

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

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, August 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 Julia Wheatley, Queen Creek
Lt. Governor Regina Antone, Gila River Indian
Community (*via audio conference*)
Councilmember Scott Somers, Mesa
Mayor Brigitte Peterson, Gilbert
Mayor Chip Wilson, Apache Junction
** 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
Bob Draper, Director of Engineering & Facilities

1. **Call to Order** at 9:00 a.m. (Mayor Wilson, Chair)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**

Prior to the start of the meeting, Gold Canyon resident Steve Edwards submitted to the Clerk of the Board a public comment card to speak on a topic not on the agenda. His concern is flight paths, noise, and air safety over Gold Canyon.

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 End 2024 (FYE24) preliminary net operating income is \$4,125,732, an increase of 6% over FYE23 and Phoenix-Mesa Gateway Airport's (Airport, Gateway Airport) third best year for net operating income.
- Gateway Airport welcomed 158,512 commercial passengers in June 2024. This is a new June record! The total number of commercial passengers for FY24 is 1,839,977. This is the second-best fiscal year ever for commercial passengers.
- The air traffic control tower at Gateway Airport is a contract tower. The unique fleet mix at the Airport makes these contract controllers desirable to the Federal Aviation Administration (FAA). To provide more stability in the controller staffing model, a pilot program has been developed to convert contract towers into FAA towers. If Gateway Airport is one of the airports chosen for the FAA Reauthorization Air Traffic Control Tower Staffing Pilot Program, the Airport will continue to own the air traffic control tower, but it will be staffed with FAA employees instead of contract employees.
- Recommended changes to the Airport Personnel Rules include performance-based lump sum payment to be paid out per pay period instead of a one-time payment, statutory sick leave category to comply with AZ State Law, sick leave conversion, updated sick time at separation and updated bereavement leave.

- At the northeast corner of Ellsworth Road and Pecos Road is a 52.6-acre perpetual easement for the restrictive use of the land. Subject to an Instrument of Release from the FAA the Authority will receive title to the Conveyance Property from Mesa BA Land, LLC for approximately a 19.6-acre parcel in exchange for extinguishing the easement. Only a ± 19 -acre portion of the easement is needed to protect the Airport's ultimate Runway Protection Zone (RPZ).
- Virgin Galactic has received Certificates of Occupancy from the City of Mesa for their hangar and manufacturing facility located on the north end of the Airport. A VIP tour and ribbon-cutting event are planned for this fall. Assembly of Delta spaceships will begin in Q1 2025.
- Gulfstream Aerospace is completing construction of a 225,000 sq. ft. West Coast Service Center on the east side of the airfield adjacent to Ellsworth Road. This state-of-the-art facility is scheduling its ribbon-cutting event for October. The industry-leading company has already hired over 250 local employees and leased more than 100,000 sq. ft. of additional hangar space.
- SkyBridge Arizona is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. It has completed the construction of two 250,000 sq. ft. flex industrial buildings designed to accommodate single and multi-tenant users, a 53,000 sq. ft. industrial building, an 82,500 sq. ft. hangar and various roadways and utility infrastructure across the site. Ground-breaking events have been held for two additional projects – two office buildings for Northern Arizona University (NAU) Mesa Workforce Development Center and a 129-room dual-brand hotel.
- Gateway East is a 273-acre, mixed-use, non-aeronautical master development opportunity located on the east side of the Airport. The horizontal infrastructure – roadways, utilities, and landscaping - is progressing. Construction of a 275,000 sq. ft. manufacturing facility for XNRGY Climate Systems is currently underway.
- Gateway Commerce Center III is being developed along the southeast corner of Sossaman Road and Velocity Way. This project is two industrial buildings totaling just less than 100,000 sq. ft. The appearance will be more of an office building than an industrial building. The developers have worked with the City of Mesa for enhanced landscaping at the corner of Sossaman Road and Velocity Way.
- PMGAA is updating the front entrance to the Airport at the intersection of Ray and Sossaman Roads. The project will remove the existing monument and sculptures on the east and west sides of Sossaman Road and a new monument, landscaping, irrigation, signage, and lighting will be constructed.
- Several airport-owned buildings that have reached the end of their useful life have been removed. The demolition project is creating a new aeronautical development opportunity at the south end of the Airport. In September a Request for Qualifications (RFQ) for the aeronautical redevelopment is scheduled for release.

6. Airfield Infrastructure Construction Projects Update – Bob Draper, Director of Engineering and Facilities

- During the next two years, PMGAA will complete several important airfield improvement projects designed to ensure that the runways and taxiways at Gateway Airport remain in good operational condition. The center runway, Runway 12C-30C, will have an extensive mill and overlay completed on the center portion of the runway. In the fall, Taxiway Whiskey will be repaired in front of the commercial passenger terminal and the southern half of the Airport's inside runway, Runway 12R-30L, will undergo a substantial reconstruction of its aging concrete.

Once the southern portion is completed, PMGAA will reconstruct the northern half of Runway 12R-30L in mid-2025 and into 2026.

7. Consent Agenda

- a) **Minutes** of the Board Meeting held on **June 18, 2024**.
- b) **Resolution No. 24-30** – Approving an Authorization of Services for Construction Services with **KEAR Civil Corporation (KEAR)**, for the Baggage Claim 2 Canopy Project, in an amount not to exceed \$161,589.50, under CIP 1267.
- c) **Resolution No. 24-31** – Authorizing a Construction Contract with **RCI Property Enterprises, LLC, (RCI)** for Construction Services for the New Airport Entrance Monument Signage Project, in an amount not to exceed \$916,669.46, under CIP 1268.
- d) **Resolution No. 24-32** – Authorizing a Construction Manager at Risk (CMAR) Construction Services Contract, with **Pulice Construction, Inc.**, for the Runway 12R-30L Phase 1 Reconstruction Project in an amount not to exceed \$18,595,906.00 under CIP 1072 subject to grant funding.
- e) **Resolution No. 24-33** – Approving an Authorization of Services to provide Construction Administration Services with **Kimley-Horn & Associates (Kimley-Horn)** for the Runway 12R-30L Reconstruction Project in an amount not to exceed \$747,486.83 under CIP 1072 subject to grant funding.
- f) **Resolution No. 24-34** – Authorizing the procurement of Desktop Computers and Laptops from **Dell Marketing, L.P. (Dell)** in an amount not to exceed \$112,234.00.
- g) **Resolution No. 24-35** – Authorizing the purchase of one new wheel loader from **Earhart Tractor and Equipment Company (Earhart)**, a division of Bingham Equipment, in an amount not to exceed \$217,678.77.
- h) **Resolution No. 24-36** – Authorizing the termination of the **SkyB Lot 118-A** Development Lease and to concurrently return **Lot 118-A** to the Master Lease Agreement.
- i) **Resolution No. 24-37** – Authorizing the Adjustment Amendment to the Master Lease with **Mesa SkyBridge, LLC** to remove SkyBridge Blvd., International Way and Peak Air Circle from the Lease and the Rentable Premises of the Property.
- j) **Resolution No. 24-38** – Approving an Authorization of Services with **Nesbitt Contracting Company, Inc. (Nesbitt)** for the Rehabilitation of Taxiway Whiskey in an amount not to exceed \$1,937,899.89 under CIP 744.
- k) **Resolution No. 24-39** – Approving an Authorization of Services with **Kimley-Horn & Associates (Kimley-Horn)** for Construction Administration Services for the Taxiway W Rehabilitation Project, in an amount not-to-exceed \$122,869.18 under CIP 744.
- l) **Resolution No. 24-40** – Authorizing the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute final contracts for the Airport's Common Use

Passenger Processing System (CUPPS) with **Amadeus Airport IT Americas, Inc. (Amadeus)** for equipment, installation, and support and maintenance in an amount not to exceed \$1,500,000.

- m) **Resolution No. 24-41** – Authorizing the purchase of airfield asphalt repair services with **Sunland Asphalt of Arizona, Inc. (Sunland)** for an amount not to exceed \$135,000.
- n) **Resolution No. 24-42** – Authorizing the purchase of airfield asphalt repair services with **Hi-Lite Airfield Services, LLC (Hi-Lite)** for an amount not to exceed \$130,000.
- o) **Resolution No. 24-43** – Authorizing the purchase of landside asphalt repair services with **Sunland Asphalt of Arizona, Inc. (Sunland)** for an amount not to exceed \$121,500.
- p) **Resolution No. 24-44** – Approving the amended and restated Phoenix-Mesa Gateway Airport Authority **Personnel Rules**.
- q) **Resolution No. 24-45** – Authorizing the extinguishment of the approximately 52.6-acre perpetual easement encumbering the northeast corner of **Ellsworth Road and Pecos Road**, subject to the issuance of an Instrument of Release from the **FAA** and in exchange, acquisition of the fee title to an approximately 19.6-acre parcel.

Mayor Chip Wilson moved to approve the Consent Agenda.

Mayor Brigitte Peterson seconded the motion.

The motion was carried unanimously.

Consideration and Approval of:

- 8. **Resolution No. 24-46** – Authorizing a Third Amendment to the Terminal Concession Lease Agreement with **Paradies Lagardère@AZA, LLC** to extend the initial Term of the Agreement by an additional five (5) years, from TEN (10) to FIFTEEN (15) years.

Mayor Brigitte Peterson moved to approve Resolution No. 24-46.

Mayor Chip Wilson seconded the motion.

The motion was carried unanimously.

- 9. **Resolution No. 24-47** – Authorizing a Third Amendment to the Terminal Concession Lease Agreement with **Kind Hospitality Inc.** to extend the initial Term of the Agreement by an additional five (5) years, from TEN (10) to FIFTEEN (15) years.

Mayor Chip Wilson moved to approve Resolution No. 24-47.

Mayor Brigitte Peterson seconded the motion.

The motion was carried unanimously.

- 10. **Resolution No. 24-48** – Authorizing a Third Amendment to the Restaurant and Catering Concession Lease Agreement with **Kind Hospitality Inc.** to extend the initial Term of the Agreement by an additional ten (10) years.

Mayor Chip Wilson moved to approve Resolution No. 24-48.
Mayor Brigitte Peterson seconded the motion.
The motion was carried unanimously.

- 11. Resolution No. 24-49** – Authorizing an agreement for FBO Consulting Services with **Airside FBO, LLC** and **BA Group Consulting, LLC** (“Airside FBO/BA Group”) in an amount not to exceed \$83,500.

Mayor Brigitte Peterson moved to approve Resolution No. 24-49.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

12. Board Member Comments/Announcements.

Councilmember Somers recognized Miranda DeWitt for her efforts along with Ryan Smith and Scott Butler in the FAA Air Traffic Control Tower pilot program.

- 13. Next Meeting: Tuesday, September 17, 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.

14. Adjournment.

The meeting adjourned at 10:06 a.m.

Dated this ____ day of _____ 20__.

Misty Johnson, Clerk of the Board