



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | June 21, 2022**

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, June 21, 2022, 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 John Giles, Mesa
Councilmember Jim Waring, Phoenix (*via videoconference*)
Mayor Brigitte Peterson, Gilbert
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community (*via videoconference*)
Mayor Gail Barney, Queen Creek (*via videoconference*)

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
Shea Joachim, Business Development Director

** Neither present nor represented*

1. Call to Order at 9:02 a.m. (Mayor Giles, 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 financial performance, passenger activity, the community noise report, and various Airport projects.

- Fiscal Year-to-Date 2022 (FYTD22) Net Operating Income is \$3,314,615.
- Record Setting April! Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 171,015 commercial passengers during April 2022; a 43% increase in passengers compared to April 2021. Allegiant has notified the Authority of reductions in service for June, July and August due to a pilot shortage impacting their service system wide.
- Terminal concessions are thriving and providing a significant increase in non-airline revenue. Enplaning passengers are spending an average of \$4.30 on food, beverage, and retail purchases.
- The Copper Plate restaurant is closed while the space is being renovated into a Macayo's Mexican Food/Infusion Coffee & Tea Crafters. The anticipated opening for these two new restaurants will be in August.
- Progress continues on three hangars totaling 183,000 SF in the Gateway Executive Airpark located at the north end of the airfield. The first two hangars will be available for lease this fall. The steel for the second hangar is currently being erected.

- Gateway *East* is a 300-acre mixed use non-aeronautical master development opportunity located on the east side of the Airport. Business Development Director, Shea Joachim is giving a presentation today on the planned development for this site. The Master Development Agreement and the Master Lease Agreement with The Boyer Company are listed on today's agenda for the Board's consideration.
- Design for SkyBridge Arizona's horizontal infrastructure – taxi lane extension, entrance roadways, sewer, water, fiber, and other utilities – is complete. SkyBridge Arizona is designing two additional industrial buildings. These two flex industrial buildings will be approximately 200,000 SF and 250,000 SF respectively. These projects may be on the July PMGAA Board agenda for consideration.
- Gateway Tomorrow is a planning initiative to reset and refine the vision for a future commercial passenger terminal campus on the east side of Airport. A Request for Qualifications (RFQ) for the long-range planning project has been issued. The evaluation panel has met and selected the three most qualified submitters to participate in the interview portion of the selection process.
- The Travel ID compliance deadline is May 3, 2023. After that date, TSA Security checkpoints will only accept the Arizona Travel ID with the gold star.
- The exterior of the Air Traffic Control Tower (ATCT) is complete and interior construction work continues. Federal Aviation Administration (FAA) technicians are onsite installing their equipment. The ATCT is on-track to be commissioned at the end of summer 2022.
- PMGAA is waiting to hear if it has received a Bipartisan Infrastructure Law (BIL) grant for a new 30,000 SF, five-gate terminal addition. PMGAA is hoping to secure a \$20MM - \$25MM grant from the Terminal Modernization Program to complete the important project.
- PMGAA has expanded aircraft parking opportunities for larger/heavier aircraft at the south end of the airfield. Alpha Apron Phase III was completed just before the wildfire season this year and is now in use by the U.S. Forest Service. The design for Alpha Apron IV is complete and construction will begin once the Airport's new ATCT is finished.
- PMGAA is improving the Rental Car Return Lot and the Rental Car Care Facility. Construction will begin following the July 4th Holiday to re-design traffic flow, expand capacity, add new facilities for the car rental companies, and erect shade structures for customer convenience. Customer Facility Charge (CFC) funds are fees assessed to passengers renting cars at the Airport. These funds go into a dedicated account and can only be used to improve the infrastructure and facilities for rental car operations.
- PMGAA is planning to expand its fuel storage capacity to protect against fuel delivery disruptions. In March the Board approved Resolution 22-09 for the fuel farm expansion design. Current fuel storage is 250,000 gallons which is a 3-day supply and is susceptible to fuel delivery disruptions. The additional 4-day, 300,000 gallons in tank storage will provide a 7-day supply of 550,000 gallons to protect against operational failures due to fuel delivery disruptions. Listed on today's agenda for the Board's consideration are Resolutions 22-34 and 22-35 pertaining to this project.
- A ticketing terminal connector has been designed to allow passengers to proceed from the ticketing terminal building directly into the security screening checkpoint area. This customer service enhancement project will increase the queuing area for the security screening checkpoint by approximately 30% and will keep passengers in a climate-controlled environment from ticketing through security screening.

- A Ray Road Economy Parking Lot expansion project is under construction. An additional 600 parking spaces will be completed in time for the busy 4th of July Holiday. A total of 1,300 additional parking spaces will be available by the end of July.

6. GatewayEast Presentation – Shea Joachim, Business Development Director

Mr. Joachim gave a presentation on the development of the GatewayEast site and an overview of the Master Development Agreement and Master Lease Agreement with The Boyer Company which is on today's agenda for Board consideration.

Matt Jensen, Partner with The Boyer Company, spoke positively about his experience collaborating over the past six months with the staff of the Phoenix-Mesa Gateway Airport Authority and the City of Mesa and designing and evaluating the options for the Master Plan. He expressed his appreciation for this opportunity the Board is considering. Mr. Jensen was joined by Adrian Evarkiou, Partner with The Boyer Company.

7. Consent Agenda

- a) **Minutes** of the Board Meeting held on **May 17, 2022.**
- b) **Resolution No. 22-25 – Authorizing the Denver Series of Lockton Companies, LLC (Lockton)** under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Phoenix-Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2022, not to exceed premium cost of \$617,021.
- c) **Resolution No. 22-26 – Authorizing an agreement for financial participation between the City of Mesa and Phoenix-Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services effective July 1, 2022, in the amount of \$106,406.40.**
- d) **Resolution No. 22-27 – Authorizing a contract with Blackstone Security Services, Inc. (Blackstone)** to provide unarmed security guard services for a three-year initial contract term in an amount not to exceed \$298,000.00. The contract allows for two optional one-year extensions. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

<u>Description</u>	<u>Est. Weekly Hours</u>	<u>Billable Rate</u>
Unarmed security guard - regular time	60	\$23.61
Unarmed security guard - overtime	10	\$35.42
<u>Description</u>	<u>Est. Annual Hours</u>	<u>Billable Rate</u>
Unarmed security guard - holiday time	120	\$35.42
- e) **Resolution No. 22-28 – Authorizing the purchase of janitorial supplies from Network Services Company in partnership with Waxie Sanitary Supply** for FY23, in an amount not to exceed \$125,000.
- f) **Resolution No. 22-29 – Authorizing the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation** for Airport Authority resale in the amount of \$5,250,000.

- g) **Resolution No. 22-30** – Authorizing the purchase of Unleaded and Diesel fuel from the **lowest priced State contract vendor** at market prices for Airport Authority use and resale in an amount not to exceed of \$630,000. This amount will provide fuel for the 2023 fiscal year.
- h) **Resolution No. 22-31** – Authorizing the purchase of international waste management services from **Stericycle, Inc. (Stericycle)** in an amount not to exceed \$55,000.00 for fiscal year 2023.
- i) **Resolution No. 22-32** – Approving a Construction Contract with **Coffman Specialties, Inc.** for the construction of the TWY Connectors in an amount not to exceed \$7,851,927.50 under CIP 1236.
- j) **Resolution No. 22-33** – Approving an Authorization of Services for the TWY Connectors Construction Administration Services with **Kimley-Horn & Associates (KHA)** in an amount not to exceed \$246,768 under CIP 1236.
- k) **Resolution No. 22-34** – Authorizing an **amendment of the FY23 Capital Budget** to provide an additional \$6 million in funding to CIP 1224 Fuel Farm Expansion Construction not to exceed \$12 million.
- l) **Resolution No. 22-35** – Approving a Pre-Construction Services Contract with **KEAR Civil Corp.** for CMAR Pre-Construction Services for the Fuel Farm Expansion Construction, in an amount not to exceed \$243,671 under CIP 1224.
- m) **Resolution No. 22-36** – Authorizing an amendment to the Ground Lease 2016-093 for **Lot #39** to extend the expiration of the term by nine (9) years, from June 30, 2043, to June 30, 2052, with an associated extension fee of \$322,262.68 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to **Vernon Investments, LLC**.
- n) **Resolution No. 22-37** – Authorizing an amendment to the Ground Lease 2016-093 for **Lot #39A** to extend the expiration of the term by nine (9) years, from June 30, 2043, to June 30, 2052, with an associated extension fee of \$122,462.47 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to **Vernon Investments, LLC**.

Mayor Brigitte Peterson moved to approve the Consent Agenda.

Mayor Chip Wilson seconded the motion.

The motion was carried unanimously.

Consideration and Possible Approval of:

- 8. **Resolution No. 22-38** – Authorizing a Master Development Agreement and Master Lease Agreement with **Boyer GatewayEast, L.C.** for the property referred to as GatewayEast, each for a term of forty (40) years with no extensions, and each to be guaranteed by The Boyer Company, L.C.

Mayor Chip Wilson moved to approve Resolution No. 22-38.

Mayor Brigitte Peterson seconded the motion.

The motion was carried unanimously.

9. Election of Chair and Vice Chair

Mayor Chip Wilson motioned to nominate Mayor Brigitte Peterson to become Chair and Councilmember Jim Waring to remain Vice Chair.

**Lt. Governor Monica Antone seconded the motion.
The motion was carried unanimously.**

10. Election of Secretary and Treasurer

**Mayor Gail Barney motioned to nominate Mayor Chip Wilson to become Secretary and Lt. Governor Monica Antone to become Treasurer.
Councilmember Jim Waring seconded the motion.
The motion was carried unanimously.**

11. Board Member Comments/Announcements.

Executive Director O'Neill expressed appreciation on behalf of the Authority for Mayor Giles outstanding vision and leadership as PMGAA's Chairman of the Board of Directors during FY22.

Mayor Giles reflected on his time beginning back in 1996 serving on the Mesa City Council just a couple of years after the transition from the former Williams Air Force Base. Mayor Giles spoke of the honor he felt returning to the Mesa City Council eight years ago as Mayor and of the progress and development that has come to fruition over the past 26 years. He expressed his pleasure to serve on this Board and his appreciation for the hard work of all the people that have made this a success story.

12. Next Meeting: Tuesday, July 19, 2022 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 telephone/videoconference.

13. Adjournment.

The meeting adjourned at 9:52 a.m.

Dated this ____ day of _____ 20__.

Misty Johnson, Clerk of the Board