	Art Thomason, Arizona Republic
Dr. Keith Hjelmstad, ASU Polytechnic	Bruce Tinsley, Access & Egress
Larry Kieser, Mesa Police Department	Matt Tsark, Strand Assoc. Inc.
John Kross, Town of Queen Creek	Rick Wooten, Gateway Ambassador

**AIRPORT STAFF PRESENT**

Casey Denny, Deputy Director  
Doug Drown, Manager – Budget & Financial Planning  
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors  
Lynn Kusy, Executive Director  
Carmen Williams, Airport Planner

## CALL TO ORDER

The meeting was called to order by Chair Thelda Williams at 9:01am.

## AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Airport Executive Director Lynn Kusy invited everyone to attend the Gateway Aviation Day event scheduled for March 12 from 9:00 am to 2:00 pm.

## COMMENTS FROM THE PUBLIC

There were no public comments.

## PROGRESS REPORT

**Arizona State University Polytechnic**– Dr. Keith Hjelmstad, Vice President & Dean, College of Technology & Innovation, reported a successful launch of the Aerospace Research and Defense Collaboratory (ADRC). He said it was one of the most successful events at ASU Polytechnic - - the Cooley Ballroom was packed with 300 guests and dignitaries. Dr. Hjelmstad noted this is a new level of collaboration with ASU, the University of Arizona, and Embry Riddle. He said the aerospace and defense industry can possibly jumpstart the Arizona economy.

Dr. Hjelmstad said admissions are up about 30 percent in the College of Technology and Innovation and all campus building projects are on track and on schedule.

Responding to a question from Mayor Smith, Dr. Hjelmstad said the Collaboratory is a state-wide initiative. Dr. Mitzi Montoya is co-leader of the ADRC and meetings will be moved around to different locations each month. ASU Polytechnic will serve as the Collaboratory's "center of gravity."

**Chandler-Gilbert Community College** – College Provost John Schroeder reported that last week's scholarship fundraiser was very successful. He thanked Airport staff for their assistance and said that future fundraisers will be planned.

- Bridget Hall grand opening will be on February 23 at 9:00 am. Several members of the Bridget family will be in attendance.
- 15<sup>th</sup> Annual Aviation Maintenance Symposium will be held March 10 and 11, 2011. Mr. Schroeder said he expects 1,500 attendees.
- College staff is working with Airport staff on the Gateway Aviation Day event.

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

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

- January's *Aviation Day at the Capitol* was a very good event.
- Valley Metro dedicated new Power Road bus service which stops at the Gateway terminal.
- March 12 *Gateway Aviation Day* event will be held at the General Aviation Center from 9am to 2pm.
- Six noise calls were received in January
- Outstanding Performance awards went to employees Ron King and Jim Duke for an electrical conduit repair, saving the Airport over \$8,000.

- Casey Denny, president of the Arizona Airports Association, has been busy representing state airports. One specific bill being proposed is Senate Bill 1097 which changes the committee to which the Airport Authority makes its annual report. Staff traditionally submits an annual report, but now there is a specific committee to report to.
- A Northeast Area Development Plan stakeholder meeting was held in January. The consultant is now finalizing their draft plan and will present it to the Board in March.
- Davis-Monthan Air Force Base will close its runway in March and five C-130 aircraft will be at Gateway for 30 to 60 days during their construction period.
- Our FBO participated in NBAA Schedulers and Dispatchers Conference and staff will be attending an Air Service Development Conference in March. Seven airlines have agreed to meet with our staff so far.
- FAA approved our PFC application at \$4.50 per passenger through 2017. The PFC funds will be used to repay the Airport Authority for projects already completed using Airport money, expand the passenger terminal, and reconstruct some airfield pavements.
- Staff is coordinating with Mesa for water line improvements on Sossaman Road.
- Sixty percent plans for Phase II of the terminal expansion are under stakeholder review.
- Revenues are within 1 percent of projections; expenses are 2 percent below budget. Concession sales are higher than budget, but rental car fees are low.
- Air Traffic Control Tower handled 187,000 operations for calendar year 2010 making Gateway the busiest of the 246 contract towers in the nation.
- Staff extended data/telephone infrastructure to the Lockheed Martin facility and implemented an electronic fingerprinting system reducing turn-around time from two weeks to two days.
- Calendar year 2010 total passengers - 804,000 (a 38 percent increase over last year). December's total passenger count was 83,000.
- March will be the busiest month ever - - staff expects 356 flights. Allegiant will increase schedules for spring break and spring training.

## **PRESENTATIONS/REPORTS**

### **FY2012 Budget**

Doug Drown, Manager – Budget & Financial Planning, gave a presentation to the Board on the proposed FY2012 budget. He said the final budget will be brought back to the Board for consideration in March.

Mr. Drown's presentation included the following major assumptions:

- Total passengers for FY12 are estimated at 1,028,000 (up 19 percent from FY11)
- Fuel volume is estimated at 15.5 million gallons (up 8 percent from FY11)
- Rate increases to landing fees, fuel flowage fees, Customs and Border Protection user fees, and special equipment and service fees.
- Salary freeze continues, 0.5 increase in total FTEs, largest hangar will be leased, and \$500,000 cost to bus passengers between parking lots.
- FAA and ADOT provide \$11.7 million and \$850,000 respectively.
- No increase in member government contributions - \$3,920,000.

Mayor Smith asked about the use of the current passenger facilities charges and payment of our capital debt. Mr. Kusy responded that the funds would flow into the general fund and could then be used to pay the Allegiant Air loan. Mr. Kusy added that we are paying on bonds issued for the Embraer building and the ADOT loan for the ASU hangar facility.

Vice Mayor Williams asked about our landing fee calculations. Mr. Drown noted that, if fully allocated, the landing fee would be over \$3 per 1,000 lbs. landing weight (more than triple what we are currently charging). Mr. Denny said the goal is to be at full cost recovery, but we need additional passengers. Mr. Kusy added that our expenses today are low, but our landed weight is low also. If we double our landed weight, our fully allocated landing fee would be in line with our peers.

### **Capital Improvement Program**

Airport Planner Carmen Williams provided information on the Airport's proposed FY12 Capital Improvement Program (CIP) which will be on the March Board agenda for consideration.

Ms. Williams provided an overview of the draft document, its development and purpose, requested projects for FY12, capital renewal, and funding sources.

She explained capital renewal as "improvements to existing assets of at least \$50,000 that increase the useful life or value by two or more years." Total for hangar renovation, building renovations, Taxiway Victor replacement, and water line improvements is \$950,000.

Proposed funding sources for FY12 CIP include:

Local funds	\$ 5,985,385
FAA	\$11,698,446
Special Revenue Bonds	\$16,000,000
ADOT	<u>\$ 847,854</u>
Total Program	\$34,531,686

Responding to Mayor Smith, Mr. Denny stated that ADOT has been able to provide federal grants match, but if the 5 percent match goes away, we could use our contingency funds or reallocate the capital budget, deferring the lowest priority projects.

Chair Williams inquired about the procedure if grant money is less than expected. Ms. Williams said any grant awarded projects will be brought back to the Board. Mr. Denny added that the terminal expansion is the largest project, and if the FAA doesn't fund it, we will need to find other funding or use PFC funds.

### **Construction and Financing of an Airport Authority Maintenance and Repair Facility for Lease to the City of Mesa and Sublease to Able Engineering**

Casey Denny introduced a proposed \$16 million bond project that will come back for formal Board consideration in March.

He presented details on a proposed partnership with Mesa for a large scale maintenance, repair, and overhaul facility on 13 acres of Airport land. The project includes a 180,000-square-foot warehouse and manufacturing facility including a 27,000-square-foot hangar.

Financial structure includes:

- Airport to build facility by issuing \$16 million in revenue bonds.
- Mesa to serve as guarantor by leasing facility for 40 years.
- Mesa will sublease to a tenant
- The tenant, Able Engineering and Components, Inc., will design the facility and the Airport will go out for public bid.
- Target opening date is summer/fall 2012.

Chair Williams asked about the City of Mesa's guarantee and what would happen if there are problems with the payments. Will Mesa use their annual contribution to the Airport to cover the payments? And, will the other member governments' share increase? Mr. Denny responded that in the event of a building vacancy, the cost would be inserted into and paid from the Airport's capital program. He noted that the other member governments' share would not increase.

Mayor Smith commented that Mesa is guaranteeing the bonds and Able cannot walk away and would be responsible for any unpaid balance. He said this is a "perfect fit for the Airport" and "Able has outgrown their facility and we aren't stealing them from Phoenix."

Mayor Smith said he believes Able is on the cutting edge with technologies that fit with the Airport, ASU, and Chandler-Gilbert Community College. He said Mesa is very excited about this project and it is a great accomplishment for the region.

Chair Williams agreed that this is an excellent project and an appropriate place to have it. She thanked the City of Mesa for their part and said it is important for the entire community.

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

**Minutes** of Board Meeting held on January 18, 2011.

**Resolution No. 11-05**– Authorizing a Contract with **Continental Flooring Company** for Purchase and Installation of Carpet for the Ticketing Terminal at a Cost of \$88,591.89.

**Resolution No. 11-06** – Authorizing a Contract with **Ace Asphalt** for Parking Lot Improvements at a Cost of \$27,734.16.

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

#### **BOARD MEMBER COMMENTS / ANNOUNCEMENTS**

There were no Board member comments.

#### **NEXT MEETING**

The next meeting will be held on Monday, March 21, 2011 at 9:00 am.

#### **ADJOURN**

The meeting adjourned at 10:18 am.



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

**RESOLUTION NO. 11-07**

**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:** Sixth Amendment to Lease – Cimarron Airpark LLC, XVI  
**Date:** March 21, 2011

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### Proposed Motion:

Approve Resolution No. 11-07 authorizing a sixth amendment to Cimarron Airpark's ground lease for parcels 60-1 and 60-2. This amendment changes the previous cargo-related use provision to any aeronautical activity the Airport Authority deems consistent with the Airport Master Plan and Airport Layout Plan. The effective date is March 1, 2011.

### Narrative:

The original ground lease required the premises be used only for air cargo-related activities, consistent with Airport Authority Policy #4502 (Designated Cargo Area). The Board's cancellation of that policy on November 15, 2010, and the premise's current use by US Immigration and Customs Enforcement and USDA Forest Service has prompted a change to the permitted use provisions of the lease to make them consistent with current operations there.

Effective March 1, 2011, the revised permitted use of the premises will be: "...Lessee may use the Premises for any aeronautical and related activity Lessor deems, at its sole and absolute discretion, to be consistent with the functions established for the Premises and surrounds in Lessor's current Airport Master Plan and Airport Layout Plan..."

All other provisions of the lease remain unchanged.

Attachment



**RESOLUTION NO. 11-07**

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 a lease agreement with Cimarron Airpark;

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 property lease amendment to Cimarron Airpark’s ground lease for parcels 60-1 and 60-2 changing the previous cargo-related use provision to any aeronautical activity the Airport Authority deems consistent with the Airport Master Plan and Airport Layout Plan effective March 1, 2011. 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 March 2011.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



Phoenix-Mesa Gateway Airport Authority
Sixth Amendment to Lease

This SIXTH AMENDMENT TO LEASE ("Amendment 6") is executed to be effective as of the FIRST (1st) day of MARCH, 2011, 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" or "Airport Authority"), and CIMARRON AIRPARK LLC XVI, an Arizona limited liability company ("Lessee"). This Amendment 6 hereby amends that certain Ground Lease Agreement between Lessor and Lessee dated and effective as of November 1, 2003 and subsequently amended on May 14, 2005, March 1, 2007, July 1, 2008, March 1, 2009 and March 1, 2010 (the "Lease") with respect to that certain property at the Airport known as Parcels 1 and 2 of Lot 60 (the "Premises").

WITNESSETH:

WHEREAS, Lessor and Lessee are entering into this Amendment 6 to modify the Lease;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment 6 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. The provisions of SECTION 1.3, Permitted Uses, are hereby deleted in their entirety and replaced with the following:

1.3 Permitted Use(s): Subject to the provisions of SECTION 1.5, Lessee may use the Premises for any aeronautical and related activity Lessor deems, at its sole and absolute discretion, to be consistent with the functions established for the Premises and surrounds in Lessor's current Airport Master Plan and Airport Layout Plan. Lessee's use of the Premises and operation of its business activities at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with the Airport Rules and Regulations and Minimum Standards.

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

3. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this Amendment 6, shall continue to be binding upon the Lessor and Lessee and their permitted successors and assigns.

4. All of the recitals set forth above are incorporated into this Amendment 6 by this reference.

IN WITNESS WHEREOF, Lessor and Lessee have entered into this Amendment 6 as of the date first set forth above.

FOR LESSOR:

FOR LESSEE:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

CIMARRON AIRPARK LLC XVI

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

\_\_\_\_\_

Name: Lynn F. Kusy
Its: Executive Director

Name: Fred Himovitz
Its: Manager



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## Action Item

**RESOLUTION NO. 11-08**

**To:** Board of Directors  
**From:** Bill Mitchell, Director Operations and Maintenance  
**Through:** Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Asphalt and Concrete Improvements – Ace Asphalt  
**Date:** March 21, 2011

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**Proposed Motion:**

**Approve Resolution No. 11-08 authorizing a contract with Ace Asphalt for concrete and asphalt improvements in the terminal courtyard, main terminal runway apron, and the parking/drive area behind the Operations and Maintenance building at a cost of \$26,515.22.**

**Narrative:**

Operations and Maintenance is responsible for the maintenance and repair of the Airport's parking lots, road infrastructure, and the Charles L. Williams Terminal courtyard. Currently, multiple locations possess spillings, age cracks, and potholes resulting in potential safety hazards. Staff proposes physical improvements, including:

1. Replacement of 9,168 square feet of asphalt behind the Operations and Maintenance building to restore parking and drive areas at a cost of \$17,247.89.
2. Skin patching four areas totaling 2,470 square feet of the runway apron at a cost of \$5,029.70.
3. Replacement of terminal courtyard sidewalks and exposed aggregate at a cost of \$4,237.63.

The Airport has an Intergovernmental Cooperative Purchasing Agreement with Mohave Educational Services Cooperative, Inc. (MESC) that allows access to MESC contracts. Ace Asphalt will provide services to meet scope under MESC Contract Number 10A-ACE-0316.

**Fiscal Impact:**

\$22,277.59 of this contract was included in the FY11 operating budget and is funded under Repair and Maintenance: Pavements. \$4,237.63 of this contract was included in the FY11 capital budget and is funded with non-grant capital funds as Project No. 766.

Attachment



**RESOLUTION NO. 11-08**

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 asphalt and concrete improvements;

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 Ace Asphalt concrete and asphalt improvements in the terminal courtyard, main terminal runway apron, and the parking/drive area behind the Operations and Maintenance building at a cost of \$26,515.22. 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 March 2011.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



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## Action Item

**RESOLUTION NO. 11-09**

**To:** Board of Directors  
**From:** Casey M. Denny, C.M., C.A.E, Deputy Director  
**Through:** Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Inspection and Construction Administration – DWL Architects and Planners  
DWL Architects and Planners  
**Date:** March 21, 2011

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**Proposed Motion:**

**Approve Resolution No. 11-09 for Authorization of Services No. 10-02 Amendment 3 with DWL Architects and Planners to provide additional inspection and construction administration for the west terminal expansion Phase I project at a cost not to exceed \$49,910.24.**

**Narrative:**

In the delivery of large capital projects, the Airport Authority utilizes professional construction administration services. These services ensure that the project is completed in accordance with project specifications and in compliance with federal and state grant criteria. For the terminal expansion project, the project architect, DWL Architects and Planners, was selected to provide construction administration services.

The original Authorization of Services was based upon assumptions regarding the project schedule and quantity of inspections needed. As a result of schedule changes associated with the timing of FAA grant funding, changes to work scope to ensure a terminal opening date of November 9, and required additional oversight and inspection services, additional funding in the amount of \$49,910.24 is required to complete and close out the project.

Sundt Construction, Inc., the contractor building the terminal facility, has agreed to reduce their construction contract by \$25,000 to off-set the additional inspections associated with their work product. The Airport Authority is responsible for \$13,109 as a result of staff direct field changes associated with unforeseen utility issues, revisions to the security screening checkpoint, concessions coordination, signage revisions, mechanical yard revisions resulting from City easement changes, and miscellaneous equipment location revisions. Additionally, \$11,801.24 is needed to complete outstanding items required to close out the project.

All services are to be performed in accordance with the Airport Authority Agreement C-2007-011, including the Standard Terms.

**Fiscal Impact:**

This amendment is funded within the existing project budget and is funded with \$47,414.73 in FAA Grant funds (95 percent), \$1,247.76 in ADOT local match funds (2.5 percent) and \$1,247.75 in local grant match funds (2.5 percent) as Project No. 182.

Attachments



**RESOLUTION NO. 11-09**

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 DWL Architects and Planners;

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. 10-02 Amendment 3 with DWL Architects and Planners to provide additional inspection and construction administration for the west terminal expansion Phase I project at a cost not to exceed \$49,910.24. 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 21<sup>st</sup> day of March 2011.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



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

## RESOLUTION NO. 11-10

**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:** March 21, 2011

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### Proposed Motion:

**Approve Resolution No 11-10, adopting a revised Airport Rates and Charges schedule, to be effective July 1, 2011 and superseding all previous editions.**

### Narrative:

Federal Grant Assurance #24 requires the 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.”

As part of its compliance 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 regarding what is considered to be fair and reasonable given our particular circumstances.

Due to limited inflation, staff is proposing no price increases this year for most categories. Increases are proposed in some categories where there have been no price increases in recent years or where our rates are notably less than our costs or the fees charged at other airports.

The proposed rates and charges were distributed to Airport tenants and users for their review and comment. The comment period began on January 5 and concluded on February 3. We received no written response to the proposed changes.

Following is a summary of the proposed changes:

#### **Aircraft Landing Fee**

Increase the aircraft landing fee from \$1.07 to \$1.10 per 1,000 lbs. of maximum gross landing weight.

#### **Aviation Fuel Flowage Fee**

Increase the flowage fee from \$.11 to \$.12 per gallon.

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

Increase fees for aircraft by varying amounts (see schedule), based on surveys of other airports. The increases are to offset losses to the Airport for providing these services.

Increase the minimum after-hour's appointment fee from \$325 to \$335 with each additional 30 minutes increased to \$49.50.

**Special Airport Equipment & Services**

Increase Fuel Storage & Service Equipment Permit (a 2 year permit) to \$25 per filtration vessel.

Change the Lavatory Waste Dump fee from a \$381.00 per month flat fee to \$15.00 per use.

Attachment:        *Proposed Airport Rates and Charges – Effective July 1, 2011*



**RESOLUTION NO. 11-10**

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, 2011, superseding all previous rates.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of March 2011.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

# PROPOSED Airport Rates and Charges

Effective July 1, 2011

<b>Aircraft Landing Fee</b>	<del>\$4.07</del> <b>\$1.10</b> 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> 1. U.S. Government owned aircraft 2. Non-revenue and flight training aircraft up to 35,000 lbs.		
<b>Aviation Fuel Flowage Fee</b>	<del>\$0.44</del> <b>\$0.12</b> per gallon – paid to PMGAA by any entity or person dispensing fuel on the Airport in accordance with PMGAA 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.	\$44.00	
	5,001 – 12,500 lbs.	\$98.00	
	12,501 – 35,000 lbs.	\$201.00	
	35,001 – 100,000 lbs.	\$316.00	
	100,001 – 255,000 lbs.	\$672.00	
	> 255,000 lbs.	\$1,321.00	
<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>\$53.00</del> <b>\$65.00</b>	
	5,001 – 12,500 lbs.	<del>\$143.00</del> <b>\$200.00</b>	
	12,501 – 35,000 lbs.	<del>\$259.00</del> <b>\$280.00</b>	
	35,001 – 100,000 lbs.	<del>\$373.00</del> <b>\$384.00</b>	
	100,001 – 255,000 lbs.	<del>\$524.00</del> <b>\$540.00</b>	
	> 255,000 lbs.	<del>\$650.00</del> <b>\$670.00</b>	
Regular service hours are Monday – Friday, 0830 – 1630 hrs MST. After hours by appointment only. For after hours appointments, there will be a minimum two-hour fee of <del>\$325.00</del> <b>\$335.00</b> 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>\$48.00</del> <b>\$49.50</b> fee above the <del>\$325.00</del> <b>\$335.00</b> 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. 50% discount for airport tenants 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	\$64.00	
	Airfield Maintenance Technician	\$64.00	
	Facilities Maintenance / Trades Specialist	\$76.00	
	Line Service Specialist	\$50.00	
* Minimum staff charge is one (1) hour during business hours, four (4) hours for after hour callbacks. Parts and materials are charged at 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	\$71.00	\$263.00
	Pavement Sweeper – vacuum truck	\$123.00	Not available
	Pavement Sweeper – kick broom	\$83.00	\$583.00
	Water truck *2	\$123.00	\$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)	\$15.50 per individual, permit valid for 2 years	
Fuel Storage & Service Equipment Permit	\$15.00 \$25.00 per filtration vessel, permit valid for 2 years		
Hazardous Materials Response	Hourly fees for airport staff assistance (rates listed above) plus actual cost + 12% for purchased materials and contracted services for clean up of fuel and other hazardous material spills.		
Lavatory Waste Dump	\$381.00 monthly \$15.00 per use		
<b>Airport Security Fees</b>	<b>Item</b>	<b>Fee</b>	
	Security badge	\$36.00 *1	
	Contractor badge with arm band	\$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	\$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>	\$.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 = \$209,746.00		
<b>Ground Transportation License Fee</b>	\$100 per year per commercial vehicle providing ground transportation to passengers		
<b>Airport Car Rental Customer Facility Charge (CFC)</b>	\$1.25 per vehicle rental day		
<b>Parking Rates</b>	First 30 minutes FREE \$1.00 each additional 30 minutes Daily maximum for short term lots = \$18.00 Daily maximum for daily lots = \$6.00 Lost Ticket Fee = \$42.00		



**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. 11-11**

**To:** Board of Directors  
**From:** Doug Drown, Manager of Budget and Financial Planning  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director and  
 Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Budget and Capital Improvement Program for Fiscal Year Ending June 30, 2012  
**Date:** March 21, 2011

**Proposed Motion:**

Approve Resolution No. 11-11 adopting the proposed budget package and Capital Improvement Program for the fiscal year ending June 30, 2012.

**MEMBER GOVERNMENT CONTRIBUTIONS**

We are proposing member government contributions of \$3,920,000, the same as last year.

Mesa	\$ 1,700,000	43.4 %
Phoenix	1,300,000	33.2 %
Gila River	450,000	11.5 %
Gilbert	350,000	8.9 %
Queen Creek	120,000	3.1 %
<b>Total Member Contributions</b>	<b>\$ 3,920,000</b>	<b>100%</b>

**KEY ASSUMPTIONS**

- Total passengers will increase from 683,000 in the fiscal year ended June 30, 2010 (FY10) and 862,000 projected in FY11, to 1,028,000 in FY12. This is a 19% increase over projected FY11.
- Facilities vacated by Boeing (including Hangar 1084) will be leased by the end of FY11.
- Fuel volume will be up 8% from projected FY11 to 15.5 million gallons.
- Inflation rate will average 3%.
- Busing passengers between the north parking lot and the terminal (seasonally) will cost \$500,000.
- Merit increases and cost of living adjustments will not be given for a third year. Costs of existing fringe benefits will increase.
- The number of employees (full time equivalents) will increase by 0.5 FTE.
- FAA will award \$11.7 million and ADOT will award \$850,000 in new grants.
- A new airport MRO facility and related bond issue have been included on a contingency basis.

**SUMMARY HIGHLIGHTS**

- Operating Revenues (net of cost of sales): \$12.5 million, up \$0.9 million (8%) from the projected FY11 level. Most of this is due to increased passenger activity and leasing of currently vacant facilities.
- Operating Expenses before depreciation: \$13.2 million, up \$0.7 million (5%). Busing passengers between the new north parking lot and the terminal, and increases in fringe benefit costs represent the largest increases.
- Earned Capital Grants are budgeted to increase by 47% to \$24.5 million, but actual grant amounts will vary (in either direction) at the discretion of Congress and the granting agencies. The increased amount includes spending of additional Military Airports Program funds that we hope will be awarded in FY11, most of which would be spent and earned in FY12.

**REVENUE HIGHLIGHTS:**

- Fuel sales, auto parking, rental car, concessions, and landing fees will all increase with Allegiant’s expanded flight schedule.
- Auto parking rates will remain unchanged.
- Rental car percentage fee will increase from 6% to 7% (already negotiated).
- In addition to higher revenues from increased passengers, the arrival of new concessionaires will double our food and beverage concessions revenues.

	Significant Changes from <u>Projected FY11</u>	
Aircraft Parking	\$ (90,000)	-29%
Landing Fees	\$ 110,000	17%
Aeronautical Leases	\$ 330,000	19%
Concessions	\$ 100,000	48%
Non-aeronautical Leases	\$ 80,000	9%
Auto Parking & Ground Transportation	\$ 280,000	17%
Rental Car Fees	\$ 170,000	27%
Non-aeronautical Services	\$ 30,000	36%

**Aircraft Parking** will be down due to leasing of Hangar 1084, which (while unleased) has allowed us some additional revenues from parking aircraft.

**Landing Fees** for commercial passenger flights reflect the increase in passenger flight activity. We expect no significant change in general aviation landing fees. The landing fees rate will increase from \$1.07 to \$1.10 per 1,000 lbs. of landing weight.

**Aeronautical Leases** will be up, based on our assumption that we will lease Hangar 1084 late in FY11, providing a full year of revenues (about \$240,000 more) in FY12. In addition, new land leases are coming online or coming up to full rate, injecting another \$140,000.

**Non-aeronautical Leases** are expected to be up primarily due to a new land lease coming online.

**Concessions** – An increase in the number of food and beverage operations in the terminal in FY11 has doubled the minimum guaranteed revenue to the Airport, adding over \$50,000 in FY12. Retail concessions are also expected to be up about \$50,000, reflecting increased passengers and higher gross revenue per passenger than previously budgeted.

**Auto Parking & Ground Transportation** – Auto parking should be up 19% with increased passenger activity. Parking rates remain unchanged. Ground transportation revenues will reflect the recent agreement for taxi service, which increased our annual revenues by about \$190,000, but we are expecting no change from this level for FY12.

**Rental Car** fees will be up due to increased passenger aircraft activity and an increase in the percentage fee to the airport from 6% to 7% of gross rental car revenues. Other revenues from rental car company (rentals of counter space, car care facility and parking spaces) will remain basically flat.

**EXPENSE HIGHLIGHTS:**

- Operating expenses before depreciation will increase by \$0.7 million (5%) compared to projected 2011 expenses.
- The largest increase is for busing passengers between the new north parking lot and the terminal.
- The cancellation of merit and cost of living increases on salaries will continue for a third year.

Significant Changes from  
Projected FY11

Communications & Utilities	\$ 60,000	9%
Contractual Services	\$ 340,000	13%
Insurance	\$ 20,000	8%
Personnel Costs	\$ 240,000	4%

**Communications & Utilities** - Beyond normal rate increases, the projected increases relate primarily to lighting of the new north parking lot and the recent terminal expansion.

**Contractual Services** - We anticipate a \$250,000 increase in costs to bus passengers between the north lot and the terminal. This is for seasonal operation. (When the parking lot eventually goes to year-round usage, these costs will increase again.) Increases in the costs of police, fire and customs services also contribute to the increase.

**Insurance** is up for added assets to be insured and a 5% allowance for rate increases.

**Personnel Costs** – We have again included nothing for merit increases or cost of living adjustments. We have included an allowance of 1.3% for adjustments that may be needed as a result of a scheduled salary survey to make sure our salaries are internally consistent. Staffing will increase by 0.5 FTE. Most of the increase in Personnel costs comes from fringe benefit costs, reflecting increases in costs of existing benefits, particularly for health insurance and a 9% hike in the payments required by the Arizona State Retirement System.

**CAPITAL BUDGET**

- Total capital budget: \$34.5 million
- Grant awards anticipated: \$12.5 million
- Airport capital investments: \$22.0 million
- We expect to pay off the the Allegiant loan for the terminal annex in FY12, (using PFC reimbursements).

Grant funding in the capital budget and Earned Capital Grants (Capital Contributions) in the operating budget will not agree due to timing differences. The capital budget reflects new funding of projects. Earned Capital Grants reflects the spending of those funds. In many cases, the spending will occur over multiple fiscal years.

Airport capital investments includes a new \$16 million airport MRO facility to be funded by a bond issue. This is a contingency item, pending development of opportunities to bring additional business to the airport.

**PERSONNEL BUDGET**

- The number of authorized positions will increase by 0.5 to 105.74 full time equivalent employees.

- Attachments:      Proposed Budget:
- Aeronautical Revenues
  - Non-Aeronautical Revenues
  - Member Contributions
  - Airport Operating Activities
  - Capital Project Allocations
  - Personnel Staffing Summary
- FY 12 Capital Improvement Program



**RESOLUTION NO. 11-11**

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 is required pursuant to Arizona Revised Statutes and Section 9 of the Joint Powers Airport Authority Agreement to recommend to the governing bodies of the Airport Authority’s members an operating budget, capital budget, and capital improvement program for each fiscal year; and

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 budget package and Capital Improvement Program for the fiscal year ending June 30, 2012.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of March 2011.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

Phoenix-Mesa Gateway Airport Authority  
Proposed Budget  
Fiscal Year Ending June 30, 2012

**Aeronautical Revenues**

	FY10 Actual	Projected FY11	FY12 Budget	% change from Projected FY11
Aircraft Parking	\$ 346,974	\$ 321,733	\$ 229,847	-29%
Fuel Flowage Fees	589,069	603,072	627,600	4%
Landing Fees	447,001	635,725	741,977	17%
Lease Income	505,466	1,732,090	2,060,868	19%
Products Sold (net of Cost of Goods Sold)	933,331	903,705	938,080	4%
Services Sold	3,901,501	3,843,421	3,699,646	-4%
<b>Total Aeronautical Revenues</b>	<b>\$ 6,723,341</b>	<b>\$ 8,039,746</b>	<b>\$ 8,298,018</b>	<b>3%</b>

(Budget Basis)

Phoenix-Mesa Gateway Airport Authority  
Proposed Budget  
Fiscal Year Ending June 30, 2012

**Non-Aeronautical Revenues**

	FY10 Actual	Projected FY11	FY12 Budget	% change from Projected FY11
Concessions Fees	\$ 59,614	\$ 214,932	\$ 318,555	48%
Lease Income	2,077,968	889,002	969,891	9%
Parking & Ground Transportation	950,196	1,632,654	1,909,497	17%
Rental Car Fees	551,040	628,661	797,951	27%
Services Sold	107,364	91,345	124,572	36%
Total Non-Aeronautical Revenues	\$ 3,746,182	\$ 3,456,593	\$ 4,120,466	19%

(Budget Basis)

# DRAFT

Phoenix-Mesa Gateway Airport Authority  
Proposed Budget  
Fiscal Year Ending June 30, 2012

## Member Contributions

	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>
City of Mesa	\$ 1,700,000	\$ 1,700,000
City of Phoenix	1,300,000	1,300,000
Gila River Indian Community	450,000	450,000
Town of Gilbert	350,000	350,000
Town of Queen Creek	120,000	120,000
<b>Total Local Contributions</b>	<u>\$ 3,920,000</u>	<u>\$ 3,920,000</u>

Phoenix-Mesa Gateway Airport Authority  
Proposed Operating Budget  
Fiscal Year Ending June 30, 2012

**Airport Operating Activities**

	FY10 Actual	FY11 Budget	Projected FY11	FY12 Budget	
Total Passengers	682,995	849,392	861,688	1,027,852	
<b>REVENUES</b>					
Aeronautical					
Aircraft Parking	\$ 346,974	\$ 364,405	\$ 321,733	\$ 229,847	a
Fuel Flowage Fees	589,069	577,170	603,072	627,600	b
Landing Fees	447,001	629,364	635,725	741,977	c
Lease Income	505,466	1,841,198	1,732,090	2,060,868	d
Products Sold (net of Cost of Goods Sold)	933,331	988,056	903,705	938,080	e
Services Sold	3,901,501	3,548,278	3,843,421	3,699,646	f
Non-Aeronautical					
Concessions Fees	59,614	122,160	214,932	318,555	g
Lease Income	2,077,968	885,342	889,002	969,891	h
Parking & Ground Transportation	950,196	1,358,576	1,632,654	1,909,497	i
Rental Car Fees	551,040	718,638	628,661	797,951	j
Services Sold	107,364	98,907	91,345	124,572	k
Total Revenues (net of Cost of Goods Sold)	\$ 10,469,523	\$ 11,132,096	\$ 11,496,340	\$ 12,418,484	
<b>OPERATING EXPENSES</b>					
Communications & Utilities	\$ 540,615	\$ 712,214	\$ 650,839	\$ 709,115	l
Contractual Services	2,201,135	2,485,992	2,620,141	2,955,754	m
Insurance	298,831	357,790	284,855	309,000	n
Personnel Compensation & Benefits	6,731,493	6,862,538	6,778,205	7,015,708	o
Repair & Maintenance	789,207	907,767	869,684	857,815	p
Supplies & Materials	596,218	658,901	721,172	718,039	q
Other	422,933	530,273	558,439	597,594	r
Total Operating Expenses before Depreciation	\$ 11,580,431	\$ 12,515,476	\$ 12,483,334	\$ 13,163,023	
<b>Operating Income (Loss) before Depreciation</b>	<b>\$ (1,110,908)</b>	<b>\$ (1,383,380)</b>	<b>\$ (986,995)</b>	<b>\$ (744,539)</b>	
Depreciation	8,906,605	10,276,087	10,276,087	10,327,083	
Operating Income (Loss)	\$ (10,017,513)	\$ (11,659,467)	\$ (11,263,082)	\$ (11,071,623)	
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Operating Grant Income	\$ 113,602	\$ 189,353	\$ 123,000	\$ 125,000	s
CFC's	289,849	504,325	327,985	449,688	t
PFC's	1,523,299	1,864,414	1,905,529	2,256,134	u
Interest Income	117,361	150,000	104,000	135,000	v
Other Income	54,626	9,165	19,565	7,250	
Interest Expense - re member gov't loans	(2,363,675)	(2,554,831)	(2,552,185)	(2,746,351)	w
Interest Expense - other	(467,238)	(562,277)	(497,581)	(323,705)	x
Other Expense	(35,141)	-	(635,000)	(312,550)	y
Total nonoperating revenues (expenses)	\$ (767,316)	\$ (399,851)	\$ (1,204,687)	\$ (409,534)	
<b>Net Income before contributions</b>	<b>\$ (10,784,829)</b>	<b>\$ (12,059,318)</b>	<b>\$ (12,467,769)</b>	<b>\$ (11,481,156)</b>	
Earned Capital Grants (Capital Contributions)	12,375,692	14,677,919	16,692,045	24,490,679	z
<b>Change in Net Assets</b>	<b>\$ 1,590,863</b>	<b>\$ 2,618,602</b>	<b>\$ 4,224,276</b>	<b>\$ 13,009,523</b>	

- a Aircraft parking will be down due to leasing of Hangar 1084, which (while unleased) has allowed us some additional revenues from parking aircraft.
- b Fuel Flowage Fees will increase with GA activity, but not with passenger flights because our agreement with Allegiant waives fuel flowage fees.
- c Landing Fees will increase primarily due to increased passenger flights, but some also from GA activity. Landing fee rates will increase from \$1.07 to \$1.10 per 1000 lbs. of landing weight.
- d Lease Income - Aeronautical will be up about \$240,000 due to leasing of Hangar 1084. New land leases revenues account for another \$140,000. (Much of the increase from FY10 to FY11 was from a reclassification. See Lease Income - Non-Aeronautical.)
- e Products Sold - We are forecasting moderate increases in jet and diesel fuel sales, and a slight decline in 100LL aviation fuel sales.
- f Aeronautical Services Sold are expected to be off slightly due to declines in U.S. government fuel uploads.
- g Concessions Fees will benefit from additional passengers and from the added concessions businesses in the terminal. These new businesses have doubled the Food & Beverage minimum guaranteed revenues for the airport. Revenues per passenger are also trending higher.
- h Lease Income - Non-Aeronautical: Much of the decrease from FY10 to FY11 was from a reclassification of revenues to Lease Income - Aeronautical.
- i Parking will be up with increased passenger activity, but Ground Transportation fees will remain fixed by contract. (The recent RFP for taxi services will increase annual revenues by about \$190K starting in FY11.) There are no parking rate increases included in the budget for FY12.
- j Rental Car fees will increase with passenger activity. In addition, the rate charged to rental car companies will increase from 6% to 7% of gross revenues.
- k Terminal Advertising revenues will add \$27,000 to Non-Aeronautical Services Sold.
- l Communications & Utilities- Almost all of the increase is for electricity to light the new north parking lot and to power the new terminal expansion.
- m Contractual Services - With the opening of the north parking lot, costs for busing passengers will increase to about \$500,000 annually. (We budgeted \$75,000 for this for FY11.)
- n Insurance costs came in under budget for FY11, but we expect the "soft market" to give way to moderate price increases in FY12. We have allowed 5% for rate increases and a lesser amount for added assets to be insured.
- o Personnel Costs - We regretfully propose a third year of frozen salaries (no COLA and no merit increases), but have included an allowance for salary survey adjustments to make sure our salaries are internally consistent. Increases in medical benefits costs and the recently announced increase in ASRS pension costs to 10.5% of gross pay will raise fringe benefit costs.
- p Repair & Maintenance will be basically flat, considering a sizable jump in costs in the last year.
- q Supplies and Materials - The increased costs to run the new terminal expansion are mostly seen in FY11.
- r Other - A 3-year escalation in our cost to lease Building 5950 will add \$23K. Increased training, dues and travel costs will also affect this account.
- s Operating Grant Income is made up exclusively of law enforcement office grants. Now having more history for this relatively new grant, we have reduced our expectations for funding levels.
- t CFCs are expected to increase with additional passenger activity, but CFCs per passenger have been scaled back in the FY12 budget based on history that has demonstrated less rental car revenues per passenger than we previously estimated.
- u PFCs should track directly with the increased passenger load.
- v We are projecting that FY12 will see a moderate increase in interest rates paid on invested funds to an average of 2.25%.
- w We continue to accrue interest on member government loans and previously accrued interest at the rate of 3% per year.
- x Interest Expense is comprised of \$133,000 to ADOT for financing the ASU hangar and \$190,000 to Allegiant for financing our Terminal Annex facility. (The Allegiant interest is based on enplaned passengers.) The FY12 total is down because the Allegiant loan will be paid off during FY12.
- y Other Expense includes the demolition and write-off of the old fire station in FY11. We anticipate another write-off re Building 75 during the next phase of terminal expansion.
- z Earned Capital Grants (Capital Contributions) are based on the assumption that we will receive \$19.3 million in capital grants in our FY11 and another \$12.5 million in FY12, plus an existing backlog of awarded grant projects that are still in progress. Award of the new grants is not assured. Timing of the awards and spending of the funds are both subject to change, at times between fiscal years. All of these factors make this projection highly variable.



**Sources of PMGAA Capital Funds (other than grants):**

	FAA	State of Arizona	PMGAA Capital Funds	PFC Reimb's	CFCs	Debt	Totals
New funds							
FAA*	\$ 11,698,446						\$ 11,698,446
ADOT*		\$ 847,854					847,854
Member government loans			\$ 3,220,000				3,220,000
Passenger Facility Charges (PFCs)				\$ 1,495,614			1,495,614
Customer Facility Charges (CFC's)				\$ 449,688			449,688
Transfer of PFC reimbursements			970,731	(970,731)			-
Debt						16,000,000	16,000,000
Projected Carryover Funds (Adjustment to previously allocated funds due to variations in revenues, cancelled projects, etc.)			40,565				40,565
Carryover of FY11 PFC reimbursements							(99,402)
Carryover of FY11 CFC's			51,861				51,861
Carryover of unused grant match re FY11							
Carryover of unused capital contingency funds and remaining funds from cancelled or completed projects			827,060				827,060
Total Sources of Non-Grant Funds	\$ 11,698,446	\$ 847,854	\$ 5,110,217	\$ 524,883	\$ 350,285	16,000,000	\$ 34,531,686

\* We make many requests for grants, but actual funding is not assured. Grant funding is budgeted to the extent that we reasonably hope grants will be awarded.

**Reauthorization of Previously Approved Grant and Non-Grant Capital Projects:**

	Project Totals	Spent through 12/2010	Remaining Spending
3 Airfield Drainage Improvements	\$ 3,121,443	\$ 1,373,072	\$ 1,748,370
8 East Terminal Area Infrastructure Plan	380,000	101,409	278,591
34 Construct Alpha Apron	2,356,588	1,895,458	461,130
113 Design Terminal Parking Expansion	315,000	266,786	48,214
182 Construct West Terminal Expansion Ph II	9,145,239	7,013,594	2,131,645
487 Construct Terminal Parking Expansion	4,677,769	182,076	4,495,693
669 West Terminal Expansion - Phase II Design	1,146,005	143,278	1,002,726
712 East Terminal Master Drainage Plan	300,000	146,584	153,416
723 Rental Car Return & Ready Lot	415,000	17,391	397,609
775 e-ALP/GIS Improvement	657,895	111	657,784
777 North Parking Lot Ph II - Design & Construct	1,440,194	20,667	1,419,526
785 W. Terminal Ground Access/Parking Lot Improvement	250,000	137,400	112,600
various Other spending previously approved and funded, but not yet completed (10)	2,195,666	441,802	1,753,865
	\$ 26,400,798	\$ 11,739,629	\$ 14,661,169

The above projects were previously funded with a variety of grants and non-grant funds or were previously budgeted and we are still expecting grant funds. Projects previously approved but not certain to be complete by June 2011 are included for reauthorization.

Phoenix-Mesa Gateway Airport Authority  
Proposed Budget  
Fiscal Year Ending June 30, 2012

**Personnel Staffing Summary**

	FY11 Authorized Positions	FY12 Authorized Positions	Change in Authorized Positions
Accountant I	1	1	-
Accountant III	1	1	-
Accounting Specialist I - Accounts Payable	1	1	-
Accounting Specialist I - Payroll	1	1	-
Administrative Secretary	2	2	-
Airport Planner (was Manager-Planning)	1	1	-
Analyst-Business Systems	1	1	-
Analyst-Human Resources	1	1	-
Assistant-Human Resources	1	1	-
Assistant Manager-Business Development	2	2	-
Community Relations Coordinator	1	1	-
Coordinator-Grants & Procurement	0.75	0.75	-
Custodian	2	2	-
Customer Service Representative (CSR)	5	5	-
Deputy Director	1	1	-
Director-Operations & Maintenance	1	1	-
Electrician	2	1	(1)
Environmental & Archaeological Coord.	1	1	-
Equipment Mechanic	3	3	-
Executive Assistant	2	2	-
Executive Assistant/Clerk to the Board	1	1	-
Executive Director	1	1	-
General Maintenance Worker	3	3	-
General Maintenance Helper	0	1.5	1.5
Groundskeeper	1	0	(1)
HVAC Specialist II	2	2	-
Lead-Airfield Maintenance	2	2	-
Lead-Gateway Aviation Services	4	4	-
Manager-Accounting	1	1	-
Manager-Budget & Financial Planning	1	1	-
Manager-Business Development	1	1	-
Manager-Design & Construction	1	1	-
Manager-Gateway Aviation Services	1	1	-
Manager-Human Resources	1	1	-
Manager-Operational Planning & Control	1	1	-
Manager-Technical Services	1	1	-
Materials Specialist	1	1	-
Network Engineer	1	1	-
Operations Agents (part time - FTEs)	2.24	2.24	-
Project Coordinator-Business Services	1	1	-
Project Coordinator-Design & Construction	0.9	0.9	-
Project Coordinator - Operations	1	1	-
Public Information Officer	1	1	-
Receptionist/Secretary	1	1	-
Safety Officer	1	1	-
Specialist-Business Development	1	1	-
Specialist-Line Service	19	19	-
Specialist-Operations	6	6	-
Supervisor-Facilities Services	1	1	-
Supervisor-Gateway Aviation Services	4	4	-
Supervisor-Operations & Maintenance	2	2	-
Support Specialist	3	3	-
Technician-Airfield Maintenance	3	3	-
Workforce Development Officer	1	1	-
Unspecified and funded	0	1	1
Unspecified and unfunded	[3.76] *	0	-
Full Time Equivalents for Operating Budget	102.89	103.39	0.50
Project Coordinator	2.1	2.1	-
Coordinator-Grants & Procurement	0.25	0.25	-
Full Time Equivalents for Capital Budget	2.35	2.35	0
<b>Total Full Time Equivalents</b>	<b>105.24</b>	<b>105.74</b>	<b>0.50</b>

\* 3.76 FTE unfunded positions were included in the FY11 staffing budget. We have excluded these positions from the totals in this schedule.



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## Action Item

**RESOLUTION NO. 11-12**

**To: Board of Directors**  
**From: Casey Denny, C.M., C.A.E., Deputy Director**  
**Through: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Memorandum of Understanding with City of Mesa and Able Engineering**  
**Date: March 11, 2011**

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### Proposed Motion:

**Approve Resolution No. 11-12 authorizing the Executive Director to execute a Memorandum of Understanding (MOU) with the City of Mesa and Able Engineering and Component Services, Inc. regarding the issuance of airport bonds and development of an aircraft and maintenance, repair, and overhaul facility for lease to the City and sublease to Able.**

### Narrative:

At an industry sponsored maintenance, repair, and overhaul conference held in 2009, Airport and Mesa staff made initial contact with Able Engineering and Components Service, Inc. (Able) and learned of a possible expansion project. At that time it was uncertain if airport property would be required for the project. Over the next year and one half, the project evolved into needing space on an airport, which allowed for the consideration of sites at Gateway Airport.

The project entails the development of a facility of approximately 180,000 square feet, including a hangar, office, warehouse, and manufacturing space. The facility is planned to occupy Lot 42, a 13 acre parcel located on the south apron.

The MOU describes the primary business deal points and responsibilities of the parties, which can be summarized as follows:

#### Able will:

1. Complete, at their cost, plans and specifications specific to the Gateway site.
2. Consult and obtain Airport and City approval on the final design of the facility.
3. Provide at no cost to the Airport fully executed, reviewed, and sealed construction drawings.
4. Agree to a standard lease agreement with Mesa for a long-term lease of at least 20 years.
5. Be responsible for tenant improvements.
6. Seek Airport/City approval on any subleases.
7. Cease any discussions/negotiations with alternate sites.
8. Invest \$6 million in equipment to be installed in the new facility.
9. Locate 250 jobs at the facility within 12 months of occupancy.

#### Mesa will:

1. Enter into a 40-year lease agreement with the Airport Authority for the site and completed facility.
2. Enter into a sub-lease agreement with Able for a minimum of 20 years.
3. Pledge the City's bonding authority to guarantee lease payments.
4. Utilize sub-lease revenues for debt service on the facility.

Gateway Airport will:

1. Issue bonds and develop the facility.
2. Lease a completed facility to Mesa.
3. Collaborate with Mesa and Able to obtain Military Reuse Zone benefits.
4. Provide access and connection to the Airport's fire suppression utility system.
5. Provide a completed facility and extend normal and customary infrastructure to the site boundary including public utilities, roadways, and private utilities as necessary for Able to conduct its business at the site.
6. In case of default or non-payment by the tenant, agree to utilize Mesa's contributions to the Airport Authority for debt service.

The City of Mesa approved the MOU on March 7, 2011. Able Engineering has also approved the MOU. With Airport Authority approval, Able will complete the design and transfer construction documents to the Airport for public bidding later this summer. Upon receipt of bids within the estimated project amount, bonds would then be issued and leases executed. Should the bid amount exceed the project estimate, Able would have the option of agreeing to the increased price or terminating the MOU prior to the issuance of bonds and execution of leases.

Attachment



**RESOLUTION NO. 11-12**

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 City of Mesa and Able Engineering;

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 Executive Director to execute a Memorandum of Understanding (MOU) with the City of Mesa and Able Engineering and Component Services, Inc. regarding the issuance of airport bonds and development of an aircraft and maintenance, repair, and overhaul facility for lease to the City and sublease to Able. 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 21<sup>st</sup> day of March 2011.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



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## Action Item

**RESOLUTION NO. 11-13**

**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:** Property Lease Agreement – International Air Response, Inc.  
**Date:** March 21, 2011

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### Proposed Motion:

Approve Resolution No. 11-13 authorizing a property lease agreement with International Air Response, Inc., for Hangar 1084 located 6250 S. Taxiway Circle. The lease term is two years with three renewal options, commencing June 1, 2011 and payable at a monthly rate of \$23,483.24.

### Narrative:

International Air Response is an international provider of specialized aerial services by C-130 aircraft, including aerial dispersant application, agricultural pest control, military parachute training, delivery of humanitarian aid to remote areas, aerial firefighting, and others. They have been in business for over thirty years. Previously based in Coolidge, Arizona, their facilities there were recently destroyed by fire. This event and new contract opportunities are necessitating their relocation to Gateway.

To support this relocation, the Airport Authority will construct two new restrooms in the building at an approximate cost of \$52,000. International Air Response has committed to pay for additional improvements during the first year of occupancy valued between \$60,000 and \$100,000.

### Agreement Term and Rate:

This agreement has a term of two years and offers three renewal option(s), each for three additional years.

The initial lease rate is \$23,483.24 per month, or \$4.56 per square foot per year for approximately 61,798 square feet. It is subject to standard CPI rate increases/adjustments annually. In addition to rent, the lease requires an additional monthly payment of \$1,970.84 for hangar fire suppression system maintenance.

Attachment



**RESOLUTION NO. 11-13**

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 property lease agreement with International Air Response, 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 a property lease agreement with International Air Response, Inc., for Hangar 1084 located 6250 S. Taxiway Circle. The lease term is two years with three renewal options, commencing June 1, 2011 and payable at a monthly rate of \$23,483.24. 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 March 2011.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



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## Action Item

## RESOLUTION NO. 11-14

**To:** Board of Directors  
**From:** John E. Cox, C.M., C.A.E., Design & Construction Manager  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
 Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** North Parking Lot Phase II Construction - Nesbitt Contracting Co., Inc.  
**Date:** March 21, 2011

**Proposed Motion:**

**Approve Resolution No. 11-14 for a contract with Nesbitt Contracting Co., Inc., for construction of the north economy parking lot, Phase II, at a cost not to exceed \$ 1,268,489.81.**

**Narrative:**

The Airport is meeting terminal parking demand on an interim basis by utilizing a 1,550-space temporary lot located adjacent to the air traffic control tower. A more permanent solution to passenger parking is needed. The remote parking lot is located on the south side of Ray Road east of Sossaman Road, and has been identified as the ultimate site for a 5,500-space parking facility.

Phase I of the parking lot improvement is currently under construction and will provide 1,646 spaces. Phase I is scheduled for completion in May 2011. This contract is for Phase II for up to 1,074 additional spaces, scheduled to commence in May 2011 and will be completed by November 2011. Phase II was designed to be bid in three separate bid tabulations, the total bid amount is listed below. Since the base bid and both bid alternates were below the project budget, staff recommends awarding the project in its entirety. Phase I and II combined will provide 2,720 parking spaces, providing adequate long-term parking space during the 2011 peak season. A bus operation will be utilized to shuttle passengers between this parking lot and the west terminal, and will utilize parking revenue controls.

Advertised bids were received on February 24, 2011 from ten contractors:

<u>Company Name</u>	<u>Bid Amount</u>	<u>Company Name</u>	<u>Bid Amount</u>
1. Nesbitt Contracting Co., Inc.	\$1,268,489.81	6. Visus, Inc.	\$1,471,365.98
2. CPC Construction, Inc.	\$1,338,810.75	7. Ricor, Inc.	\$1,545,522.49
3. J. Banicki Construction, Inc.	\$1,411,997.66	8. DCS Contracting, Inc.	\$1,585,982.47
4. Norquay Construction, Inc.	\$1,422,692.71	9. Valley Rain Construction Corp.	\$1,610,113.94
5. Markham Contracting Co., Inc.	\$1,455,185.39	10. RK Sanders, Inc.	\$1,642,432.61

**Fiscal Impact:**

This contract was included in the FY11 capital budget and, pending FAA approval, will be funded with \$1,205,065.32 in FAA #28 grant funds (95 percent), \$31,712.25 in ADOT local match funds (2.5 percent), and \$31,712.24 in local grant match funds (2.5 percent) as Project No. 777.

Attachments



**RESOLUTION NO. 11-14**

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 parking lot 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 Nesbitt Contracting Co., Inc., for construction of the north economy parking lot, Phase II, at a cost not to exceed \$ 1,268,489.81. 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 March 2011.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



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## Action Item

## RESOLUTION NO. 11-15

**To:** Board of Directors  
**From:** John E. Cox, C.M., C.A.E, Design & Construction Manager  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** North Parking Lot Phase II Construction Administration – Dibble Engineering  
**Date:** March 21, 2011

---

### Proposed Motion:

**Approve Resolution No. 11-15 for Authorization of Services No. 10-1006 with Dibble Engineering to provide inspection and construction administration for the north parking lot Phase II construction at a cost not to exceed \$ 153,357.15.**

### Narrative:

The Airport is meeting terminal parking demand on an interim basis by utilizing a 1,550-space temporary lot located adjacent to the air traffic control tower. The permanent solution consists of constructing a new remote parking lot on the south side of Ray Road east of Sossaman Road. This site will ultimately provide for up to 5,500 parking spaces. Phase I of the parking lot which consists of 1,700 parking spaces is currently under construction. Phase II, which will add 1,056 spaces, is ready for construction award pending separate Board action. Construction is scheduled to commence in May 2011 and will be completed by November 2011.

In support of large capital projects such as this, the Airport Authority utilizes professional construction administration services. These services are needed to ensure that the Airport Authority manages the project in accordance with the project specifications and to ensure compliance with federal and state grant criteria. In 2009, a request for qualifications for engineering and construction administration services was issued for this project. Dibble was selected and approved by the Board in February 2010 (Contract C-2010-002).

The FAA has issued FAA grant #28 to provide up to 95 percent of the applicable project cost share for Phase II construction and administration fees. However, project award will be pending FAA and ADOT approval of the contracts.

### Fiscal Impact:

This contract was included in the FY11 capital budget and will be funded with \$145,689.29 in FAA grant funds (95 percent), \$3,833.93 in ADOT local match funds (2.5 percent), and \$3,833.93 in local grant match funds (2.5 percent) under Project No. 777.

Attachments



**RESOLUTION NO. 11-15**

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 Dibble Engineering;

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. 10-1006 with Dibble Engineering to provide inspection and construction administration for the north parking lot Phase II construction at a cost not to exceed \$153,357.15. 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 21<sup>st</sup> day of March 2011.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



PhxMesa Gateway Airport

**AUTHORIZATION FOR PROFESSIONAL SERVICES**  
**DIBBLE ENGINEERING, AOS 10-1006**

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

1. **PROJECT:** North Parking Lot Construction Phase II, Project No. 777
2. **SCOPE OF WORK:** Perform and provide inspection and construction administration (CA) services related to the North Parking Lot Construction. All services are to be performed in accordance with PMGAA Agreement C-2010-002, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by 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 one hundred fifty three thousand three hundred fifty seven dollars and fifteen cents (\$153,357.15) 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-2010-002 dated February 16, 2010
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 February 15, 2011

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: \_\_\_\_\_