



PhxMesa **Gateway** Airport

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

**Monday, November 21, 2011 • 9:00 a.m.**

**AIRPORT AUTHORITY BOARD MEMBERS**

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

*\*neither present nor represented*

**GUESTS PRESENT**

Wayne Balmer, Town of Queen Creek	Dane Mullinex, Alion Science & Technology
Hector Bezares, TSA	Carl Newman, Phoenix Aviation
Chris Brady, City of Mesa	Dennis Osuch, LarsonAllen
Scott Brotherson, DL Withers Construction	Kevin Otterstrom, Embry Riddle
Milt Fort, Mesa CVB	Rich Prieve, ASU
Columbus Hunt, Jetstrip	Scot Rigby, City of Mesa
Mike Hutchinson, East Valley Aviation & Aerospace Alliance	Christopher Schmaltz, Gust Rosenfeld, P.L.C.
Terry Jones, Willis	John Schroeder, Chandler-Gilbert Community College
Larry Kieser, Mesa Police Department	Councilmember John Sentz, Town of Gilbert
John Kross, Town of Queen Creek	Tom Stark, Wells Fargo
Floyd Moore, Valle del Oro	Art Thomason, Arizona Republic
Dr. Mitzi Montoya, ASU Polytechnic	Bruce Tinsley, Laforce, Inc.
LaVonne Morris, Phoenix Aviation	Kristy Vargas, Hyatt Place Gilbert
Kyle Mieras, Town of Gilbert	John Wesley, City of Mesa

**AIRPORT STAFF PRESENT**

Casey Denny, Deputy Director  
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors  
Lynn Kusy, Executive Director  
Kevin Mentzer, Manager-Operational Planning & Control  
Bill Mitchell, Director - Operations, Maintenance & Technology

## CALL TO ORDER

The meeting was called to order by Chair John Lewis at 9:01 am.

## AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Executive Director Lynn Kusy welcomed Mesa Councilwoman Dina Higgins and Gilbert Councilmember John Sentz.

Mr. Kusy asked Community Relations Coordinator Patrick Oakley to come forward to present a plaque to Gateway Ambassador Pat Van Deursen, the first person to reach 1,000 hours of volunteer service.

## COMMENTS FROM THE PUBLIC

There were no public comments.

## PROGRESS REPORTS

**ASU Polytechnic** - Dr. Mitzi Montoya, Vice Provost & Dean, College of Technology & Innovation, said she is focusing on STEM Education Initiatives - science, technology, engineering, and math. She said last year 300 K-12 students attended ASU's summer academy on subjects such as aviation, invention, robotics, etc. She said they filled 17 camps with students. She also reported on this summer's launch of the CTI teachers' academy.

Dr. Montoya said she spent time in Washington, D.C. concerning STEM education. ASU will be hosting "Maker Week" in February 2012 which focuses on making and building things to engage kids in science and engineering. Other ASU Poly activities include:

- Duel in the Desert scrimmage,
- Tom's Shoes (for every pair of shoes you buy, Tom's donates one pair of shoes to a developing nation),
- International capacity building efforts with Viet Nam, China, and India. She said ASU is also recruiting heavily in these countries to build international enrollment. Intel is opening a new facility in Viet Nam, and
- Fifteen different programs are being developed for fall 2012.

**Chandler-Gilbert Community College (CGCC)** - John Schroeder, Provost, congratulated Allegiant on their most recent announcement. Mr. Schroeder said CGCC is hosting several upcoming events. The East Valley Aviation and Aerospace Alliance Academy will be held at CGCC on December 6. He said he attended the first class along with 27 other attendees. The second class will be held at CGCC and will highlight aviation and aerospace education. The third class will focus on manufacturing.

Mayor Lewis said he also attended the first session and felt it was a wonderful program.

## Review of Annual Audit Report - Dennis J. Osuch, CPA, LarsonAllen LLP

Mr. Dennis Osuch, LarsonAllen, said his firm completed the Airport's fiscal year 2011 audit. He said they looked at the financial report and reviewed internal controls and found no deficiencies. There were no major adjustments made to the account balances. The single audit report looks at major federal programs, no compliance matters were found. A control finding from last year had been corrected.

The last part of the audit focused on compliance with passenger facilities charges. They found one minor finding concerning the filing of quarterly status reports with the airline. His firm will follow up on that finding next year.

### **Financial highlights for fiscal year 2011:**

- Airport Authority had a change in net assets – an increase of \$2.7 million.
- Capital grants totaled approximately \$14.1 million.
- Loans from member governments were \$6.5M, for a balance of \$85 million. Loans will be repaid from unrestricted net assets.
- Unrestricted net assets increased \$600,000.
- Operating loss was consistent with previous years at \$10.2 million, with \$9.6 million of that being depreciation.

### **REVIEW OF MONTHLY STAFF REPORTS AND UPDATES ON: ♦ Construction ♦ Commercial Service ♦ Finance ♦ Compressed Work Week**

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

- Four noise complaints were received in October.
- The Ray Road parking lot is complete and ready to be opened based on demand.
- Some signage issues remain. There are four sets of signs concerning the Airport:
  1. Loop 202
  2. Hawes/Sossaman/Ray Roads. Temporary flashing signs on Ray Road (permanent signs will be delivered in December)
  3. Directional and information signs along Sossaman Road.
  4. In the terminal. (staff continues to work on improving passenger flow through the terminal).

Councilwoman Higgins asked if there was a long-term plan for Power and Ray Roads. Casey Denny responded that staff is reviewing all signage and is looking at Power/Hawes/Ray Road intersection improvements.

- Terminal construction is underway, building demolition has been completed, the rental ready lot is being moved, and a covered walkway links the terminal to the rental ready lot.
- Operating revenues for September were over \$1 million - up 12 percent. Operating expenses were \$971,000, for an operating gain of \$104,000.
- Passenger count for September was 61,000, and October was 67,000. Staff expects 360 departures during December which will bring us close to 100,000 total passengers in December.

### **PRESENTATIONS**

#### **a) Residential Encroachment - Casey Denny, Deputy Director**

Deputy Director Casey Denny reported that as a result of a request from Vice Mayor Williams, an update on residential encroachment issues is being provided. He provided background on current land use guidelines and introduced planning directors Wayne Balmer from Queen Creek, John Wesley from Mesa, and Kyle Mieras from Gilbert.

#### **Queen Creek:**

Mr. Wayne Balmer pointed out the location of Queen Creek's employment and residential zones, and all the subdivisions in town. He said the residential zone is mostly southwest of the airport. He noted that several solar facilities are interested in Queen Creek's industrial area.

The Barney Farms development is entirely in an employment area. He said another proposal is now under review. The Town is working with the applicant because the property is currently zoned for residential purposes.

Vice Mayor Williams expressed concern that if property changes hands, that the new owner may not be fully aware of possible over flight noise. Mr. Balmer said language on possible noise is in the subdivision plat, the deed restrictions, and disclosures provided by the developer.

Mayor Lewis asked about Zone 1 being longer due to flight patterns. Mr. Balmer said most of the aircraft depart toward the northwest. The aircraft arrive from the southeast, and upon approach, they are lower and traveling slower, creating more noise.

Mayor Barney said noise levels have reduced since the Air Force Base closed. But he noted that on days when military jets visit, it is quite a bit louder.

### **Mesa**

Mr. John Wesley said Mesa uses the power lines between Elliott and Guadalupe to indicate where residential development should stop. He said during the last couple years a few modifications have been made to the General Plan. He said a few years ago, the City developed a plan for the Gateway area called the Airport Campus District primarily for development of educational facilities and very limited residential. This area allows for some potential urban living uses. He said the Mixed Use Community District area is least subject to overflight noise.

He said there has been a zoning case on both sides Hawes Road south of the freeway where the developer wanted consideration for future multi-family residential.

Vice Mayor Williams asked about Mesa having higher sound proofing requirements for residential and multi-family buildings. Mr. Wesley said he asks developers to show planners an extensive noise abatement plan for their projects. He noted the City Council would need to approve such plans.

The City is currently working with DMB on the former General Motors property development and is reviewing plans for first residential development near Ray Road and Signal Butte. Pacific Proving is moving forward on a planned community east of the Airport.

### **Gilbert**

Mr. Kyle Mieras said Gilbert's general plan land use map was approved in 2010. He said most of the property along Power Road is non-residential in nature until you move west and into the Morrison Ranch and Cooley Station areas.

- A noise exposure map shows noise contours so it's clear to those looking at the map.
- Noise contours are shown on their zoning map.
- In 2008, Gilbert established some vertical height area regulations. There is a 75-foot height restriction on Power Road and a 90-foot restriction in the Cooley Station area. They added this language to their land development code, and also require that no building be constructed within 25 feet of airport protected surfaces.
- There are no new subdivisions in these areas; just some vacant land.
- Gilbert works closely with Airport staff to ensure there are no zoning conflicts.

Mayor Barney stressed the importance of adequately informing residents about possible aircraft noise.

Responding to a question from Vice Mayor Williams, Mr. Denny said projected noise contours go out about 20 years. During the public process of the Part 150 Study development, a blended noise contour was created.

He said the Master Plan is updated every five to six years, and the noise study was done 11 years ago, and that the original forecasts have been validated. He said people generally complain about a single event noise.

Mr. Denny added that the update process for the Part 150 Study and the Master Plan is a public process involving a community panel, county representatives, and citizens, and it is a year-long process.

Vice Mayor Williams asked if Noise Contour Area II is eligible for sound attenuation. Mr. Denny said sound attenuation is just available in Area I, if funds were available. After a Part 150 Study is completed, any new residential added will be ineligible for funds. Funds are only available if the contour changes or homes were built before the first study was done. He noted that very few homes are in the 65 DNL area.

b) **Arizona Laboratories for Security and Defense Research – Dane Mullinex, Alion Science & Technology**

Mr. Dane Mullinex addressed the Board about Arizona Laboratories as follows:

- The former Air Force Research Laboratory is a 6.5 acre space.
- 97,000 square feet of real estate.
- Happy with response from potential tenants – both local and national level interest.
- AZ Labs is capable of supporting certified research.
- Security accreditation has been transferred from the Air Force to the contractors.
- Fabrication and welding shops on site.
- 24-hour on-site security.
- They have kept the Lab operational when they took it over from the Air Force.
- They show the facility to potential tenants almost daily - giving tours and briefings to potential customers/tenants.
- Have had inquiries from several U.S. Government agencies, local contractors, universities, defense companies, and local research and development companies.
- Have had lots of interest from other federal, non-Department of Defense agencies.
- It is a world class facility.
- Arizona offers great flying weather, special use airspace, and a central location for developing and testing.

Mr. Mullinex responded to Mayor Barney's question about the importance of being located next to the Polytechnic campus. He said their potential customers will want proximity to interns, to look at programs that support aviation, aerospace and engineering. The University is a regional/national resource.

Mayor Lewis asked about the correct name for the facility. Mr. Mullinex said AZ Labs, Arizona Laboratories, and Arizona Laboratories for Security and Defense Research are all acceptable.

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

- **Minutes** of Telephonic Board Meeting held on October 17, 2011.
- **Resolution No. 11-55** - Authorizing a Five-Month Lease with **FALCON AIR EXPRESS, INC.** for Buildings 531 and 1087 Commencing December 1, 2011.
- **Resolution No. 11-56** - Authorizing a One-Year Lease with **L-3 COMMUNICATIONS CORPORATION** for Suites 120 and 121 Located at 5950 S. Sossaman Road.
- **Resolution No. 11-57** - Authorizing **WILLIS OF ARIZONA, INC.** to Purchase Insurance From Various Vendors for Calendar Year 2012.
- **Resolution No. 11-58** – Authorizing a Five-Year Facility Lease with **FABRICATING/DISTRIBUTOR, INC.** for Building 1095 Located at 6316 S. Taxiway Circle.

Mr. Denny pointed out a date change for the Fabricating/Distributor, Inc. lease. He said the start date was moved from January 1 to February 1. All terms remain the same.

Mayor Barney moved to approve the Consent Agenda with a start date change for Fabricating/Distributor, Inc. Councilwoman Higgins seconded the motion. The motion carried unanimously.

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

Kevin Mentzer introduced the new TSA Manager Mr. Hector Bezares who is the new Transportation Security Manager at the TSA.

#### **EXECUTIVE SESSION**

Vice Mayor Williams moved to adjourn to Executive Session. Mayor Barney seconded the motion. The motion carried unanimously.

- The Board adjourned to Executive Session at 10:11 am

Vice Mayor Williams moved to return to regular session and adjourn the meeting. Mayor Barney seconded the motion. The motion carried unanimously.

#### **NEXT MEETING**

The next meeting will be held on Monday, December 19, 2011 at 9:00 am.

#### **ADJOURN**

The meeting adjourned at 11:16 am.