



**MINUTES OF THE PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | February 20, 2024**

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, February 20, 2024, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Chip Wilson, Apache Junction
Lt. Governor Regina Antone, Gila River Indian
Community *(joined in person at 9:05)*
Mayor Julia Wheatley, Queen Creek
Mayor John Giles, Mesa
Mayor Brigitte Peterson, Gilbert
Councilmember Jim Waring, Phoenix *
Neither present nor represented

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Misty Johnson, Clerk of the Board
Jill Casson Owen, Attorney

1. Call to Order at 9:03 a.m. (Mayor Wilson, Chair)

2. Roll Call

3. Pledge of Allegiance

4. Call to the Public

There were no public comments.

5. Executive Director's Report – J. Brian O'Neill, A.A.E., Executive Director/CEO

Executive Director O'Neill provided a briefing on PMGAA's financial performance, passenger activity, the community noise report, and various Airport projects.

- Fiscal Year-to-Date 2024 (FYTD) Net Operating Income is \$1,907,072.
- Calendar Year-End 2023 (CYE23) Net Operating Income was \$4,297,068.
- Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 1,876,110 commercial passengers during calendar year 2023 (CY23). This is 1% below CY22.
- A comparison of CY21, CY22, and CY23 metrics for commercial passengers, operations, revenue, and fuel showed the various % changes for operational metric during the past few years.
- Allegiant's summer 2024 schedule includes a 19.1% flight increase for Gateway Airport.
- A ribbon-cutting event is being held on Tuesday, February 20, 2024, at 10 a.m. for Gateway Airport's 5-gate, 30,000 sq. ft. commercial passenger terminal addition.
- Each year, the FAA conducts a Part-139 Certificate Inspection. The 2024 FAA Certification Safety Inspection shows Gateway Airport had a clean inspection with no reportable conditions.
- Virgin Galactic is leasing two of the three hangars in the Gateway Executive Airpark located at the north end of the airfield. The shell is completed on Virgin Galactic's manufacturing hangar and they are completing the shell on the hangar that will house the mothership. Completion of these two hangars is anticipated for the Summer of 2024.
- Progress on Gulfstream's 225,000 sq. ft. West Coast Service Center continues along Ellsworth Road on the east side of the Airport. Gulfstream anticipates occupying this space in the Summer

of 2024. While the West Coast Service Center is being constructed, Gulfstream has established a base at the Airport and is leasing over 100,000 sq. ft. of hangar space. The industry-leading company has already hired over 250 local employees.

- Progress continues for SkyBridge Arizona's construction of two 250,000 sq. ft. industrial buildings. These two large buildings are being built to accommodate both single and multiple tenants. Northern Arizona University (NAU), in partnership with Kind Hospitality and SkyBridge, is building two two-story facilities. The first floor of one building will be a sit-down, high-quality restaurant, and the second floor and second building will house a satellite of NAU's hospitality program.
- The entrance roadway to Gateway East has new palm trees planted, and new stone monuments built along the sides. Gateway East is a nearly 300-acre, mixed-used, non-aeronautical development opportunity located on the east side of the Airport. The City of Mesa has provided roadway and utility infrastructure to allow for Phase I of Gateway East's development. In September, Boyer received PMGAA Board approval to construct and sublease a 278,000 sq. ft. building to house the U.S. headquarters and manufacturing facility for XNRGY North America, LLC, a climate technology company. Phase I will employ 700 people and will include a research and production facility and office space.
- Gateway Commerce Center III will be developed along the southeast corner of Sossaman Road and Velocity Way. This project is two small industrial buildings totaling just less than 100,000 sq. ft. The appearance will be of an office complex with no loading dock visibility from Sossaman Road.
- Gateway Airport's 5-gate, 30,000 sq. ft. commercial passenger terminal addition is complete. This project creates capacity and efficiencies that will allow the Airport to grow with more nonstop service from Allegiant and possibly additional airlines.
- Last week, PMGAA opened the new terminal connector walkway, linking the ticketing terminal to the TSA Security Screening Checkpoint. This new facility addition is a major customer experience enhancement that allows customers to remain inside from the airline ticket counter to their gates.
- Improvements to the Rental Car Care Facility are complete. The project includes new vehicle wash and vacuum bays, upgraded maintenance facilities, additional vehicle queuing/storage, and new operations offices. The funding for the project comes from the Airport's dedicated Customer Facility Charge (CFC) account. CFC funds are fees assessed to passengers renting cars at the Airport. The CFC amount is \$3.50 per rental day. These funds go into a dedicated account and can only be used to improve the infrastructure and facilities for rental car operations.
- The 150,000-gallon Fuel Farm Expansion project is complete. The Authority purchased and installed three new 50,000-gallon Jet-A fuel storage tanks. This additional fuel storage capacity provides the Airport with approximately 8-9 days of on-Airport fuel storage.

6. Allegiant Presentation – Thayne Klingler, Director of Airport Affairs

Mr. Klingler provided a brief update.

- Over the next three years Allegiant will take possession of 50 Boeing 737 MAX 7 and 8 aircraft. The new aircraft will be deployed in Florida and the Airbus 320's currently operating there will be reassigned throughout Allegiant's system.
- The environment for pilots has improved substantially for Allegiant with stabilized retention levels, a reduction in pilot hires at other airlines, and full recruiting classes for Allegiant. They are working on a pilot contract with the National Mediation Board.

7. Fiscal Year 2024 Budget Presentation – Chuck Odom, Chief Financial Officer

- Mr. Odom provided a presentation on PMGAA's proposed FY25 Operating and Capital Budget for the Board's review. The Board will be asked to consider the budget for approval at the March 19, 2024, PMGAA Board meeting.

8. Consent Agenda

- a) Minutes of the Board Meeting held on December 19, 2023.**
- b) Resolution No. 24-01 – Authorizing the purchase of one pavement sweeper from Tymco, Inc. (Tymco), in an amount not to exceed \$364,494.48.**
- c) Resolution No. 24-02 – Authorizing a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with BCS Enterprises, Inc. for Demolition Services of Airport Facilities, in an amount not to exceed \$58,474 under CIP1223.**
- d) Resolution No. 24-03 – Authorizing a contract modification to the current Fuel Farm Expansion Project Construction Manager at Risk (CMAR) Construction Services Contract with KEAR Civil Corporation (KEAR), to expand the improvements to include additional safety, security, and capacity enhancements, in an amount not to exceed \$1,908,773 under CIP 1224.**
- e) Resolution No. 24-04 – Authorizing the purchase of Jet A and 100LL Avgas fuel from Ascent Aviation Group, Inc. (World Fuel) for Airport Authority resale in the amount of \$1,550,000.**
- f) Resolution No. 24-05 – Authorizing Amendment 4 to the Land Lease Agreement with Gateway Executive Airpark, LLC for Lots 11-14 to amend the lease term with an extension of ten (10) years, for a total of 45 years, ending in 2064.**
- g) Resolution No. 24-06 – Approving an Authorization of Services with Kimley-Horn and Associates, Inc. (Kimley-Horn) for Engineering Design Services for the Runway 12C-30C Asphalt Mill & Replacement, Lighting and Signage Upgrade Project in an amount not to exceed \$170,527 under CIP 1243.**
- h) Resolution No. 24-07 – Authorizing a contract modification to the current Roof Coating Phase 1 Contract with Jim Brown & Sons Roofing Co., Inc., dba JBS Roofing (JBS), to complete repairs to the pitched roof portion of Hangar 1084, in an amount not to exceed \$118,944 under CIP1269.**

Mayor Brigitte Peterson moved to approve the Consent Agenda.

Mayor John Giles seconded the motion.

The motion was carried unanimously.

8. Board Member Comments/Announcements.

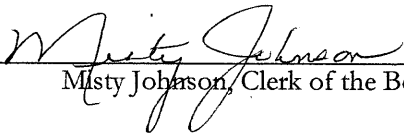
None.

- 9. Next Meeting: Tuesday, March 19, 2024** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Phoenix-Mesa Gateway Airport Authority may attend either in person or by audioconference.

10. Adjournment.

The meeting adjourned at 9:33 a.m.

Dated this 19th day of March 2024.



Misty Johnson, Clerk of the Board