



**MINUTES OF PUBLIC MEETING OF THE  
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY  
BOARD OF DIRECTORS | September 18, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, September 18, 2018, 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 Jeff Serdy, Apache Junction  
Lt. Governor Robert Stone, Gila River  
Indian Community  
Mayor Gail Barney, Queen Creek  
Mayor Thelda Williams, Phoenix  
Mayor John Giles, Mesa  
Mayor Jenn Daniels, Gilbert

**Airport Staff Present**

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

Keith Belden, Morrison Meirle  
Jamie Bennett, Town of Queen Creek  
Eric Bashaw, Gebesa  
Aric Bopp, City of Mesa  
Matt Busby, City of Apache Junction  
Scott Butler, City of Mesa  
Rhonda Curtis, Wells Fargo  
Kent Dibble, Dibble Engineering  
Ken Halverson, Jetstrip/KMH  
Karyn MacVean, AZ Spaceport Alliance  
Pearl Meza, City of Phoenix

Jarrett Moore, Kimley Horn  
Monica Morales, Mexico Customs SAT  
Warde Nichols, Arizona State University  
Ariel Picker, SkyBridge  
Samantha Pinkal, The Weitz Co.  
Steve Reeder, Kimley-Horn  
Paul Salinas, Wetta Ventures  
Valerie Shaffer, Town of Gilbert  
David Wetta, Wetta Ventures  
Bob Winrow, WSP

1. **Call to Order** at 9:00 a.m. (Mayor Jeff Serdy)
2. **Call to the Public.**  
There were no public comments.
3. **Executive Director's Report**

Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and an update on various Airport projects. He reminded the Board of staff's recent transition to a new Enterprise Resource Planning (ERP) System and noted staff's continued efforts to close out and report July/August financials. Hopefully they will be available at the October 16, 2018 Board Meeting.

PMGAA wrapped up its Annual Outside Independent Audit and received a clean audit with no reportable conditions. Credit goes to all staff involved, especially the Finance Team as a clean audit is the product of teamwork and ensuring complete compliance. The Lead Auditor will provide a briefing to the Board at the November 20, 2018 Board Meeting.

Year-End Fiscal Year (YEFY)2018 Net Operating Income is \$3,250,001, a 69% increase compared to the previous fiscal year.

YEFY2018 Performance Metrics for commercial passengers (+7%), aircraft operations (+8%), operating revenue (+13%), concession revenue (+27%), facility/land lease revenue (+14%), car rental revenue (6%), vehicle parking revenue (3%) and net operating income (+69%) all increased and PMGAA responded to the same number of noise program callers in both FY2017 and FY2018 (134 callers).

#### PMGAA Update:

- Swoop, a new ultra-low cost Canadian airline (subsidiary of WestJet) has announced nonstop service to Edmonton (twice-weekly) beginning at the end of October; Flair Air, another ultra-low cost Canadian airlines has announced nonstop service to Edmonton (four days a week) and Winnipeg (twice-weekly) beginning December 15, 2018; and California Pacific Airlines (CP Air) has announced new nonstop service to Carlsbad/San Diego, CA (six days a week). CP Air flights will begin on November 15, 2018.
- Allegiant Air has announced new nonstop service to the popular tourist destination of St. George, Utah. In March 2019, Allegiant will reposition ten aircraft from Las Vegas to PMGAA on Saturdays-only to supplement the frequency of existing nonstop destinations.
- Airport Master Plan Update – PMGAA staff are reviewing two draft chapters on inventory and aviation forecasts. The Tactical Advisory Committee (TAC) and the Study Advisory Committee (SAC) met on July 31. In the next month or two, the PMGAA Board will receive another update presentation on the progress of the Airport Master Plan Update.
- The Taxiway Charlie Construction Project is underway on the eastside of the Airport. This important infrastructure project will complete the taxiway and add additional opportunity for future development.
- South Sossaman Road & Hourly Parking Lot Improvement Projects are designed to increase capacity and alleviate congestion on Sossaman Road.
- The new Aircraft Rescue & Fire Fighting (ARFF) Vehicle has arrived and is set to be placed in service on October 1, 2018. The ARFF vehicle will enhance the capabilities of our response team at the Airport.
- Allegiant and PMGAA signed a new Air Carrier Operating Agreement in January 1, 2017. The new agreement includes a Non-Airline Revenue Sharing Program. Allegiant eclipsed the 675,000 EPAX threshold by 35,003 passengers, making them eligible for shared revenues in the amount of \$38,283.

#### **4. Consent Agenda.**

**Minutes** of the Board Meeting held on July 17, 2018

**Resolution No. 18-33** - Authorizing the purchase of janitorial supplies from **Waxie Sanitary Supply** between August 2, 2018 and August 1, 2019, in the amount of \$81,300.

**Resolution No. 18-34** - Authorizing a terminal advertising agreement with **Owens, Harkey & Associates, LLC** for two column wraps, a wall ad, and a floor ad. The agreement is one year, commencing on October 1, 2018.

**Mayor Jenn Daniels moved to approve the Consent Agenda. Mayor Gail Barney seconded the motion. The motion was carried unanimously.**

**Consideration and Possible Approval of:**

*Note: Item 13 was moved ahead of Agenda Item #5 to accommodate representatives from Mesa SkyBridge, LLC.*

**13. Resolution No. 18-43** - Granting a one-time exception to Section 6, Item k of the Master Development Agreement to allow **Mesa SkyBridge, LLC** to acquire a 77.7-acre property immediately south of the Skybridge Arizona project site, commonly known as parcel #604-61-002W.

Mr. Ariel Picker briefed the Board on the status of the SkyBridge Arizona project. The Site Master Plan has been submitted to PMGAA staff for review and comment. During the development of the Site Master Plan, an opportunity presented itself to purchase a parcel of land connecting SkyBridge Arizona to Pecos Road. Mr. Picker stated that if they owned the parcel it may provide for additional access to the SkyBridge Arizona site in the future and will add increased value to the entire project.

SkyBridge Arizona now offers a full-time Mexican Customs Agent working at Phoenix-Mesa Gateway Airport.

Mayor Williams expressed concern about possible security impacts to SkyBridge Arizona by increased access to the site. Executive Director O'Neill noted that the proposed internal roadway system connecting down to Pecos Road would not allow for any through-the-fence operations.

Mayor Giles thanked SkyBridge representatives for being terrific partners.

**Mayor Gail Barney moved to approve Resolution No. 43. Mayor Jenn Daniels seconded the motion. The motion was carried unanimously.**

**5. Resolution No. 18-35** - Authorizing a land lease with **Wetta Ventures, LLC** for lot 37 located at 6253 S. Sossaman Road and consisting of approximately 3.7 acres. The lease term is thirty (30) years, commencing on October 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$6,715.57 commencing on the Rent Commencement Date.

Mayor Giles inquired of the potential opportunity to relocate the existing Quonset hut? Executive Director O'Neill stated that an interested buyer could disassemble, relocate it, and resurrect at another location.

**Mayor Gail Barney moved to approve Resolution No. 35. Mayor John Giles seconded the motion. The motion was carried unanimously.**

6. **Resolution No. 18-36** - Authorizing a land lease with **Aviation Performance Solutions, LLC** for lot 18, consisting of approximately 4.7 acres. The lease term is twenty-five (25) years, commencing on October 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$7,690.24 commencing on the Rent Commencement Date.

**Mayor Thelda Williams moved to approve Resolution No. 36. Mayor Gail Barney seconded the motion. The motion was carried unanimously.**

7. **Resolution No. 18-37** - Authorizing the Executive Director/CEO to execute an operating agreement with **SWOOP, Inc.** for commercial air service.

Mayor Williams stated “there is a slight difference of opinion on the interpretation of Section 1.7 of the IGA on whether you’re to focus on domestic, and international service to stay at Sky Harbor. It’s not based necessarily on what’s on our Agenda today as much as what has transpired in the Management Meeting. Phoenix will strongly object if you further develop international and immigration services.”

Executive Director O’Neill acknowledged receipt of Mayor Williams’ message.

**Mayor John Giles moved to approve Resolution No. 37. Mayor Gail Barney seconded the motion. The motion was carried unanimously.**

8. **Resolution No. 18-38** - Authorizing a contract with **DPR Construction** to provide Advance Procurement and Preliminary Construction Services for the Baggage Claim Expansion Phase 1 CIP 1004 in an amount not-to-exceed \$1,091,217.

**Mayor Thelda Williams moved to approve Resolution No. 38. Lt. Governor Robert Stone seconded the motion. The motion was carried unanimously.**

9. **Resolution No. 18-39** - Authorizing a Contract with **DPR Construction** to provide Advance Procurement and Preliminary Construction Services for the Bag Make-up Expansion Phase 1 Project CIP 1047 in an amount not-to-exceed \$1,088,534.

**Mayor Gail Barney moved to approve Resolution No. 39. Mayor John Giles seconded the motion. The motion was carried unanimously.**

10. **Resolution No. 18-40** - Approval of Authorization of Services No. 16B-1901 with **Kimley-Horn & Associates** for Engineering Design Services for Taxiway K between 12R/12C & RIM (Runway Incursion Mitigation)–Hot Spot 1 Design for a total cost not-to-exceed \$325,303.

**Mayor John Giles moved to approve Resolution No. 40. Mayor Gail Barney seconded the motion. The motion was carried unanimously.**

**11. Resolution No. 18-41 - Authorizing an amendment to the PMGAA Procurement Policy.**

Chief Financial Officer Chuck Odom briefed the Board on the summarized recommendations and proposed revisions to the Procurement Policy.

Mayor Daniels asked if the intent was to inform the Board on all impractical procurements or just those exceeding the \$50,000 threshold, as it was her preference the Board be informed on all impractical procurements exceeding the \$5,000 threshold. Mayor Giles added the efforts to be transparent and err on the side of disclosure, he agreed with Mayor Daniels. Mayor Williams and Mayor Serdy concurred.

Mayor Daniels noted that sometimes the next scheduled meeting of the Board could be delayed. Rather than waiting for the next scheduled Board Meeting, can staff set a time specific email notification within a reasonable amount of time (such as 30-days) and also add notification in the monthly Board packet. Chief Financial Officer Chuck Odom added it should then be applied to Emergency Procurements as well. Executive Director stated the language could be changed to reflect Mayor Daniels suggestions.

Mayor Barney inquired as to the quantity of impractical and emergency procurements each year and the current process for notification.

**Mayor Gail Barney moved to continue Resolution No. 18-41 to the October 20, 2018 Board Meeting as a Consent Item on the Agenda. Mayor Jenn Daniels seconded the motion. The motion was carried unanimously.**

**12. Resolution No. 18-42 - Adoption of a new PMGAA policy regarding the selection of Primary Legal Counsel.**

**Mayor John Giles moved to approve Resolution No. 18-42. Mayor Gail Barney seconded the motion. The motion was carried unanimously.**

**13. Board Member Comments/Announcements**

**14. Next Meeting:** Tuesday, October 16, 2018 at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona.

**15. Adjournment.**

The meeting adjourned at 9:54 a.m.

Dated this 16<sup>th</sup> day of October, 2018.

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Maria E. Gonzalez, Clerk of the Board