



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

Monday, July 18, 2011 ✪ 9:00 a.m.

AIRPORT AUTHORITY BOARD MEMBERS

Vice Mayor Thelda Williams, Phoenix
Councilmember Jordan Ray, Gilbert
Lt. Governor Joseph Manuel, Gila River Indian Community
Councilwoman Dina Higgins, Mesa
Mayor Gail Barney, Queen Creek

GUESTS PRESENT

Roc Arnett, East Valley Partnership
Keith Belden, Morrison-Maierle
Nikki Bernstein, Himovitz Properties
Russ Brandt, Blue Chip Land Corporation
Robert Brinton, Mesa Convention & Visitors Bureau
Michael Brown, DWL Architects
Matt Busby, City of Apache Junction
Kent Dibble, Dibble Engineers
Jeff Esgar, Sundt Construction
Gale Fairaizl, Airport Wildlife
Ted Ferris, QuadProConsulting
Shawn Filip, DWL Architects
Brian Kearney, Sundt Construction
Larry Kieser, Mesa Police Department
John Kross, Town of Queen Creek

Sandra Kukla, DWL Architects
Floyd Moore, Valle del Oro
LaVonne Morris, Phoenix Aviation
Carl Newman, Phoenix Aviation
Steve Rao, DWL Architects
Richard Reese, Hensel Phelps Construction
Scot Rigby, City of Mesa
Michael Rosette, Mesa Fire Department
Christopher Schmaltz, Gust Rosenfeld
Tom Stark, Wells Fargo
Art Thomason, Arizona Republic
Raun Tinklepaugh, DWL Architects
Chris Tinney, Sundt Construction
Bruce Tinsley, Access & Egress
Matt Tsovk, Strand Assoc.

AIRPORT STAFF PRESENT

Casey Denny, Deputy Director
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors
Lynn Kusy, Executive Director
Bill Mitchell, Director-Operations, Maintenance & Technology
Carmen Williams, Interim Design & Construction Manager

CALL TO ORDER

The meeting was called to order by Chair Thelda Williams at 9:00 am. Ms. Williams introduced Mesa Councilmember Dina Higgins and Gilbert Councilmember Jordan Ray.

AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Airport Executive Director Lynn Kusy announced that the Airport had just received its 14th annual FAA Part 139 inspection with zero discrepancies.

Mr. Kusy congratulated Public Information Officer Brian Sexton on the birth of his son, Roman Michael Sexton.

COMMENTS FROM THE PUBLIC

There were no public comments.

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

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

- Staff attended the annual FAA Western Pacific Airports Conference, where we met with the regional director of the Airports Division and several of this staff. We reviewed our progress to date on commercial service and grant administration, and discussed our capital grant requests for FY2011 and FY2012.
- Casey Denny attended the ACI-NA Jumpstart conference where he met with representatives of several airlines.
- Discussions continue with aircraft operators about ensuring the separation of general aviation and commercial aircraft operating in the vicinity of the Airport. The FAA hosts discussions with user groups about possible procedural or airspace changes that may be required to accommodate the growth of air traffic in the southeast valley.
- Fuel deliveries through the end of the fiscal year were up about 16% over FY10, with a total of 14.4 million gallons. Military fuel sales were down 26%. We hosted several different types of fire-fighting aircraft, including a DC-10 tanker.
- Our real estate occupancy rate remained at 78%, our highest point in several years.
- Airline Transport Professionals broke ground on their new facility on the north apron. ATP provides advanced flight training for professional pilots and has been a tenant on the Airport for several years.
- Fuel farm expansion plans are nearing completion and bids will be sought this month. We expect FAA grant funding this federal fiscal year.
- Through May, operating revenues were \$253,000 better than budget, and expenses were \$409,000 under budget.
- Capital spending in May was \$1,430,000, most of that for the Ray Road parking lot. Capital spending through the end of May totaled \$14.3 million.
- Staff completed upgrades to our Emergency Operations Center.
- Passenger count for May was 69,357, a 19 percent increase over May of last year.
- June numbers show the Airport handled 880,000 passengers in fiscal year 2011, as compared to 804,000 in calendar year 2010.
- He was invited to give a presentation to the 2011 Arizona Governor's Conference on Tourism in Scottsdale. He said he also sat on a panel which focused on the role of airports on tourism.
- Today, Gateway has 15 arriving flights. These flights will generate \$433,000 a day in tourism revenue.

PRESENTATION - West Terminal Expansion Phase II – *Carmen Williams, Interim Design & Construction Manager*

Ms. Carmen Williams gave a brief history of the expansion of the west side terminal. She said in 2008, the Airport Authority contracted with DWL Architects to study the maximum capacity of the west side. Their evaluation indicated that the west side could accommodate 10 passenger gates and 1.7 million passengers. Phase I of the expansion opened in 2010. This added 25,000 square feet, two gates, and expanded baggage claim space. She said that the Phase II expansion will allow Gateway to meet future traffic demands.

DWL Architects & Planners, Inc. – *Sandra Kukla, Executive Vice President*

Ms. Kukla provided an overview of the second phase of the proposed expansion of the west terminal. She noted that Phase II will add 30,000 square feet to the terminal, including two additional gates/parking positions. She said there will be more pay parking spaces and the rental car lot will be relocated. The existing courtyard, annex, and Phase I will remain unchanged. After completion of Phase II, Gateway can handle 620,000 annual enplanements.

Sundt Construction, Inc. - *Brian Kearney*

Mr. Kearney presented Sundt's proposed construction phasing plan for the terminal expansion which is scheduled to begin August 2011 and be complete in October 2012. He reviewed the "lessons learned" from working on Phase I which include: improve temporary construction barriers, improve baggage claim, increase construction signage, and reduce surprises.

With regard to signage, Chair Williams asked that they be "kept simple."

CONSENT AGENDA: Consideration and Possible Approval of:

Tab A – MINUTES of Board Meeting held on June 20, 2011.

Tab B – Resolution No. 11-26– FABRICATING DISTRIBUTORS - Authorizing a Lease Amendment for Building 533 at 6410 S. Sossaman Road Extending the Lease Term to September 30, 2011, at a Monthly Rate of \$10,147.

Tab C - Resolution No. 11-27 – HIMOVITZ PROPERTIES - Authorizing a Lease Amendment for Suites 111, 113, 120, and 121 at 5950 S. Sossaman Road Changing the Lease Term to One Calendar Month With Automatic Renewals.

Tab D - Resolution No. 11-28 – RYAN INTERNATIONAL AIRLINES, INC. - Authorizing a Five-Month Lease Agreement for Building 1092 Located at 6309 S. Taxiway Circle. Lease Commences August 1, 2011, and Continues Month-to-Month Thereafter, Payable at \$4,549.69 per Month.

Mayor Barney moved to approve the Consent Agenda, and it was seconded. The motion carried unanimously.

CONSIDERATION AND POSSIBLE APPROVAL OF:

Resolution No. 11-29 – 47 LLC - Authorizing a 65-Year Lease Agreement for Lots 47 and 48 Located at the Intersection of E. Velocity Way and S. Taxiway Circle for a Speculative Industrial Building.

Mr. Kusy explained that this lease is for a speculative industrial building which will be adjacent to an existing building by the same developer on Velocity Way.

Councilmember Ray moved to approve Resolution No. 11-29. Councilwoman Higgins seconded the motion. The motion carried unanimously.

Resolution No. 11-30 – HUMMINGBIRD ENERGY, LLC - Authorizing a Lease Agreement with Hummingbird for 6416 S. Sossaman Road Subject to Stipulated Conditions, at a Monthly Rate of \$4,283.76 and Authorizing Staff and Hummingbird to Move Forward with Rezoning Lot 59B to M2.

Representing Hummingbird Energy, Mr. Ted Ferris, QuadProConsulting, addressed the Board. He reported that due to delays beyond their control, Hummingbird Energy was asking that the lease be removed from the agenda and brought back in 30 to 60 days while Hummingbird works with SRP and ASU. Mr. Ferris said he will request a similar delay from the City of Mesa on the rezoning process. He said the facility may be resized - - possibly to one half the proposed size.

Chair Williams requested a full presentation on the project before a final decision is made by the Board.

Councilwoman Higgins moved to remove Resolution No. 11-30 Hummingbird Energy from the agenda. Councilmember Ray seconded the motion. The motion carried unanimously.

Resolution No. 11-31 – SUNDT CONSTRUCTION, INC. - Authorizing a Guaranteed Maximum Price and Amendment to Contract for the West Terminal Expansion Phase II Project in the Amount of \$9,999,718.

Mr. Kusy reported that Gateway Airport has been moved from “non hub” status to “small hub” status based on handling over 300,000 passengers in 2010. He said we are the fastest growing airport in the country.

Mayor Barney moved to approve Resolution No. 11-31. Councilwoman Higgins seconded the motion. The motion carried unanimously.

Resolution No. 11-32 – DWL ARCHITECTS + PLANNERS, INC. - Approving Authorization of Services No. 12-02 for Inspection and Construction Administration for the West Terminal Expansion Phase II Project at a Cost Not to Exceed \$893,403.06.

Councilwoman Higgins moved to approve Resolution No. 11-32. Councilmember Ray seconded the motion. The motion carried unanimously.

Resolution No. 11-33 – CITY OF MESA - Authorizing Payment of Permit and Impact Fees to the City for the West Terminal Expansion Phase II Project in the Amount of \$144,220.67.

Mayor Barney moved to approve Resolution No. 11-33. Councilwoman Higgins seconded the motion. The motion carried unanimously.

Resolution No. 11-34 – AIRPORT WILDLIFE CONSULTANTS, LLC - Authorizing a Contract for the Purpose of Conducting a Wildlife Hazard Assessment at a Cost of \$50,000.

Mr. Kusy stated that there are birds, coyotes, and other wildlife on the Airport which can cause significant damage to aircraft. This study is periodically required by the FAA to identify possible wildlife hazards. He said the last study was done about 10 years ago.

Councilwoman Higgins moved to approve Resolution No. 11-34. Councilmember Ray seconded the motion. The motion carried unanimously.

Resolution No. 11-35 – TUG TECHNOLOGIES CORPORATION - Authorizing the Purchase of a New Baggage Tractor at a Cost of \$36,787.

Mayor Barney moved to approve Resolution No. 11-35. Councilwoman Higgins seconded the motion. The motion carried unanimously.

Resolution No. 11-36 – BULWARK EXTERMINATING, LLC - Authorizing a Two-Year Lease Agreement for Building 550 at 6350 S. Sossaman Road. The Lease is Payable at a Monthly Rate of \$2,148.39.

Councilwoman Higgins moved to approve Resolution No. 11-36. Mayor Barney seconded the motion. The motion carried unanimously.

ELECTION OF OFFICERS

Lt. Governor Manuel nominated Mayor Lewis for Chair, Lt. Governor Manuel for Vice Chair, Mayor Smith for Secretary, and Mayor Barney for Treasurer. Mayor Barney seconded the motion. The motion carried unanimously.

BOARD MEMBER COMMENTS / ANNOUNCEMENTS

- Chair Williams was presented a plaque in honor of serving as Chair of the Board of Directors for the past year. She said it was “..... an honor and pleasure serving as chair.”
- Councilwoman Higgins reported on last weekend’s 70th anniversary of the July 16, 1941 ground breaking of Williams Field and Falcon Field.

NEXT MEETING

The next meeting will be held on Monday, September 26, 2011 at 9:00 am.

ADJOURN

The meeting adjourned at 9:36 am.