



PhxMesa **Gateway** Airport

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 S. Sossaman Road • Mesa, Arizona 85212

BOARD of DIRECTORS' MEETING

AGENDA

Monday, December 19, 2011 • 9:00 a.m.

1. **Call to Order: Phoenix-Mesa Gateway Airport Authority - Mayor John Lewis, 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. Mitzzi Montoya, Vice Provost & Dean, College of Technology & Innovation**
 - b) **Chandler-Gilbert Community College - John Schroeder, Provost**
5. **Review of Monthly Staff Reports and Updates on: ♦ Construction ♦ Commercial Service ♦ Finance ♦ - Lynn Kusy, Executive Director**
6. **Consent Agenda:**
 - a) **Minutes** of Board Meeting held on November 21, 2011.
 - b) **Resolution No. 11-59** – Approving Authorization of Services No. 12-02 with **DIBBLE ENGINEERING** for Design Update of Compass Rose Calibration Pad.
 - c) **Resolution No. 11-60** - Authorizing **WILLIS OF ARIZONA, INC.** to Purchase Workers' Compensation Insurance from USAIG/Wausau Business Insurance for Year Ending December 31, 2012.
7. **Resolution No. 11-61** – Authorizing a Use Agreement with **SPIRIT AIRLINES, INC.**
8. **Resolution No. 11-62** – Authorizing an Amendment to the **EXECUTIVE DIRECTOR'S EMPLOYMENT CONTRACT.**
9. **Board Member Comments/Announcements**
10. **Next Meeting: *** Monday, January 23, 2012 – 9:00 am *** (please note date change)**
11. **Adjourn**

Pursuant to ARS 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and the general public that the Airport Authority will hold a meeting open to the public on Monday, December 19, 2011 at 9:00 am.
One or more members of the Board may attend meeting by electronic means. ♦ Agenda is posted at www.phxmesagateway.org



PhxMesa Gateway Airport

DRAFT

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
Hector Bezares, TSA
Chris Brady, City of Mesa
Scott Brotherson, DL Withers Construction
Milt Fort, Mesa CVB
Columbus Hunt, Jetstrip
Mike Hutchinson, East Valley Aviation &
Aerospace Alliance
Terry Jones, Willis
Larry Kieser, Mesa Police Department
John Kross, Town of Queen Creek
Floyd Moore, Valle del Oro
Dr. Mitzi Montoya, ASU Polytechnic
LaVonne Morris, Phoenix Aviation
Kyle Mieras, Town of Gilbert

Dane Mullinex, Alion Science & Technology
Carl Newman, Phoenix Aviation
Dennis Osuch, LarsonAllen
Kevin Otterstrom, Embry Riddle
Rich Prieve, ASU
Scot Rigby, City of Mesa
Christopher Schmaltz, Gust Rosenfeld, P.L.C.
John Schroeder, Chandler-Gilbert Community
College
Councilmember John Sentz, Town of Gilbert
Tom Stark, Wells Fargo
Art Thomason, Arizona Republic
Bruce Tinsley, Laforce, Inc.
Kristy Vargas, Hyatt Place 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.



PhxMesa **Gateway** Airport

Phoenix-Mesa Gateway Airport
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Telephone: 480-988-7600
FAX: 480-988-2315
www.phxmesagateway.org

Action Item

RESOLUTION NO. 11-59

To: Board of Directors
From: Carmen Williams, C.M., Manager - Design and Construction
Through: Casey Denny, C.M., C.A.E., Deputy Director
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Compass Rose Design Update and Bid Phase Services – Dibble Engineering
Date: December 19, 2011

Proposed Motion:

Approve Resolution No. 11-59 for Authorization of Service No. 12-02 with Dibble Engineering for design update and bid phase services for a compass calibration pad at a cost not to exceed \$28,290.50.

Narrative:

The compass calibration pad (also called a compass rose) provides a location for pilots to calibrate their aircraft's magnetic compass. A design for a compass rose was completed in 2006, but funding was not available at that time.

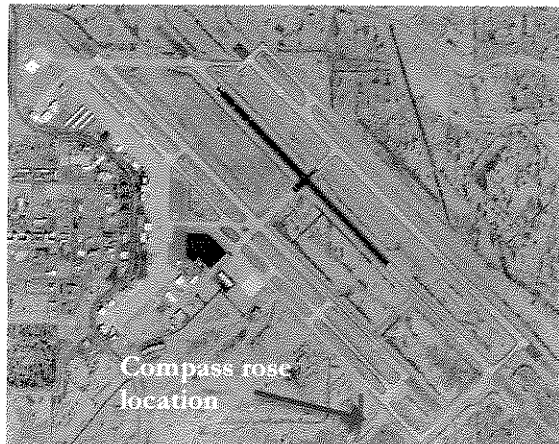
Under their fiscal year 2012 program, the Arizona Department of Transportation (ADOT) awarded a grant to the Airport Authority to construct the compass rose. Because the compass rose design is several years old, Dibble Engineering will update the design and specifications to ensure the plans meet current standards, as well as provide engineering support during the bid phase of the project at a cost not to exceed \$28,290.50. Staff will bid the project in early 2012.

In 2008, a request for qualifications for professional engineering services was issued, and Dibble Engineering was selected as the most qualified firm.

Fiscal Impact:

This project is funded with an ADOT grant of \$25,461.45 (90 percent) and an Airport Authority grant match of \$2,829.05 (10 percent) as project number 628.

Attachment





RESOLUTION NO. 11-59

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 with 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. No. 12-02 with Dibble Engineering for design update and bid phase services for the compass calibration pad at a cost not to exceed \$28,290.50. 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 19th day of December 2011.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



PhxMesa **Gateway** Airport

AUTHORIZATION FOR PROFESSIONAL SERVICES
DIBBLE ENGINEERING, AOS 12-02

The signing of this Authorization (Agreement) by the Phoenix Mesa Gateway Airport Authority (PMGAA) and Dibble Engineering, 7500 N. Dreamy Draw Drive, Suite 200, Phoenix, AZ 85020-4660, authorizes Dibble Engineering to carry out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT:** Compass Rose Design Update and Bid Phase Services
2. **SCOPE OF WORK:** Perform and provide general engineering services related to Compass Rose, CIP 628. Dibble Engineering will provide an update to the design and prepare all documents for bidding in addition to bid phase services. All services are to be performed in accordance with PMGAA Agreement C-2008-006-A, 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 twenty eight thousand two hundred ninety dollars and fifty cents (\$28,290.50) 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-2008-006-A dated May 29, 2008
6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

- Scope and Fee Proposal dated November 2, 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: _____

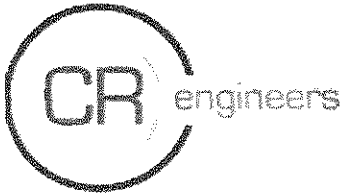
By: _____

Title: Executive Director

Title: _____

Date: _____

Date: _____



November 1, 2011

Dibble Engineering
7500 North Dreamy Draw Drive, Suite 200
Phoenix, Arizona 85020-4669

Attn.: Mr. Ken Snyder, P.E.

Re: Phoenix Mesa Gateway Airport – Compass Rose Calibration Pad
Revised Proposal for Electrical Design and Bid Assistance
CRE Proposal No.: 11072

Dear Mr. Snyder:

We are pleased to present our proposal as follows:

SCOPE OF WORK:

1. Prepare a set of electrical plans, specifications; cost estimate and quantities; and Engineer's Report for the construction of Compass Rose Calibration Pad the Phoenix Mesa Gateway Airport.
2. The project consists of providing the electrical design for in-pavement taxiway lighting, concrete encased duct banks, and new aircraft rated handholes. Please see attached Design Fee Proposal Worksheet for detailed Task Descriptions.
3. We will provide you with a sheet of reproducible plans, specifications, and opinion of probable costs for the above engineering design. We will supply a 100% final set for bidding and construction. This 100% final set will be stamped and sealed by a Registered Professional Engineer, in the State of Arizona.
4. Bid phase services are also included. Please see attached Bid Services Fee Proposal Worksheet for detailed Task Descriptions.

FEE:

See Fee Proposal Summary Work sheet attached for proposed fees.

This proposal will be valid for the next ninety (90) days, and we reserve the right to renegotiate it if it has not been accepted within that period. Should conditions of the work change so as to materially affect the level of effort or the time required, then equitable adjustments to fee and schedule will be made.

Mr. Ken Snyder, P.E.
November 1, 2011
Page 2

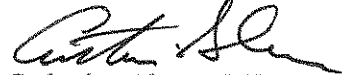
Consultant will notify Client when a changed condition becomes apparent. Failure of Client to provide a timely and equitable adjustment is cause for termination by Consultant. The attached Terms & Conditions are a part of this proposal. Please feel free to call if you need to discuss them.

We will bill you for services rendered to date. Payment will be due within thirty (30) days of billing date.

Please do not hesitate to call if you have any questions.

Sincerely yours,

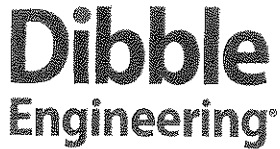
CR ENGINEERS, INC.



Catherine Alcorn, P.E.
President

CA:dr

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7500 North Dreamy Draw Drive
Suite 200
Phoenix, Arizona 85020
phone 602.957.1155
fax 602.957.2838
www.dibblecorp.com

November 2, 2011

Phoenix-Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, Arizona 85212-0919

Attention: Mrs. Carmen Williams
Design & Construction Manager

RE: ENGINEERING SERVICES PROPOSAL
Phoenix-Mesa Gateway Airport
Design and Bid-Phase Services
Engineering On-Call Task No. 1202 (Tentative)
Compass Calibration Pad Design Update & Bid Prep

We appreciate the opportunity to provide engineering services to the Phoenix-Mesa Gateway Airport Authority (PMGAA) for design update and bidding services for the Compass Calibration Pad (Compass Rose).

100% documents for project were completed and bid in August of 2006 but due to lack of funding were placed "on the shelf" pending indication of possible construction funding from the FAA. PMGAA now intends to bid this project in the spring of 2012. Given that over five years have elapsed since the original design was completed the design, plans and specifications require updating and preparation for bidding. We've identified three main scope areas including A) "Design Update" revisions required based on known changes at the site or changes in FAA requirements, B) Normal "Bid Preparation" based on getting a "shelf project" ready for bid assuming no changes in site conditions or significant regulatory standards, and C) Bid-Phase Services. These scope items include the following elements:

- A. "Design Update": Design and document modifications based on new standards or changed site conditions:
1. Conduct a field visit with PMGAA team members, including Operations and Maintenance if determined necessary, to identify any changed conditions from the original design.
 2. Addition of Utility Location allowance to allow horizontal and vertical location of new duct bank if required.
 3. New design Topographic Survey based on revised site conditions (original survey was a compilation of 2002 contours and 2006 limited site survey) including new duct bank and new TW Alpha shoulder and lighting.
 4. Revise civil design and update plans to reflect new site conditions, including reflecting new duct banks and handholes, modifications to access taxilane shoulders and grading transitions due to new TW Alpha shoulders, and possible earthwork changes due to new site survey.
 5. Revise electrical design based on more-complex site conditions, including aircraft-rated handhole on TW Alpha duct bank, extending duct bank under access taxilane for future TW Papa comm and electrical, and encasement of existing duct bank under the access taxilane.
 6. Update of the project Construction Phasing and Safety Plan (CPSP) to match the revised informational and format requirements of the most current edition of the FAA *Operational Safety on Airports during Construction AC*, (i.e. 150/5370-2F), and submittal of the CPSP to the FAA OE-AAA website for review.
 7. Update of the Final Engineer's Report to reflect revised quantities based on additional electrical items and revised paving and grading conditions at the TW Alpha shoulder, and update of the Estimate to reflect current conditions.

8. We have reviewed the need for a new Magnetic Survey with Airtech Compass Services, the firm that prepared the original survey at this site, and were told that a new survey should not be required.
9. We have reviewed historical geotechnical data with our Geotech consultant, who believes that the existing field data can be applied to this project. We have included a Geotechnical Pavement Design Allowance to allow review of the original data, borings taken in the surrounding area to assess potential groundwater concerns, and verification of pavement design against current FAA criteria.

B. Contract Document "Bid Preparation" for re-bidding including:

1. Document Updates:
 - i. Review of current FAA Standards and updating of plans for modifications to design standards;
 - ii. Updating of technical specifications to reflect current FAA Advisory Circulars (AC's);
 - iii. Updating of PMGAA "front-end" contract documents to reflect the most current edition and to incorporate new bid process dates (Pre-bid meeting, bid opening, etc.);
 - iv. Updating of the Final Engineer's Design Report including pavement design if required, and modifications to design standards and referenced technical specifications to reflect current FAA Advisory Circulars (AC's).
2. Re-sealing plans and specifications and submittal of 100% deliverables to PMGAA, ADOT and FAA for Approval to Bid.

C. Bid-Phase Services:

1. Coordinating with PRI for printing and allocating bid documents, attendance at the Pre-Bid Meeting, responding to contractor questions during bidding, preparation of addenda, preparation and analysis of the bid tabulation, and consulting with PMGAA staff for a contractor recommendation.

Dibble Engineering proposes to provide all engineering design and bid-phase services for the Compass Rose as identified above for a lump-sum fee of **\$28,290.50**. This includes the following items:

A. Design Update.....	\$18,662.48
B. Bid Prep Design & Document Modifications.....	\$6,184.34
C. Bid-Phase Services.....	\$3,443.68

Transmitted herewith are our proposed Fee Summary, Derivation of Cost Proposal Summary, Estimated Man-hour breakdown, and Estimated Allowance for Direct Costs worksheet, along with a fee proposal from CR Engineers for electrical engineering. We will complete the Compass Rose Design Update within seven weeks of notice-to-proceed as per the attached schedule.

We have greatly appreciated working with PMGAA and are excited about the opportunity to continue to assist PMGAA in your airfield development program. If you need additional information or have questions, please do not hesitate to call.

Sincerely,
DIBBLE ENGINEERING



Kenneth L. Snyder, P.E.
Vice President Airport Infrastructure
Enclosures



PhxMesa **Gateway** Airport

Phoenix-Mesa Gateway Airport
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Telephone: 480-988-7600
FAX: 480-988-2315
www.phxmesagateway.org

Action Item

RESOLUTION NO. 11-60

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: 2012 Workers' Compensation Insurance – Willis of Arizona, Inc.
Date: December 5, 2011

Proposed Motion:

Approve Resolution No. 11-60 authorizing the Airport's insurance broker, Willis of Arizona, Incorporated, to purchase workers' compensation insurance on behalf of Phoenix-Mesa Gateway Airport Authority from USAIG/Wausau Business Insurance for the year ending December 31, 2012, at a cost of \$90,708.

Narrative:

Our insurance broker, Willis of Arizona, Inc., has submitted their recommendation for workers' compensation insurance for the 12-month period beginning January 1, 2012. The cost is \$90,708 compared to \$86,578 for 2011. Costs are based on estimated payroll amounts. At the end of the insurance period, the premium will be adjusted to reflect the actual payroll for the year. The proposed insurance coverage is through USAIG/Wausau Business Insurance, our current carrier.

Broker Fee:

No broker fees are included in the above cost. In May 2008, the Board approved a three-year agreement for General Insurance Broker Services with Willis of Arizona, Inc. at a cost of \$30,000 per year. This fee pays for our broker's efforts in regard to workers' compensation and a variety of property and business insurance coverage.

Insurance Rates and Changes in Coverage:

Our experience modification factor increased this year to .86 from .82. The experience modification factor relates to the dollar amount claimed against our policy. This still reflects a good safety record and results in a 14 percent reduction from standard premiums.

The estimated workers' compensation insurance premium is up 4.6 percent from last year (before dividends). Our estimated payroll for 2012 is 2.4 percent more than the 2011 estimate, which accounts for part of the increase in premium. The remainder is primarily due to the increase in our experience modification factor and increases in rates for two out of three workers' compensation categories.

USAIG and its related company, Wausau, have historically paid a dividend to their customers based on claims experience, effectively reducing premiums. The dividend was \$5,279 in 2010 and is expected to be \$1,998 in December 2011. While the dividends are not guaranteed, recent dividends have been about six percent of the original premiums.

Attachment



RESOLUTION NO. 11-60

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 workers’ compensation insurance coverage;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Phoenix-Mesa Gateway Airport Authority as follows:

The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizes the Airport insurance broker, Willis of Arizona, Inc., to purchase workers’ compensation insurance on behalf of Phoenix-Mesa Gateway Airport Authority from USAIG / Wausau Business Insurance for the year ending December 31, 2012, at a cost of \$90,708. This Resolution also authorizes the Chair or Executive Director to execute such, with 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 Williams Gateway Airport Authority this 19th day of December 2011.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY

November 21st, 2011

Telephone: 602-787-6000
Fax: 602-787-8040
Website: www.willis.com

Mr. Steve Hales
Phoenix-Mesa Gateway Airport
5835 S Sossaman Road
Mesa, AZ 85212

RE: Workers Compensation Renewal 01/01/2012

Dear Steve,

Thank you for the opportunity to market your insurance requirements. We are pleased to provide the results of those efforts in accordance with your emailed instructions to provide you with quotes for the above referenced coverages.

This proposal is presented in conjunction with the Standard Terms and Conditions for Property & Casualty Accounts which is enclosed.

In our search for your insurance coverage we used the wholesaler referenced below which has provided the recommended quote. Willis Aviation is an affiliate of the Willis Group of companies. Any compensation it receives is included in the total compensation disclosed in the market responses.

LINE OF BUSINESS	WHOLESALER
Workers Compensation	Willis Aviation

These quotes are valid until 12/31/2011, after which insurers may withdraw or vary it.

Please review this proposal and its attachments carefully. If you have any questions or you feel the coverage recommended is not in accordance with your instructions, please contact us. We look forward to receiving your instructions to bind coverage.

Yours Truly,

KJ Warner
President; CEO

Phoenix-Mesa Gateway Airport

Financial Summary and Payment Terms

Below is a summary of the recommended quotes, and indications, we obtained for you.

Coverage	Expiring	Renewal
Workers Compensation	\$86,578	\$90,708
Subtotal	\$86,578	\$90,708
Terrorism		
Workers Compensation	N/A	N/A
Total	\$86,578	\$90,708

Payment Plans:

Workers Compensation; Wausau Business Insurance (USAIG)

- Agency Bill; Annual Payment

Subjectivities:

Workers Compensation:

- Third party access agreement for my Services claims portal

Phoenix-Mesa Gateway Airport

Program Comparison

Workers Compensation	Expiring	Renewal	\$ Change	% Change
Total Payroll	\$5,254,000	\$5,385,624	\$131,624	3%
E-Mod Factor	0.82	0.88	.06	7%
Annual Premium	\$86,578	\$90,708	\$4,130	5%

Please note the rates shown are averages ONLY. They should not be construed as Final Rates or used in calculations to determine additional/return premiums for the purposes of adding/deleting exposures or for purposes of Audits.



PhxMesa Gateway Airport

Phoenix-Mesa Gateway Airport
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Telephone: 480-988-7600
FAX: 480-988-2315
www.phxmesagateway.org

Action Item

RESOLUTION NO. 11-61

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: Airport and Terminal Use Agreement – Spirit Airlines, Inc.
Date: December 6, 2011

Proposed Motion:

Approve Resolution No. 11-61 authorizing an Airport and Terminal Use Agreement with Spirit Airlines, Inc. to provide daily scheduled passenger service.

Narrative:

Spirit Airlines is an ultra low-cost carrier that currently provides service to approximately 49 cities. Spirit is known for unbundled ticket pricing, resulting in low advertised fares, and then charging customers for baggage, boarding passes, food, and drinks. They are based in Florida and have recently expanded their network to serve the western United States including Las Vegas, Dallas, Portland, Los Angeles, and San Diego. Spirit uses an all Airbus fleet, specifically the A319, A320, and A321.

Spirit desires to add the Phoenix-Mesa Gateway Airport to their network with twice daily service to Las Vegas beginning in February 2012. In March, Spirit intends to add daily service to Dallas-Ft. Worth. These two cities will link Phoenix-Mesa Gateway to an additional seven one-stop cities and 21 two-stop cities, including international destinations. Based upon these three daily departures, this service is expected to generate over 250,000 passengers annually - an increase of approximately 25 percent over current levels.

Terms Summary:

Term: Five years; Spirit may cancel with 90 days advance notice.
Service Level: Spirit will provide at least 12 scheduled departures per week.
Landing Fee: Waived for one year, then per adopted Rates & Charges. Increases limited to 3 percent per year.
Terminal Use Fee: Waived for one year, then \$50 per departure capped at \$9,125 per gate per month.
Exclusive Use Fee: Waived for one year, then at \$17 or \$32 per square foot per year, depending on the space.
Fueling: Storage fee of \$.06/gallon; Into-plane fee of \$49 per service.
Additional: To promote continued growth and revenue from other sources, a waiver for terminal use fees and the original exclusive use area may be extended on an annual basis if Spirit grows to 19, 38, and 64 weekly departures.
Marketing: The Airport Authority will invest \$50,000 in advertising, marketing, and promotion of the new service for each direct destination served, not to exceed \$250,000.
Revenue Estimate: Over the five-year term, and based upon assumed growth, this agreement is expected to generate \$2.67 million in airport revenue (including fueling) and \$7.15 million in other revenues (parking, rental cars, concessions). Another \$7.1 million is expected in new capital funds from passenger and customer facility charges.

Attachment



PhxMesa **Gateway** Airport

RESOLUTION NO. 11-61

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 airport and terminal use agreement with Spirit Airlines, 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 an Airport and Terminal Use Agreement with Spirit Airlines, Inc. 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 19th day of December 2011.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



December 2, 2011

Mr. Lynn Kusy
Executive Director
Phoenix-Mesa Gateway Airport
5835 South Sossaman Rd.
Mesa, AZ 85212-6014

Dear Mr. Kusy:

It is my pleasure to confirm Spirit Airlines' intent to commence scheduled passenger service at the Phoenix-Mesa Gateway Airport beginning on February 9, 2012. Initial service is planned to consist of nonstop service between Phoenix-Mesa and Las Vegas with two daily flights. On March 23, 2012, service to Dallas/Fort Worth with one daily flight is planned to start. The attachment to this letter outlines the planned nonstop schedules plus a city timetable that outlines the 31 total markets that can be reached on nonstop, one-stop, or connecting Spirit flights once the two nonstop routes are added. All services are planned to be operated at Phoenix-Mesa with either 145-seat Airbus A319 or 178-seat Airbus A320 aircraft. Spirit Airlines operates one of the newest fleet of Airbus aircraft in the Americas, and we are excited to bring our ultra low-cost service to the airport.

Spirit Airlines has been operating charter and scheduled passenger services for over 20 years. We are confident that this new service will be just the beginning of a larger opportunity for capacity growth over time by Spirit in the Phoenix-Mesa market.

As I'm sure you're aware, we intend to announce the service on December 6, 2011, and we look forward to working with your team at the Phoenix-Mesa airport to announce the service at the airport at that time.

Feel free to contact me if you have any questions. We're looking forward to creating a long and successful partnership.

Best regards,

A handwritten signature in black ink that reads "Mark E. Kopczak".

Mark E. Kopczak
Senior Director, Network Planning

Enclosure

CC: Mr. Casey Denny, Deputy Director, Phoenix-Mesa Gateway Airport
Mr. John Barry, Marketing Manager, Phoenix-Mesa Gateway Airport
Mr. Bill Mitchell, Director Operations & Maintenance, Phoenix-Mesa Gateway Airport



Phoenix-Mesa Gateway Airport Authority
5835 S. Sossaman Road
Mesa, Arizona 85212
Telephone: 480.988.7600
Facsimile: 480.988.2315

**Airport and Terminal Use Agreement
TERMS SUMMARY**

This Terms Summary is non-binding and outlines the business terms associated with the use of the Airport and terminal facilities. All terms are subject to approval of the PMGAA Board of Directors and execution of a formal and definitive use agreement between PMGAA and Spirit Airlines, Inc.

AIRLINE: Spirit Airlines, Inc.
2800 Executive Way
Miramar, Florida 33025

CONTACT: Mr. Barry Biffle, Executive Vice President and Chief Marketing Officer
Mr. Mark Kopczak, Sr. Director Network Planning Mark.Kopczak@spirit.com
Mr. Jake Filene, Sr. Director Corporate Real Estate Jake.Filene@spirit.com

SERVICE LEVEL: Spirit will provide SCHEDULED AIRLINE service utilizing A319, A320 or A321 aircraft. The Minimum Service Level (MSL) to be provided in any consecutive twelve-month period shall consist of at least twelve (12) scheduled departures per week.

EFF. DATE & TERM: The Formal and Definitive Use Agreement (the "Agreement") to be effective December 19, 2011, pending PMGAA Board's and Spirit Airlines, Inc.'s consideration and written approval. Service Start Date planned for February 2012. Standard default and termination clauses shall apply. Nevertheless, the Agreement shall be for a term of approximately five years, cancelable by Spirit for convenience and without penalty with 90 days advance written notice.

RATES & CHARGES: So long as the Minimum Service Level is provided, the following shall apply (plus taxes):

Landing Fee:

- Waived for one year from Service Start Date;
- After that, per adopted Rates and Charges, which is currently \$1.10 per 1000 lbs MGLW; and
- PMGAA agrees not to increase landing fees more than 3% per year.

Terminal Use Fee:

- Waived for one year from Service Start Date;
- After that, \$50 per turn with a cap of \$9,125 per month for each gate utilized;
- Rate shall remain fixed for the Term of this Agreement;

Exclusive Use Space:

- Spirit will initially lease the following offices ("Initial Operating Area"). Square footages are approximate.
 - Airline Ticket Office 280 sf Lease Rate - \$32 psf per year
 - Line Office 300 sf Lease Rate - \$17 psf per year
 - Bag Claim Office 137 sf Lease Rate - \$32 psf per year
- The rent due for the above space is waived for one year from Service Start Date;
- Rates shall remain fixed for the Term of the Agreement.

Fueling:

- \$.06 per gallon for storage in the Airport's fuel farm;
- \$49 per aircraft service, charter flights operated for a third party are excluded; and

- Rates shall remain fixed for the Term of this Agreement. An average monthly fuel volume of 30,000 gallons is required. Compliance with this fuel volume requirement will be measured annually, looking at the prior twelve (12) months of activity. If Carrier has not met the minimum required fuel volume, it will owe PMGAA an amount equal to \$.06 per gallon multiplied by the number of gallons which would be added to the actual gallons uplifted in order to meet the minimum required volume.
- PMGAA acknowledges that Carrier has contracted fuel services to World Fuel Services and agrees to extend the above pricing and terms to World Fuel Services for PMGAA services provided to Carrier's aircraft. PMGAA agrees to invoice World Fuel Services for such services in accordance with payment terms agreed to by PMGAA and World Fuel Services.

INCENTIVES TO EXPAND SERVICE: Notwithstanding the rates and charges outlined herein, if Carrier expands its weekly flight schedule at or above the following Threshold Service Levels, PMGAA will waive Terminal Use fees and Exclusive Use Area fees for the Initial Operating Area for one additional year ("Waiver Extended Period") for each Threshold Service Level reached. In no case shall the total Waiver Extended Period extend beyond four years.

Threshold Service Levels:

1. Nineteen (19) weekly scheduled departures
2. Thirty Eight (38) weekly scheduled departures
3. Sixty Four (64) weekly scheduled departures

OTHER:

Cost Per Enplanement: Notwithstanding the above, PMGAA will guarantee to Spirit Airlines, Inc. that total annual Airline Cost Per Enplanement (CPE) will not exceed \$2.50 for the duration of the original term of this agreement. Airline CPE includes landing fees, terminal use fees, and exclusive use area fees for the Initial Operating Area. Airline CPE does not include costs associated with fuel storage and delivery, ground handling, telecommunications, or other services PMGAA may provide as a vendor to Carrier.

Marketing Support: The PMGAA will invest a minimum of \$50,000 in advertising, marketing, and promotion of the new service for each destination served, up to \$250,000.

Off Hour Services: Other than the fees for air traffic control services (if needed), no additional fees will be assessed for "off-hour" airport operations.

Airport Rates and Charges: Unless specifically identified herein or in the Agreement, other rates and charges shall be as per PMGAA's standard and typical fees for such services.


*** This Terms Summary shall become null and void upon execution of the Agreement.

Offered on behalf of the Phoenix-Mesa Gateway Airport Authority (PMGAA), subject to PMGAA Board consideration and approval, by:


Mr. Lynn Kusy, C.M., C.A.E.
Executive Director

12.6.11
Date

Accepted on behalf of Spirit Airlines, Inc., subject to the execution of a formal and definitive use agreement, by:


Mr. Barry Biffle
Executive Vice President and Chief Marketing Officer

12/2/11
Date

December 19, 2011



Mr. Mark Kopczak
Spirit Airlines, Inc.
Sr. Director, Network Planning
2800 Executive Way
Miramar, Florida 33025

RE: USE AGREEMENT

Dear Mr. Kopczak,

This letter with all attachments ("Agreement") establishes and formalizes the terms upon which Spirit Airlines, Inc., ("Carrier") is authorized to use Phoenix-Mesa Gateway Airport ("Airport") on a non-exclusive basis, and occupy the non-exclusive use, preferential use, and exclusive use areas in and around the Airport passenger terminal as shown on Exhibits A-1, A-2 and A-3. This space is to be used for operations in connection with Carrier's scheduled airline service being conducted at the Airport. This Agreement shall be effective as of the date executed by both parties ("Effective Date") and will terminate on December 31, 2016. Spirit Airlines, Inc. may terminate this Agreement for convenience and without penalty upon ninety (90) days advance written notice.

Carrier shall pay all rates, fees, and charges applicable to its use of the Airport, non-exclusive use areas, preferential use areas, exclusive use areas (as shown in Exhibits A-1, A-2, and A-3), and services. For any consecutive 12-month period, Carrier shall provide at least twelve (12) scheduled departures per week utilizing aircraft with 125 seats or more ("Minimum Service Level"). In order for the rates and charges and other related incentives set forth herein to apply, the Carrier shall maintain the Minimum Service Level for the duration of this Agreement. PMGAA and Carrier agree to the rates and charges outlined in Schedule A attached hereto, plus any applicable taxes. Any fee or charge not specifically listed on Schedule A shall be per PMGAA's standard and customary fees for such facilities or services, as may be revised from time to time. For such fees, Carrier shall pay the most current fee(s), as applicable, in addition to any other fees that may apply.

In addition to its normal advertising and public relations programs, PMGAA will promote the airport and Carrier's additional service in the Phoenix-Mesa metropolitan area with not less than \$50,000 for each destination served, up to a total of \$250,000. The specific promotions shall be coordinated between the Parties to include specific route, price, and airline contact information if available.

Rent for use of any exclusive use space is on a month-to-month basis, due and payable at the beginning of each month. All other fees are assessed at the time of each use, flight, or service, as applicable, and are due and payable no later than the last day of the following month in which the use or activity occurred. Delinquent rents and fees shall be assessed a finance charge in accordance with Section 2 of Exhibit "B" General Terms. Any ground handling services requested of PMGAA or other authorized service provider by Carrier shall be governed by a separate agreement.

PMGAA shall provide Carrier with Preferential Use of two (2) ticket counters (four positions), with the option to add one (1) additional ticket counter, and one (1) gate holdroom for Carrier's scheduled flight operations. Preferential Use means that the Carrier shall have priority use over other users of the designated ticket counters and gate holdroom. Carrier shall provide PMGAA with a schedule of such use, and allow PMGAA to utilize such space when not in use for scheduled or irregular operations by Carrier, in accordance with the rules and regulations outlined in PMGAA's Common Use Facilities Operating Procedures.

Schedule A
Rates and Charges for Spirit Airlines, Inc.

<u>DESCRIPTION</u>	<u>RATE</u>	<u>MONTHLY TOTAL¹</u>
Landing Fees:		
Effective Date through Feb. 28, 2013:	WAIVED	WAIVED
Mar. 1, 2013 through remaining Term:	Per Airport Rates & Charges ²	Self Assessed ³
Terminal Use Fees (Non-Exclusive & Preferential Use Areas - Exhibit A-1):		
Effective Date through Feb. 28, 2013	WAIVED	WAIVED
Mar. 1, 2013 through remaining term:	\$50 per Turn	Varies ⁴

The Terminal Use Fee rate shall remain fixed for the Term of this Agreement. PMGAA and Carrier will work cooperatively to determine facility requirements. It is expressly understood and agreed that any facility expansion needed to accommodate another airline, or due to the growth of another airline, shall not affect the rates and charges to Carrier under this Agreement. PMGAA and Carrier will work cooperatively regarding any expansion plans.

PMGAA shall provide, at its sole expense as many passenger-boarding ramps as necessary to accommodate Carrier's scheduled flight activities.

Other than the fees for air traffic control services (if needed), no additional fees will be assessed for scheduled "off-hour" airport operations.

Exclusive Use Area Fees (Exhibits A-1, A-2, A-3):

Effective Date through Feb. 28, 2013:	WAIVED	WAIVED
Mar. 1, 2013 through remaining Term:		
Ste 122 - ATO – 280 sq.ft.	\$32 per square foot / year	\$ 8,960/year
Line Office – approx. 300 sq.ft.	\$17 per square foot / year	\$ 5,100/year
Baggage Office – 137 sq.ft.	\$32 per square foot / year	\$ 4,384/year

The above listed Exclusive Use Area space shall be referred to as the "Initial Operating Area".

Cost Per Enplanement Guarantee

Notwithstanding the above, PMGAA will guarantee to Spirit Airlines, Inc. that total annual Airline Cost Per Enplanement (CPE) at Phoenix Mesa Gateway Airport will not exceed **\$2.50** for the duration of the original term of this agreement. Airline CPE includes landing fees, terminal use fees, and exclusive use area fees for the Initial Operating Area. Airline CPE does not include costs associated with fuel storage and delivery, ground handling, telecommunications, or other services PMGAA may provide as a vendor to Carrier.

¹ Plus applicable taxes.

² PMGAA agrees that if a Landing Fee increase is necessary, it will not exceed an average of three percent (3%) annually since the last increase.

³ Landing Fee and Terminal Use Fee self-assessment reports are due to PMGAA no later than the 5th business day of the month succeeding that in which the actual landings took place. Reports are required throughout the Term.

⁴ Monthly Terminal Use Fees will be capped at \$9,125 per gate.

Schedule A (continued)
Rates and Charges for Spirit Airlines, Inc.

<u>DESCRIPTION</u>	<u>RATE</u>	<u>MONTHLY TOTAL⁵</u>
Airport Fuel Service Fees:		
Fuel Storage Fees	\$0.06/Gallon	Varies ⁶
Fuel Flowage Fees	Waived	NA
Into-Plane Fees	\$49.00/Service ⁷	Varies

PMGAA acknowledges that Carrier has contracted fuel services to World Fuel Services and agrees to extend the above pricing and terms to World Fuel Services for PMGAA services provided to Carrier's aircraft. PMGAA agrees to invoice World Fuel Services for such services in accordance with payment terms agreed to by PMGAA and World Fuel Services.

Rates shall remain fixed for the Term of this Agreement. An average monthly fuel volume of 30,000 gallons is required. Compliance with this fuel volume requirement will be measured annually, looking at the prior twelve (12) months of activity. If Carrier has not met the minimum required fuel volume, it will owe PMGAA an amount equal to \$.06 per gallon multiplied by the number of gallons which would be added to the actual gallons uplifted in order to meet the minimum required volume. PMGAA agrees to allow Carrier's fuel service provider, World Fuel Services, to satisfy this guarantee.

Incentives to Expand Service

Notwithstanding the rates and charges outlined herein, if Carrier expands its weekly flight schedule at or above the following Threshold Service Levels and maintains above such level for a period of one year, PMGAA will waive Terminal Use fees and Exclusive Use Area fees for the Initial Operating Area for one additional year ("Waiver Extension Period") for each Threshold Service Level reached. In no case shall any Waiver Extension Period extend beyond the Term of this Agreement.

Threshold Service Levels:

1. Nineteen (19) weekly scheduled departures
2. Thirty-eight (38) weekly scheduled departures
3. Sixty-four (64) weekly scheduled departures

Compliance with the requirement to maintain service above the applicable Threshold Service Level will be measured annually, at the end of each Waiver Extension Period. If during the Waiver Extension Period the average weekly scheduled departures are less than the required Threshold Service Level, the waiver shall be deemed retroactively void, and Carrier shall within 60 days retroactively pay all applicable rates and charges as if the waiver did not exist.

Other

Any fee or charge not specifically listed above shall be paid in accordance with the Airport Rates and Charges schedule in effect at the time such charges were incurred. Upon reasonable written notice to Spirit Airlines, said schedule is subject to change from time to time at PMGAA's sole and absolute discretion.

⁵ Plus applicable taxes.

⁶ Billed monthly in arrears for the previous month for each gallon of fuel delivered into storage. Carrier proportionally shares monthly losses and gains.

⁷ Charter flights operated by Carrier for a third party are excluded from this rate.



PhxMesa **Gateway** Airport

Phoenix-Mesa Gateway Airport
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Telephone: 480-988-7600
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www.phxmesagateway.org

Action Item

RESOLUTION NO. 11-62

To: Board of Directors
From: Chris Brady, Mesa City Manager
From: Christopher Schmaltz, Gust Rosenfeld PLC
Re: Employment Contract Amendment – Executive Director
Date: December 1, 2011

Proposed Motion:

Approve Resolution No. 11-62 approving an amendment to the Executive Director's employment contract effective July 1, 2011.

Narrative:

Mr. Kusy has served as executive director of Phoenix-Mesa Gateway Airport since 1993. The Board of Directors approved an employment contract with Mr. Kusy in 2010. The Amended and Restated Employment Agreement amends Section 6, Compensation, of the Agreement. It provides a 2% increase in Mr. Kusy's base salary, to be effective from July 1, 2011 through June 30, 2012, the end of the current budget year for the Authority. The amendment also makes clearer that Mr. Kusy's salary may be increased by any Board approved cost of living or merit increases to Authority staff, if so approved at the time of annual budget approval, and that the Board may amend his compensation at any other time of the year when deemed appropriate by the Board. There are no other changes to his employment contract.

Attachment



PhxMesa **Gateway** Airport

RESOLUTION NO. 11-62

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to amend an employment contract with the Airport’s Executive Director;

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 an amendment to the Executive Director’s employment contract effective July 1, 2011. This Resolution also authorizes the Chair to execute such contract, with such insertions, deletions, and changes as may be approved by the Chair necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 19th day of December 2011.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into December 19, 2011, by and between the Phoenix-Mesa Gateway Airport Authority, an Arizona joint powers airport authority (the "Authority") and Lynn Kusy ("Mr. Kusy").

RECITALS

A. The Authority desires to employ Mr. Kusy as Executive Director of the Authority, as provided by the Bylaws of the Authority (the "Bylaws").

B. It is the desire of the Board of the Authority (the "Board") to provide certain benefits, to establish certain conditions of employment and to set working conditions for Mr. Kusy.

C. Mr. Kusy desires to accept employment as Executive Director of the Authority.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated into and are deemed an integral part of this Agreement, the mutual covenants set forth below and other good and valuable considerations, the receipt and sufficiency of which are mutually acknowledged by the parties hereto, the Authority and Mr. Kusy hereby agree as follows:

1. Duties. Mr. Kusy shall perform the functions and duties specified for the Executive Director in the Bylaws and to perform other legally permissible and proper duties and functions as the Board shall from time to time assign.

2. Term. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until terminated by either the Authority or Mr. Kusy as set forth below. During the term of this Agreement, Mr. Kusy shall be in the exclusive employ of the Authority and shall not accept other employment or carry out any other business except that of the position of the Executive Director.

3. Termination. This Agreement may be terminated by the Authority with or without cause at any time, subject only to the severance provisions set forth in Subsection 3(b) below. Mr. Kusy may terminate this Agreement at any time, with or without cause, upon not less than 30 days written notice to the Board.

a. Severance With Cause. If the Board terminates this Agreement with cause, no severance pay will be paid to Mr. Kusy. For the purposes of this Agreement, "with cause" shall mean that the Board, at a duly posted public meeting, has determined that Mr. Kusy has (i) committed an act of gross insubordination by refusing to take a legal, valid action that is clearly within the scope of his employment when specifically directed to do so by a majority of

the Board at a duly posted public meeting, (ii) been incarcerated and charged with a felony as defined in Arizona Revised Statutes (the Board may choose to suspend Mr. Kusy with pay during the pendency of any such prosecution), (iii) either in his personal or professional capacity, severely damaged the reputation of the Authority or the Board or otherwise substantially impaired the Authority's ability to maintain or attract businesses, (iv) materially failed to perform a significant portion of his duties as the Executive Director as set forth in this Agreement or (v) caused any practice, activity, decision or organizational circumstance which is either illegal or immoral.

b. Severance Without Cause. In the event the Board terminates this Agreement without cause, Mr. Kusy shall be entitled to severance pay in an amount equal to 6 months of his annual base salary at the time of such termination. Payment of any such severance shall be contingent upon Mr. Kusy providing the Authority with a standard release agreement which releases all claims Mr. Kusy may have against the Authority relating to his employment.

c. Voluntary Resignation. In the event Mr. Kusy voluntarily terminates this Agreement in accordance with Section 3 above, he shall not be entitled to severance pay.

4. Suspension. If the Board has made a determination that "for cause" termination is appropriate as set forth in Section 3 above, the Board may, in its sole discretion, as an alternative to termination, suspend Mr. Kusy with or without pay for a period of up to 30 days.

5. Disability. If Mr. Kusy is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four consecutive weeks beyond any accrued sick leave, the Authority shall have the option to terminate this Agreement; provided, the Authority shall pay the full amount of severance pay set forth in Section 3(b) above.

6. Compensation.

a. Salary. The Authority agrees to pay Mr. Kusy a base salary of \$147,711.89 for fiscal year 2011-2012, beginning July 1, 2011 and ending June 30, 2012, for his services rendered pursuant to this Agreement, payable in installments at the same time as other management employees of the Authority are paid. Mr. Kusy's base salary shall be increased in fiscal year 2012-2013 by the same percentage amount approved for other Authority employees as a cost of living and/or merit increase, if any, by the Board as part of the Authority's fiscal year 2012-2013 budget. The Authority may adjust Mr. Kusy's base salary annually, such approval to be included as part of the Board's adoption of the Authority's annual budget, or at any other time deemed appropriate by the Board. The Authority shall adjust Mr. Kusy's other benefits, except for the deferred compensation contribution set forth in Section 6(c) below, in such amounts as are generally provided other Authority employees.

b. Disability, Health and Life Insurance. The Authority agrees to provide vision, dental, life, accident, sickness, disability income benefits, major medical, hospitalization, surgical and comprehensive medical insurance in the same manner and at the same benefit level as is generally provided to all the Authority employees.

c. Retirement and Deferred Compensation. Mr. Kusy is presently enrolled in the Arizona State Retirement system and shall continue to receive the same benefits and make the same contributions as other enrolled members. The Authority shall also contribute an annual amount equal to the maximum allowable under applicable tax law, currently \$22,000, to the ICMA, ING, or ASRS deferred compensation plan accounts at Mr. Kusy's discretion. Such contributions shall be in 26 equal installments.

d. Automobile Stipend. The Authority shall pay Mr. Kusy \$500 per month as an automobile stipend.

e. Vacation, Sick and Military Leave. Mr. Kusy shall accrue (a) vacation hours at the rate of 144 hours per year, with 240 hours being eligible for carry over from fiscal year to fiscal year, and (b) sick leave at the same rate as granted other employees up to a cap of 1040 hours. Mr. Kusy shall be compensated for all unused vacation and sick leave upon termination at Mr. Kusy's base salary hourly rate.

7. Performance Evaluation. The Board shall annually review and evaluate Mr. Kusy's performance as far in advance of the adoption of the annual operating budget as practicable, but not later than July 1. Mr. Kusy's review and evaluation shall be based upon the following: (a) success at fulfilling the reasonably achievable goals and performance objectives set forth by the Board; (b) personnel management, including overall management style and ability to lead and direct staff and ability to supervise department heads, but specifically excluding any evaluation of Mr. Kusy's hiring and firing decisions with respect to individual staff members; (c) obtainment of additional, reasonably achievable policy objectives and goals as set forth by a majority of the Board at a public meeting; provided, however, that such goals and objectives are generally obtainable within the time allowed and within the limitations of the annual budget; and (d) professionalism, including manner of addressing the Board, preparation of the Board of Director's agendas and supporting material and preparation and management of the annual budget.

8. Hours of Work. The Board recognizes that Mr. Kusy is a salaried employee and must devote a great deal of time beyond the normal office hours to business of the Authority and, to that end, Mr. Kusy will be allowed to take reasonable time off as he shall deem appropriate during said normal office hours.

9. Dues and Subscriptions. The Authority agrees to budget for and to pay for Mr. Kusy's professional dues and subscriptions necessary for his continuation and full participation in national, regional, state and local associations and organizations of which he is currently a member or expected to be a member because of his position as Executive Director, and for other necessary and desirable expenses for his continued professional participation, growth, and advancement, and for the good of the Authority, as the Board deems appropriate.

10. Professional Development.

a. Professional Associations. The Authority hereby agrees to budget for and to pay for Mr. Kusy's travel expenses of professional and official travel, meetings, and occasions

it deems necessary to continue his professional development and to adequately pursue necessary official functions for the Authority, including but not limited to the AAAE, SWAAAE, and AZAA.

b. Continuing Education. The Authority also agrees to budget for and to pay for Mr. Kusy's travel expenses for short courses, institutes and seminars that it deems necessary for his professional development and for the good of the Authority.

11. General Expenses. The Authority (a) recognizes that certain expenses of a non-personal and generally job-affiliated nature are periodically incurred by Mr. Kusy, (b) agrees to reimburse or to pay said general expenses and (c) authorizes the Accounting Manager or authorized designee to disburse such monies upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

12. Civic Club Membership. The Authority recognizes the desirability of representation in and before local civic and other organizations, and Mr. Kusy is authorized to become a member of such civic clubs or organizations the Board deems necessary and for which the Authority shall pay all expenses. Mr. Kusy shall report to the Authority on each membership that he has taken out at the Authority's expense.

13. Indemnification. In addition to that required under state and local law, the Authority shall defend, save harmless, and indemnify Mr. Kusy from and against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Mr. Kusy's duties as prescribed by the Bylaws or separate directions of the Board.

14. Bonding. The Authority shall bear the full cost of any fidelity or other bonds required of Mr. Kusy under any law or ordinance.

15. No Reduction of Benefits. The Authority shall not, at any time during the term of this Agreement, reduce Mr. Kusy's salary, compensation or other financial benefits.

16. Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered to the party at the address set forth below, (b) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (c) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Authority: Phoenix-Mesa Airport Authority
5835 South Sossaman Road
Mesa, Arizona 85212
Attn: _____

With copy to: GUST ROSENFELD, P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Attn: Christopher A. Schmaltz

If to Mr. Kusy: Lynn Kusy
 4502 East Nightingale Lane
 Gilbert, Arizona 85298

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (a) when delivered to the party, (b) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (c) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

17. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Authority or Mr. Kusy of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

18. Attorneys' Fees. In the event either party finds it necessary to bring any action at law or other proceeding against the other party to enforce any of the terms, covenants or conditions hereof, or by reason of any breach or default hereunder, the party prevailing in such action or other proceeding shall be paid all reasonable costs and reasonable attorneys' fees by the other party and, in the event any judgment is secured by said prevailing party, all such costs and attorneys' fees shall be included therein, such fees to be set by the court and not by jury.

19. Headings. The descriptive headings of the sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

20. Further Acts. Each of the parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

21. Time of the Essence. Time is of the essence in this Agreement.

22. Assignment. This Agreement may not be assigned, in whole or in part.

23. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

24. Amendment. No amendment or waiver of any provision in this Agreement will be binding (a) on the Authority unless and until it has been approved by the Board and has

become effective or (b) on Mr. Kusy unless and until it has been executed by Mr. Kusy or his authorized representative.

25. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of the State of Arizona.

26. Severability. Every provision of this Agreement is and will be construed to be a separate and independent covenant. If any provision in this Agreement or the application of the same is, to any extent, found to be invalid or unenforceable, then the remainder of this Agreement or the application of that provision to circumstances other than those to which it is invalid or unenforceable, will not be affected by that invalidity or unenforceability. Each provision in this Agreement will be valid and will be enforced to the extent permitted by law and the parties will negotiate in good faith for such amendments of this Agreement as may be necessary to achieve its intent, notwithstanding such invalidity or unenforceability.

27. Covenant of Good Faith. In exercising their rights and in performing their obligations pursuant to this Agreement, the parties will cooperate with one another in good faith to ensure the intent of this Agreement can be attained. The Authority and its Board shall not unreasonably withhold appropriation authority to fund the salary, benefits and other provisions of this Agreement.

28. Conflict of Interest. This Agreement may be cancelled by the Authority pursuant to ARIZ. REV. STAT. § 38-511.

29. E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, Mr. Kusy warrants compliance with all federal immigration laws and regulations that relate to him and compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Mr. Kusy's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Authority.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first set forth above.

“Mr. Kusy”

“Authority”

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

Lynn Kusy

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

