

Phoenix-Mesa Gateway Airport (PMGAA) Master Plan
 Airport Master Plan Technical Advisory Committee Meeting
 July 31, 2018 1:30 PM – 3:30 PM
 Phoenix-Mesa Gateway Airport Saguaro A/B Conference Room

Attendees	
Name	Organization
Dave Guthrie	Boeing
Jason Bagley	Intel
Margi Evanson	Phoenix-Mesa Gateway Airport Authority
Larry Randle	Textron Aviation
Brian Sexton	Phoenix-Mesa Gateway Airport Authority
Don Kriz	ADOT
Ethan McQuain	ATP
Jose Martinez	Sky Bridge
Greg Blank	NATCA
Scott Brownlee	Phoenix-Mesa Gateway Airport Authority
Brian Towle	TSA
Greg Hartvigsen	AZ National Guard
Gabriel Massey	Able Engineering
Rex Ginder	UND Aerospace
Dan Mesaros (via phone)	WestJet
Tony Bianchi	Phoenix-Mesa Gateway Airport Authority

Consultant Team	
Name	Organization
Mark McFarland	Mead & Hunt, Inc.
Chris Hacker	Mead & Hunt, Inc.
Eunique Jackson	Mead & Hunt, Inc.
Sharon Sarmiento	Unison Consulting
Paulos Lakew	Unison Consulting
Carissa Valdez	PSM ²

Below are the interests or area of opportunities identified by the stakeholders regarding the Master Plan:

- Better use of space

- More exit taxiways
- SkyBridge Arizona and compass rose development or relocation
- Intel based fleet at the Airport
 - a. Long-term strategy of the Airport
 - b. Impacts to Intel Operations
- Urban growth and noise abatement
- Role of military training at the Airport
- Growth by TSA and impacts at the Airport
- Interest in how the airport will grow and continue to maintain businesses
- Impact of the Airport on aviation in Arizona
- CH47 impacts to the runway and dust control
- Evolving safety and security requirements
- Pilot shortage and double-digit growth in student enrollment [domestic]
- UAV systems program
- Airspace constraint – 20-mile radius
 - a. Capacity, tower availability and designated training areas
- Potential cargo operations
- Based MD80's were phased out last year

Consultant Rep. Mark McFarland Asked if there were any key planning issues that are perceived from your perspective that haven't been identified?

Committee Member Rex Ginder (UND Aerospace) Pilot shortages are real. There is 15% of growth from domestic students and the demand from Eastern Asia, China specifically, we will never meet their demands. Last fall we had 85 enrollments, and this fall 100 domestic enrollments were seen, on top of 150 Chinese students enrolled. This year we budgeted 38-39 thousand miles, in 3 to 4 years it's up to 50,000 miles. While we view this airport is nearing capacity for flight training hours, we are not imagining it to get smaller. We are starting an unmanned aircraft program that will attract a lot more people to aviation. Opportunity to step out of community college and within 18 months of employment will then be in the right seat of regional airline from anywhere from \$60,000 to \$70,000 per year. Flight training is very robust here and we want to make sure the airport can keep place with everything. Comes down to air traffic control services in the end.

Consultant Rep. Mark McFarland When you say reach capacity, can you please elaborate?

Committee Member Rex Ginder (UND Aerospace) Only so much airspace within 20 to 25 miles that is usable for practice area. Only so many machines in that space at one time. Limited on airports that are considered "reliever airports" for takeoff and landing operations. Capacity does not really come down to waiting to take off or pattern work.

Committee Member Jason Bagley (Intel) What type of consideration has been done with Sky Harbor and regional airports? It's my understanding that there is strategic direction to move cargo out of Sky Harbor to Mesa Gateway. If that is the intent, there needs to be a bigger point of discussion in this plan.

Committee Member, Tony Bianchi (Phoenix-Mesa Gateway Airport Authority) Sky Harbor is currently undertaking their Master Plan same as Falcon Field. We believe there is a benefit in three Master Plans going on simultaneously. Through this process we will strive to understand their forecasts & future

facility plans as it will help define where we are going. We want to collaborate with these other airports.

Consultant Rep. Mark McFarland We have several representative from other airports on the Stakeholders Working Group committee.

Committee Member, Jose Martinez (SkyBridge) SkyBridge will also share our Master Plan as part of this effort.

Committee Member, Tony Bianchi (Phoenix-Mesa Gateway Airport Authority) If available, we will look to coordinate with ASU regarding their additional land being developed adjacent to Gateway.

Forecast

Consultant Rep. Paulos Lakew As incomes increase enplanements also increase, a decrease in incomes will also translate to a decrease in lower enplanement growth. We also recognize the visitor make up for Gateway and Phoenix Sky Harbor. We look at national economic trends; goods and services how planes can be impacted at Gateway. A rise in GDP, will increase the enplanements at Gateway. Consumer demand theory expects that if there is a higher price on goods, that demands for that service goes down for example airfare.

Committee Member, Tony Bianchi (Phoenix-Mesa Gateway Airport Authority) Does it benefit to have the lower fare air carriers here, when talking about passenger yield?

Consultant Rep. Paulos Lakew No, not necessarily. The yields that you have here verses the ones at Sky Harbor would benefit Gateway.

Consultant Rep. Sharon Sarmiento If those yields and airfares continue to decrease in the future that will also promote growth in demand for services at this airport.

Consultant Rep. Paulos Lakew We are looking at both airfare from Gateway as well as Sky Harbor.

Committee Member, Tony Bianchi (Phoenix-Mesa Gateway Airport Authority) That per capita per income is a better indicator for passenger totals than the population growth that we had showed earlier?

Consultant Rep. Paulos Lakew Correct We have tested population, employment, per capita income, & GDP.

Consultant Rep. Sharon Sarmiento Population if we are to model different airports and included population it will be a strong predictor. But within an area. Here the population changes they are captured by historical growth trends that we have seen as well as in the model.

Committee Member, Greg Blank (NATCA) Your forecast for 2018, is that based on the MD80 usage? Allegiant is no longer flying the MD80 regularly.

Consultant Rep. Sharon Sarmiento We are using the actual schedules and they have mostly A319s; that is the reason there was a slight decrease in their schedules this year because that A319s have fewer seats than the MD80. When the A320s come in they have 177 seaters, the A319s have approximately 150± seats, MD80 have 166 seats. And for the forecast no MD80s were factored.

Consultant Rep. Paulos Lakew When did the MD80s stop flying?

Committee Member, Margi Evanson (Phoenix-Mesa Gateway Airport Authority) Currently, there are no MD80s in the flight schedule. If they do they are coming in as rescue flights, but they are not scheduled. They are only scheduling A319s and A320s.

Committee Member, Tony Bianchi (Phoenix-Mesa Gateway Airport Authority) From the Boeing perspective do you expect any increased activity?

Committee Member, Dave Guthrie (Boeing) Not at this point. We have some engineering items coming up next year, also training.

Committee Member, Tony Bianchi (Phoenix-Mesa Gateway Airport Authority) I am curious to see if the flight school and cargo have been factored into this. Especially cargo since it hasn't really been captured in the past.

Consultant Rep. Paulos Lakew If its chartered cargo than it wouldn't be on the commercial side. It would be captured here, but we wouldn't be able to know if its cargo or not.

Committee Member, Tony Bianchi (Phoenix-Mesa Gateway Airport Authority) How impactful are rising fuel prices to flight schools, and potentially military activity? I am curious to see the fluctuation of fuel prices, how that compares with the other economic trends? If they correlate?

Committee Member, Greg Hartvigsen (AZ National Guard) The military amount of flying and fuel price is not directly correlated.

Committee Member, Gabriel Massey (Able) Half of the world's helicopter operations are involved with the exploration for oil and gas. In 2014 and 2015 when oil prices dropped helicopter operations dropped significantly. We don't have that here at Gateway in terms of direct impact on operations, but it does affect our business because we support oil and gas customers.

Consultant Rep. Paulos Lakew That's key with fuel prices, it mostly impacts on the supply side, but fuel prices are going to affect demand.

Conclusion

Consultant Rep. Mark McFarland Are there any specific questions that you would like to ask before we end? We would love to have your input now, or if you want to think about it more and further review the documents, please forward your comments to Tony within two weeks.

Committee Member, Gabriel Massey (Able) It seems that a lot of the forecast is dependent on Allegiant.

Consultant Rep. Sharon Sarmiento Yes, for example our base model that we would recommend to the FAA is the one that assumes that the Allegiant service will remain similar to what it is today with reasonable growth. The low scenario depicts a cutback, the high scenario anticipates other carrier(s), expanding service, and/or Allegiant expanding its service.

Committee Member, Gabriel Massey (ABLE) I'm assuming the SkyBridge inputs also.

Consultant Rep. Sharon Sarmiento We did not include forecast for cargo, because we will be relying on SkyBridge to provide their forecasts, and once we have their numbers we will add them to our projections.

Consultant Rep. Mark McFarland The next steps that we are going to work on include forecast revisions and submittal of the forecasts to the FAA for approval. We will also work on the second working paper which focuses on facility needs determination. We will have our second Technical Advisory Committee and Stakeholders working group meeting and have the public workshop which are all about 3-4 months out but anticipate early November to come together. We appreciate your participation. All the communication should go through Tony and he will pass it along to us.