

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 S. Sossaman Road ● Mesa, Arizona 85212
BOARD of DIRECTORS' MEETING

AGENDA

Monday, January 23, 2012 ● 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. Mitzji 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. **Memorandum – Overview of Action Items Associated with the Mesa/Able MRO Facility**
7. **Consideration and Possible Approval of:**
 - a) **Resolution No. 12-01 – Authorization to Issue Special Facility Bonds** in an Amount Not to Exceed \$22,000,000 for Able Engineering & Components Services, Inc. Aircraft Maintenance, Repair, and Overhaul Facility and Approve all Related Documents, Including Trust Agreement, Lease with Mesa, and Sublease with Able.
 - b) **Resolution No. 12-02 – Authorizing a Memorandum of Understanding with the City of Mesa** Regarding the Joint Powers Airport Authority Agreement.
 - c) **Resolution No. 12-03 – Authorizing a Contract with D.L. Withers** for Construction of an Aircraft Maintenance, Repair, and Overhaul Facility at a Cost Not to Exceed \$16,069,000.
 - d) **Resolution No. 12-04 - Authorizing a Memorandum of Understanding with the City of Mesa** for Construction Administration Services Associated with Construction of an Aircraft Maintenance, Repair, and Overhaul Facility at a Cost of Approximately \$250,000.
 - e) **Resolution No. 12-05 – Authorizing a Contract with Salt River Project** for Electrical Utility Services for an Aircraft Maintenance, Repair, and Overhaul Facility at an Estimated Cost of \$320,055.77.
 - f) **Resolution No. 12-06 – Authorizing Payment of Permit and Impact Fees** of Approximately \$299,729.26 to the City of Mesa Associated with Construction of an Aircraft Maintenance, Repair, and Overhaul Facility.
 - g) **Resolution No. 12-07 - Authorizing a Contract with Coffman Associates** for an Electronic Geographical Information System Based Airport Layout Plan at a Cost Not to Exceed \$586,092.
8. **Consent Agenda:**
 - a) **Minutes** of Board Meeting held on December 19, 2011
 - b) **Resolution No. 12-08 - Authorizing a Declaration of Environmental Use Restriction** on 22.7 Acres of Airport Property.
 - c) **Resolution No. 12-09 - Authorizing Termination of DMKIL1, LLC's Lease** on Lot 49 Effective January 24, 2012.
9. **Board Member Comments/Announcements**
10. **Next Meeting:** Tuesday, February 21, 2012 – 9:00 am.
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, January 23, 2012 at 9:00 am.

One or more members of the Board may attend meeting by electronic means. ♦ Agenda is posted at www.phxmesagateway.org



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Memorandum

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: Overview of Action Items Associated With New Mesa/Able MRO Facility
Date: January 23, 2012

At a 2009 industry-sponsored maintenance, repair, and overhaul conference, Airport and Mesa staff made initial contact with Able Engineering & Components Services, Inc. (Able) and learned of a possible expansion project. Over the next year and half, the project evolved into Able requiring space on an airport, which allowed for the consideration of sites at Gateway Airport.

On March 21, 2011, the Authority entered into a Memorandum of Understanding (MOU) with the City of Mesa and Able for the development and lease of an aircraft maintenance and overhaul facility. The project entails the Authority developing a facility of approximately 181,000 square feet, including a hangar, office, warehouse, and manufacturing space; issuing bonds to finance the project, leasing the completed facility to Mesa for 40 years. Mesa will, in turn, sublease to Able for at least 20 years. The facility is designed to occupy Lot 42, a 13-acre parcel located on the south apron (see attached rendering).

The executed MOU outlined the primary business terms to be developed into lease and sublease agreements, as well as other responsibilities necessary to conclude the deal. The main business points and status of each are outlined below.

Able will:

1	Complete (at their cost) plans and specifications specific to the Gateway site.	Completed
2	Consult and obtain Airport and City approval on the final design of facility.	Completed
3	Provide (at no cost to Airport) fully executed, plan reviewed, and sealed construction drawings.	Completed
4	Agree to a standard lease agreement with Mesa for long term lease of at least 20 years.	Completed
5	Be responsible for tenant improvements.	Per Sublease – Resolution 12-01
6	Seek Airport/City approval on any subleases.	Sublease Requirement
7	Cease any discussions/negotiations with alternate sites.	Completed
8	Invest \$6 million in equipment to be installed in the new facility.	Pending Completion of Facility
9	Locate 250 jobs at the facility within 12 months of occupancy.	Pending Completion of Facility, Now Estimated At 300 jobs

City of Mesa will:

1	Enter into lease agreement with PMGAA for the site and completed facility for 40 years.	Pending Resolution 12-01
2	Enter into a sub-lease agreement with Able for a minimum of 20 years.	Pending City Council Action and Resolution 12-01
3	Pledge the City's bonding authority to guarantee lease payments.	Pending City Council Action
4	Utilize sub-lease revenues for debt service on the facility.	Completed Per Lease and Sublease

Gateway Airport Authority will:

1	Issue bonds not to exceed \$22 million and develop the facility.	Pending Resolution 12-01 With Increase In Bond Amount
2	Lease a completed facility to Mesa.	Pending Resolution 12-01
3	Collaborate with Mesa and Able to obtain Military Reuse Zone benefits.	Underway
4	Provide access and connection to the Airport's fire suppression utility system.	Completed Per Plans
5	Provide a completed facility and extend normal and customary infrastructure to the site boundary including public utilities, roadways, and private utilities as necessary for Able to conduct its business at the site.	Pending Resolution 12-03
6	In case of default or non-payment by the tenant, agree to utilize Mesa's contributions to the Airport Authority for debt service.	Pending Resolution 12-02

The following is a summary of the resolutions needed to conclude the deal, pending successful sale the bonds:

Financing and Leasing

- Resolution 12-01 Approve a Resolution authorizing the issuance of bonds and all related documents
- Resolution 12-02 Approve an MOU with Mesa regarding the Joint Powers Airport Authority Agreement

Construction

- Resolution 12-03 Approve a construction contract with D.L. Withers to build the Special Facility
- Resolution 12-04 Approve an MOU with Mesa for construction administration services
- Resolution 12-05 Approve payment to SRP for utility connections
- Resolution 12-06 Approve payment to Mesa for permit fees

Upon adoption of these Resolutions, Mesa City Council will consider additional Resolutions on January 23. After that, the following schedule is anticipated:

- January 27, 2012 Bond rating information received / published with the Preliminary Official Statement
- February 6, 2012 (Week of) Pre-Pricing Call: Price the bonds and receive awards
- February 13, 2012 Publish final Official Statement
- February 20, 2012 (Week of) Deposit bond proceeds with trustee
- March 1, 2012 (No later than) Issue Notice to Proceed to contractor
- April 1, 2012 (No later than) Contractor begins construction
- February 1, 2013 Estimated substantial completion
- March 1, 2013 Estimated final completion
- July 1, 2013 Rent begins

Attachment



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Action Item

RESOLUTION NO. 12-01

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: Authorization to Issue Special Facility Bonds – Able Engineering MRO Facility
Date: January 23, 2012

Proposed Motion:

Approve Resolution No. 12-01 providing for the issuance and sale of not to exceed \$22,000,000 aggregate principal amount of Phoenix-Mesa Gateway Airport Authority, Special Facility Revenue Bonds (Mesa Project), Series 2012, providing certain terms, covenants and conditions regarding the issuance of the Series 2012 Bonds; accepting and approving related documents including the Trust Agreement, Special Facility Lease with the City of Mesa, and sublease with Able Engineering and Component Services, Inc.

Narrative:

The Authority finds and determines that it is critically important to its interests that the Airport expands its industrial aviation functions, including but not limited to, offering onsite general, business, and commercial aviation maintenance, repair, and overhaul services through a maintenance, repair, and overhaul (MRO) facility.

On March 21, 2011, the Authority entered into a Memorandum of Understanding (MOU) with the City of Mesa and Able Engineering and Component Services, Inc. (Able) for the development and lease of an aircraft maintenance and overhaul facility. In general, the MOU calls for the Authority to issue special facility revenue bonds, construct the facility, and lease it to the City of Mesa. Mesa will, in turn, sublease it to Able. Resolution 12-01 serves to authorize the issuance of bonds to finance the facility and approve all documents related to the bond issuance, leasing, and subleasing of the facility. Summaries of the significant business terms associate with the lease and sublease are attached. At the closing of the Series 2012 Bonds, the Airport Authority will enter into the following regarding the Series 2012 Bonds:

1. Trust Agreement between the Authority and U.S. Bank National Association
2. Property & Special Facility Lease Agreement between the Authority and the City of Mesa
3. Sublease Agreement between the City of Mesa and Able Engineering & Component Services, Inc. and signed by the Authority for certain purposes
4. Bond Purchase Agreement between the Authority and Piper Jaffray & Co. and Stifel Nicolaus & Company, Incorporated dba Stone & Youngberg, a division of Stifel Nicolaus, the underwriters of the Series 2012 Bonds
5. Official Statement relating to the Series 2012 Bonds
6. DTC Letter of Representations

Fiscal Impact:

As special facility bonds, the debt associated with this transaction rests with the Lessee, the City of Mesa, and therefore not a debt of the Authority. In addition, the only Airport revenues pledged to repay the bonds consist of rent paid to the Authority for use of the special facility. No other Airport revenues are pledged. However, the City of Mesa is pledging its excise taxes to guarantee the payment of the Base Rent due under the Lease. In addition, any rental deficiency that may occur from leasing vacancies or non-payment by tenants shall be paid by Mesa, which, through a separate MOU and pending Board action, may result in a reduced contribution of the same amount to the annual operating budget of Authority, but still be counted as “member contributions” under the Joint Powers Airport Authority Agreement.

- Attachments:
- Exhibit A - Resolution No. 12-01
 - Exhibit B - Bond Purchase Agreement
 - Exhibit C - Trust Agreement
 - Exhibit D - Continuing Disclosure Certificate
 - Exhibit E - Property Lease – Mesa
 - Exhibit F - Sublease - Able
 - Exhibit G - Blanket Issuer Letter of Representations



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Action Item

RESOLUTION NO. 12-02

To: Board of Directors
From: Casey Denny, C.M., C.A.E., Deputy Director
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Memorandum of Understanding with City of Mesa –Joint Powers Airport Authority Agreement
Date: January 23, 2012

Proposed Motion:

Approve Resolution No. 12-02 authorizing the Executive Director to execute a Memorandum of Understanding with the City of Mesa regarding the use and characterization of special facility bond payments by Mesa associated with Project No. 807 - construction of a maintenance, repair, and overhaul facility - so that they may be considered “contributions” pursuant the Joint Powers Airport Authority Agreement.

Narrative:

On March 21, 2011, the Authority entered into a Memorandum of Understanding (MOU) with the City of Mesa and Able Engineering and Overhaul Services, Inc. for development and lease of an aircraft maintenance and overhaul facility. In general, the MOU calls for the Authority to issue special facility revenue bonds, construct the facility, and lease it to the City of Mesa. Mesa will, in turn, sublease it to Able. Sublease payments made by Able will be used to repay the bond.

In the event that Able or a future tenant does not make sufficient payment to cover the bonds, the City of Mesa is required to pay the difference (rental deficiency). This MOU allows for such rental deficiency to be characterized as a member government contribution under the current Joint Powers Airport Authority Agreement. Member government contributions are used to determine voting rights.

Fiscal Impact:

Since the actual rental deficiency is an unknown factor, the fiscal impact cannot be determined at this time. Expectations are that this MOU will have no negative fiscal impact on the Authority and the development of this MRO will actually aid in attracting additional tenants to the Airport.

The special facility lease with Mesa is in affect a de facto obligation on behalf of Mesa to continue funding the Airport Authority up to an amount sufficient to make the bond payment throughout the term of the bond. That commitment does not exist today as member government contributions are done on an annual basis.

At most, assuming that the rental deficiency would have otherwise been provided to the Authority for other capital projects, the impact is a commitment of those funds for the MRO facility instead of some other future required capital project of the same amount.

Attachment



PhxMesa **Gateway** Airport

RESOLUTION NO. 12-02

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 memorandum of agreement with the City of Mesa;

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

The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizes the Executive Director to execute a Memorandum of Understanding (MOU) with the City of Mesa regarding the use and characterization of special facility bond payments by Mesa associated with Project No. 807 - construction of a maintenance, repair, and overhaul facility - so that they may be considered “contributions” pursuant the Joint Powers Airport Authority Agreement. 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 23rd day of January 2012.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



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Action Item

RESOLUTION NO. 12-03

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: Hangar Construction Contract – D.L. Withers
Date: January 23, 2012

Proposed Motion:

Approve Resolution No. 12-03 authorizing a contract with D.L. Withers for construction of an aircraft maintenance, repair, and overhaul facility at a cost not to exceed \$16,069,000.

Narrative:

On March 21, 2011, the Authority entered into a Memorandum of Understanding (MOU) with the City of Mesa and Able for the development and lease of an aircraft maintenance and overhaul facility. In general, the MOU calls for the Authority to issue special facility revenue bonds, construct the facility, and lease it to the City of Mesa. Mesa will, in turn, sublease it to Able. The Authority is responsible for procuring construction services for the facility and for managing and supervising the construction. This board action item covers the construction of such facility.

The Authority will construct an 181,000-square-foot, two-story aircraft maintenance, repair, and overhaul facility on Lot 42, located east of the intersection of Sossaman Road and Velocity Way. The facility is a concrete industrial building with dedicated space for machine shops, warehousing, offices, and an aircraft hangar.

As per the MOU, Able designed the facility and transferred the drawings to the Authority. Invitation for Bid No. 2012-002-IFB was issued on November 17, 2011, and advertised in the East Valley Tribune on November 19, 23, 26, 30, and December 3, 7, 10, and 14; and posted on the Phoenix-Mesa Gateway Airport website. A mandatory pre-bid meeting was held on November 29, 2011. The bid opening was January 4, 2012, and 11 bids were received:

	<u>Company Name</u>	<u>Base Bid Amount</u>
1.	D.L. Withers	\$16,069,000
2.	Summit Builders Construction Co.	\$16,620,258
3.	WESPAC Construction Co.	\$16,654,011
4.	Whiting-Turner Contracting Co.	\$16,730,000
5.	Sun State Builders	\$16,818,258
6.	Concord General Contractor	\$16,823,265
7.	W.E. O'Neil	\$16,997,529
8.	FCI Constructors, Inc.	\$17,167,767
9.	LGE Design Build	\$17,436,094
10.	The Weitz Company	\$17,534,426
11.	Sletten Construction	\$18,212,677

Pending the sale of bonds, it is recommended that a construction contract be awarded to the lowest responsive and responsible bidder, D.L. Withers, for a total amount not to exceed \$16,069,000.

Fiscal Impact:

This project is authorized in the FY12 capital budget as Project No. 807, funded through the pending issuance of special facility revenue bonds and limited non-grant funds for administrative expenses.

Attachment



RESOLUTION NO. 12-03

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 construction contract with D.L. Withers;

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 a construction contract with D.L. Withers for construction of an aircraft maintenance, repair, and overhaul facility at a cost not to exceed \$16,069,000. This Resolution also authorizes the Chair or Executive Director to execute such contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 23rd day of January 2012.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



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Action Item

RESOLUTION NO. 12-04

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: Memorandum of Understanding for Construction Administration Services - City of Mesa
Date: January 23, 2012

Proposed Motion:

Approve Resolution No. 12-04 authorizing a memorandum of understanding with the City of Mesa for construction administration services associated with construction of an aircraft maintenance, repair, and overhaul facility at a cost of approximately \$250,000.

Narrative:

On March 21, 2011, the Authority entered into a Memorandum of Understanding (MOU) with the City of Mesa and Able Engineering and Overhaul Services, Inc. (Able) for the development and lease of an aircraft maintenance and overhaul facility. In general, the MOU calls for the Authority to issue special facility revenue bonds, construct the facility, and lease it to the City of Mesa. Mesa will, in turn, sublease it to Able. The Authority is responsible for procuring construction services for the facility, and for managing and supervising the construction.

While the Authority does not retain full-time engineers that can provide appropriate field level and related quality control inspections, the City of Mesa does. This board action item allows the Authority to utilize City of Mesa employees for such construction administration services. The MOU provides that the Authority will reimburse the City for costs incurred prior to, during, and after the bid award process for the services that they may provide to the Authority. The total estimated cost is approximately \$250,000.

Fiscal Impact:

This project is authorized in the FY12 capital budget as Project No. 807, funded through the pending issuance of special facility revenue bonds and limited non-grant funds for administrative expenses.

Attachment



RESOLUTION NO. 12-04

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 memorandum of agreement with the City of Mesa;

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 a memorandum of understanding with the City of Mesa for construction administration services associated with construction of an aircraft maintenance, repair, and overhaul facility at a cost of approximately \$250,000. 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 23rd day of January 2012.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



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Action Item

RESOLUTION NO. 12-05

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: Design Services Contract – Salt River Project
Date: January 23, 2012

Proposed Motion:

Approve Resolution No. 12-05 authorizing a design services contract with Salt River Project for new electrical utility services for Project No. 807 - construction of an aircraft maintenance, repair, and overhaul facility - at an estimated cost of \$320,055.77.

Narrative:

On March 21, 2011, the Authority entered into a Memorandum of Understanding (MOU) with the City of Mesa and Able Engineering and Overhaul Services, Inc. (Able) for the development and lease of an aircraft maintenance and overhaul facility. In general, the MOU calls for the Authority to issue special facility revenue bonds, construct the facility, and lease it to the City of Mesa. Mesa will, in turn, sublease it to Able. The Authority is responsible for procuring construction services for the facility and for managing and supervising the construction. This board action item covers costs associated with new electrical service required for the facility.

Salt River Project is the electrical utility provider for area and will provide the electrical distribution design, survey, easement documentation, utility conflict resolution and equipment necessary to provide the requested utility services to the facility.

Fiscal Impact:

This project is authorized in the FY12 capital budget as Project No. 807, funded through the pending issuance of special facility revenue bonds and limited non-grant funds for administrative expenses.

Attachment



RESOLUTION NO. 12-05

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 the Salt River Project;

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 a design services contract with Salt River Project for new electrical utility services for Project No. 807 - construction of an aircraft maintenance, repair, and overhaul facility - at an estimated cost of \$320,055.77. 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 23rd day of January 2012.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



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Action Item

RESOLUTION NO. 12-06

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: Building Permit Fees – City of Mesa
Date: January 23, 2012

Proposed Motion:

Approve Resolution No. 12-06 authorizing the payment of permit and impact fees to the City of Mesa for Project 807, construction of an aircraft maintenance, repair, and overhaul facility, in the amount of approximately \$299,729.26.

Narrative:

On March 21, 2011, the Authority entered into a Memorandum of Understanding (MOU) with the City of Mesa and Able Engineering and Overhaul Services, Inc. (Able) for the development and lease of an aircraft maintenance and overhaul facility. In general, the MOU calls for the Authority to issue special facility revenue bonds, construct the facility, and lease it to the City of Mesa. Mesa will, in turn, sublease it to Able. The Authority is responsible for procuring construction services for the facility and for managing and supervising the construction. Staff recommends procurement of the building construction permit and impact fees directly from the City of Mesa to eliminate the associated markup if the fees were included in the construction contract.

Fiscal Impact:

This project is authorized in the FY12 capital budget as Project No. 807, funded through the pending issuance of special facility revenue bonds and limited non-grant funds for administrative expenses.

Attachment



RESOLUTION NO. 12-06

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 pay permit and impact fees to the City of Mesa;

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 payment of the payment of permit and impact fees to the City of Mesa for Project 807, construction of an aircraft maintenance, repair, and overhaul facility, in the amount of approximately \$299,729.26.

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 23rd day of January 2012.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



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Action Item

RESOLUTION NO. 12-07

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: Electronic Airport Layout Plan – Coffman Associates
Date: January 3, 2012

Proposed Motion:

Approve Resolution No. 12-07 authorizing a contract with Coffman Associates to create an electronic Airport Layout Plan (eALP) at a cost not to exceed \$586,092.

Narrative:

Phoenix-Mesa Gateway Airport was selected to participate in the Federal Aviation Administration (FAA) Phase Two Electronic Airport Layout Plan (eALP) pilot program. The eALP is a high precision, digital dataset of the Airport. The process of creating an eALP includes the collection of high resolution aerial photographs, ground surveys of the airfield components, and compilation of collected data into a uniform geographic information system (GIS) dataset. The data will be uploaded to the FAA Airport GIS website. The GIS dataset will produce an updated Airport Layout Plan to reflect the changing physical features and wind, runway, and taxiway data.

Request for Qualifications No. 2011-001-RFQ for professional services for the Airport GIS/eALP project was issued on April 12, 2011. The solicitation was posted on the Phoenix-Mesa Gateway Airport website and advertised in the East Valley Tribune on April 13, 16, 20, 23, and 27, as well as the Arizona Business Gazette on April 14 and 21. Nine companies submitted proposals, and the top four firms were interviewed and ranked accordingly:

Company Name/Ranking

1. Coffman Associates
2. AECOM
3. Jacobs Engineering
4. Atkins

An evaluation committee selected Coffman Associates as the highest ranked consultant based on their proposal and interview. It is recommended that the project be awarded to Coffman Associates for a total amount not to exceed \$586,092.

Fiscal Impact:

This project is authorized in the FY11 capital budget and is funded with \$625,000 in FAA grant funds (95 percent), ADOT grant match \$16,447 (2.5 percent), and Airport Authority grant match \$16,447 (2.5 percent) as Project No. 775.

Attachment



RESOLUTION NO. 12-07

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

WHEREAS, the Airport Authority desires to enter into a contract with Coffman Associates;

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 a contract with Coffman Associates to create an electronic Airport Layout Plan (eALP) at a cost not to exceed \$586,092. This Resolution also authorizes the Chair or Executive Director to execute such contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 23rd day of January 2012.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



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

Monday, December 19, 2011 • 9:00 a.m.

AIRPORT AUTHORITY BOARD MEMBERS

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

**neither present nor represented*

GUESTS PRESENT

Jim Bennett, HDR
Donna Cluckey, Mesa Convention and
Visitors Bureau
Kent Dibble, Dibble Engineering
Milt Fort, Mesa Convention and Visitors
Bureau
Jim Hallman, Fugro Consultants
Ken Halverson, Jetstrip
Fred Himovitz, Himovitz Properties, Inc.
Mike Hutchinson, East Valley Aviation and
Aerospace Alliance
Larry Kieser, Mesa Police Department
John Kross, Town of Queen Creek
Floyd Moore, Valle del Oro
LaVonne Morris, Phoenix Aviation

Terry Nash, HDR
Carl Newman, Phoenix Aviation
Keith Otterstrom, Embry-Riddle
Scot Rigby, City of Mesa
Christopher Schmaltz, Gust Rosenfeld, P.L.C.
Kimberly Schulz, HDR
Councilmember John Sentz, Town of Gilbert
Peter Sterling, Mesa Chamber of Commerce
Michelle Streeter, Mesa Convention and
Visitors Bureau
Art Thomason, Arizona Republic
Bruce Tinsley, Laforce, Inc.
Steven Wallace, USFS PIFC
Paul Womack, Phoenix Interagency Fire
Center

AIRPORT STAFF PRESENT

Casey Denny, Deputy Director
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors
Lynn Kusy, Executive Director

CALL TO ORDER

The meeting was called to order by Chair John Lewis at 8:59 am.

AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Executive Director Lynn Kusy welcomed Gilbert Councilmember John Sentz to the meeting.

COMMENTS FROM THE PUBLIC

Mr. Mike Hutchinson provided an update on the East Valley Aviation and Aerospace Alliance. He said the Alliance was in full gear and has been active for almost one year. The Alliance is made up of 50 to 60 members. They have completed their foundation and organizational work, adopted a strategic plan, and developed an Aviation Academy to recruit interested citizens and community leaders to learn about the importance of aviation and aerospace in the East Valley.

Mr. Hutchinson said the Academy had 27 participants attending the first two of six planned classes. The participants will receive tours of Sky Harbor, Falcon Field, Scottsdale Airpark, and the Boeing facility. Mr. Hutchinson said the Academy has experienced great participation and attendance and the Alliance plans to hold a second Academy next summer.

PROGRESS REPORTS

There were no progress reports from ASU and Chandler-Gilbert Community College.

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

Mr. Kusy reported that Mike Hutchinson was recently named Mesa's *Man of the Year*.

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

- The National League of Cities visited the area last month. Their visit included presentations and site visits to ASU Polytechnic and the Airport.
- Staff celebrated Allegiant's inaugural flight to Las Vegas.
- Mesa Chamber of Commerce sponsored *Aviation Fascination* with several hundred people in attendance.
- 33 noise calls were received in November. 13 calls were made by one person, and two people made seven calls each. The caller that called 13 times lives north of the power lines in Mesa and the calls were about MD-83 overflights.
- Total fuel deliveries finished at 1,173,000 gallons - a 2 percent increase over FY11.
- Airport staff took delivery of a used 10,000-gallon jet-A tanker truck.

- Our real estate occupancy is now over 70 percent with several buildings to be occupied in the next few weeks.
- Allegiant expanded into the Himovitz hangar to support their increased flight activity.
- The Ray Road parking lot was open over the Thanksgiving holiday with 800 vehicles using the facility during that time.
- Bids on the 180,000-square-foot Able Engineering facility are due on January 4.
- Gross margin for October was \$1,033,000, and expenses were under budget, for an operating gain of \$4,000.
- The Allegiant loan was paid in full on October 31.
- Staff completed interior renovations to Hangar 31.
- Passenger count for October was 67,700. Fiscal year to date we are 37 percent ahead of the previous fiscal year. 100,000 passengers are expected for the month of December.
- Allegiant's load factor was 91 percent for October.

CONSENT AGENDA: Consideration and Possible Approval of:

- 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.

Vice Mayor Williams moved to approve the Consent Agenda. Mayor Barney seconded the motion. The motion carried unanimously.

RESOLUTION NO. 11-61 – Authorizing a Use Agreement with **SPRIT AIRLINES.**

Mr. Kusy provided an overview of the Spirit Airlines business arrangement. Mr. Kusy said staff made contact several years ago and had kept in touch with them over the years. Last spring, staff received a call from Spirit asking for more detailed information, and staff met with them in Las Vegas this summer and again last month. Spirit will provide twice daily service beginning in February to Las Vegas, then add service once daily to Dallas/Ft. Worth, and on to Ft. Lauderdale. This service will connect Gateway with seven one-stop cities, and 21 two-stop cities and international destinations.

Mr. Kusy said this service is expected to generate over 250,000 passengers per year. Spirit will be using Airbus A319 and A320 aircraft. The term of the agreement is five years; Spirit will provide 12 scheduled departures per week. Mr. Kusy said over the five year agreement, he expects to see an increase in revenues of \$2.67 million, \$7.2 million in other revenues, and another \$7.1 million in new capital funds from passenger and customer facility charges. This fiscal year's financial impact is expected to increase approximately one percent, and a 4 percent increase is expected next fiscal year.

Vice Mayor Williams asked if marketing dollars promised to Spirit were included in the Airport's budget. Mr. Kusy responded that the expected additional income will cover the additional marketing costs that the Airport has committed to, and a total of \$50,000 per major destination is currently not in our budget. He said the marketing budget line item may need to be increased.

Responding to a question from Mayor Smith, Mr. Kusy said Spirit plans to market and advertise in the Phoenix Metropolitan area, as well as to their other destination markets.

Mayor Lewis asked if the 90-day cancellation policy in the Spirit terms summary was typical. Mr. Kusy responded that it was typical for Gateway, and Sky Harbor's Assistant Aviation Director Carl Newman agreed it is typical, but that Sky Harbor's agreements are no more than 30 days.

Vice Mayor Williams moved to approve Resolution No. 11-61. Mayor Smith seconded the motion. The motion carried unanimously.

RESOLUTION NO. 11-62 – Authorizing an Amendment to the Executive Director's Employment Contract.

Mayor Barney moved to approve Resolution No. 11-62. Vice Mayor Williams seconded the motion. The motion carried unanimously.

BOARD MEMBER COMMENTS / ANNOUNCEMENTS

There were no Board member comments.

NEXT MEETING

Date Change: The next meeting will be held on Monday, January 23, 2012 at 9:00 am.

ADJOURN

The meeting adjourned at 9:20 am.



Phoenix-Mesa Gateway Airport
5835 South Sossaman Road
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Action Item

RESOLUTION NO. 12-08

To: Board of Directors
From: Carmen Williams, C.M., Manager – Design and Construction
Through: Casey Denny, C.M., C.A.E., Deputy Director
Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Declaration of Environmental Use Restriction – Site SS-20 Skeet Range
Date: January 23, 2012

Proposed Motion:

Approve Resolution No. 12-08 authorizing the Airport Authority to place a Declaration of Environmental Use Restriction (DEUR) on 22.7 acres of land previously conveyed to the Airport Authority by way of a Quitclaim Deed dated April 14, 1998. The DEUR restriction limits the land to non-residential use.

Narrative:

On April 14, 1998, the United States Air Force (USAF) conveyed approximately 3,019 acres of the former Williams Air Force Base to the Airport Authority. However, several USAF Installation Restoration Program sites located on Airport property were to be excluded from the deed because they had not achieved regulatory concurrence of completed remediation at the time of property transfer.

Site SS-20 is located on the north side of the Airport and consists of two separate areas: a small arms firing range (2.1 acres) and a skeet range (22.7 acres). Both portions of Site SS-20 were supposed to have been excluded from the 1998 Quitclaim Deed, but only the small arms range portion was excluded. The USAF remediated the small arms firing range portion of Site SS-20 in the 1990's by removing lead remnants which allowed the land to be transferred to the Airport Authority. This DEUR restriction limits the land to non-residential use.

The skeet range portion of Site SS-20 was erroneously transferred to the Airport Authority without finalized regulatory concurrence in a Record of Decision. The USAF now requests that the Airport Authority officially submit a DEUR to the Arizona Department of Environmental Quality on the skeet range portion. Lead shot at the skeet range was observed on the ground surface but was proven to have not leached into the shallow subsurface soil and did not represent a threat to groundwater. The requirement to place a DEUR institutional control on the skeet range is the selected remedy approved by the USAF and regulators in the Operable Unit #4 Record of Decision dated April 2000. At the time the Record of Decision was finalized, the current and future use of the facilities and property at Site SS-20 was for industrial purposes (i.e., non-residential), therefore, the institutional controls were deemed adequate and sufficient response actions to protect human health and the environment.

Fiscal Impact:

No fiscal impact is anticipated for the Airport Authority. The USAF will pay for the Environmental Quality review and cost of recording the DEUR with the Maricopa County recorder's office in order to correct the deed.

Attachment



RESOLUTION NO. 12-08

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

WHEREAS, the Airport Authority desires to place a DEUR on SS-20 Skeet Range;

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 placement of a Declaration of Environmental Use Restriction (DEUR) on 22.7 acres of land previously conveyed to the Airport Authority by way of a Quitclaim Deed dated April 14, 1998. The DEUR restriction limits the land to non-residential use. This Resolution also authorizes the Chair or Executive Director to execute such DEUR, 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 23rd day of January 2012.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



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. 12-09

To: Board of Directors
From: John Barry, Manager – Business Development
Through: Casey Denny, C.M., C.A.E., Deputy Director
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Lease Termination – DMKIL1, LLC
Date: January 23, 2012

Proposed Motion:

Approve Resolution No. 12-09 authorizing termination of DMKIL1, LLC's property lease agreement for Lot 49 due to failure to satisfy improvement construction milestones. This termination will become effective on January 24, 2012, resulting in a forfeiture of their \$19,639.68 security deposit to the Airport Authority.

Narrative:

DMKIL1 leased Lot 49 on March 1, 2008, to construct a speculative industrial flex facility that sought to spur growth of the former Reliance business park in the south industrial area of the Airport. However, economic factors led to multiple requests to delay required facility design and construction milestones, each time for an additional year. The Board approved those requests via lease amendment in October 2008 and October 2010.

Under DMKIL1's present milestone schedule, they were to submit their building plans for City of Mesa review and permit on October 1, 2011. However, no submittal was made and subsequent conversations with the owner revealed that because of continuing economic circumstances, none would be forthcoming anytime soon. Subsequently, on October 19, 2011, the owner was sent a Notice of Default that afforded a 30-day period to remedy the default. That period expired on November 21, 2011, with no resolution.

In the absence of any positive indicators that the required improvements will be built, and in the interest of fairness to other Airport tenants, staff recommends lease termination and return of Lot 49 to our inventory of parcels available for new development.

Fiscal Impact:

Termination of this lease will result in DMKIL1's forfeiture of their \$19,639.68 security deposit. There will be no other financial impact because no rent was paid due to the lease provision that allowed for abatement of rent through the earlier of 50 percent occupancy of the DMKIL1's specified improvements, or March 1, 2013.

Attachment



RESOLUTION NO. 12-09

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

WHEREAS, the Airport Authority desires to terminate a lease agreement with DMKIL1, LLC;

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 termination of DMKIL1, LLC’s property lease agreement for Lot 49 due to failure to satisfy improvement construction milestones. This termination will become effective on January 24, 2012, resulting in a forfeiture of their \$19,639.68 security deposit to the Airport Authority.

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 23rd day of January 2012.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY