



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

Monday, January 23, 2012 ● 9:00 a.m.

AIRPORT AUTHORITY BOARD MEMBERS

Mayor John Lewis, Gilbert
Lt. Governor Stephen Lewis, Gila River Indian Community *
Mayor Scott Smith, Mesa
Mayor Gail Barney, Queen Creek
Councilmember Thelda Williams, Phoenix

**neither present nor represented*

GUESTS PRESENT

Patrick Banger, Town of Gilbert
Jill Bennett, HDR
Lee Benson, Able Engineering
Russ Brandt, Blue Chip
Kurt Carlson, Mesa Police Department
Ken Cole, Aecom
Rich Cutshall, Mesa Leadership
Jenny DiGiro, Embraer
Milt Fort, Mesa Convention and Visitors Bureau
Terrie Gardner, Mesa Convention and Visitors
Bureau
Larry Given, Wedbush
Ken Halverson, Jetstrip
Jim Harris, Coffman Associates
Fred Himovitz, Himovitz Properties, Inc.
Mike Hutchinson, East Valley Aviation and
Aerospace Alliance
John Kross, Town of Queen Creek
John McNamara, Aecom
Floyd Moore, Valle del Oro
LaVonne Morris, Phoenix Aviation
Carl Newman, Phoenix Aviation

Keith Otterstrom, Embry-Riddle
Rich Prieve, ASU
B.J. Ransbury, Aviation Performance Solutions
Steve Reeder, Kimley-Horn
Scot Rigby, City of Mesa
Dr. Chell Roberts, ASU Polytechnic
Wes Roberts
Scott Ruby, Gust Rosenfeld, P.L.C.
Christopher Schmaltz, Gust Rosenfeld, P.L.C.
John Schroeder, Chandler-Gilbert Community College
Kimberly Schulz, HDR
Councilmember John Sentz, Town of Gilbert
Kevin Shirer, Woolpert, Inc.
Jerry Shown, Laforce, Inc.
Tom Stark, Wells Fargo
Bruce Tinsley, Laforce, Inc.
Kristy Vargas, Hyatt Place Gilbert
Brad Walker, D. L. Withers Construction
Steven Wallace, USFS PIFC
Rick Watts, Able
Dan Withers, D.L. Withers Construction
Paul Womack, Phoenix Interagency Fire Center

AIRPORT STAFF PRESENT

Casey Denny, Deputy Director
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors
Fred Kaplan, Chief Financial Officer
Lynn Kusy, Executive Director
Bill Mitchell, Director of Operations & Maintenance

CALL TO ORDER

The meeting was called to order by Chair John Lewis at 9:00 am.

AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Executive Director Lynn Kusy welcomed Gilbert Councilmember John Sentz and introduced the Airport's new Chief Financial Officer, Fred Kaplan. Mr. Kusy mentioned the next Gateway Aviation Day which will be held on Saturday, March 10. He said 10,000 people attended last year's Aviation Day event.

Mayor Lewis reported that he attended a City of Mesa swearing in ceremony and a Gila River Indian Community inauguration for newly elected Governor Greg Mendoza and Lt. Governor Stephen Lewis.

COMMENTS FROM THE PUBLIC

Mr. BJ Ransbury, APS, announced a new contract with Bombardier Aerospace to deliver upset prevention recovery training to aircraft owners and pilots. He said APS uses on-line, generic, and simulators to train jet pilots.

PROGRESS REPORTS

- a) **ASU Polytechnic** – *Dr. Chell Roberts, Executive Dean of the College of Technology & Innovation* – Dr. Roberts said construction of new dorms, a recreation facility, and road improvements are all on schedule. He noted enrollment is up 15 to 20 percent in admissions for next year. Evening and weekend programs in engineering and computer science will be announced next week.

Dr. Roberts also highlighted February's Make Your Pitch Week coming up in February centered around entrepreneurship. February 16 is Make Your Pitch (for students to start their own companies), Robotics Duel in the Desert on February 16, and Making Your Future on February 23.

Mayor Barney requested that the Board be kept informed if the separation of the east and west campuses surfaces again.

- b) **Chandler-Gilbert Community College (CGCC)** - *John Schroeder, Provost*

Mr. Schroeder reported progress on the Loop Road project. He said he is pleased to see the Able Engineering project is on the agenda and looks forward to their arrival. Spring enrollment is up about 12 percent and is almost entirely on-line and offsite.

February 17 – Second Annual Champaign, Chocolate, and All That Jazz fundraising event. Last year's event raised \$15,000 for scholarships.

CGCC governing board has decided to have all Maricopa Community College properties go tobaccoless.

The College is excited to partner with Gateway on March's Aviation Day event. Just prior to this event, the College will hold its annual Aviation Symposium.

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

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

- 36 noise complaint calls were received in December (multiple calls from several individuals).
- Staff met with ADOT regarding a potential temporary transfer of \$2.8 million in Federal Entitlement Funds to Gateway Airport. These funds would be used to accelerate the design and reconstruction of Taxiway Victor. In return, Gateway will reimburse the State from future federal funds destined for Gateway. A Memorandum of Understanding is being drafted and will be brought to the Board for consideration in the future.
- John Barry and staff met with Mead & Hunt to review a market assessment and the strategic plan for air service development for 2012. Mead & Hunt sponsored a national conference at the Arizona Golf Resort last week with 50 people attending. Presentations were made by American Eagle, Frontier, Allegiant, and SkyWest Airlines.
- Occupancy rate remained at 70 percent.
- 1,700 square feet of land in the northeast corner of the Airport is needed for a right-of-way for SR 24. The FAA has approved the project and is expected to approve a final land release in January.
- ADOT approved our Airport Pavement Management System Agreement. Ninety percent of certain pavement repair work is funded by ADOT.
- Finances are under budget on revenues and expenses. Revenues are outpacing the expenses and we are ahead of budget.
- Staff met with Spirit Airlines' representatives to review their facility, technology, and security requirements.
- Staff met with Assistant Federal Security Director regarding TSA plans for Spirit service. He has requested additional manpower and equipment for the new service.
- Ray Road parking lot accommodated over 1,400 vehicles over the Christmas Holiday, and parking demand peaked on December 25 with 2,400 cars.
- December total passenger count was 99,966 and total for calendar year 2011 was 956,665.

Mayor Lewis attended the celebration of Allegiant's inaugural flight to Oakland where Bert Campaneris signed autographs and a drawing was held for a free flight and hotel accommodations.

Mayor Lewis requested that the consent agenda be considered prior to the Able resolutions.

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.

Mayor Smith moved to approve the Consent Agenda. Councilmember Williams seconded the motion. The motion carried unanimously.

MEMORANDUM – Overview of Action Items Associated with the Mesa/Able MRO Facility

Mr. Kusy said Gateway and Mesa staff have been working on the Able project for over a year. He said the Board acted on a related Memorandum of Understanding last March.

Deputy Director Casey Denny recognized those who had worked on the project. He recognized the architects, Mesa staff, Airport staff, and attorney Chris Schmaltz.

He gave a PowerPoint presentation on the history and current status of the project.

Mr. Lee Benson said Able will probably have about 400 employees at the facility by the time they move in. He said their new company, Evaluate to Win, already has 19 employees, will also relocate to Gateway, and will have more employees than the aerospace company within five years. Average salary at Able is about \$100,000, the low range is around \$12 to \$40 per hour. Last year's sales totaled over \$41 million; they expect over \$51 million this year.

Councilmember Williams asked for clarification on Resolution No. 12-02 – Memorandum of Understanding (MOU) with City of Mesa Regarding the Joint Powers Airport Authority Agreement. Attorney Chris Schmaltz said the Joint Powers document identifies and provides for weighted voting. Member Government votes are associated with their contribution to the Airport. The MOU acknowledges that all of Mesa's contributions associated with the Able deal will be treated as "contributions" to the Airport. These contributions exceed the amount Mesa currently pays. In the event that no rent would be paid, this project would be moved to the top of the Airport's capital budget. Other member governments are not obligated to this debt. Mesa's project contributions will not impact the annual operating budget. Funding for other projects may be postponed.

Mayor Smith noted that the City of Mesa will cover the bond payments only if the facility is vacant and no tenant is paying the sub-lease payments.

Mayor Smith said Mesa is taking a certain risk, but the City believes there is a market for this type of facility, should it become vacant.

CONSIDERATION AND POSSIBLE APPROVAL OF:

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.

Mr. Denny explained this is authorization to issue bonds in an estimated amount of \$20.5 million, with a maximum cap of \$22 million.

Mayor Barney moved to approve Resolution No. 12-01. Councilmember Williams seconded the motion. The motion carried unanimously.

Resolution No. 12-02 – Authorizing a Memorandum of Understanding with the City of Mesa Regarding the Joint Powers Airport Authority Agreement.

This outlines the conditions under which Mesa's payments are characterized as contributions to the Authority.

Mayor Barney moved to approve Resolution No. 12-02. Councilmember Williams seconded the motion. The motion carried unanimously.

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.

Mr. Denney reported that 11 bids were received on this item and D.L. Withers was lowest bid.

Mayor Barney moved to approve Resolution No. 12-03. Councilmember Williams seconded the motion. The motion carried unanimously.

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.

Mr. Denny said this is a reimbursable agreement and that the dollar value may fluctuate.

Councilmember Williams moved to approve Resolution No. 12-04. Mayor Barney seconded the motion. The motion carried unanimously.

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.

Mr. Denny noted that SRP is the local utility provider, and this is a direct select of SRP.

Mayor Barney moved to approve Resolution No. 12-05 Councilmember Williams seconded the motion. The motion carried unanimously.

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.

Mayor Barney moved to approve Resolution No. 12-06. Councilmember Williams seconded the motion. The motion carried unanimously.

Mayor Smith commented on his recent trip to Washington, D.C. for the U.S. Conference of Mayors. He noted that Able is hiring mostly skilled or semi-skilled employees. He stressed the need to take education seriously. He commented, “We are falling short in our educational offerings and training for these jobs.”

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.

Mr. Kusy said Gateway Airport has been selected by FAA to participate in a pilot program to create an electronic GIS based Airport Layout Plan. FAA will fund 95 percent of the project costs. Two other airports in the program are San Francisco and Deer Valley. He said Coffman was selected to be the contractor for our project.

Mayor Smith moved to approve Resolution No. 12-07. Mayor Barney seconded the motion. The motion carried unanimously.

BOARD MEMBER COMMENTS / ANNOUNCEMENTS

Mayor Smith added that he and Phoenix Mayor Greg Stanton and others met with the FAA. He noted that FAA staff is very well aware of Gateway's success. Mayor Smith also discussed the AZ Labs with the FAA.

Mayor Smith said he spoke to a group of approximately 80 women in Scottsdale about the economy and job growth. He found that about 95 percent of the attendees had been to Gateway and 80 percent had flown on Allegiant. He said he received an enthusiastic response from this group of ladies.

Mr. Kusy drew attention to copies of a 2011 Calendar Year Report at their places.

NEXT MEETING

The next meeting will be held on Tuesday, February 21, 2012 at 9:00 am.

ADJOURN

The meeting adjourned at 9:59 am.