

Phoenix-Mesa Gateway Airport Authority (PMGAA) Master Plan
 Airport Master Plan Stakeholder Working Group Committee Meeting #4
 October 23, 2019 / 9:00 AM – 11:00 AM
 Phoenix-Mesa Gateway Airport Saguaro A/B Conference Room

| Attendees | |
|------------------|--|
| Name | Organization |
| Bob Draper | Director of Engineering - Phoenix-Mesa Gateway Airport Authority |
| Brett Burningham | City of Queen Creek Representative |
| Brian O’Neill | Executive Director - Phoenix-Mesa Gateway Airport Authority |
| Brian Sexton | Community Relations Manager - Phoenix-Mesa Gateway Airport Authority |
| Chris Andres | City of Chandler Airport Representative |
| Chuck Odom | CFO Phoenix-Mesa Gateway Airport Authority |
| Josh Rogers | Town of Gilbert Representative |
| Kyle Mieras | Town of Gilbert Representative |
| Larry Kirch | City of Apache Junction Representative |
| Nana Appiah | City of Mesa Representative |
| Corinne Nystrom | Falcon Field Airport Representative |
| Ryan Smith | Director of Communications - Phoenix-Mesa Gateway Airport Authority |
| Scott Brownlee | Deputy Director - Phoenix-Mesa Gateway Airport Authority |
| Tony Bianchi | Planning Manager - Phoenix-Mesa Gateway Airport Authority |

| Consultant Team | |
|------------------------|-------------------------|
| Name | Organization |
| Mark McFarland | Mead & Hunt, Inc. |
| Chris Hacker | Mead & Hunt, Inc. |
| Cameron Thomas | Mead & Hunt, Inc. |
| Kelly Phelps | PSM ² |
| Carissa Valdez | PSM ² |
| Dawn Arthur | Unison Consulting, Inc. |
| Brian Drake | Unison Consulting, Inc. |

Introductions and Opening Remarks

Tony Bianchi, Phoenix-Mesa Gateway Airport Authority (PMGAA Rep. Bianchi) opened the meeting by welcoming the committee to the fourth Stakeholders Working Group (SWG) Committee meeting.

Review of Public Survey Input

PMGAA Rep. Bianchi presented the results of the Master Plan Survey to the group. The seven-question survey was distributed in mid-June 2019 to gain feedback from SWG committee members and the general public regarding Airport utilization, user preferences, outreach and related feedback. The survey was housed on the project website, sent to SWG committee members, publicized to the general public and yielded around 200 responses. Survey questions and results are as follows:

1. *How many times have you, or members of your household, used Gateway for air travel in the last 5 years?* The highest percentage of respondents utilize Gateway often or have not yet used Gateway.
2. *What would be the largest factor in why you utilized, or would utilize, Gateway for your air travel?* The largest factors identified in responses were airline destinations and proximity to one's home. Surprisingly, affordability came in last of the three choices.
3. *In regard to airport parking, which is more important to you?* Survey results showed that respondents valued low cost parking over proximity to terminal. Results of this answer differ from the previous question where affordability did not rank as high. These results help to inform the airport on how to best expand parking options for users.
4. *How do you travel to/from the airport when departing or arriving on a flight?* The highest number of respondents use their personal vehicle, which also indicates users are utilizing airport parking. Results also showed that 25% of responders use a Ride Share option. Airports across the county are showing a decline in parking utilization and an increase in the use of Ride Share. With Ride Share being available at Gateway only for a couple of years thus far, it is something to keep an eye on to be able to accurately measure and accommodate parking and curbside needs.
5. *How do you typically follow news and events related to Gateway Airport?* The largest number of respondents follow Gateway via social media outlets, which is on trend with the way people are currently gaining information in general. Additionally, 25% of respondents are not following Gateway at all for updates.
6. *In general, can you share your overall impression of Gateway?* Most respondents commented positively to this answer. The largest specific request received through this question was for additional destinations and airlines. Some concerns raised by respondents include:
 - Lines and crowds during peak times
 - Baggage claim wait times
 - Lack of concession space
 - Additional overflight noise from continued growth
7. *Looking into the future, what would you like to see accomplished at Gateway over the next 10-20 years?* The most popular responses include expansion of airlines service and destinations, new or expanded terminal facilities and enhanced parking options and circulation. Additionally, 14% of respondents preferred little to no additional growth due to concerns regarding noise.

Airport Master Planning Advisory Meeting Agenda

Mark McFarland, Mead & Hunt, Inc. (Consultant Rep. McFarland) provided an overview of the meeting agenda that consisted of:

- Introductory Remarks
- Review of Public Survey Input
- Project Approach and Schedule
- Review of Forecasts of Aviation Activity and Critical Facility Needs
- Conceptual Development Plan
- 20-year Capital Improvement Project List
- Airport Layout Plan Drawing Set
- Next Steps

Consultant Rep. McFarland reminded the SWG committee members that the Airport Master Plan is a document that, at completion, we want to anticipate what we think will happen at the airport over the next 20 years as well as influence what we want to happen during that same period. Stakeholders will help to influence what we want to have happen.

Project Approach and Schedule

Consultant Rep. McFarland reviewed the project approach stating that the Federal Aviation Administration (FAA), provides guidance on how the Master Plan will be prepared. It is a building block process where the inventory, forecasts, facilities needs determination, development plan formulation and the financial plan are prepared. One of the final steps, the Financial Plan has been prepared and will be reviewed with the group today. The project has been a 16-month process that began in March 2018 and is approaching substantial completion.

Review of Forecasts of Aviation Activity and Critical Facility Needs

Consultant Rep. McFarland stated the forecast has been approved by the FAA and reviewed components of the forecast with the group. The forecast projects increase in anticipated enplanements, total operations and based aircraft. The numbers shown below reflect that all the current available runways at Gateway are needed to accommodate forecasted activity.

| Forecast Category | Present | 2023 | 2028 | 2038 |
|----------------------------|----------------|---------|-----------|-----------|
| Enplanements | 763,542 (2018) | 924,667 | 1,022,420 | 1,245,211 |
| Total Operations | 288,921 (2018) | 316,712 | 333,028 | 369,744 |
| Total Base Aircraft | 109 (2017) | 121 | 126 | 139 |

Consultant Rep. McFarland summarized the critical facility needs considerations that included:

- Identify potential needs and benefits for runway extension(s)
- Identify benefits for placement of parallel taxiway improvements
- Consider the benefits of improved instrument approach capabilities
- Passenger terminal
 - Short-term focus on demand driven improvements for existing terminal building
 - Long-term focus on relocated terminal
- Vehicular access and parking
 - Short-term focus on demand driven improvements for existing terminal area
 - Long-term focus on relocated terminal including support facilities
- SkyBridge Arizona – incorporate adopted recommendations into master plan
- General aviation and industrial aviation – continue to program for demand driven facility expansion and improvements

In reviewing the passenger terminal requirements, existing functional areas are currently meeting the demand, and will continue to do so. Forecasts for the short-term indicate that, due to increased activity around 10 years and beyond, some existing terminal functional areas will be deficient. This shows a need to plan for a future east side terminal to fully meet growing activity demands at Gateway in the long term.

Conceptual Development Plan

Consultant Rep. McFarland presented the preferred conceptual development plan to the group. The preferred conceptual development plan shows both airside improvements (runway, taxiway, instrument, approach capabilities, etc.) and landside improvements (terminal, general, aviation, industrial aviation, etc.).

Corinne Nystrom, Falcon Field Airport (Falcon Field Airport Rep, Nystrom) asked if the land had been approved by the FAA for nonaeronautical usage, or will the airport have to go through the process to get it released? *Consultant Rep. McFarland* stated an environmental assessment has been done on the land, but the land has not been officially released for nonaeronautical use. An Airport Master Plan is an instrument to get these subjects on the table with the FAA. The property map and land use map identify potential uses, which lays the groundwork for the release. *PMGAA Rep. Bianchi* added that environmental assessment gave us the environmental clearance of all 700 acres. When we talked about the terminal complex. The airport does have clearance up to 300,000 square feet, but 160,000 square feet will likely be the first phase. The initial clearance was for 10 jet bridge gates, and 4 hardstands for the first phase. *Brian O'Neill, Phoenix-Mesa Gateway Airport Authority (PMGAA Rep. O'Neill)* stated that, in the earlier Airport Master Plans and other long-range planning documents, what was the Sky Bridge Arizona area has always been listed as aero and nonaero development opportunities. *Consultant Rep. McFarland* added that there will likely be a process involved in the release of the land, and the Master Plan should lay the foundation for that process.

PMGAA Rep. Bianchi shared that the existing ASR (Airport Surveillance Radar) on the east side that has been called out has a perpetual easement. We know if we are going to develop the east side of the airport, we will need to take some planning actions to address this. *PMGAA Rep. O'Neill* responded that the airport has taken some of the preliminary steps because they have identified at Rittenhouse Auxiliary Airfield a new site where the ASR-8 could be relocated. *Consultant Rep. McFarland* clarified that the location of the ASR-8 on the east side of the airport and the critical area around it will be left undeveloped as long as that ASR-8 remains. *PMGAA Rep. O'Neill* responded that the radar system is not a fixed by function, so it could be anywhere. As the City of Mesa continues to develop, there are concerns with developers obtaining FAA 7460-1 with concerns about impacts to the ASR-8. The City of Mesa and the airport are collaborating with partners at the FAA to explore options to address the ASR issues. *PMGAA Rep. Bianchi* added that there has been so much development on the north side of the airport, especially with the industrial buildings that some of the 7460s have come back with possible interference with the ASR signal. *Bob Draper, Phoenix-Mesa Gateway Airport Authority (PMGAA Rep. Draper)* added that when we laid out the terminal, we could technically build on initial phase of the terminal and second phase without impacting the 1,500-foot radius. *PMGAA Rep. O'Neill* stated that there can be development of substantial amount of area without relocating the ASR-8, and that with the technological advances that are happening, ASR technology may not still be used in the long term.

Consultant Rep. McFarland stated the future east side spine roadway development is proposed, which will connect access to the east side via Ray Road/Hawes Road and Ellsworth Road on the south. This same road will also support access to the proposed nonaeronautical development area.

PMGAA Rep. O'Neill added the spine road does a good job at delineating the land as we move towards developing the aero and nonaeronautical land.

Consultant Rep. McFarland noted the future air traffic control tower (ATCT) location.

PMGAA Rep. Bianchi added you will not see the ATCT in the Airport Capital Plan, because we hope that it will be addressed in the very near term.

PMGAA Rep. O'Neill stated the engineering team has reached 100% design of the new ATCT and received the new tower design grant from the FAA. We are currently working with the FAA on a construction grant to proceed with the development of the new ATCT within the next couple of years.

20-year Capital Improvement Project List

Consultant Rep. McFarland advised the group that Chapter 6 identifies the proposed capital improvement projects, when they are anticipated to take place, and estimated pricing based on 2019 estimated costs. Pricing inflation is added in the financial plan presented in Chapter 7. The capital improvement plan is most defined during the first five years. The plan also includes project lists for the 6- to 10-year timeframe, 11- to 20-year timeframe and beyond 20 years. *Consultant Rep. McFarland* also presented a phasing plan map showing location of the projects along with color coding for the time frame in which they are planned to take place.

PMGAA Rep. Bianchi added that if you look at the initial phase, the focus will be on the west side, and the initial planning on the east side. You see as the phases progress the focus moves from the west side to the east side.

Don Arthur, Unison Consulting, Inc. (Consultant Rep. Arthur) presented the financial analysis framework which is developed to identify the likely funding sources for the planned capital improvement projects. To complete the financial analysis, the team reviewed Gateway's financial framework, airline rates and charges, conducted an analysis of historical trends in revenues and expenses, and projections of future revenues, expenses and cash flow. Once all information is collected, a funding plan is developed for the capital improvement program (CIP). The financial information collected from Gateway includes:

- Audited financial reports for Fiscal Year (FY) 2014 – FY 2018
- Revenue and expense budgets for FY 2019 and FY 2020
- Electronic files showing airline rates and charges calculations
- Current Airports CIP on file with the FAA
- Passenger Facility Charge (PFC) applications, FAA PFC Final Agency Decisions, and PFC reports
- Information on airport tenants
- Development and lease agreements
- Additional information in response to follow-up requests

From this information, the team developed the CIP funding plan for the first 10 years of planned projects. The process included evaluating the eligibility of each project for the various funding sources and the estimated availability of these sources. The top funding sources identified include the FAA Airport Improvement Program (AIP) grants, PFCs and ADOT funding. Member Government contributions were also considered. The member governments collectively provide \$4.06 million a year. Of this amount, \$2.1 million is allotted to maintenance type projects not included in the CIP such as pavement management. This leaves \$1.9 million a year for capital projects. The team also evaluated potential

funding sources for projects projected to take place beyond 10 years. Sources included the operating fund (revenues received minus the expenses), rental car customer facility charges and lease revenues.

Brian Drake, Unison Consulting, Inc. (Consultant Rep. Drake) continued the presentation of the funding plan with presentation of the plan sheet detailing each project cost and funding source estimate. Project costs differ than those included on the capital improvement plan, in Chapter 6, as a 2% escalation for each year was applied to the project costs. For all AIP-eligible projects, the team assumed 91.06% of the project cost will be funded by AIP entitlement and discretionary funds except for the Terminal Annex Redevelopment Design and Construction (A8). Additionally, the project funding is estimated to receive 4.47% in ADOT grants and 4.47% in member government contributions. The summary also shows that runway and taxiway projects are the highest use of funds at 60% of the total.

PMGAA Rep. Bianchi stated when we talk about AIP or grant assurances that the airport must meet, under one of those assurances the airport is required to address land use compatibility concerns. We want to ensure that we are consistently meeting all grant assurances, since much of our ability to implement improvements is based off of FAA grant funding.

Consultant Rep. Drake added that the AIP grant combined totals about 59% of the total funding plan.

Falcon Field Airport Rep, Nystrom asked if the \$10 million in the first 4 years of the member contribution is that they contribute about \$4 million a year. So, is the \$4 million included in that \$10 million, or is that \$10 million in addition to the \$4 million? *Consultant Rep. Drake* responded that \$4.06 million per year minus about \$2.1 million is used for the life cycle replacement and other capital costs.

Consultant Rep. Drake continued stating the projected breakdown of the airport's operating fund, which will also be a large funding source for the projects. Projections were based on the year 2020 budget and projected out to the year 2030, which shows growth in aeronautical and non-aeronautical revenue. Overall the projected revenue is anticipated to grow 2.6% per year. The operating fund breakdown also shows a modest cost per enplanement due to landing fees growing by only 3% every other year and the terminal fee remaining the same.

Consultant Rep. Arthur added that the airline cost per enplanement is using how the airlines are currently charged. Noted that this cost could change over time.

Airport Layout Plan Drawing Set

Consultant Rep. McFarland informed the group that the project team is nearing the completion of the Airport Layout Plan (ALP) drawing set. The Future Conditions ALP was presented to the group.

Next Steps

Consultant Rep. McFarland presented the next steps in the Master Plan process:

- Comments on draft work products due by October 30, 2019
- Presentation of Master Plan Recommendation to Senior Staff –November 12, 2019
- Materials (Including Executive Summary) Ready for Distribution to PMGAA
- Presentation of Master Plan Recommendations to PMGAA Board November 19, 2019
- Finalization of Master Plan Draft Final Report (compilation of all working documents)
- Finalization of ALP Drawing Set
- Submittal of ALP to FAA for Review and Approval