



CHARTING A COURSE FOR CONTINUED SUCCESS

**Phoenix-Mesa Gateway Airport Authority
Strategic Business Plan**

2021 and Beyond



Introduction

The Phoenix-Mesa Gateway Airport Authority (PMGAA) Board of Directors identified seven strategic goals to guide the improvement and development of Phoenix-Mesa Gateway Airport (Gateway Airport, Airport) during the next decade. PMGAA's organizational goals include:

- ➔ **Increase Air Service**
- ➔ **Maintain a High Level of Community Support**
- ➔ **Strengthen Financial Sustainability**
- ➔ **Invest in People and Operational Assets**
- ➔ **Attract Commercial Development**
- ➔ **Plan, Build & Maintain Infrastructure**
- ➔ **Promote Regional Tourism**

PMGAA staff created a Strategic Business Plan (Plan) outlining a comprehensive set of objectives, activities, initiatives, and measurement tools designed to successfully meet these goals. The intention of the Plan is to identify and analyze the business and environmental factors that might affect the organization during the next decade; confirm the organization's mission, vision, and values; create goal-specific Action Items to direct implementation; and build a clear, unified, and well-articulated direction for the organization.

It is important to recognize however, that since the plan spans a number of years, and unforeseen events may occur, it may require periodic updates in order to address changing environmental conditions.

MISSION STATEMENT

We strive to be the airport that air travelers choose, airlines prefer, and a growing number of businesses call home. We will provide exceptional customer service while operating Phoenix-Mesa Gateway Airport in a safe, secure, efficient, and fiscally responsible manner.

VISION STATEMENT

Phoenix-Mesa Gateway Airport will be the airport of choice for a growing number of business and leisure air travelers seeking great value and unparalleled convenience.

Phoenix-Mesa Gateway Airport will be the location of choice for both aeronautical and non-aeronautical companies interested in convenient, affordable roadway to runway access.

Phoenix-Mesa Gateway Airport will be a major catalyst for continued job growth in the Phoenix East Valley.

Organizational Values

Organizational values are principles and behaviors that help describe and guide an organization's culture. PMGAA has identified five core organizational values that unite employees and create benchmarks for future decision-making.

Work Smart – Act and behave in ways that respect life, the environment, and those around us

Own It – Be accountable for outcomes and honor your commitments

Do the Right Thing – Be honest, transparent, and fair

Exceed Expectations – Provide positive experiences through a culture of exceptional service

Stronger Together – Deliver creative and innovative solutions through collaboration, diversity, and respect

Strategic Goal #1: Increase Air Service

PMGAA Board Statement: Work with incumbent air carriers to retain and expand current air service levels by adding new nonstop destinations and increasing frequency in existing markets. Recruit additional commercial passenger, charter, and cargo airlines by strengthening professional relationships with prospective airlines, articulating a strong business case supporting new service, and maintaining a competitive Airport cost structure. Attract corporate jet activity and military training operations to diversify and enhance revenue and increase regional economic contribution.

Goal Summary

Airports are major economic engines for the regions they serve, creating jobs, facilitating commerce, and connecting people and products to the global marketplace. Over the next ten years, commercial passenger activity at Gateway Airport is expected to increase at a rate faster than the national average. This projected growth trend creates an opportunity to fortify commercial air service by increasing existing airline investment and attracting new entrants to the Airport.

Additionally, there will be an increased emphasis on developing air cargo activity, based and transient corporate aircraft, and military training operations. As the industrial base in the Phoenix East Valley continues to expand, demand for cargo transport, corporate hangars, and other aviation-related services will increase exponentially as well.

Objective 1 – Increase commercial passenger activity by 3-5% annually

Action Items

- ➔ Aggressively promote the “Gateway Advantage” and articulate a strong business case for new nonstop destinations and increased frequency with both existing and prospective airlines
- ➔ Survey greater Phoenix air travelers to identify top underserved destinations
- ➔ Implement a strategic marketing program to broaden awareness about Gateway Airport and the services offered

Objective 2 – Maintain a competitive airport cost structure and new air service incentive program

Action Items

- ➔ Optimize existing passenger terminal to support continued airline growth
- ➔ Implement terminal cost savings/rebate supported energy efficiency projects
- ➔ Replace Annex with new four-gate concourse
- ➔ Establish a national benchmarking program to compare cost structure of similar airports
- ➔ Keep Airport Rates and Charges ultra-competitive
- ➔ Continue competitive incentives to attract new nonstop destinations

Objective 3 – Develop domestic and international cargo activity

Action Items

- ➔ Work with the PMGAA Business Development Office to analyze and evaluate land and facility opportunities for an expanded cargo operation
- ➔ Engage the air cargo/logistics industry to develop detailed understanding of international and domestic cargo potential at Gateway Airport
- ➔ Position Gateway Airport as an efficient, cost-effective alternative for the region’s air cargo
- ➔ Engage air cargo consultant to help develop a framework for attracting air cargo companies
- ➔ Continue to support SkyBridge Arizona and the Unified Cargo Processing Program
- ➔ Participate in national air cargo industry events

Objective 4 – Explore viability of developing a Federal Inspection Services Facility (FIS)

Objective 5 – Secure daily nonstop jet service to a major airline hub

Action Items

- Commit at least \$2MM annually for a PMGAA new air service revenue guarantee
- Work with air service development consultant to develop air service pro forma presentations to attract service to a major hub

Objective 6 – Maintain operational practices that preserve Gateway Airport’s Federal Aviation Administration (FAA) Certification and Transportation Security Administration compliance

Action Items

- Successfully complete annual FAR Part 139 Certification Inspection
- Maintain Airport Security Plan to satisfy 49 CFR Part 1542
- Allocate necessary resources for FAA and TSA compliance

Objective 7 – Increase based and transient corporate aircraft activity and military training exercises

Action Items

- Update Gateway Aviation Services’ marketing plan and promotional calendar
- Attend national industry-related conventions, conferences, and trade shows to promote facilities and services available through Gateway Aviation Services
- Maintain competitive Airport Rates and Charges, aviation fuel pricing, and exceptional customer service
- Certify Gateway Aviation Services in Business Aviation Handling (IS-BAH) Program

Objective 8 – Improve the customer experience through enhanced amenities, employee training, and increased customer engagement

Action Items

- Increase customer loyalty with a special parking Frequent Parking Program
- Conduct regular in-terminal passenger surveys
- Implement recurrent Customer Experience Training with appropriate employee groups
- Develop and implement a process for resolving customer complaints

Strategic Goal #2: Maintain a High Level of Community Support

PMGAA Board Statement: Airports can be good neighbors. Communication, honesty, and transparency are critical for the development of long-term, successful relationships with the neighboring communities. Gateway Airport will strengthen community outreach and increase

engagement with public officials, neighborhood representatives, and local business leaders when planning for future growth and development.

Goal Summary

Cities and towns across the Phoenix East Valley are experiencing prolonged periods of steady growth. As populations increase, so does PMGAA's responsibility to work with neighboring communities to protect them, and the Airport, through thoughtful planning, strategic partnerships, and better communication.

Objective 1 – Increase involvement in neighboring communities

Action Items

- Continue comprehensive Community Relations Program, including Airport Noise Program, to increase communication and interaction with surrounding communities and key stakeholder groups
- Provide periodic Airport update presentations to elected officials, community groups, and other interested community partners
- Participate in local civic/business organizations and seek representation for PMGAA employees on their governing bodies
- Expand Aviation Education Program with local schools
- Meet periodically with air traffic control tower staff to discuss noise and air traffic issues

Objective 2 – Encourage cooperative long-range land use planning

Action Items

- Promote the adoption of recommendations from Land Use Compatibility Study Update
- Implement vertical height development guidance into local jurisdiction zoning ordinances
- Establish regular communication with local planning officials to promote proactive land use planning around Gateway Airport
- Review community general plans and development proposals to provide Airport feedback
- Actively participate in regional planning initiatives including the Arizona Department of Transportation (ADOT) North-South Corridor Study

Objective 3 – Engage local communities to promote unified vision and support for continued development of the Airport

Objective 4 – Highlight economic importance of Airport and its activities

Action Items

- ➔ Update Gateway Airport’s Economic Impact Study
- ➔ Complete an Airport employee residency survey
- ➔ Effectively communicate the economic contributions of various activities at Gateway Airport

Strategic Goal #3: Strengthen Financial Sustainability

PMGAA Board Statement: Gateway Airport benefits by developing and diversifying aeronautical and non-aeronautical revenue sources. Steady, stable, and robust fiscal control helps support revenue planning and operational cost efficiencies for the Airport’s ongoing operations. Member Community contributions and various grants for capital replacement and improvement assist in assuring long-term financial sustainability.

Goal Summary

Gateway Airport is a thriving and operationally self-sustaining regional airport serving the greater Phoenix region. The Airport benefits from annual investments by its Member Communities dedicated to important airport facility and infrastructure improvement projects.

Growing and diversifying aeronautical and non-aeronautical revenue AND controlling operational expenditures are critical for the Airport’s long-term success.

PMGAA’s goal of receiving a bond rating and issuing general airport revenue bonds in the future greatly depends on its ability to reach the required level of days of available cash on-hand metric; as well as creating long-term revenue streams to adequately support future bond debt payments.

Objective 1 – Sustain and improve comprehensive financial management processes, tools, and reports while refining budgeting and financial planning processes to reflect anticipated resources and planned expenditures

Action Items

- ➔ Establish and enforce fiscal period discipline to enhance reporting accuracy and reliability
- ➔ Prepare dynamic monthly financial cost-center reporting tool
- ➔ Establish cash management and investing program to maximize investment returns
- ➔ Implement a five-year Capital Improvement Plan (CIP)

- ➔ Implement a five-year financial modeling process
- ➔ Manage projects with constant cash flow and budget updates
- ➔ Conduct annual review of Airport Rates and Charges and other Airport fees
- ➔ Conduct a periodic review of all financial policies
- ➔ Establish annual budget calendar for operational and capital budgets
- ➔ Decrease costs and procurement time by utilizing co-operative purchasing channels

Objective 2 – Diversify and increase aeronautical and non-aeronautical revenues

Action Items

- ➔ Identify, evaluate, manage, and promote underutilized or underperforming Airport-owned real estate assets
- ➔ Proactively negotiate upcoming lease renewals
- ➔ Continue to promote Airport real estate assets to targeted industries
- ➔ Continue to develop relationships with commercial brokerage firms and economic development organizations
- ➔ Work with food, beverage, and retail concessions and ground transportation providers to expand and/or maximize operations and revenue
- ➔ Evaluate terminal concession programs to determine effectiveness
- ➔ Evaluate rental car concessions for opportunities for operational efficiencies/expansion and revenue enhancement
- ➔ Proactively manage entire portfolio of ground transportation service providers to ensure passengers needs are being met and providers comply with Airport Rules and Regulations
- ➔ Develop plan to increase revenue opportunities for Gateway Aviation Services
- ➔ Maximize asset disposal through all available disposal methods

Objective 4 – Increase days of available cash on-hand to industry average of 500+ days and strive to obtain a bond rating

Objective 6 – Evaluate alternatives for providing ARFF and LEO services

Strategic Goal #4: Invest in People and Operational Assets

PMGAA Board Statement: Maximizing Gateway Airport’s economic contribution to the greater Phoenix region greatly depends on PMGAA’s ability to attract and retain a high quality, talented, and motivated workforce. PMGAA has created a positive work environment offering competitive compensation and benefits packages.

PMGAA is committed to support staff, tenants, and customers by investing in facilities, infrastructure, and equipment to ensure the safe, secure, efficient operation of Gateway Airport.

Goal Summary

Human resources are one of an organization's most important and valuable assets. PMGAA must continue to invest in its employees and provide them with the tools and resources they need to successfully meet their individual work responsibilities. PMGAA will strive to attract and retain an experienced and knowledgeable team by cultivating a positive work environment where employees feel needed and valued.

The secure and efficient operation of Gateway Airport requires a continued investment in business systems and technology to support a dynamic and growing operation.

Objective 1 – Maintain an organizational culture and employee compensation and benefits program to attract and maintain highly qualified employees and reduce employee turnover

Action Items

- ➔ Create and maintain a Safety Management System (SMS) and implement SMS practices
- ➔ Maintain a comprehensive Workplace Safety Plan
- ➔ Evaluate performance of new rewards/recognition program
- ➔ Control cost of benefits package to create additional value for employees
- ➔ Enhance Wellness Program
- ➔ Conduct compensation surveys to ensure competitiveness
- ➔ Develop and maintain clear, understandable Human Resource Department policies
- ➔ Enhance Performance Management System
- ➔ Implement specific recommendations from Employee Engagement Study
- ➔ Establish a Workforce Plan to help guide organizational planning
- ➔ Expand employee training and supervisory development opportunities

Objective 2 – Improve integration of technology, internal controls, and benchmarking across all departments to better support customer needs and strengthen financial framework

Action Items

- ➔ Perform a benefit-cost analysis on all capital projects and purchases
- ➔ Review PMGAA Policies and Procedures to ensure they support strategic direction of organization
- ➔ Implement a vendor self-processing portal

Objective 3 – Invest in necessary facilities, infrastructure, and equipment to meet changing needs of the organization

Action Items

- ➔ Recommend facilities to be updated, replaced, or removed
- ➔ Prepare and implement equipment life cycle replacement plan
- ➔ Develop a comprehensive airfield sign renewal program
- ➔ Establish 5-year refresh program for all technology hardware

Strategic Goal #5: Attract Commercial Development

PMGAA Board Statement: Airports are important economic engines for the regions they serve, creating jobs, stimulating private investment, and providing access to the global marketplace. PMGAA will continue to attract, encourage, facilitate, and promote public, private, and public-private investment in available land and facilities on or around Gateway Airport by implementing a long-term strategy for both aeronautical and non-aeronautical commercial development.

Goal Summary

There is a significant amount of Land available for development within the boundaries of Gateway Airport. The continued expansion of commercial retail, industrial, and office development will maximize revenues for the Airport, create new high-wage jobs for the region, and ensure economic prosperity for the growing Phoenix East Valley.

Objective #1 – Proactively market and promote both aeronautical and non-aeronautical land development at Gateway Airport

Action Items

- ➔ Inventory existing facilities to determine current condition and cost of renovation
- ➔ Continue to support and promote SkyBridge Arizona
- ➔ Complete a comprehensive solicitation process to identify master developer for the Gateway **East** development project
- ➔ Coordinate with the City of Mesa, Salt River Project (SRP), Southwest Gas, and various telecommunication providers to ensure necessary infrastructure is planned for Gateway **East**
- ➔ Implement a strategic communications plan to highlight business opportunities at Gateway Airport
- ➔ Strengthen relationships with leading aviation industry development companies and national site selection consultants

Objective #2 – Strengthen relationships with on-airport businesses

Action Items

- ➔ Maintain positive working relationship with on-airport leadership
- ➔ Be responsive to business issues and try to solve problems with a “make sense”
- ➔ Provide periodic Airport update presentations

Objective #3 – Enhance working relationships with regional economic development organizations

Action Items

- ➔ Improve existing relationships with national, state, regional, and local economic development organizations through active participation on governance boards, committees, and working groups.
- ➔ Provide periodic Airport update presentations

Strategic Goal #6: Plan, Build, and Maintain Airport Facilities and Infrastructure

PMGAA Board Statement: Access, efficiency, capacity, and cooperation are all tenets of successful planning. Gateway Airport will continue to work with federal, state, and local officials; neighboring businesses and communities; and adjacent landowners to plan and develop Airport facilities and infrastructure that support long-term growth of Gateway Airport and improve the economic vitality of the region.

Goal Summary

Airport growth is a proven catalyst for sustainable, long-term economic prosperity of a region. Thoughtful, inclusive, and transparent coordination of facilities and infrastructure with local communities and other important stakeholders is the cornerstone of any successful Airport. Maintaining adequate facilities, parking, roadways, runways, utility connections, and information technology is a major part of the Airport master planning process.

Objective #1 – Ensure Gateway Airport’s facility and infrastructure priorities are shared and integrated into all local, state/regional, and federal long-range funding programs

Action Items

- ➔ Communicate PMGAA land use priorities and funding needs
- ➔ Manage Passenger Facility Charge (PFC) applications to align with identified Airport Master Plan projects
- ➔ Continue participation in ADOT North-South Corridor Study and SR 24 expansion project
- ➔ Continue as a member of Pinal County’s San Tan Valley Special Planning Area Plan Transportation Advisory Committee
- ➔ Encourage cooperative regional infrastructure planning
- ➔ Create Planned Area Development (PAD) overlays to expedite project entitlements and review and file PAD amendment application

Objective #2 – Promote an open, inclusive, and transparent Airport planning process

Action Items

- ➔ Continue to coordinate broad participation by communities and key stakeholders in long-range Airport planning initiatives
- ➔ Identify regional roadway and rail projects that promote maximum connectivity to Airport
- ➔ Continue to work with Maricopa Association of Governments (MAG), ADOT, the City of Mesa and adjacent communities on regional planning issues

Objective #3 – Implement facility and infrastructure maintenance and improvement projects that support continued Airport growth while considering community and environmental impacts

Action Items

- ➔ Construct new air traffic control tower (ATCT)
- ➔ Expand Airport parking lots as needed to keep ahead of increasing demand
- ➔ Coordinate with the City of Mesa on infrastructure for Gateway **East** development project
- ➔ Develop 3 to 5-year Capital Improvement Program

Objective #4 – Ensure all Airport projects are guided by its Airport Master Plan and the Federal Aviation Administration’s (FAA) Airport Capital Improvement Program (ACIP)

Strategic Goal #7: Promote Regional Tourism

PMGAA Board Statement: Gateway Airport welcomes a growing number of visitors to the greater Phoenix region each year. These sun-seeking visitors spend hundreds of millions of dollars annually on lodging, food & beverage, transportation, entertainment, and retail purchases. It is critically important that the Airport be an active participant in Arizona’s hospitality/tourism industry.

Goal Summary

The hospitality/tourism industry is one of the most important sectors of the Arizona economy. It is equally important to the economies of greater Phoenix and the Phoenix East Valley. As a major economic engine, Gateway Airport will continue forging strong working relationships and creative partnerships with local, regional, and state hospitality/tourism organizations like the Arizona Office of Tourism, Arizona Lodging and Tourism Association, Tempe Tourism Office, and Visit Mesa.

Objective #1 – Strengthen industry partnerships

Action Items

- ➔ Continue to work with tourism/hospitality industry partners to promote the region through the Allegiant Alliance Marketing Collaborative
- ➔ Develop shared tourism messaging
- ➔ Identify advertising opportunities within terminal to promote regional tourism industry

Objective #2 – Implement a hospitality/tourism industry communications plan

Objective #3 – Participate in state/regional hospitality/tourism promotion and planning initiatives